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DEPARTMENT OF ADMINISTRATION—PLANT MANAGEMENT DIVISION**Service Provided**

The Plant Management Division provides maintenance and management services for state buildings, grounds, and operations; transportation and handling of materials; and technical trade and repair services. These services are provided to state agencies as part of their lease agreement or on a fee for service basis and include:

- Building and grounds management and maintenance
- Utilities, elevator maintenance, carpet replacement, painting
- Facilities-related maintenance engineering, janitorial, trade, and repair and energy management

OMB Uniform Guidance, 2 CFR part 200, subpart 200.452

- *“Cost incurred for utilities, insurance, security, necessary maintenance, janitorial services, repair, or upkeep of buildings and equipment (including Federal property unless otherwise provided for) which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable.”*

OMB Uniform Guidance, 2 CFR part 200, subpart 200.462(a)

- *“Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable as indirect costs.”*

OMB Uniform Guidance, 2 CFR part 200, subpart 200.465(a)

- *“Subject to the limitations described in paragraphs (b) through (d) of this section, rental costs are allowable to the extent that the rates are reasonable...”*

How Rates are Computed

Rates are based on historical costs, plus projected expenses, plus/minus any income/loss generated each year by building or cost center.



State of Minnesota
Statewide Cost Allocation Plan
Fiscal Year 2020 Actual

RECONCILIATION OF RETAINED EARNINGS
RE-BALANCE TO OMB 2 CFR 200 GUIDELINES
MINNESOTA MANAGEMENT AND BUDGET

FOR YEAR ENDING JUNE 30, 2020

PLANT MANAGEMENT

(All Figures in 000's)

FUND 5400

PART I 2 CFR 200 R.E. BALANCE

2 CFR 200 R.E. BALANCE July 1, 2019 (Balance per Prior Year's Reconciliation of Fund to 2 CFR 200)		28,864
Adjustments		-
Adjusted Retained Earnings Balance		28,864

FY20 Retained Earnings Increase (Decrease) Per CAFR

2 CFR 200 Revenues

Operating Revenue	77,702	
Non Operating Revenue	20	
Total Revenues		77,722

Less: Expenditures (Actual Costs):

Total Operating Expenses per States Financial Report	(42,222)	
Other Expenses	(297)	
Less Depreciation Expense	676	
Debt Service Payments	-	

Less 2 CFR 200 Unallowable costs:

Capital Outlay	-	
Projected Cost Increases/Replacement Reserve	-	
Unallowable excess RE balance Refund	-	
Bad Debt	-	
GASB68 Net Pension Liability Adjustment	(286)	
GASB75 Net OPEB Liability Adjustment	(115)	
Total Expenditures		(42,244)

Plus 2 CFR 200 Allowable costs:

Indirect Costs from SWCAP (if not allocated in SWCAP)	-	
Depreciation or Use Allowance (if not included in Actual Cost above)	(676)	
Other	-	
Total OMB 2 CFR 200 Allowable Expenditures		(676)

Plus 2 CFR 200 Adjustments:

Imputed Interest Earnings on Monthly Average Cash Balance	363	
Other Transfers	(35,367)	
Total Adjustments		(35,004)

FY20 Net Increase (Decrease) to Retained Earnings Balance per CAFR (202)

2 CFR 200 R.E. BALANCE June 30, 2020	A)	28,662
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Allowable Reserve	B)	7,041
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Excess Balance (A)-(B)		21,621
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(If less than zero, the amount on (A) is the beginning 2 CFR 200 R.E. balance for the next year's reconciliation. If there is an excess balance, at the request of the cognizant agency the federal share should be returned to the federal gov't and the amount on (B) will be the beginning 2 CFR 200 R.E. balance for the next year)



State of Minnesota
Statewide Cost Allocation Plan
Fiscal Year 2020 Actual

RECONCILIATION OF RETAINED EARNINGS
RE-BALANCE TO OMB 2 CFR 200 GUIDELINES
MINNESOTA MANAGEMENT AND BUDGET

FOR YEAR ENDING JUNE 30, 2020

PLANT MANAGEMENT

(All Figures in 000's)

FUND 5400

PART II 2 CFR 200 CONTRIBUTED CAPITAL BALANCE

2 CFR 200 CONTRIBUTED CAPITAL BALANCE JULY 1, 2019		149
TRANSFERS Per CAFR (Supported by Official Accounting Records)		149
Plus: Transfers In (e.g. Contrib. Capital)	-	
Less: Transfers Out (e.g. Payback of Contrib. Capital, Other Users of Fund R.E.)	-	
Net Transfers	-	
2 CFR 200 CONTRIBUTED CAPITAL BALANCE JUNE 30, 2020	C)	149

PART III 2 CFR 200 ADJUSTMENTS BALANCE

2 CFR 200 ADJUSTMENTS BALANCE JULY 1, 2019		-
ADJUSTMENTS:		
FY2008 Adjustment to Net Assets	(965)	
Accumulated Prior Year Imputed Interest Adjustment	(5,345)	
Current Year Imputed Interest Adjustment	(363)	
Accumulated Prior Years GASB68 Adjustment	(14,826)	
FY20 GASB68 Net Pension Liability Adjustment	286	
Accumulated Prior Years GASB75 Adjustment	(1,621)	
FY20 GASB75 Net OPEB Obligation Adjustment	115	
Total Adjustments	(22,719)	
2 CFR 200 ADJUSTMENTS BALANCE JUNE 30, 2020	D)	(22,719)

PART IV RECONCILIATION OF 2 CFR 200 R.E. CONTRIBUTED CAPITAL AND ADJUSTMENTS BALANCES TO CAFR BALANCE

RECONCILIATION OF 2 CFR 200 R.E., CONTR. CAPITAL & ADJUST. BALANCES TO CAFR (A) + (C) + (D) (Should Tie to the Fund Balance in the CAFR)		6,092 <hr style="border-top: 1px solid black;"/> 6,092 <hr style="border-top: 1px solid black;"/>
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Check Figure

-

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>COMMENTS</u>
FY2008 Adjustment to Net Assets	(965)	per FY2008 A-87 and IncStmt Plant Mgmt Fund 820
FYpre2004 Imputed Interest	(2,970)	interest earned on excess retained earnings, per FY2004 A-87 Plant Mgmt Fund 820
FY2004 Imputed Interest	(160)	interest earned on excess retained earnings
FY2005 Imputed Interest	(343)	interest earned on excess retained earnings
FY2006 Imputed Interest	(688)	interest earned on excess retained earnings
FY2007 Imputed Interest	(886)	interest earned on excess retained earnings
FY2008 Imputed Interest	(700)	interest earned on excess retained earnings
FY2009 Imputed Interest	(440)	interest earned on excess retained earnings
FY2010 Imputed Interest	(205)	interest earned on excess retained earnings
FY2011 Imputed Interest	(177)	interest earned on excess retained earnings
FY2012 Imputed Interest	(197)	interest earned on excess retained earnings
FY2013 Imputed Interest	(208)	interest earned on excess retained earnings
FY2014 Imputed Interest	(184)	interest earned on excess retained earnings
FY2015 Imputed Interest	(171)	interest earned on excess retained earnings
FY15 GASB68 Beginning Balance Adjustment	(17,253)	adjustment from CAFR
FY15 GASB68 Net Pension Liability Adjustment	1,754	change in deferred liability from CAFR
FY2016 Imputed Interest	(178)	interest earned on excess retained earnings
FY16 GASB68 Net Pension Liability Adjustment	4,282	change in deferred liability from CAFR
FY2017 Imputed Interest	(235)	interest earned on excess retained earnings
FY17 GASB68 Net Pension Liability Adjustment	(6,314)	change in deferred liability from CAFR
FY2018 Imputed Interest	(226)	interest earned on avg. monthly cash balance
FY18 GASB68 Net Pension Liability Adjustment	(4,335)	change in deferred liability from CAFR
FY18 GASB75 Beginning Balance Adjustment	(1,491)	adjustment from CAFR
FY18 GASB75 Net OPEB Obligation Adjustment	(13)	change in deferred liability from CAFR
		adjustment to imputed interest due to change in calculation
FY2018 prior year imputed interest adjustment	3,097	
FY2019 Imputed Interest	(474)	interest earned on avg. monthly cash balance
FY19 GASB68 Net Pension Liability Adjustment	7,040	change in deferred liability from CAFR
FY19 GASB75 Net OPEB Obligation Adjustment	(117)	change in deferred liability from CAFR
FY2020 Imputed Interest	(363)	
FY20 GASB68 Net Pension Liability Adjustment	286	
FY20 GASB75 Net OPEB Obligation Adjustment	115	
	<u>(22,719)</u>	
	-22719000	



**LEASES
Fund 5400**

**FISCAL YEARS 2020 and 2021
Business Plan**

September 26, 2018
Christopher A. Guevin, Director
Department of Administration
Facilities Management Division
G-10 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155
Phone: 651.201.2350
Fax: 651.297.5158

chris.guevin@state.mn.us

<http://mn.gov/admin/government/buildings-grounds/>

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Executive Summary

Who we are and what we do

The Department of Administration's (Admin's), Facilities Management Division's (FMD's) purpose is to provide well-functioning facilities management services. FMD operates and maintains 23 buildings on the 140 acre Capitol Complex and at select locations elsewhere in the Twin Cities and the State of Minnesota.

We strive to provide the best value to our customers by ensuring that our services are responsive, responsible, and cost effective in order to keep the buildings we operate in sound condition while keeping lease rates as low as possible.

Our goals for next year

Admin's mission is to benefit all Minnesotans by leading innovation, creating solutions, and providing exceptional services by emphasizing:

- customer satisfaction,
- diversity and inclusion,
- technology optimization,
- sustainability,
- employee engagement, and
- best value.

FMD has developed Specific, Measurable, Achievable, Relevant, and Timely (SMART) objectives that include:

- Complete one Guaranteed Energy Savings Program (GESP) at the Transportation Building to improve energy efficiency and water consumption.
- Install 4 additional solar arrays on Capitol Complex as we work towards reducing greenhouse gas emissions by 30% by 2025.
- Continue partnership with Minneapolis Community and Technical College (MCTC) and Project for Pride in Living (PPL) to increase employment opportunities for people living in economically challenged areas of the cities so our workforce reflects Minnesota's diverse population.
- Maintain leadership performance in state recycling efforts.

We are also working with other state agencies to explore opportunities to maintain and operate additional state owned facilities in the metropolitan area. Admin will submit Interim Rate Requests if we assume responsibilities for additional buildings.

Our proposed rates

The proposed rates reflect overall increases of 0.3% in FY 2020 and 1.6% in FY 2021. Comparing FY 2021 to FY 2019 rates:

- 10 buildings have no rate change: Administration, Agriculture/Health Laboratory, BCA Maryland, Ely Revenue, Freeman, Minnesota History Center, Stassen, State Office, Transportation, and Veterans Service buildings
- 9 buildings have rate increases: 321 Grove Building 2, 691 N. Robert, Andersen, Centennial, Fleet & Surplus Services, Governor’s Residence, Judicial Center, Retirement Systems, and State Capitol buildings
- 1 building has a rate decrease: Minnesota Senate Building (MSB)
- 3 buildings have no rates: 321 Grove Building 1, Ford, and Power House
- Storage rate will increase \$0.50 per square foot in FY 2020

See page 28 for detailed rates.

This plan includes funding to maintain the State Capitol Building as outlined in the Capitol maintenance manual. This will require a \$500,000 increase the In Lieu of Rent appropriation in FY 2021.

Our successes, challenges, and economic and legislative impacts

Successes

- Reduced overall energy consumption from FY 2008 to FY 2018 by 22% in spite of increased building portfolio and population.
- Reduced carbon dioxide equivalent (CO₂e) from FY 2008 to FY 2018 by 29%.
- Successfully opened MSB in January 2016.
- Updated the recycling program in all buildings to include composting organics resulting in a 78% combined recycling and composting rate in 2017. This exceeds the state goal of achieving 75% combined recycling and composting of solid waste by 2030.
- Trained and developed 3 Project Search interns for future employment.
- Partnered with MCTC and PPL to sponsor 2 interns. Through this program, we hired 1 Plant Maintenance Engineer Helper from this “Pathway” program.
- Planted and nurtured 11 pollinator gardens throughout our 40 acres of green space.
- Reopened the State Capitol Building January 2017.
- Installed 414 solar panels on the roof of MSB in May 2018. These panels are expected to produce 12% of the annual MSB energy usage.
- Entered into long term agreement with Xcel Energy whereby about 30% of our electric loop load is offset by renewable electric energy generated by solar and wind farms.

Challenges

- The cost to address significant safety and operational efficiency concerns at the Ag/Health Laboratory is estimated at \$20.6 million. Building tenants requested 2018 Capital Budget funds to address these concerns but no funds were appropriated. It is expected funds will be requested through the next Capital Budget process. This plan does not include funding to address these concerns.

- The Ford Building has been vacant since 2003 and has a current deficit of nearly \$1 million. The building condition continues to deteriorate and operating costs will continue to be incurred with no revenue source to offset them.
- The Centennial and State Office buildings are in need of major renovations to address safety hazards and code compliance issues, major mechanical, electrical and structural deficiencies, and improve energy conservation and sustainability.
- Because the need for building repairs can be unpredictable, maintaining a retained earnings balance equal to working capital for each building, is very challenging. Establishing rates 2 – 3 years in advance, adds to the challenge.

Economic Impacts

Due to the large pay gap between the private and public sector, we have been unable to fill several of our trades positions.

Legislative Impacts

- Through M.S. 16B.2405, the 2017 Legislature granted the authority for Admin to establish a special revenue fund and collect fees from users holding events in the State Capitol Building beginning in FY 2018. Fees are charged if 1) the event is held outside of regular building hours or 2) alcohol is served. FMD charged \$16,270 for events during FY 2018; estimated costs for these events were \$24,625.
- The 2017 Legislature also provided \$350,000 to complete critical repairs to the Peace Officers and Roy Wilkins memorials located on the Capitol Complex.
- Through CH214/HF4425, the 2018 Legislature appropriated \$10 million of the \$24.346 million of general obligation bonds requested for security upgrades. We also requested \$9.135 million of general fund dollars for this project; no general fund dollars were allocated.
- In addition, Laws of 2018, Chapter 214, Article 3, Section 5, Subdivision 2 includes language allowing the remaining funding from the Capitol restoration appropriation to be used to complete accessibility improvements to the Capitol grounds and to repair monuments and memorials in the Capitol Complex.

Projected FY 2020 financial activities

Revenue	\$77,406,783
Expenses	\$79,569,137
Year-end Retained Earnings	\$10,458,011
Working Capital	\$10,797,119
Full Time Equivalents	258.4
Overall Rate Change	0.3%

Projected FY 2021 financial activities

Revenue	\$78,645,419
Expenses	\$78,529,900
Year-end Retained Earnings	\$10,573,530
Working Capital	\$10,620,788
Full Time Equivalents	258.4
Overall Rate Change	1.6%

The Business

Description of Business

How the business was created

- Statutory authority – M.S. 16B.24 and M.S. 16B.48
- Year created – 1986
- Purpose – To preserve the state’s assets and provide building conditions that result in tenant comfort and satisfaction
- Type of fund – Internal Service Fund

Significant historical changes

- Leases changed from a general fund operation to an Internal Service Fund in FY 1986 for the following reasons:
 - As a general fund, Leases was not adequately funded to maintain the facilities at a level that would protect and preserve the state’s assets
 - To help ensure state agency budgets reflected the full cost of their operations
 - To maximize federal participation
- In response to the state’s significant budget deficit in FY 2004, biennial budget rent adjustments were no longer automatically provided to state agencies. Since that time, agencies keep rent savings that are realized and are expected to absorb rent increases.
- In response to budget deficits in FY 2004, the lease rate methodology was altered to set rates so there were no overall rate increases each biennium. Therefore, to offset buildings that required rate increases, other building rates were lowered. This resulted in service level cuts and lease rates in some buildings that were not reflective of actual costs or building needs.
- In FY 2016, FMD began unwinding that rate methodology to instead set rates that focused on managing finances on a by-building basis rather than from an overall fund perspective. This allows us to set rates that are more predictable for our tenant agencies and helps match revenues to expenses. FMD continues to focus on holding expenses and rates down while preserving the state’s assets and providing building conditions that result in tenant comfort and satisfaction.
- The State Capitol Building underwent an historic \$303 million restoration project. The project, which began fall 2013, was completed in June 2017.

Significant aspects of the business

- FMD maintains and operates 4.7 million gross square feet in 23 buildings. This includes 20 buildings under FMD’s custodial control as well as the Minnesota History Center, Retirement Systems Building, and Fleet & Surplus Services Building.
- FMD’s Leases activity delivers consistent, quality services to ensure cost-effective, clean, safe, and environmentally sound facilities and grounds. Leases provides:
 - housekeeping,
 - engineering,

- building management,
- waste removal,
- general recycling,
- grounds maintenance,
- snow removal,
- trade and repair services,
- provision of utilities,
- event permitting and coordination,
- cafeteria oversight, and
- environmental and fire/life/safety systems and maintenance.
- FMD also maintains the ceremonial grounds including monuments and memorials as a showplace for all Capitol Complex tenants, visitors, and Minnesota citizens.
- Each biennium, Admin requests a general fund appropriation for In Lieu of Rent. This serves as a pass-through account for entities that do not directly pay for their leased space. In Lieu of Rent includes three distinct components:
 - Ceremonial - space in the State Capitol Building such as the Rotunda, the Governor’s Residence, and the ceremonial grounds including monuments and memorials
 - Rent Waived - space in the State Capitol, State Office, and Veterans Service buildings occupied by the House of Representatives, Senate, Revisor of Statutes, Legislative Reference Library, and congressionally chartered veterans organizations
 - Services for the Blind - space occupied by blind vending operators in buildings under FMD’s custodial control

Our location, hours, and website

Administration Building
 50 Sherburne Avenue, Room G10
 St. Paul, MN 55155

FMD staff are housed throughout the buildings it manages.

FMD’s Service Line (651.201.2300) operates 7 am to 4:30 pm M-F excluding state holidays. Many buildings operate extended hours.

Website: <http://mn.gov/admin/government/buildings-grounds/>

Our partnerships

- Through a partnership with MCTC and PPL, FMD helps empower low-income people to become self-reliant by sponsoring 2 interns.
- Through a partnership with the Governor’s Office, Forest Lake School District, the Department of Education, and Project Search, we help youth with disabilities make a successful transition from school to adult life by sponsoring 3 interns.

Our strengths, weaknesses, opportunities, and threats/risks/vulnerabilities

Strengths

- FMD's highly skilled employees are committed to preserving the state's assets. Their building knowledge and understanding of the business needs of their customers allows us to focus on the long-term effects of providing value and maintaining and improving the buildings.
- Our continued focus on minimizing utility usage not only helps us achieve environmental goals, it helps us control lease rates.
- Through electrification of our fleet vehicles, development of a robust recycling and composting program, and the introduction of 11 pollinator gardens, we help foster sustainability.
- Installing on-site solar will help moderate annual operating cost increases going forward.

Weaknesses

Holding overall lease rates steady for over a decade created rates in some buildings that are not reflective of true costs and building needs. Since increasing rates drastically is difficult for our agency tenants, rates are being increased gradually. This forces us to defer some necessary maintenance items.

Opportunities

- We are currently in the planning stages of adding 4 additional solar arrays to the Capitol Complex.
- We are working to improve diversity in our less diverse work areas.

Threats/risks/vulnerabilities

- A security study has identified significant vulnerabilities in and around FMD facilities. The 2018 Legislature provided partial funding to mitigate some of the vulnerabilities and thus lessen the risk of damage to state facilities and harm to those who work on and visit the Capitol Complex. In future years, FMD expects to request the remaining funding needed to fully address these concerns.
- Since FY 2004, fifty percent of the money that is credited to our Facility Repair and Replacement account (FR&R) is transferred to the general fund. This accounting shift has reduced the amount of funding available to preserve the state's assets, increased our reliance on asset preservation funding, delayed repairs of building systems and increased the risks of building failures.
- The Governor's Residence, State Office, and Centennial Office buildings are in need of major renovations. Failure to take care of these deficiencies creates a high risk of significant building system failure which would in turn jeopardize tenant agencies ability to fulfill their mission.
- The fire alarm control panels in many of our buildings have become obsolete and replacement parts will no longer be available.

Products and Services

Our main products/services and the benefits to customer

Services provided by Leases include:

- Janitorial Services – cleaning of offices, laboratories, museums, lobbies, conference rooms, and restrooms.
- Maintenance Engineering – maintenance and repair of facilities and their components, including lighting, heating, cooling, mechanical, and pneumatic systems.
- Building Management Services – oversight of construction and renovation projects; environmental issues; indoor air quality; recycling, reuse, and sustainability; and integrated pest management.
- Maintenance & Leasehold – preventative maintenance type projects such as replacement of carpet, window blinds, and sidewalks; painting; duct cleaning; and tuckpointing.
- Utilities – heating, cooling, humidity control, water, and electrical.
- Specialized Utilities – electrical and cooling utilities beyond normal office usage is billed to tenants as a fee-for-service based on actual usage.
- Asset Preservation Program – management of asset preservation program outlining required facility repairs.
- Building Replacement Funds – management of asset preservation funds to be used for future building repairs at the Andersen and Freeman buildings. The original construction of these buildings was financed by the Saint Paul Port Authority. This program will be expanded to include MSB which was financed with state revenue bonds.
- Carpentry/Paint Shop – repair and maintenance related to carpentry, painting, and plastering including building interior/exterior finishes, signage, and casework.
- Pipe Shop – repair and maintenance related to plumbing, steam fitting, refrigeration, and sheet metal including domestic water systems, waste and storm sewers, heating and chilled water systems, air conditioning, and coordination of sprinkler systems repairs.
- Electric/Machine Shop – repair and maintenance related to electrical and machinist work including primary high, medium, and low voltage systems; all mechanical/electrical equipment; keys; door hardware; locks; and specialized machining of parts.
- Grounds – development, implementation, and monitoring of the grounds maintenance program including landscaping and snow removal.
- Ceremonial Grounds – maintenance of ceremonial grounds, monuments, and memorials. This includes Cass Gilbert and Leif Erikson parks and the Judicial Plaza.
- Recycling and Composting Program – collection and removal of organics, paper products, cans, bottles and plastics, and pallets.
- Waste Removal – collection and removal of solid waste.
- FMD Service Line – one call for all FMD service requests such as temperature, lighting, elevator, and snow removal issues (651.201.2300).
- Fire/Life Safety – installation, monitoring, repair, and replacement of building electronic systems and devices such as high/low temperature alarms, keycard readers, and motion detectors.

- Security Services – in cooperation with the Department of Public Safety Capitol Security, maintenance of perimeter security devices including cameras, door entry systems, card reader devices, and security devices in common areas.
- Computer Assisted Facilities Management System – electronic work order system for preventative maintenance and on-demand work.
- Shared Conference Rooms – availability and scheduling of shared conference rooms for tenants during normal business hours in Administration, Centennial, State Capitol, and Veterans Service buildings.
- Cafeterias – oversight of contract for cafeteria services in select buildings.
- Special Event Permits – issuance of permits for public rallies and events. This includes the option of after-hours events and events with alcohol in the State Capitol Building for a fee.
- Licenses – fees for media equipment.
- Evaluation of Performance – evaluation of services through building tours, facility condition audits, customer surveys, and computer assisted facilities management program.
- After-hours Heating and Cooling – upon prior FMD approval, based on need, FMD may provide after-hours heating or cooling for specific one-time tenant requests. Tenants will reimburse FMD based on usage.

Marketing

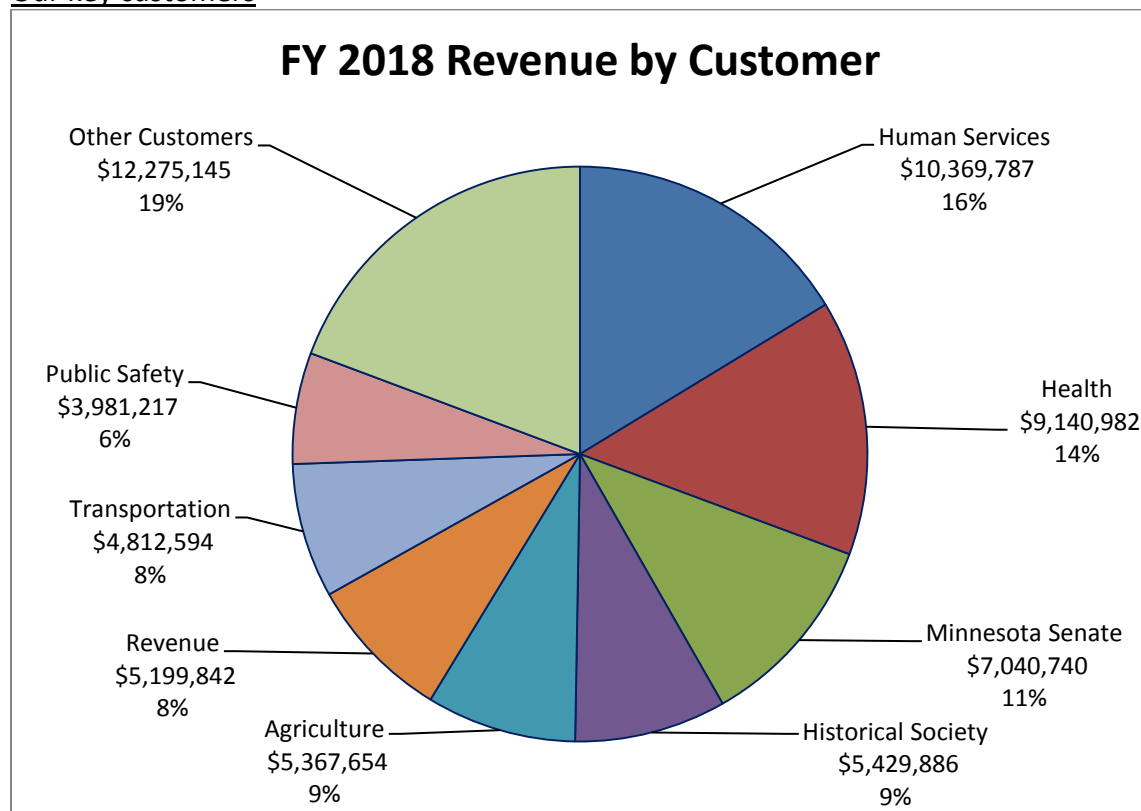
Our target audiences/customers

Leases customers in the buildings managed by FMD are:

- state agencies,
- constitutional offices,
- members of the judicial branch,
- legislators,
- employees,
- visitors, and
- media.

The majority of FMD buildings are located in the Capitol Complex, but there are also buildings at 321 Grove, the BCA building on Maryland Ave., Retirement Systems Building on Empire Drive, Governor’s Residence on Summit Ave., and the Ely Revenue Building.

Our key customers



What we have heard from our customers

As part of Admin’s Performance Management Process, FMD monitors performance through annual customer surveys and management building tours. These measures provide FMD with

an assessment of performance from both the operational and tenant perspective and assist in improving services. These tools help FMD:

- Identify areas in which we can improve the level of service
- Receive and respond to customer feedback
- Assess the general condition of the building
- Identify and initiate work orders for items requiring repair or maintenance
- Identify items to be added to the deferred maintenance list
- Ensure that tenants are provided a clean, safe, and environmentally sound work place

See page 56 for results of customer surveys and building tours.

Competition

Our competition

Property management companies provide services that are similar to FMD's Leases activity. Because of numerous differences in the lease rates for state owned buildings and non-state owned buildings, valid comparisons cannot be made between these rates without appropriate recognition of the differences and adjustments made accordingly. For example,

- FMD has rules and regulations to follow, such as state procurement laws and labor mandates; pays employees union wages and benefits; and pays statewide indirect costs, bond interest, and building depreciation.
- Non-state owned buildings pay real estate taxes and debt service.
- In addition, some FMD operated buildings are not standard office buildings and require different service levels such as:
 - The State Capitol Building,
 - Minnesota History Center,
 - Governor's Residence,
 - BCA Maryland Laboratory, and
 - Agriculture/Health Laboratory.
- FMD strives to operate their buildings at high service levels commensurate with owner occupied buildings focusing on the long-term benefits of maintaining and improving the buildings. This is not always the focus with commercial building management firms that do not occupy the buildings they manage as profit maximization is the prime motivating factor for them.

How our rates compare

The chart below lists FY 2018 office lease rates for state agencies in privately owned buildings in St. Paul. FMD's rates can be found on page 28.

Office Rates of State Agencies in Privately Owned Space in St. Paul

Building	Rate per SF (as of 5/2/18)
81 on Seventh	\$23.40
180 5 th St E	\$22.00
443 Lafayette Rd (DoLI)	\$19.13
444 Lafayette Rd (DHS)	\$21.33
500 Lafayette Rd (DNR)	\$22.54
520 Lafayette Rd (PCA)	\$19.59
DC-1 Warehouse	\$15.35
First National Bank Building	\$15.39 - \$17.12
Golden Rule Building	\$20.95 - \$24.19
Landmark Towers	\$22.73
Metro Square Building	\$18.55 - \$19.02
Park Square Court	\$18.40
Town Square	\$21.21 - \$23.38

Loans

The purpose of our loans, and why we took them

Master Lease is a loan program managed by Minnesota Management and Budget (MMB) that allows internal service funds to borrow cash for equipment acquisitions.

Leases Master Lease budgets are shown in the table below. Payment schedules will not be available until draws against the Master Lease are made.

Fiscal Year	Amount
2019	\$361,700
2020	\$215,200

In February 2018, Admin entered into a GESP lease purchase agreement to fund energy efficiency and water consumption improvements in the Transportation Building. The energy savings achieved by this project will be used to pay back this loan. The final payment will be made in February 2038.

The GESP program is managed by the Minnesota Department of Commerce to maximize job creation and operational costs savings while reducing energy consumption.

In December 2005, Admin began long term lease purchase agreements with the St. Paul Port Authority for the Andersen and Freeman Buildings. FMD collects money through the Andersen and Freeman lease rates and makes payments for the debt service bond principal and interest. The terms of these agreements will be fulfilled in December 2025 when the final payments are made.

Financial Outlook

Our current overall financial health

The rates in this plan are expected to result in retained earnings below 2 months' working capital. This will still provide the fund with the sufficient cash flow necessary to operate the business. Overall Leases' financial health is stable.

When the State invested \$303 million in the State Capitol Restoration, the Governor and legislative leaders expressed support for full funding of building maintenance in future years. This plan includes funding to maintain the State Capitol Building at the high standard needed to preserve Cass Gilbert's vision. This will require a \$500,000 increase in the In Lieu of Rent appropriation in FY 2021. Additional increases to In Lieu of Rent will be required in FY 2022 and 2023.

With the opening of MSB in January 2016, the Senate moved out of 18,497 square feet of space on the 1st Floor of the State Office Building. FMD did not collect rent for this vacant space in FY 2018. If this space remains vacant, no rent will be collected in FY 2019. However, FMD will not be able to adequately maintain the building on an on-going basis without collecting full rent for this building. This plan assumes rent will be collected for this space again beginning in FY 2020, whether or not this space is occupied.

Building life expectancy, vacant space, breakeven rates, positive/negative retained earnings, planned construction projects, and working capital are factors that are considered when developing each building's rate. The difference between actual revenues and expenses versus budgeted amounts will be reflected in future lease rates.

If any tenant vacates space, Admin may need to revise the rental rate for that facility and/or explore alternative leasing options.

There are no FY 2020 or FY 2021 expenses included in this plan for 321 Grove Building 1 or the Ford Building.

Admin's Real Estate unit has had a long standing budget shortfall of \$475,000 per year that has been funded by Leases. The problem of Leases bearing the financial burden of other Admin divisions continues to grow as the department shifts more costs to FMD thus inflating the rates we charge our customers. This plan includes \$1 million of agency allocation costs each year.

A portion of the depreciation and bond interest collected through the rental rates are transferred to a segregated FR&R account in accordance with § 16B.24 subd. 5d. FR&R assists FMD in planning and budgeting for future cyclical repairs and replacements that extend the useful life of the facilities and reduce the reliance on the capital budget process. Preventive maintenance and planned, coordinated repair and replacements are significantly less expensive than emergency repairs or full replacement of facilities.

Changes to our rates, and why

The proposed rates reflect overall rate increases of 0.3% in FY 2020 and 1.6% in FY 2021. There is a rate decrease for the MSB and rate increases in 9 buildings. The rate increase of 5% each year for the Judicial Center is due in large part to ongoing water intrusion repairs. It is important to note, this building has had previous rate decreases for reasons described in the historical section on page 8. The FY 2021 rate of \$22.00 reflects an 11% *decrease* over the 18 year period from FY 2003 when the rate was \$24.63.

The storage rate in several buildings will increase from \$7.50 in FY 2019 to \$8.00 in FY 2020 and FY 2021.

How our proposed rates will impact our financial health

It is estimated Leases will have a decrease in retained earnings of \$2,162,354 in FY 2020 and an increase of \$115,519 in FY 2021 resulting in an ending retained earnings balance \$10,573,530 in FY 2021.

How our proposed rates will impact our customers

Projected Impact on Largest Customers

Customer	Increase/(Decrease) FY 2019 to FY 2020	Increase/(Decrease) FY 2020 to FY 2021
Dept of Human Services	\$323,736	\$323,736
Dept of Health	(\$28,577)	\$0
MN Senate	(\$197,536)	\$0
MN Historical Society	\$0	\$0
Dept of Agriculture	\$26,075	\$0
Dept of Revenue	\$51,114	\$0
Dept of Transportation	\$1,119	\$0
Dept of Public Safety	(\$689)	\$1,217
Total	\$175,242	\$324,953

FMD has several long-standing license agreements with media organizations that have equipment on state property which allows them to transmit news regarding state government activities.

There are times when tenants have a need for renovation projects that are beyond the scope of the lease agreement and the agency may not have the money to fund the entire project in one year. Occasionally, FMD will pay the tenant renovation expenses and amortize the cost of the project back to the tenants for up to five years. These projects are based on availability of funding and require approval from MMB.

Financial Data

Assumptions for Rate Matrix

Fiscal Years 2020 and 2021

Revenue Category	Account	Increase/Decrease	Explanation
In Lieu of Rent	670030	FY20: Increase \$272,911 (3%) FY21: Increase \$500,000 (5%)	FY19 unusually low due to vacant space at State Office Building. FY21 reflects rate increase at State Capitol Building.

Expense Category	Account	Increase/Decrease	Explanation
Utilities – Gas and Other	411003-80004, 80005 & blank	FY20: Increase \$10,940 (2%) FY21: Increase \$24,825 (6%)	FY20 & FY21 based on projected utility rate increases of 6% each year. FY20 offset by 321 Grove Bldg 1 being included in FY19.
Repairs & Maintenance	41500	FY20: Increase \$320,222 (10%) FY21: Increase \$65,521 (2%)	FY20 & FY21 include additional Capitol maintenance costs according to the Capitol maintenance schedule.
Maintenance & Leasehold	Various	FY20: Decrease (\$1,654,300) (-19%) FY21: Decrease (\$1,870,500) (-26%)	Based on anticipated projects.
Professional/ Technical Services	41130	FY20: Decrease (\$786,386) (-56%) FY21: Increase \$11,968 (2%)	FY19 higher than usual due to exterior building assessments.
Equipment Depreciation	N/A	FY20: Increase \$44,105 (34%) FY21: Increase \$19,055 (11%)	Due to the purchases of replacement equipment in FY20 and FY21.
Other Operating Costs	Various	FY20: Decrease (\$232,990) (-31%) FY21: Decrease (\$85,462) (-16%)	FY19 higher than usual due to city fees for Jackson Street project. FY21 decrease due to expiration of peak shave generator contract.
Bond Interest	N/A	FY20: Decrease (\$1,145,689) (-32%) FY21: Decrease (\$18,303) (-1%)	Based on payment schedule of interest for construction projects funded with bonded dollars. Interest is paid over 20 years. Bond Interest only paid on occupied buildings. FY19 was the last year of bond interest for the Stassen Building.
Building Replacement Funds	N/A	FY20: Decrease (\$352,302) (-32%) FY21: No change	Assumes legislation will pass in FY19 allowing the transfer of MSB building replacement funds.

