

**Activity Description**

Plant Management (PMD) delivers consistent, quality services to ensure cost-effective, clean, safe, and environmentally sound buildings, grounds, and operations and provides recycling and mail distribution services to state and local government through Resource Recovery and Central Mail. Division work is outlined in several sections of Minnesota Statutes: M.S. 16B.24, 16B.48, 16B.49, 16B.58, and 115A.15.

**Population Served**

The majority of PMD's customers are state agencies and the legislature. Non-state agency customers include visitors and event participants, as well as:

- ◆ organizations leasing space or needing parking;
- ◆ state agencies located in St. Paul, State Health Boards located in Minneapolis, and the Department of Education in Roseville for mail services; and
- ◆ state and regional units of government requesting resource recovery services.

**Services Provided**

Services provided by PMD include:

- ◆ housekeeping, engineering, building management, waste removal, grounds maintenance, snow removal, trade and repair services, event permitting and coordination, cafeteria oversight, energy management and environmental and fire/life/safety systems;
- ◆ maintenance of ceremonial grounds, monuments, and memorials as a showplace for all Capitol complex tenants, visitors, and Minnesota citizens;
- ◆ metering and processing outgoing federal mail and inter-office mail services for state agencies located in St. Paul, processing incoming federal mail for Capitol complex agencies, addressing, inserting services, and bar-coding for state agencies resulting in reduced postage costs;
- ◆ operating the State Recycling Center to prepare recyclables for market and administering the state Government Resource Recovery Program providing waste reduction and recycling assistance and education;
- ◆ moving, equipment rental, and delivery services; and
- ◆ maintaining and managing parking facilities and contracts and providing alternative transportation services.

**Historical Perspective**

PMD ensures that all facilities are operated, repaired, and maintained in a cost-effective manner to preserve the integrity of the state's assets and provide a safe and comfortable environment for building tenants. As part of this goal, PMD maintains an Asset Preservation Program outlining necessary repairs for facilities. If due to insufficient or restricted funding the state fails to address deferred maintenance, serious structural damage, deterioration, and reduction in the life expectancy of buildings should be expected.

State agencies within the boundaries of St. Paul are required to use Central Mail for handling and processing of outgoing mail. This centralized operation allows small and large agencies collectively to achieve postage savings through the use of Central Mail's bar-coding and ink-jet addressing equipment and also helps to realize operational efficiencies such as staffing, equipment, and space.

**Key Program Goals**

Goal: To be recognized for our innovation and efficiency through conservation of natural and economic resource  
 Division Objective: Reduce Capitol complex energy consumption in non-computer server facilities by at least 10% compared with FY 2006 actual consumption.

Measure: Less than 472,500 MMBtu

**Activity at a Glance**

Plant Management maintains:

- ◆ 4.3 million square feet;
- ◆ 21 buildings;
- ◆ 24 monuments/memorials;
- ◆ 31 parking facilities;
- ◆ 1,846 tons of material recycled in FY 2008;
- ◆ 619 special event permits issued for public use of state Capitol and grounds; and
- ◆ \$800,000 in postage savings in FY 2008 through automated mail services.

# ADMINISTRATION DEPT

**Program: GOVT AND CITIZEN SERVICES**

**Activity: PLANT MANAGEMENT**

Narrative

Goal: To be recognized for our innovation and efficiency through conservation of natural and economic resource  
Division Objective: Achieve an absolute reduction in disposed waste over FY 2008 actual.

Measure: Less than 654 tons

Goal: To be recognized for our innovation and efficiency through conservation of natural and economic resource  
Division Objective: Reduce Capitol complex irrigation water consumption over the FY 2008 actual.

Measure: Less than 4.8 million gallons

## Key Measures

Service delivery accomplishments include the following:

- ◆ *Leases* provided well-maintained facilities and supported a quality environment for building tenants through building tours, facility condition audits, and computer-assisted facilities management program.
- ◆ *Resource Recovery Program* continued to meet or exceed the 60% recycling goal in the Capitol complex in FY 2007 and FY 2008 as required by M.S. 115A.15.
- ◆ Central Mail automated at least 90% of all state agency permit and metered letter mail during FY 2008. For FY 2008, the actual figure was 92.4%.

## Activity Funding

PMD's internal service fund (ISF) is made up of three activities: Leases, Repair and Other Jobs, and Materials Transfer. The predominant customers are state agencies located in custodial control buildings that pay for space through lease rental rates. Central Mail has a separate ISF whose primary customers are state agencies located in St. Paul. The goal of the ISFs is to set rates as close to break-even as possible, while maintaining two-month working capital funds. Expenditures include salaries/benefits, utilities, operating expenses, bond interest, building depreciation, and debt service.

