

# Operations & Regulatory Services -- Inspections

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## ***Mission Statement***

"Work in partnership with customers to ensure the livability and vitality of the City of Minneapolis by protecting the health, safety, and welfare of Minneapolis residents, businesses, and visitors, through education and enforcement of applicable laws and regulations"

## **Primary Businesses:**

Operation Support Services  
Development Review Services  
Construction Inspection Services  
Housing Inspection Services  
Business Licensing Services  
Environmental Services

## **Key Trends and Challenges Impacting the Department:**

Regulatory Services

Regulatory Services conducted an environmental scan to identify the significant trends and challenges that would most likely impact its business lines over the next five years. The scan identified the following 15 significant trends and challenges:

1. Business Cycle, Economic Trends and Market Trends
2. Fee Reporting Mandate
3. Process Management
4. Technology
5. Regulatory Trends
6. Neighborhood Stability
7. Local Government Aid and Personnel Reductions
8. Administrative Adjudication/Administrative Enforcement and Hearing Process
9. Personal Safety/Security
10. Communication, Education, Perception
11. Performance Measurement
12. Workforce Management/Combination Inspector/Generalist
13. Traffic Control Trends
14. Environmental Services
15. Business Licenses Trends & Challenges

### 1. Business Cycle, Economic Trends and Market Trends

The regulatory services field is impacted by the same economic trends that impact the industries of construction, real estate sales, office occupancy, and other similar activities. These are cyclical industries that experience booms and busts similar to the stock market. When these industries boom, the demand for regulatory services increases dramatically. For example, regulatory permit activity and the requests for inspections may triple during a boom. The regulatory services capacity cannot meet the demand for services and a backlog, or service gap is created. Economic busts create a tremendous reduction in an immediate need for regulatory services. This leaves only the work of simply catching up with the backlog the boom created. If the regulatory services business were capable of responding quickly to the industry cycles, the service gaps created by backlogs during booms would be eliminated, and the catching up after the booms would be eliminated.

The typical governmental processes for budgeting and staffing tend to be cumbersome and relatively slow in comparison to the industry cycles. Policy makers have shown reluctance to permanently staff up when they know that sometime in the near future, there may be a bust. Even if the budget were to be allocated to increase staff relative to the construction boom, it takes several months to actually hire staff. And in some cases, the same individuals who would be available to hire, are those that are actually performing the work in the private sector.

## 2. Fee Reporting Mandate

Minnesota Statutes section 16B.685 mandates that beginning April 1, 2003 municipalities report all construction and development-related fees collected from developers, builders and subcontractors. The report must include: (1) the number and valuation of units for which fees were paid; (2) the amount of building permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, and other construction and development-related fees; and (3) expenses associated with the municipal activities for which fees were collected.

The intent of this law is to gather data on the permit fees municipalities charge and determine if the revenues collected match the costs incurred in providing services. Reasonable permit fees should cover the cost of issuing permits, inspections services and all other direct and indirect expenses. It is important that fees do not earn revenue beyond a city's costs, no matter how high the costs. The courts have invalidated city fees that have shown intent to raise revenue.

The above is significant in that the Inspections Division collected approximately \$16,000,000 in total revenue and had about \$13,000,000 in total expenditures for 2002. However, an analysis revealed that development-related revenue was \$5,533,931 and development-related expenditures was \$5,637,629. In the future, the Division must continue monitoring development-related revenues and expenditures to ensure compliance with applicable case law.

## 3. Process Management

Case Management

Workflow Management

Regulatory Reform - Trades Licenses and Comp Cards

Selected Inspections - Labeling - Spot Inspections

In the City of Minneapolis, development review, permitting, licensing, and inspections processes are increasingly interdependent. Regulations are changing to meet growing demands for safety, and staff turnover creates noticeable gaps in the institutional knowledge of the organization. Current business processes and technology applications need to be improved to meet these challenges. On the business side, the City is seeking to reengineer business processes and apply best practice opportunities such as case management to the development application and review process. Case management of development projects will be implemented partly by establishing a project-coordinating role for the City and a counterpart for the customer. Further, the case manager will not be successful unless workflow management tools are put in place. A workflow management system allows case managers and others to control the movement of complex and interrelated information from one processing point to another, activating appropriate actions or triggering additional process control requirements. A workflow management system serves as a bridge between individual organizations and agencies.

Regulatory Services currently uses a business system that can provide for workflow management functionality, and the department is seeking to employ this system to enable case management, the One Stop Shop, and land, permits, and licenses data quality improvements. This initiative is far reaching, and will require the strong commitment of expert technical and business resources over the next two to three years.

Since the late 1990's, the trades licensing and trades competency cards process has been reengineered to provide for more consistency and less bureaucracy. Instead of the multiple, somewhat duplicative steps required of applicants to receive a trades license to operate, the City has established an exams process administered by an external testing firm and in many cases eliminated unnecessary approvals. Further, the City is working to establish state wide licensure requirements and multi-jurisdictional reciprocity.

#### 4. Technology

We live in the age of information technology with increasingly internet-savvy constituents. Citizens, developers, decision-makers, and other agencies are demanding increased speed and efficiency of government services and rely on the quality of available data. Many cities across the country have enacted e-Government initiatives to reduce costs, increase speed, and satisfy the demand for quality data to make timely and informed decisions. It is clear that technology and e-Government solutions will continue to play an increasingly larger role in the Department of Regulatory Service's future.

Some of the challenges that are currently impacting and will continue to impact the Department of Regulatory Services include: 1) Funding the initial capital expenditure and investment in personnel required to implement a top-tier e-Government solution. 2) Managing the political risks associated with implementing or not implementing e-Government solutions. 3) Stretching an already tight budget to support technology initiatives. 4) Attracting and keeping talented staff to implement and support technology.

#### 5. Regulatory Trends

The regulatory environment, while becoming more complex, is impacted by the movement to become more customer friendly, engage stakeholders and developers in more effective regulatory strategies, and establish a wide variety of tools for gaining compliance.

Regulatory issues are becoming more complex, in part due to the proliferation of regulation at all levels of government.

##### The City's Regulatory Environment and Customer Service

In Minneapolis, the systematic nature of the City's regulatory strategies are evident through federal, state, and local laws, strict deadlines for correcting violations, and rigorous adherence to building, housing, zoning, environmental, licensing, and health codes. Although several strategies have been introduced in the recent past to provide additional, more creative methods of enforcement, the City's regulatory environment is still highly codified and legalistic.

The almost universal demand to provide better service to customers challenges regulatory organizations to structure themselves in ways to give better service and facilitate development without losing sight of and commitment to public safety goals. Best practices research done recently all point to regulatory services as a central place for improving efficiency and quality for customers. One Stop Shops offering a wide range of development services proliferate throughout the country, in large, medium, and small cities. Along with this initiative, many cities throughout this country and the world are implementing on line permitting and licensing services, IVR systems, case management, and off hours services.

Many cities have invested substantial efforts to analyze, simplify, and provide alternatives for development reviews and approvals, code enforcement, and licensing.

Assessing how we should provide customer service as well as public safety for the common good is an important step for the City as we move to the new CPED organization and the One Stop Shop. An analysis of customer service and regulatory issues that are encountered by other agencies paired with an objective analysis of our own regulatory environment will provide a basis for more informed planning and organizational change to:

- Enable regulatory solutions that will uphold public health and safety;
- Communicate clear expectations to customers partnering with us to meet development goals and objectives;
- Create clearly defined roles and relationships within the intergovernmental regulatory system and with our customers;
- Provide timely and responsive development services;
- Help ensure accountability and measurable, reliable outcomes.

## 6. Neighborhood Stability

The health and stability of Minneapolis neighborhoods has a significant impact on Regulatory Services and its core businesses. A substantial portion of our work is conducted in neighborhoods on behalf of residents, businesses and community organizations. Moreover, the stability and appearance of neighborhoods and communities are often benchmarks of our success.

Neighborhood stability is generally characterized by:

- A well-managed housing stock
- A clean physical environment
- An investment in property

During an economic down turn where there is an increase in unemployment, an increase in poverty and other signs of economic distress, there is measurable decrease in neighborhood stability.

A disruption in neighborhood stability impacts our department in two ways. First, it increases the number of incidences that call for a regulatory solution (disinvestment in property and an increase in nuisance code violations such as tall grass, litter, weeds, graffiti, and other neglect indicators) creating more work for code enforcement staff. Secondly, because there is less money available to residents, there is a corresponding reduction in construction activity, which diminishes workload for certain sections of our department with a subsequent drop in revenues generated through permit fees.

When neighborhoods are in distress, residents tend to view regulatory staff with more resentment and ill will and are less willing or able to cooperate with our orders or correct violations.

### Trend Verification

Unemployment: While unemployment has been low and remained steadily low for nearly 10 years, it jumped almost 1 percent between 2001 and 2002. With the current economic conditions, there could likely be a continued rise in unemployment over the next 5 years.

## 7. Local Government Aid and Personnel Reductions

Generally, the least senior employees will be laid off in the City's unionized environment. This results in the loss of the newest, least experienced employees; however, these are often the best-trained employees in terms of current education and technology.

Layoffs also pose a problem at the other end of the workforce profile. Major cutbacks often result in retirement incentive plans to encourage retirement eligible employees (generally the highest paid) to retire early. Many senior employees will accept this retirement incentive and leave the organization to avoid the hassles of a major cut back and restructuring. This results in an immediate loss of employees with valuable experience, years of training, proficiency, and "corporate memory". Because this occurs in a rush-rush environment, reasonable transition of knowledge and projects is also lost. It will be essential that the Department recognize and manage this loss of the newest education and technology skills at one end of the workforce profile, and the loss of the experience, proficiency, and corporate memory at the other end of the workforce profile.

## 8. Administrative Adjudication/Administrative Enforcement and Hearing Process

In September of 2001, the City Council authorized the use of a new civil procedure, known as the Administrative Enforcement and Hearing Process. The new program was designed to provide code-enforcement staff with a more effective regulatory tool. Prior to implementation of the Administrative Enforcement, staff were obligated to use the criminal court process, which is an ineffective tool for regulatory enforcement. A pilot program was launched on May 1st 2002, in the Business Licensing Division of Regulatory Services.

During the first year, business-licensing inspectors expressed great satisfaction with the new tool and believe that because of it they are more effective in their enforcement. Inspectors have witnessed an increase in compliance with orders, a decrease in repeat violations and a reduction in the number of complicated cases. Moreover, use of the new procedure saves employee time spent waiting for court cases to come up, it gives us more timely decisions, and it has actually increased and improved the dialogue with problem businesses. Regulatory Services will continue to rely on this tool and expand its use throughout the organization.

