

OPERATIONS AND REGULATORY SERVICES -- LICENSES AND CONSUMER SERVICES

Mission Statement:

To promote the livability and commercial vitality of Minneapolis for its residents, businesses and visitors, ensuring community health, safety, welfare, environmental quality, and economic well being.

Primary Businesses:

Business Services: Ensuring compliance with business standards and consumer protection.

Traffic Control: Facilitating the movement of pedestrians and vehicles in a safe and orderly manner

Environmental Management: Protecting and enhancing the air, water, land and other natural resources.

Children's Environmental Health / Healthy Housing: Preventing and responding to childhood environmental health threats

Food Safety – Environmental Health: Protecting citizens from food born illnesses

Animal Control: Facilitating relationships between citizens and animals

Key Trends and Challenges Impacting the Department:

Licenses and Consumer Services is challenged with the budget cut scenarios in its general fund allocations. Proposed are offsetting new revenue scenarios. This is a 3 to 5 year plan to move all cost centers toward self-sufficiency and cost neutrality to the general fund.

As the financial picture for the City becomes increasingly difficult in future years, as predicted, meaningful program eliminations are anticipated to augment the increased revenue strategies.

In the year of 2003, it is proposed that new revenues are to be generated in the following ways:

Adding a \$3 license fee increase to the rental property license to offset children's lead hazard general fund expenditures	\$180,000
Establishing food license fees for schools (per new state statute) and to commercial daycare establishments	\$ 29,900
Annual inflationary license fee increases based upon a reliable index	\$ 78,000
Total new revenues	\$287,900

OTHER KEY CHALLENGES

As a result of prior Council decisions, the License Department has absorbed additional expense for Administrative Adjudication (vs. criminal adjudication) through increased numbers of TAC hearings, Administrative Law Judge hearings, and administrative citations. These activities are expected to produce revenue to offset expenses. To the extent that revenues do not cover these additional expenses, the Department is asking the City Council to address the funding challenge that accommodates this administrative process.

Children’s Lead Hazard Environmental Program: Federal and State Grants have allowed us to put \$10 million into the City’s affordable housing over the last six years, creating lead-safe environments for lead poisoned children, and reducing the number of condemned properties due to lead to virtually none. Current grant funding expires in 2003, and although we are well positioned to receive future grants, the program remains dependant upon such continued Federal funding to reach it’s goal of elimination of lead as a major problem by 2010. Weaning the program from the City General Fund to make it self-sufficient remains a continued goal, and the rental property license fee surcharge proposed this year advances that goal.

Environmental Management: Two key initiatives have come to fruition this year.

The combined sewer overflow problem of rainwater overtaxing the City’s sewer systems and causing pollution to enter the watersheds is now being addressed through the hiring of three FTE’s (funded by the sewer fund) to identify and eliminate the offending rainwater systems. This program is intended to escalate in activity over the next several years until all the non-compliant systems have been identified and abated.

The Middle Mississippi Watershed District is being staffed by EM and funded through a watershed levy. Although this watershed was established earlier, it is in its first year of active projects and EM is gearing up to provide staff management for those approved projects. This watershed district is a consortium of several municipalities and will offer the City a new opportunity to accomplish projects in the Mississippi River Watershed.

Traffic and Parking Control: Together with PW Transportation and the MPD, Traffic Control is deeply involved in the development of an articulated DT transportation management plan which revisits issues as wide as crowd control, lane closures, parking turnover, etc. Currently, the issue of handicap parking permits is being discussed since the majority of DT meters are being utilized all day by such permits.

Animal Care and Control: A new animal control shelter is being designed with the anticipated bids to be requested this fall, for construction to begin in the early spring of 2003. Current progress is on schedule and on budget. Seamless cooperation with the Hennepin County Humane Society and other adoption services will allow us to build a smaller shelter than previous planned, and is also anticipated to reduce the pressure on staff time for the care of impounded animals. Dangerous biting dogs continue to tax both AC staff and Police resources.

Outreach to Businesses: The McKinsey report, the Small Business Task Force, and multiple immigrant support organizations continue to drive the Department to re-examine it’s approach to businesses in the City. Discussions regarding access to City services, simplification of license and permit processes, coordination of staff departments, and funding for the mandated inspection services will demand extensive staff attention and resources.

Animal Care and Control budget deficiencies: Several line item operating costs have been historically underfunded for years. Staff recommends that they be fully funded since these escalating costs have no relationship to management decisions, but rather reflect only the non-discretionary operating costs of the unit. New funds requested total \$44,500.

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|----|--|-----------|
| 1. | Veterinary Services (5130-06)
Costs for 2002 are projected at \$50,000 yet only \$36,000 is budgeted. | \$ 15,000 |
| 2. | Operating Supplies (Animal Meds) (6110)
Costs of the intranasal and injectable vaccines required to control disease in the City's animal shelter as well as costs of euthanasia solution are projected at \$21,000 yet only 12,900 is budgeted. | \$ 8,000 |
| 3. | Professional Services (5070)
Chameleon, the specialized software upon which field services and shelter operations depend, costs \$7,710 yet only \$4,500 is budgeted. | \$ 3,500 |
| 4. | Radio Services (5024-01)
Due to 24/7 field services, costs for 2002 are projected at \$15,000 yet only \$9,000 is budgeted. | \$ 6,000 |

5. Telephone (5025-01) \$ 4,400
Costs for 202 are projected at \$9,400 yet only \$4,928 is budgeted.
6. Printing (5055) \$ 5,500
Costs for 2002 are projected at \$8,000 yet only 2,500 is budgeted.
7. Cash Management (6030) \$ 2,100
An internal finance department charge for cash management services costs for 2002 are projected at \$3,000 yet only \$900 is budgeted.

