

Activity at a Glance

- Maintains 4.4 million square feet of office, ceremonial, meeting room, and other space in 22 buildings
- Maintains 25 monuments and memorials and 32 parking facilities
- 578 special event permits issued for public use of State Capitol and grounds in FY 2010
- \$945,000 in postage savings in FY 2010 through automated mail services
- More than 70,000 Minnesota's Bookstore customers annually

Activity Description

Plant Management Division (PMD) delivers consistent, quality services to ensure cost-effective, clean, safe, and environmentally sound buildings, grounds, and operations. PMD provides mail distribution services and publishing and distribution services to state and local government through the central mail unit and Minnesota's Bookstore. Division work is outlined in M.S. 16B.24, 16B.48, 16B.49, 16B.58, 14.46, and 16B.51.

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. Minnesota's Bookstore also provides services to state government, local governments, school districts, higher education entities, and the general public.

Services Provided

Services provided by PMD include:

- housekeeping, engineering, building management, waste removal, general recycling, 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 area tenants, visitors, and Minnesota citizens
- mail services including metering, processing, addressing, inserting, and bar-coding for state agencies, with the result of reduced postage costs
- moving, equipment rental, and delivery services
- maintaining and managing parking facilities and customer contracts, and providing alternative transportation services
- operating the state of Minnesota Mailing List Service – a centralized production and distribution outlet for the sale of selected state public licensing data to a national customer base
- publishing the *State Register* – the state's official publication of record

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 and visitors. As part of this goal, PMD maintains an Asset Preservation Program outlining necessary facility repairs. Failure to address deferred maintenance issues will result in serious structural damage, deterioration, and reduction in the life expectancy of buildings.

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

Key Activity Goals & Measures**Admin Goal – To be recognized for our innovation and efficiency**

(<http://www.admin.state.mn.us/admin.html>)

Goal 1: Reduce energy consumption in non-computer server facilities compared with FY 2008 actual consumption. Reduction of 12.0% in FY 2011, 13.5% in FY 2012 and 15.0% in FY 2013.

Measure: Less than: 449,000 MMbtu in FY 2011, 441,000 in FY 2012, and 433,000 in FY 2013.

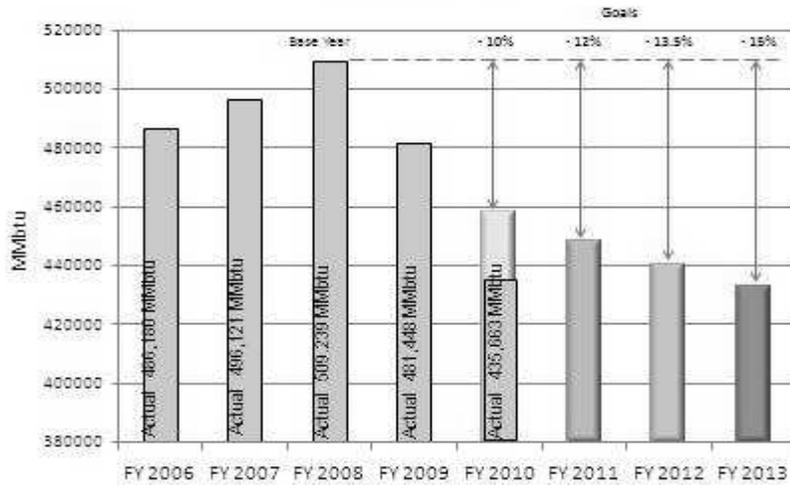
ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

Activity: PLANT MANAGEMENT

Narrative

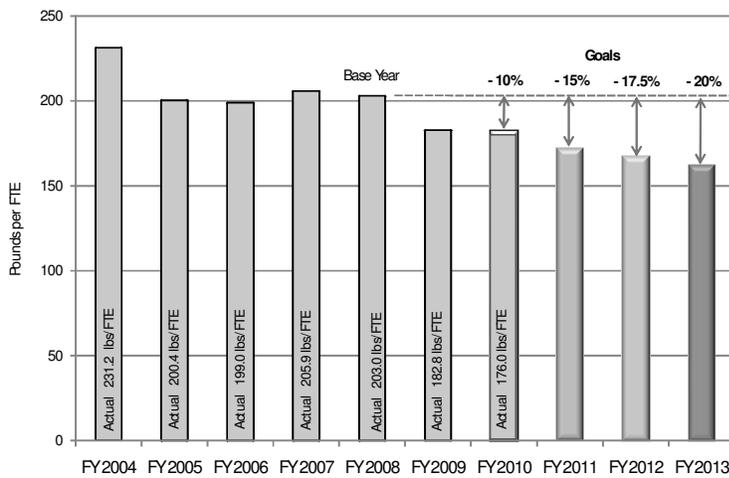
Reduce Capitol Complex energy consumption in non-data center facilities
Base Year FY 2008