In order for the program to be successfully expanded to other divisions in Regulatory Services and other departments who conduct code-compliance inspections, several aspects of the program will need to be coordinated and centralized. They are:

- Shared enforcement information, with the ability to track and monitor violation activity.
- Coordinated fine/ticket payment and collection systems.
- Coordinated Hearings of appeals.

There appear to be vendors that will provide the database, scheduling, payment and collection functions all in one package for a portion of fines collected without much, if any up front investment.

## 9. Personal Safety/ Security

Regulatory Services is committed to ensuring a safe work environment for all employees in a work environment known to present risks. Due to the nature of our regulatory services our staff encounter situations that are controversial and may be volatile. These situations can easily transform into real safety risks and added stress for our employees.

It will be critical over the next five years to maintain our value of a safe workplace. Workplaces with active safety and health leadership have fewer injuries, are often rated "better places to work," and have more satisfied, more productive employees.

Some of our challenges in personal safety and security during the next five years include the following:

- Recent global and local events will require more attention and resources dedicated to employee safety and work place security.
- The increase threat of terrorism will require compliance with State and City directives.
- The down turn in the national and local economy will likely increase the number of cases of those who may cut corners and circumvent normal code compliance.
- State and local budget cuts have reduced the number of public safety resources, limiting the effective coordination and response time of high-risk code enforcement.
- New handgun and conceal & carry law changes may make an angry customer who is out of control a serious physical threat to an inspector.

Over the next five years we will conduct research, review and establish appropriate policies, provide training, and interdepartmental coordination to improve the safety and security of our employees.

## 10. Communication, Education, Perception

Communication and education have become an increasingly important part of our compliance programs with our intent to ensure that our citizens and businesses understand the requirements and the necessary processes before taking enforcement action. When enforcement action is taken it is very important we appear to be fair and objective in our enforcement. All of these factors become much more complicated in our increasingly diverse community.

Communication can easily become much more time consuming and differences in the basic assumptions of how society works can easily lead to misunderstandings. This in turn makes education all the more important, yet requiring even more review and time commitment, especially for our frontline people. We become caught in the tension between trying to do more with less, as our budgets require, while at the same time providing the greater

time and resource commitment that our diverse community needs to understand and comply.

Yet, if we don't make an adequate commitment to the needs of our diverse community, we face the biggest threat of all to our mission and our effectiveness—to be perceived as discriminating. Distrust of our actions and motives results. If that becomes the perception among our diverse cultures, then we lose the legitimacy of mission and we lose the community's cooperation in creating a safe and healthy built and business environment.

Therefore, it is critical for us to find ways to effectively respond to this challenge.

#### 11. Performance Measurement

Performance measures are central to our new way of doing business because they strengthen accountability by providing a common language to clarify expectations between two parties about the level of performance promised or expected. By agreeing on performance measures, they establish a common metric for reporting on and determining the status of agreed-upon or expected deliverables, whether between appointed officials and elected officials, elected officials and the electorate, the government workforce and their managers, one governmental body with another, contractors and the government, businesses and the public, or among government workers. An information-rich, performance-focused system can also boost the transparency of the system if performance information is shared with the public. This, in turn, strengthens accountability, enhances efficiency and improves the quality of public decision making.

A key challenge in implementing a performance-focused system must be helping managers, workers, elected officials, candidates, shareholders, customers and the public appreciate the utility of performance measures and the potential power of performance measurement for achieving enhanced results.

#### 12. Workforce Management/Combination Inspector/Generalist

The combination inspector/generalist inspector is a method of providing multiple inspections to the customer using one inspector. This concept has had several different titles: super inspector, generalist, code compliance officer, and combination inspector. Regardless of the title, the policy makers and the customer believe that one qualified person inspecting numerous aspects of a simple project can more efficiently provide inspections.

This approach to inspections saves contractors time and money, and allows more inspections with existing staff. Two initiatives currently being implemented in Regulatory Services, Geographic Service Delivery and establishment of a code compliance generalist, will be critical components of future resource and workforce management.

#### 13. Traffic Control Trends

Data collected over the last five years indicate an increase in requests for traffic control services as well as parking enforcement services. LRT construction has provided a challenge for Traffic Control to fill the need for intersection control and staffing levels. Abandoned vehicle complaints have more than doubled in the last two years which challenges Traffic Control to provide more enforcement for abandoned vehicles and still provide adequate enforcement of other ordinances. We will continue to try and resolve these issues through prioritization of tasks and balancing staffing levels with those priorities.

#### 14. Environmental Services:

Several trends impact Environmental Health:

- Increased public awareness of food safety and interests in food regulation represented by requests from the media for environmental health information and records.
- Public demand for regulatory reform and increased access to government and public information.
- Emerging pathogens, global food supply, epidemiological statistics show increases in viral infections related to personal hygiene.

- Increased demand for global and farm-fresh food products available at local farmers markets.

#### Challenges:

##### Lack of Technology:

In order to perform at the highest level in the information age, we need up-to-date technology. The public expects City departments to provide well-organized, accurate, and timely information and the ability to do business on the internet. In order to serve the client, all City departments need to communicate efficiently using state-of-the-art technology. Our current needs are: integration into the enterprise system (BIS/KIVA); faster processing computers that can handle multiple applications simultaneously; and a user-friendly website that provides realtime information.

##### Language Barrier and Cultural Differences:

Environmental Health - Food Safety is committed to assisting all Minneapolis businesses become successful, while ensuring that Minneapolis is a model city for food safety. We are working efficiently to meet the needs of our multi-cultural population and have developed a model for food preparation training and education among ethnic communities. We are enriched with a great variety of language culture and cuisine. Our challenge is to link this diverse population of food service operators to consumers and community agencies to make them successful (e.g., dedicate staff resources to support new farmers markets). We need adequate resources that will enable us to effectively communicate and provide training materials in a variety of languages. We also need to understand how ethnic foods are received, handled, prepared and served. We are committed to providing efficient and effective services to our culturally and linguistically diverse community.

#### 15. Business Licenses Trends & Challenges

- Surprisingly, licensing activity has increased during this recession in that the downsizing of larger corporation has spawned many new smaller entrepreneurial entities. Liquor licensing has increased as restaurants and clubs strive to compete by upgrading their facilities. Further, immigration has resulted in many family businesses being established in a multitude of endeavors, virtually all of which with limited resources.
- "Limited resources" translates into a greater need for our division in assisting these business in their compliance with local and state codes, and ultimately toward their success.
- Also, budget reductions in other departments have resulted in additional work being transferred to the Licensing Division, most notably from the Police department and the reduction of the SAFE unit. Anticipated attempts to reduce police false alarm calls will create additional permitting activity for this division.

##### New revenue initiatives:

Business Licenses Services is proposing pursuing new revenue strategies including new false burglar alarm fees (\$40,000), License fee increases (\$89,000), parking and traffic fine increases (\$86,000), new business surcharges, and new fees to cover expenses incurred by special events throughout the City, and other smaller fees for services (ie. Credit card transaction fees, etc.)

##### Other new administrative initiatives include:

- One stop Development Review Center enhancements;
- Coordinating initiatives with the new CPED office;
- Administrative license issuance;
- Outreach efforts per the Small Business Task Force report;
- Taxicab program enhancements;
- Expansion of KIVA computerization utilities.

##### Additional Discussion Items for Operations and Regulatory Services:

The Operations and Regulatory Services Department faces several challenges, however, one of the most significant is the fact that much of its activities especially in the Building Inspections areas are tied to activities than span more than one year. Additionally, the building market is very cyclical. This combination makes it difficult to budget and staff on an annual basis. For instance, a major building will come in for plan review in one year and pay plan review fees related to ensuring that the building plans meet City codes. However, much of the actual building and inspection activity actually takes place over the next two years. Additional permits are drawn for inspection of basic construction, however, again, this activity often spans more than one year. That means services are needed by the customer in more than one year, however, all of the revenue paid in permit fees is paid and zeroed out in one year because of the budget cycle. The department does not have the ability to parcel out the revenue to meet the costs and services necessary over more than one year. This means we can not plan as effectively as we would like to meet the work load demands or staff up for those peaks of activity. As we analyzed this significant issue in our business planning process, we came to the conclusion that we needed a different method of funding, such as the creation of an enterprise fund, one that allows the department the flexibility to more effectively budget and staff for projects rather than for a one year period. We realize this is a departure from past practice, but we would like to work on a process that over time creates the flexibility we need to serve our customers well and to ensure building safety in the City.

Annual budgeting and staffing also don't deal very well with the realities of the Building market which is that the activity is cyclical. It has peaks, but there are also valleys. Our current system does not allow us to plan well for these cycles. We again are looking for ways to better deal with this reality. Next year we are facing one of those valleys. While commercial and home remodeling still are going strong because of the low interest rate and good real-estate market and the number of permits may actually reach or exceed this year's numbers, the overall value of these projects is less, so that we believe overall revenues will be down between 1.2 and 2.5 million dollars.

We realize our responsibility to ensure than the City is appropriately recovering its costs, so we have looked at all of our operations and found some places where revenue should be increased. We have some services provided that do not recover their costs and will bring these forward to revisit the policy decisions necessary, and we think we can find some efficiencies to reduce costs. The following is a listing of our ideas:

Revenue Increase Proposals

Proposal	Revenue
Implement Administrative Adjudication In Housing	\$ 100,000
Index all Rental Housing to Inflation	\$ 34,000
Increase Annual Pollution Control Permits	\$ 50,000
Work w/Henn. Cty. Courts to increase fines	\$ 86,000
Increase Truth in Housing Fees	\$ 142,000
Remove cap and discount from Elevator Permits	\$ 116,740
Adjust permit fees annually	\$ 300,000 (3% On \$10 mill)
Increase False Alarm Fees	\$ 40,000
Late Night Liquor Fees	\$ 49,800
Budgetary Leave - Inspections	\$ 60,000
Surcharge for Credit Card Payment	\$ 15,000
Various Pet Fees Increases	\$ 30,000
Total	\$1,023,540

Recover Cost for Services

Charge Fee for Inspection of Commercial daycares and private schools	\$15,000
Charge parkboard for pool and food facility Inspection or cease doing	
Re-examine whether food shelves need inspection	
Revisit Pet licensing discussion	

Efficiencies

Cell phones	\$30,000
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Public Works Fueling	\$16,000
Fleet reduction with Internal pool	\$40,000
Total	\$86,000

However, as our business planning discussions also highlighted, real efficiencies of a significant nature depend on technology implementations. When our permit applicants can apply and pay for the less involved types of permits on line, we will have both the most efficiency savings, and be providing the service most conveniently to our customers. When we can renew licenses on line we will finally be providing what our existing businesses in the City want—less paperwork. These businesses account for 80% of licenses. We have been waiting for over 10 years for the remote inspector project to get funded so that inspectors can access permit and licensing information in the field and directly enter inspection results.