Key Enterprise Outcome Measures Influenced by the: Licenses and Consumer Services Department

1. Increase the percentage of private sector business that report satisfaction with doing business in the City
2. Balance regulatory controls with a business friendly environment
3. Decrease the number of citizens reporting concerns with graffiti and nuisance businesses
4. Decrease downtown congestion
5. Increase citizen satisfaction with the water quality of City's lakes, creeks, and the Mississippi River
6. Improve water quality as tracked by improved City performance on Standard Water Quality Indicators
7. Reduce the number of polluted sites in Minneapolis
8. Reduce the number of violations of the City's noise ordinance
9. Reduce toxins in the air
10. Improve the quality of existing housing
11. Increase the City's participation in strategic partnerships to improve the health of Minneapolis residents
12. Increase % citizens and business owners who report feeling safe in their neighborhoods and in commercial corridors
13. Reduce opportunities for emergency situations and crime
14. Increase percentage of people who live and work in Minneapolis that report satisfaction with City services

Performance Data for Key Enterprise Outcome Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
% businesses reporting satisfaction with business licensing		Not Available	Not Available	Not Available	Not Available
% citizens reporting satisfaction with City's efforts at dealing with problem businesses and unkempt properties		58%	60%		
% business licensing violations brought into voluntary compliance		87	86		
% downtown businesses reporting congestion as a significant issue		Not Available	Not Available	Not Available	Not Available
% citizens reporting satisfaction with the City's efforts to protect the environment		72%			
% citizens who consider noise as a problem in their neighborhood		15%			
Average water quality rating of City bodies of water:	City Lakes - B Creeks - NA River - Full use	City Lakes - B Creeks - Not Avail River - Not posted	Systems will show improvement or maintain quality if		

	supported but threatened		weather conditions remain favorable		
Number of existing open polluted sites (brownfields) in Minneapolis	140	134	134 YTD	Can not estimate	Can not estimate
# of complaints regarding violation of the City's noise ordinance	NA	255	103 YTD	Trends indicate a decrease with education and enforcement programs	Trends indicate a decrease with education and enforcement programs
Average air quality rating OR # times air quality rating exceeded x	0 events Air Quality Index	4 events Air Quality Index	1 YTD		
# of dwelling units made lead-safe	134	110	150		
Number of EBL cases (Elevated levels of lead in the blood)	120	100	90		
# food borne illness outbreaks	2	4	3		
# dogs declared dangerous	370	400			
# complaints regarding barking dogs	1727	1700			
% citizens that report satisfaction with animal control services		80%			

Explanation of Performance Data for Key Enterprise Outcome Measures:

Primary Business: Business Services

(Service activities and performance measures sorted by business)

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:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# of Business license applications	11,140	11,994	11,800***	11,800***	11,800***
# of Business licenses issued	9,900*	9734	9700	9700	9700
% of delinquent licenses**	6.2%	7%	7%	7%	7%
% of licensed businesses expressing satisfaction with license services		Not Avail	Not Avail	Not Avail	Not Avail

Explanation of Key Performance Measures:

*In 2000, False Alarms were no longer entered as licenses and Building Contractor licenses were taken over by the State.

**Delinquent licenses also include businesses in ownership transition. Increase appears due to software changes, and failure of some old licenses to be inactivated, rather than true increase in delinquent licenses.

*** Some trade category licenses such as plasterer and drywall contractor are proposed for elimination.

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:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# violations issued		Not Avail	200*	500	500
Number of TAC Hearings	25	29	25	25	25
% successful agreements reached (problem addressed)	84%	87%	86%	86%	86%
# of ALJ Hearings	4	4 done, 3 in process	4	4	4
# Ordinance changes		10	15	10	10

Explanation of Key Performance Measures:

TAC hearings are administrative hearings conducted within the department. Most problem business issues are corrected and disciplinary action agreed to in these hearings. When these do not work or the violations warrant revocation, Administrative law judge hearings are scheduled with the State of MN, Dept. of Administration. This year the Department is implementing two new projects. The first is computerization of our enforcement activity (not done before). This will allow the Department to track the number of requests for service. Also new this year will be implementing the issuance of administrative tickets rather than criminal tickets when violations are found. It is anticipate this will bring better compliance and provide a more self-supporting system.

* Implemented in May 2002.

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:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# of Requests for Service		Not Avail	500*	800	800
% of clients satisfied with information services		Not Avail	Not Avail	Not Avail	Not Avail
languages in which information is translated and provided		2	2*	2	2

Explanation of Key Performance Measures:

In 2001, Business Licenses participated in Somali Business Seminars and created a "How to License a Business" information pamphlet in Somali.