Goal 2: Achieve an absolute reduction in disposed waste per FTE over FY 2008.

Measure: Less than 173 pounds per FTE in FY 2011, 168 in FY 2012 and 163 in FY 2013

Reduce Capitol Complex disposed waste per F.T.E.
Base Year -- FY2008



Goal 3: Reduce unleaded fuel consumption over 2010 actual by 5%.

Measure: Less than 25,000 gallons

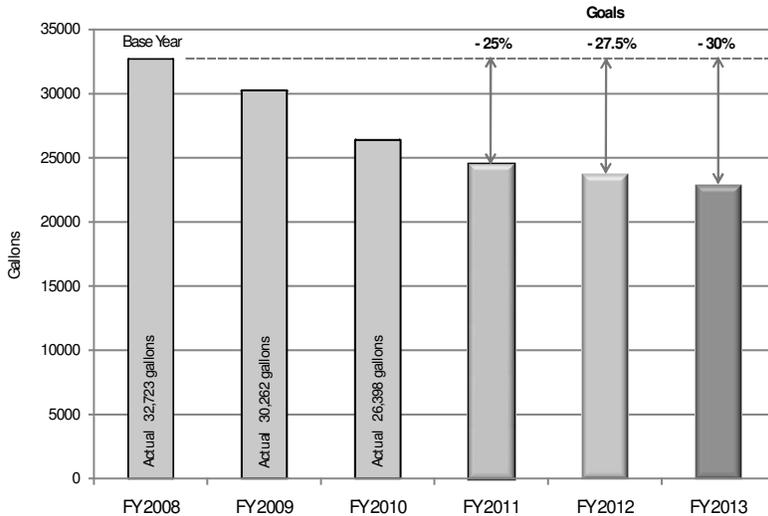
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Reduce Plant Management Division unleaded fuel consumption
Base Year FY2008



Activity Funding

The PMD 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. The central mail unit has a separate ISF with state agencies located in St. Paul as its primary customers. Minnesota's Bookstore is an enterprise fund with the primary function of providing publishing and retail services to state agencies, publish the *State Register*, and manage the sale of public data from select state agency licensing files. The goal of an ISF is to set rates as close to break-even as possible while maintaining limited working capital funds. Expenditures include salaries/benefits, utilities, operating expenses, bond interest, building depreciation, and debt service.

The number of full-time employees, as of 7-01-10, for each activity: 226.27 for leases, 8.38 for materials transfer, 1.83 for repair and other jobs, 7.09 for central mail, and 8.98 for Minnesota's Bookstore.

Operating Losses/Increases in Retained Earnings:

- Retained earnings for the lease activity increased in FY 2009 and FY 2010 due in large part to reduced utility usage. These changes in retained earnings will be reflected in lease rates for FY 2012 and FY 2013.
- Retained earnings for the repair and other jobs activity increased in FY 2009 and FY 2010 due to lower than anticipated expenses and increased revenue.
- Retained earnings for the materials transfer decreased in FY 2009 and FY 2010 due to lower than anticipated billable hours.
- Retained earnings for the central mail activity increased in FY 2009 due to higher than anticipated sales and increased in FY 2010 due to lower than anticipated expenses.
- Retained earnings for Minnesota's Bookstore decreased in FY 2009 and FY 2010 due to lower than anticipated sales.