The assumptions for these rates include a general inflation factor of 1.9% for FY 2020 and FY 2021. This factor is used when a more specific factor is not available.

Facilities Management Cost/Rate Calculation
Lease Rate Matrix FY 2020

Lease Rate Matrix FY 2020
September 26, 2018

	Total	321 Grove Bldg 2	691 N Robert	Admin	Ag/Health Lab	Andersen	BCA Maryland
Costs							
Salaries & Benefits	18,988,056	42,495	160,260	309,786	694,091	1,405,032	820,822
Utilities - Electric	6,133,972	5,461	53,443	80,594	879,795	840,979	471,166
Utilities - Water	540,802	1,185	5,927	7,254	49,883	34,161	33,612
Utilities - District Heat	2,185,887		22,939	58,487	523,637	156,188	
Utilities - District Cooling	1,268,979		5,852	20,403	248,181	530,428	
Utilities - Gas and Other	450,489	3,332			106,057	7,869	146,437
Repairs & Maintenance	3,593,485	2,184	25,740	54,844	97,103	506,207	99,068
Maintenance & Leasehold	7,167,500	1,900	8,100	129,900	376,500	862,600	848,500
Professional/Technical Services	630,084	1,628	3,007	28,885	20,847	63,421	33,191
Supplies	1,839,340	3,158	27,662	45,917	112,426	176,128	128,393
Purchased Services	832,144	5,723	4,206	13,491	20,272	79,839	15,714
Insurance	472,278	80	1,755	5,717	20,132	35,496	26,141
Statewide Indirect	858,100						
Centralized IT Services	887,295	2,072	1,832	13,733	10,703	9,517	7,378
Vehicle Leases	212,252						
Depreciation	663,929	19,348	10,439	9,594	46,505	12,012	29,620
Other Operating Costs	530,781	1,384	3,140	11,658	17,629	27,824	20,166
Intrafund Expenses (FMD Rent)	754,458						
Bond Interest	2,422,157			49,590	1,044,802		615,376
Building Depreciation	10,945,882	2,853	903	420,455	859,061		844,112
Debt Service	17,452,132					6,675,799	
Building Replacement Funds	738,155					335,557	
Total Costs	79,569,137	92,803	335,205	1,260,108	5,127,604	11,758,837	4,139,694
Distributions/Allocations							
Admin O/H Internal	0	3,689	15,123	37,375	87,299	211,556	114,613
Admin O/H External	0	3,650	14,967	36,989	86,397	209,369	113,429
Grounds	0	768	2,845	15,610	6,229	12,304	29,990
Tunnels	0			34,158	79,772		
Common Space (Conf Rms)	0		1,563	(14,569)	9,086		
Electric/Chiller Loop (Power House)	0		12,648	31,397	73,334		
Automation System	0		2,137	13,086	54,641	45,892	118,547
Total Distributions/Allocations	0	8,107	49,283	154,026	396,738	478,921	376,579
Total Costs with Allocations	79,569,137	100,910	384,488	1,414,134	5,524,342	12,237,758	4,516,273
Revenue - In Lieu of Rent							
Approp. - Ceremonial	1,903,108						
Approp. - Services for Blind	156,119			18,403		34,604	5,733
Approp. - Rent Waived	7,331,773						
Total In Lieu of Rent	9,391,000	0	0	18,403	0	34,604	5,733
Revenue - Other							
Specialized Utilities	797,400					488,132	
Intrafund Revenue	754,458	119,946	466,567	167,945			
Misc Revenue	10,533						
Total Other Revenue	1,562,391	119,946	466,567	167,945	0	488,132	0
Revenue - Rent / Rate							
Storage Rate				8.00			
Storage Revenue	140,984			3,728			
Office Rate Breakeven		17.25	16.03	24.30	39.90	35.02	24.84
Office Revenue Breakeven	67,964,983	100,930	384,528	1,391,758	5,524,913	11,716,081	4,509,280
Office Rate		20.50	19.45	23.90	41.40	34.50	22.05
Office Revenue	67,066,896	119,946	466,567	1,368,849	5,732,617	11,542,113	4,002,803
Total Rent Revenue	67,207,880	119,946	466,567	1,372,577	5,732,617	11,542,113	4,002,803
Total Recoveries/Revenue	77,408,783	119,946	466,567	1,390,980	5,732,617	12,064,849	4,008,536
Inc (Dec) in Retained Earnings	(2,162,354)	19,036	82,079	(23,154)	208,275	(172,909)	(507,737)
FY20 Storage Rate							
FY20 Office Rate		20.50	19.45	23.90	41.40	34.50	22.05
FY19 Storage Rate				7.50			
FY19 Office Rate		19.70	18.50	23.90	41.40	33.50	22.05
FY18 Storage Rate				7.50			
FY18 Office Rate		17.70	16.50	22.75	39.80	31.90	21.00
Automation System Points							
	91,363	3	268	1,505	6,302	5,270	13,675
Distribution Methods							
A, By Total Sq. Ft.	1,0000	0.0019	0.0078	0.0192	0.0447	0.1084	0.0587
B, By Sq. Ft. w/o Ely, Fleet	1,0000	0.0020	0.0078	0.0193	0.0450	0.1091	0.0591
C, By Sq Ft Cap Complx w/o Andersen, MHC	1,0000		0.0114	0.0283	0.0681		
D, By Grounds	1,0000	0.0010	0.0037	0.0203	0.0081	0.0160	0.0390
E, By Tunnel Connections	1,0000			0.0340	0.0794		
F, By Automation System Points	1,0000		0.0027	0.0185	0.0690	0.0577	0.1497
G, By Power House (Elec & Chiller Loop)	1,0000		0.0114	0.0283	0.0661		
H, M&L w/o Fleet & RSB	1,0000	0.0019	0.0081	0.0199	0.0465	0.1126	0.0810
I, Capitol Complex w/o MHC	1,0000		0.0098	0.0244	0.0570	0.1380	
Comparison to Prior Year							
Revenue at FY20 Requested Rate	75,844,419	0	0	1,223,034	5,732,617	11,578,717	4,008,536
Revenue at FY19 Requested Rate	75,638,696	0	0	1,222,801	5,732,617	11,241,160	4,008,536
Variance	205,723	0	0	233	0	335,557	0
% Rate Increase - Overall	0.3%						
Square Footage							
Office	2,658,699	5,851	23,988	58,046	138,469	334,554	181,533
Storage	17,623			466			
Ceremonial	40,837						
Services for the Blind	8,128			770		1,003	280
Rent Waived - Office	357,173						
Rent Waived - Storage	13,937						
Total Square Footage	3,094,397	5,851	23,988	59,282	138,469	335,557	181,793

**Facilities Management Cost/Rate Calculation
Lease Rate Matrix FY 2020**

Lease Rate Matrix FY 2020
September 26, 2018

	Centennial	Ely	Fleet & Surplus	Freeman	Governor's Residence	Judicial	MN History Center
Costs							
Salaries & Benefits	1,179,763	14,588	54,704	1,087,336	176,400	979,180	1,830,065
Utilities - Electric	400,582	19,477		348,493	31,902	281,654	760,403
Utilities - Water	23,951	2,663		27,385	5,232	44,907	66,373
Utilities - District Heat	140,007			199,987		101,908	
Utilities - District Cooling	55,819			56,073		41,973	
Utilities - Gas and Other	2,895	19,811		16,282	18,109		109,265
Repairs & Maintenance	336,667	65,097	4,483	330,477	23,020	168,602	483,144
Maintenance & Leasehold	75,800	4,900		637,800	5,700	60,300	1,010,500
Professional/Technical Services	18,655	2,409	1,836	73,146	3,763	51,444	106,117
Supplies	167,117	5,098	4,542	105,816	46,632	92,530	168,956
Purchased Services	37,065	53,816	675	83,159	42,126	30,371	211,554
Insurance	18,029	1,279		25,865	3,294	33,745	
Statewide Indirect							
Centralized IT Services	17,934	932		15,337	2,703	14,004	21,258
Vehicle Leases							
Depreciation	16,882	16,346		4,421	197	9,408	102,010
Other Operating Costs	17,551	628		18,204	26,943	12,488	23,631
Intrafund Expenses (FMD Rent)							
Bond Interest	23,916				66,736	6,643	22,368
Building Depreciation	783,988	99,318			172,810	973,435	706,924
Debt Service				5,980,333			
Building Replacement Funds				261,501			
Total Costs	3,316,221	306,362	66,240	9,271,595	625,567	2,902,592	5,620,568
Distributions/Allocations							
Admin O/H Internal	142,374	9,174	3,166	164,866	10,735	113,209	207,475
Admin O/H External	140,903	9,079	3,133	163,162	10,624	112,039	205,330
Grounds	17,533			25,376	13,150	23,531	40,294
Tunnels	130,207			150,703		103,483	
Common Space (Conf Rms)	(12,385)			17,117		11,754	
Electric/Chiller Loop (Power House)	119,595			136,459		85,079	
Automation System	18,847	5,147	1,980	41,575	238	60,591	95,978
Total Distributions/Allocations	557,077	23,400	8,279	701,258	34,747	519,596	549,077
Total Costs with Allocations	3,873,298	329,762	74,519	9,972,853	660,314	3,422,188	6,169,645
Revenue - In Lieu of Rent							
Approp. - Ceremonial					612,972		
Approp. - Services for Blind	16,378			25,431		798	
Approp. - Rent Waived							
Total In Lieu of Rent	16,378	0	0	25,431	612,972	798	0
Revenue - Other							
Specialized Utilities	89,274			37,184			
Intrafund Revenue							
Misc Revenue							
Total Other Revenue	89,274	0	0	37,184	0	0	0
Revenue - Rent / Rate							
Storage Rate	8.00						
Storage Revenue	69,248						
Office Rate Breakeven	17.23	22.66	14.84	37.99	38.78	19.06	18.75
Office Revenue Breakeven	3,698,592	329,726	74,526	9,908,932	0	3,421,785	6,170,325
Office Rate	17.35	24.00	14.70	37.90	36.00	21.00	16.50
Office Revenue	3,724,351	349,224	73,823	9,885,457	0	3,770,067	5,429,886
Total Rent Revenue	3,793,599	349,224	73,823	9,885,457	0	3,770,067	5,429,886
Total Recoveries/Revenue	3,899,251	349,224	73,823	9,948,072	612,972	3,770,865	5,429,886
Inc (Dec) in Retained Earnings	25,953	19,462	(696)	(24,781)	(47,342)	348,677	(739,759)
FY20 Storage Rate	8.00						
FY20 Office Rate	17.35	24.00	14.70	37.90	36.00	21.00	16.50
FY19 Storage Rate	7.50						
FY19 Office Rate	17.00	24.00	14.00	37.90	35.00	19.95	16.50
FY18 Storage Rate	7.50						
FY18 Office Rate	16.50	24.00	12.00	36.40	35.00	17.75	16.50
Automation System Points	2,174	598	224	4,793	26	6,977	11,069
Distribution Methods							
A. By Total Sq. Ft.	0.0730	0.0047	0.0016	0.0845	0.0055	0.0580	0.1063
B. By Sq. Ft. w/o Ely, Fleet	0.0734			0.0850	0.0055	0.0584	0.1070
C. By Sq. Ft. Cap Cmplx w/o Andersen, MHC	0.1078			0.1248		0.0857	
D. By Grounds	0.0228			0.0930	0.0171	0.0306	0.0524
E. By Tunnel Connections	0.1296			0.1500		0.1030	
F. By Automation System Points	0.0238	0.0065	0.0025	0.0525	0.0003	0.0764	0.1212
G. By Power House (Elec & Chiller Loop)	0.1078			0.1248		0.0857	
H. M&L w/o Fleet & RSB	0.0758	0.0049		0.0878	0.0057	0.0603	0.1105
I. Capitol Complex w/o MHC	0.0929			0.1076		0.0739	
Comparison to Prior Year							
Revenue at FY20 Requested Rate	3,809,977	349,224	73,823	9,910,888	612,972	3,770,865	5,429,886
Revenue at FY19 Requested Rate	3,730,188	349,224	70,308	9,910,888	595,945	3,582,322	5,429,886
Variance	79,789	0	3,515	0	17,027	188,543	0
% Rate Increase - Overall							
Square Footage							
Office	216,226	14,551	5,022	260,830		179,527	329,084
Storage	8,656						
Ceremonial					17,027		
Services for the Blind	944			671		38	
Rent Waived - Office							
Rent Waived - Storage							
Total Square Footage	225,826	14,551	5,022	261,501	17,027	179,565	329,084

**Facilities Management Cost/Rate Calculation
Lease Rate Matrix FY 2020**

Lease Rate Matrix FY 2020
September 26, 2018

	Admin O/H External	Admin O/H Internal	Automation System	Grounds O/H	Ceremonial Grounds	Electric/Chiller Loop	Tunnels
Costs							
Salaries & Benefits	1,074,506	887,649	361,049	477,412	260,758	91,174	
Utilities - Electric					3,542	4,591	
Utilities - Water					49,891		
Utilities - District Heat						18,024	
Utilities - District Cooling							
Utilities - Gas and Other							
Repairs & Maintenance		5,990	8,247	8,453	14,994	4,647	48,000
Maintenance & Leasehold							600,000
Professional/Technical Services		15,320		1,308	13,771	1,234	11,430
Supplies		33,018	3,612	55,396	31,428	28,205	1,966
Purchased Services		4,065	2,865	2,932	9,936	686	
Insurance				2,118		1,714	
Statewide Indirect	856,100						
Centralized IT Services		188,658	402,685	6,198	839	7,657	
Vehicle Leases		175,010	1,626	33,540	2,076		
Depreciation				58,679	75,929	1,434	
Other Operating Costs	127	32,376	2,308	2,997	46,321	116,762	
Intrafund Expenses (FMD Rent)		634,513		119,946			
Bond Interest			1,240		9,538	133,993	106,282
Building Depreciation			8,264		48,556	696,711	237,009
Debt Service							
Building Replacement Funds							
Total Costs	1,930,733	1,956,599	791,896	768,979	567,579	1,106,832	1,004,687
Distributions/Allocations							
Admin O/H Internal		(1,950,896)					
Admin O/H External	(1,930,733)						
Grounds				(768,979)	346,041		
Tunnels							(1,004,687)
Common Space (Conf Rms)							
Electric/Chiller Loop (Power House)						(1,109,445)	
Automation System			(791,896)			2,613	
Total Distributions/Allocations	(1,930,733)	(1,950,896)	(791,896)	(768,979)	346,041	(1,106,832)	(1,004,687)
Total Costs with Allocations	0	5,703	0	0	913,620	0	0
Revenue - In Lieu of Rent							
Approp. - Ceremonial					643,694		
Approp. - Services for Blind							
Approp. - Rent Waived							
Total In Lieu of Rent	0	0	0	0	643,694	0	0
Revenue - Other							
Specialized Utilities							
Intrafund Revenue							
Misc Revenue		5,703					
Total Other Revenue	0	5,703	0	0	0	0	0
Revenue - Rent / Rate							
Storage Rate							
Storage Revenue							
Office Rate Breakeven							
Office Revenue Breakeven							
Office Rate							
Office Revenue							
Total Rent Revenue	0	0	0	0	0	0	0
Total Recoveries/Revenue	0	5,703	0	0	643,694	0	0
Inc (Dec) in Retained Earnings	0	0	0	0	(269,926)	0	0
FY20 Storage Rate							
FY20 Office Rate							
FY19 Storage Rate							
FY19 Office Rate							
FY18 Storage Rate							
FY18 Office Rate							
Automation System Points						298	
Distribution Methods							
A. By Total Sq. Ft.							
B. By Sq. Ft. w/o Ely, Fleet							
C. By Sq Ft Cap Cmplx w/o Andersen, MHC							
D. By Grounds					0.4500		
E. By Tunnel Connections							
F. By Automation System Points						0.0033	
G. By Power House (Elec & Chiller Loop)							
H. M&L w/o Fleet & RSB							
I. Capitol Complex w/o MHC							
Comparison to Prior Year							
Revenue at FY20 Requested Rate					643,694		
Revenue at FY19 Requested Rate					920,328		
Variance					(276,634)		
% Rate Increase - Overall							
Square Footage							
Office							
Storage							
Ceremonial							
Services for the Blind							
Rent Waived - Office							
Rent Waived - Storage							
Total Square Footage							

**Facilities Management Cost/Rate Calculation
Lease Rate Matrix FY 2021**

Lease Rate Matrix FY 2021
September 28, 2018

	Total	321 Grove Bldg 2	691 N Robert	Admin	Ag/Health Lab	Andersen	BCA Maryland
Costs							
Salaries & Benefits	19,477,991	43,668	164,685	318,339	708,897	1,442,091	843,485
Utilities - Electric	6,257,181	5,570	54,519	82,218	897,513	857,798	480,589
Utilities - Water	582,565	1,233	6,164	7,544	51,857	35,528	34,956
Utilities - District Heat	2,237,660		23,483	59,875	536,248	159,876	
Utilities - District Cooling	1,294,360		5,969	20,811	253,145	541,036	
Utilities - Gas and Other	475,314	3,499			111,376	8,054	155,249
Repairs & Maintenance	3,664,006	2,226	26,230	55,682	98,948	512,975	100,948
Maintenance & Leasehold	5,297,000	1,900	8,100	269,900	46,500	1,112,600	61,000
Professional/Technical Services	642,052	1,659	3,084	29,433	21,243	64,626	33,822
Supplies	1,874,288	3,218	28,188	46,790	114,582	179,474	130,833
Purchased Services	847,951	5,831	4,286	13,747	20,657	81,356	16,013
Insurance	481,252	81	1,788	5,826	20,514	36,171	26,637
Statewide Indirect	872,366						
Centralized IT Services	904,153	2,111	1,867	13,994	10,906	9,698	7,519
Vehicle Leases	216,282						
Depreciation	682,984	19,375	10,542	9,848	47,099	13,453	30,402
Other Operating Costs	445,289	1,422	3,222	11,930	18,085	28,489	20,633
Intrafund Expenses (FMD Rent)	781,926						
Bond Interest	2,403,854			49,590	1,044,802		615,376
Building Depreciation	10,936,407	2,853	903	420,455	859,061		844,112
Debt Service	17,436,854					6,689,208	
Building Replacement Funds	738,155					335,557	
Total Costs	78,529,900	94,648	343,010	1,415,982	4,861,413	12,087,990	3,401,574
Distributions/Allocations							
Admin C/H Internal	0	3,775	15,479	38,254	89,353	216,532	117,309
Admin C/H External	0	3,726	15,280	37,761	88,202	213,742	115,798
Grounds	0	794	2,942	16,142	6,441	12,723	31,012
Tunnels	0			13,798	32,225		
Common Space (Conf Rms)	0		1,571	(14,554)	9,102		
Electric/Chiller Loop (Power House)	0		11,578	28,739	67,125		
Automation System	0		2,187	13,363	55,881	46,729	121,238
Total Distributions/Allocations	0	8,295	49,037	133,503	348,329	489,726	385,357
Total Costs with Allocations	78,529,900	102,941	392,047	1,549,485	5,209,742	12,577,716	3,786,931
Revenue - In Lieu of Rent							
Approp. - Ceremonial	2,133,815						
Approp. - Services for Blind	159,528			18,403		35,607	5,733
Approp. - Rent Waived	7,587,657						
Total In Lieu of Rent	9,881,000	0	0	18,403	0	35,607	5,733
Revenue - Other							
Specialized Utilities	813,349					497,895	
Intrafund Revenue	781,926	124,626	489,355	167,945			
Misc Revenue	10,503						
Total Other Revenue	1,605,778	124,626	489,355	167,945	0	497,895	0
Revenue - Rent / Rate							
Storage Rate				8.00			
Storage Revenue	140,984			3,728			
Office Rate Breakeven		17.59	16.34	26.63	37.62	36.00	20.83
Office Revenue Breakeven	67,068,089	102,919	391,964	1,525,207	5,209,204	12,043,944	3,781,332
Office Rate		21.30	20.40	23.90	41.40	35.50	22.05
Office Revenue	67,789,583	124,626	489,355	1,388,849	5,732,617	11,876,867	4,002,803
Total Rent Revenue	67,930,567	124,626	489,355	1,372,577	5,732,617	11,876,867	4,002,803
Total Recoveries/Revenue	78,645,419	124,626	489,355	1,390,980	5,732,617	12,410,169	4,008,536
Inc (Dec) in Retained Earnings	115,519	21,685	97,308	(158,505)	522,875	(167,547)	221,605
FY21 Storage Rate							
FY21 Office Rate		21.30	20.40	23.90	41.40	35.50	22.05
FY20 Storage Rate							
FY20 Office Rate		20.50	19.45	23.90	41.40	34.50	22.05
FY19 Storage Rate							
FY19 Office Rate		19.70	18.50	23.90	41.40	33.50	22.05
Automation System Points	91,363	3	268	1,505	6,302	5,270	13,675
Distribution Methods							
A. By Total Sq. Ft.	1.0000	0.0019	0.0078	0.0192	0.0447	0.1084	0.0587
B. By Sq. Ft. w/o Ely, Fleet	1.0000	0.0020	0.0078	0.0193	0.0450	0.1091	0.0591
C. By Sq Ft Cap Cmplx w/o Andersen, MHC	1.0000		0.0114	0.0283	0.0661		
D. By Grounds	1.0000	0.0010	0.0037	0.0203	0.0081	0.0160	0.0390
E. By Tunnel Connections	1.0000			0.0340	0.0794		
F. By Automation System Points	1.0000		0.0027	0.0165	0.0690	0.0577	0.1497
G. By Power House (Elec & Chiller Loop)	1.0000		0.0114	0.0283	0.0661		
H. M&L w/o Fleet & RSB	1.0000	0.0019	0.0081	0.0199	0.0465	0.1126	0.0610
I. Capitol Complex w/o MHC	1.0000		0.0098	0.0244	0.0570		
Comparison to Prior Year							
Revenue at FY21 Requested Rate	77,039,638	0	0	1,223,034	5,732,617	11,912,274	4,008,536
Revenue at FY20 Requested Rate	75,844,419	0	0	1,223,034	5,732,617	11,576,717	4,008,536
Variance	1,195,219	0	0	0	0	335,557	0
% Rate Increase - Overall	1.6%						
Square Footage							
Office	2,658,699	5,851	23,988	58,046	138,469	334,554	181,533
Storage	17,623			466			
Ceremonial	40,837						
Services for the Blind	6,128			770		1,003	260
Rent Waived - Office	357,173						
Rent Waived - Storage	13,937						
Total Square Footage	3,084,397	5,851	23,988	59,282	138,469	335,557	181,793

**Facilities Management Cost/Rate Calculation
Lease Rate Matrix FY 2021**

Lease Rate Matrix FY 2021
September 26, 2018

	Centennial	Ely	Fleet & Surplus	Freeman	Governor's Residence	Judicial	MN History Center
Costs							
Salaries & Benefits	1,212,335	14,991	56,215	1,113,186	180,143	1,006,214	1,880,592
Utilities - Electric	408,652	19,867		355,512	32,540	287,327	775,611
Utilities - Water	24,909	2,902		28,480	5,441	46,703	69,028
Utilities - District Heat	143,330			204,732		104,298	
Utilities - District Cooling	56,731			57,195		42,813	
Utilities - Gas and Other	3,039	20,455		17,080	19,005		115,867
Repairs & Maintenance	343,063	66,334	4,568	336,756	23,458	171,805	492,324
Maintenance & Leasehold	75,800	4,900		1,537,800	5,700	60,300	880,500
Professional/Technical Services	19,009	2,454	1,871	74,535	3,834	52,422	108,133
Supplies	170,292	5,195	4,628	107,827	47,518	94,288	170,129
Purchased Services	37,769	54,838	687	84,739	42,927	30,948	215,574
Insurance	18,372	1,304		26,356	3,366	34,366	
Statewide Indirect							
Centralized IT Services	18,275	950		15,628	2,754	14,270	21,662
Vehicle Leases							
Depreciation	17,605	16,346		5,545	271	10,180	103,424
Other Operating Costs	17,943	640		18,622	27,473	12,771	24,161
Intrafund Expenses (FMD Rent)							
Bond Interest	23,916				48,433	6,643	22,368
Building Depreciation	783,988	99,318			172,810	973,435	706,924
Debt Service				5,971,896			
Building Replacement Funds				261,501			
Total Costs	3,375,028	310,494	67,969	10,217,390	615,663	2,948,803	5,566,297
Distributions/Allocations							
Admin O/H Internal	145,724	9,390	3,241	168,744	10,987	115,872	212,355
Admin O/H External	143,846	9,269	3,199	166,570	10,846	114,379	209,619
Grounds	18,130			26,241	13,597	24,332	41,667
Tunnels	52,599			60,878		41,803	
Common Space (Conf Rms)	(12,874)			17,165		11,601	
Electric/Chiller Loop (Power House)	109,472			126,738		87,029	
Automation System	19,275	5,264	2,025	42,518	243	61,874	98,156
Total Distributions/Allocations	476,172	23,923	8,465	608,872	35,673	457,090	561,797
Total Costs with Allocations	3,851,200	334,417	76,434	10,826,262	651,336	3,405,893	6,128,094
Revenue - In Lieu of Rent							
Approp. - Ceremonial					629,999		
Approp. - Services for Blind	16,709			25,431		836	
Approp. - Rent Waived							
Total In Lieu of Rent	16,709	0	0	25,431	629,999	836	0
Revenue - Other							
Specialized Utilities	91,059			37,928			
Intrafund Revenue							
Misc Revenue							
Total Other Revenue	91,059	0	0	37,928	0	0	0
Revenue - Rent / Rate							
Storage Rate	8.00						
Storage Revenue	69,248						
Office Rate Breakeven	17.12	22.98	15.22	41.26	38.25	18.97	18.62
Office Revenue Breakeven	3,674,979	334,382	76,435	10,761,846	0	3,405,627	6,127,544
Office Rate	17.70	24.00	15.45	37.90	37.00	22.00	16.50
Office Revenue	3,799,482	349,224	77,590	9,885,457	0	3,949,594	5,429,886
Total Rent Revenue	3,868,730	349,224	77,590	9,948,816	629,999	3,950,430	5,429,886
Total Recoveries/Revenue	3,976,498	349,224	77,590	9,948,816	629,999	3,950,430	5,429,886
Inc (Dec) in Retained Earnings	125,298	14,807	1,156	(877,446)	(21,337)	544,537	(698,208)
FY21 Storage Rate	8.00						
FY21 Office Rate	17.70	24.00	15.45	37.90	37.00	22.00	16.50
FY20 Storage Rate	8.00						
FY20 Office Rate	17.35	24.00	14.70	37.90	36.00	21.00	16.50
FY19 Storage Rate	7.50						
FY19 Office Rate	17.00	24.00	14.00	37.90	35.00	19.95	16.50
Automation System Points	2,174	598	224	4,793	26	6,977	11,069
Distribution Methods							
A. By Total Sq. Ft.	0.0730	0.0047	0.0016	0.0845	0.0055	0.0580	0.1063
B. By Sq. Ft. w/o Ely, Fleet	0.0734			0.0850	0.0055	0.0584	0.1070
C. By Sq. Ft. Cap Cmplx w/o Andersen, MHC	0.1078			0.1248		0.0857	
D. By Grounds	0.0228			0.0930	0.0171	0.0306	0.0524
E. By Tunnel Connections	0.1296			0.1500		0.1030	
F. By Automation System Points	0.0238	0.0065	0.0025	0.0525	0.0003	0.0764	0.1212
G. By Power House (Elec & Chiller Loop)	0.1078			0.1248		0.0857	
H. M&L w/o Fleet & RSB	0.0758	0.0049		0.0878	0.0057	0.0603	0.1105
I. Capitol Complex w/o MHC	0.0929			0.1076		0.0739	
Comparison to Prior Year							
Revenue at FY21 Requested Rate	3,885,439	349,224	77,590	9,910,888	629,999	3,950,430	5,429,886
Revenue at FY20 Requested Rate	3,809,977	349,224	73,823	9,910,888	612,972	3,770,865	5,429,886
Variance	75,462	0	3,767	0	17,027	179,565	0
% Rate Increase - Overall							
Square Footage							
Office	216,226	14,551	5,022	260,830		179,527	329,084
Storage	8,656						
Ceremonial					17,027		
Services for the Blind	944			671		38	
Rent Waived - Office							
Rent Waived - Storage							
Total Square Footage	225,826	14,551	5,022	261,501	17,027	179,565	329,084

**Facilities Management Cost/Rate Calculation
Lease Rate Matrix FY 2021**

Lease Rate Matrix FY 2021
September 26, 2018

	Admin O/H External	Admin O/H Internal	Automation System	Grounds O/H	Ceremonial Grounds	Electric/Chiller Loop	Tunnels
Costs							
Salaries & Benefits	1,098,565	882,121	371,017	490,547	267,957	93,691	
Utilities - Electric					3,614	4,684	
Utilities - Water					51,887		
Utilities - District Heat						18,451	
Utilities - District Cooling							
Utilities - Gas and Other							
Repairs & Maintenance		6,103	8,404	8,613	15,279	4,735	48,912
Maintenance & Leasehold							
Professional/Technical Services		15,611		1,332	14,033	1,258	11,647
Supplies		33,645	3,681	56,449	32,025	28,741	2,004
Purchased Services		4,142	2,919	2,987	10,124	699	
Insurance				2,159		1,747	
Statewide Indirect	872,366						
Centralized IT Services		192,243	410,336	6,315	855	7,802	
Vehicle Leases		178,334	1,657	34,177	2,114		
Depreciation				64,909	75,929	1,434	
Other Operating Costs	129	32,991	2,352	3,054	47,711	21,532	
Intrafund Expenses (FMD Rent)		657,300		124,626			
Bond Interest			1,240		9,538	133,993	106,282
Building Depreciation			8,264		48,556	694,072	237,009
Debt Service							
Building Replacement Funds							
Total Costs	1,971,060	2,002,490	809,870	795,168	579,622	1,012,839	405,854
Distributions/Allocations							
Admin O/H Internal		(1,996,787)					
Admin O/H External	(1,971,060)						
Grounds				(795,168)	357,826		
Tunnels							(405,854)
Common Space (Conf Rms)							
Electric/Chiller Loop (Power House)						(1,015,512)	
Automation System			(809,870)			2,673	
Total Distributions/Allocations	(1,971,060)	(1,996,787)	(809,870)	(795,168)	357,826	(1,012,839)	(405,854)
Total Costs with Allocations	0	5,703	0	0	937,448	0	0
Revenue - In Lieu of Rent							
Approp. - Ceremonial					813,326		
Approp. - Services for Blind							
Approp. - Rent Waived							
Total In Lieu of Rent	0	0	0	0	813,326	0	0
Revenue - Other							
Specialized Utilities							
Intrafund Revenue							
Misc Revenue		5,703					
Total Other Revenue	0	5,703	0	0	0	0	0
Revenue - Rent / Rate							
Storage Rate							
Storage Revenue							
Office Rate Breakeven							
Office Revenue Breakeven							
Office Rate							
Office Revenue							
Total Rent Revenue	0	0	0	0	0	0	0
Total Recoveries/Revenue	0	5,703	0	0	813,326	0	0
Inc (Dec) in Retained Earnings	0	0	0	0	(124,122)	0	0
FY21 Storage Rate							
FY21 Office Rate							
FY20 Storage Rate							
FY20 Office Rate							
FY19 Storage Rate							
FY19 Office Rate							
Automation System Points						298	
Distribution Methods							
A. By Total Sq. Ft.							
B. By Sq. Ft. w/o Ely, Fleet							
C. By Sq Ft Cap Cmplx w/o Andersen, MHC							
D. By Grounds					0.4500		
E. By Tunnel Connections							
F. By Automation System Points						0.0033	
G. By Power House (Elec & Chiller Loop)							
H. M&L w/o Fleet & RSB							
I. Capitol Complex w/o MHC							
Comparison to Prior Year							
Revenue at FY21 Requested Rate					813,326		
Revenue at FY20 Requested Rate					643,694		
Variance					169,632		
% Rate Increase - Overall							
Square Footage							
Office							
Storage							
Ceremonial							
Services for the Blind							
Rent Waived - Office							
Rent Waived - Storage							
Total Square Footage							

Facilities Management Leases
Fiscal Years 2020 & 2021
Lease Rate Proposal/Comparison

Building	FY19	FY20	FY19 -		FY20 -		
			Difference	Percent Change	Difference	Percent Change	
			FY20	FY20	FY21	FY21	FY21
321 Grove Building 2	\$19.70	\$20.50	\$0.80	4%	\$21.30	\$0.80	4%
691 N. Robert	18.50	19.45	0.95	5%	20.40	0.95	5%
Administration	23.90	23.90	0.00	-	23.90	0.00	-
Agriculture/Health Laboratory	41.40	41.40	0.00	-	41.40	0.00	-
Andersen	33.50	34.50	1.00	3%	35.50	1.00	3%
BCA Maryland	22.05	22.05	0.00	-	22.05	0.00	-
Centennial	17.00	17.35	0.35	2%	17.70	0.35	2%
Ely	24.00	24.00	0.00	-	24.00	0.00	-
Fleet & Surplus Services	14.00	14.70	0.70	5%	15.45	0.75	5%
Freeman	37.90	37.90	0.00	-	37.90	0.00	-
Governor's Residence	35.00	36.00	1.00	3%	37.00	1.00	3%
Judicial Center	19.95	21.00	1.05	5%	22.00	1.00	5%
MN History Center	16.50	16.50	0.00	-	16.50	0.00	-
MN Senate Building	49.90	48.50	(1.40)	-3%	48.50	0.00	-
Retirement Systems	12.90	13.30	0.40	3%	13.70	0.40	3%
Stassen	16.60	16.60	0.00	-	16.60	0.00	-
State Capitol	27.15	27.15	0.00	-	29.00	1.85	7%
State Office	14.75	14.75	0.00	-	14.75	0.00	-
Transportation	19.50	19.50	0.00	-	19.50	0.00	-
Veterans Service	26.50	26.50	0.00	-	26.50	0.00	-
Storage - Select Buildings	7.50	8.00	0.50	7%	8.00	0.00	-
Media License (per month)	100	100	0	-	100	0	-

Note: Rates are annual per square foot unless otherwise noted
 Customers reimburse costs for after-hours heating and cooling when applicable
 Storage rate applies to: Administration, Centennial, Stassen, State Capitol, State Office, Transportation, and Veterans Service

Rate Matrix Computation

Minnesota Department of Administration

Leases

Fiscal Years 2020 & 2021

Square feet is based on the Space Management Inventory provided by Admin's Real Estate and Construction Services Division.

For most expense categories, a five year history was analyzed to project the costs and usage for the biennium. If no other inflationary projection was available, an increase of 1.9% was used in each year.