In 2002 coordinated with MCDA and several other departments to have booklet, "Starting a Business in Minneapolis", translated into Somali and Spanish.

* System implemented in May 2002.

Service Activity: Facilitate the coordination of interdepartmental teams to address specific city livability issues .

Description: The coordination of key departments involved in resolution of chronic nuisance properties is one of the main tactics used to abate problem properties. The continuation of this program will help resolve individual problem addresses as well as highlight business practices in need of improvement.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# of Nuisance Business Team meetings annually	8	8	8	8	8
% of addresses on list resolved	Not Avail	Not Avail	Not Avail		

Explanation of Key Performance Measures:

Primary Business: Traffic Control

(Service activities and performance measures sorted by business)

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:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# of accidents occurring where TCA's were posted	0	0	0		
# of hours of traffic control services provided	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 events	16,000 total 5,500 hrs staffing rush hour 10,500 hrs staffing special events	16,000 total 6,000 hrs staffing rush hour 10,500 hrs staffing special events	16,000 total 6,000 hrs staffing rush hour 10,500 hrs staffing special events
Avg. cost per rush hour	\$48,429.95	\$86,057.00	\$111,100.00	\$121,200	\$121,200
# requests for services	Not Documented	694	700	700	700

Explanation of Key Performance Measures:

Service Activity: Enforce parking laws in the City and collect revenue from parking meters

Description: Enforcement includes meters, critical parking areas, snow bans, snow emergencies, abandoned vehicles, rush hour restrictions and commercial parking zones.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Avg. coin revenue per TCA	146,916.32	177,912.00	200,000.00	200,000	200,000
Total Coin revenue	4,113,656.91	4,600,00.00	\$4,900,00.00	\$5,100,000.00	\$5,100,000.00
# of snow emergencies	6	5	4	4	4
# of snow emergency citations	29,037	25,229	28,000	28,000	28,000
# of abandoned vehicle complaints	5,078	5,500	5500	5500	5500
# of rush hour restriction violation citations	13,165	15,000	15,500	15,500	15,500

Explanation of Key Performance Measures:

Primary Business: Environmental Management

(Service activities and performance measures sorted by business)

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:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# requests for service	926	1275	503 YTD	1200	1200
# requests for services closed	926	856	234 YTD	900	900
% companies reporting reduction in toxic emissions	2000 Data NA Until 2003 Trends indicate continued overall reductions in total TRI emissions	2001 Data NA Until 2004 Trends indicate continued overall reductions in total TRI emissions	2002 Data NA Until 2005 Trends indicate continued overall reductions in total TRI emissions		
# of Brownfield sites closed : new sites open for current year	69:50	44:42	21:21 YTD		
Total revenue generated in fees and permits	\$779,711	\$789,290	\$881,290	\$881,290	\$881,290
Revenue per inspector (6 inspectors)	\$129,952	\$131,548	\$146,881	\$146,881	\$146,881
% improvement in avg. water quality indices	Creeks NA Lakes +4% River NA	Currently NA	Currently NA		

Explanation of Key Performance Measures:

YTD: Year to date

Brownfield Sites: Economic Development often drives Site clean up; therefore the number of Brownfield sites and clean ups should not increase significantly. Any new sites are likely to be more costly and complicated to clean up. Toxic Release Inventory data is compiled from reported information. Current summaries of the report are not yet prepared. Careful evaluation and understanding of the data must accompany for volume reductions as compared to the hazards, toxicity, and concentrations of materials involved.

Service Activity: Provide effective response to environmental emergencies

Description:

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# of environmental emergencies					
% water contamination					
% spills on land					
% toxic air releases					
Total Cost per emergency					
\$ amount recuperated / charged to violator					

Explanation of Key Performance Measures:

These measures have not been implemented to date. They are to be incorporated into KIVA RFS as a record management system for tracking number of incidences, type of incidences, cost per incidence, and cost recovered from a responsible party when identified.

Primary Business: Children's Environmental Health – Healthy Housing

(Service activities and performance measures sorted by business)

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:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Number of EBL cases	120	100	100	120	120
% 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.	8 Mo.
# of EBL risk assessments	142	125	100	100	100
# of EBL risk assessments per FTE	35	31	25	25	25
Average Cost per EBL risk assessment	1500	1500	1500	1500	1500
Total number of orders brought into compliance	134	110	100	100	100
# of condemnations	3	2	3	3	3
% of orders brought into compliance without federal funding	30%	30%	25	25	25
% of orders brought into compliance with federal lead grant assistance	70%	70%	75%	75%	75%

Explanation of Key Performance Measures: Performance measures reflect continuing decline in diagnosed elevated blood lead levels (EBLs) in children. Only 20% of at-risk children in the city are tested, however, indicating that actual rates are at least double of those reported. In 2002, CEH began a Low Level Intervention where the Department remedies lead hazards in housing when a child is tested and shows exposure to lead but their blood lead level is lower than the amount classified as an EIBLL. Increase in percentage of federal lead grant assistance reflects development of new sources of matching funds for building owners, leading in increased participation in grant funded programs.

