BUILDINGS AND ENERGY

The initial report on the Energy Efficiency of the hospitals is complete. The draft report was reviewed by all of the hospitals and some changes were made to reflect the comments and recommendations of hospital personnel. A summary of the results will be made available at the next Board meeting. The Conditions of the Buildings report is currently being modified to reflect the recommended changes proposed by the hospitals. A summary of these findings will also be presented to the Board. In addition, a summary report of the findings of the potential Alternative Uses of individual campus buildings will also be presented.

3. BUILDING CONDITION

The following is a list in order of BEST to WORST in terms of how the condition of their buildings is rated:

Moose Lake	0% of buildings are rated fair to fair-poor
Brainerd	10%
Willmar	20%
St. Peter	25%
Faribault	35t
Fergus Falls	40%
Cambridge	45%
Anoka	47%

Buildings denoted as poor to fair to poor are determined to require extensive capital investment to meet current building standards. Recommendations: The Department of Human Services should install a system-wide capital improvement plan and project capital cost of improvements to meet standards and develop plans to meet expected resident/patient projections.

There are currently buildings at each hospital which are vacant or nearly vacant. An aggressive policy should be pursued to declare vacated buildings surplus.

Review current state disposition laws to permit aggressive marketing of surplus property.

Minnesota has been fortunate to have the Federal Bureau of Prisons assume Rochester. Although they are interested in Moose Lake, it would be very difficult to dispose of the other property in a manner which might fill the economic and employment void. Anoka, because of its Twin City location is the only possible exception.

4. ENERGY

Energy costs represent 3.7% of the total operating cost of the hospitals. There are many ways to determine the energy efficiency at the hospitals. The following example shows the order of the hospitals' yearly cost-per-resident for energy:

1. Willmar $ 742
2. Fergus Falls $ 746
3. Moose Lake $1057
1. Cambridge $1083
5. St. Peter $1126
6. Anoka $1185
7. Faribault $1365
8. Brainerd $1378

The shared savings contract with Honeywell, Inc. should reduce Brainerd's cost-per-resident.

Regardless of the wide increase in cost-per-residents, the cost of energy alone should not determine the future of a particular hospital, because energy improvements can be made to narrow the extreme cost between the least and most expensive per-resident energy costs.

TABLE D

ADJUSTED ENERGY USE AND COST PER SQUARE FOOT*

FISCAL YEAR 83

HOSPITAL	SQ. FT.	TOTAL Mmbtu	TOTAL COST	TOTAL Mmbtu per SQ. FT.	TOTAL COST per SQ. FT.
Anoka	368,735	76,468	$397,676	207.37	$1,078
Brainerd	659,843	105,101	$658,165	159.28	$ .9974
Cambridge	638,937	148,200	$521,165	231.94	$ .8156
Faribault	821,529	195,884	$958,050	238.43	$1.1863
Fergus Fails	759,541	173,454	$364,460	228.36	$ .479
Moose Lake	497,764	72,408	$481,681	145.46	$ .967
St. Peter	727,834	126,520	$654,635	173.83	$ .9062
Willmar	508,269	88,889	$404,988	174.88	$ .7962

*Square footage figures are adjusted to reflect current estimate of building space. Total cost and use are adjusted to remove the extraordinary use and cost of the regional laundry facilities.

Table E *

ENERGY COST AS A PERCENT OF OPERATING COST [5]

Fiscal Year 83

HOSPITAL	TOTAL ENERGY COST	TOTAL OPERATING COST	%	TOTAL OPERATING COST LESS PERSONNEL COST	%
Anoka	$397,676	$10,663,740	3.7%	$1,152,250	34.4%
Brainerd	$756,586	$17,176,433	4.4%	$1,762,489	48.0%
Cambridge	$597,958	$18,040,825	3.3%	$1,649,713	36.2%
Faribault	$1,109,753	$26,138,824	4.2%	$2,537,451	43.4%
Fergus Falls	$361,460	$15,260,189	2.4%	$1,458,718	24.9%
Moose Lake	$481,681	$12,260,187	3.9%	$1,360,122	35.3%
St. Peter	$684,657	$13,845,891	4.9%	$2,037,717	33.5%
Willmar	$443,562	$15,446,595	2.9%	$1,503,938	29.7%
TOTAL:	$4,836,333	$128,864,461		$13,462,398	

Average Total Energy Cost of Total Operating Cost = 3.7%

Average Total Energy Cost of Total Operating Cost Less Personnel Cost = 35.9%

*Cost figures are not adjusted to reflect the extraordinary cost of the regional laundry facilities.

[5]Department of Finance 1984