All expense categories are allocated based on actual building costs and specific distribution methods. Those distribution methods include total square footage, buildings connected by the tunnel system, buildings that are part of the electric/chiller loop, allocation of automation system points, etc. Each expense category is analyzed, and costs that are not building specific are allocated using the appropriate distribution method. Salaries and Benefits assumes a staff vacancy factor of 3%.

New asset purchases for this biennium include SMART boards, grounds equipment, thermal camera, welding table, insulation tester, utility vehicles, auto scrubbers, burnishers, and carpet extractors. Assets are depreciated on a straight line basis with no salvage value, based on estimated useful life. Estimated useful life is currently considered 17-30 years for building improvements and infrastructure, 4 years for information technology (IT) equipment, and 5-10 years for other equipment.

Governor's Residence Household budget is \$81,931 in FY 2020 and \$83,487 in FY 2021.

Minnesota Department of Administration
 Facilities Management Division - Fund 5400 (Leases)
 Fiscal Years 2020 & 2021
 Six Year Rate Comparison

<u>Building</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
321 Grove Building 2	\$14.30	\$15.70	\$17.70	\$19.70	\$20.50	\$21.30
691 N. Robert	13.20	14.50	16.50	18.50	19.45	20.40
Administration	20.90	21.65	22.75	23.90	23.90	23.90
Ag/Health Laboratory	38.25	38.25	39.80	41.40	41.40	41.40
Andersen	30.15	30.35	31.90	33.50	34.50	35.50
BCA Maryland	20.00	20.00	21.00	22.05	22.05	22.05
Centennial	16.00	16.00	16.50	17.00	17.35	17.70
Ely Revenue	24.00	24.00	24.00	24.00	24.00	24.00
Fleet & Surplus Services	10.00	10.00	12.00	14.00	14.70	15.45
Freeman	34.00	35.00	36.40	37.90	37.90	37.90
Governor's Residence	35.00	35.00	35.00	35.00	36.00	37.00
Judicial Center	15.75	15.75	17.75	19.95	21.00	22.00
Minnesota History Center	16.50	16.50	16.50	16.50	16.50	16.50
Minnesota Senate	56.26	49.90	49.90	49.90	48.50	48.50
Retirement Systems	10.40	10.90	11.90	12.90	13.30	13.70
Stassen	15.60	16.22	16.40	16.60	16.60	16.60
State Capitol	27.15	27.15	27.15	27.15	27.15	29.00
State Office	14.75	14.75	14.75	14.75	14.75	14.75
Transportation	17.50	18.40	18.95	19.50	19.50	19.50
Veterans Service	23.50	24.50	25.50	26.50	26.50	26.50
Storage - Select Buildings	7.00	7.00	7.50	7.50	8.00	8.00
Media License (per month)	100.00	100.00	100.00	100.00	100.00	100.00

Note: Rates are annual per square foot unless otherwise noted

Customers reimburse costs for after-hours heating and cooling when applicable

Storage rate applies to: Administration, Centennial, Stassen, State Capitol, State Office, Transportation, and Veterans Service

**Facilities Management - Leases
History & Proforma - FY 2020**

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Estimated	FY19 Estimated	FY20 Proposed	Inc/Dec Over FY19	% Change Over FY19
Revenue:								
Rent Revenue	52,973,582	58,924,819	62,164,795	63,617,847	65,954,910	66,453,422	498,512	1%
In Lieu of Rent	6,453,668	5,201,548	7,375,498	9,101,089	9,118,089	9,391,000	272,911	3%
Intrafund Revenue	550,712	588,709	591,015	659,229	726,988	754,458	27,470	4%
Misc (Elec,Int,Other)	938,150	940,284	882,738	839,140	842,443	807,903	(34,540)	-4%
Total Revenue	60,916,112	65,655,361	71,014,046	74,217,305	76,642,430	77,406,783	764,353	1%
Expenses:								
Salaries & Benefits	14,368,510	14,977,833	16,155,294	17,365,404	18,277,763	18,986,056	708,293	4%
Utilities - Electric	5,449,612	5,409,693	5,782,776	5,935,661	6,027,996	6,133,972	105,976	2%
Utilities - Water	365,604	416,248	428,536	501,639	521,818	540,802	18,984	4%
Utilities - District Heat	1,749,386	1,605,015	1,765,862	1,961,883	2,132,928	2,185,887	52,959	2%
Utilities - District Cooling	986,702	1,069,455	1,126,422	1,152,298	1,244,098	1,268,979	24,881	2%
Utilities - Gas for Heating	312,602	179,684	0	0	0	0	0	0%
Utilities - Gas and Other	140,593	107,262	331,196	371,562	439,549	450,489	10,940	2%
Repairs & Maintenance	3,000,754	3,559,618	3,750,324	4,412,663	3,278,263	3,598,485	320,222	10%
Maintenance & Leasehold	5,111,038	6,571,531	3,896,123	1,682,881	8,821,800	7,167,500	(1,654,300)	-19%
Professional/Technical Services	809,559	589,486	584,710	209,883	1,416,470	630,084	(786,386)	-56%
Supplies	1,675,317	2,306,057	2,296,335	1,603,603	1,807,904	1,839,340	31,436	2%
Purchased Services	613,738	583,485	669,377	781,363	817,021	832,144	15,123	2%
Admin & Trustee Fees	79,687	0	0	0	0	0	0	0%
Insurance	380,882	183,457	169,972	456,130	464,435	472,278	7,843	2%
Statewide Indirect	964,467	795,300	946,130	790,185	840,137	856,100	15,963	2%
Centralized IT Services	0	997,962	638,995	854,517	870,752	887,295	16,543	2%
Vehicle Leases	0	148,590	191,016	200,045	208,293	212,252	3,959	2%
Depreciation of Bldg Improvements	361,797	410,330	385,939	407,920	412,285	412,283	(2)	0%
Depreciation of Infrastructure	18,565	18,565	55,694	74,243	75,929	75,929	0	0%
Equipment Depreciation/Amortization	71,468	89,950	97,436	107,699	131,612	175,717	44,105	34%
Amortization	36,686	0	0	0	0	0	0	0%
Other Operating Costs	1,063,903	474,501	486,069	535,528	763,751	530,761	(232,990)	-31%
Intrafund Expenses (FMD Rent)	554,835	592,465	593,712	655,476	723,045	754,458	31,413	4%
Bond Interest	4,564,772	4,341,814	3,364,027	3,567,846	3,567,846	2,422,157	(1,145,689)	-32%
Building Depreciation	10,272,532	9,683,293	10,133,403	11,053,982	10,987,604	10,945,882	(41,722)	0%
Debt Service	12,759,773	15,583,361	17,796,468	17,739,580	17,470,176	17,452,132	(18,044)	0%
Building Replacement Funds	595,558	597,059	597,059	597,058	1,090,457	738,155	(352,302)	-32%
Total Expenses	66,308,140	71,292,012	72,242,875	70,019,049	82,391,932	79,569,137	(2,822,795)	-3%
Increase/(Decrease) in RE	(5,392,028)	(5,636,651)	(1,228,829)	4,198,256	(5,749,502)	(2,162,354)		
Retained Earnings, Beginning	27,304,057	21,352,932	15,341,534	13,478,479	18,369,868	12,620,365		
Prior Period Adjustments	(559,100)	(374,746)	(634,227)	693,133	0	0		
Retained Earnings, Ending	21,352,932	15,341,534	13,478,479	18,369,868	12,620,365	10,458,011		

Note: Admin & Trustee Fees is included in Purchased Services beginning FY 2016
Centralized IT Services included in Other Operating Costs before FY 2016
Vehicle Leases included in Other Operating Costs before FY 2016
Gas for Heating combined with Utilities Other beginning in FY 2017

**Facilities Management - Leases
History & Proforma - FY 2021**

	FY16 Actual	FY17 Actual	FY18 Estimated	FY19 Estimated	FY20 Proposed	FY21 Proposed	Inc/Dec Over FY20	% Change Over FY20
Revenue:								
Rent Revenue	58,924,819	62,164,795	63,617,847	65,954,910	66,453,422	67,148,641	695,219	1%
In Lieu of Rent	5,201,548	7,375,498	9,101,089	9,118,089	9,391,000	9,891,000	500,000	5%
Intrafund Revenue	588,709	591,015	659,229	726,988	754,458	781,926	27,468	4%
Misc (Elec, Int, Other)	940,284	882,738	839,140	842,443	807,903	823,852	15,949	2%
Total Revenue	65,655,361	71,014,046	74,217,305	76,642,430	77,406,783	78,645,419	1,238,636	2%
Expenses:								
Salaries & Benefits	14,977,833	16,155,294	17,365,404	18,277,763	18,986,056	19,477,991	491,935	3%
Utilities - Electric	5,409,693	5,782,776	5,935,661	6,027,996	6,133,972	6,257,181	123,209	2%
Utilities - Water	416,248	428,536	501,639	521,818	540,802	562,565	21,763	4%
Utilities - District Heat	1,605,015	1,765,862	1,961,883	2,132,928	2,185,887	2,237,660	51,773	2%
Utilities - District Cooling	1,069,455	1,126,422	1,152,298	1,244,098	1,268,979	1,294,360	25,381	2%
Utilities - Gas for Heating	179,684	0	0	0	0	0	0	0%
Utilities - Gas and Other	107,262	331,196	371,562	439,549	450,489	475,314	24,825	6%
Repairs & Maintenance	3,559,618	3,750,324	1,412,663	3,278,263	3,598,485	3,664,006	65,521	2%
Maintenance & Leasehold	6,571,531	3,896,123	1,682,881	8,821,800	7,167,500	5,297,000	(1,870,500)	-26%
Professional/Technical Services	589,486	584,710	209,883	1,416,470	630,084	642,052	11,968	2%
Supplies	2,306,057	2,296,335	1,603,603	1,807,904	1,839,340	1,874,288	34,948	2%
Purchased Services	583,485	669,377	781,363	817,021	832,144	847,951	15,807	2%
Insurance	183,457	169,972	456,130	464,435	472,278	481,252	8,974	2%
Statewide Indirect	795,300	946,130	790,185	840,137	856,100	872,366	16,266	2%
Centralized IT Services	997,962	638,995	854,517	870,752	887,295	904,153	16,858	2%
Vehicle Leases	148,590	191,016	200,045	208,293	212,252	216,282	4,030	2%
Depreciation of Bldg Improvements	410,330	385,939	407,920	412,285	412,283	412,283	0	0%
Depreciation of Infrastructure	18,565	55,694	74,243	75,929	75,929	75,929	0	0%
Equipment Depreciation/Amortization	89,950	97,436	107,699	131,612	175,717	194,772	19,055	11%
Other Operating Costs	474,501	486,069	535,528	763,751	530,761	445,299	(85,462)	-16%
Intrafund Expenses (FMD Rent)	592,465	593,712	655,476	723,045	754,458	781,926	27,468	4%
Bond Interest	4,341,814	3,364,027	3,567,846	3,567,846	2,422,157	2,403,854	(18,303)	-1%
Building Depreciation	9,683,293	10,133,403	11,053,982	10,987,604	10,945,882	10,936,407	(9,475)	0%
Debt Service	15,583,361	17,796,468	17,739,580	17,470,176	17,452,132	17,436,854	(15,278)	0%
Building Replacement Funds	597,059	597,059	597,058	1,090,457	738,155	738,155	0	0%
Total Expenses	71,292,012	72,242,875	70,019,049	82,391,932	79,569,137	78,529,900	(1,039,237)	-1%
Increase/(Decrease) in RE	(5,636,651)	(1,228,829)	4,198,256	(5,749,502)	(2,162,354)	115,519		
Retained Earnings, Beginning	21,352,932	15,341,534	13,478,479	18,369,868	12,620,365	10,458,011		
Prior Period Adjustments	(374,746)	(634,227)	693,133	0	0	0		
Retained Earnings, Ending	15,341,534	13,478,479	18,369,868	12,620,365	10,458,011	10,573,530		

Note: Gas for Heating combined with Utilities Other beginning in FY 2017

Detailed Capital Assets and Technology Purchases
(Including all items meeting the current capitalization threshold)
Minnesota Department of Administration
Leases
For Fiscal Year 2020

Description of Item	FinDept ID	Dept. Name	Justification	Qty	Unit Price	Total Amount	Included in	If yes, identify
							Master Lease 17 Demand Survey Yes or No	quarter in which item is planned to be purchased.
Ryan Tracaire	G0234160	Grounds	Replacement	1	\$9,200	\$9,200	Yes	2
Toro Workman Utility Truck	G0234160	Grounds	Replacement	1	\$30,000	\$30,000	Yes	1
Toro Comm. Walk Behind Mower	G0234160	Grounds	Replacement	1	\$7,000	\$7,000	Yes	1
Solmetric Analyzer Kit w/ Megger Insulation Tester	G0234140	Technical Services	Replacement	1	\$10,000	\$10,000	No	
Thermal Camera	G0234140	Technical Services	Replacement	1	\$13,000	\$13,000	No	
DownFlex Downdraft Welding Table	G0234140	Technical Services	Replacement	1	\$15,000	\$15,000	No	
Advenger Auto Scrubber - 3	G0234110	Building Operations	Replacement	3	\$17,000	\$51,000	Yes	2
Commodore 20 Carpet Extractor - 3	G0234110	Building Operations	Replacement	3	\$6,000	\$18,000	Yes	2
Commodore 20 Carpet Extractor - 5	G0234110	Building Operations	Replacement	5	\$7,301	\$36,505	No	
Tennant - B5 Battery Powered Walk Behind Burnisher (20 inch pad)	G0234110	Building Operations	Replacement	1	\$9,434	\$9,434	No	
Tennant - B7 Battery Powered Walk Behind Burnisher (27 inch pad)	G0234110	Building Operations	Replacement	1	\$9,194	\$9,194	No	
Tennant - B7 Battery Powered Walk Behind Burnisher (27 inch pad)	G0234110	Building Operations	Replacement	1	\$11,268	\$11,268	No	
Tennant - T300 Battery Powered Walk Behind Floor Scrubber	G0234110	Building Operations	Replacement	1	\$9,194	\$9,194	No	
Chariot 24" Auto Scrubber	G0234110	Building Operations	Replacement	1	\$14,018	\$14,018	No	
SMART Boards	G0234170	Business Operations	Replacement	3	\$10,415	\$31,245	No	
Sub-total of items with unit cost less than \$100,000						\$274,058		
John Deere 4 WD Loader	G0234160	Grounds	Replacement	1	\$100,000	\$100,000	Yes	2
GRAND TOTAL						\$374,058		

Detailed Capital Assets and Technology Purchases

(Including all items meeting the current capitalization threshold)

Minnesota Department of Administration

Leases

For Fiscal Year 2021

Description of Item	FinDept ID	Dept. Name	Justification	Qty	Unit Price	Total Amount	Included in	If yes, identify
							Master Lease 17 Demand Survey Yes or No	quarter in which item is planned to be purchased.
Exmark Lawn Mower & Bagging System	G0234160	Grounds	Replacement	1	\$15,000	\$15,000	No	
Miller Water-cooled TIG Welder	G0234140	Technical Services	Replacement	1	\$8,000	\$8,000	No	
Commodore 20 Carpet Extractor	G0234110	Building Operations	Replacement	2	\$7,301	\$14,602	No	
Eagle power Large vacuum / sweeper	G0234110	Building Operations	Replacement	1	\$5,286	\$5,286	No	
Tennant - T300 Battery Powered Walk Behind Floor Scrubber	G0234110	Building Operations	Replacement	2	\$5,286	\$10,572	No	
Tennant-BR-2000-DC High Speed Burnisher with Dust Control (plug in)	G0234110	Building Operations	Replacement	1	\$9,439	\$9,439	No	
T7 26in Rider Scrubber Nano	G0234110	Building Operations	Replacement	2	\$20,263	\$40,526	No	
Tennant - B5 Battery Powered Walk Behind Burnisher (20 inch pad)	G0234110	Building Operations	Replacement	1	\$9,433	\$9,433	No	
Tennant-T350 Battery Powered Stand-On Floor Scrubber (Chariot)	G0234110	Building Operations	Replacement	1	\$12,000	\$12,000	No	
Sub-total of items with unit cost less than \$100,000						\$124,858		
GRAND TOTAL						\$124,858		

SWIFT Spending Plan
Minnesota Department of Administration
Leases
For Fiscal Year 2020

SWIFT Account	Total	Fund 5400						G0234180 M & L	G0234190 Gov Res
		G0234100 Director	G0234110 Bldg Ops	G0234140 Tech Svcs	G0234160 Grounds	G0234170 Bus Ops	G0234180 M & L		
Miscellaneous - Specialized Electric	670024 649,555	649,555	0	0	0	0	0	0	0
Miscellaneous - Restroom Supplies	670028 507	507	0	0	0	0	0	0	0
Leases	670030 75,844,422	75,844,422	0	0	0	0	0	0	0
Miscellaneous - Specialized Cooling	670043 147,845	147,845	0	0	0	0	0	0	0
Miscellaneous - Scrap	512800 5,196	5,196	0	0	0	0	0	0	0
Miscellaneous - Other Revenue	553090 4,800	4,800	0	0	0	0	0	0	0
MN Senate Garage Debt Service Passthrough	514213 991,250	991,250	0	0	0	0	0	0	0
Total	77,643,575	77,643,575	0	0	0	0	0	0	0
Salaries & Benefits - Full time	41000 17,817,903	1,178,614	9,134,793	5,522,520	1,045,266	936,710	0	0	0
Salaries & Benefits - Part time/Seasonal	41030 109,623	0	69,974	0	39,649	0	0	0	0
Salaries & Benefits - Overtime/Premium	41050 288,312	693	174,490	69,751	33,149	10,729	0	0	0
Salaries & Benefits - Other	41070 760,717	6,363	555,072	148,261	50,734	9,287	0	0	0
Utilities	41100 10,580,129	0	91,193	10,417,761	71,175	0	0	0	0
Other Operating Costs - Rent	41100 3,396	0	3,386	0	0	0	0	0	0
Other Operating Costs - Parking Fees	41100 32,401	0	15,085	17,316	0	0	0	0	0
Other Operating Costs - Printing	41110 2,832	569	0	1,464	0	799	0	0	0
Other Operating Costs - Advertising	41110 1,301	0	997	304	0	0	0	0	0
Prof/Tech	41130 630,084	82,056	418,731	71,737	57,560	0	0	0	0
Other Operating Costs - Communications	41155 56,176	3,115	22,780	19,426	934	9,921	0	0	0
Other Operating Costs - Travel	41160 5,449	97	3,104	2,130	118	0	0	0	0
Vehicle Leases	41160 212,252	0	31,911	119,117	58,582	2,642	0	0	0
Other Operating Costs - Employee Development	41180 43,080	2,385	21,523	12,532	2,321	4,319	0	0	0
Centralized IT Services	41196 887,295	233,095	55,040	586,420	803	11,937	0	0	0
Other Operating Costs - Claims	41200 1,510	0	63	1,447	0	0	0	0	0
Supplies	41300 1,839,340	90	558,885	743,731	119,680	407,059	0	9,895	0
Master Lease Payments	41400 106,151	0	75,164	0	30,987	0	0	0	0
Other Operating Costs - Equipment Rent	41400 132,047	0	0	124,318	156	7,573	0	0	0
Repairs & Maintenance	41500 10,765,985	310,140	2,692,778	525,181	67,443	2,243	7,167,500	700	0
Statewide Indirect Costs	42010 856,100	856,100	0	0	0	0	0	0	0
Purchased Services	43000 832,144	87,867	420,480	160,536	154,799	5,480	0	2,982	0
Other Operating Costs - various	43000 252,580	17,991	149,567	1,444	15,224	0	0	68,354	0
Insurance	430018 472,278	0	470,160	0	2,118	0	0	0	0
Equipment Capital	47060 158,858	0	89,613	38,000	0	31,245	0	0	0
Debt Service - Principal	440101 9,714,177	0	0	0	0	0	0	0	0
Debt Service - Interest	440102 2,941,955	2,941,955	0	0	0	0	0	0	0
Total	59,513,564	15,435,307	15,054,789	18,583,396	1,750,698	1,439,944	7,167,500	81,931	0
Plus:									
Intrafund Expense	754,458	754,458							
Depreciation	663,928	663,928							
Bldg Replacement Fund	738,155	738,155							
Bond Interest	2,422,157	2,422,157							
Building Depreciation	10,945,882	10,945,882							
MSB Debt Service	4,796,000	4,796,000							
Total	20,320,580	20,320,580	0	0	0	0	0	0	0
Minus:									
Capital Assets - Equipment	158,858		89,613	38,000	0	31,245			
Master Lease Payments	106,151	0	75,164	0	30,987	0	0	0	0
Total	265,009	0	164,777	38,000	30,987	31,245	0	0	0
History & Proforma Amount	79,569,135	35,755,887	14,890,012	18,545,396	1,719,711	1,408,699	7,167,500	81,931	0

SWIFT Account	Fund 5000	
	G0234930 FMD Master Lease	
Master Lease Revenue	514505	215,200
Equipment-Capital	470606	215,200
Total		215,200

SWIFT Spending Plan
Minnesota Department of Administration
Leases
For Fiscal Year 2021

Account	Total	Fund 5400							
		G0234100 Director	G0234110 Bldg Ops	G0234140 Tech Svcs	G0234160 Grounds	G0234170 Bus Ops	G0234180 M & L	G0234190 Gov Res	
Miscellaneous - Specialized Electric	670024	662,547	662,547	0	0	0	0	0	0
Miscellaneous - Restroom Supplies	670028	507	507	0	0	0	0	0	0
Leases	670030	77,039,641	77,039,641	0	0	0	0	0	0
Miscellaneous - Specialized Cooling	670043	150,802	150,802	0	0	0	0	0	0
Miscellaneous - Scrap	512800	5,196	5,196	0	0	0	0	0	0
Miscellaneous - Other Revenue	553090	4,800	4,800	0	0	0	0	0	0
MN Senate Garage Debt Service Passthrough	514213	992,500	992,500	0	0	0	0	0	0
Total		78,855,993	78,855,993	0	0	0	0	0	0
Salaries & Benefits - Full time	41000	18,298,547	1,203,529	9,400,385	5,662,380	1,074,449	957,804	0	0
Salaries & Benefits - Part time/Seasonal	41030	112,206	0	72,519	0	39,687	0	0	0
Salaries & Benefits - Overtime/Premium	41050	288,812	693	174,490	69,751	33,149	10,729	0	0
Salaries & Benefits - Other	41070	778,425	6,402	561,788	149,525	51,423	9,287	0	0
Utilities	41100	10,827,080	0	93,924	10,659,850	73,306	0	0	0
Other Operating Costs - Rent	41100	2,850	0	2,850	0	0	0	0	0
Other Operating Costs - Parking Fees	41100	27,270	0	12,696	14,574	0	0	0	0
Other Operating Costs - Printing	41110	2,384	480	0	1,232	0	672	0	0
Other Operating Costs - Advertising	41110	1,095	0	839	256	0	0	0	0
Prof/Tech	41130	642,052	83,613	426,685	73,100	58,654	0	0	0
Other Operating Costs - Communications	41155	47,281	2,622	19,173	16,350	786	8,350	0	0
Other Operating Costs - Travel	41160	4,427	79	2,522	1,730	96	0	0	0
Vehicle Leases	41160	216,282	0	32,517	121,378	59,695	2,692	0	0
Other Operating Costs - Employee Development	41180	34,999	1,938	17,485	10,181	1,886	3,509	0	0
Centralized IT Services	41196	904,153	237,522	56,086	597,562	819	12,164	0	0
Other Operating Costs - Claims	41200	1,271	0	53	1,218	0	0	0	0
Supplies	41300	1,874,288	90	569,504	757,863	121,954	414,794	0	10,083
Master Lease Payments	41400	121,224	0	82,098	0	39,126	0	0	0
Other Operating Costs - Equipment Rent	41400	111,138	0	0	104,633	131	6,374	0	0
Repairs & Maintenance	41500	8,961,006	315,787	2,741,808	534,743	68,671	2,284	5,297,000	713
Statewide Indirect Costs	42010	872,366	872,366	0	0	0	0	0	0
Purchased Services	43000	847,951	89,535	428,467	163,586	157,740	5,584	0	3,039
Other Operating Costs - various	43000	212,584	15,140	113,764	1,215	12,813	0	0	69,652
Insurance	430018	481,252	0	479,093	0	2,159	0	0	0
Equipment Capital	47060	124,858	0	101,858	8,000	15,000	0	0	0
Debt Service - Principal	440101	10,184,857	10,184,857	0	0	0	0	0	0
Debt Service - Interest	440102	2,456,247	2,456,247	0	0	0	0	0	0
Total		58,436,905	15,470,900	15,390,604	18,949,127	1,811,544	1,434,243	5,297,000	83,487
Adjustments									
Plus:									
Intrafund Expense		781,926	781,926						
Depreciation		682,984	682,984						
Bldg Replacement Fund		738,155	738,155						
Bond Interest		2,403,854	2,403,854						
Building Depreciation		10,936,407	10,936,407						
MSB Debt Service		4,795,750	4,795,750						
Total		20,339,076	20,339,076	0	0	0	0	0	0
Minus:									
Capital Assets - Equipment		124,858	0	101,858	8,000	15,000	0	0	0
Master Lease Payments		121,224	0	82,098	0	39,126	0	0	0
Total		246,082	0	183,956	8,000	54,126	0	0	0
History & Proforma Amount		78,529,899	35,809,976	15,206,648	18,941,127	1,757,418	1,434,243	5,297,000	83,487

Financial Statement

STATE OF MINNESOTA		7/25/2018
FACILITIES MANAGEMENT - LEASES, REPAIR AND OTHER JOBS FUND 5400		Unaudited
STATEMENT OF NET POSITION		
MARCH 31, 2018		
	FY18	FY17
ASSETS		
CURRENT ASSETS		
Cash	\$ 16,126,830.03	\$ 5,113,397.00
Accounts Receivable - Leases	747,017.86	6,055,995.84
Accounts Receivable - Repairs and Other Jobs	62,016.78	53,420.43
Accounts Receivable - Other	133,164.32	1,378,093.69
Accounts Receivable - Non Trade (Note 3)	82,604.17	376,428.58
Due from Other Funds (Note 4)	163,402.95	73,094.20
Inventory - Supplies (Note 1)	269,135.77	251,182.09
Prepaid Expenses	29,094.78	52,499.06
Prepaid Insurance	114,032.50	104,457.75
Prepaid Insurance - Workers' Compensation	110,344.00	109,804.00
Total Current Assets	<u>\$ 17,837,643.16</u>	<u>\$ 13,568,372.64</u>
NONCURRENT ASSETS (Note 5)		
Building Improvements	\$ 12,257,992.50	\$ 12,726,552.34
Accumulated Depreciation - Building Improvements Infrastructure	(5,406,710.41)	(5,450,900.21)
Accumulated Depreciation - Infrastructure	900,934.39	556,936.64
Equipment	(375,278.50)	(102,102.08)
Accumulated Depreciation - Equipment	1,624,077.21	1,532,067.37
Software	(885,382.16)	(837,344.36)
Accumulated Amortization - Software	-	355,891.12
Construction In Progress - Building Improvements	-	(355,891.12)
Art and Historical Treasures	-	115,288.81
Total Noncurrent Assets	<u>\$ 260,866.50</u>	<u>\$ 260,866.50</u>
TOTAL ASSETS	<u>\$ 20,444,509.66</u>	<u>\$ 16,134,639.14</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Outflows (Note 9)	\$ 32,935,000.00	\$ 743,000.00
Total Deferred Outflows of Resources	<u>\$ 32,935,000.00</u>	<u>\$ 743,000.00</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,730,260.25	\$ 2,123,703.35
Accounts Payable - Non Trade	-	376,428.58
Salaries and Benefits Payable	515,081.53	501,158.48
Retainage Payable (Note 6)	97,831.42	474,993.50
Unearned Revenue	673,274.24	271.50
Compensated Absences Payable (Note 7)	242,035.57	223,156.03
Due to Other Funds (Note 10)	122,772.12	5,496.97
Total Current Liabilities	<u>\$ 3,381,255.13</u>	<u>\$ 3,705,208.41</u>
NONCURRENT LIABILITIES		
Compensated Absences Payable (Note 7)	\$ 1,365,195.90	\$ 1,358,496.30
Other Postemployment Benefits (Note 8)	333,000.00	293,658.82
Net Pension Liability (Note 9)	47,032,000.00	5,813,000.00
Total Noncurrent Liabilities	<u>\$ 48,730,195.90</u>	<u>\$ 7,465,155.12</u>
TOTAL LIABILITIES	<u>\$ 52,111,451.03</u>	<u>\$ 11,170,363.53</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Inflows (Note 9)	\$ 3,434,000.00	\$ 6,147,000.00
Total Deferred Inflows of Resources	<u>\$ 3,434,000.00</u>	<u>\$ 6,147,000.00</u>
NET POSITION (Note 17)		
Net Investment in Capital Assets	\$ 8,376,499.53	\$ 8,801,365.01
Unrestricted Net Position	(4,772,807.87)	(3,005,990.89)
TOTAL NET POSITION	<u>\$ 3,603,691.66</u>	<u>\$ 5,795,374.12</u>

STATE OF MINNESOTA
 FACILITIES MANAGEMENT - LEASES, REPAIR AND OTHER JOBS FUND 5400
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE QUARTER ENDED MARCH 31, 2018

7/25/2018
 Unaudited

	FY18 QTD	FY18 YTD	FY17 QTD	FY17 YTD
OPERATING REVENUES (Note 1)				
Leases	\$ 18,233,776.02	\$ 54,755,105.91	\$ 17,399,834.21	\$ 51,380,819.00
Repair and Other Jobs	49,564.84	123,176.37	69,805.01	147,038.75
Other Revenues	209,653.69	637,220.92	206,840.33	645,652.04
Minnesota Senate Garage Debt Service Pass Through (Note 3)	247,812.51	743,437.49	-	-
Total Operating Revenues	\$ 18,740,807.06	\$ 56,258,940.69	\$ 17,676,479.55	\$ 52,173,509.79
OPERATING EXPENSES (Note 1)				
Salaries and Benefits	\$ 4,162,413.31	\$ 12,768,797.80	\$ 4,062,482.60	\$ 11,967,580.09
Utilities - Electric	1,426,273.76	4,410,446.49	1,370,636.18	4,356,022.43
Utilities - Water	84,523.18	352,945.48	87,590.48	334,192.09
Utilities - District Heat	693,591.91	1,601,545.01	584,298.33	1,405,466.68
Utilities - District Cooling	111,444.84	803,571.60	116,428.86	831,258.86
Utilities - Gas & Other	176,453.81	295,990.59	154,232.94	255,561.09
Repairs and Maintenance (Note 1)	258,334.44	1,011,076.16	724,046.99	2,636,750.66
Maintenance and Leasehold	(22,225.22)	834,801.06	616,169.07	2,868,687.30
Professional and Technical Services	59,036.43	133,488.87	115,527.95	393,878.03
Centralized IT Services	320,489.94	641,439.18	(28,849.07)	435,526.15
Vehicle Leases	60,761.37	180,248.49	35,598.52	130,150.79
Supplies and Materials	451,287.60	1,356,492.52	504,202.63	1,796,681.45
Purchased Services (Note 1)	282,219.28	574,647.72	143,056.93	532,679.10
Insurance	114,032.50	341,197.50	104,457.75	65,514.25
Indirect Costs	200,223.25	604,376.95	236,390.40	702,862.30
Depreciation	149,792.00	437,766.42	147,012.03	429,892.78
Other Expenses	131,855.16	415,919.12	124,994.56	364,268.13
Total Operating Expenses	\$ 8,660,507.56	\$ 26,764,750.96	\$ 9,098,277.15	\$ 29,506,972.18
OPERATING INCOME (LOSS)	\$ 10,080,299.50	\$ 29,494,189.73	\$ 8,578,202.40	\$ 22,666,537.61
NONOPERATING REVENUES (EXPENSES)				
Gain (Loss) on Disposal of Capital Assets	\$ (905.66)	\$ 13,103.34	\$ 3,379.50	\$ 10,629.90
Total Nonoperating Revenues (Expenses)	\$ (905.66)	\$ 13,103.34	\$ 3,379.50	\$ 10,629.90
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	\$ 10,079,393.84	\$ 29,507,293.07	\$ 8,581,581.90	\$ 22,677,167.51
TRANSFERS AND CONTRIBUTIONS				
Capital Contributions	\$ -	\$ -	\$ -	\$ -
Building Bond Interest Transfer Out (Note 11)	(891,961.50)	(2,675,884.50)	(841,006.75)	(2,523,020.25)
Building Depreciation Transfer Out (Note 11)	(2,763,495.50)	(8,290,486.50)	(2,533,350.75)	(7,600,052.25)
Debt Service Principal (Note 12)	(2,462,867.18)	(6,634,013.41)	(2,169,456.87)	(6,361,733.71)
Debt Service Interest (Note 12)	(707,646.19)	(4,452,972.21)	(1,004,972.22)	(4,803,018.81)
Building Replacement Fund Transfer Out (Note 13)	(149,264.50)	(447,793.50)	(149,264.77)	(447,794.31)
Archibus Framework and Improvements Transfer Out (Note 14)	-	(28,000.00)	-	(18,000.00)
State Government Sustainability Reporting Tool Transfer Out (Note 15)	-	(3,500.00)	-	-
Minnesota Senate Garage Debt Service Pass Through (Note 3)	-	(325,625.00)	-	-
Total Transfers and Contributions	\$ (6,975,234.87)	\$ (22,858,275.12)	\$ (6,698,051.36)	\$ (21,753,619.33)
CHANGE IN NET POSITION	\$ 3,104,158.97	\$ 6,649,017.95	\$ 1,883,530.54	\$ 923,548.18
NET POSITION, BEGINNING	\$ 500,458.70	\$ (3,751,540.69)	\$ 3,973,720.64	\$ 4,786,776.30
Adjustment to Net Position (Note 16)	(926.01)	706,214.40	(61,877.06)	85,049.64
NET POSITION, ENDING (Note 17)	\$ 3,603,691.66	\$ 3,603,691.66	\$ 5,795,374.12	\$ 5,795,374.12

STATE OF MINNESOTA
 FACILITIES MANAGEMENT - LEASES, REPAIR AND OTHER JOBS FUND 5400
 STATEMENT OF CASH FLOWS
 FOR THE QUARTER ENDED MARCH 31, 2018