Service Activity: Special projects and grant funded activities

Description: The City of Minneapolis Lead Hazard Control program has received federal and state grant funds since 1994 totaling 10 million dollars to date. These funds have allowed the program to reduce condemnation of housing units from over 30 per year to almost zero units in the past few years. The program is building on the Lead Hazard Control program and infrastructure to include other children's environmental and healthy housing activities and programs based on trends, regulations, CHE and directives from federal and state agencies and partners.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# of dwelling units made lead-safe	260	128	225	1000	1000
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	250	250
Total \$ amount for property owner matching funds	\$36,660	\$1,398	\$40,000	\$50,000	\$50,000
Number of education and outreach events	1300	300	1000	1200	1200
# of Risk Assessments provided to other organizations	0	25	100	300	300
Total lead risk assessment revenue	0	\$15,000	\$20,000	\$40,000	\$40,000
# of Indoor Air Quality (IAQ) requests for service	20	100	120	220	220

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 dramatically with the implementation and enforcement of federal regulations and will continue to do so for the next few years. Revenues from these risk assessments will also increase as more are performed on a fee basis.

Primary Business: Food Safety – Environmental Health

(Service activities and performance measures sorted by business)

Service Activity: Enforce Minneapolis’ environmental health ordinances

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

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# of licensed food facilities	2334	2359	3718	3768	3768
Total number of inspections	3222 food relate 445 other inspections	3500 food relate 500 other inspections	4000 476 other inspection	3762 485 other inspections	3762 485 other inspections
# reinspections required	187	230	300	350	350
# of alleged food borne illness complaints received	109	160	160	175	175
# of confirmed food borne illness (FBI) outbreaks	2	4	3		
# emergency closures	6	6	4	0	0
# voluntary closures	19	5	5	0	0
Total revenue			Not available	Not Available*	Not Available*
Avg. cost per business			Contact Finance		

Explanation of Key Performance Measures: The Department expects more foodborne illness complaints due the Food Code requirement for management to report customer complaints to the regulatory authority. The Department is seeing more confirmation of foodborne illness due the increased testing abilities of the State Health Lab and announced inspection.

Currently reflected in Business Licenses revenue.

Service Activity: Provide training and public information to prevent foodborne illnesses and food safety risks and hazards.

Description: Environmental Health Specialists will provide training, consultation and public information to prevent foodborne, waterborne illness. The Department 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 establishment a food safety council in partnership with food industries and other stakeholders. The Department 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 department. Staff has developed the business plan for the next two 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. Department staff is committed to introduce a neighborhood ownership philosophy.

We are creating a strong partnership with the business community, the FDA, State Health Department, 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:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# of Food Manager Certification (FMC) courses offered & recertification	33 (2 Spanish 1 Somali)	34 (4 Spanish 1 Somali)	44 (4 Spanish, 2 Somali)	48 (5 Spanish, 2 Somali)	48 (5 Spanish, 2 Somali)
# of FMCs issued	664	650	841	917	917
# of Food Handler courses offered	8	35 (6 Spanish)	20 (6 Spanish, 4 Somali)	30 (10 Spanish, 4 Somali)	30 (10 Spanish, 4 Somali)
# of food handlers trained	158	450	250	375	375
Cost vs. Revenue of classes offered					
# Businesses receiving env. health news letters	1,915	2,196	3,125		

Explanation of Key Performance Measures: Total number of plans review in 2001 is 161. Total number of new restaurants opened in 2001 is 106. Total number of short-term permits issued in 2001 is 164.

Primary Business: Animal Control

(Service activities and performance measures sorted by business)

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 statute. This service activity also addresses other health and safety issues such as rabies control.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# of service responses	17,550	17,592	17,750	18,000	18,000
# of service responses per Animal Control Officer FTE	1,132	1,135	1,145	1,161	1,161
# of licensed cats and dogs*	12,518	12,974	13,000	14,000	14,000
Income from pet licenses and other fees	\$256,477	\$248,902	\$315,000	\$350,000	\$350,000
# of off leash permits**	NA	2007	3,500	4,000	4,000
OMIT--Avg. cost per service					
# of animal bites reported	516	521	525	550	550
# of animals deemed dangerous	370	336	350	375	375
OMIT--Avg. response time					
# Hearings	170	200	210	210	210

% citizens that report satisfaction with animal control services		80%			
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Explanation of Key Performance Measures:

*The number of licensed animals includes some license applications sold when animals are impounded from the City's Animal Shelter. Licenses for these animals require proof of rabies vaccination, which is not always forthcoming. In 2001, there were 617 such applications.

**The off leash recreation area program began in late summer of 2000 but 2001 permits were issued for the program from the time that it began until the end of 2001. This program is administered and operated through the Minneapolis Park and Recreation Board with the cooperation of the Animal Care and Control Program which issues the required permits. The Department's program keeps an administrative fee 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.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
# of impounded animals	6,003	5,487	6,000	6,250	6,250
Avg. # shelter days of potentially adoptable animals *	10.91	10.81	10.5	10.25	10.25
OMIT--Avg. cost animal					
% placement rate	55%	57%	58%	59%	59%
# animals placed through partnerships with animal rescue groups**	543	524	550	550	550
# of volunteer hours at the shelter	485	269	350	375	375

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.