History of Rate Changes:

Fiscal Year	2006	2007	2008	2009	2010	2011
Leases	(4.79%)	4.61%	(1.04%)	0.72%	0.31%	(0.69)%
Repair and Other Jobs	10.41%	0.00%	9.17%	0.00%	4.80%	0.00%
Materials Transfer	1.90%	0.00%	0.00%	0.00%	3.90%	57.3%
Central Mail	1.40%	0.00%	0.00%	0.00%	0.00%	0.00%
Minnesota's Bookstore (State Register)	0.00%	0.00%	0.00%	(5.56%)	0.00%	0.00%

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Impact of Rate Changes:

- Assuming the same volume and mix of goods/services as FY 2010, the five largest Lease customers will pay 0.23% less in FY 2011.
- Assuming the same volume and mix of goods/services as FY 2010, the five largest Repair and Other Jobs customers will pay the same amount in FY 2011.
- Assuming the same volume and mix of goods/services as FY 2009, the five largest Materials Transfer customers will pay approximately 38% more in FY 2011. (Materials Transfer rates became effective November 1, 2010.)
- Assuming the same volume and mix of goods/services as FY 2010, Central Mail's five largest customers will pay the same amount in FY 2011.
Assuming the same volume and mix of goods/services as FY 2010, the State Register's five largest customers will pay the same amount in FY2011.

In addition to the ISF, PMD receives a general fund appropriation for mail delivery services. PMD also receives revenue from parking fees.

Contact

Director

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

Narrative

**Plant Management
Internal Service Fund
Fund Financial Statement
(Dollars in thousands)***** OPERATIONS DATA ***

	ACTUAL FY 2010	PROJECTED FY 2011	PROJECTED FY 2012	PROJECTED FY 2013
OPERATING REVENUES:				
NET SALES	63,566	64,472	61,295	61,700
LESS: COST OF SALES				
GROSS PROFIT ON SALES	63,566	64,472	61,295	61,700
OTHER REVENUE	1,182	1,182	1,354	1,432
NET REVENUES	64,748	65,654	62,649	63,132
LESS: OPERATING EXPENSES:				
SALARIES	14,722	14,692	13,994	14,669
SUPPLIES & EXPENSES	14,291	19,566	19,052	19,808
INDIRECT COSTS	674	1,105	1,057	1,073
AMORTIZATION & DEPRECIATION	313	210	183	223
TOTAL OPERATING EXPENSES	30,001	35,573	34,286	35,773
OPERATING INCOME (LOSS)	34,747	30,081	28,363	27,359
NON-OPERATING REVENUES (EXPENSES)	(28,213)	(28,056)	(27,800)	(27,734)
NET INCOME (LOSS)	6,534	2,025	563	(375)
BEGINNING RETAINED EARNINGS	10,491	20,786	22,811	23,373
PRIOR PERIOD ADJUSTMENT	3,761	0	0	0
ENDING RETAINED EARNINGS	20,786	22,811	23,373	22,999
RATE INCREASE/(DECREASE):				
Leases	0.31%	-0.69%	-2.40%	0.60%
Materials Transfer	3.90%	57.30%	0.00%	0.00%
ROJ	4.80%	0.00%	0.00%	0.00%
FTE	242.6	240.4	231.9	235.4
Expenditure Reconciliation to BBS				
Operating Expenses			34,286	35,773
Less amortization & depreciation (non-cash)			(183)	(223)
Plus payments for debt service, equipment, and resource recovery closure			12,766	12,543
Less adjustment for inter-agency transfer in			(335)	(335)
Total cash payments			46,534	47,758
BBS Amounts - Financing by Fund plus Change Item - Transfer Out				
Plant Management			46,534	47,758
Receipt Reconciliation to BBS				
Net Sales			61,295	61,700
Plus Other Revenue			1,354	1,432
Less adjustment for inter-agency transfer in			(335)	(335)
Total cash receipts			62,314	62,797
BBS Amounts - Revenue Collected				
Plant Management			62,314	62,797

Note: The Non-operating revenues/expenses relate to building depreciation and bond interest which are transferred out. It also includes debt service, gain/loss on sale of capital assets, and resource recovery closure.