7/25/2018
 Unaudited

	YTD
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 59,102,736.95
Receipts from Other Revenues	1,485,761.92
Payments to Claimants	(1,565.60)
Payments to Suppliers for Goods and Services	(14,559,870.52)
Payments to Employees	(13,201,194.80)
Net Cash Flows from Operating Activities	<u>\$ 32,825,867.95</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Transfers In (Out) Building Bond Interest	\$ (2,675,884.50)
Operating Transfers In (Out) Building Depreciation	(8,290,486.50)
Debt Service Principal	(6,634,013.41)
Debt Service Interest	(4,452,972.21)
Operating Transfers In (Out) Building Replacement Fund	(447,793.50)
Archibus Framework and Improvements Transfer Out	(28,000.00)
State Government Sustainability Reporting Tool Transfer Out	(3,500.00)
Minnesota Senate Garage Debt Service Pass Through	(325,625.00)
Rent Rebate Payments	-
Net Cash Flows from Noncapital Financing Activities	<u>\$ (22,858,275.12)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Investment in Capital Assets	\$ (828,482.21)
Proceeds from Disposal of Capital Assets	14,009.00
Repayment of Loan Principal	-
Capital Contributions	-
Net Cash Flows from Capital and Related Financing Activities	<u>\$ (814,473.21)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings	\$ -
Net Cash Flows from Investing Activities	<u>\$ -</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 9,153,119.62
Cash and Cash Equivalents, Beginning, as Reported	6,973,710.41
Cash and Cash Equivalents, Ending	<u>\$ 16,126,830.03</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities	
Operating Income (Loss)	\$ 29,494,189.73
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities	
Depreciation	437,766.42
(Increase) Decrease in Accounts Receivable	3,687,989.10
(Increase) Decrease in Due from Other Funds	(163,402.95)
(Increase) Decrease in Inventory	(34,683.89)
(Increase) Decrease in Prepaid Insurance & Expenses	(252,427.70)
(Increase) Decrease in Deferred Pension Outflows	-
Increase (Decrease) in Accounts Payable	(516,261.24)
Increase (Decrease) in Salaries and Benefits Payable	(322,053.00)
Increase (Decrease) in Unearned Revenue	668,115.30
Increase (Decrease) in Due To Other Funds	122,772.12
Increase (Decrease) in Compensated Absences	-
Increase (Decrease) in Other Postemployment Benefits	-
Increase (Decrease) in Other Current Liabilities	(296,135.94)
Increase (Decrease) in Net Pension Liability	-
Increase (Decrease) in Deferred Pension Inflows	-
Net Reconciling Items to be Added to (Deducted from) Operating Income	<u>\$ 3,331,678.22</u>
Net Cash Flows from Operating Activities	<u>\$ 32,825,867.95</u>
Noncash Investing, Capital and Financing Activities	
Accrual of Building Improvements as an Investment in Capital Assets	\$ -

STATE OF MINNESOTA
 FACILITIES MANAGEMENT - LEASES, REPAIR AND OTHER JOBS FUND 5400
 STATEMENT OF BUDGET AND ACTUAL COMPARISON
 FOR THE QUARTER ENDED MARCH 31, 2018

7/25/2018
 Unaudited

	BUDGET QTD	BUDGET YTD	ACTUAL QTD	ACTUAL YTD	VARIANCE QTD	VARIANCE YTD
OPERATING REVENUES						
Leases	\$ 18,266,166.25	\$ 54,798,498.75	\$ 18,233,776.02	\$ 54,755,105.91	\$ (32,390.23)	\$ (43,392.84)
Repair and Other Jobs	46,580.75	140,042.25	49,564.84	123,176.37	2,884.09	(16,865.88)
Other Revenues	228,313.25	684,939.75	209,653.69	637,220.92	(18,659.56)	(47,718.83)
Minnesota Senate Garage Debt Service Pass Through	247,812.50	743,437.50	247,812.51	743,437.49	0.01	(0.01)
Total Operating Revenues	\$ 18,788,872.75	\$ 56,366,918.25	\$ 18,740,807.06	\$ 56,258,940.69	\$ (48,165.69)	\$ (107,977.50)
OPERATING EXPENSES						
Salaries and Benefits	\$ 4,471,629.25	\$ 13,414,887.75	\$ 4,162,413.31	\$ 12,768,797.80	\$ (309,215.94)	\$ (646,089.95)
Utilities - Electric	1,611,546.50	4,834,639.50	1,426,273.76	4,410,446.49	(185,272.74)	(424,193.01)
Utilities - Water	133,072.50	399,217.50	84,523.18	352,945.48	(48,549.32)	(46,272.02)
Utilities - District Heat	504,983.50	1,514,950.50	693,591.91	1,601,545.01	188,608.41	86,594.51
Utilities - District Cooling	329,839.00	989,517.00	111,444.84	803,571.60	(218,394.16)	(185,945.40)
Utilities - Gas & Other	104,053.00	312,159.00	176,453.81	295,990.59	72,400.81	(16,168.41)
Repairs and Maintenance	857,764.50	2,573,293.50	258,334.44	1,011,076.16	(599,430.06)	(1,562,217.34)
Maintenance and Leasehold	775,000.00	2,325,000.00	(22,225.22)	834,801.06	(797,225.22)	(1,490,198.94)
Professional and Technical Services	170,938.00	512,814.00	59,036.43	133,488.87	(111,901.57)	(379,325.13)
Centralized IT Services	217,630.50	652,891.50	320,489.94	641,439.18	102,859.44	(11,452.32)
Vehicle Leases	58,491.75	175,475.25	60,761.37	180,248.49	2,269.62	4,773.24
Supplies and Materials	507,618.00	1,522,854.00	451,287.60	1,356,492.52	(56,330.40)	(168,361.48)
Purchased Services	259,918.25	779,754.75	282,219.28	574,647.72	22,301.03	(205,107.03)
Insurance	68,435.50	205,306.50	114,032.50	341,197.50	45,597.00	135,891.00
Indirect Costs	227,518.50	682,555.50	200,223.25	604,376.95	(27,295.25)	(78,178.55)
Depreciation	153,236.00	459,708.00	149,792.00	437,786.42	(5,444.00)	(21,941.58)
Other Expenses	149,622.50	448,867.50	131,855.16	415,919.12	(17,767.34)	(32,948.38)
Total Operating Expenses	\$ 10,601,297.25	\$ 31,803,891.75	\$ 8,660,507.56	\$ 26,764,750.96	\$ (1,940,789.69)	\$ (5,039,140.79)
OPERATING INCOME (LOSS)	\$ 8,187,675.50	\$ 24,563,026.50	\$ 10,080,299.50	\$ 29,494,189.73	\$ 1,892,624.00	\$ 4,931,163.23
NONOPERATING REVENUES (EXPENSES)						
Gain (Loss) on Disposal of Capital Assets	\$ -	\$ -	\$ (905.66)	\$ 13,103.34	\$ (905.66)	\$ 13,103.34
Total Nonoperating Revenues (Expenses)	\$ -	\$ -	\$ (905.66)	\$ 13,103.34	\$ (905.66)	\$ 13,103.34
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	\$ 8,187,675.50	\$ 24,563,026.50	\$ 10,079,393.84	\$ 29,507,293.07	\$ 1,891,718.34	\$ 4,944,266.57
TRANSFERS AND CONTRIBUTIONS						
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building Bond Interest Transfer Out	(891,961.50)	(2,675,884.50)	(891,961.50)	(2,675,884.50)	-	-
Building Depreciation Transfer Out	(2,763,495.50)	(8,290,486.50)	(2,763,495.50)	(8,290,486.50)	-	-
Debt Service Principal	(2,224,425.75)	(6,673,277.75)	(2,462,867.18)	(6,634,013.41)	(238,441.43)	39,264.34
Debt Service Interest	(947,719.25)	(4,428,657.75)	(707,646.19)	(4,452,972.21)	240,073.06	(24,314.46)
Building Replacement Fund Transfer Out	(149,264.50)	(447,793.50)	(149,264.50)	(447,793.50)	-	-
Archibus Framework and Improvements Transfer Out	-	-	-	(28,000.00)	-	(28,000.00)
State Government Sustainability Reporting Tool Transfer Out	-	-	-	(3,500.00)	-	(3,500.00)
Minnesota Senate Garage Debt Service Pass Through	-	(325,625.00)	-	(325,625.00)	-	-
Total Transfers and Contributions	\$ (6,976,866.50)	\$ (22,841,725.00)	\$ (6,975,234.87)	\$ (22,858,275.12)	\$ 1,631.63	\$ (16,550.12)
CHANGE IN NET POSITION	\$ 1,210,809.00	\$ 1,721,301.50	\$ 3,104,158.97	\$ 6,649,017.95	\$ 1,893,349.97	\$ 4,927,716.45

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Basis of Presentation:

The accompanying financial statements of the Facilities Management - Leases, Repair and Other Jobs fund have been prepared to conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity:

In December 2016, Plant Management Division (PMD) changed its name to Facilities Management Division (FMD).

The Resource Recovery Program ceased operations on September 3, 2010. Materials Transfer ceased operations on October 31, 2011.

On July 1, 2011, the state implemented the Statewide Integrated Financial Tools (SWIFT). The amounts presented in the financial statements are based upon information available in SWIFT. The capital asset amounts are based upon historical records along with acquisitions and dispositions in FY18.

The Leases activity is supported by various public and private entity rent payments for office and storage space. Revenue is recognized monthly in accordance with lease agreements. Repair and Other Jobs (ROJ) revenues are recognized when earned. No allowance is made for doubtful accounts. Other revenue consists primarily of the sale of electrical power usage above and beyond the scope of the lease agreements. Expenses are based on data received from SWIFT and the accrual of products/services for which payment has not been made. FMD maintains an inventory of supplies for cleaning and maintenance work. Inventory valuations are provided by FMD and maintained on a perpetual basis.

Basis of Accounting:

Facilities Management - Leases and ROJ Fund is an internal service fund accounted for using the full accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized as incurred.

Capital assets, which include land, land improvements, buildings, building improvements, construction and development in progress, infrastructure, equipment, software, internally generated computer software (IGCS), and art and historical treasures, are reported in the financial statements. Capital assets are generally defined as assets with an initial, individual cost of more than \$300,000 for buildings and infrastructure, \$5,000 or more for equipment and art and historical treasures, and \$30,000 or more for software and IGCS. Land, land improvements, and building improvements are reported regardless of cost. Capital assets must also have an estimated useful life of at least three years. Capital assets are recorded at cost or, for donated assets, at fair market value at the date of acquisition.

Capital assets are depreciated using the straight-line method with no salvage value based on the following useful lives: 17-30 years for building improvements and infrastructure; 5 years for office equipment; 4 years for information technology (IT) equipment; 6 years for new vehicles; 4 years for used vehicles and related accessories; and 5-10 years for other equipment.

Changes in Classification:

Some building maintenance services are reported as Purchased Services starting FY18. They were reported as Repairs and Maintenance in previous years.

2. LEGISLATION, AUTHORITY, AND CONTRIBUTIONS

FMD derives its operating authority from M.S. 16B.48.

Legislation	Amount	Description
YR 79 Chp 333, Sec 56, Subd 1(a)	\$ 37,000.00	Restricted contribution from the General Fund for Central Maintenance, 1979
YR 79 Chp 333, Sec 56, Subd 1(a)	46,000.00	Restricted contribution from the General Fund for Materials Transfer, 1979
YR 85 Chp 13, Sec 17	1,250,000.00	Contribution from the General Fund
YR 85 Chp 13, Sec 17	(146,750.00)	Transferred to Public Safety, Capitol Security Division, March 31, 1986
	(141,400.00)	Unallotment process due to budget restrictions, May 1986
	146,750.00	Capitol Security returned funds to operations, July 1987
YR 89 Chp 335, Art 1, Sec 15	(792,000.00)	Transferred to Print Communications Division, July 1, 1989
	(153,486.00)	Returned to General Fund due to FY03 budget reduction
YR 12 Chp 292, Art 4, Sec 16 Subd 1	(80,000.00)	Returned to the General Fund for the proceeds from sales of assets and other revenues related to Resource Recovery activities, July 5, 2012
FY13 State Employee Group Insurance Plan Reduction	(16,900.00)	Returned to General Fund, August 2012
Total General Fund Contributions	\$ 149,214.00	

3. ACCOUNTS RECEIVABLE - NON TRADE / MINNESOTA SENATE GARAGE DEBT SERVICE PASS THROUGH

Pursuant to Minnesota Laws of 2015, Chapter 77, Section 78, the Minnesota Senate Garage debt service is scheduled to be paid off over 24 years beginning FY16. The total FY18 amount is \$991,250.00.

Department of Administration (Admin) bills Minnesota Senate monthly through FMD Leases and ROJ Fund for the Minnesota Senate Garage Debt Service Pass Through based on the debt service payment schedule. The pass through receipts from Senate are used to pay the debt service in November and May each fiscal year through appropriation transfers.

Accounts Receivable - Non Trade reflects the balance due from MN Senate for the MN Senate Garage Debt Service Pass Through.

4. DUE FROM OTHER FUNDS

FY18 - As of March 31, 2018, the total Due from Other Funds is \$163,402.95.
 \$64,644.70 is due from Parking Fund 2000 for Parking non-salary expenses paid by Leases.
 \$98,758.25 is due from Facility Repair and Replacement (FR&R) Fund 2001 for FR&R non-salary expenses paid by Leases.

FY17 - As of March 31, 2017, the total Due from Other Funds is \$73,094.20.
 \$100.00 is due from Parking Fund 2000 for Leases receipt deposited to Parking.
 \$41,494.20 is due from Parking Fund 2000 for Parking non-salary expenses paid by Leases.
 \$31,500.00 is due from FR&R Fund 2001 for FR&R non-salary expenses paid by Leases.

5. CAPITAL ASSETS

	Balance 7/1/2017	Additions	Deletions	Balance 3/31/2018
Building Improvements	\$ 11,472,267.21	\$ 785,725.29	\$ -	\$ 12,257,992.50
Infrastructure	566,936.64	343,997.75	-	900,934.39
Equipment	1,553,006.56	122,869.47	(51,798.82)	1,624,077.21
Art and Historical Treasures	260,866.50	-	-	260,866.50
Total Capital Assets	\$ 13,843,076.91	\$ 1,252,592.51	\$ (51,798.82)	\$ 15,043,870.60
Accumulated Depreciation for:				
Building Improvements	\$ (5,102,431.41)	\$ (304,279.00)	\$ -	\$ (5,406,710.41)
Infrastructure	(320,238.57)	(55,039.93)	-	(375,278.50)
Equipment	(853,572.23)	(82,703.09)	50,893.16	(885,382.16)
Total Accumulated Depreciation	\$ (6,276,242.21)	\$ (442,022.02)	\$ 50,893.16	\$ (6,667,371.07)

6. RETAINAGE PAYABLE

FY18 - As of March 31, 2018, the total retainage payable is \$97,831.42. Of this amount, \$37,205.19 is for Leases operating expenses; \$60,626.23 is for Leases Maintenance and Leasehold expenses. The retainage of these projects is 5% of the value of completed work to date in accordance with M.S. 337.10.

FY17 - As of March 31, 2017, the total retainage payable is \$474,993.50. Of this amount, \$256,384.13 is for Leases operating expenses; \$218,609.37 is for Leases Maintenance and Leasehold expenses. The retainage of these projects is 5% of the value of completed work to date in accordance with M.S. 337.10.

7. COMPENSATED ABSENCES

State employees accrue vacation leave, sick leave, and compensatory leave at various rates within limits specified in the collective bargaining agreements. Leave balances are liquidated upon separation from state employment. The balance is shown as a liability.

	Current	Noncurrent
Beginning Balance 7/1/2017	\$ 242,035.57	\$ 1,365,195.90
Increase	-	-
Decrease	-	-
Ending Balance 3/31/2018	\$ 242,035.57	\$ 1,365,195.90

8. OTHER POSTEMPLOYMENT BENEFITS

During FY08, the State of Minnesota implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. This statement requires the state to measure and report Other Postemployment Benefits (OPEB) expenses and related liabilities.

Beginning Balance 7/1/2017	\$ 333,000.00
Increase	-
Decrease	-
Ending Balance 3/31/2018	\$ 333,000.00

9. NET PENSION LIABILITY

Effective FY15, GASB established new accounting and financial reporting requirements for pension benefits. GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" requires the state to recognize the state's share of the pension plan's liabilities, deferred outflows of resources, and deferred inflows of resources. The pension plan contributions are based on a percentage of salary. The Minnesota State Retirement System (MSRS) prepares a Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, which is audited by the Office of the Legislative Auditor.

The June 30, 2017 liabilities and deferred outflows and inflows of resources are calculated using June 30, 2016 actuarial report as the June 30, 2017 information is not available in adequate time to incorporate in the financial statements, which is allowed by GASB 68.

The net pension liability is the difference between the total pension liability and the plan's fiduciary net position – accrued liability less the market value of assets.

The increase (decrease) in pension liability that is recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the difference between expected and actual experience in the measurement of the total pension liability, assumption changes, and investment experience.

The net pension liability for the State of Minnesota as a whole increased from \$3.5 billion in FY16 to \$14.5 billion in FY17. This increase is reflected in the individual fund allocations made by Minnesota Management and Budget. The increase is due to actuarial assumption changes – notably, the discount rate for the State Employees Retirement Fund changed from 7.9% to 4.17% as a result of low investment returns for the measurement period and lowered expected returns in future periods.

	Deferred Outflows	Net Pension Liability	Deferred Inflows
Beginning Balance 7/1/2017	\$ 32,935,000.00	\$ 47,032,000.00	\$ 3,434,000.00
Increase	-	-	-
Decrease	-	-	-
Ending Balance 3/31/2018	\$ 32,935,000.00	\$ 47,032,000.00	\$ 3,434,000.00

10. DUE TO OTHER FUNDS

FY18 - As of March 31, 2018, the total Due to Other Funds balance is \$122,772.12.
 \$1,798.34 is due to Parking Fund 2000 for Leases non-salary expenses paid by Parking.
 \$120,973.78 is due to FR&R Fund 2001 for Leases non-salary expenses paid by FR&R.

FY17 - As of March 31, 2017, the total Due to Other Funds balance is \$5,496.97.
 \$423.00 is due to Parking Fund 2000 for Parking receipts deposited to Leases.
 \$156.16 is due to Parking Fund 2000 for Leases salary expenses paid by Parking.
 \$4,818.88 is due to Parking Fund 2000 for Leases non-salary expenses paid by Parking.
 \$98.93 is due to Gift Fund 2403 for Leases non-salary expenses paid by Gift Fund.

11. BUILDING BOND INTEREST AND BUILDING DEPRECIATION

FMD does not own the state buildings from which lease revenue is collected. However, the lease rates include depreciation and bond interest on these buildings. The money collected for building depreciation and bond interest is transferred to the general, special revenue, and trunk highway funds.

12. DEBT SERVICE

In December 2005, the State of Minnesota began a 22 year basic lease purchase agreement for the lease/purchase of the Andersen and Freeman buildings. FMD, representing Admin as lessee, collects the lease revenues for the debt service bond principal and interest payments. FMD made the first principal and interest payment during the second quarter of FY06. The lease commenced December 1, 2005. The bonds were refinanced in May 2013 and the terms of the contract will be fulfilled December 1, 2025, when the final bond principal and interest payments are made. At that time, the State of Minnesota may elect to purchase the buildings for a sum of \$1.00 per building.

In June 2016, FMD made the first annual transfer for debt service principal and interest for the Minnesota Senate Building (MSB). Transfers will continue until June 2039.

13. BUILDING REPLACEMENT FUND

Beginning in the 1st quarter of FY08, per M.S. 16B.24 Subd 5E, FMD made transfers of appropriation to two special revenue funds. These funds were established to provide for future repair and replacement to the Andersen and Freeman buildings. These transfers will continue quarterly on an on-going basis until the state acquires title to these buildings and the accounts are subsequently abolished with the remaining funds transferred to the Facilities Repair and Replacement Fund.

14. ARCHIBUS FRAMEWORK AND IMPROVEMENTS TRANSFER OUT

Pursuant to M.S. 16B.242, an intra-agency agreement was signed between Admin and FMD for the Archibus Mobile Framework implementation project, effective from October 2016 to June 2017. FMD agreed to provide funds to share in the cost of the Archibus Mobile Framework Module project that is fiscally managed by Admin. Per the intra-agency agreement, FMD transferred \$18,000 to the Enterprise Real Property Technology System Account in October 2016.

Pursuant to M.S. 16B.242 and M.S. 471.59, an intra-agency agreement was signed between Admin, Enterprise Real Property (ERP) Program and Admin, FMD, effective from July 2017 to June 2019. The enterprise real property technology system provides the tools and information necessary for data-driven facility investment and management across the enterprise. ERP will execute improvements to Archibus. In consideration for enterprise real property system services provided, FMD agreed to contribute to this effort. Per the intra-agency agreement, FMD transferred \$28,000 to ERP Fund 2001 in December 2017.

15. STATE GOVERNMENT SUSTAINABILITY REPORTING TOOL TRANSFER OUT

Pursuant to M.S. 16B.04 and M.S. 471.59, an intra-agency agreement was signed between Admin and Admin, effective from July 1, 2017 to June 30, 2019. The office of Enterprise Sustainability (OES) will develop a State Government Sustainability Reporting Tool that will help agencies track and report their sustainability data. In consideration for sustainability services provided, Admin agreed to contribute funds to share in the cost. FMD transferred \$3,500 to OES Fund 2001 in December 2017.

16. ADJUSTMENTS TO NET POSITION

In FY18, as of March 31, 2018, the total prior period adjustments are \$706,214.40. These adjustments include:

- \$(108,24) due to the overstatement of Leases Revenue;
- \$13,081.63 due to the understatement of ROJ Revenue;
- \$396,865.50 due to the understatement of Capital Asset - Building Improvement;
- \$319,105.11 due to the understatement of Capital Asset - Infrastructure;
- \$(8,402.00) due to the understatement of Utilities - Electric expense - Leases;
- \$2,850.00 due to the overstatement of Repairs and Maintenance expense - Leases;
- \$(8,013.00) due to the understatement of Professional and Technical Services expense - Leases;
- \$(4,909.00) due to the understatement of Maintenance and Leasehold expense - Leases;
- \$(4,255.60) due to the understatement of Depreciation - Equipment.

In FY17, as of March 31, 2017, the total prior period adjustments are \$85,049.64. These adjustments include:
 \$(727.20) due to the overstatement of Revenue - Leases;
 \$(6,182.24) due to the overstatement of Revenue - ROJ;
 \$(6,483.30) due to the write-off of outstanding receivables of Materials Transfer;
 \$(416.85) due to the overstatement of prior period adjustment - Leases, should have been adjusted to Materials Transfer in FY16;
 \$416.85 due to the understatement of prior period adjustment - Materials Transfer, adjusted to Leases in FY16;
 \$1,125.48 due to the understatement of Accounts Receivable - Leases;
 \$80,050.23 due to the understatement of Capital Asset - Building Improvement;
 \$3,282.64 due to the overstatement of Utilities - Electric Expense - Leases;
 \$(132,147.53) due to the understatement of Repairs and Maintenance Expense - Leases;
 \$(14,555.66) due to the understatement of Centralized IT Services Expense - Leases;
 \$(5,639.91) due to the understatement of Professional and Technical Services Expense - Leases;
 \$(162,521.10) due to the understatement of Supplies and Materials Expense - Leases;
 \$1,693.28 due to the overstatement of Other Expenses (Communication) - Leases;
 \$(4,493.17) due to the understatement of Purchased Services Expense - Leases;
 \$47,495.90 due to the overstatement of Maintenance and Leasehold Expense - Leases;
 \$333,596.00 due to the overstatement of Rent Rebate Expense - Leases;
 \$(1,391.80) due to the understatement of Depreciation - Equipment;
 \$(28,051.98) due to the understatement of Depreciation - Building Improvements.

17. NET POSITION

The State of Minnesota implemented new accounting standards as prescribed by GASB. During FY02, the standards included revised statement formats which resulted in the change from Retained Earnings to Net Asset reporting. During FY13, Net Assets was renamed to Net Position; and Invested in Capital Assets, Net of Related Debt was renamed to Net Investment in Capital Assets. For historical cost comparison, the total net position and the retained earnings have been reconciled as shown below.

Net Investment in Capital Assets	\$ 8,376,499.53
Unrestricted Net Position	<u>(4,772,807.87)</u>
Total Net Position	<u>\$ 3,603,691.66</u>

Schedule of Retained Earnings

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Beginning Retained Earnings	\$ (3,900,754.69)	\$ 2,844,020.21	\$ 351,244.70	
Net Income (Loss)	6,050,273.91	(2,505,414.93)	3,104,158.97	
Adjustments to Net Position (Note 16)	694,500.99	12,639.42	(926.01)	
Ending Retained Earnings	<u>\$ 2,844,020.21</u>	<u>\$ 351,244.70</u>	<u>\$ 3,454,477.66</u>	
Add: Capital Contributions (Note 2)	\$ 149,214.00	\$ 149,214.00	\$ 149,214.00	
Reconciliation to Total Net Position	<u>\$ 2,993,234.21</u>	<u>\$ 500,458.70</u>	<u>\$ 3,603,691.66</u>	

The implementation of GASB 68, "Accounting and Financial Reporting for Pensions," which required the recording of the net pension liability and the deferred inflows and outflows of resources associated with pensions, has caused many funds to end the fiscal year in a deficit net position. The actuarially determined amounts are likely to vary significantly from year to year and are managed by the retirement systems and state Legislature to ensure the defined benefit plans are adequately funded to pay plan benefits to employees participating as they become due. For these reasons, the state does not include the pension-related liabilities or deferred inflow and outflows of resources in the rate-setting process for managing these funds as long as the funds are contributing the statutory required contributions. The amounts will continue to be monitored by the retirement systems administering these plans and the state Legislature.

STATE OF MINNESOTA
 FACILITIES MANAGEMENT - LEASES, REPAIR AND OTHER JOBS FUND 5400
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS BY COST CENTER
 FOR THE QUARTER ENDED MARCH 31, 2018

7/25/2018
 Unaudited

	Fund Total	Leases	Repair and Other Jobs	MN Senate Garage Debt Service Pass Through
OPERATING REVENUES				
Leases	\$ 54,755,105.91	\$ 54,755,105.91	\$ -	\$ -
Repair and Other Jobs	123,176.37	-	123,176.37	-
Other Revenues	637,220.92	637,220.92	-	-
Minnesota Senate Garage Debt Service Pass Through	743,437.49	-	-	743,437.49
Total Operating Revenues	\$ 56,258,940.69	\$ 55,392,326.83	\$ 123,176.37	\$ 743,437.49
OPERATING EXPENSES				
Salaries and Benefits	\$ 12,768,797.80	\$ 12,656,063.57	\$ 112,734.23	\$ -
Utilities - Electric	4,410,446.49	4,410,446.49	-	-
Utilities - Water	352,945.48	352,945.48	-	-
Utilities - District Heat	1,601,545.01	1,601,545.01	-	-
Utilities - District Cooling	803,571.60	803,571.60	-	-
Utilities - Gas & Other	295,990.59	295,990.59	-	-
Repairs and Maintenance	1,011,076.16	1,002,453.17	8,622.99	-
Maintenance and Leasehold	834,801.06	834,801.06	-	-
Professional and Technical Services	133,488.87	133,488.87	-	-
Centralized IT Services	641,439.18	641,439.18	-	-
Vehicle Leases	180,248.49	180,248.49	-	-
Supplies and Materials	1,356,492.52	1,339,570.62	16,921.90	-
Purchased Services	574,647.72	574,647.72	-	-
Insurance	341,197.50	341,197.50	-	-
Indirect Costs	604,376.95	599,417.95	4,959.00	-
Depreciation	437,766.42	437,766.42	-	-
Other Expenses	415,919.12	415,904.71	14.41	-
Total Operating Expenses	\$ 26,764,750.96	\$ 26,621,498.43	\$ 143,252.53	\$ -
OPERATING INCOME (LOSS)	\$ 29,494,189.73	\$ 28,770,828.40	\$ (20,076.16)	\$ 743,437.49
NONOPERATING REVENUES (EXPENSES)				
Gain (Loss) on Disposal of Capital Assets	\$ 13,103.34	\$ 13,103.34	\$ -	\$ -
Total Nonoperating Revenues (Expenses)	\$ 13,103.34	\$ 13,103.34	\$ -	\$ -
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	\$ 29,507,293.07	\$ 28,783,931.74	\$ (20,076.16)	\$ 743,437.49
TRANSFERS AND CONTRIBUTIONS				
Capital Contributions	\$ -	\$ -	\$ -	\$ -
Building Bond Interest Transfer Out	(2,675,884.50)	(2,675,884.50)	-	-
Building Depreciation Transfer Out	(8,290,486.50)	(8,290,486.50)	-	-
Debt Service Principal	(6,634,013.41)	(6,634,013.41)	-	-
Debt Service Interest	(4,452,972.21)	(4,452,972.21)	-	-
Building Replacement Fund Transfer Out	(447,793.50)	(447,793.50)	-	-
Archibus Framework and Improvements Transfer Out	(28,000.00)	(28,000.00)	-	-
State Government Sustainability Reporting Tool Transfer Out	(3,500.00)	(3,500.00)	-	-
Minnesota Senate Garage Debt Service Pass Through	(325,625.00)	-	-	(325,625.00)
Total Transfers and Contributions	\$ (22,858,275.12)	\$ (22,532,650.12)	\$ -	\$ (325,625.00)
Adjustments for Intrafund Transactions (see below)	\$ (0.00)	\$ (19,517.26)	\$ 19,517.26	\$ -
CHANGE IN NET POSITION	\$ 6,649,017.95	\$ 6,231,764.36	\$ (558.90)	\$ 417,812.49
NET POSITION, BEGINNING	\$ (3,751,540.69)	\$ (3,737,649.85)	\$ (13,890.84)	\$ -
Adjustment to Net Position	706,214.40	693,132.77	13,081.63	-
NET POSITION, ENDING	\$ 3,603,681.66	\$ 3,187,247.28	\$ (1,368.11)	\$ 417,812.49
To account for Intrafund transactions, sales and expenses have been reduced as listed below:				
Sales	\$ 509,571.15	\$ 490,053.89	\$ 19,517.26	\$ -
Expenses	\$ 509,571.15	\$ 509,571.15	\$ -	\$ -

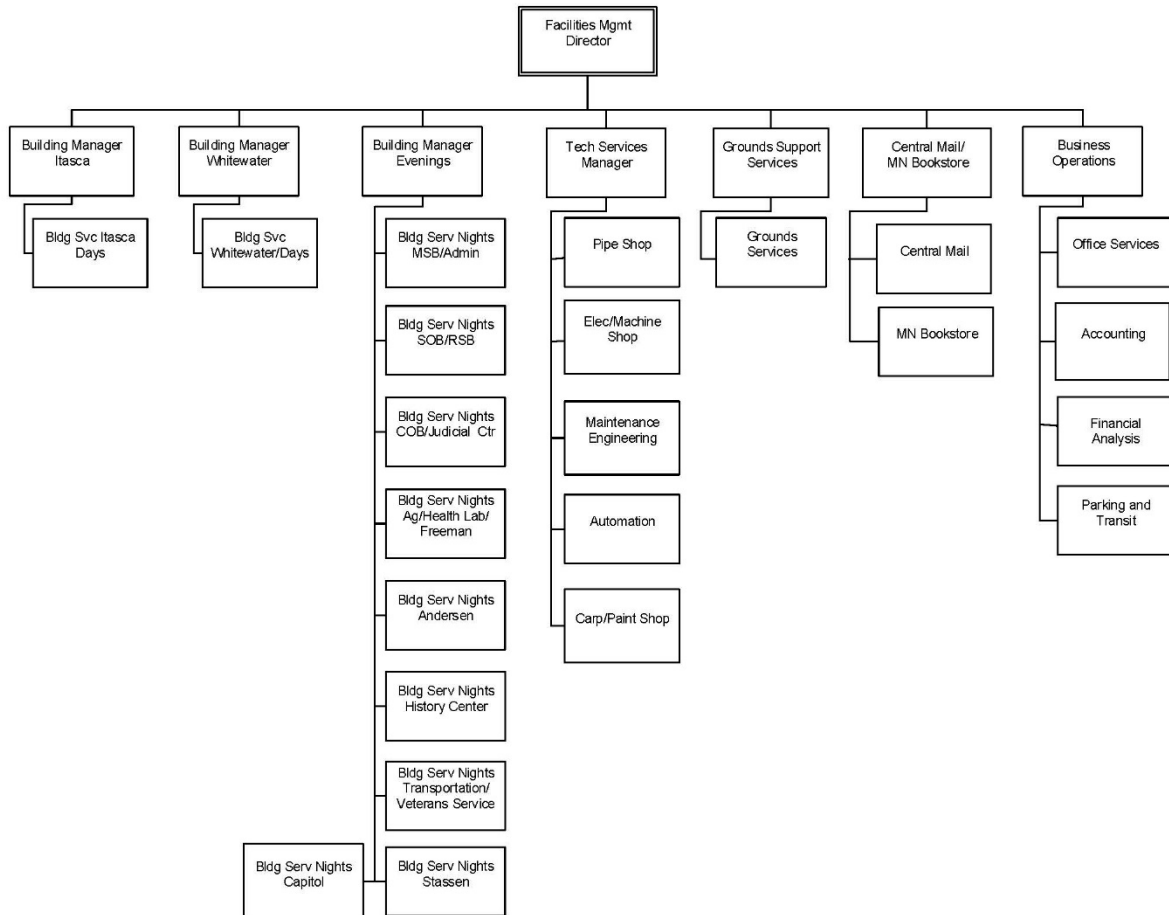
Supporting Information

Organization Chart

Leases' budgeted FTE for FY 2020 and FY 2021 is 258.4 which is an increase of 1.76 FTE from the FY 2018 and FY 2019 FTE of 256.64. This change is mainly due to additional FTE dedicated to investigations. The remaining change is due to FMD staff charging time to other businesses based on actual time worked.

FMD's organizational chart is shown below.

FMD



FY 2018/2019 Standard Lease Exhibit B

I. DUTIES OF LESSOR

- A. The Department of Administration, **Plant Management Division** (hereinafter referred to as LESSOR) shall be responsible for delivery of consistent, quality services to ensure clean, safe and environmentally sound buildings, grounds and operations by providing the following services:
1. **BUILDING MANAGEMENT SERVICES** LESSOR shall designate a Building Manager to manage the buildings and oversee construction/renovation projects, maintenance/repair, energy management, environmental, Indoor Air Quality, general office recycling collection services, and integrated pest management related to the building. The Building Manager shall be the contact person for all building-related work and concerns. LESSEE should contact 651.201.2300 or check website: www.mn.gov/admin/government/buildings-grounds for more information.
 - a. **Construction, Remodeling and Renovation Work** LESSOR shall inform LESSEE in advance and in writing of construction, remodeling or renovation work.
 - b. **Carpet Replacement** LESSOR shall repair or replace worn or damaged carpet according to funding availability, age and condition of the carpet and/or other building priorities. Carpet deemed unsafe by LESSOR shall be repaired or replaced. The carpet is expected to have a minimum life cycle of twelve (12) years. The quality of carpet to be installed will be determined by LESSOR. Selection by LESSEE shall be made from LESSOR sample selections. If LESSEE desires carpet and LESSOR does not have funding available, LESSEE has the option of funding the purchase. LESSOR will contract, install and invoice LESSEE. Colors and quality selection must be approved in advance and in writing by LESSOR to ensure durability, maintainability and uniformity.
 - c. **Interior Decoration** LESSOR shall paint all interior walls showing wear or damage according to funding availability, age and condition of the paint and/or other building priorities. Painting is expected to have a minimum useful life of twelve (12) years under normal use. LESSOR financial obligation shall not exceed contract amount. Selection shall be made by LESSEE from LESSOR sample selections. If LESSEE desires a different type of wall treatment or a different quality of paint, LESSOR will contract and invoice LESSEE. LESSOR shall pay a portion at the State Contract rate for semi-gloss or eggshell paint. Colors and quality selection must be approved in writing by LESSOR to ensure durability, maintainability, design integrity, and uniformity.
 - d. **Window Treatments** LESSOR shall repair or replace building exterior envelope window treatments that are damaged or discolored according to funding availability, age and condition of the window treatments and/or other building priorities. Window treatments are expected to have a minimum useful life of twenty (20) years. The determination is to be made at the discretion of LESSOR. Exterior envelope window treatments will be selected from the State Contract. If LESSEE chooses to select a different exterior envelope window treatment that is not under State Contract, LESSEE shall pay the portion above the State Contract rate. If LESSEE desires a different type of window treatment and is willing to fund the difference, LESSOR will contract and invoice the LESSEE. Colors and quality selection must be approved in writing by LESSOR to ensure durability, maintainability and uniformity. Replacement of any interior window treatments will be the responsibility of LESSEE and any related costs shall be borne by LESSEE.
 - e. **Ceiling Tiles** LESSOR shall replace damaged or stained ceiling tiles. The determination whether to replace shall be made at the discretion of LESSOR.
 - f. **Leased Space** To make space suitable for new tenants, LESSOR shall provide the treatments and finishes outlined above dependent upon available funding. LESSOR shall also perform minor electrical and mechanical services for general office usage, determined at the discretion of LESSOR. LESSOR shall not fund accommodations or changes to leased space in order to meet specialized needs of LESSEE, such as ADA accommodations.