New technology solutions and innovations have been notoriously difficult to get financed in the City, therefore we are proposing the following ideas to accomplish this:

- Establish a technology surcharge Citywide whether the permits issued are done on paper or not now.
- Establish an additional surcharge on permits and fees within the department
- Go out for RFP for a company to invest in all of the up front set up for a percentage of future revenues.

**Key Initiatives or Other Models for Providing Service to be implemented:**

The following 10 key initiatives have been identified by Regulatory Services for implementation during the next five years. A more detailed explanation of each initiative follows the summary list of initiatives below:

1. One Stop Development Review Center
2. Transfer of Regulatory Services Activities to the Fire Department to Allow Retention of Firefighter Positions
3. Administrative Adjudication
4. Combination Inspectors (multi-department) and Related Code Revisions
5. Administrative issuance of some licenses.
6. Remote Inspector
7. Personal Safety/Security
8. Transition Regulatory Services from a General Fund to an Enterprise Fund
9. Merging of Services and Partnering
10. Work Flow Management

1. Key Initiative – One Stop Development Review Center

The One Stop Development Review Center is a customer focused business integration of development application, review, and permitting and licensing functions within the City. Currently many of these functions are operated as separate activities within a number of departments in the City.

There are many opportunities for coordinating these processes, ranging from co-location of essential customer services, to integration through a workflow management system, to reengineering and clarification of the activities and tasks required to ensure quality, safe, and livable development in the City. The goals of the One Stop Development Review Center are to:

- Simplify the process for customers to obtain permits and licenses.
- Integrate Fire, Public Works, Regulatory Services, and CPED development activities using a workflow management system.
- Improve land, permit, and license information quality.
- Web - enable the development process for customers and employees, including development applications, reviews, checklists, permit and license issuance, inspections, and reports.

The success of the One Stop Development Review Center is dependent on the commitment of business and technical resources from many departments in the City as well as the support of customers and policy makers. The

short term objective of the One Stop Development Review Center is to provide customer parking close to the Public Service Center. The long term One Stop Development Review Center (DRC) plan for 2004 – 2005 calls for the integration of all development application, review, permitting and licensing, and inspection services through workflow management tools, process improvements, and case management staff.

#### Objectives

Process \* Technology \* Management \* Customer Service

- Conduct a baseline measurement of current activities and timelines to use in assessing the impact of One Stop DRC project changes.
- Integrate Fire, Public Works, Regulatory Services, and CPED development activities using a workflow management system.
- Reduce duplicative and sequential activities and systems.
- Reduce the number of locations a developer is must contact/visit to obtain required permits and licenses by co-locating staff physically and virtually.
- Develop a One Stop DRC organizational model that will promote “high-level” customer service delivered by process- and technology-oriented staff.
- Improve tracking of development activities by establishing timelines, assignments, and reporting mechanisms.
- Provide case management for projects of a defined scope.
- Establish common definitions of terms, conditions, activities, and forms.
- Create and integrate land data quality and addressing/site identification activities during the initial application process.
- Create a unified application intake process.
- Provide a customer parking area near the One Stop DRC.
- Leverage existing investments in web based development, GIS, imaging, and business applications.
- Implement web access to development process information for customers and field inspectors.

#### Key Measures that will be affected by the One Stop DRC

- Customer and employee satisfaction
- Development process data quality
- Revenue generation
- Cost and productivity savings

### 2. Key Initiative – Transfer Of Regulatory Services Activities To The Fire Department To Allow Retention Of Firefighter Positions

Regulatory Services is actively pursuing an initiative to review possible regulatory service activities throughout the organization that will be transferred to Fire. This initiative will identify those service activities and FTE levels that will be transferred in an effort to save critical firefighter positions.

The benefits of this proposal are:

- To better utilize firefighter’s available resource hours to deliver City services at a good value to our taxpayers.
- In an effort to preserve and enhance our natural environment and promote a clean, sustainable Minneapolis transferring regulatory business activities will better serve our customers in areas where workload is high and resources are low.

To accomplish a successful transfer of a function responsibility by January 2004; it will take cross-departmental personnel & management commitment; addressing any labor management concerns between unions; process manual development for each component transferred; technology modifications & enhancements; training & on-going support throughout implementation and beyond; public relations/communication for Minneapolis citizens.

### 3. Key Initiative – Administrative Adjudication

In September of 2001, the City Council authorized the use of a new civil procedure, known as the Administrative Enforcement and Hearing Process. The new program was designed to provide code-enforcement staff with a more

effective regulatory tool. Prior to implementation of the Administrative Enforcement, staff were obligated to use the criminal court process, which is an ineffective tool for regulatory enforcement. A pilot program was launched on May 1st 2002, in the Business Licensing Division of Regulatory Services.

During the first year, business-licensing inspectors expressed great satisfaction with the new tool and believe that because of it they are more effective in their enforcement. Inspectors have witnessed an increase in compliance with orders, a decrease in repeat violations and a reduction in the number of complicated cases. Moreover, use of the new procedure saves employee time spent waiting for court cases to come up, it gives us more timely decisions, and it has actually increased and improved the dialogue with problem businesses. Additionally, administrative fines collected offset the expense of the additional inspector time taken up by problem businesses. Regulatory Services will continue to rely on this tool and expand its use throughout the organization.

In order for the Administrative Adjudication program to be successfully expanded to other divisions in Regulatory Services and other departments who conduct code-compliance inspections, several aspects of the program will need to be coordinated and centralized. They are:

- Shared enforcement information, with the ability to track and monitor violation activity.
- Coordinated fine/ticket payment and collection systems.
- Coordinated Hearings of appeals.

There appear to be vendors that will provide the database, scheduling, payment and collection functions all in one package for a portion of fines collected without much, if any up front investment.

In 2003, we expect that Police Licenses, Public Works Right of Way, and Regulatory Services Housing will begin using the administrative citation process. This should give us some better estimates of the overall volume of activity that might be generated by this process. With 6 months of performance activity, we would expect that an RFP might be generated in 2004 to seek software and perhaps at least part-time staffing to record, schedule, and conduct hearings as well as centralizing collection of unpaid amounts. With a centralized process and software it should be easier in 2005 to add additional departments to the process such as Fire and Environmental Health.

Using this process will help the City accomplish Goals 1, 2 and 7. It will help people feel safe and trust the City's public safety professionals and systems, because we will no longer be threatening business persons with a criminal record for ordinance violations under most conditions. This is especially important to those who have an immigrant status. Additionally, those causing the City extra expense in inspector time will be the ones paying this expense. Because of the effectiveness and timeliness of administrative adjudication, we will be able to better maintain the City's infrastructure ensuring a healthy, vital and safe City. This system will improve government management systems in that the costs of enforcement will be better managed and billed to those causing the City to incur additional expense. In a more timely and cost effective way, justice will be provided for ordinance enforcement.

#### 4. Key Initiative – Combination Inspectors (multi-department) and Related Code Revisions

##### Description

Historically inspection services have been performed by specific discipline. For example, in Construction Inspection Services, specialty inspectors competent or certified in a specific trade perform only those inspections related to their discipline. And, in fact, labor disputes have arisen when inspectors have crossed the line of bargaining unit work. Combination inspector would challenge this long-standing paradigm whereby one inspector would have the competency/certification to inspect in more than one discipline. The concept of a "generalist" inspector would apply in several business lines within Regulatory Services.

##### Impact

This initiative will greatly impact a primary Regulatory Services business line – inspections. This concept has been discussed many times over the years during budget cycles, business planning and through third party analysis. The program has had several different titles: super inspector, generalist, code compliance officer, and combination inspector to name a few. Whatever the title, the policy makers and the customer believe that inspections can be more efficiently provided by one qualified person inspecting all aspects of a simple project.

### Performance Measures

The inspection turnaround time and number of inspections for certain work will be reduced with the use of combination inspector. It is important for implementation to clearly define the scope of the program. Once the scope has been determined, then an analysis can be made of which inspection types can be combined and therefore reduced.

### Alignment with City Goals

An expectation of the successful and complete implementation of combination inspector would be to provide high quality inspection services at a good value to our taxpayers.

### Implementation

The following is an initial list of possible tasks required to implement the combination inspector initiative:

- Perform best practices research
- Define scope
- Determine workload
- Prepare a budget to include the Return on Investment (ROI)
- Staffing and skill set needs
- Job analysis questionnaires
- Certification/Training requirements
- Labor Agreements negotiated
- System/Process changes for proper work assignment
- Reporting developed to track performance measures
- Communication Plan
- Political Will for the long haul
- State law changes (IGR) and ordinance revisions
- Public Education
- Managing expectations

As part of best practices, this is a link to the Portland website regarding their residential (one and two family) combination inspector program for trades inspections: [www.bds.ci.portland.or.us/inspect/insp-res-main.htm](http://www.bds.ci.portland.or.us/inspect/insp-res-main.htm).

## 5. Key Initiative – Remote Inspector Initiative

### Project Description

The Remote Inspector initiative is a proposed initiative within Regulatory Services to give field inspectors real-time access to Inspection, Permit, and Request For Service information they need to do their jobs.

### Business and Operation Impacts

- Shorter cycle time between business process and update of data
- Improved inspection data quality
- More uniform, predictable, and traceable inspections
- Ability to track inspection progress in real-time
- Shifting clerical support from inspection result entry to inspection scheduling
- Shifting inspectors from a paper based process to a software based process
- Staff training for inspectors and support staff
- Increased hardware and software support/maintenance requirements
- Future opportunity for web-based interaction with permit holders

### Strategic Alignment with City Goals

A subjective "level of contribution" to City goals is listed below:

- High indicates that the project is critical to the achievement of the goal
- Medium indicates that the project directly contributes to the goal but it is not critical to its attainment

- Low indicates an indirect contribution to the achievement of the goal

City Goals \*\*\*\*Level of Contribution

- Building communities where all people feel safe and trust the City's public safety professionals and systems \*\*\*\*Medium
- Maintain the physical infrastructure to ensure a healthy, vital and safe City \*\*\*\*Medium
- Deliver consistently high quality City services at a good value to our taxpayers \*\*\*\*Medium
- Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets \*\*\*\*Medium
- Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth. \*\*\*\*Low
- Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis. \*\*\*\*Low
- Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities. \*\*\*\*Low
- Strengthen City government management and enhance community engagement \*\*\*\*Medium

General Timeline of Significant Steps and Resources Required To Achieve the Initiative

This initiative is currently in the pre-project "business case" development phase. Once the Remote Inspector initiative receives approval and funding it will move into the project initiation and planning phases. Timelines and resources requirements will be defined during the project initiation and planning phases.