Financial Analysis:

For the 2003 General Fund budget, the Licenses and Consumer Services Division of Operations and Regulatory Services proposed, the Mayor recommended, and Council Adopted revenue target strategies totaling \$107,900. Revenue strategies include \$29,900 for food safety inspection license fee for schools and commercial daycare's, and \$78,000 for annual license fee cost of living adjustment. Additionally, during the budget hearing process, Council reduced the License expense budget by \$180,000 and removed a fee recommended by the Mayor (please see Target Strategies section of this narrative).

Also, for 2003, Licenses and Consumer Services requested additional funding for animal care and control related programs. This request was based on escalating costs to the Department for animal

care (refer to the Other Key Challenges section). The Mayor and Council did not add funding for these requests.

For 2003, based on the Department's revenue estimates, Licenses and Consumer Services will contribute \$10.4 million to the General Fund from operations. This has increased by 10.8% for increases in ticket count, fees to more closely match related operational expenses, and cost of living increases on business licenses. Through Environmental Services, the Department includes Special Revenue funds of \$1.3 million from Federal grant programs including Lead, Environmental Health, others. These grants provide funding for contracts and staffing (8.0 FTEs). Grant revenue and contractual expenses are adjusted to reflect actual grant activity. For 2003, the Department's Parking & Traffic Control division estimates that it will contribute \$5.1 million in revenue to the Parking Fund (recognized in the City's Public Works Department) for ticket writing and coin collection.

On the expense side, the Department's \$10.0 million budget is funded 60% from the General Fund, 27% from Enterprise Funds (Parking Fund), and 13% from Special Revenue Funds. For 2003, the General fund budget increase of 3.1% is due to personnel job reclassifications and benefits increases. For 2003, the Enterprise Fund expense budget was reduced by \$278,000 from 2002 for the one-time ticketwriter-replacement Decision Package approved during the last budget cycle.

General fund expense levels were reduced from 2002 as a result of the City's \$5.2 million budget reductions: eliminated were 3.16 vacant positions, saving \$260,000; and revenue enhancements for fees from food licenses, well monitoring, and other license fees to contribute \$125,000. For 2002, the Department proposed, and the Mayor and Council approved, targeted revenue enhancements of \$400,000 including animal control fee, service fee, license reinspection fee, and tobacco license fee increases.

Summary of Target Strategies:

PLAN REVIEW FEE COMPARISON						
CURRENT FEES						AVERAGE
RAMSEY COUNTY		PRE-LIC INSP FEE/PLAN	SMALL RESTAURANT	LARGE RESTAURANT		
New		\$140	\$320	\$460		\$530
Remodel			\$160	\$230		\$195
ANOKA COUNTY			SMALL RESTAURANT	LARGE RESTAURANT	VERY LARGE RESTAURANT	
New			\$200	\$550	\$750	\$500
Remodel			\$100	\$275	\$375	\$250
HENNEPIN COUNTY	CONFECTIONERY	SMALL GROCERY	PIZZA/LRG GROC	LARGE RESTAURANT	VERY LARGE RESTAURANT	
New	\$83	\$300	\$453	\$597	\$743	\$435
Remodel	\$42	\$150	\$227	\$299	\$372	\$218
MINNEAPOLIS	1 - 1000 SQ FT	1001 - 5000 SQ FT	> 5001 SQ FT			
New	\$100	\$150	\$200			\$150
Remodel	\$100	\$150	\$200			\$150

AVERAGE FEE COMPARISON	
PROPOSED (2002-03)	AVG. FEE
RAMSEY COUNTY	
New	\$530
Remodel	\$195
ANOKA COUNTY	
New	\$500
Remodel	\$250
HENNEPIN COUNTY	
New	\$435
Remodel	\$218
MINNEAPOLIS	
New	\$375
Remodel	\$281

**OPERATIONS AND REGULATORY SERVICES --
LICENSES AND CONSUMER SERVICES**

PROPOSED FEES FOR 2002 - 2003						AVERAGE
	< 1000 SF	1001 - 3000 SF	3001 - 5000 SF	5001 - 7000 SF		
RISK 1						
New	\$300	\$400	\$500	\$600	\$450	
Remodel	\$225	\$300	\$375	\$450	\$338	
RISK 2						
New	\$250	\$350	\$450	\$550	\$400	
Remodel	\$187	\$262	\$337	\$412	\$300	
RISK 3						
New	\$150	\$250	\$300	\$400	\$275	
Remodel	\$112	\$187	\$225	\$300	\$206	
AVERAGE						
New	\$233	\$333	\$417	\$517	\$375	
Remodel	\$175	\$250	\$312	\$387	\$281	

Title: Children's Environmental Health - Lead Hazard Fees

Fund # 0100

Agency # 835

Organization # 8392

<u>Fund</u>	<u>Cost</u>	<u>Revenues</u>	<u>FTE's</u>	<u>Job Titles/Other related costs</u>
0100	\$0.00	\$180,000	0	

Mayor's Recommendation:

The Mayor recommends this proposal

Council Adopted:

The Council does not recommend this proposal. The Council added a cut of \$180,000 to the department.