The above terms and conditions in items a-f apply only when specific funds have not been appropriated for this purpose.

- g. **Mechanical/Operating Systems and Equipment Repair/Replacement Services** LESSOR shall provide engineering, preventative maintenance, repair and/or replacement services on mechanical/operating systems and equipment within the building that are LESSOR-owned

EXHIBIT B

and under LESSOR'S custodial control.

- h. **Grounds Maintenance Services** LESSOR shall maintain all entrances, sidewalks and grounds on an as needed schedule to ensure safe entry and egress. This shall include exterior maintenance of turf, shrubs, trees and plants as well as cleaning and removal of debris. Every reasonable effort will be made to ensure snow and ice is cleared before and during normal building operating hours.
- i. **Integrated Pest Management Services** LESSOR shall provide an integrated pest management program for control of rodents and insects within the building.
- j. **Keys** All keys for space in state-owned buildings under the custodial control of LESSOR must be provided by LESSOR. LESSOR shall provide two (2) keys for each door with lock hardware within the Leased Premises. LESSEE is responsible for returning all keys issued for the Leased Premises upon termination of the Lease Agreement.
- k. **Security Services** In cooperation with the Department of Public Safety/Capitol Security, LESSOR shall maintain building perimeter security devices including access control devices and cameras. In cooperation with the Department of Public Safety/Capitol Security, LESSOR shall maintain emergency call stations at exterior locations and in the tunnel systems.
- l. **Signage** LESSOR shall provide for building directory signage located in the main building lobby and way finding in public corridors. The quantity and location of signage shall be at LESSOR'S discretion.
- m. **Communication** LESSOR'S Building Manager or designee shall coordinate with LESSEE'S key contact person on any work scheduled in a building which could affect building operations. LESSOR shall provide written notice in advance of these events and LESSEE shall provide communication to tenants. Reasonable coordination efforts shall be made by LESSOR with LESSEE'S key contact person to prevent scheduling conflicts prior to posting bulletins and the commencement of work.
- n. **Insurance** LESSOR insures the building structure only. Ensuring contents is at the discretion of LESSEE.
- o. **Fire Detection, Alarm and Suppression Systems** LESSOR shall provide preventive maintenance, repair, replacement, testing and inspection of fire suppression systems in accordance with the local jurisdiction requirements. Specialized fire and alarm detection systems are the responsibility of the LESSEE.
- p. **Use of Space** LESSOR shall lock and secure all LESSOR'S electrical closets, rooms and vaults, janitorial/maintenance closets and mechanical rooms.
- q. **Solid Waste** LESSOR shall remove solid waste from buildings on a daily basis.

2. UTILITY SERVICES

- a. **Heating** LESSOR shall provide the Leased Premises with heating facilities of a design capacity sufficient to maintain the Leased Premises within the acceptable range of temperature identified below, under all but the most extreme weather conditions, assuming optimal use by LESSEE of all thermostats and other climate control devices such as the opening or closing of blinds, doors and vents, within the Leased Premises. LESSOR may provide LESSEE with written instructions defining said optimal use. For purposes hereof, the acceptable ranges of temperature are as follows:
 - (i) From October 1 through April 30, minimum temperatures shall be maintained
 - (a) Between 68° F to 70° F for all occupied areas.
 - (b) Between 65° F to 67° F for all lobbies, corridors and restrooms.
 - (c) Between 60° F to 62° F for all building entrances and storage areas.
 - (d) Temperature settings for all of the above referenced spaces will be lowered to between 60° F and 62° F during non-working hours.
 - (e) At a maximum of 55° F for all unoccupied and all vacated spaces.

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- (ii) LESSOR shall establish the area operating temperatures as follows:
 - (a) Working Hours-Between 7:00 a.m. and 5:00 p.m., Monday through Friday.
 - (b) Non-Working Hours-Between 5:00 p.m. and 7:00 a.m., Monday through Friday and from 5:00 p.m. Friday until 7:00 a.m. on Monday and all State observed holidays.
 - (iii) Unless established to the contrary through a pre-approved interagency agreement, heating systems are set to operate as defined above. Building heating systems are not intended to be used for heating areas with LESSEE-owned equipment or LESSEE needs for extended hours of operation. If LESSEE has LESSEE-owned equipment or LESSEE requires additional heating beyond the established hours of operation or for a normal "office" environment setting use, an interagency agreement shall be entered into with LESSOR and the cost for the additional hours of operation or specialized use shall be the responsibility of LESSEE. LESSEE will be billed by LESSOR for the extended hours of operation.
- b. Cooling** LESSOR shall provide the Leased Premises with cooling infrastructure of a design capacity sufficient to maintain the Leased Premises with adequate cooling supply based on normal office usage. If LESSEE has LESSEE-owned equipment or LESSEE requires additional air conditioning operation beyond the established hours of operation or beyond a normal 'office' environment setting use, LESSEE shall be billed by LESSOR on a fee-for-service basis based on chilled water and electrical usage for the extended hours of operation or specialized use.
- (i) From May 1 through September 30, maximum temperatures shall be maintained as follows:
 - (a) Between 76° F to 78° F for all occupied areas excluding reheat systems.
 - (b) Temperature settings for all of the above referenced spaces will be increased to 85° F during non-working hours.
 - (c) Computer rooms and research facility temperatures will be maintained in accordance with the operating requirements of the equipment/research procedures.
 - (ii) LESSOR shall establish the area operating temperatures as follows:
 - (a) Working Hours-Between 7:00 a.m. and 5:00 p.m., Monday through Friday.
 - (b) Non-Working Hours-Between 5:00 p.m. and 7:00 a.m., Monday through Friday and from 5:00 p.m. Friday until 7:00 a.m. on Monday and all State observed holidays.
 - (iii) Unless established to the contrary through a pre-approved interagency agreement, cooling systems are set to operate as defined above. Building cooling systems are not intended to be used for cooling areas with LESSEE-owned equipment or LESSEE needs for extended hours of operation. If LESSEE has LESSEE-owned equipment or LESSEE requires additional air conditioning operation beyond the established hours of operation or for a normal "office" environment setting use, an interagency agreement shall be entered into with LESSOR and the cost for the additional hours of operation or specialized use shall be the responsibility of LESSEE. LESSEE will be billed by LESSOR for the extended hours of operation.
- c. Water/Sewage** LESSOR shall provide the Leased Premises with adequate water and sewage facilities of a design capacity sufficient to serve the Leased Premises.
- d. Ventilation** LESSOR shall provide ventilation to the Leased Premises as outlined ASHRAE (American Society of Heating, Refrigeration and air Conditioning Engineers, Inc.) Standard 62.1-2013. All supply air shall be filtered in accordance with ASHRAE Standard 52.2- 2012 Atmospheric Dust Spot Efficiency Rating. Air filters will be replaced by the LESSOR as required by the application and the needs of the system. Unless established to the contrary through a pre-approved interagency agreement, air-handling systems will operate as required to maintain occupied space temperatures between 7:00 a.m. until 5:00 p.m., Monday through Friday, excluding State holidays.
- e. Electrical**
- (i) LESSOR shall provide the Leased Premises with electrical infrastructure of a design capacity sufficient to maintain the Leased Premises with adequate electrical supply based on normal office usage of the equipment configuration at the start of this lease at the discretion of LESSOR. LESSEE- owned equipment, purchased and installed by LESSEE, or purchased and installed on behalf of LESSEE through a major construction or

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renovation project and/or LESSEE'S need for extended hours of operation which require specialized electrical operation, are considered special program needs and shall be the direct responsibility of LESSEE at LESSEE'S cost. All LESSEE equipment installation to be approved in accordance with the provisions of this lease with LESSOR to ensure proper installation of powered equipment. LESSEE shall be billed by LESSOR on a fee-for-service basis based on actual electrical usage for the extended hours of operation or specialized use.

- (ii) LESSOR shall provide electric power for LESSEE. Power quality is utility grade with no special filtering for harmonics or fluctuations. Power is imported from a utility and LESSOR cannot guarantee continuous availability. If LESSEE has a need for continuous, uninterruptible, or specific power quality needs, it shall be LESSEE'S responsibility to provide and maintain filtering or standby equipment as necessary. Installation of this equipment must be approved in advance and in writing by LESSOR.
- (iii) The LESSOR is required by code to perform scheduled preventive maintenance activities to ensure safe, reliable and efficient electrical service to a building. Routine power interruptions are required to perform this work and will be scheduled on a campus wide basis over the course of the calendar year. The frequency and length of interruptions will vary between buildings due to the size of the building and amount of equipment within the building. In coordination with the LESSEE, the LESSOR will schedule work during "off hours", nights and weekends in an effort to minimize disruption to LESSEE activities at the same time working within the limitations of available manpower and available equipment. In the event of an emergency situation of the LESSOR reserves the right to interrupt electrical services as required during normal business hours.
- (iv) For non-scheduled power outages, every effort shall be made by LESSOR to restore electrical power in cooperation with the respective utility companies as soon as reasonably possible.

3. REDUCTION, REUSE, RECYCLING, AND SUSTAINABILITY

- a. Pursuant to Minnesota Statutes, Section 16B.24, Subdivision 6 (d), LESSOR shall provide space for common area recycle containers.
- b. LESSOR shall provide general recycling services limited to the collection of common area recycling containers. LESSOR will transport LESSEE provided collection containers from the Leased Premises to a holding area. LESSOR shall return container to the common recycling areas in the Leased Premises.
- c. LESSOR is not responsible for confidential recycling.

4. JANITORIAL SERVICES The following janitorial services shall be provided by LESSOR:

a. Office Cleaning

- Daily: Empty trash receptacles; replace liners, as necessary.
Vacuum carpeted main traffic aisles, moving furniture, as necessary. Return furniture to original position.
Pick up litter in remainder of other carpeted areas.
Spot clean carpeting.
Spot clean partitions/door glass.
- Weekly: Vacuum all carpeted areas.
Dust mop hard surface main traffic aisles.
Dust exposed areas on desks/credenzas/work surfaces.
Dust mop hard surface areas.
Wet mop hard surface areas.
Detail/dust areas below 6 feet.
- Monthly: Spot clean walls and doors.

Semi-Annual: Dust door frames.
Dust accessible exterior window blinds, where applicable.
Clean ceiling vents (under 12 feet).
Clean-carpeted traffic aisles.

Annually: Clean carpet. May be extraction, tip cleaning or rotary shampooing.

As Needed: Empty recyclable materials from common area collection containers and coordinate material pick up.

NOTE: Detail dusting in an office setting shall be done only in accessible areas. LESSOR shall not move personal items and electronic equipment to clean or dust and shall trash only waste receptacles and items marked "trash."

b. Lobby/Entrance Cleaning

Daily: Empty/spot clean trash receptacles.
Sweep hard surface floors.
Wet mop hard surface floors.
Clean walk off mats.
Clean door glass; spot clean adjacent glass.
Vacuum carpet.
Clean entire interior and exterior of elevators.
Sweep/vacuum/wet mop open stairways.
Check/spot clean directories.

Weekly: Detail/dust areas below 6 feet.
Spot clean plate glass windows.
Clean and/or polish stairway handrails.
Clean thresholds.
Check/arrange and spot clean public area furniture.
Clean kick plates, push plates, and door frames.
Spot clean walls

As Needed: Scrub and coat hard surface floors.
Strip, seal and finish hard surface floors.
Buff/burnish accessible hard surface floors.
Clean carpet.

c. Hard Surface Floor Care – Common Areas

Daily: Dust mop wall to wall.
Spot mop spills/splashes.

Weekly: Wet mop/auto scrub floor surfaces.
Buff/burnish floors.

As Needed: Heavy scrub and recoat floor finish.
Strip, seal and finish hard surface floors.

d. Hard Surface Floor Care – Work Areas

Daily: Dust accessible areas.
Wet mop other areas.

Weekly: Dust mop wall to wall.
Wet mop/auto scrub wall to wall.
Buff/burnish accessible floor areas.

As Needed: Heavy scrub and recoat floors.
Strip, seal and finish.

e. Restroom Cleaning

- Daily: Check, resupply stock.
Clean mirrors.
Clean stock dispenser.
Empty trash, including sanitary disposal units; clean receptacles.
Clean and sanitize toilets, urinals, sinks and countertops.
Clean stainless steel and chrome.
Spot clean doors, both sides.
Spot clean walls with special emphasis around dispensers, sinks and urinals.
Wet mop floor with sanitizing detergent.
- Monthly: Machine scrub floors.
Sanitize waste receptacles.
- Semi Annually: Wall to wall deep clean cycling, including all walls, partitions, fixtures and floors.

f. Shower room/stall cleaning

- Daily: Inspect, touchup and wipe down fixtures.
Remove hair and other debris on finishes and fixtures.
- Weekly: Power wash shower room walls and floors with disinfectant cleaner.
Clean and disinfect all shower room fixtures.

g. Miscellaneous Cleaning

- Daily: Sanitize drinking fountains.
Spot check interior stairwells.
Remove unapproved posters or outdated posters/bulletins.
- Weekly: Dust hallway fixtures, i.e., pictures, fire extinguishers.
- As Needed: Wet mop hard surface stairwell risers and landings.
Clean ceiling light diffusers and exhaust fans in elevator cars.
Clean janitorial closets.
Dust stairwell railings.
Vacuum upholstered furniture.

B. The Department of Administration, Real Estate and Construction Services (RECS) shall be responsible for:

1. Allocation and inventory of state-owned space under the custodial control of the Plant Management Division.
2. Preparation and processing of lease documents.

II. DUTIES OF LESSEE

- A. TRANSFERABILITY** LESSEE shall not assign nor in any manner transfer this Lease or any interest therein, nor sublet said Leased Premises or any parts thereof.
- B. DESIGNATED STAFF PERSON** LESSEE will designate at least 1 key contact person who shall be responsible for coordinating building related questions, concerns and general communications with LESSOR'S Building Manager. This will include but not be limited to building surveys, LESSOR initiated building postings, construction/renovation projects, recycling, reuse and sustainability issues, and to communicate with LESSOR on postings of work which may affect the building tenants or building operations. LESSEE will also designate at least 1 key contact person who shall be responsible and can be contacted after normal business hours in the event of an emergency.

C. REDUCTION, REUSE, RECYCLING, AND SUSTAINABILITY

1. LESSEE agrees to:
 - a. Ensure LESSEE'S employees, contractors and visitors recycle all recyclable materials as designated in accordance with Minn. Stat. §115A.15. Training and education for recycling is the responsibility of the LESSEE.
 - b. Ensure shipments of recyclables do not contain contaminating materials.
 - c. Use recycling containers and equipment only for designated recycling purposes.
 - d. Direct general waste and recycling questions to LESSOR'S Building Manager or designee.
 - e. Recycle confidential materials.
 - f. Transfer recycling materials from desk side containers to common area collection containers.
 - g. Provide a designated Champion for recycling communications and compliance.

D. HAZARDOUS WASTE

1. If LESSEE is a generator of hazardous waste as defined in the Minnesota Pollution Control Agency Hazardous Waste Rules, Chapters 7001, 7045 and 7046, and/or any local jurisdiction's hazardous waste management ordinance(s), it shall obtain a license to generate the hazardous waste and provide LESSOR with a copy of its license agreement no later than thirty (30) days after the execution of this Lease. LESSEE shall also provide LESSOR with a copy of its annual Hazardous Waste Report each year thereafter.
2. In the event LESSEE vacates Leased Premises, LESSEE shall have a closure inspection conducted by the local jurisdiction's public or environmental health unit and the results of such inspection shall be forwarded by LESSEE to LESSOR no later than thirty (30) days from the date LESSEE vacated the Leased Premises. Any hazardous waste violations or other issues identified in the closure inspection shall be remedied by LESSEE at LESSEE'S expense.

- E. ELECTRONIC DEVICES AND FURNITURE** LESSEE is responsible for LESSEE'S owned electronic equipment, appliances, and office furniture, recycling or disposal. Disposal of these items is at LESSEE'S expense. LESSEE shall report the cumulative weight of electronics that are recycled each calendar year to the LESSOR by the 15th of January the subsequent calendar year for which the recycling took place.

F. WASTE PREVENTION, ENERGY CONSERVATION AND USE OF UTILITY SERVICES

Heating, ventilation and air conditioning, electrical, water and sewage (please refer to DUTIES OF LESSOR, 2. Utility Services, parts a & b).

1. LESSEE agrees to conserve energy and natural resources by turning off lights, appliances and office electronics when not in use. LESSOR may provide LESSEE with instructions defining optimal use.
2. LESSEE shall be responsible for utility costs for utilities requested for program needs beyond those provided as part of this agreement or outside normally established hours of operation. This includes ventilation with additional cooling or heating outside normally established hours of operation and electricity for significant computer room loads, UPS systems or major appliances if determined by LESSOR to be beyond those provided for in this agreement, either during or outside normal building operating hours.
3. LESSOR will measure utility usage in appropriate units and charge LESSEE for the cost per unit of the utility. LESSEE shall promptly reimburse LESSOR upon receipt of invoice for utility services.

G. USE OF SPACE

1. LESSEE agrees not to use the Leased Premises in any way which, in the judgment and discretion of LESSOR, poses a hazard to building occupants, the Leased Premises or the building in part or whole, nor

Exhibit B- Page 7 of 9

shall LESSEE use the Leased Premises so as to cause damage, annoyance, nuisance or inconvenience to other building occupants.

2. LESSEE agrees to not use any stairwells, stairwell landings, loading dock areas, electrical, low voltage and mechanical equipment rooms or janitorial closets under the custodial control of LESSOR as storage areas. If access to any locked electrical/low voltage or janitorial/maintenance closet is needed by LESSEE, LESSEE shall contact 651.201.2300 to request access.

3. LESSEE agrees to consider all common areas in the buildings not located within the Leased Premises including entrances, lobbies, stairwells and landings as public, common spaces and shall only use them for State-approved events and shall comply with Minnesota Rules Chapter 1235.0100 to 1235.0600, Rules Governing Public Rallies. All rules of conduct for users of public space will apply for the use of such space. These rules of conduct are subject to change. Public, common spaces shall not be used by LESSEE, LESSEE'S staff or private vendor(s) for solicitation or sales. Contact 651.201.2300 for more information regarding special events and rules governing them.

4. LESSEE agrees to consider conference rooms not leased as part of the Leased Premises and under the custodial control of LESSOR, as public, common spaces and shall only use them for State-sponsored events. Such public conference rooms shall not be used by LESSEE, LESSEE'S staff or private vendor(s) for solicitation or sales.

5. LESSEE agrees to receive all goods delivered to the building related to LESSEE or Leased Premises at the loading dock and promptly transporting to owned leased space. LESSEE shall be responsible for the safe-guarding and security of these delivered goods.

LESSEE agrees that, at no time, shall LESSOR be held accountable for the loss of any delivered goods nor shall the loading dock be used for storage or as a holding area.

6. LESSEE agrees to maintain the Leased Premises in a reasonably safe, clean and sanitary condition in compliance of all applicable codes.

7. LESSEE to ensure all doors and windows remain closed when not in use in order to ensure a balanced HVAC system, reduce dust and pollen in the building and to prevent birds, squirrels, and other pests from entering.

8. LESSEE is responsible for all interior ADA accommodations.

H. EQUIPMENT REPAIR/REPLACEMENT SERVICES

1. LESSEE-owned program equipment purchased and installed by LESSEE or purchased and installed on behalf of LESSEE through a major construction or renovation project that is related to LESSEE'S programs or operation shall be the responsibility of LESSEE to maintain, repair, replace or remove. Any structural or other damage to the Leased Premises resulting from LESSEE'S equipment shall be remedied by LESSEE at LESSEE'S expense. At the discretion of LESSOR, any of LESSEE equipment shall be removed at the time LESSEE vacates the Leased Premises and the Leased Premises shall be returned to its original condition at LESSEE'S expense. LESSOR may, at its discretion, following the execution of an interagency agreement, be contracted to maintain, service, repair and replace such LESSEE'S equipment at LESSEE'S cost on a fee-for-service basis through LESSOR'S Repair and Other Jobs activity.

2. Specialized fire suppression, fire detection, or alarm systems supporting LESSEE-owned equipment shall be the responsibility of LESSEE to maintain, repair, replace and inspect per local jurisdiction requirements. LESSEE may contract with LESSOR for maintenance, repair and inspection services of LESSEE'S equipment at LESSEE'S cost on a fee for services basis through LESSOR'S Repair and Other Jobs activity. If LESSEE chooses to contract separately, LESSEE must provide inspection report as required.

3. LESSEE shall ensure that equipment owned by LESSEE such as lieberts, dry coolers, etc. is properly installed and maintained to ensure maximum efficiency.

I. **KEYS** Additional keys needed by LESSEE beyond those provided by LESSOR shall be obtained from LESSOR on a fee-for-service basis through LESSOR'S Repair and Other Jobs activity. LESSEE is responsible for returning all keys issued for the Leased Premises upon termination of the Lease.

- J. **SECURITY SERVICES** LESSEE shall be responsible for maintaining all non-perimeter security devices or sensors in the Leased Premises including panic devices, emergency call boxes, access control devices, and cameras.
- K. **SIGNAGE** Identification of space within leased premises is the responsibility of the LESSEE.
- L. **BUILDING MANAGEMENT SERVICES** LESSEE will pay all invoices regarding:
1. **CARPET.** If LESSEE desires any carpet and LESSOR does not have funding available or does not agree carpet has reached the end of useful life, LESSOR will contract, install and invoice LESSEE.
 2. **INTERIOR DECORATION.** If LESSEE desires a different type of wall treatment, different quality of paint or decided it has reached the end of useful life, LESSOR will contract and invoice the LESSEE.
 3. **WINDOW TREATMENTS.** If LESSEE desires a different type of window treatment or decided it has reached the end of useful life, LESSOR will contract and invoice the LESSEE.
- M. **COMMUNICATION** LESSEE shall submit LESSEE initiated building postings to LESSOR'S Building Manager for approval. Approved posting will be distributed to the building's bulletin holders.
- N. **MODIFICATIONS TO LEASED SPACE**
1. LESSEE shall contact LESSOR to initiate any work that will affect the physical and/or operational characteristics of the Leased Premises. Such work may include but not be limited to: construction, remodeling, renovation, security systems, as well as modular furniture and communications/data cabling installations. Detailed plans for all such work shall be developed and approved by LESSOR or their designee. Implementation of the work shall be performed either by:
 - a. Licensed contractor, as authorized by LESSOR, under contract with the LESSOR.
 - b. Licensed contractor, as authorized by LESSOR, under contract with LESSEE. Such contracts must be approved by LESSOR prior to contract execution. Said contractor must follow all applicable codes and licensure requirements.
 2. At the time LESSEE vacates the Leased Premises, LESSEE shall, at LESSOR'S option be responsible for restoration of the Leased Premises which have been modified by the LESSEE since July 1, 2009. The Leased Premises shall be returned to its original condition by LESSOR at LESSEE'S expense.
- O. **PERSONAL PROPERTY** UL certified appliances such as, but not limited to, toasters, microwaves, refrigerators, coffee makers are only allowed in designated common areas as designated by LESSOR. Personal items such as space heaters, bicycles, segways or animals (including pets but not including service animals), are not allowed inside LESSOR managed facilities.
- P. **PLANTS** LESSEE shall ensure that all plants are properly maintained. LESSEE will be responsible for any damages as a result of plants.

Customer Surveys and Building Tours



TOUR FY 18	ADMIN		AG-HEALTH LAB		ANDERSEN		BCA		CAPITOL		COB	
	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17
Point of Entry	94.86	80.82	91.27	96.19	86.43	90.48	100.00	97.14	99.05	DIDNT	80.00	86.83
Corridors/Elevators	98.57	84.29	92.38	100.00	83.81	89.80	98.57	99.52	81.27	TOUR	80.00	92.86
Stairways	88.00	95.00	100.00	100.00	96.67	66.67	100.00	84.00	81.67		80.00	90.00
Restrooms	95.00	94.29	92.38	95.71	88.57	91.90	100.00	100.00	95.50		77.14	98.57
Office Areas	90.37	88.61	91.85	97.78	77.51	83.84	100.00	92.50	90.63		80.00	92.22
Break Rm/Kitchen	86.67	89.00	90.00	100.00	80.00	87.20	99.00	100.00	92.00		N/A	96.00
Cafeteria	N/A	N/A	N/A	N/A	N/A	100.00	0.00	N/A	90.00		N/A	N/A
Vending	83.33	96.67	100.00	95.00	80.00	100.00	100.00	100.00	76.67		N/A	100.00
Bldg Components	95.56	79.05	92.59	99.06	84.44	81.30	96.30	91.67	93.82		N/A	80.00
Life Safety Sys	100.00	80.00	100.00	96.00	100.00	98.67	97.50	95.00	93.33		N/A	100.00
Mechanical Rooms	80.44	71.11	82.86	87.78	N/A	92.22	92.86	90.10	69.33		N/A	N/A
Loading Dock Area	71.00	80.00	78.00	86.67	93.33	86.67	95.00	100.00	100.00		N/A	N/A
Parking	80.00	N/A	N/A	100.00	100.00	95.00	93.33	N/A	N/A		80.00	80.00
Grounds	83.33	N/A	71.07	85.43	82.22	91.67	92.22	93.33	100.00		82.50	80.00
Average	88.24	85.35	90.20	95.36	87.75	89.67	90.34	95.27	89.48		79.95	90.59

SURVEY FY 18	ADMIN		AG-HEALTH LAB		ANDERSEN		BCA		CAPITOL		COB	
	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17
Getting to work	95.25	98.75	88.25	88.98	85.25	84.00	95.33	96.32	93.41	DIDNT	86.00	89.50
Office Area	93.00	93.50	93.38	92.86	87.75	82.25	94.13	97.21	95.18	SURVEY	85.88	81.75
Facilities	96.67	98.83	95.17	96.53	93.83	85.67	97.83	98.15	97.40		96.17	95.17
Food Service	81.40	86.00	93.20	93.92	80.80	76.60	N/A	N/A	90.91		82.60	72.60
Security	90.50	95.50	91.00	77.25	87.50	84.50	97.50	99.02	87.93		89.00	88.00
FMD Services	100.00	100.00	98.00	100.00	96.00	93.00	99.00	100.00	100.00		95.00	97.00
Average	92.80	95.43	93.17	91.59	88.52	84.34	96.76	97.12	94.14		89.11	87.34

TOUR FY 18	ELY REVENUE		FLEET & SURPLUS SVCS		FREEMAN		GROVE		JUDICIAL CENTER		POWER HOUSE/691	
	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17
Point of Entry	90.00	90.00	93.43	95.24	84.76	94.44	90.00	100.00	96.43	100.00	90.67	90.67
Corridors/Elevators	90.00	90.00	88.33	98.75	75.71	97.86	N/A	93.33	93.33	95.24	84.44	84.44
Stairways	N/A	N/A	N/A	100.00	100.00	94.00	N/A	80.00	86.67	100.00	76.67	76.67
Restrooms	70.00	70.00	96.00	96.67	85.71	92.86	100.00	85.36	94.92	97.14	80.95	80.95
Office Areas	86.25	86.25	94.86	95.71	80.19	94.31	86.67	92.00	94.92	96.30	77.11	77.11
Break Rm/Kitchen	90.00	90.00	96.80	100.00	78.00	96.00	N/A	84.00	98.00	100.00	88.00	88.00
Cafeteria	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	86.67	100.00	N/A	N/A
Vending	N/A	N/A	N/A	N/A	86.67	92.50	N/A	N/A	100.00	100.00	100.00	100.00
Bldg Components	84.44	84.44	89.78	96.06	82.96	97.78	N/A	64.29	91.11	92.22	88.43	88.43
Life Safety Sys	90.00	90.00	93.33	92.02	100.00	97.40	N/A	80.00	100.00	100.00	100.00	100.00
Mechanical Rooms	90.00	90.00	86.00	86.00	96.67	96.67	N/A	80.00	73.33	N/A	83.81	83.81
Loading Dock Area	N/A	N/A	94.40	94.40	78.33	N/A	N/A	98.00	81.67	93.33	88.89	93.33
Parking	80.00	80.00	80.83	92.50	N/A	100.00	80.00	50.00	90.00	90.00	60.00	60.00
Grounds	74.29	74.29	85.00	85.00	72.50	86.59	80.00	N/A	87.50	87.50	91.32	91.32
Average	84.50	91.29	90.80	94.36	85.13	95.03	87.33	82.45	91.04	96.29	85.41	85.75

SURVEY FY 18	ELY REVENUE		FLEET & SURPLUS SVCS		FREEMAN		GROVE		JUDICIAL CENTER		POWER HOUSE/691	
	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17
Getting to work	95.50	95.75	100.00	90.00	90.00	89.00	DIDNT	DIDNT	92.25	91.69	100.00	100.00
Office Area	92.38	92.00	98.12	90.00	93.63	92.88	SURVEY	SURVEY	93.13	90.83	100.00	100.00
Facilities	93.33	92.33	97.62	98.33	97.00	97.33			96.67	96.52	100.00	100.00
Food Service	N/A	N/A	N/A	N/A	82.60	80.00			75.60	79.11	100.00	100.00
Security	94.50	97.50	100.00	100.00	94.00	92.50			93.50	92.82	100.00	100.00
FMD Services	96.00	100.00	100.00	100.00	99.00	100.00			98.00	95.45	100.00	100.00
Average	94.34	94.53	99.15	95.67	92.71	91.95			91.53	91.07	100.00	100.00

TOUR FY 18	MHC		MSB		RSB		SOB		STASSEN		TRANSPORT- ATION		VETS	
	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17
Point of Entry	95.24	98.57	93.33	96.00	100.00	92.86	91.43	94.08	82.38	86.12	90.00	100.00	90.00	93.43
Corridors/Elevators	90.10	95.00	95.08	92.57	100.00	93.33	86.67	83.61	87.86	89.71	89.29	100.00	100.00	100.00
Stairways	94.00	95.00	95.00	96.00	100.00	100.00	83.33	86.00	85.00	95.00	87.50	50.00	100.00	95.00
Restrooms	93.71	94.29	93.33	94.29	100.00	95.10	88.57	89.52	90.71	90.29	94.05	97.86	97.14	99.29
Office Areas	88.44	96.94	90.74	94.22	100.00	94.39	65.93	84.07	93.33	95.09	89.44	100.00	100.00	100.00
Break Rm/Kitchen	85.67	92.00	80.00	93.00	100.00	97.33	90.67	89.75	100.00	100.00	100.00	100.00	96.00	100.00
Cafeteria	80.00	90.00	N/A	N/A	100.00	87.50	N/A	80.00	N/A	N/A	73.33	N/A	N/A	N/A
Vending	93.33	95.00	N/A	85.00	100.00	86.00	75.00	92.50	N/A	100.00	100.00	100.00	100.00	100.00
Bldg Components	90.67	93.97	95.71	97.04	100.00	91.65	61.11	73.40	82.22	88.89	88.89	100.00	100.00	98.43
Life Safety Sys	86.67	100.00	93.33	100.00	90.00	92.00	60.00	96.00	76.67	83.75	92.00	100.00	100.00	100.00
Mechanical Rooms	95.24	100.00	89.17	95.71	80.00	95.00	N/A	72.50	67.52	78.89	88.57	N/A	82.86	100.00
Loading Dock Area	87.33	N/A	80.00	95.56	93.33	84.44	56.67	70.00	N/A	93.33	87.78	N/A	83.33	N/A
Parking	90.00	100.00	100.00	100.00	N/A	90.00	N/A	70.00	N/A	97.50	95.00	N/A	80.00	N/A
Grounds	90.00	100.00	92.50	N/A	85.71	82.86	80.00	76.00	80.00	93.75	91.43	91.43	80.00	80.00
Average	90.03	96.21	91.52	94.95	96.08	91.60	76.31	82.67	84.57	91.72	90.52	93.93	93.03	96.92

SURVEY FY 18	MHC		MSB		RSB		SOB		STASSEN		TRANSPORT- ATION		VETS	
	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17
Getting to work	94.75	92.50	90.50	94.75	98.50	99.00	96.50	98.67	94.50	95.25	97.50	98.25	82.00	91.00
Office Area	94.38	93.25	88.50	93.29	91.75	94.00	86.25	86.76	81.75	90.88	90.88	90.13	91.50	88.63
Facilities	96.50	96.83	97.33	95.67	95.00	96.67	98.00	98.84	96.00	95.50	96.00	95.50	91.17	97.50
Food Service	74.80	79.00	83.00	89.40	64.20	78.60	90.80	85.63	86.80	81.60	82.80	85.80	85.40	88.20
Security	90.00	84.50	80.00	74.00	97.00	97.00	74.50	87.26	96.50	92.50	94.50	93.50	93.00	85.00
FMD Services	97.00	100.00	96.00	100.00	98.00	100.00	98.00	92.50	99.00	97.00	100.00	99.00	94.00	100.00
Average	91.24	91.01	89.22	91.19	90.74	94.21	90.68	91.70	92.43	94.01	93.61	93.70	89.51	91.72



Repair and Other Jobs (ROJ) Fund 5400

Fiscal Year 2020 Business Plan

April 1, 2019

Christopher A. Guevin, Director
Department of Administration
Facilities Management Division
50 Sherburne Avenue
G-10 Administration Building
St. Paul, MN 55155
Phone: 651.201.2350
Fax: 651.297.5158

E-mail address: chris.guevin@state.mn.us

Web site: <http://mn.gov/admin/government/buildings-grounds/>

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Executive Summary

Who we are and what we do

Facilities Management Division (FMD) delivers consistent quality services to ensure clean, safe, and environmentally-sound buildings, grounds, and operations.

Repair and Other Jobs (ROJ) delivers competitively priced technical trade and repair services to tenants in buildings under the custodial control or management of FMD and to state agencies that have custodial control or management of state-owned buildings in the Twin Cities.

Our proposed rates

ROJ is proposing no rate changes to either Regular Labor or the Restricted Building Keys which account for 98% of our overall revenue. We are increasing three rates: Premium Labor, Non-Restricted Building Keys, and Other Keys. These three categories account for only 2% of our overall revenue. These rate changes are being made to better reflect actual costs. In addition, all rates will now meet the requirement for the minimum billing invoice amount of \$5.

FMD has changed its practice to cutting all keys from a code rather than duplicating from other keys. This method provides clean margins and notches that are not subject to wear. Cutting keys is considered best practice in the industry.

Restricted Building Keys cannot be duplicated and have always been cut from a code.

Beginning in FY 2020, ROJ will have 3 distinct categories for keys:

- Restricted Building Key (formerly Signature Key) - keys for buildings with secured entrances and exits
- Non-Restricted Building Key - keys for buildings that do not use Restricted Building Keys
- Other Keys - keys for file cabinets, modular furniture, and other

Service/Product Description	FY 2019 Rate (\$)	FY 2020 Rate (\$)	Change (\$)	Change (%)
Regular Hourly Rate	72.00	72.00	0.00	0%
Premium Hourly Rate	86.40	108.00	21.60	25%
Restricted Building Key	36.00	36.00	0.00	0%
Non-Restricted Building Key	2.00	5.00	3.00	150%
Other Keys	2.00	9.00	7.00	350%

Although the percentage increases for individual rates are large, it is important to note that the overall combined impact of these three increased rates is \$1,070 or 0% of the annual revenue. The rate changes will not have a material effect on any one customer but will improve our rate structure by better aligning rates with costs.