6. Key Initiative – Personal Safety/ Security

Regulatory Services is committed to ensuring a safe work environment for all employees in a work environment known to present risks. Due to the nature of our regulatory services our staff encounter situations that are controversial and volatile. These situations manifest into real safety risks and added stress for our employees. Regulatory Services varies from other Departments in that our employees are involved in enforcement activities in the field but are not armed sworn officers.

It will be critical over the next five years to maintain a safe workplace where employees can focus on providing quality services without fear for their personal safety. This provides the consistency and reliability needed to continue to build our communities where all people feel safe, and grow successful businesses. Workplaces with active safety and health leadership have fewer injuries, are often rated "better places to work," and have more satisfied, more productive employees.

Timeline for initiative

In the first year, the Department Regulatory will create a Personal Safety and Security work group. The work group will review existing City Safety policies, explore other government agencies such as O.S.H.A., the Minnesota Safety Council, and Federal Department of Home land Security to determine our compliance with establish directives and establish plans for compliance.

The following four years the work group will focus on:

- Understanding the conceal and carry gun law recently past by our Legislators and what impact it will have on our employees' safety
- Create Department wide policy regarding employee safety in the field and in the office
- Provide ongoing employee safety training
- Establishing a 911 priority response with the Downtown Command for our downtown offices.
- Expanding the Alert Flag notification Department wide for staff. The Alert Flag identifies addresses that may pose a safety concern for inspectors and staff.

The goal of this initiative is to establish a forum and a timely process to deal with current and future employee safety/security issues and improve the safety of our employees.

7. Key Initiative – Transition Regulatory Services From A General Fund to An Enterprise Fund

This key initiative for Regulatory Services is to develop a workable transition from a General Fund to an Enterprise Fund or another financing structure that allows for business flexibility. Process management and technology innovation systems are not keeping pace with service demand because of funding shortfalls under the current revenue system. Transitioning to an Enterprise Fund as suggested in the Business Plan and Budget (over a 5 year time frame) provides the necessary funding for closing the service gap. Matching services with fees is the future of providing Regulatory Services in Minneapolis. The regulatory challenges and initiatives discussed below require the aegis of the Enterprise Fund or something similar to meet current and future customers service demands.

Customers and State Government are clamoring for cities to match their regulatory services with the fees they charge for those services. Spurred on by the construction and remodeling industry, the 2001 Legislature passed a law to require cities to show that revenues collected from permit fees are less than or equal to the cost of providing services. If a city's municipal construction and development fees exceed costs, the city will be required to increase services to match or exceed revenues or reduce permit fees to equal the level of service provided. Statutes require and courts have ruled that liquor and other licenses reflect approximate costs of program enforcement.

Should legal challenges to our fee structures be successful, the impact on Minneapolis' revenues would be significant – both the City's general fund and customers who use our services would suffer. The current practice of transferring excess permit and related fee revenues to the City's General Fund would have to end. Moreover, the Regulatory Services Department's current service gaps could be further widened by the loss of revenue that could be used to justify additional resources to meet service demands. Resources are critical not only for meeting the demands for inspections, but also for implementing process improvements such as Internet based permit transactions, remote inspector capability and data quality. For example, as our performance measures indicate, each year we believe that we are unable to perform approximately 27,000 required construction inspections. This backlog, or service gap, compounds itself each year we are unable to respond.

One of our key challenges is to determine the appropriate methods of closing this service gap while meeting our legal responsibility to inspect for public health and safety, and at the same time implementing service improvements in accessibility and quality. We will be proposing that we work with Finance and the City Coordinator to develop a professional, accountable, and sensible plan for transitioning Regulatory Services to an Enterprise Fund model to allow us to provide services in accordance with our fees for services.

## 8. Key Initiative – Merging of Services and Partnering

Service delivery will change in the coming years because of shrinking resources and budgets. More than at any time in the past several decades, government will be called upon to examine what it does, how it can be done more efficiently and whether governments should be performing services in the first place.

Government is redefining missions, prioritizing programs and downsizing at all levels. Conversations are occurring between Minneapolis and St. Paul, between Minneapolis and Hennepin County and between Minneapolis and the State.

Programs may be merged, responsibilities transferred and new working relationships established. The first step in this process, already underway, is for government to reexamine missions and businesses. For instance, one of Hennepin's core business lines is health and welfare. The City has a number of programs in this area; some are in Regulatory Services. Can the County provide more efficient program oversight because of scale?

Greater efficiencies result not only from government redefining roles but also from analysis of whether government should be performing a service as opposed to a private or non-profit entity.

These dialogues – between governments, and between the city and private and non-profit providers, will increase in the future. In summary, the questions we will need to ask ourselves are:

- Is this a core service of the City?
- Can this service be more efficiently performed by another level of government
- Can this service be more efficiently performed by a nonprofit or private entity?

## Other Models of Providing Service

Regulatory Services is reviewing numerous examples for providing service or adding revenue sources that have been used in other jurisdictions; some successfully, some not successfully. The following is a list being reviewed for further investigation:

- Administrative issuance of licenses and permits
- Conducting a Cost Benefit Analysis of providing consultation services to customers (such as homeowners)
- Charging of fees for providing consultation services to customers (such as homeowners, small business owners)
- Establishing minimum requirements for application for a permit or license
- Evaluating scheduling alternatives such as Inspections by appointment, and customers scheduling appointments via the web
- Conducting customer outreach to include customer education
- Establish on-going advisory groups with multiple stakeholders
- Expand E-permitting
- More web-enabled services
- Developing two types of permits:
  - \* Administrative Permits that do not require inspections
  - \* Life Safety Permits that do require inspections
- Developing a risk-based or selective performance-based inspection schedule (e.g. utilizing guidelines such as CDBG criteria)
- Use other entities to provide advisory notification to violators (such as neighborhood associations providing first notification of a violation)
- Creating core competencies required for all inspectors
- Cross-trained generalist capabilities
- Managing service level expectations of all stakeholders
- Managing employee expectations
- Managing service level requirements
- Acquiring feedback/follow-up on initiatives and performance
- Need for appropriate management reporting tools from BIS
- Advertising on cars.
- Surcharge for credit card processing.
- Increasing code compliance fees.
- Review maintenance agreements.
- Partial plan review fee for detached garages (25 x 1,000 permits).
- Mechanical plan review fee.
- Consult fee for mechanical “pre” inspections - food and pools (service to park board).
- Verification of removal of RPZ – add inspection cost.
- Policy: No license or permit should be issued if there are any outstanding fees.
- Do we charge for commercial daycare license inspections? Food section?
- Food inspections in private schools – charge.
- Increase fee for farmers market license to cover inspection cost.
- Fees to cover events.
- Permit plan review fees for fences and paving projects – driveways, parking lots.
- Different rate structure for design/build plan reviews.
- Discount fees for projects that have structural engineer review.
- Provide registered land survey (discount fee/ include additional fee when not submitted).
- Document replacement fees for TISH/COA's, and CO copies.
- Require fees for events releasing balloons.
- Fees covering report generation.
- Street naming and addressing fees as part of other “admin” costs for permits.
- Update fees for pet adoption, daily board fee.
- Develop authority to issue a “fix it” order for pet issues.
- Animal control/move to admin adjudication.

- Admin citations for housing.
- Build in indexing for fees (rental lic.).
- Re-inspection fee assessment.
- Excessive inspections fees
- CIS
- Food
- Implement value based fees for plumbing, mech., electrical.
- Require construction contracts to determine value.
- Discontinue the elevator-billing discount.
- Look at exemptions from our fees – is it real or Memorex? CPED, MPHA Parks.
- Review – Is there an elevator permit cap? Need to cover inspections!
- Delinquent annual billing collection – is it more cost effective to use inspector, Staff, or external?
- Move housing vehicles to St Anthony ramp.
- Segways for downtown inspectors (bicycles too).
- Determine if there are savings in using “green transportation.”
- Individual sections making their own reductions in office supplies, copying, printing.
- Cell phones with digital cameras.

#### Business Licensing Services - Traffic Control

- Abandoned Vehicles – Develop a process to ensure more timely enforcement and towing.
- Disability Volunteer Program – Further develop a volunteer program in conjunction with the Mayor’s Committee for People with Disabilities where volunteers would assist Traffic Control with identification of placard abusers.

#### - Computerization

- 1) Identify additional capabilities of handheld ticket writing system including parking meter management plan reports, handicapped parking information and abandoned vehicle complaint management to improve service levels..
- 2) Implement KIVA access for administrative citation adjudication and requests for service tracking to reduce inspector time spent on these manual activities..

#### - Taxicabs

1. Drug testing program -- research and develop a drug testing program for taxi drivers to ensure public safety
2. Security camera program -- Investigate the use of security cameras in all taxicabs to enhance driver and passenger safety. Ordinance change must be made to require all vehicle owners to install security cameras in vehicles.
3. Downtown taxi stand permits
4. Computerized dispatch for all companies
5. Eliminate age waiver authorization
6. Eliminate cap on number of taxi licenses
7. Encourage hybrid vehicle use in taxi industry -- develop an incentive program
8. Mystery customer program -- this program would help monitor service provided by industry and provide an incentive to improve quality of service.
9. On-street enforcement program -- monitor industry with on-street enforcement to improve compliance with ordinances, policies and rules relating to service provided by taxicabs
10. Review, revise and update City ordinances relating to taxicabs.
11. Introduce downtown taxicab fare zone and flat rates to and from the airport.

#### - Traffic Control

- 1) LRT challenges.
- 2) Semaphore sequencing initiative.
- 3) Fee for services - Metrodome, Target Center, Convention Center and other service requests.

- Inflationary increase on all fines (\$86,000 = 2%)

**Key Departmental Outcome Measures:**

*Explanation of Performance Data for Departmental Outcome Measures:*

**Primary Business:**

**Development Review Services**

**Service Activity:**

**Provide development review services, including construction plan review and permit issuance.**

*Description:*

Assist customers in complying with state laws and city ordinances related to building construction. Issue all building, plumbing, mechanical, electrical and elevator permits.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of construction plans reviewed	2,886	4,849 (1)	7,246	7,000	7,000 (2)
Number of zoning applications processed	493	500	500	500	Now processed by CPED planning
Number of building permits issued	15,740	15,077	14,154	14,000	13,500
Permits issued per reviewer	412 (2)	692	905	900	900
\$ value of building permits issued	\$889 million	\$867 million	\$905 million	\$850 million	\$750 million
Revenue received	\$9.5 million	\$9.7 million	\$12 million	\$14 million	\$11.5 million
# permits issued/plans reviewed during "Homeowners Night"	14 permits	186 permits	215 permits	400 permits	350 permits
% customers expressing satisfaction with development review services	50% (3)	75% (3)	75% (3)	80%	80% - 90%
Number of preliminary plan review meetings	0	67 (4)	151	150	150

*Explanation of key performance measures:*

In 2000, the Division initiated Homeowners Night on selected Monday evenings. For 2003, Homeowner's Night continues every Monday through September.