Expense: (\$180,000)

Revenue:

Proposal Description: The Department is proposing a modest \$3 surcharge per unit to be added on Rental Licenses for properties built prior to 1978. The Department estimates there are:

*70,000 units in buildings with two or more units built prior to 1978

*16,181 rental licenses issued last year, with a total of 80,086 licensed units

Considering these numbers, the Department estimates a minimum of 60,000 units would be impacted by this surcharge. Over 60% of Children's Environmental Health program general funds are used to manage childhood lead poisoning cases that occur in rental properties. This proposal seeks to replace those expenditures. If the property owner can show that the property has been tested to be lead free

the fee will be waived permanently. If the property has been deemed lead safe in the past 24 months, the fee will be waived.

Describe how the proposal impacts your service activities and performance measures: The program targets rental properties that are over 60% of the budget burden for Children's Environmental Health - Lead Hazard program and pose the greatest hazard to children. This proposal is both incentive and education based. This proposed surcharge will give the City's Children's Environmental Health a greater opportunity to educate rental property owners (RPO's) about the federal requirements to work lead safe and disclose lead information to tenants and give owners information about resources to assist them in making their properties lead safe. The pre-1978 surcharge for rental units was supported throughout the Comprehensive Lead Plan (CLP) and is currently supported by the Lead Network. The CLP and the Lead Network were created through a cooperative and inclusive approach with participants from housing, government, health care, impacted citizens, and community based organizations. This surcharge furthers the Department's efforts to create more lead-safe affordable housing and end childhood lead poisoning.

Title: Food Safety Institutional License Fee Proposal

Fund # 0100

Agency # 835

Organization # 8391

<u>Fund</u>	<u>Cost</u>	<u>Revenues</u>	<u>FTE's</u>	<u>Job Titles/Other related costs</u>
0100	\$0.00	\$14,000		
0100	\$0.00	\$900		
0100	\$0.00	\$15,000		

Mayor's Recommendation:

The Mayor recommends this strategy

Council Adopted:

The Council recommends this proposal

Expense:

Revenue: \$29,900

Proposal Description: DAYCARES: proposed institutional license fees based on risk and square footage. There are 114 daycares (24 risk 1s, 89 risk 2s, and 1 risk 3). These are commercial daycares, not home daycares.

2. PRIVATE SCHOOLS: use new proposed institutional license fees based on risk and square footage. There are eight private schools (6 risk 2s and 2 risk 1).

3. PUBLIC SCHOOLS: State law now requires schools to be licensed, the existing contract, as it stands, can qualify as a license. If the schools choose to discontinue a contract with Environmental Health Food Safety, the 108 schools, the summer feeding sites (150), and the Nutrition Center will be required to have a license.

Describe how the proposal impacts your service activities and performance measures:

Currently, private schools and commercial daycares are inspected, but the City does not recuperate its costs to provide these services. The School Board has a contract with Environmental Health for .5 FTE

to inspect the Nutrition Center and the schools. An outbreak of E. coli at a private elementary school resulted in the hospitalization of two children and other children ill but not hospitalized. Institutions serving our City's youth can pose a serious risk to our community's health if they are not regulated and inspected. Several outbreaks of Shigella and Giardia in preschools and daycares have occurred in the last four years. In addition to regular inspections, Sanitarians provide a variety of resources, including training, tools, and information. 114 daycares and 109 schools will benefit from this proposal. Implementing the proposed fees assures that the City continues to provide the utmost service level to these institutions. This proposal generates fees of \$29,900.

Title: Annual License Fee Adjustment

Fund # 0100

Agency # 835

Organization # 8360

<u>Fund</u>	<u>Cost</u>	<u>Revenues</u>	<u>FTE's</u>	<u>Job Titles/Other related costs</u>
0100	\$0.00	\$78,000		

Mayor's Recommendation:

The Mayor recommends this proposal

Council Adopted:

The Council recommends this proposal

Expense:

Revenue: \$78,000

Proposal Description: Adjust license fees for 2003 to take into account inflationary increases in City costs of regulation including new labor agreements. The Department is currently estimating the adjustment to be 2% for 2003. This increase would take effect with licenses due for renewal starting January 1, 2003.

Describe how the proposal impacts your service activities and performance measures: Will increase revenue by approximately \$78,000 if increase is approved by Council.

LICENSES & CONSUMER SERVICES
Expense Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
Enterprise Funds						
Contractual Services	192,607	232,866	303,162	309,227	2.0%	6,065
Equipment	10,870	83,687	374,304	98,230	-73.8%	-276,074
Fringe Benefits	348,183	358,581	446,857	519,745	16.3%	72,888
Operating Costs	71,251	99,979	90,303	92,519	2.5%	2,216
Salaries and Wages	1,382,778	1,494,497	1,643,435	1,736,709	5.7%	93,274
Total for Enterprise Funds	2,005,690	2,269,610	2,858,061	2,756,430	-3.6%	-101,631
General Fund - City						
Contractual Services	517,224	801,942	719,000	729,377	1.4%	10,377
Equipment	112,695	85,485	28,686	29,259	2.0%	573
Fringe Benefits	638,728	802,638	963,672	992,123	3.0%	28,451
Operating Costs	224,409	255,035	226,181	213,002	-5.8%	-13,179
Salaries and Wages	2,839,396	3,738,476	3,791,717	3,971,261	4.7%	179,544
Total for General Fund - City	4,332,452	5,683,576	5,729,256	5,935,022	3.6%	205,766
Special Revenue Funds						
Contractual Services	1,211,196	816,702	1,542,344	680,802	-55.9%	-861,542
Equipment	11,468	9,429	7,316	7,462	2.0%	146
Fringe Benefits	57,032	47,991	98,941	115,620	16.9%	16,679
Operating Costs	36,613	33,607	47,755	48,709	2.0%	954
Salaries and Wages	272,597	268,183	373,696	409,727	9.6%	36,031
Total for Special Revenue Funds	1,588,906	1,175,912	2,070,052	1,262,320	-39.0%	-807,732
Total for LICENSES & CONSUMER SERVICES	7,927,047	9,129,098	10,657,369	9,953,772	-6.6%	-703,597