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

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**Plant Management
Internal Service Fund
Fund Financial Statement***** FINANCIAL DATA ***

	ACTUAL FY 2010	ESTIMATED FY 2011
ASSETS:		
CURRENT ASSETS:		
CASH	19,730	19,721
OTHER CURRENT ASSETS	745	1,000
TOTAL CURRENT ASSETS	20,475	20,721
NON-CURRENT ASSETS:	4,885	4,926
TOTAL ASSETS	25,360	25,646
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0	0
MASTER LEASE - CURRENT	0	0
OTHER CURRENT LIABILITIES	2,480	1,375
TOTAL CURRENT LIABILITIES	2,480	1,375
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0	0
MASTER LEASE - NON-CURRENT	0	0
OTHER NON-CURRENT LIABILITIES	1,583	950
TOTAL NON-CURRENT LIABILITIES	1,583	950
TOTAL LIABILITIES	4,064	2,325
FUND EQUITY:		
CONTRIBUTED CAPITAL-GENERAL FUND	511	511
RETAINED EARNINGS	20,786	22,811
TOTAL FUND EQUITY	21,296	23,322
TOTAL LIABILITIES & FUND EQUITY	25,360	25,646

ADMINISTRATION DEPT

Program: GOVT AND CITIZEN SERVICES

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**Minnesota's Bookstore
Internal Service Fund
Fund Financial Statement
(Dollars in thousands)**

*** OPERATIONS DATA ***

	ACTUAL FY 2010	PROJECTED FY 2011	PROJECTED FY 2012	PROJECTED FY 2013
OPERATING REVENUES:				
NET SALES	1,117	1,383	1,409	1,436
LESS: COST OF SALES	258	337	338	345
GROSS PROFIT ON SALES	860	1,046	1,071	1,091
OTHER REVENUE	0	0	0	0
NET REVENUES	860	1,046	1,071	1,091
LESS: OPERATING EXPENSES:				
SALARIES	660	748	723	740
SUPPLIES & EXPENSES	243	239	248	252
INDIRECT COSTS	51	52	53	54
AMORTIZATION & DEPRECIATION	7	7	7	7
TOTAL OPERATING EXPENSES	960	1,046	1,031	1,053
OPERATING INCOME (LOSS)	(101)	(0)	40	38
NON-OPERATING REVENUES (EXPENSES)	0	0	0	0
NET INCOME (LOSS)	(101)	(0)	40	38
BEGINNING RETAINED EARNINGS	708	609	609	649
PRIOR PERIOD ADJUSTMENT	2	0	0	0
ENDING RETAINED EARNINGS	609	609	649	687

FOOTNOTES TO STATEMENTS:

Statements include both the Bookstore and the *State Register*.

RATE INCREASE/(DECREASE): 0.00% 0.00% 0.00% 0.00%

FTE 10 11 10.7 10.7

Expenditure Reconciliation to BBS

Operating Expenses			1,031	1,053
Less amortization & depreciation (non cash)			(7)	(7)
Plus purchase of items for resale (cost of goods sold)			338	345
Total cash payments			1,362	1,391
BBS Amounts - Financing by Fund Minnesota's Bookstore			1,362	1,391

Receipt Reconciliation to BBS

Net Sales			1,409	1,436
BBS Amounts - Revenue Collected Minnesota's Bookstore			1,409	1,436

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

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Minnesota's Bookstore
 Internal Service Fund
 Fund Financial Statement

*** FINANCIAL DATA ***

	ACTUAL FY 2010	ESTIMATED FY 2011
ASSETS:		
CURRENT ASSETS:		
CASH	545	548
OTHER CURRENT ASSETS	542	550
TOTAL CURRENT ASSETS	1,087	1,098
NON-CURRENT ASSETS:		
	39	32
TOTAL ASSETS	1,126	1,130
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0	0
MASTER LEASE - CURRENT	0	0
OTHER CURRENT LIABILITIES	93	95
TOTAL CURRENT LIABILITIES	93	95
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0	0
MASTER LEASE - NON-CURRENT	0	0
OTHER NON-CURRENT LIABILITIES	131	133
TOTAL NON-CURRENT LIABILITIES	131	133
TOTAL LIABILITIES	224	228
FUND EQUITY:		
CONTRIBUTED CAPITAL	293	293
RETAINED EARNINGS	609	609
TOTAL FUND EQUITY	902	902
TOTAL LIABILITIES & FUND EQUITY	1,126	1,130

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

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Central Mail

Internal Service Fund

Fund Financial Statement

(Dollars in thousands)