Full-time employees, as of 7-01-2008 were 226 for Leases, 13 for Materials Transfer, three for Repair and Other Jobs, and eight for Central Mail's ISF.

PMD does not have a loan from the general fund nor proposed investment in technology or equipment of \$100,000 or more.

### *Operating Losses/ Increases in Retained Earnings:*

Retained earnings for Leases decreased in FY 2007 and FY 2008 due in part to higher than anticipated repair and maintenance expenses. These changes in retained earnings will be reflected in Lease rates for FY 2010 and FY 2011.

Retained earnings for Repair and Other Jobs activity increased in FY 2007 due to higher than anticipated billable hours and decreased in FY 2008 due to higher than anticipated expenses.

Retained earnings for the Materials Transfer increased in FY 2007 due to lower than anticipated expenses and decreased in FY 2008 due to planned losses.

Retained earnings for Central Mail increased in FY 2007 and FY 2008 due to higher than anticipated sales.

### *History of Rate Changes:*

<b>Fiscal Year</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Leases	(8.16%)	0.00%	(4.79%)	4.61%	(1.04%)	0.72%
Repair and Other Jobs	30.00%	5.00%	10.41%	0.00%	9.17%	0.00%
Materials Transfer	0.59%	0.00%	1.90%	0.00%	0.00%	0.00%
Central Mail	0.00%	0.00%	1.40%	0.00%	0.00%	0.00%

## ADMINISTRATION DEPT

**Program:** GOVT AND CITIZEN SERVICES

**Activity:** PLANT MANAGEMENT

Narrative

*Impact of Rate Changes:*

Assuming the same volume and mix of goods/services as FY 2008, the five largest Lease customers will pay 0.06% less in FY 2009. The five largest customers are the departments of Human Services, Health, Revenue, Agriculture and the Minnesota Historical Society.

Assuming the same volume and mix of goods/services as FY 2008, the five largest Repair and Other Jobs customers will pay the same amount in FY 2009. The five largest customers are the Office of Enterprise Technology, departments of Health and Administration, St. Paul Port Authority, and the Minnesota Historical Society.

Assuming the same volume and mix of goods/services as FY 2008, the five largest Materials Transfer customers will pay the same amount in FY 2009. The five largest customers are the departments of Administration, Human Services, Office of Enterprise Technology, Revenue and Education.

Assuming the same volume and mix of goods/services as FY 2008, Central Mail's five largest customers will pay the same amount in FY 2009. The five largest customers are the departments of Public Safety, Human Services, Public Employees Retirement Association, Revenue and Health.

In addition to the ISF, PMD receives general fund appropriations for Resource Recovery and the mail delivery portion of Central Mail. PMD also receives revenue from parking fees.

### Contact

Director

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[www.admin.state.mn.us/pmd](http://www.admin.state.mn.us/pmd)

**ADMINISTRATION DEPT**  
**Program: GOVT AND CITIZEN SERVICES**  
 Activity: PLANT MANAGEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Forecast Base</b>		<b>Biennium</b>
	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2010-11</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	443	443	443	443	886
<b>Technical Adjustments</b>					
Approved Transfer Between Appr			20	20	40
<b>Forecast Base</b>	<b>443</b>	<b>443</b>	<b>463</b>	<b>463</b>	<b>926</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	961	1,056	1,004	1,004	2,008
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	5,119	9,779	8,396	8,437	16,833
Plant Management	46,841	45,813	48,612	50,001	98,613
Central Mailing	8,574	8,893	8,909	8,949	17,858
<b>Total</b>	<b>61,495</b>	<b>65,541</b>	<b>66,921</b>	<b>68,391</b>	<b>135,312</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	15,381	16,226	17,438	18,122	35,560
Other Operating Expenses	32,428	36,384	36,415	37,219	73,634
Capital Outlay & Real Property	98	0	0	0	0
Other Financial Transactions	13,588	13,271	13,407	13,389	26,796
Transfers	0	(340)	(339)	(339)	(678)
<b>Total</b>	<b>61,495</b>	<b>65,541</b>	<b>66,921</b>	<b>68,391</b>	<b>135,312</b>
<b>Full-Time Equivalents (FTE)</b>	<b>274.7</b>	<b>282.3</b>	<b>290.5</b>	<b>291.0</b>	