(1) In midyear 2001 all BOTC (Building Over the Counter) permits issued by plan review staff became BIRE (Building Remodeling) permits. This was to distinguish between permits approved at the permit counter (BOTC) and those needing plan review approval. While not all of these permits require a plan, all require a plan reviewer to review the permit application for code issues.

(2) A decrease in large development project is anticipated.

(3) This measure is currently based on customer survey cards which our section only receives 5 to 10 back in a year. Negative comments often related to lack of parking or length of time needed to obtain permits. In general, there are positive comments regarding homeowner night and customer use of this service is increasing.

(4) The Preliminary plan review process began in mid 2001.

**Service Activity:**

**Provide zoning code enforcement services and issue and inspect sign permits. (Effective 2002-2003: Zoning application intake and review activities are done in conjunction with or through the Planning Department/CPED.)**

*Description:*

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of customer service requests received	465 zoning 64 sign	664 zoning 557 sign	610 zoning	675 zoning	675 zoning
Number of inspections conducted	96 zoning 64 sign	541 zoning 229 sign	712	800	See revised measure below.
Number of inspections:					
-zoning code compliance					400 (2)
-approved land use permit					150
-sign violation					68
Number of inspection per inspector		513	475	533	533
% cases brought into voluntary compliance		10%	15%	15%	15%
Average time between initial inspection and abatement			3 months to 1.5 years	45 days to 1 year	45 days to 1 year (1)

*Explanation of key performance measures:*

(1) Average time between initial inspection and abatement depends on the code compliance "path" a particular case takes. Properties sent a notice of violation requiring the submittal of a land use permit may take on average of 6 months from the time the notice is sent to the time the land use permit has been approved. In addition, applicants are typically granted 1 year to make the required site improvements, at which time a final inspection is conducted. Zoning violations that are forwarded to the City Atty. Office take an average of 3 months.

(2) Total number of inspections previously accounted for multiple inspections to the same sites. Since restructuring our inspections procedures, we are now able to inspect more sites with less repeat visits and achieve a higher level of code compliance

**Primary Business:**

**Environmental Services - Animal Control**

**Service Activity:**

**Enforcement of animal control ordinance and state statute**

*Description:*

Protect the community from animal bites and other hazards and nuisances created by irresponsible pet ownership through enforcement of animal control ordinances and state statutes. This service activity also addresses other health and safety issues such as rabies control and dangerous dog regulations.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% citizens that report satisfaction with animal control services		80%			
# of service responses	17,550	17,592	17,942	18,000	18,000
# of service responses per Animal Control Officer FTE	2,243	1,135	1,153	1,286	1,200
# of licenses cats and dogs*	12,518	12,974	12,720	12,750	13,000
Income from pet licenses and other fees	\$256,477	\$248,902	\$331,942	\$330,000	\$350,000
Number of off-leash permits**	na	2,007	3,691	3,750	4,000
# of animal bites reported	547	581	590	575	575
# of animals deemed dangerous	370	336	464	425	400
# of hearings	170	200	165	175	175
Service responses for nuisance barking complaints	1,727	1,992	1,799	1,750	1,750

*Explanation of key performance measures:*

\*The number of licensed animals includes some license applications sold when animals have been impounded and are being recovered from the City's Animal Shelter. Licenses for these animals require proof of rabies vaccination, which is not always forthcoming. In 2002, there were 520 such applications.

\*\*The off leash recreation area program is operated through the Minneapolis Park and Recreation Board with the cooperation of the Animal Care and Control Program which issues the required permits and assists in enforcement activities. Our program keeps an administrative fee in the amount of \$5.25 per permit and the remainder goes to the Park Board for the operation of these areas.

**Service Activity:**

**Manage the operations of the City's Animal Shelter.**

*Description:*

The Animal Shelter facility provides sheltering, appropriate care and veterinary services for all impounded animals. Minnesota statute mandates that animals impounded as strays be held to be recovered by their owner or an interested person for a period of at least five days during which a facility is open to the public for a minimum of four hours.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of impounded animals	6,003	5,487	5,796	6,000	6,250
Aveg. # shelter days of potentially adoptable animals*	10.91	10.81	10.41	10.25	10.00
% placement rate	55%	57%	54%	55%	58%
# animals placed through partnerships with animal rescue groups**	543	524	495	500	600
# of volunteer hours at the shelter	485	269	455	475	525

*Explanation of key performance measures:*

\*Potentially adoptable animals are a sizable but select group of animals because it is not inclusive of all living animals. Some animals are immediately euthanized owing to health or behavior problems. Note: there is a mandatory 5 day hold period for stray animals, i.e. on average we are only holding adoptable animals 5 days longer than mandated by state law.

\*\*Placement rate includes living impounded animals that are returned to owners (or custodians) as well as animals placed in new homes by partnering rescue organizations or directly adopted from the City's Animal Shelter.

**Primary Business:**

**Environmental Services, Children's Environmental Health - Healthy Housing**

**Service Activity:**

**Respond to childhood lead poisoning/Elevated Blood Lead (EBL) cases as mandated by the State of Minnesota**

*Description:*

The City of Minneapolis Lead Hazard Control program responds to reported cases of children with blood lead levels 20 ug/dl and higher or with levels 15 ug/dl and higher for 90 days.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of EBL cases	120	100	63	80	80
% of cases where initial response time met state standards	n/a	n/a	n/a	n/a	n/a
Average length of time cases remain open	9 mo.	9 mo.	8 mo.	8 mo.	6 mo.
# of EBL risk assessments	142	125	86	80	80
# of EBL risk assessments per FTE	35	31	22	20	26
Average cost per EBL risk assessment	1500	1500	1500	1600	1600
Total number of orders brought into compliance	134	110	55	100	100
# of condemnations	3	2	1	10	10
% of orders brought into compliance without federal funding	30%	30%	15%	15%	50%
% of orders brought into compliance with federal lead grant assistance	70%	70%	85%	85%	50%

*Explanation of key performance measures:*

Performance measures reflect continuing decline in diagnosed elevated blood lead levels (EBLs) in children. Testing rates for at-risk children in the city have improved, however, actual rates may be 50% higher than reported. CEH continues intervention in dwellings of children that are tested below intervention guidelines for EIBLLs. As of July 31, federal lead grant assistance will end, leading to lower compliance rates for landlords and homeowners.

**Service Activity:**

**Special projects and grant funded activities.**

*Description:*

Children's Environmental Health has received federal and state grant funds since 1994 totaling 10 million dollars. The latest round of funding ends on July 31. The program has applied for future funding via a HUD Round XI grant application and also will be applying for a demonstration grant from HUD for \$2,000,000. The program has also applied for Healthy Homes funds for a demonstration project to reduce the incidence of asthma in children.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of dwelling units made lead-safe	260	128	225	400	100

Average cost per dwelling unit	\$5,700	\$5,700	\$5,000	\$4,500	\$4,500
# of non-EBL lead risk assessments per FTE	83	80	100	100	40
Total \$ amount for property owner matching funds	\$36,660	\$1,398	\$40,000	\$20,000	\$10,000
Number of education and outreach events	1300	300	1000	1000	400
# of Risk Assessments proved to other organizations	0	25	100	150	50
Total lead risk assessment revenue	0	\$15,000	\$20,000	\$20,000	\$10,000
# of Indoor Air Quality (IAQ) requests for service	20	100	120	50	40

*Explanation of key performance measures:*

Development of new funding streams has enabled the program to reduce the amount of federal grant funds required per dwelling. Non-EBL risk assessments have increased with the implementation and enforcement of federal regulations. Revenues from these risk assessments may increase as more are performed on a fee basis, depending upon demand.

**Primary Business:**

**Business Licenses Services - Traffic Control**

**Service Activity:**

**Direct traffic, assuring pedestrian safety, and smooth traffic flow**

*Description:*

Traffic control is provided during rush hours, at construction sites and many special events at the Metrodome, Target Center and Convention Center.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of traffic control hours	12,438.75 total 2645 hrs staffing rush hour 9,793.75 hrs staffing special events	15,000 total 4,700 hrs staffing rush hour 10,300 hrs staffing special event	14,857.25 total hours 1,512.5 rush hours 13,344.75 special traffic duties	14,000 total hours 3,500 rush hours 10,500 special traffic duties	15,000 total hours 3,500 rush hours 11,000 special traffic duties
Cost for rush hour per year	\$48,429.95	\$86,057.00	\$30,250.00	\$70,000.00	\$70,000.00
# of service requests		694	700	700	700

*Explanation of key performance measures:*

**Service Activity:**

**Enforcement and collections**

*Description:*

Enforcement includes all city and state parking regulations which include but are not limited to meters, critical parking areas, snow emergencies, abandoned vehicles, disability parking abuse and commercial zones.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Total coin revenue	4,113,656.91	4,600,00.00	\$5,225,462.59	\$5,200,000.00	\$5,300,000.00
Total Citations	243,940	224,616	239,790	250,000	260,000
Citation Revenue	\$3,954,28	\$4,621,692	\$4,222,697.53	\$4,300,000.00	\$4,500,000.00
# snow emergencies	6	5	2	4	4
# snow wmergency citations	29,037	25,229	14,599	20,000	20,000
# abandoned vehicle complaints	5,078	5,500	5,935	\$7,000	\$7,500
# of rush hour citations	13,165	15,000	15,500	14,000	14,000

*Explanation of key performance measures:*

**Service Activity:**

**Taxicab enforcement and inspection**

*Description:*

Taxi enforcement and inspection includes bi-annual vehicle inspection, daily on street spot checks for compliance, issuance of administrative citations and review, annual service company inspection, review and investigation of citizen complaints and bi-weekly cab lane inspection.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of vehicles on street less than five years old			215	40	0
# of citizen complaints by citizens			?	200	150
# of administrative citations issued to drivers/owners			?	650	650
# of compliant service companies					Not available at this time

*Explanation of key performance measures:*

No data is available for these measures at this time.