See page 17 for detailed rates.

Our successes and challenges

Successes

ROJ continues to provide customer service with a high level of craftsmanship and professionalism.

Challenges

- Predicting billable hours.
- ROJ expenses are sensitive to business volume with minimal opportunity for reduction.

Projected FY 2020 financial activity

Revenue	\$229,619
Expenses	\$251,337
Year-end Retained Earnings	\$40,954
Working Capital	\$41,890
Full Time Equivalents	1.59
Overall Rate Change	0%

The Business

Description of Business

How the business was created

- Statutory authority – M.S. 16B.24
- Year created - 1979
- Purpose – ROJ’s purpose is to deliver reasonably priced technical trade and repair services to tenants in buildings under the custodial control or management of FMD and to state agencies that have custodial control or management of state-owned buildings in the Twin Cities.
- Type of fund – internal service fund and receives no appropriation from the general fund.

Significant aspects of the business

- ROJ is an important complementary function to FMD’s Leases business. It provides a mechanism for FMD tenants to obtain high quality trade work at reasonable prices. This benefits Leases by ensuring the long-term health/safety of our buildings are maintained. ROJ team members also consider the impact to other building tenants each time work is completed.
- Services include maintenance and repair for systems outside the scope of the FMD Lease Agreement such as tenant owned electronic systems and alarms, keycard readers, motion detectors, cameras, and emergency generators.
- All work is completed in facilities under the custodial control or management of FMD or state agencies. See Appendix on page 32 for a list of the facilities managed by FMD.

Our location, hours, and website

The mailing address for ROJ is:
50 Sherburne Avenue
G-10 Administration Building
St. Paul, MN 55155

Hours: 6:30 am to 3:00 pm M-F

Services are occasionally available beyond these hours at the premium hourly rate.

Website: <http://mn.gov/admin/government/buildings-grounds/>

Our strengths and weaknesses

Strengths

- FMD team members have a thorough knowledge of the buildings under their care. All work is completed using products that comply with state environmental requirements and building codes.

- FMD team members take extra pride and care in their work as a result of their sense of “ownership” for the facilities under their custodial control.
- Because most state agency partners are located in the Capitol Complex, ROJ’s on campus location is beneficial as it supports a quick response and reduction in travel time which reduces costs.

Weaknesses

- Our team members’ main focus is completing preventive maintenance on FMD building systems and equipment. This limits the hours available for ROJ.
- We do not have an automated key management system. An automated system would improve response time to customer requests and eliminate several manual steps from the key cutting process.

Other key/significant business/financial information important to our business

- ROJ is managed as a business that competes with private organizations. Most customers choose their service provider based on cost, service, and convenience.
- Six facilities currently use Restricted Building Keys to improve security and reduce the risk from unauthorized usage. The cost of keys remain below actual cost to deter customers from using other vendors for security reasons.
- Maintaining retained earnings at a level that is equal to 60 days working capital; this is especially challenging due to the small size of this business.

Products and Services

Our main products/services and the benefits to customers

ROJ provides the following technical trade and repair services:

- Carpentry/Paint Shop services:
 - Carpentry - Installation of cabinets, counter tops, lay-in ceilings, furniture removal, relocation of doors and windows, and repair of office furniture/fixtures
 - Cabinetmaking - Design and fabrication of custom cabinets and counter tops
 - Painting - Painting, wallpapering, and refinishing of surfaces, furniture, and fixtures
 - Plastering - Taping sheetrock and applying plaster to existing surfaces as well as small concrete and ceramic tile projects
- Pipe Shop services:
 - Plumbing - Alterations and modifications of piping
 - Refrigeration - Installation, repair, and replacement of refrigeration equipment/appliances, air conditioning equipment, and pneumatic controls including thermostats
- Electric/Machine Shop services:
 - Electrical - Layout, design, and installation of electrical circuits to accommodate office remodeling and equipment locations
 - Machine - Fabrication of parts no longer available, repair of machines, and repair of office furniture
- Key/Locksmith Shop services:
 - Unlocking Items - Opening locked doors and other items including file cabinets
 - Installation/Replacement - Purchasing, installation, replacement of locks, lock-cylinders, and other components of locks
 - Re-keying - Re-keying of existing locks
 - Key Cutting - Cutting keys from codes
- Automation services:
 - Life/Safety - Installation, repair, and replacement of tenant owned electronic systems and alarms, keycard readers, motion detectors, and cameras
- Maintenance Engineering services:
 - Maintenance engineering - Repair, maintenance, and testing of tenant owned emergency generators
- Consultation Services:
 - Provide consultation and recommendations to state agencies in state-owned buildings related to facility repairs and maintenance

ROJ will have 3 distinct categories for keys:

- Restricted Building Key (formerly Signature Key) – for buildings that have keys with enhanced security. These keys require specific codes for duplication and are only available through FMD.

- Non-Restricted Building Key - keys for buildings that do not use Restricted Building Keys (keys identified as “Do Not Duplicate”).
- Other Keys - keys for file cabinets, modular furniture, and other.

Benefits to Partners:

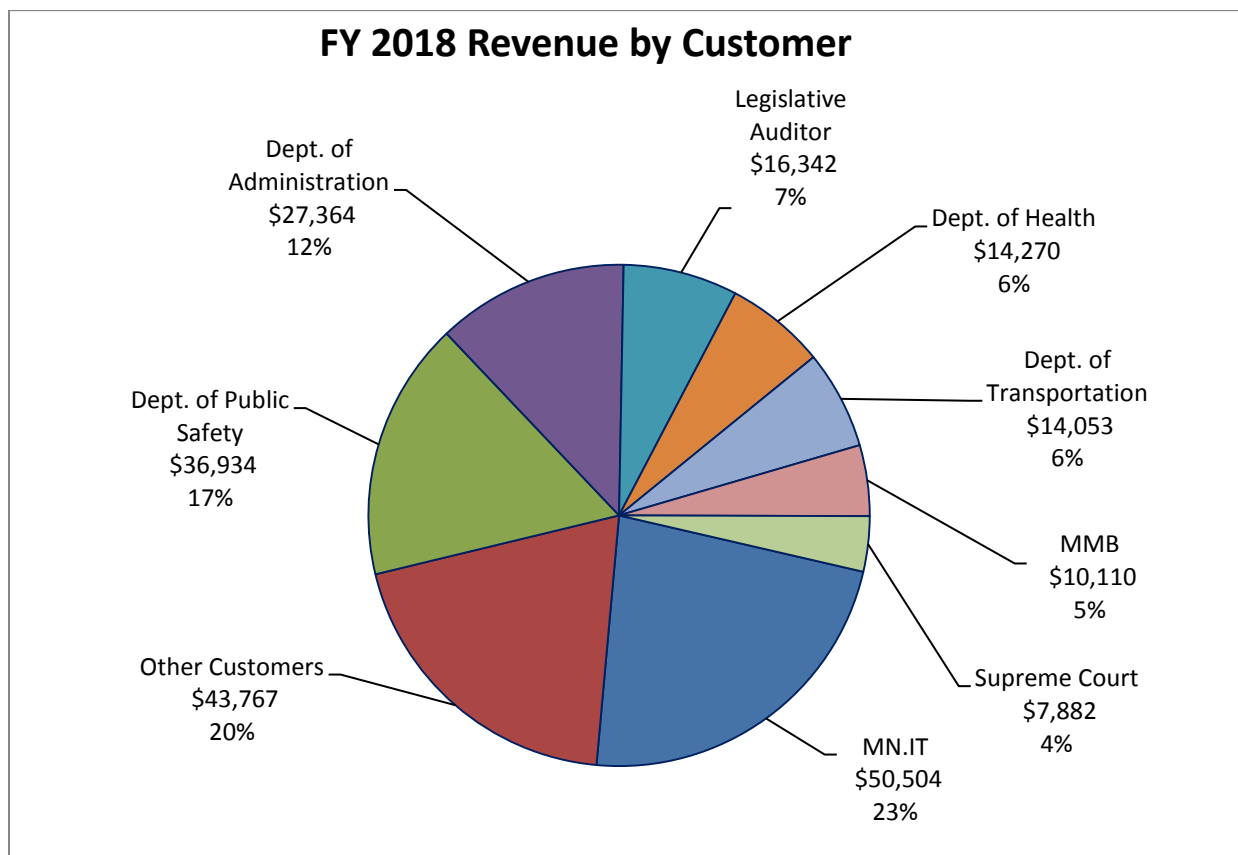
- Delivery of services at competitive prices
- Professional staff with knowledge about the services and the buildings
- Convenient location of trade shops in the Capitol Complex

Marketing

Our target audiences/customers

Most of ROJ's state agency partners are tenants in buildings under the custodial control of FMD. We have recently expanded our services to other state agencies with buildings in the Twin Cities such as Department of Transportation Aeronautics Building and Department of Public Safety Driver and Vehicle Services buildings. Our customer service strategy is to provide professional service, with a focus on quality and customer satisfaction.

Our key customers



How we reach out to potential partners

- Our team members' main focus is completing preventive maintenance on FMD building systems and equipment. This limits the hours available for ROJ. FMD does not actively market these services.
- Partners can directly request services by submitting a form, completing an online work order in Archibus, or submitting a purchase order via email to FMD.

What we have heard from our partners

In February 2019, ROJ sent 18 surveys related to work completed during FY 2019 to building key contacts and received 7 responses. A summary of the responses is shown below.

ROJ Customer Service Survey Results

	Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree	N/A
1. A timely response from initial contact was provided.	4	3				
2. Services were completed within estimated cost.	5	2				
3. Services were completed within estimated time.	2	4	1			
4. Job was completed in a neat and organized manner.	4	2	1			
5. Services were performed as requested.	4	3				
6. Work was conducted in a professional manner.	4	3				

Two separate customers neither agreed nor disagreed regarding timely services and job completion in a neat and organized manner. One of these customers commented about inadequate communication when a project was delayed; the other customer did not provide feedback to explain the rating. Our paint shop team better understands expectations now regarding customer communication.

Based on a separate customer comment, we will review our billing process to determine if changes can be made for timelier billing.

Competition

Our competition

- Most ROJ partners choose a service provider based on cost, service, and convenience.
- ROJ's competitors are construction/remodeling or preventive maintenance companies that provide technical trade and repair services.
- State agencies can purchase electrical, painting, and carpentry services directly from state contracts. In addition, the Equity Select procurement method allows state agencies to award directly to a Targeted Group, Economically Disadvantaged, or Veteran-Owned business up to \$25,000 without competitive solicitation. In accordance with state statute, contract workers are paid prevailing wage for state funded projects.
- ROJ labor charges are billed rounding to the nearest half hour.

How our rates compare

The tables below and on the next page compare ROJ's FY 2020 hourly rates with rates of competitors. Typically competitors mark-up supply costs and charge for mileage, equipment rental, and truck charges; ROJ does not. Many vendors also have a double time and weekend rate (not shown).

ROJ Hourly Rates compared to Competitors' Rates – Table 1 of 2

Trade	ROJ ¹	Vendor A ²	Vendor B ²	Vendor C ²	Vendor D ²	Vendor E ²	Vendor F ²
Carpentry	72.00		75.00				
Carpentry Premium	108.00		112.50				
Electrician	72.00	72.90		69.00	75.00		
Electrician Premium	108.00	104.00		101.00	90.00		
Plastering	72.00		75.00				
Plastering Premium	108.00		112.50				
Painting	72.00					57.00	82.50
Painting - Premium	108.00					65.00	94.88

¹ ROJ charges from portal to portal. Other vendors charge time when they begin work at the site.

² A, B, C, D, E and F are master contracts available for state agency use.

³ ROJ does not disclose the names of the vendors based on previous vendor input.

ROJ Hourly Rates compared to Competitors' Rates – Table 2 of 2

Trade	ROJ ¹	Vendor G
Plumbing	72.00	135.00
Plumbing Premium	108.00	202.50
Refrigeration	72.00	135.00
Refrigeration Premium	108.00	202.50
Maint. Engineering - Regular	72.00	135.00
Maint. Engineering - Premium	108.00	202.50

¹ ROJ charges from portal to portal. Other vendors charge time when they begin work at the site.

² ROJ does not disclose the names of the vendors based on previous vendor input.

Financial Outlook

Our current overall financial health

ROJ will provide customer rebates in FY 2019 which will result in FY 2020 retained earnings equal to working capital.

Changes to our rates, and why

ROJ is proposing no changes to the regular hourly labor rate and Restricted Building Key (formerly signature key) charge for FY 2020.

The premium hourly labor rate will increase from \$86.40 to \$108. This increased rate will reflect actual costs of compensatory time. The charges for Non-Restricted Building Keys and Other Keys will also increase from \$2 to \$5 and \$2 to \$9, respectively. These charges are increasing to better reflect actual costs and to meet the state requirement for the minimum billing invoice amount of \$5. The impact of these increased rates is \$1,070 or 0% of the annual revenue.

These rates will allow ROJ to cover costs and provide quality services while remaining competitively priced.

How our proposed rates will impact our financial health

Traditionally, Admin strives to maintain a retained earnings balance equal to the maximum allowable level, a 60 days working capital, in order to provide the cash flow necessary to operate the business without seeking assistance from the general fund.

ROJ will issue rebates in FY 2019 necessary to reduce retained earnings to 60 days of working capital level.

Retained earnings for FY 2020 are expected to decrease by \$19,075. This is expected to result in a FY 2020 ending retained earnings balance of \$40,954.

Predicting billable hours for ROJ is difficult with consideration of limited state agency budgets as well as the availability of staff. Most ROJ expenses are variable depending on business volume with little opportunity for reduction.

It is expected that billable hours for FY 2020 will be 2,344, which is lower than FY 2019 due to a one-time project in FY 2019.

How our proposed rates will impact our customers

ROJ will continue to offer the same services to its customers during FY 2020 at slightly increased rates (less 0% increase).

Financial Data

Assumptions for Rate Matrix

Minnesota Department Of Administration
 Repair And Other Jobs (ROJ) For Fiscal Year 2020

Revenues

SWIFT Account	Sales
670029	Change = (15%) or (\$41,494) FY 2019 was unusually high due to a large one-time project.

Expenses

SWIFT Account	Salaries & Benefits
41500-41070	Change = 5% or \$6,576 Based on MMB's projections.
	Repairs & Maintenance
41500	Change = (58%) or (\$48,751) FY 2019 was unusually high due to a one-time project.
	Rebates
442001	Change = (100%) or (\$120,000) FY 2019 rebates to customers to reduce retained earnings.

*Full-time equivalents (FTEs) for FY 2020 will be 1.59 compared to 1.54 in FY 2019.

*The assumptions for the business plan includes an inflation factor of 1.9% for most expense categories.

Rate Matrix

**Minnesota Department Of Administration
Repair And Other Jobs (ROJ) For Fiscal Year 2020**

	FY 2020	FY 2019	CHANGE	% CHANGE		
	UPDATED	ESTIMATE	FY20-FY19	\$ Change/FY19		
Salaries and Benefits	152,501	145,925	6,576	5%		
Rent - Equipment	11,413	11,200	213	2%		
Repairs & Maintenance	35,843	84,594	(48,751)	-58%		
Purchased Services	510	500	10	2%		
Supplies	26,083	25,597	486	2%		
Statewide Indirect Costs	24,987	24,521	466	2%		
Rebates	0	120,000	(120,000)	100%		
Subtotal	251,337	412,337	(161,000)	-39%		
Excluded from Rates						
Miscellaneous Revenue	(62,563)	(102,388)	39,825	-39%		
Basis for Rates before Adjustment	188,774	309,949	(121,175)			
Retained Earnings Adjustment	(19,075)	(138,581)	119,506			
Basis for Rates after Adjustment	169,699	171,368	(1,669)			

Billable Units	Regular Hours	Premium Hours	Restricted Bldg Keys	Non-restricted Bldg Keys	Other Keys	Misc Revenue	Total Revenue
Billable Units	2,319	25	83	88	38		
Prior Year (Actual)	2,319	51	83	0	126		
Change in Billable Units	0	(26)	0	88	(88)		
Rates							
Breakeven Rates before adjustment	80.35	96.42					
Breakeven at Prior Year billable hours	79.31	95.18					
Change in Break even Rates	1.04	1.24					
Breakeven Rates before adjustment	80.35	96.42					
Requested Rates	72.00	108.00	36.00	5.00	9.00		
Current Rates	72.00	86.40	36.00	2.00	2.00		
Requested VS Break Even Rates							
Requested Rates	72.00	108.00	36.00	5.00	9.00		
Breakeven Rates before adjustment	80.35	96.42					
Variance	(8.35)	11.58					
Revenues at Requested Rates	166,999	2,700	2,988	440	342		
Revenues at Break even Rates before Adjustment	186,364	2,410					
Revenue Variance	(19,365)	290					
Requested VS Current Rates							
Requested Rates	72.00	108.00	36.00	5.00	9.00		
Current Rates	72.00	86.40	36.00	2.00	2.00		
Change in Rates	0.00	21.60	0.00	3.00	7.00		
% Change in Rates	0%	25%	0%	150%	350%		
Revenues at Requested Rates	166,999	2,700	2,988	440	342	58,793	232,262
Revenues at Current Rates	166,999	2,160	2,988	176	76	58,793	231,192
Change in Revenues	0	540	0	264	266	0	1,070
Overall Change in Rates - %	0%						

Rate Matrix Computation

Minnesota Department Of Administration

Repair And Other Jobs (ROJ) For Fiscal Year 2020

1. Actual expenses for the past four years and current SWIFT reports were analyzed. FY 2019 and FY 2020 expenses are estimated based on available data. Billable hours and expense projections are based on historical experience with adjustments made for known changes in this business. Miscellaneous Revenue projections are reimbursement of expenses for supplies, generator rental, etc., everything directly related to a project besides labor. This is based on historical amounts. Expenses less key revenue and other reimbursements are the basis for the labor rate. Premium labor rate is 50% higher than regular labor rate.
2. Charges are allocated to ROJ when Facilities Management staff work on ROJ related activities.
3. ROJ does not have any capital assets.

Six-year Rate Comparison

Minnesota Department Of Administration

Repair And Other Jobs (ROJ) For Fiscal Year 2020

Rate	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Labor - Regular	\$45.50	\$65.50	\$72.00	\$72.00	\$72.00	\$72.00
Labor - Premium	54.60	78.60	86.40	86.40	86.40	108.00
Restricted Building Key	5.00	5.00	5.00	36.00	36.00	36.00
Non-restricted Building Key	1.10	1.10	1.10	2.00	2.00	5.00
Other Keys	1.10	1.10	1.10	2.00	2.00	9.00

The following buildings currently have restricted keys:

Ag/Health Laboratory

Andersen

Freeman

Minnesota Senate

Retirement Systems

State Capitol

Restricted Building Keys were previously called Signature Keys.

Other Keys include keys for file cabinets and modular furniture.

History and Proforma
Minnesota Department Of Administration
Repair And Other Jobs (ROJ) For Fiscal Year 2020

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	\$ CHANGE	% CHANGE
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATE	PROPOSED	FY20-FY19	\$ CHANGE/FY19
Operating Revenue								
Gross Sales	145,578	269,996	303,846	223,516	273,756	232,262	(41,494)	-15%
Less Intrafund Sales	(4,123)	(3,756)	(2,697)	(2,289)	(2,643)	(2,643)	0	0%
Net Sales	141,455	266,240	301,148	221,226	271,113	229,619	(41,494)	-15%
Operating Expenses								
Salaries and Benefits	128,031	151,948	154,113	136,851	145,925	152,501	6,576	5%
Rent - Equipment	9,000	10,716	11,600	11,214	11,200	11,413	213	2%
Repairs & Maintenance	8,318	21,990	55,639	19,029	84,594	35,843	(48,751)	-58%
Purchased Services	3,019	210	538	3,695	500	510	10	2%
Supplies	23,358	38,667	26,822	14,045	25,597	26,083	486	2%
Statewide Indirect Costs	96,042	28,509	772	6,326	24,521	24,987	466	2%
Rebates	0	0	0	0	120,000	0	(120,000)	-100%
Total Operating Expenses	267,768	252,041	249,484	191,160	412,337	251,337	(161,000)	-39%
Net Income (Loss)	(126,313)	14,199	51,664	30,066	(141,224)	(21,718)	119,506	
Adjustments for Intrafund Transactions	4,123	3,756	2,697	2,289	2,643	2,643	0	
Increase (Decrease) in Retained Earnings	(122,190)	17,955	54,361	32,355	(138,581)	(19,075)	119,506	
Beginning Retained Earnings	207,367	87,536	103,587	151,765	198,610	60,029	(138,581)	
Adjustment to Retained Earnings	2,360	(1,904)	(6,182)	14,489	0	0	0	
Ending Retained Earnings	87,536	103,587	151,765	198,610	60,029	40,954	(19,075)	

SWIFT Spending Plan
Minnesota Department Of Administration
Repair And Other Jobs (ROJ) For Fiscal Year 2020

		Fund 5400
		FinDept ID
		G0234240
Revenue Description	SWIFT Account	ROJ
ROJ Sales*	670029	\$229,619
Expense Description		
Salaries and Benefits	41000	146,960
Overtime/Premium	41050	4,255
Other Benefits	41070	1,286
Rent Equipment	41400	11,413
Repairs & Maintenance	41500	35,843
Purchased Services	43000	510
Supplies	41300	26,083
Statewide Indirect Costs	42010	24,987
Total		<u>\$251,337</u>

Notes

*Excludes intrafund sales

Projected Cash Flow
Minnesota Department Of Administration
Fund 5400 For Fiscal Year 2020

	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20
Projected Beginning Cash Balance	13,041,043	18,072,902	14,864,400	11,406,393	15,693,354	12,855,003	8,858,165	15,022,345	14,131,274	11,234,905	16,666,767	12,074,391
Receipts - operating	10,302,119	3,894,140	5,043,609	10,379,471	3,692,830	5,017,389	10,368,157	3,681,607	5,070,017	10,321,078	3,755,526	5,035,059
Transfer Ins	295,382	0	0	0	0	0	0	0	0	0	0	0
Minnesota Senate Garage Debt Service Pass Through	82,604	82,604	82,604	82,604	82,604	82,604	82,604	82,604	82,604	82,604	82,604	82,604
Total Cash Receipt	10,680,105	3,976,745	5,126,213	10,462,075	3,775,435	5,099,993	10,450,761	3,764,212	5,152,621	10,403,682	3,838,131	5,117,663
Expenses												
Salaries & Benefits	1,472,197	1,472,197	1,472,197	2,208,295	1,472,197	1,472,197	1,472,197	1,472,197	1,472,197	2,208,295	1,472,197	1,472,197
Utilities	543,507	1,442,387	553,707	865,847	904,310	995,164	885,318	947,290	995,513	790,077	799,205	857,805
M&L	494,102	2,038,888	1,035,361	1,294,305	824,475	1,362,777	140,137	467,285	314,979	506,000	493,804	195,388
Indirect Costs	0	0	220,272	0	0	220,272	0	0	220,272	0	0	220,272
Other Operating Expenses	2,081,603	1,120,691	719,297	749,830	429,758	464,303	733,360	697,942	463,911	411,879	593,136	610,777
Master Lease Payment	0	0	0	0	32,971	0	0	0	0	0	32,971	0
Capital Assets	0	54,245	0	0	89,613	0	0	15,000	0	0	0	0
Debt Service	1,056,838	1,056,838	1,056,838	1,056,838	2,552,338	1,055,570	1,055,570	1,055,570	1,055,570	1,055,570	4,356,070	1,055,570
Transfer Outs	0	0	3,526,549	0	0	3,526,549	0	0	3,526,549	0	0	3,526,549
Minnesota Senate Garage Debt Service Pass Through	0	0	0	0	308,125	0	0	0	0	0	683,125	0
Total Expense Paid	5,648,247	7,185,246	8,584,220	6,175,115	6,613,786	9,096,831	4,286,581	4,655,283	8,048,990	4,971,820	8,430,507	7,938,556
Projected Ending Cash Balance	18,072,902	14,864,400	11,406,393	15,693,354	12,855,003	8,858,165	15,022,345	14,131,274	11,234,905	16,666,767	12,074,391	9,253,498

Assumptions:
Fund 5400 includes FMD Leases and ROJ

Financial Statement

STATE OF MINNESOTA FACILITIES MANAGEMENT - LEASES, REPAIR AND OTHER JOBS FUND 5400 STATEMENT OF NET POSITION SEPTEMBER 30, 2018	2/6/2019 Unaudited	
	FY19	FY18
ASSETS		
CURRENT ASSETS		
Cash	\$ 14,107,599.99	\$ 9,990,147.24
Accounts Receivable - Leases	3,375,914.73	6,667,423.92
Accounts Receivable - Repairs and Other Jobs	27,087.78	54,799.78
Accounts Receivable - Other	236,722.53	278,600.11
Accounts Receivable - Non Trade (Note 3)	-	-
Due from Other Funds (Note 4)	25,324.50	66,731.79
Inventory - Supplies (Note 1)	314,674.10	272,805.87
Prepaid Expenses (Note 1)	-	64,354.86
Prepaid Insurance (Note 1)	-	342,097.50
Prepaid Insurance - Workers' Comp (Note 1)	-	331,032.00
Total Current Assets	<u>\$ 18,087,323.63</u>	<u>\$ 18,067,993.07</u>
NONCURRENT ASSETS (Note 5)		
Building Improvements	\$ 12,257,992.50	\$ 12,187,680.57
Accumulated Depreciation - Building Improvements	(5,615,168.52)	(5,200,941.70)
Infrastructure	900,934.39	879,533.00
Accumulated Depreciation - Infrastructure	(413,515.54)	(337,324.70)
Equipment	1,633,407.23	1,545,792.51
Accumulated Depreciation - Equipment	(881,049.05)	(857,722.61)
Art and Historical Treasures	260,866.50	260,866.50
Total Noncurrent Assets	<u>\$ 8,143,467.51</u>	<u>\$ 8,477,883.57</u>
TOTAL ASSETS	<u>\$ 26,230,791.14</u>	<u>\$ 26,545,876.64</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Other Postemployment Benefits Outflows (Note 9)	\$ 87,000.00	\$ -
Deferred Pension Outflows (Note 10)	23,901,000.00	32,935,000.00
Total Deferred Outflows of Resources	<u>\$ 23,988,000.00</u>	<u>\$ 32,935,000.00</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,215,455.66	\$ 2,491,914.51
Accounts Payable - Non Trade (Note 6)	263,750.48	-
Salaries and Benefits Payable	934,010.23	512,539.00
Retainage Payable (Note 7)	165,300.36	368,654.84
Unearned Revenue	240,977.25	669,501.36
Compensated Absences Payable (Note 8)	253,000.00	242,035.57
Due to Other Funds (Note 11)	134,751.99	38,801.25
Total Current Liabilities	<u>\$ 4,207,245.97</u>	<u>\$ 4,323,446.53</u>
NONCURRENT LIABILITIES		
Compensated Absences Payable (Note 8)	\$ 1,358,000.00	\$ 1,365,195.90
Other Postemployment Benefits (Note 9)	1,521,000.00	333,000.00
Net Pension Liability (Note 10)	28,630,000.00	47,032,000.00
Total Noncurrent Liabilities	<u>\$ 31,509,000.00</u>	<u>\$ 48,730,195.90</u>
TOTAL LIABILITIES	<u>\$ 35,716,245.97</u>	<u>\$ 53,053,642.43</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Other Postemployment Benefits Inflows (Note 9)	\$ 70,000.00	\$ -
Deferred Pension Inflows (Note 10)	17,137,000.00	3,434,000.00
Total Deferred Inflows of Resources	<u>\$ 17,207,000.00</u>	<u>\$ 3,434,000.00</u>
NET POSITION (Note 16)		
Net Investment in Capital Assets	\$ 8,143,467.51	\$ 8,477,883.57
Unrestricted Net Position	(10,847,922.34)	(5,484,649.36)
TOTAL NET POSITION	<u>\$ (2,704,454.83)</u>	<u>\$ 2,993,234.21</u>

STATE OF MINNESOTA
FACILITIES MANAGEMENT - LEASES, REPAIR AND OTHER JOBS FUND 5400
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

2/6/2019
 Unaudited

	FY19 QTD	FY19 YTD	FY18 QTD	FY18 YTD
OPERATING REVENUES (Note 1)				
Leases	\$ 18,753,482.45	\$ 18,753,482.45	\$ 18,261,223.69	\$ 18,261,223.69
Repair and Other Jobs	36,615.68	36,615.68	32,225.34	32,225.34
Other Revenues	225,268.87	225,268.87	216,092.09	216,092.09
Minnesota Senate Garage Debt Service Pass Through (Note 3)	248,562.47	248,562.47	247,812.47	247,812.47
Total Operating Revenues	\$ 19,263,929.47	\$ 19,263,929.47	\$ 18,757,353.59	\$ 18,757,353.59
OPERATING EXPENSES (Note 1)				
Salaries and Benefits	\$ 4,561,920.56	\$ 4,561,920.56	\$ 4,231,021.98	\$ 4,231,021.98
Utilities - Electric	1,645,858.99	1,645,858.99	1,613,906.17	1,613,906.17
Utilities - Water	199,261.83	199,261.83	159,805.58	159,805.58
Utilities - District Heat	364,954.72	364,954.72	323,935.38	323,935.38
Utilities - District Cooling	468,612.94	468,612.94	426,781.48	426,781.48
Utilities - Gas & Other	67,598.30	67,598.30	33,345.21	33,345.21
Repairs and Maintenance	608,610.41	608,610.41	384,878.98	384,878.98
Maintenance and Leasehold	395,743.40	395,743.40	739,059.16	739,059.16
Professional and Technical Services	61,142.01	61,142.01	40,458.08	40,458.08
Centralized IT Services	220,760.08	220,760.08	165,166.49	165,166.49
Vehicle Leases	58,968.56	58,968.56	61,721.60	61,721.60
Supplies and Materials	434,507.39	434,507.39	444,676.76	444,676.76
Purchased Services	172,490.96	172,490.96	136,227.97	136,227.97
Insurance	468,740.00	468,740.00	114,032.50	114,032.50
Indirect Costs	205,287.05	205,287.05	205,070.15	205,070.15
Depreciation	151,225.49	151,225.49	140,446.18	140,446.18
Other Expenses	421,815.73	421,815.73	172,537.42	172,537.42
Total Operating Expenses	\$ 10,507,498.42	\$ 10,507,498.42	\$ 9,393,071.09	\$ 9,393,071.09
OPERATING INCOME (LOSS)	\$ 8,756,431.05	\$ 8,756,431.05	\$ 9,364,282.50	\$ 9,364,282.50
NONOPERATING REVENUES (EXPENSES)				
Gain (Loss) on Disposal of Capital Assets	\$ 900.00	\$ 900.00	\$ 9,685.00	\$ 9,685.00
Total Nonoperating Revenues (Expenses)	\$ 900.00	\$ 900.00	\$ 9,685.00	\$ 9,685.00
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	\$ 8,757,331.05	\$ 8,757,331.05	\$ 9,373,967.50	\$ 9,373,967.50
TRANSFERS AND CONTRIBUTIONS				
Capital Contributions	\$ -	\$ -	\$ -	\$ -
Building Bond Interest Transfer Out (Note 12)	(891,961.50)	(891,961.50)	-	-
Building Depreciation Transfer Out (Note 12)	(2,746,901.00)	(2,746,901.00)	-	-
Debt Service Principal (Note 13)	(2,263,688.97)	(2,263,688.97)	(1,980,473.53)	(1,980,473.53)
Debt Service Interest (Note 13)	(906,824.40)	(906,824.40)	(1,193,955.56)	(1,193,955.56)
Building Replacement Fund Transfer Out (Note 14)	(149,264.50)	(149,264.50)	(149,264.50)	(149,264.50)
Minnesota Senate Garage Debt Service Pass Through (Note 3)	(248,562.47)	(248,562.47)	-	-
Total Transfers and Contributions	\$ (7,207,202.84)	\$ (7,207,202.84)	\$ (3,323,693.59)	\$ (3,323,693.59)
CHANGE IN NET POSITION	\$ 1,550,128.21	\$ 1,550,128.21	\$ 6,050,273.91	\$ 6,050,273.91
NET POSITION, BEGINNING	\$ (4,254,583.04)	\$ (4,254,583.04)	\$ (3,751,540.69)	\$ (3,751,540.69)
Adjustment to Net Position (Note 15)	-	-	694,500.99	694,500.99
NET POSITION, ENDING (Note 16)	\$ (2,704,454.83)	\$ (2,704,454.83)	\$ 2,993,234.21	\$ 2,993,234.21

STATE OF MINNESOTA
 FACILITIES MANAGEMENT - LEASES, REPAIR AND OTHER JOBS FUND 5400
 STATEMENT OF CASH FLOWS
 FOR THE QUARTER ENDED SEPTEMBER 30, 2018

2/6/2019
 Unaudited

	YTD
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 15,708,992.20
Receipts from Other Revenues	445,279.77
Payments to Claimants	(2,000.00)
Payments to Suppliers for Goods and Services	(5,975,815.40)
Payments to Employees	(4,477,027.66)
Net Cash Flows from Operating Activities	\$ 5,699,428.91
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Transfers In (Out) Building Bond Interest	\$ (891,961.50)
Operating Transfers In (Out) Building Depreciation	(2,746,901.00)
Debt Service Principal	(2,263,688.97)
Debt Service Interest	(906,824.40)
Operating Transfers In (Out) Building Replacement Fund	(149,264.50)
Archibus Framework and Improvements Transfer Out	-
State Government Sustainability Reporting Tool Transfer Out	-
Minnesota Senate Garage Debt Service Pass Through	-
SEGIIP Health Insurance Savings Transfer Out	(45,699.00)
Rent Rebate Payments	-
Net Cash Flows from Noncapital Financing Activities	\$ (7,004,339.37)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Investment in Capital Assets	\$ (40,745.65)
Proceeds from Disposal of Capital Assets	900.00
Repayment of Loan Principal	-
Capital Contributions	-
Net Cash Flows from Capital and Related Financing Activities	\$ (39,845.65)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings	\$ -
Net Cash Flows from Investing Activities	\$ -
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (1,344,756.11)
Cash and Cash Equivalents, Beginning, as Reported	15,452,356.10
Cash and Cash Equivalents, Ending	\$ 14,107,599.99
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities	
Operating Income (Loss)	\$ 8,756,431.05
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities	
Depreciation	151,225.49
(Increase) Decrease in Accounts Receivable	(3,429,047.14)
(Increase) Decrease in Due from Other Funds	(25,324.50)
(Increase) Decrease in Inventory	(55,160.48)
(Increase) Decrease in Prepaid Insurance & Expenses	-
(Increase) Decrease in Deferred Other Postemployment Benefits Outflows	-
(Increase) Decrease in Deferred Pension Outflows	-
Increase (Decrease) in Accounts Payable	(181,542.09)
Increase (Decrease) in Salaries and Benefits Payable	84,968.36
Increase (Decrease) in Unearned Revenue	240,705.75
Increase (Decrease) in Due To Other Funds	134,751.99
Increase (Decrease) in Compensated Absences	-
Increase (Decrease) in Other Postemployment Benefits	-
Increase (Decrease) in Other Current Liabilities	22,420.48
Increase (Decrease) in Net Pension Liability	-
Increase (Decrease) in Deferred Other Postemployment Benefits Inflows	-
Increase (Decrease) in Deferred Pension Inflows	-
Net Reconciling Items to be Added to (Deducted from) Operating Income	\$ (3,057,002.14)
Net Cash Flows from Operating Activities	\$ 5,699,428.91
Noncash Investing, Capital and Financing Activities	
Accrual of Building Improvements as an Investment in Capital Assets	\$ -