LICENSES & CONSUMER SERVICES
Revenue Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
Enterprise Funds						
Charges for Sales	-1,559	0	0	0	0.0%	0
Charges for Service	30,761	29,361	0	0	0.0%	0
Other Misc Revenues	3,536	0	0	10,000	0.0%	10,000
Total for Enterprise Funds	32,737	29,361	0	10,000	0.0%	10,000
General Fund - City						
Charges for Sales	419	310	600	600	0.0%	0
Charges for Service	258,495	290,060	390,600	418,500	7.1%	27,900
Contributions	55	25	0	0	0.0%	0
Fines and Forfeits	3,758,562	4,681,091	3,915,000	4,360,000	11.4%	445,000
Licenses and Permits	3,542,558	4,998,990	5,048,500	5,583,191	10.6%	534,691
Local Government	33,480	17,480	33,000	33,000	0.0%	0
Other Misc Revenues	14,154	31,804	22,000	31,428	42.9%	9,428
Rents	6,513	34,442	0	0	0.0%	0
Total for General Fund - City	7,614,235	10,054,203	9,409,700	10,426,719	10.8%	1,017,019
Special Revenue Funds						
Charges for Service	35,568	55,936	108,000	108,000	0.0%	0
Contributions	0	563	0	0	0.0%	0
Federal Government	1,583,578	1,048,166	1,200,000	1,200,000	0.0%	0
State Government	12,641	54,326	7,600	25,000	228.9%	17,400
Total for Special Revenue Funds	1,631,787	1,158,990	1,315,600	1,333,000	1.3%	17,400
Total for LICENSES & CONSUMER SERVICES	9,278,759	11,242,554	10,725,300	11,769,719	9.7%	1,044,419

LICENSES & CONSUMER SERVICES
Business Line Expense Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
ANIMAL CONTROL						
General Fund - City						
Contractual Services	175,959	178,496	165,526	193,039	16.6%	27,513
Equipment	4,345	1,613	12,866	13,123	2.0%	257
Fringe Benefits	148,124	186,125	201,809	241,985	19.9%	40,176
Operating Costs	64,563	70,593	65,829	67,392	2.4%	1,563
Salaries and Wages	654,509	805,927	841,259	915,988	8.9%	74,729
Total for General Fund - City	1,047,500	1,242,756	1,287,289	1,431,527	11.2%	144,238
Special Revenue Funds						
Operating Costs	0	563	0	0	0.0%	0
Total for Special Revenue Funds	0	563	0	0		0
Total for ANIMAL CONTROL	1,047,500	1,243,318	1,287,289	1,431,527	11.2%	144,238
CNAP - SPACE PLANNING						
General Fund - City						
Contractual Services	3,743	14,945	26,047	0	-100.0%	-26,047
Equipment	5,909	6,926	500	0	-100.0%	-500
Fringe Benefits	10,117	11,513	12,228	0	-100.0%	-12,228
Operating Costs	4,364	2,293	5,912	0	-100.0%	-5,912
Salaries and Wages	56,634	68,014	57,868	0	-100.0%	-57,868
Total for General Fund - City	80,767	103,691	102,555	0	-100.0%	-102,555
Total for CNAP - SPACE PLANNING	80,767	103,691	102,555	0	-100.0%	-102,555
ENVIRONMENTAL SERVICES						
General Fund - City						
Contractual Services	0	41,396	83,956	70,277	-16.3%	-13,679
Equipment	0	852	6,100	6,222	2.0%	122
Fringe Benefits	0	86,457	98,083	109,446	11.6%	11,363
Operating Costs	0	11,835	11,500	8,415	-26.8%	-3,085
Salaries and Wages	0	458,764	481,559	506,963	5.3%	25,404
Total for General Fund - City	0	599,304	681,198	701,323	3.0%	20,125
Special Revenue Funds						
Contractual Services	0	9,576	0	0	0.0%	0
Total for Special Revenue Funds	0	9,576	0	0		0
Total for ENVIRONMENTAL SERVICES	0	608,879	681,198	701,323	3.0%	20,125
FOOD						
General Fund - City						
Contractual Services	117,829	129,527	179,872	184,323	2.5%	4,451
Equipment	6,206	14,021	2,668	2,721	2.0%	53
Fringe Benefits	194,301	214,831	289,018	298,315	3.2%	9,297
Operating Costs	82,260	82,049	68,500	57,867	-15.5%	-10,633