**Primary Business:**

**Housing Inspection Services**

**Service Activity:**

**Conduct routine & customer service request inspections to ensure preservation of existing housing and improve livability of our neighborhoods through education & enforcement.**

*Description:*

: Housing Inspection Services conducts a high level of structural inspections in an effort to educate and encourage maintenance of the existing built residential owner-occupied and rental properties. Another high level activity is to ensure premises are inspected for environmental nuisance conditions (i.e. weeds, junk, debris, abandoned vehicles, and hazardous trees) on most lots throughout our City. We do this by responding to customer service requests, routine inspections, and our systematic rental licensing program.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% Cases brought into compliance through admin/judicial action		20%	32%	35%	38%
# of reinspections conducted on cases due to non-compliance with initial orders		76,995	82,598	83,000	84,000
# Housing Cases Addressed		54,000	61,678	62,000	62,500
Average # cases per inspector		1,800	2,126	2,200	2,300
Average # days to respond to customer service request		6	5	4	4
% Cases brought into voluntary compliance		58%	55%	58%	59%

*Explanation of key performance measures:*

**Service Activity:**

**Rental Licensing administration & inspection breakdown for rentals & owner-occupied properties.**

*Description:*

The following statistics relate to our administration of our annual renewal of rental licenses and inspection statistics for rentals & owner-occupied properties.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
*Number of buildings and units with rental licenses		15,752 prperties 68,074 units	15,752 properties 68,074 units	15,900 properties 68,500 units	16,000 properties 68,650 units
% rental properties inspected annually		45% 7,225 properties	47% 7,353 properties	52% 8,350 properties	54% 8,640 properties
# rental licenses revoked		8	3	3	3
# licenses reinstated after remedial action		3	2	4	5
# of violations cited on rental properties		31,636	30,924	33,957	35,000

# of units approved for rental licenses	3,142	4,500	5,500	5,600
# of owner-occupied properties with violations	11,596	14,786	15,000	17,500
# Of violations cited on owner-occupied properties.	24,826	27,336	28,500	30,000

*Explanation of key performance measures:*

\*Rental Licensed buildings and unit counts in previous years were based on statistics that included lodging properties, condo rentals, MPHA properties and MCDA properties. These properties are not subject to rental license. We have corrected these numbers to reflect actual properties licensed with Housing Inspection Services.

**Service Activity:**

**Nuisance violation enforcement on residential, commercial, vacant lots & railroad properties.**

*Description:*

Housing Inspection Services recognizes that environmental nuisance inspections, in terms of physical attractiveness and safety, are one of the critical elements that citizens use in evaluating the livability of their neighborhood. The delivery of this service will continue to be a high priority for our business - not only satisfying the customer service request, but also continuing the high level of proactive inspections conducted on an annual basis. Housing empowers neighborhood organizations to participate in the delivery of this service for their communities, through our Citizen Inspection Program & CleanCut program.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# requests for service		32,959	35,962	34,211	36,000
# proactive inspections		28,607	31,610	29,225	32,500
#violations/orders issued		36,843	39,068	36,162	39,500
# graffiti cases*		343 55,266 sq. ft	1,431 violation orders issued for 117 & 122	1,500 violation orders issued for 117 & 122	1,500 violation orders issued for 117 & 122

*Explanation of key performance measures:*

\*Due to budget cuts for 2002, the Inspections Division no longer provides contractual services for sensitive surface graffiti removal. At this time, only enforcement on sensitive surface and non-sensitive surface graffiti incidents will be done.

**Service Activity:**

**Boarded Building & Vacant Building Registration Program**

*Description:*

Abandoned & boarded buildings tend to retard the City's progress and drain an excessive portion of our resources, due to the nuisance conditions they often create. Another side effect is the reduction of neighboring property values. Housing Inspection Services effectively deals with these properties through our vacant building registration & boarded building programs.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
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# of vacant and boarded buildings under chapter 249	195	150	125	100
# of registered vacant buildings – without boards, secured by normal means	165	100	84	75
# hazardous buildings boarded and \$ value of assessments	115 \$27,090 assessed	94 \$26,895 assessed	76 \$18,600	75 \$20,000
# hazardous buildings demolished 249 program	21 (249 program) 5 emerg. Demo's	19 (249 program)	6	8
# buildings open to trespass	195	207	166	150
# buildings condemned due to boarding	70	53	32	25
# buildings boarded by police	222	411	350	375

*Explanation of key performance measures:*

Construction Inspection Services will be reporting on Fire Escrow, Code Compliance Certification & Emergency Demolitions starting for 2002.

**Service Activity:**

**Provide contract management and contractor abatement of nuisance violations such as: tall grass, weeds, overhanging brush, rubbish, garbage, hazardous tree removal, boarding of open to trespass buildings and police board-up requests.**

*Description:*

Housing Inspection Services directs contractors for six contracts (2) rubbish contracts (2) grass & weed contracts (2) boarding contracts and one hazardous tree removal contract.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
\$ cost of trash cleanup		\$188,620	\$163,075	\$175,000	\$175,000
\$ cost of hazardous tree removal		\$138,956	\$90,997	\$125,000	\$150,000
\$ cost of removing tall grass and weeds		\$85,484	\$65,674	\$85,000	\$82,500
\$ cost of Police directed boarding		*	\$74,820	\$75,000	\$75,000
\$ cost of Housing Inspection directed boarding for open-trespass buildings		\$27,090	\$23,468	\$25,000	\$25,000

*Explanation of key performance measures:*

\*Housing took over the contract management & assessments for Police directed boarding in mid 2001.

**Service Activity:**

**Collect special assessments for providing extraordinary city services.**

*Description:*

Assessment of the costs of rubbish removal, grass cutting, hazardous trees, boarding buildings, vacant building registration, and inspector fee for towing inoperable vehicles. Housing Inspection Services orders private contractors to remove these violations after appropriate notices and reasonable time to abate has expired.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# and \$ value of special assessments processed for nuisance abatement		4,570 \$745,242	3,733 \$536,675	4,000 \$600,000	4,000 \$600,000
# and \$ value of special assessments processed for towing of inoperable vehicles		123 \$9,225	846 \$63,625	850 \$65,000	850 \$65,000
# and \$ value of special assessment processed for vacant building registration		152 properties \$69,200	100 properties \$40,000	150 properties \$60,000	125 properties \$50,000
# and \$ value of special assessments processed for Housing directed boarding		203 \$45,980	94 \$26,895	76 \$18,600	80 \$20,000
# and \$ value of special assessments processed for Police directed boarding		216 \$53,584	384 \$93,605	390 \$95,000	390 \$95,000
Total # and \$ value of special assessments		5,305 \$931,231	5,157 \$760,800	5,501 \$852,600	5,505 \$854,000

*Explanation of key performance measures:*

**Primary Business:**

**Environmental Services - Environmental Health, Food Safety**

**Service Activity:**

**Enforce Minneapolis' Environmental Health - Food Safety Ordinances**

*Description:*

Enforce City food and beverage ordinances, lodging and boarding code, health and sanitation code, and pool code through training, communication, uniform inspection and educational system for licensed facilities. Also includes body piercing, tattooing and suntanning licensing, etc.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Average cost per business			Contact Finances		
Number of alleged foodborne illness complaints received and investigated	109	60	206	175	175
Number of confirmed foodborne illness (FBI) outbreaks	2	4	3		
Number of voluntary closures	19	5	5	6	
Number of licensed food facilities	2334	2359	3718	3768	3476
Number of Reinspections Required	214	419	254	175	206
Total number of inspections	3222 food related inspections 445 other inspections	3188 food related inspections 1007 other inspections	3736 food related inspections 697 other inspections	3762 food related inspections 485 other inspections	3884 food related inspections 300 other inspections
Number of new and/or revised ordinances					
Total revenue			Not Available*	Not Available*	Not Available*

*Explanation of key performance measures:*

The training and enforcement system currently in place provides forward momentum to move a food establishment towards compliance. It is our goal to inspect all licensed facilities at a frequency exceeding that which is required by the delegation agreements. Individual high-risk facilities are inspected more frequently when warranted and follow-up inspections are performed consistently in timely manner.

Promoting efficiencies is being accomplished through the development of a training manual, internal fact sheets, procedures and forms (I.e., embargo and condemnation forms, guidelines for closure, contingency plans, responding to a fire call, etc. Staff training, written procedures and guidelines contribute to consistency within and among the program staff.

The division expects more foodborne illness complaints due to food code requirements for management to report customer complaints to the regulatory authority. The division is seeing more confirmation of foodborne illness due to the increased testing abilities of the State Health Lab and announced inspection.

\*Currently reflected in Business Licenses revenue.

**Service Activity:**

**Provide training, education and public information to prevent foodborne illnesses and food safety hazards.**

*Description:*

Environmental Health Specialists will provide training, consultation and public information to prevent foodborne, waterborne illness. The Division will do this through multi-cultural training, education and consumer awareness. Staff will review plans for new food facilities to promote a safe operating environment. District supervisors will work with multi-cultural and linguistically diverse community members to develop and establish a food safety council in partnership with food industries and other stakeholders. The Division has created cross-functional teams to implement geographical service delivery; created opportunities for staff to be promotable to district supervisor positions; generated innovative ideas from staff to increase the efficiency of the division. Staff has developed the business plan for the next five years and working on implementing the strategies. This will increase customer satisfaction and communication with the community. This process will improve response time to concerns and complaints. Staff is committed to introduce a neighborhood ownership philosophy.

We are creating a strong partnership with the business community, the FDA, State Health Department, MDA, U of M, Hennepin County and other local agencies to provide and maintain a safe food and water supply in Minneapolis and a high level of sanitation through all licensed facilities.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of FMCs certified	664	650	841	917	400
Number of Food Handler courses offered	8	35 (6 Spanish)	20 (6 Spanish, 4 Somali)	30 (10 Spanish, 4 Somali)	16 (to include Spanish and Somali classes)
Number of food handlers trained	158	450	278	375	100
Number of Food Manager Certification (FMC) courses offered and recertification	33 (2 Spanish, 1 Somali)	34 (4 Spanish, 1 Somali)	44 (4 Spanish, 2 Somali)	48 (5 Spanish, 2 Somali)	16 Spanish (to include Spanish and Somali classes)
Total number of persons reached during "food safety month"	0	0	515	600	600
Total number of townhall meetings held	0	0	3	3	3

*Explanation of key performance measures:*

The sheer volume of educational resources that are available to the regulated community is highly beneficial. These resources include fact sheets that communicate concepts in a multitude of languages, necessary in a city of such rich diversity. Information is offered in a variety of formats, including one-page documents, CD-ROMs and videos. The Office of Multi-cultural Services offers on-site assistance to inspectors who may have identified communication or cultural issues as barriers to compliance. These activities anticipate and avoid potential causes of conflict and misunderstanding, and promote greater cooperation within the regulated community.