*** OPERATIONS DATA ***

	ACTUAL FY 2010	ESTIMATED FY 2011	PROJECTED FY 2012	PROJECTED FY 2013
OPERATING REVENUES:				
NET SALES	8,808	8,806	9,114	9,411
LESS: COST OF SALES	0	0	0	0
GROSS PROFIT ON SALES	8,808	8,806	9,114	9,411
OTHER REVENUE				
NET REVENUES	8,808	8,806	9,114	9,411
LESS: OPERATING EXPENSES:				
SALARIES	396	425	443	474
SUPPLIES & EXPENSES	8,255	8,411	8,628	8,893
INDIRECT COSTS	42	42	43	44
AMORTIZATION & DEPRECIATION	24	24	24	24
TOTAL OPERATING EXPENSES	8,715	8,902	9,138	9,435
OPERATING INCOME (LOSS)	92	(96)	(24)	(24)
NON-OPERATING REVENUES (EXPENSES)	0	0	0	0
NET INCOME (LOSS)	92	(96)	(24)	(24)
BEGINNING RETAINED EARNINGS	1,447	1,540	1,444	1,420
PRIOR PERIOD ADJUSTMENT	0	0	0	0
ENDING RETAINED EARNINGS	1,540	1,444	1,420	1,397
RATE INCREASE/(DECREASE):	0.00%	0.00%	7.95%	5.64%
FTE	6.9	7.3	7.5	7.8
Expenditure Reconciliation to BBS				
Operating Expenses			9,138	9,435
Less amortization & depreciation (non cash)			(24)	(24)
Plus inventory				
Total cash payments			9,114	9,411
BBS Amounts - Financing by Fund				
Central Mail			9,114	9,411
Receipt Reconciliation to BBS				
Net Sales			9,114	9,411
Plus interest revenue from Non-operating revenue/expenses			0	0
Total cash receipts			9,114	9,411
BBS Amounts - Revenue Collected				
Central Mail			9,114	9,411

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

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Central Mail
 Internal Service Fund
 Fund Financial Statement

*** FINANCIAL DATA ***

	ACTUAL FY 2010	ESTIMATED FY 2011
ASSETS:		
CURRENT ASSETS:		
CASH	33	20
OTHER CURRENT ASSETS	1,620	1,600
TOTAL CURRENT ASSETS	1,653	1,620
NON-CURRENT ASSETS:		
	74	51
TOTAL ASSETS	1,727	1,671
LIABILITIES & FUND EQUITY:		
LIABILITIES:		
CURRENT LIABILITIES:		
DUE GENERAL FUND - CURRENT	0	0
MASTER LEASE - CURRENT	0	0
OTHER CURRENT LIABILITIES	63	106
TOTAL CURRENT LIABILITIES	63	106
NON-CURRENT LIABILITIES:		
DUE GENERAL FUND - NON-CURRENT	0	0
MASTER LEASE - NON-CURRENT	0	0
OTHER NON-CURRENT LIABILITIES	59	55
TOTAL NON-CURRENT LIABILITIES	59	55
TOTAL LIABILITIES	121	161
FUND EQUITY:		
CONTRIBUTED CAPITAL	66	66
RETAINED EARNINGS	1,540	1,444
TOTAL FUND EQUITY	1,606	1,510
TOTAL LIABILITIES & FUND EQUITY	1,727	1,671

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

Budget Activity Summary

	<i>Dollars in Thousands</i>				Biennium 2012-13
	Current		Governor's Recomm.		
	FY2010	FY2011	FY2012	FY2013	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	871	521	457	457	914
Statutory Appropriations					
Miscellaneous Special Revenue	5,778	12,510	8,227	8,315	16,542
Plant Management	43,753	48,396	46,454	47,758	94,212
Documents And Publications	1,227	1,374	1,362	1,391	2,753
Central Mailing	9,102	8,878	9,114	9,411	18,525
Total	60,731	71,679	65,614	67,332	132,946
<u>Expenditures by Category</u>					
Total Compensation	16,398	16,788	16,048	16,784	32,832
Other Operating Expenses	30,040	41,521	36,921	37,903	74,824
Capital Outlay & Real Property	876	0	0	0	0
Other Financial Transactions	13,417	13,370	12,980	12,980	25,960
Transfers	0	0	(335)	(335)	(670)
Total	60,731	71,679	65,614	67,332	132,946
Full-Time Equivalents (FTE)	279.1	274.5	265.8	269.3	