LICENSES & CONSUMER SERVICES
Business Line Expense Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
FOOD						
General Fund - City						
Salaries and Wages	807,641	963,291	1,045,037	1,066,992	2.1%	21,955
Total for General Fund - City	1,208,237	1,403,718	1,585,095	1,610,218	1.6%	25,123
Total for FOOD	1,208,237	1,403,718	1,585,095	1,610,218	1.6%	25,123
LEAD CONTROL - HUD PROJECT						
Special Revenue Funds						
Contractual Services	1,028,368	946,664	1,542,344	655,802	-57.5%	-886,542
Equipment	10,455	9,429	7,316	7,462	2.0%	146
Fringe Benefits	54,910	46,139	0	0	0.0%	0
Operating Costs	35,422	27,905	47,755	48,709	2.0%	954
Salaries and Wages	263,731	250,889	0	0	0.0%	0
Total for Special Revenue Funds	1,392,887	1,281,027	1,597,415	711,973	-55.4%	-885,442
Total for LEAD CONTROL - HUD PROJECT	1,392,887	1,281,027	1,597,415	711,973	-55.4%	-885,442
LEAD PROGRAM						
General Fund - City						
Contractual Services	77,456	79,628	28,015	31,848	13.7%	3,833
Equipment	6,520	3,535	0	0	0.0%	0
Fringe Benefits	45,794	55,650	53,824	5,683	-89.4%	-48,141
Operating Costs	25,517	17,224	11,433	8,647	-24.4%	-2,786
Salaries and Wages	170,551	230,019	207,139	102,368	-50.6%	-104,771
Total for General Fund - City	325,837	386,057	300,411	148,546	-50.6%	-151,865
Special Revenue Funds						
Contractual Services	182,828	-159,570	0	25,000	0.0%	25,000
Equipment	1,012	0	0	0	0.0%	0
Fringe Benefits	2,122	0	98,941	115,620	16.9%	16,679
Operating Costs	1,191	591	0	0	0.0%	0
Salaries and Wages	8,866	0	373,696	409,727	9.6%	36,031
Total for Special Revenue Funds	196,019	-158,979	472,637	550,347	16.4%	77,710
Total for LEAD PROGRAM	521,856	227,078	773,048	698,893	-9.6%	-74,155
LICENSES & CONS SVC-ADMIN						
General Fund - City						
Contractual Services	142,238	357,949	235,584	249,890	6.1%	14,306
Equipment	89,715	58,537	6,552	7,193	9.8%	641
Fringe Benefits	240,392	248,062	308,710	336,694	9.1%	27,984
Operating Costs	47,705	71,041	63,007	70,681	12.2%	7,674
Salaries and Wages	1,150,060	1,212,461	1,158,855	1,378,950	19.0%	220,095
Total for General Fund - City	1,670,111	1,948,050	1,772,708	2,043,408	15.3%	270,700
Special Revenue Funds						
Contractual Services	0	20,033	0	0	0.0%	0

LICENSES & CONSUMER SERVICES
Business Line Expense Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
LICENSES & CONS SVC-ADMIN						
Special Revenue Funds						
Fringe Benefits	0	1,852	0	0	0.0%	0
Operating Costs	0	4,548	0	0	0.0%	0
Salaries and Wages	0	17,294	0	0	0.0%	0
Total for Special Revenue Funds	0	43,726	0	0		0
Total for LICENSES & CONS SVC-ADMIN	1,670,111	1,991,776	1,772,708	2,043,408	15.3%	270,700
PARKING & TRAFFIC CONTROL						
Enterprise Funds						
Contractual Services	192,607	232,866	303,162	309,227	2.0%	6,065
Equipment	10,870	83,687	374,304	98,230	-73.8%	-276,074
Fringe Benefits	348,183	358,581	446,857	519,745	16.3%	72,888
Operating Costs	71,251	99,979	90,303	92,519	2.5%	2,216
Salaries and Wages	1,382,778	1,494,497	1,643,435	1,736,709	5.7%	93,274
Total for Enterprise Funds	2,005,690	2,269,610	2,858,061	2,756,430	-3.6%	-101,631
Total for PARKING & TRAFFIC CONTROL	2,005,690	2,269,610	2,858,061	2,756,430	-3.6%	-101,631
Total for LICENSES & CONSUMER SERVICES	7,927,047	9,129,098	10,657,369	9,953,772	-6.6%	-703,597

LICENSES AND CONSUMER SERVICES
Staffing Information

	2000	2001	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
FTE's by Division						
Administration	24.00	24.00	24.00	24.00	0.00%	-
Parking and Traffic Control	37.00	38.00	42.00	42.00	0.00%	-
CNAP - Space Planning	1.00	1.00	1.00	-	-	-
Environmental Health	34.25	34.25	34.25	32.95	-3.80%	(1.30)
Animal Control	20.00	21.00	21.00	20.50	-2.38%	(0.50)
Environmental Services	-	9.00	9.00	8.64	-4.00%	(0.36)
Total FTE's	116.25	127.25	131.25	128.09	-2.41%	(3.16)