Innovation is showcased by the Announced Inspections component. Combined with techniques utilized in Active Managerial Control, the benefit to both the operator and inspector is an improved working relationship leading to compliance with the Food Code, resulting in increased efforts toward food safety. The division received a \$50,000 grant from the National Association of City and County Health Officials (NACCHO) to work in partnership with the University of Minnesota to evaluate the effectiveness of the Announced Inspection.

**Primary Business:**

**Construction Inspection Services**

**Service Activity:**

**Provide construction inspection services to ensure a safe built environment**

*Description:*

Provide construction inspections services to citizens, businesses, and contractors so they can conform to applicable codes and regulations relating to safety, health, and livability; inspect all new construction, remodeling, site alteration, and wrecking, for which permits are issued. Coordinate the issuance of certificates of approval for the occupancy of new buildings, the rehabilitation of condemned buildings, and compliance with truth in housing.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Total Construction Permits Issued	57,192	52,648	49,587	41,000	43,000*
Number of construction inspections conducted	79,272	78,286	73,203	77,100	83,000**
Average # of inspections per inspector per day	10	10	10	10	10
Number of certificates of occupancy issued***	119	322	401	468	480
% customers expressing satisfaction with inspections services	-	-	-	-	feedback with new initiative technology

*Explanation of key performance measures:*

\* Additional permits are projected with the unpermitted work initiative.

\*\* Additional inspections are projected in response to the increase in permit activity noted above.

\*\*\* This number reflects new or newly classified total building structures approved for occupancy. Included are also partial CO's issued for units occupied prior to the total building. An increase is projected in 2004 as more partial and total CO's are issued for the numerous residential complexes under construction.

**Service Activity:**

**Conduct Truth in Sale of Housing Program (TISH)**

*Description:*

To improve the City's housing stock, maintain affordable housing, and promote public safety by eliminating identified hazards through the truth and sale of housing evaluation/inspection process.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of TISH certificates of approval issued	4,372	4,760	4,913	4,650	4,600
Number of violations identified to be corrected	26,515	23,855	20,088	15,108	14,500*
% homebuyers and homesellers expressing satisfaction with TISH					feedback with new initiative technology**

No. of TISH evaluations processed                      6,487                      7,040                      7,011                      7,200                      7,200\*\*\*

**Explanation of key performance measures:**

Since the early '70's the City has had a truth in housing program (TISH), which provides critical housing condition information for consumer protection. In 1999, the TISH program was significantly changed to include the correction of specific hazards either at time of sale or within 90 days of closing. The program modification augmented consumer protection with the improvement and/or maintenance of the City's housing infrastructure at time of sale.

Effective June 1st, 2002, the program was again modified in three major ways: 1) The responsibility for the repairs legally defaults to the buyer if the seller chooses not to make the repairs. Also, if the property does not sell, the repairs do not need to be made. 2) The required repairs were refocused to include only the critical main building systems and smoke detectors, and 3) The closing process was streamlined with limited City involvement, placing responsibility on the private parties to send information to the City after closing.

\* The June 2002 ordinance change reduced the number of required violations and is reflected for the full year in 2003.

\*\* A customer feedback mechanism will be designed into the new online initiative for 2004.

\*\*\* Inspections continues to believe the market will remain active with a similar number of transactions for 2004.

**Service Activity:**

**Provide education and information on building codes**

*Description:*

Communicate with community partners, citizens, and customers to promote building safety and livability and provide education on how to meet building codes through written and verbal means and Inspections web site.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# requests for information				19,200	16,000*
# Communications produced and distribution levels			2 cable TV prgs. Utility insert 2 news articles 10 handouts at 2 fire stations	2 cable TV prgs. Utility insert 2 news articles 10 handouts at 2 fire stations 2 Hsg Fairs State Fair 2 Bus. Assoc.	2 cable TV prgs. Utility insert 4 news articles 10 handouts at 2 fire stations 2 Hsg Fairs State Fair 4 Bus. Assoc. 2 radio programs
# partnerships with community organizations					
# hits to the inspections website		40,000	60,000	See table CIS-1 **	See table CIS-1 **
# of handouts translated			10	15	20
% customers expressing satisfaction with information received				E-mail feedback tool within website	E-mail feedback tool within website

**Explanation of key performance measures:**

\* If online technology is initiated, call load will be reduced as information is available via the web. However, if remote inspector is initiated, calls for scheduling will be shifted to the office and numbers will greatly increase.

\*\* Inspections has an enhanced web site with improved graphics, information and applications that can be downloaded. Table CIS-1 enumerates these activities in city provided statistics.

Construction Inspection Services  
**CIS -1**  
 Number of Hits to the Inspections Website

2003 Estimated		2004 Projection	
<u>Views</u>	<u>Visits</u>	<u>Views</u>	<u>Visits</u>
53,000	42,000	63,000	52,000

Downloads	Visits	Downloads/E-Submittals *	Visits
49,000	19,000	81,000	26,000
102,000	61,000		

\* E - government proposed in 2004

**Service Activity:**

**Provide competency cards.**

*Description:*

Provide testing services to contractors in order to prove their competency in specific trades. Provide competency cards to those passing the test.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# competency cards issued	5,500	5,500	6,535	6,634	6,700
# of validated computer based exams* coord. with HR and vendor	201	344	426	350	400

*Explanation of key performance measures:*

\* As of June 1, 2003, all comp card testing went to computer-based at Experior test sites. This reflects the number of computer based tests estimated for 2003. One more component will be added in 2004 which is indicated in the increase.

**Primary Business:**

**Business Licenses**

**Service Activity:**

**Investigate license violations and take enforcement action.**

*Description:*

Negotiate remedial action agreements to correct problems with businesses, often involving administrative fine and/or license suspension. Collect evidence and put together license revocation cases for bad business operators.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# violations issued		n/a	696	750	800
Number of TAC Hearings	25	29	28	20	20
% successful agreements reached (problem addressed)		87%	84%		
# of ALJ Hearings	4	4	3	2	2
# Ordinance changes		10	13	10	10
# of administrative adjudication citations			83	200	250
# of tobacco compliance checks			923	650	650

*Explanation of key performance measures:*

Two new projects implemented this past year have made the enforcement process more efficient. The first is the computerization of our enforcement activities. Orders, warnings and administrative citations are now computer generated. Computerization has helped Licenses be more efficient tracking orders and fines. Documentation of orders and fines has resulted in few appeals of fines to administrative law judges resulting in cost savings. The second is the administrative citation process. 83 citations were written from June to December 2002.. The administrative citation program seems to have resulted in greater compliance. Only Two addresses, in 2002, had multiple administrative fines. Use of the administrative fines has allowed us to reduce TAC and ALJ hearings resulting in time and cost savings. Both of these projects were pilot projects last year.

**Service Activity:**

**Provide business regulation information to citizens and businesses.**

*Description:*

Make business regulation information available to citizens and businesses. Collect required information about licensed businesses and make it available to the public. There are new ways of doing business, such as E-Business, and there are new customers, such as a new immigrant population, that create ever-changing demands on the department.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of Requests for Service			696	750	800
% of clients satisfied with information services	na	na	na	na	na

*Explanation of key performance measures:*

Business Licenses changed the focus of delivery of services to the new immigrant populations. Translating materials did not translate into knowledge for the start of business. Often immigrants did not read their own language. Providing individual service, on occasion with a translator, was found to be more effective.

As part of the one stop shop effort, Business Licenses is developing a web site that will allow our customers to view license requirements, down load application materials and contact district inspections via the internet.

**Service Activity:**

**License commercial businesses to ensure businesses operate in compliance with ordinances and statutes.**

*Description:*

Collect and keep on file for public access, applications, insurance policies and bonds, along with fees for over 120 categories of business licenses.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of Business license applications	11,140	11,994	12,500	13,000	13,000
% of delinquent licenses**	6.2%	7%	4.2%	4%	4%

*Explanation of key performance measures:*

The decrease in the percentage of delinquent licenses is due to the establishment of geographic service delivery. Inspectors are assigned specific areas and as a result of familiarity can predict and identify delinquencies more efficiently.

Zoning changes (removal of the CUP process) resulted in a significant increase in Liquor License activities in 2002. The State Statutes in the liquor laws will result in further increases in Liquor License activities in 2003.

**Primary Business:**

**Environmental Management**

**Service Activity:**

**Manage Environmental Programs related to improving the air, water and soil resources of the City of Minneapolis**

*Description:*

A clean outdoor environment - air, water, and land - is the responsibility of the Environmental Management Section. This team works to prevent, control, and clean up pollution of our natural environment, including odors and toxic air emissions, spills and discharges to surface and ground waters, dumping and contamination of our land, and noise pollution control. Environmental Management also addresses issues of critical environmental importance to Minneapolis such as clean water, brownfields, safe drinking water, clean air, Smart Growth, and climate change. The implementation of a Noise Control Program allows for the better enforcement and control of a primary livability issue, noise, by improving coordination and communication. Environmental Management also works with local businesses and groups to address several thousand environmental complaints relating to spills/discharges, noises, odors/emissions, and illegal dumping.

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Number of requests for environmental consultation or inspection service	926	1,275	894	352 YTD	800-900
# requests for services closed	926	856	673	187 YTD	na
% companies reporting reduction in toxic emissions		64%	2002 data will not be available until 2004.	2003 data will not be available until 2005.	2004 data will not be available until 2006.
# of Brownfield sites closed : new sites open for current year	69:50	44:42	31:27	23:24 YTD	NA
Total revenue generated in fees and permits	\$779,711	\$789,290	\$831,525	\$850,000 (fee increase in 2003)	\$880,000 (fee increase in 2003)
Revenue per inspector	\$ 129,952	\$ 131,548	\$ 138,588	\$141,666	\$146,667
% improvement in avg. water quality indices	Lakes – Grade B, 4% Creeks – NA River – Full use	Lakes – Grade B, 6% Creeks – NA River - Supporting but threatened for aquatic life, not supporting for swimming	Lakes – Grade B, 4% Creeks – NA River - Fully supporting for aquatic life, not supporting for swimming	Lakes – NA Creeks – NA River - NA	Lakes – NA Creeks – NA River - NA

*Explanation of key performance measures:*

YTD means year to date. Measures and outcomes should remain stable or improve with continued identification of problems and opportunities. Technology, economy, and weather are also determinates in successful implementation.