STATE OF MINNESOTA
 FACILITIES MANAGEMENT - LEASES, REPAIR AND OTHER JOBS FUND 5400
 STATEMENT OF BUDGET AND ACTUAL COMPARISON
 FOR THE QUARTER ENDED SEPTEMBER 30, 2018

2/6/2019
 Unaudited

	BUDGET QTD	BUDGET YTD	ACTUAL QTD	ACTUAL YTD	VARIANCE QTD	VARIANCE YTD
OPERATING REVENUES						
Leases	\$ 18,834,978.50	\$ 18,834,978.50	\$ 18,753,482.45	\$ 18,753,482.45	\$ (81,496.05)	\$ (81,496.05)
Repair and Other Jobs	33,440.64	33,440.64	36,615.68	36,615.68	3,175.04	3,175.04
Other Revenues	239,648.50	239,648.50	225,268.87	225,268.87	(14,379.63)	(14,379.63)
Minnesota Senate Garage Debt Service Pass Through	248,562.50	248,562.50	248,562.47	248,562.47	(0.03)	(0.03)
Total Operating Revenues	\$ 19,356,630.14	\$ 19,356,630.14	\$ 19,263,929.47	\$ 19,263,929.47	\$ (92,700.67)	\$ (92,700.67)
OPERATING EXPENSES						
Salaries and Benefits	\$ 4,832,777.25	\$ 4,832,777.25	\$ 4,561,920.56	\$ 4,561,920.56	\$ (270,856.69)	\$ (270,856.69)
Utilities - Electric	1,692,189.00	1,692,189.00	1,645,858.99	1,645,858.99	(46,330.01)	(46,330.01)
Utilities - Water	217,095.00	217,095.00	199,261.83	199,261.83	(17,833.17)	(17,833.17)
Utilities - District Heat	356,459.00	356,459.00	364,954.72	364,954.72	8,495.72	8,495.72
Utilities - District Cooling	513,470.00	513,470.00	468,612.94	468,612.94	(44,857.06)	(44,857.06)
Utilities - Gas & Other	87,834.00	87,834.00	67,598.30	67,598.30	(20,235.70)	(20,235.70)
Repairs and Maintenance	873,405.50	873,405.50	608,610.41	608,610.41	(264,795.09)	(264,795.09)
Maintenance and Leasehold	462,500.00	462,500.00	395,743.40	395,743.40	(66,756.60)	(66,756.60)
Professional and Technical Services	174,281.25	174,281.25	61,142.01	61,142.01	(113,139.24)	(113,139.24)
Centralized IT Services	221,765.25	221,765.25	220,760.08	220,760.08	(1,005.17)	(1,005.17)
Vehicle Leases	59,603.00	59,603.00	58,968.56	58,968.56	(634.44)	(634.44)
Supplies and Materials	488,450.00	488,450.00	434,507.39	434,507.39	(53,942.61)	(53,942.61)
Purchased Services	269,268.75	269,268.75	172,490.96	172,490.96	(96,777.79)	(96,777.79)
Insurance	278,946.00	278,946.00	468,740.00	468,740.00	189,794.00	189,794.00
Indirect Costs	232,971.50	232,971.50	205,287.05	205,287.05	(27,684.45)	(27,684.45)
Depreciation	154,681.50	154,681.50	151,225.49	151,225.49	(3,456.01)	(3,456.01)
Other Expenses	295,699.50	295,699.50	421,815.73	421,815.73	126,116.23	126,116.23
Total Operating Expenses	\$ 11,211,396.50	\$ 11,211,396.50	\$ 10,507,498.42	\$ 10,507,498.42	\$ (703,898.08)	\$ (703,898.08)
OPERATING INCOME (LOSS)	\$ 8,145,233.64	\$ 8,145,233.64	\$ 8,756,431.05	\$ 8,756,431.05	\$ 611,197.41	\$ 611,197.41
NONOPERATING REVENUES (EXPENSES)						
Gain (Loss) on Disposal of Capital Assets	\$ -	\$ -	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00
Total Nonoperating Revenues (Expenses)	\$ -	\$ -	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	\$ 8,145,233.64	\$ 8,145,233.64	\$ 8,757,331.05	\$ 8,757,331.05	\$ 612,097.41	\$ 612,097.41
TRANSFERS AND CONTRIBUTIONS						
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building Bond Interest Transfer Out	(891,981.50)	(891,981.50)	(891,981.50)	(891,981.50)	-	-
Building Depreciation Transfer Out	(2,746,901.00)	(2,746,901.00)	(2,746,901.00)	(2,746,901.00)	-	-
Debt Service Principal	(2,321,223.00)	(2,321,223.00)	(2,263,688.97)	(2,263,688.97)	57,534.03	57,534.03
Debt Service Interest	(847,071.00)	(847,071.00)	(906,824.40)	(906,824.40)	(59,753.40)	(59,753.40)
Building Replacement Fund Transfer Out	(149,265.00)	(149,265.00)	(149,264.50)	(149,264.50)	0.50	0.50
Minnesota Senate Garage Debt Service Pass Through	(248,562.50)	(248,562.50)	(248,562.47)	(248,562.47)	0.03	0.03
Total Transfers and Contributions	\$ (7,204,984.00)	\$ (7,204,984.00)	\$ (7,207,202.84)	\$ (7,207,202.84)	\$ (2,218.84)	\$ (2,218.84)
CHANGE IN NET POSITION	\$ 940,249.64	\$ 940,249.64	\$ 1,550,128.21	\$ 1,550,128.21	\$ 609,878.57	\$ 609,878.57

STATE OF MINNESOTA
 FACILITIES MANAGEMENT - LEASES, REPAIR AND OTHER JOBS FUND 5400
 FOOTNOTES TO FINANCIAL STATEMENTS
 FOR THE QUARTER ENDED SEPTEMBER 30, 2018

2/6/2019
 Unaudited

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Basis of Presentation:

The accompanying financial statements of the Facilities Management - Leases, Repair and Other Jobs fund have been prepared to conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

On July 1, 2011, the state implemented the Statewide Integrated Financial Tools (SWIFT). The amounts presented in the financial statements are based upon information available in SWIFT. The capital asset amounts are based upon historical records along with acquisitions and dispositions in FY19.

Reporting Entity:

The Leases activity is supported by various public and private entity rent payments for office and storage space. Revenue is recognized monthly in accordance with lease agreements. Repair and Other Jobs (ROJ) revenues are recognized when earned. No allowance is made for doubtful accounts. Other revenue consists primarily of the sale of electrical power usage above and beyond the scope of the lease agreements. Expenses are based on data received from SWIFT and the accrual of products/services for which payment has not been made. Facilities Management Division (FMD) maintains an inventory of supplies for cleaning and maintenance work. Inventory valuations are provided by FMD and maintained on a perpetual basis.

Basis of Accounting:

Facilities Management - Leases and ROJ Fund is an internal service fund accounted for using the full accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized as incurred.

Capital assets are generally defined as assets with an initial, individual cost of more than \$300,000 for buildings and depreciable infrastructure, \$5,000 or more for equipment and art and historical treasures, and \$30,000 or more for software and internally generated computer software (IGCS). Land, land improvements, building improvements, and easement assets are capitalized, regardless of cost. Capital assets must also have an estimated useful life of two or more years. Capital assets are recorded at cost or, for donated assets, at acquisition value at the date of acquisition.

Capital assets are depreciated using the straight-line method with no salvage value based on the following useful lives: 10-30 years for building improvements and infrastructure; 5 years for office equipment; 4 years for information technology (IT) equipment; 6 years for new vehicles; 4 years for used vehicles and related accessories; and 5-10 years for other equipment.

Changes in Classification:

In FY19, payments for services that cover more than one reporting period and in the amount of less than 3% of the total fund assets are all expensed when the services begin, not reported as prepaid.

2. LEGISLATION, AUTHORITY, AND CONTRIBUTIONS

FMD derives its operating authority from M.S. 16B.48.

Legislation	Amount	Description
YR 79 Chp 333, Sec 56, Subd 1(a)	\$ 37,000.00	Restricted contribution from the General Fund for Central Maintenance, 1979
YR 79 Chp 333, Sec 56, Subd 1(a)	46,000.00	Restricted contribution from the General Fund for Materials Transfer, 1979
YR 85 Chp 13, Sec 17	1,250,000.00	Contribution from the General Fund
YR 85 Chp 13, Sec 17	(146,750.00)	Transferred to Public Safety, Capitol Security Division, March 31, 1986
	(141,400.00)	Unallotment process due to budget restrictions, May 1986
	146,750.00	Capitol Security returned funds to operations, July 1987
YR 89 Chp 335, Art 1, Sec 15	(792,000.00)	Transferred to Print Communications Division, July 1, 1989
	(153,486.00)	Returned to General Fund due to FY03 budget reduction
YR 12 Chp 292, Art 4, Sec 16 Subd 1	(80,000.00)	Returned to the General Fund for the proceeds from sales of assets and other revenues related to Resource Recovery activities, July 5, 2012
FY13 State Employee Group Insurance Plan Reduction	(16,900.00)	Returned to General Fund, August 2012
Total General Fund Contributions	\$ 149,214.00	

3. ACCOUNTS RECEIVABLE - NON TRADE / MINNESOTA SENATE GARAGE DEBT SERVICE PASS THROUGH

Pursuant to Minnesota Laws of 2015, Chapter 77, Section 78, the Minnesota Senate Garage debt service is scheduled to be paid off over 24 years beginning FY16. The total FY19 amount is \$994,250.00.

Department of Administration (Admin) bills Minnesota Senate monthly through FMD Leases and ROJ Fund for the Minnesota Senate Garage Debt Service Pass Through based on the debt service payment schedule. The pass through receipts from Senate are used to pay the debt service in November and May each fiscal year through appropriation transfers.

Accounts Receivable - Non Trade reflects the balance due from Minnesota Senate for the Minnesota Senate Garage Debt Service Pass Through.

4. DUE FROM OTHER FUNDS

FY19 - As of September 30, 2018, the total Due from Other Funds is \$25,324.50.
 \$25,249.04 is due from Parking & Transit Fund 2000 for Parking & Transit non-salary expenses paid by Leases.
 \$75.46 is due from Capitol Events Fund 2000 for Capitol Events salary expenses paid by Leases.

FY18 - As of September 30, 2017, the total Due from Other Funds is \$66,731.79.
 \$26,167.36 is due from Parking & Transit Fund 2000 for Parking & Transit non-salary expenses paid by Leases.
 \$40,461.76 is due from Fund 2001 for Facility Repair and Replacement (FR&R) non-salary expenses paid by Leases.
 \$102.67 is due from Fund 6000 for Leases accounts receivable on-account balance deposited to Miscellaneous Agency Fund.

5. CAPITAL ASSETS

	Balance 7/1/2018	Additions	Deletions	Balance 9/30/2018
Building Improvements	\$ 12,257,992.50	\$ -	\$ -	\$ 12,257,992.50
Infrastructure	900,934.39	-	-	900,934.39
Equipment	1,606,481.03	32,936.68	(6,010.48)	1,633,407.23
Art and Historical Treasures	260,866.50	-	-	260,866.50
Total Capital Assets	\$ 15,026,274.42	\$ 32,936.68	\$ (6,010.48)	\$ 15,053,200.62
Accumulated Depreciation for:				
Building Improvements	\$ (5,512,074.51)	\$ (103,094.01)	\$ -	\$ (5,615,168.52)
Infrastructure	(394,522.15)	(18,993.39)	-	(413,515.54)
Equipment	(857,921.44)	(29,138.09)	6,010.48	(881,049.05)
Total Accumulated Depreciation	\$ (6,764,518.10)	\$ (151,225.49)	\$ 6,010.48	\$ (6,909,733.11)

6. ACCOUNTS PAYABLE - NON TRADE

As of September 30, 2018, the total Accounts Payable - Non Trade is \$263,750.48. Of this amount, \$15,188.01 is for capital assets - equipment. \$248,562.47 is for Minnesota Senate Garage Debt Service Pass Through that is billed to Minnesota Senate in FY19 first quarter and is scheduled to be transferred out to pay the debt services in November 2018 (see Note 3).

7. RETAINAGE PAYABLE

FY19 - As of September 30, 2018, the total retainage payable is \$185,300.36. Of this amount, \$110,792.93 is for Leases operating expenses; \$54,507.43 is for Leases Maintenance and Leasehold expenses. The retainage of these projects is 5% of the value of completed work to date in accordance with M.S. 337.10.

FY18 - As of September 30, 2017, the total retainage payable is \$368,654.84. Of this amount, \$112,157.62 is for Leases operating expenses; \$256,497.22 is for Leases Maintenance and Leasehold expenses. The retainage of these projects is 5% of the value of completed work to date in accordance with M.S. 337.10.

8. COMPENSATED ABSENCES

State employees accrue vacation leave, sick leave, and compensatory leave at various rates within limits specified in the collective bargaining agreements. Leave balances are liquidated upon separation from state employment. The balance is shown as a liability.

	Current	Noncurrent
Beginning Balance 7/1/2018	\$ 253,000.00	\$ 1,358,000.00
Increase	-	-
Decrease	-	-
Ending Balance 9/30/2018	\$ 253,000.00	\$ 1,358,000.00

9. OTHER POSTEMPLOYMENT BENEFITS

In FY08, the State of Minnesota implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions". This statement requires the state to measure and report Other Postemployment Benefits (OPEB) expenses and related liabilities.

In FY18, the State of Minnesota implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". This statement requires recording changes of total OPEB liability along with the inflows and outflows and expense associated with OPEB.

The June 30, 2018 liabilities and deferred outflows and inflows of resources are calculated using June 30, 2017 actuarial report as the June 30, 2018 information is not available in adequate time to incorporate in the financial statements, which is allowed by GASB 75.

A single rate of 3.58% was used to measure the total OPEB liability as of June 30, 2017. The single discount rate was based on a municipal bond rate of 3.58% (based on a 20-year Bond Buyer General Obligation Index as of the end of June 2017). Admin's allocation was determined based on the headcount of active employees and covered spouses eligible to receive health benefits.

The Net OPEB Liability (NOL) is equal to the actuarially determined total OPEB liability less the net position of the OPEB trust fund.

	Deferred OPEB Outflows	Other Postemployment Benefits	Deferred OPEB Inflows
Beginning Balance 7/1/2018	\$ 87,000.00	\$ 1,521,000.00	\$ 70,000.00
Change in Accounting Principle	-	-	-
Increase	-	-	-
Decrease	-	-	-
Ending Balance 9/30/2018	\$ 87,000.00	\$ 1,521,000.00	\$ 70,000.00

10. NET PENSION LIABILITY

Effective FY15, GASB established new accounting and financial reporting requirements for pension benefits. GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" requires the state to recognize the state's share of the pension plan's liabilities, deferred outflows of resources, and deferred inflows of resources. The pension plan contributions are based on a percentage of salary. The Minnesota State Retirement System (MSRS) prepares a Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, which is audited by the Office of the Legislative Auditor.

The June 30, 2018 liabilities and deferred outflows and inflows of resources are calculated using June 30, 2017 actuarial report as the June 30, 2018 information is not available in adequate time to incorporate in the financial statements, which is allowed by GASB 68.

The net pension liability is the difference between the total pension liability and the plan's fiduciary net position – accrued liability less the market value of assets.

The increase (decrease) in pension liability that is recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the difference between expected and actual experience in the measurement of the total pension liability, assumption changes, and investment experience.

	Deferred Pension Outflows	Net Pension Liability	Deferred Pension Inflows
Beginning Balance 7/1/2018	\$ 23,901,000.00	\$ 28,630,000.00	\$ 17,137,000.00
Increase	-	-	-
Decrease	-	-	-
Ending Balance 9/30/2018	\$ 23,901,000.00	\$ 28,630,000.00	\$ 17,137,000.00

11. DUE TO OTHER FUNDS

FY19 - As of September 30, 2018, the total Due to Other Funds balance is \$134,751.99.
\$116.19 is due to Parking & Transit Fund 2000 for Leases non-salary expenses paid by Parking & Transit.
\$134,635.00 is due to FR&R Fund 2001 for FR&R's non-salary expenses rebate deposited to Leases.

FY18 - As of September 30, 2017, the total Due to Other Funds balance is \$38,801.25.
\$37,601.25 is due to Parking & Transit Fund 2000 for Leases non-salary expenses paid by Parking & Transit.
\$1,200.00 is State Capitol Building after-hours events fees deposited to Leases. The fees collected will be moved to a special revenue fund when the new appropriation is set up in SWIFT.

12. BUILDING BOND INTEREST AND BUILDING DEPRECIATION

FMD does not own the state buildings from which lease revenue is collected. However, the lease rates include depreciation and bond interest on these buildings. The money collected for building depreciation and bond interest is transferred to the general, special revenue, and trunk highway funds.

13. DEBT SERVICE

In December 2005, the State of Minnesota began a 22 year basic lease purchase agreement for the lease/purchase of the Andersen and Freeman buildings. FMD, representing Admin as lessee, collects the lease revenues for the debt service bond principal and interest payments. FMD made the first principal and interest payment during the second quarter of FY06. The lease commenced December 1, 2005. The bonds were refinanced in May 2013 and the terms of the contract will be fulfilled December 1, 2025, when the final bond principal and interest payments are made. At that time, the State of Minnesota may elect to purchase the buildings for a sum of \$1.00 per building.

In June 2016, FMD made the first annual transfer for debt service principal and interest for the Minnesota Senate Building (MSB). Transfers will continue until June 2039.

14. BUILDING REPLACEMENT FUND

Beginning in the 1st quarter of FY08, per M.S. 16B.24 Subd 5E, FMD made transfers of appropriation to two special revenue funds. These funds were established to provide for future repair and replacement to the Andersen and Freeman buildings. These transfers will continue quarterly on an on-going basis until the state acquires title to these buildings and the accounts are subsequently abolished with the remaining funds transferred to the Facilities Repair and Replacement Fund.

15. ADJUSTMENTS TO NET POSITION

In FY19, as of September 30, 2018, the total of prior period adjustments is \$0.00.

In FY18, as of September 30, 2017, the total prior period adjustments are \$694,500.99. These adjustments include:
\$396,865.50 is due to the understatement of Capital Asset - Building Improvement.
\$319,105.11 is due to the understatement of Capital Asset - Infrastructure.
(\$5,552.00) is due to the understatement of Repairs and Maintenance expense - Leases.
(\$8,013.00) is due to the understatement of Professional and Technical Services expense - Leases.
(4,909.00) is due to the understatement of Maintenance and Leasehold expense - Leases.
(\$2,995.62) is due to the understatement of Depreciation - Equipment.

16. NET POSITION

The State of Minnesota implemented new accounting standards as prescribed by GASB. During FY02, the standards included revised statement formats which resulted in the change from Retained Earnings to Net Asset reporting. During FY13, Net Assets was renamed to Net Position; and Invested in Capital Assets, Net of Related Debt was renamed to Net Investment in Capital Assets. For historical cost comparison, the total net position and the retained earnings have been reconciled as shown below.

Net Investment in Capital Assets	\$	8,143,467.51			
Unrestricted Net Position		<u>(10,847,922.34)</u>			
Total Net Position	\$	<u>(2,704,454.83)</u>			
Schedule of Retained Earnings					
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Beginning Retained Earnings	\$	(4,403,797.04)			
Net Income (Loss)		1,550,128.21			
Adjustments to Net Position (Note 15)					
Ending Retained Earnings	\$	(2,853,668.83)			
Add: Capital Contributions (Note 2)	\$	149,214.00			
Reconciliation to Total Net Position	\$	<u>(2,704,454.83)</u>			

The FY15 implementation of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" required the recording of the net pension liability and the deferred inflows and outflows of resources associated with pensions. The FY18 implementation of GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" (OPEB) required recording changes of total OPEB liability along with the inflows and outflows and expense associated with OPEB. These caused the nonmajor enterprise and internal services funds to end in a deficit net position. The actuarially determined amounts are likely to vary significantly from year to year and are managed by the retirement systems and the Minnesota Legislature to ensure the defined benefit plans are adequately funded to pay plan benefits to employees participating as they become due. For these reasons, the state does not include the pension and OPEB related liabilities or deferred inflows and outflows of resources in the rate-setting process for managing these funds as long as the funds are contributing the statutory required contributions. The amounts will continue to be monitored by the retirement systems administering these plans and the Minnesota Legislature.

STATE OF MINNESOTA
 FACILITIES MANAGEMENT - LEASES, REPAIR AND OTHER JOBS FUND 5400
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS BY COST CENTER
 FOR THE QUARTER ENDED SEPTEMBER 30, 2018

2/6/2019
 Unaudited

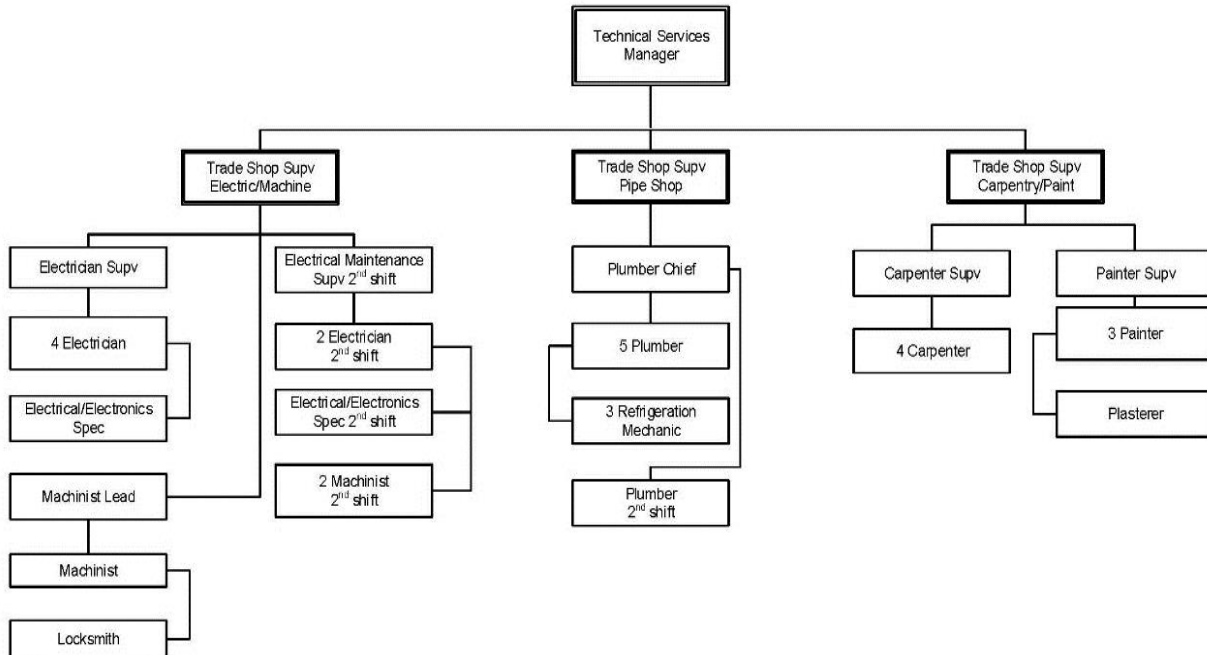
	Fund Total	Leases	Repair and Other Jobs	MN Senate Garage Debt Service Pass Through
OPERATING REVENUES				
Leases	\$ 18,753,482.45	\$ 18,753,482.45	\$ -	\$ -
Repair and Other Jobs	36,615.68	-	36,615.68	-
Other Revenues	225,268.87	225,268.87	-	-
Minnesota Senate Garage Debt Service Pass Through	248,562.47	-	-	248,562.47
Total Operating Revenues	\$ 19,263,929.47	\$ 18,978,751.32	\$ 36,615.68	\$ 248,562.47
OPERATING EXPENSES				
Salaries and Benefits	\$ 4,561,920.56	\$ 4,526,534.39	\$ 35,386.17	\$ -
Utilities - Electric	1,645,858.99	1,645,858.99	-	-
Utilities - Water	199,261.83	199,261.83	-	-
Utilities - District Heat	364,954.72	364,954.72	-	-
Utilities - District Cooling	468,612.94	468,612.94	-	-
Utilities - Gas & Other	67,598.30	67,598.30	-	-
Repairs and Maintenance	608,610.41	603,492.51	5,117.90	-
Maintenance and Leasehold	395,743.40	395,743.40	-	-
Professional and Technical Services	61,142.01	61,142.01	-	-
Centralized IT Services	220,760.08	220,760.08	-	-
Vehicle Leases	58,968.56	58,968.56	-	-
Supplies and Materials	434,507.39	432,228.90	2,278.49	-
Purchased Services	172,490.96	172,490.96	-	-
Insurance	468,740.00	468,740.00	-	-
Indirect Costs	205,287.05	199,156.80	6,130.25	-
Depreciation	151,225.49	151,225.49	-	-
Other Expenses	421,815.73	421,813.47	2.26	-
Total Operating Expenses	\$ 10,507,498.42	\$ 10,458,583.35	\$ 48,915.07	\$ -
OPERATING INCOME (LOSS)	\$ 8,756,431.05	\$ 8,520,167.97	\$ (12,299.39)	\$ 248,562.47
NONOPERATING REVENUES (EXPENSES)				
Gain (Loss) on Disposal of Capital Assets	\$ 900.00	\$ 900.00	\$ -	\$ -
Total Nonoperating Revenues (Expenses)	\$ 900.00	\$ 900.00	\$ -	\$ -
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	\$ 8,757,331.05	\$ 8,521,067.97	\$ (12,299.39)	\$ 248,562.47
TRANSFERS AND CONTRIBUTIONS				
Capital Contributions	\$ -	\$ -	\$ -	\$ -
Building Bond Interest Transfer Out	(891,961.50)	(891,961.50)	-	-
Building Depreciation Transfer Out	(2,746,901.00)	(2,746,901.00)	-	-
Debt Service Principal	(2,263,688.97)	(2,263,688.97)	-	-
Debt Service Interest	(906,824.40)	(906,824.40)	-	-
Building Replacement Fund Transfer Out	(149,264.50)	(149,264.50)	-	-
Minnesota Senate Garage Debt Service Pass Through	(248,562.47)	-	-	(248,562.47)
Total Transfers and Contributions	\$ (7,207,202.84)	\$ (6,958,640.37)	\$ -	\$ (248,562.47)
Adjustments for Intrafund Transactions (see below)	\$ -	\$ (36.00)	\$ 36.00	\$ -
CHANGE IN NET POSITION	\$ 1,550,128.21	\$ 1,562,391.60	\$ (12,263.39)	\$ -
NET POSITION, BEGINNING	\$ (4,254,583.04)	\$ (4,236,916.60)	\$ (17,666.44)	\$ -
Adjustment to Net Position	-	-	-	-
Change in Accounting Principle	-	-	-	-
NET POSITION, ENDING	\$ (2,704,454.83)	\$ (2,674,525.00)	\$ (29,929.83)	\$ -
To account for Intrafund transactions, sales and expenses have been reduced as listed below:				
Sales	\$ 180,253.35	\$ 180,217.35	\$ 36.00	\$ -
Expenses	\$ 180,253.35	\$ 180,253.35	\$ -	\$ -

Supporting Information

Organization Chart

The budgeted FTE for FY 2020 is 1.59 compared to 1.54 in FY 2019. The slight increase is related to a change in agency allocation. All staff are primarily funded from FMD's Leases activity.

Department of Administration Facilities Management Division



Licensure Requirements

In addition to a Class “D” driver’s license, additional licensure requirements for ROJ staff are listed below.

Classification	Licensure/Certification Required
Trade Shop Supervisor/Electric Shop	Class “A” Master Electrician
Electrician Supervisor	Class “A” Master Electrician
Electrical Maintenance Supervisor	Class “A” Master Electrician
Electrician	Class “A” Journeyworker Electrician
Electrical/Electronic Specialist	Class “A” Journeyworker Electrician
Electronic Systems Specialist	Class “A” Journeyworker Electrician or Registered Unlicensed Electrician
Trade Shop Supervisor/Pipe Shop	Master Plumber Licensure
Plumber Chief	Master Plumber Licensure
Plumber	Journeyworker Plumber Licensure
Refrigeration Mechanic	Air Conditioning/ Refrigeration Certificate of Competency and Refrigerant Transition and Recovery Certification
Plant Maintenance Engineer Chief	Chief “C” Operating Engineer
Plant Maintenance Engineer	1 st Class “C” Operating Engineer

Appendix

The 20 tenant occupied facilities under FMD's custodial control or management are:

- 321 Grove Building 2
- 691 N. Robert Street
- Administration Building
- Ag/Health Laboratory
- Andersen Building
- BCA Maryland
- Centennial Office Building
- Ely Revenue Building
- Fleet & Surplus Services Building
- Freeman Building
- Governor's Residence
- Judicial Center
- Minnesota History Center
- Minnesota Senate Building
- Retirement Systems Building
- Stassen Building
- State Capitol Building
- State Office Building
- Transportation Building
- Veterans Service Building

Office Memorandum

Date: October 14, 2019

To: Alice Roberts-Davis, Commissioner

From: Britta Reitan, Assistant Commissioner and
State Budget Director

Subject: Approval of FY 2020 Rates for Repair and Other Jobs - Keys

In July 2019, in response to your request, Minnesota Management and Budget (MMB) approved the FY 2020 rates for Repair and Other Jobs as proposed in the business plan and rate matrix submitted in April 2019. Rates for non-restricted building keys and other keys were excluded from this approval pending the receipt of more information to justify the requested rate increases.

Having received said information on August 26, 2019, the proposed rates of \$5.00 for non-restricted building keys and \$9.00 for other keys are now approved. These rates may be effective as of the date of this memo.

MMB notes that these rates are under the maximum estimated cost of producing keys. While MMB recognizes this calculation is difficult, MMB encourages Admin to continue to work toward developing a method of calculating an average cost.

cc: Lenora Madigan, Department of Administration
Rachel Douglas, Department of Administration
Angela Vogt, Minnesota Management and Budget
Brian Hornbecker, Minnesota Management and Budget

MNIT Services

Services Provided

MNIT Services is the State of Minnesota's Information Technology (IT) Agency. MNIT Services provides a full range of services for the State of Minnesota's executive branch agencies, boards, councils and commissions including a subset of those services for other state government entities and education institutions. MNIT Services sets IT strategy, direction, policies and standards for the State. The agency builds, maintains and secures the State's IT infrastructure and thousands of applications that support the State's online services for Minnesota's citizens.

MNIT Internal Fund (5500 Fund) Services include:

- Server and application hosting, cloud services and database management, and Windows server and workstation support
- Development of testable disaster recovery strategies for business systems.
- Comprehensive IT Security services for security monitoring, vulnerability and risk assessment
- Comprehensive business, information, and service architecture for state information systems
- Website design, secure website hosting, remote content management, identity and access management and migration
- Hardware, software and IT commodity standards, enterprise-wide software licensing, and IT professional services
- Agency assistance in compliance with state requirements for requests for proposals, statements of work, vendor choice and master contracts
- Transportation of voice, data, video, and Internet transmissions over a shared infrastructure connecting public entities
- Local and long-distance telephone service, IP Telephony hosted service, voice mail, audio conferencing, and translation service

How rates are computed for FY2020

MNIT Services provides two kinds of IT services for the executive branch

1. Rate based Enterprise or shared services that are provided centrally and charged based on biennial service rates. These services are in the MNIT Internal Service Fund (Fund 5500).
2. Locally managed services for agency-specific applications, projects and services that are not rate based and directly charged in arrears to agencies as pass through actual vendor costs without any mark ups. Since FY19 these services are no longer in the MNIT Internal Service Fund and are accounted for in the 2001 Fund which is part of the General Fund.

This section pertains only to rate based enterprise services. For rate-based enterprise services MNIT utilizes a service cost model to drive the creation of service rates. At a high level, an IT service cost model provides a means to convert general ledger cost centers (MNIT Findepts) to a service to view the unit cost (rate) of individual services. Costs are all allowable costs including direct, indirect and overhead costs. Rates are calculated for the majority of services by dividing the total cost by forecasted volumes (estimated consumption units for each service). For some services, cost- or cost-plus rates are established that are essentially a pass-through cost from a vendor.

For rate-based enterprise services MNIT utilizes a cost allocation tool, M-PWR, from Nicus Software, Inc. that (1) assigns costs directly to IT standard services and (2) allocates infrastructure costs to higher levels according to established unit volume/metrics.

Adjustments of Billed Central Services

MNIT has several product lines and each product line is a grouping of many services (this has not changed from prior years). Product line performance is evaluated at the product grouping level. Product lines can break even, under recover or over recover. Over recoveries can result in an excess fund balance.

Starting with FY19, for each product line, any excess fund balance will be adjusted by reducing future billing rates for services in that product line. The adjustment will be made in the second year following the year of the excess fund balance. Where a rate adjustment in the future is not appropriate due to a discontinued service, or the customer base has changed or for other practical reasons we would prefer to offer a rebate to the customer and respective program(s). Rebates would be accrued in the year of over recovery and processed the following year. These are allowable methods of adjustment as per 2 CFR Appendix V to Part 200, Section G.4 of the Uniform Guidance. The adjustment to future rates methodology is demonstrated in Exhibit B of the OASC-10 guidelines.

The product line performance at the product grouping level is a combination of the under and over recoveries for each service in that grouping. Rebates/rate adjustments are calculated at the service level. In a situation where a product line has a net over recovery resulting in an excess fund balance some services in that product line would need rate increases and some rate reductions in order to achieve an adjustment of the excess fund balance. A simplistic example is provided below.

Product line ABC	Over (Under) Recovery
Product A	\$200
Product B	\$100
Product C	\$(50)

	\$250

Product line ABC has an overall over recovery of \$250. In order to achieve a rate reduction in this amount we will need to reduce rates for Product A and Product B and then increase rates for Product C.

MNIT may also address under recoveries of product lines by increasing rates in future years or billing customers for the under recovery to ensure sustainability and good cash management.

For FY20 any excess fund balance will be adjusted in FY22 rates. A mid-year rate adjustment will be submitted to reflect the rate adjustment since MNIT has already set rates for the FY22-23 biennium.

The adjustments to rates will be tracked on the MNIT product line performance from year to year to ensure that retained earnings reserves are maintained to just the 60-day working capital requirement.