**Service Activity:**

**Provide effective response to environmental emergencies**

*Description:*

*Key Performance Measures for the Service Activity:*

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of environmental emergencies	na	na	na	14	na
Total cost per emerg	na	na	na	\$698	na
\$ amount recuperated / charged to violator	na	na	na	na	na

*Explanation of key performance measures:*

In 2003 a new code was added to KIVA to identify environmental emergencies from other requests for service. Currently emergencies are identified when there is a potential to impact a resource when immediate action is not taken. A working definition is being developed that would provide better direction as to what would be classified as an environmental emergency. Cost recovery is not made on all environmental emergencies.

## **Financial Analysis: Inspections**

### EXPENDITURE

For 2004, the Inspections' budget is \$13.1 million – this represents a minimal increase over the 2003 adopted budget. This is due to the reorganization of the housing inspection function – fire department staff will perform nuisance inspections and a portion of the rental licensing inspection program. The operations and regulatory services department will manage this without a reduction in positions. The department proposed, and the Mayor recommends, \$146,000 in expenditure reductions.

### REVENUE

From 2003 to 2004, Inspections anticipates a reduction in its revenue of 5.6%. The above outlined change in housing inspections accounts for this reduction – the reorganization shifts \$822,000 revenue to the fire department. Without this change, the department would have experienced a 0.5% decrease in its revenue estimate.

In addition to this change, the department outlined 5 strategies for increasing revenues:

Housing Inspections Administrative Adjudication – collection of revenue from conducting these cases through adjudication (rather than through court processes) are estimated to increase the department's revenue by \$100,000.

An inflationary adjustment to the Pollution Control Annual Billing (PCAB) generates an additional \$50,000.

An inflationary adjustment to the housing inspections permit fees adds an additional \$34,000 to this source of revenue.

After legislative action in 2003, the department is now able to charge a surcharge for the payment via credit cards. The department anticipates an additional \$15,000 can be raised from this surcharge.

Inflationary adjustments to building permits are anticipated to generate an additional \$300,000 in revenue.

### FUND ALLOCATION

The department's budget is primarily in the general fund (98% of the total). The remaining portion of the budget is funded through Community Development Block Grant funds for boarded housing matching funds for NRP projects.

### LOCAL GOVERNMENT AID CUT IN 2003

This department did not have a reduction related to the LGA cut.

### Mayor's Recommended Budget

As outlined above the Mayor's Budget includes three major recommendations for the inspections' budget:

A reduction in expense of \$960,000 and \$822,000 in revenue related to shifting a portion of the housing inspection function to the Fire department.

Non-personnel expenditure reductions of \$146,000.

An increase to revenue of \$500,000.

**INSPECTIONS  
Staffing Information**

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
<b>FTE's by Division</b>						
Inspections	153.00	158.50	-			
Administration	-	-	8.00	10.00	25.00%	2.00
Construction Inspections	-	-	66.00	62.50	-5.30%	(3.50)
Housing Inspections	-	-	52.50	41.00	-21.90%	(11.50)
Development Services	-	-	24.00	26.00	8.33%	2.00
<b>Total FTE's</b>	<b>153.00</b>	<b>158.50</b>	<b>150.50</b>	<b>139.50</b>	<b>-7.31%</b>	<b>(11.00)</b>

**Financial Analysis: Licenses**

**EXPENDITURES**

The 2004 Adopted budget for Licenses and Consumer services reflects a reduction of 5.8% over the 2003 adopted budget. This reduction reflects the reduction of 7 positions in the environmental health division related the lead program. These positions were funded by a federal grant from the Department of Housing and Urban Development (HUD). In addition, the operations and regulatory services department reallocated a position to the inspections division.

**REVENUES**

The anticipated revenues in this area have declined by \$700,000 from the 2003 adopted budget. This is the net effect of the elimination of the HUD lead grant and several proposals to increase fees. The proposals to increase fees that are recommended by the Mayor are:

An additional \$52,000 in animal control fees to reflect more of the cost of providing these services.

False Alarm fees for properties with security calls - \$40,000

A late night liquor establishment fee for additional revenue of \$50,000.

Institutional food fees - \$30,000

Increases to court fines - \$86,000

**FUND ALLOCATION**

The licensing functions of the City are all budgeted in the general fund. The traffic control function – 30% of the department’s budget – is budgeted in the parking fund. The department also receives \$180,000 in funding for the lead program from Community Development Block Grant funds.

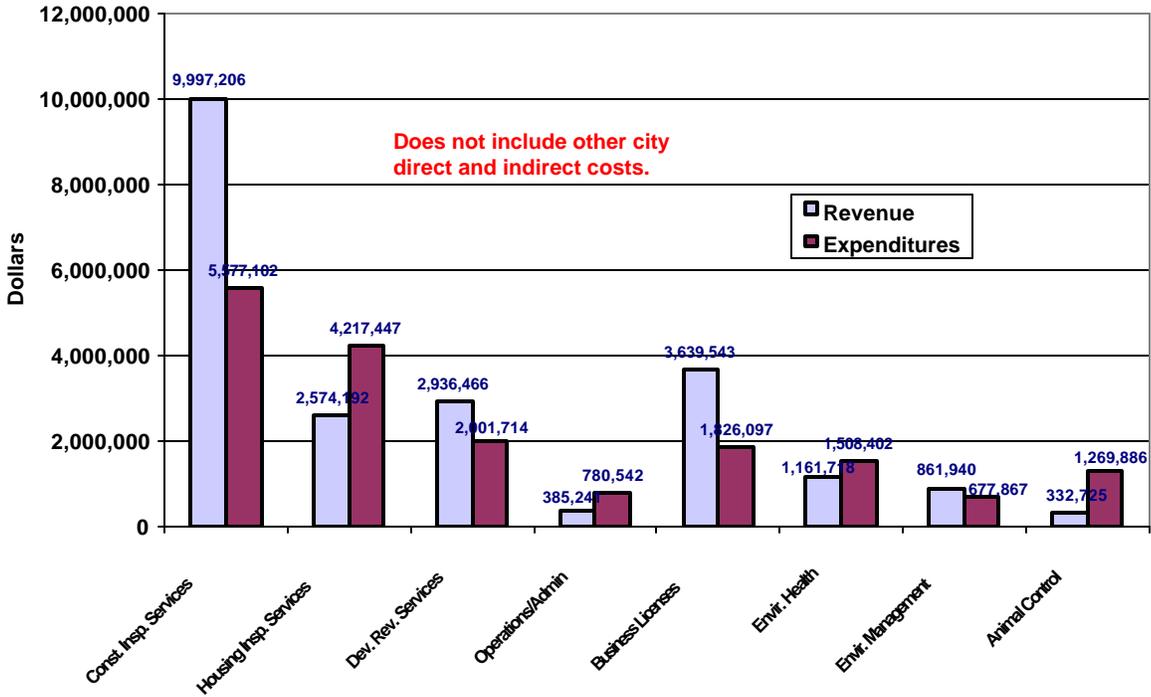
**LOCAL GOVERNMENT AID CUT IN 2003**

This department did not have a reduction related to LGA in 2003.

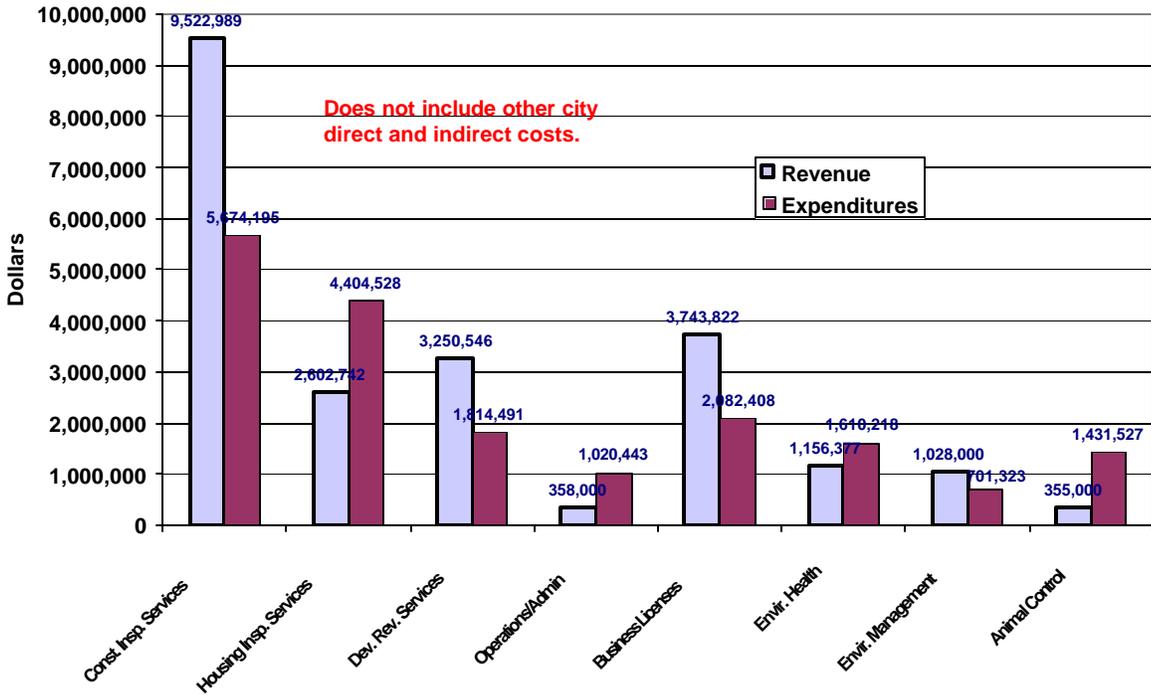
**LICENSES AND CONSUMER SERVICES  
Staffing Information**

	<b>2001</b>	<b>2002 Adopted Budget</b>	<b>2003 Adopted Budget</b>	<b>2004 Adopted Budget</b>	<b>% Change</b>	<b>Change</b>
<b>FTE's by Division</b>						
Administration	24.00	24.00	24.00	23.00	-4.17%	(1.00)
Parking and Traffic Control	38.00	42.00	42.00	42.00	0.00%	-
CNAP - Space Planning	1.00	1.00	-	-	0.00%	-
Environmental Health	34.25	34.25	32.95	26.00	-21.09%	(6.95)
Animal Control	21.00	21.00	20.50	21.00	2.44%	0.50
Environmental Services	9.00	9.00	8.64	8.25	-4.51%	(0.39)
<b>Total FTE's</b>	<b>127.25</b>	<b>131.25</b>	<b>128.09</b>	<b>120.25</b>	<b>-6.12%</b>	<b>(7.84)</b>

## 2002 Revenue vs. Expenditures, Regulatory Services



## 2003 Revenue vs Expenditures, Regulatory Services



# Regulatory Services