STATE OF MINNESOTA
 FY20 PRODUCT LINE PERFORMANCE
 MNIT SERVICES
 February 19, 2021
 (In Thousands)

RATE CATEGORY	REVENUE				COST										END. FUND BALANCE @ 06/30/20 INCLUDING IMPUTED INTEREST (COL. 13)	ALLOWABLE RESERVE (60 DAY W/C) (COL. 14)	ADJUSTMENT TO FY21 RATES (COL. 15)	ADJUSTMENT TO FY22 RATES (COL. 16)	06/30/2020 EXCESS FUND BALANCE (COL. 17)	DEPRECIATION & AMORTIZATION FY20 (COL. 18)	Ending Fund Balance Carryforward (COL. 19)
	BEG. FUND BALANCE @ 07/01/2019 (COL. 1)	ACTUAL BILLED REVENUE FROM CUSTOMERS (COL. 2)	LESS: REBATE (COL. 3)	NON-OP REVENUE (COL. 4)	ADJUSTED REVENUE (COL. 5) (COL. 2+3+4)	OPERATING EXPENSES (COL. 6)	NON-OPERATING EXPENSES (COL. 7)	TOTAL COST (COL. 8) (COL. 6+7)	UNALLOWABLE EXPENDITURES (COL. 9)	ADJUSTED COST (COL. 10) (COL. 8-9)	NET CHANGE IN ASSETS (COL. 11) (COL. 6-17)	END. FUND BALANCE @ 06/30/2020 (COL. 19) (COL. 1+18)	IMPUTED INTEREST ON AVE MONTHLY CASH BALANCE (COL. 12)								
MANAGED SERVICES																					
Hosting Services	\$11,162	\$70,711	(\$1,334)	\$107	\$69,484	(\$3,249)	\$259	(\$2,990)	(\$65,216)	\$62,225	\$7,259	\$18,421	\$18,421	\$9,956	(\$2,683)	(\$5,782)	(\$0)	\$2,487	\$18,421		
Data Management (Storage)	\$1,800	\$5,632		\$45	\$5,676	\$1,096	\$69	\$1,166	(\$4,454)	\$5,620	\$56	\$1,856	\$1,856	\$808	(\$493)	(\$556)	(\$0)	\$775	\$1,856		
TELECOMMUNICATIONS																					
WAN Services	\$5,977	\$37,217		\$146	\$37,363	\$5,876	\$258	\$6,135	(\$27,892)	\$34,026	\$3,337	\$9,314	\$9,314	\$5,090	(\$746)	(\$3,478)	(\$0)	\$3,485	\$9,314		
Contracted Telecom Services	\$783	\$10,418		\$3	\$10,421	\$6,272	\$22	\$6,293	(\$3,968)	\$10,261	\$159	\$942	\$942	\$1,697			\$0	\$81	\$942		
IP Services	\$2,401	\$10,661		\$13	\$10,674	\$5,594	\$35	\$5,629	(\$5,131)	\$10,760	(\$86)	\$2,316	\$2,316	\$1,730	(\$517)	(\$68)	\$0	\$379	\$2,316		
ENTERPRISE APPLICATIONS																					
Workplace Services	\$3,647	\$52,304		\$2	\$52,307	(\$7,182)	\$93	(\$7,089)	(\$58,727)	\$51,638	\$668	\$4,315	\$4,315	\$8,604			\$0	\$12	\$4,315		
Business Process Management	(\$2)	\$195		\$0	\$195	(\$82)	\$0	(\$82)	(\$246)	\$164	\$31	\$29	\$29	\$27		(\$2)	\$0	\$1	\$29		
BUSINESS SERVICES																					
Customer Project Services	(\$106)	\$10,062		\$0	\$10,062	\$7,050	\$11	\$7,061	(\$3,412)	\$10,473	(\$411)	(\$517)	(\$517)	\$1,745			\$0	\$1	(\$517)		
MNIT Admin Chrgs	\$1,135	\$18,460		\$2	\$18,462	(\$12,928)	\$23	(\$12,905)	(\$31,361)	\$18,457	\$5	\$1,140	\$1,140	\$3,048			\$0	\$167	\$1,140		
Agency IT Services	(\$48)	\$7,705		\$0	\$7,705	\$7,695	\$0	\$7,695	\$0	\$7,695	\$11	(\$38)	(\$38)	\$406			\$0	\$5,259	(\$38)		
GRAND TOTAL	\$26,749	\$223,365	(\$1,334)	\$318	\$222,349	\$10,142	\$771	\$10,913	(\$200,407)	\$211,320	\$11,030	\$37,779	\$37,779	\$33,112	(\$4,439)	(\$9,886)	\$0	\$12,647	\$37,779		
	(a)	(b)	(c)	(d)	(e)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)		

COMMENTS/FOOTNOTES:
 (a) Beginning Fund Balance @ 7/1/2019 - FY19 Product Line Performance ending balance.
 (b) Billed Revenue
 (c) Rebate Accrued for FY20 (\$1,334,000).
 (d) Non-Operating Revenues - Includes Interest Revenue of \$318,000
 (e) Sum of Operating and Non-Operating CAFR Revenue
 (g) Operating Expenses - Total Service Expenses (Direct, Allocated and Overhead), and Allocated Pension (Col. 10).
 (h) Non-Operating Expenses - Includes \$234,000 of Unallowable Interest, \$427,000 of Master Lease Interest, and \$110,000 of Transfers
 (i) Unallowable and Excluded Expenditures - (\$201,832,000) of Pension accrual, \$234,000 of Cash Assistance interest, and \$1,191,000 of OPEB accrual.
 (j) Total Operating and Non-Operating Expenses less unallowable Pension, OPEB, and unallowable expenses.
 (k) Avg Cash Balance was negative (5,009,089) resulting in zero imputed interest.
 (l) Allowable Reserve is based on Adjusted Total Cost of \$211,320 less Depreciation & Amortization of \$12,647,000.



Proposed Enterprise Rates for Minnesota IT Services

FY 2020-21 Rate Package | October 31, 2018



Office Memorandum

Date: June 3, 2019

To: Tarek Tomes, Commissioner, Minnesota IT Services

From: Myron Frans, Commissioner, Minnesota Management and Budget 

Approval of MNIT FY 2020-21 Enterprise Service Rates

The purpose of this memo is to convey approval of MNIT's FY2020-21 Enterprise Services rate plan, effective July 1, 2019, which is estimated to generate \$200.64 million in total central revenue for MNIT in each year of the biennium.

The approval of this plan assumes the final wave of agencies will purchase enterprise IT services from MNIT. Adding this final wave sets the stage for full optimization, to maximize efficiencies and provide high value services through MNIT's centralized model.

We expect that MNIT will limit its operating expenses to the amounts reflected in the rate submittal, and MNIT will continue to communicate with agencies to discuss the impact of the rate plan. This includes providing information necessary for budgeting and monitoring service levels in the upcoming FY 2020-21 biennium.

Thank you for your agency's work during the rate setting process and for the additional information that has been provided at our request. We look forward to our continued collaboration on improving the delivery of IT services to state government.

cc: Jon Eichten, MNIT
Justin Kaufman, MNIT
Tu Tong, MNIT
Uma Venkat, MNIT
Tony Rees, MNIT
Britta Reitan, MMB
Alisha Cowell, MMB
Marianne Conboy, MMB

Internal Memo

Date: 10/30/2018

To: Britta Reitan, State Budget Director

From: Johanna Clyborne, Commissioner and State CIO *JCC 10/31/18*

RE: Proposed FY20-21 Enterprise Rates

Enclosed for your review is the final rate package proposing the FY20-21 biennial rates for enterprise IT service. As you know we have had a series of meetings with the Finance Steering Team (FST) and MMB where we were able to present this rate package and to answer questions from the FST and MMB. It is my firm belief that the budget and resulting rates that MNIT proposes will allow us to do the following:

- Accommodate volume increases in certain areas
- Upgrade and replace end of life equipment in Hosting and Telecom
- Implement needed technologies that will benefit our customers such as cloud and virtualization services

Some of the key assumptions underlying the FY2020-21 budget and rate setting process are as follows:

- FY20 service rates are set at 100% break-even following the precedent set in FY18 and in accordance with OLA recommendations and MMB policy
- All enterprise agency volumes and expenses are included in FY20-21 workstation management, service desk, mobile device management and enterprise software service rates
- DOT volumes and costs are included in FY20-21 hosting rates
- An attrition factor of 4.93% is included in FY20-21 salary projections.
- Contractual step increases are included in the salary budget
- COLA increases are not included in the salary budget
- Meetings were held with agency staff to present estimated impact of the proposed FY20-21 rates and answer questions about incorporating appropriate IT spend amounts into agency biennial budgets.
- The FY20-21 service portfolio was further simplified through additional service consolidation and service code elimination

We would like to thank you for your support and cooperation during the FY20-21 enterprise rate process and very much look forward to continued collaboration and partnership with MMB and agencies as we we continue to improve IT services for the State of Minnesota.

cc: Alicia Cowell, MMB

Marianne Conboy, MMB

Tu Tong, MN.IT

Jon Eichten, MN.IT

William Poirier, MN.IT

Tony Rees, MN.IT



FY2020-21 Enterprise Rates

MNIT

Submitted October 31, 2018

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Introduction

The rates proposed in this document are for technology services MNIT will provide to executive branch agencies and other Minnesota government customers in the FY20-21 biennium. This two-year, biennial rate package aligns with state budgeting timelines for executive branch agencies and is consistent with best practices set forth by the Department of Administration and other states including Maine and Michigan.

As recommended by the Office of the Legislative Auditor, Minnesota Management and Budget (MMB) and the Financial Steering Team (FST), these rates are set at 100% break-even to avoid any over or under cost recovery.

Scope of This Rate Package

MNIT provides two categories of IT services to the executive branch:

- Enterprise or shared services that are provided centrally and charged based on biennial service rates
- Locally managed services for agency-specific applications, projects and services that charged back to partner agencies on a direct basis

This rate package addresses only the enterprise or shared services provided primarily to executive branch customers. Minnesota non-executive branch customers do purchase select enterprise services; primarily telephone and network options.

Consolidation of Financial Resources

High business-value IT services require optimized technology that maximizes core infrastructure efficiency. Consolidating financial resources is the way to realize these business benefits. The benefits to business from consolidated management of financial resources are numerous:

- Agencies have increased visibility into enterprise service costs
- Accountability for IT spending is increased through unified, centralized reporting
- Centralized procurement and contract functions achieve volume savings
- Spending trend analysis can be used by to target and schedule investments leading to efficiencies and cost avoidance

Despite the enormous benefits of consolidated financial management, transitioning a large group of executive branch agencies to centralized financial management is a complex undertaking. In 2015, MNIT began a phased approach over five- years that transitioned agencies to consolidated financial processes in billing, procurement, federal program compliance, revisions of cost allocation plans and agency reporting requirements.

The phases are referred to as “waves” and early adopter agencies are referred to as “Wave 1 or Wave 2 agencies” depending on when they transitioned their procurement. The various phases of financial consolidation are outlined below:

- FY2014 - financial consolidation of selected agencies.
- FY2015 – most executive branch agencies transitioned to consolidated procurement and centralized payroll processing with the following exceptions: DHS did not transition procurement and Commerce, Education, DEED, Health, DHS, DNR, PCA, DPS, and DOT did not transition payroll processing.

- FY2016 - financial consolidation of executive branch agencies except for DHS procurement and payroll processing for DPS, DEED, and DNR, who continued to manage their own payroll.
- FY2017 - adopted payroll processing of remaining agencies DPS, DEED, and DNR.
- FY2018 and beyond - assumption is financial consolidation of all executive branch with the exception of DHS non-payroll associated with non-enterprise services (pass-through).

As of 2018, all executive branch agencies, with the exception of DHS are fully financially consolidated. DHS has adopted centralized budget management for IT services but continues to leverage local staff to assist with purchasing and contracts until they can fully develop a plan to integrate MNIT financial information with their wide array of federal reporting requirements.

MNIT Service Rates Status

FY2018-19 Rates

Because there were volume and expense variances in FY18 that resulted in over and under recovery, MNIT worked closely with the Financial Steering Team and MMB to implement a program of agency rebates and FY19 rate adjustments to mitigate the imbalance.

FY2020-21 Enterprise Rates

The FY20-21 rate process builds upon the enterprise rate model established in FY18 that consists of IT Standard Service bundles, enterprise rates, and pass-through expenses. There were minimal service portfolio changes or additions as compared to FY18-19. As in FY18-19, MNIT calculated FY20-21 rates to achieve 100% break-even across all product lines.

MNIT has communicated the impact of FY20-21 enterprise rates via individual meetings with agencies to submit any supplemental legislative requests that agencies might require. The major assumptions in establishing FY20-21 rates were as follows:

- Minimal changes to the service portfolio consisting of enterprise service bundles and shared services with the goal of providing service enhancements, improved transparency, and greater simplicity.
- All agencies participated in the following enterprise services: Telecom, Workstation, Service Desk, Mobile Device Management, and Enterprise Software. In addition, MnDOT participated in Hosting enterprise rates.
- All service rates were calculated at break-even based upon estimated volumes and expenses

Proposed and Recently Enacted Legislation

No proposed or recently enacted legislation will have an impact on centrally provided service rates.

Rate Package Assumptions

FY2020-21 MNIT Budget Assumptions

1. Minimal changes from the FY18 Service Portfolio:
 - New services added include Multi-factor Authentication, and SharePoint on Premise (SPEOP)
 - Enterprise Software Workstation Tier 1 and Tier 2 software Bundles were consolidated into a single service.
 - Enterprise Software Kiosk User No Support Tier 1 and Tier 2 were consolidated into a single service.
 - Web Content Filtering was discontinued as a shared billable service will be an enterprise security service in overhead.
 - “Cost-Plus” services were moved to “Cost”- no overhead is added to these services for FY20-21.
2. Agency CBTOs worked with enterprise service directors to forecast agency FY20-21 enterprise volumes.
 - CBTOs provided formal signoff on their agency volumes.
3. SEMA4 salary projections are based on data from April 4, 2018:
 - No COLA in FY20-21
 - 4.93% attrition factor added
 - Includes insurance increase of 1.23% (net salary reduction of 3.7%) for FY20-21 as communicated by MMB
 - Includes step increases, averaged over FY20-21
4. Added 33 FTEs to FY20 rates primarily in workstation and service desk.
5. Master lease equipment replacement and catch-up in LAN, WAN and Hosting.
6. Bottoms-up budgets were done for major non-salary account classes including:
 - Software
 - Hardware Maintenance
 - Space Rental
 - Master Lease/Depreciation
 - Loan Interest
7. Assumed a 3.0% increase for software renewals unless the software renewal increase was known according to specific contracts, e.g. Microsoft, BMC, etc.
8. Reviewed and updated FY18 methodologies and assumptions for FY20 service cost allocations.
9. Calculated all service rates at 100% break-even based upon budgeted volume and expenses.
10. The majority of security costs, Enterprise Project Management Office (ePMO) and MN.Gov web are now included in overhead and will be billed according to @agency IT spend.
11. Enterprise rates incorporated future wave agency budgets of \$22.3 million for the following services:
 - Workstation
 - Service Desk

- Other-MDM, Security, EUCC
- Hosting (MnDOT only)

12. Standard hourly professional service rates remain the same as FY18-19:

- Basic
- Intermediate
- Advanced

Changes in Revenue/Expenses

The financial data section in this rate package includes statements based upon CAFR statements for FY18-19. Fiscal years FY18-19 are not directly comparable to FY20-21 due to the different levels of financial consolidation that are assumed for biennium. DHS non-payroll is not included in FY18-19 but is included in FY20-21. Changes in revenue and expenditures (dollar amount and percent change between FY2019 budget and FY2020), are included in the financial data section of the rate package. The document is entitled FY2020-21 Operating Revenue and Expense Assumptions.

The Statement of Revenues, Expenses, and Changes in Net Assets for Fiscal Year 20-21 and the five preceding years are also included in the History and Pro forma. The pro forma statement includes expenditures by CAFR expense categories and compares FY19-20-21 budget to FY18 year-end forecast and FY17 Actual.

Total IT spend including both centrally provided IT services and agency pass-through expenses are included in the financial data section of this rate package.

In contrast to the financial statements that appear in the financial data section that are based upon CAFR, the revenue and expense analysis that appears below is based upon the revenue and expenses for MNIT Central excluding any new Wave expenses. Also shown below is a summary of agency expenses that were added to central costs in order to calculate enterprise rates.

Revenue Budget

Our operating revenue comes from three primary sources: The Enterprise Technology Fund (ETF 5500), the Special Revenue Fund (2000/2001) and the General Fund (1000). The Enterprise Technology Fund is used to bill enterprise IT services to agencies on a cost-recovery/charge-back basis. Beginning in FY2019, the 2001 Fund captures all @agency (pass-through) IT expenses consisting primarily of agency applications and projects. The General Fund supports the State CIO, Enterprise Security Office (ESO), and the Minnesota Geospatial Information Office (MnGeo). This rate package focuses on enterprise services within the Enterprise Technology Fund and @agency IT expenses in the Special Revenue Fund.

Enterprise IT Revenue

FY2019 year-end forecast of \$168.7 million in revenue is \$1.3 million or 0.8% higher than budget, driven primarily by increased mainframe and storage demand partially offset by reduced server demand. Budgeted FY2020 revenue of \$178.3 million is \$9.6 million higher than FY2019 forecast of \$168.7 due to an increase in workstation and server revenue.

Fund name	FY2018 Budget	FY2018 Actual (Prelim)*	FY2019 Forecast	FY2020/21 Budget Avg.
Enterprise Technology Fund (\$000's)	\$167,345	\$161,561	\$168,665	\$178,290

(*) FY18 actual revenue reduced by rebate/billing accrual of \$8.3m

Expense Budget

MNIT's expense budget for FY2020/21 is \$178.3 million, an increase of \$9.6 million, or 6% versus FY2019 forecast. The increase is primarily attributable to additional FTEs to improve customer service levels (desktop support and service desk), agency LAN equipment replacement, end-of-life storage and server refresh costs, increased software costs related to Microsoft, investment in cloud hosting and virtualization, and salary step and insurance increases.

Fund name	FY2018 Budget	FY2018 Actual (Prelim)	FY2019 Forecast	FY20/21 Budget*
Enterprise Technology Fund Expense (\$000's)	\$167,345	\$151,382	\$168,665	\$178,290

(*) Blended average of FY20/21.

The following explanations refer to the financial schedule "FY2020-21 versus FY2019 MNIT Central IT Spend" in the financial data section of this rate package.

- **Personnel and Fringe Benefits:** FTE additions in Desktop Support/Service Desk. COLA was not included due to contract expiration in FY19. Step increases and insurance increases included.
- **Space Rental, Building Maintenance, and Utilities:** This account class increased nominally from the FY2019 budget due to a 2.5% increase in Centennial rent, contractual rate increases in Enterprise Data Centers (EDC1 and EDC4), and utility increases.
- **Computer and System Services:** Increase is due to Microsoft including the cost of new licenses and 3.0% increase on all other software.
- **Communications:** Inflationary increases offset by reduced volume of contracted telecom pass-through.
- **Professional/Technical:** Includes general professional services.
- **Travel:** Increase due to local tech support required for LAN consolidation support.
- **Supplies:** Workstation, data center network, server virtualization.
- **Repair and Maintenance Contracts:** LAN equipment refresh.
- **Equipment-Non Capital:** LAN equipment replacement.
- **Equipment (rental):** mainframe lease and copier rental.
- **Other Equipment/Depreciation:** Increase due to higher FY2020-21 master lease purchases required for LAN equipment replacement, end-of-life storage and server refresh, office reconfiguration, and replacement of firewall and backbone equipment.
- **Employee Development:** Ongoing effort to maintain and upgrade the skillsets of technical and management staff including an emphasis on staff certification programs.

Expenses Included in Enterprise Rates

The following table summarizes the FY20/21 “central” IT expenses as well as the expenses of WAVE agencies that were brought into FY20/21 Enterprise rates. All agencies were included in FY18/19 rates for WAN, LAN, and Telephone while Wave 1 and Wave 2 agencies also participated in the remaining enterprise services. The Wave agency optimization expenses represent volumes and expenses brought into enterprise rates for Workstation Management, Service Desk, Mobile Device Management, Enterprise Software- Tier 2, and Hosting (MnDOT only).

Account Class (\$000s)	Central	Optimization (Wave Agencies)	TOTAL FY20/21 Enterprise Rates
Salaries	\$77,810	\$15,413	\$93,223
Space Rental	6,481	-	6,481
Prof/Tech	5,120	24	5,144
Software	40,418	865	41,283
Communications	18,161		18,161
Equipment	2,121		2,121
Supplies	912	110	1,022
Repairs	7,973	827	8,800
Other Operating	860		860
Statewide Indirect	1,345	-	1,345
Equip Non capital	7,522	5,110	12,632
Depreciation	8,340		8,340
Other	1,228		1,228
TOTAL	\$178,290	\$22,350	\$200,640

Additional budget assumptions

These specific appropriations are included in the budget:

- Fund 5500, Appropriation G464602 MN.IT Services Standard Services - Rate-based IT services billed back to agencies.
- Fund 2001, Appropriation G464607 MNIT Agency IT Services – IT services budgeted in this appropriation are billed back to agencies at cost.

These specific items are excluded from the budget:

- Other MNIT appropriations in the general and special revenue funds-including BIT and Odyssey projects

Explanation of excess reserve issues

An estimate of \$5.0 million (\$2.5 million per year) was included in the FY2018/19 rate model based upon an estimate of FY16/17 product line performance. MNIT incurred \$3.8 million of federal liability in FY18 based upon over-recovery in FY16. Since MNIT issued rebates in FY17 to offset over-recovery in certain product lines, no significant excess reserves are anticipated in FY19. For the FY18/19 biennium, the anticipated federal liability of \$3.8 million is \$1.2 million below budget.

Status of over- and under-recovering product lines

Historically, MNIT has consistently reduced mainframe and data management rates and issued rebates generating savings to agencies. Rates on other services either remained stable or were reduced. The OLA audit recommended that rates on all product lines should be set to break-even. In concert with MMB and the Financial Steering Team, MNIT made significant progress toward rebalancing rates in FY16-17-18. Full 100% break-even on all services was incorporated into the FY2018-19 biennium via adjustment of enterprise/shared services rates. Similarly FY 2020-21 rates were established to break even across all product lines based upon estimated volume and expenses. Since this was the initial attempt at estimating volumes and expenses for enterprise services bundles, there were a number of over and under recovering services in FY18 due primarily to volume variances and FY19 rate adjustments that will restore FY18/19 to close to break even.

FY2020-21 Agency Operational Billing

Agencies will continue to receive three invoices for centrally provided services in FY2020-21: Computing, WAN, and Telecomm with enhanced billing formats including updated invoices and statements and excel detail files. Agencies will also continue to receive an invoice for direct charge-back of locally provided IT services.

Agency Impact of FY2020-21 Central Rates

MNIT implemented a business intelligence tool (Power BI) during FY2018 that CBTOs used as an improved method to forecast FY2020-21 demand volume at the agency and the more detailed customer level. The following table summarizes the estimated net impact to agencies of what they will pay for IT services in FY2020 versus what they were budgeted to pay in FY2018. A detailed impact analysis by agency and service is included in the financial data section of this rate package and is available online to Power BI users.

	\$000s Increase/Decrease				
Service Grouping	Agency Pass-Through	Rate Variance	Volume Variance	Admin Charges/Cost Services	TOTAL
Enterprise Services		\$(11,989)	\$36,320	\$9,448	\$33,780
Agency-Based Services	\$13,268				\$13,268
TOTAL	\$13,268	\$(11,989)	\$36,320	\$9,448	\$47,048

Inflation

The salary budget includes FY2018-19 contractual non-discretionary increases (SEMA4 data) and insurance increases, but the salary budget excludes COLA and discretionary increases. Microsoft software was increased by the amount for the contract renewal while the remainder of software was increased by 3.0%. Space rental and specialized electric was based on contractual amounts in leases. A fixed inflation factor was not used for most other expense categories.

Full-time Equivalents (FTE)

The proposed central budget in the FY2020/21 Rate Package funds 676 FTEs, an increase of 33 positions from the FY2018-19 Rate Package.

Office	FY2018 Prelim	FY2019 Budget	FY2019 Budget*	FY2020 Budget
Central Office	615	622	643	676

(*) FY19 budget FTE adjusted for workstation/service desk and security transfers from agencies

MNIT's FY2020-21 budget incorporates a 4.93% attrition factor, FY20/21 insurance increases per MMB guidelines as well as contractual step increases. No COLA was included in the FY20/21 budget, as the current contract ends in FY2019.

Description of Rate Computation

IT Service Cost Models

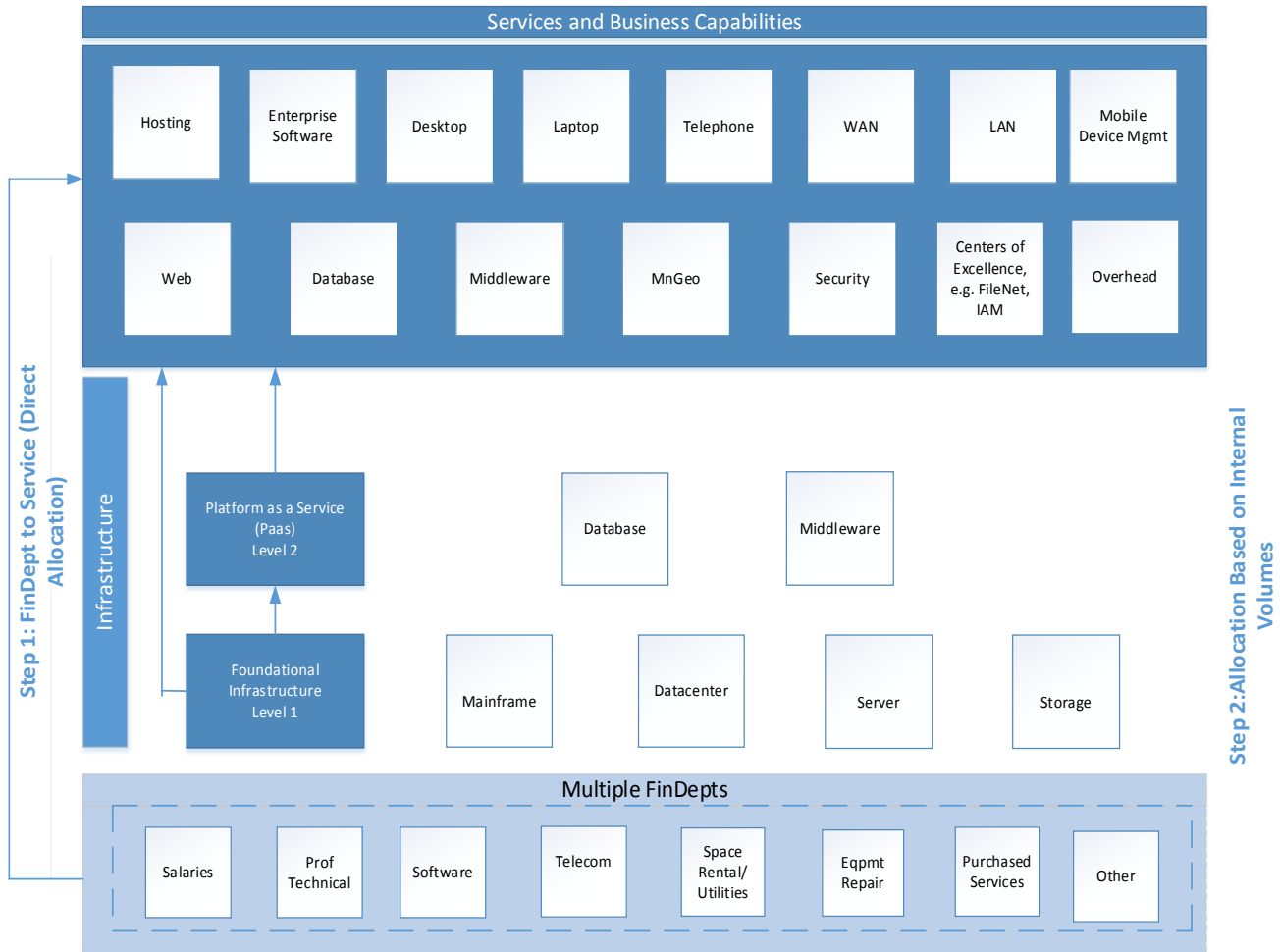
MNIT uses a service cost model to drive the creation of service rates. At a high level, an IT service cost model provides a means to convert from a general ledger accounting view (cost centers) to a service view whereby one can see the unit cost (rate) of individual services. Most state-of-the-art IT service cost models have several key elements in common:

1. Service Catalog/Portfolio-list and description of services offered
 - a. "Best practices" suggests that 15-20 service categories is optimum
2. Demand Forecast (units)
 - a. Aggregate demand by customers for each of the services offered
3. Budget - The expense budget is based upon the resources needed to support the types and quantities of services demanded
 - a. Operating expenses (OpEx) - salaries, software, supplies, etc.
 - b. Capital expenses - equipment/depreciation (CapEx). The Office of Management and Budget (OMB) "super-circular" 2 CFR Part 225 dictates that only the depreciation expense (not the capital outlay) is allowable in rates.
4. Direct expenses
 - a. Costs that are associated with a single service
5. Indirect expenses
 - a. Costs that are associated with more than one service and are allocated to multiple services based upon an appropriate metric or cost driver
6. Overhead
 - a. Costs that are not associated with any particular service but support the enterprise as a whole, e.g. HR, finance. These costs are typically included in service rates as a percentage add-on to total cost (direct and indirect) or direct-billed to customers or a combination of these two methods.
7. Service Rates
 - a. Rates for the majority of services are calculated by dividing total cost by total forecasted units
 - b. Certain services that are essentially pass-through from a vendor are billed at cost.

MNIT Cost Model Elements

In FY2014 MNIT acquired an IT Financial Management and rate-setting tool from Nicus (M-PWR). MNIT implemented the model in accordance with the Technology Business Management (TBM) Taxonomy that was developed by the TBM council consisting of CIO, CFO, and CTO leaders. The taxonomy sets forth a standard and consistent method for viewing and managing IT costs. The taxonomy provides a structured method to assign cost center expenses to IT towers or components, which are then allocated to services and business capabilities based upon relevant metrics.

MNIT Nicus MPWR Cost Model



MNIT Cost Model Process

MNIT uses the Nicus M-PWR tool to manage the service cost model and to generate the IT budget and service rates. The step-by-step MNIT cost model process is described below.

Service Portfolio/Catalog

In FY2018-19, MNIT Enterprise Service Delivery, with input from the Service Advisory Board comprised of agency-based CBTOs and CFOs, developed a service portfolio that established the following IT service categories:

- Enterprise Services/Bundles/Add-ons-IT services that include all agencies (WAN, LAN, Telephone) and the remaining Enterprise Services that include participating Wave 1 and 2 agencies.
- Shared Services/Bundles/Add-ons-IT services that can be delivered either by MNIT Central or by an agency.
- Professional Services-3 tiered rates across all services that encompass ITS1 through ITS5 and architect job classifications.

As mentioned previously, MNIT made very few changes or additions to the FY20-21 service portfolio.

The chart below summarizes the services included in each of the service categories. The areas highlighted in gray represent the services/agencies covered by the rates in this rate package.

Enterprise Service Type	FY20/21 Enterprise Rates	
	Agencies	
	Optimized	Wave*
WAN	X	
LAN	X	
Telephone	X	
Conferencing	X	
Mobile Device	X	
Enterprise Software	X	
Laptop	X	
Desktop	X	
Service Desk	X	
Professional Service Rates	X	
Center of Excellence	DHS	
IaaS (Hosting/Storage)	*	X
Agency Apps/Projects		X
Shared Services-Central and Agency		
Database		X
Middleware		X
MnGeo		X
Web		X

Note: Wave Agencies-Commerce, Revenue, Health, Public Safety, Natural Resources, Education, MN State Academies, Center for Arts Education, Higher Ed, Zoo, PUC, Architecture Engineering Board, Accountancy Board

(*) MnDOT optimized in IaaS in FY20/21 enterprise rates

Demand Forecast

A key element of the MNIT Central budget and rate-setting process is the external demand forecast (in billable units) for enterprise services. MNIT service management worked with agency CBTOs and Enterprise Service Directors to develop the demand forecast based upon an analysis of current trends as well as anticipated changes in demand. The aggregate volumes collected represent the demand for all services offered to all client agencies.

Budget

The starting point for the FY2020 Budget was the FY2018 Forecast and FY19 Forecast. The Executive Team established budget targets for certain account classes: Employee Development, Travel, Professional/Technical, etc. The Executive Budget Team also established the FTE/salary forecast based upon the following assumptions:

- Payroll-updated for current staff and approved vacancies
 - Included contractual increases and 2.5% for collective bargaining for FY2019 but no additional contractual increases for FY20/21.

Non-Payroll - “deep-dive” worksheets were completed by budget directors for major account classes and reviewed and approved by the Executive Budget Team

- Software
- Communications
- Hardware Maintenance

Direct Cost Allocation (FinDept to Services)

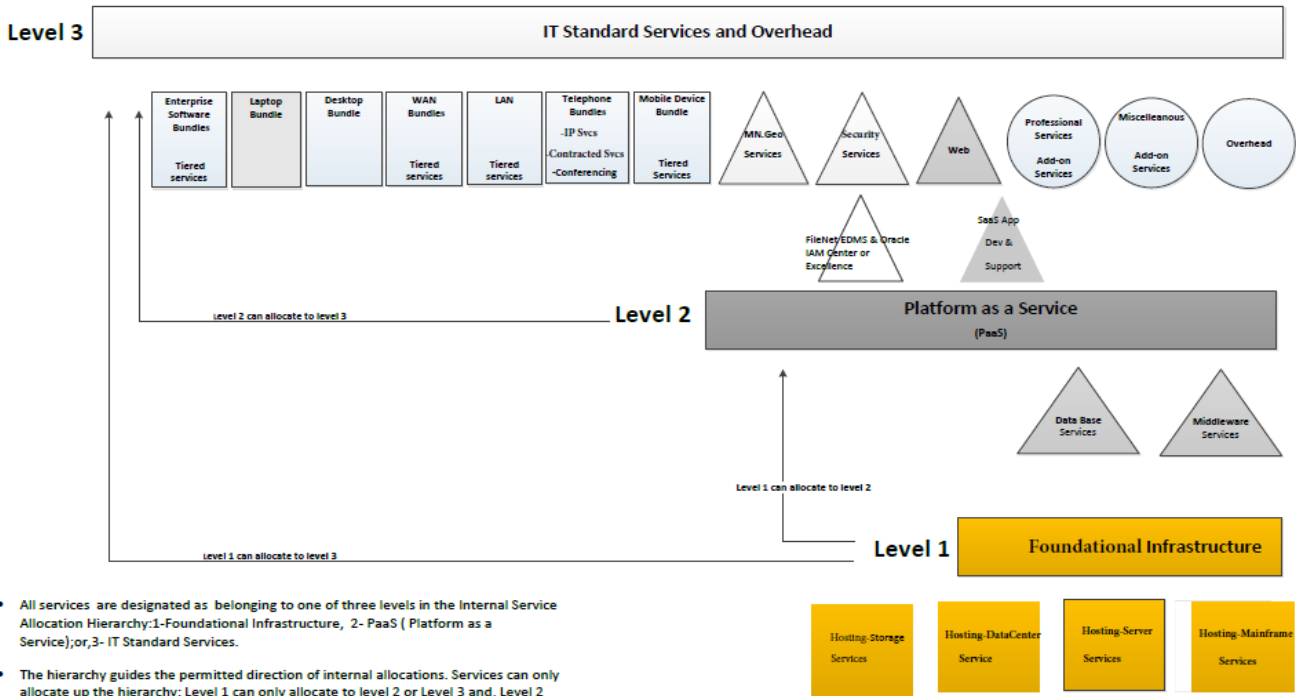
MNIT has developed FinDepts (cost centers) within its Chart of Accounts to capture IT costs in discrete building blocks for central services and agency-based services. The FinDept is a repository for the direct costs of the FY2020 Budget. Some FinDepts are 100% dedicated to a given service while Service Managers allocated other FinDepts to multiple services.

Indirect Cost Allocation (Internal Volumes)

Each grouping of services falls into a level (tier) of the service-costing model. Once MNIT collects the direct costs of the FY2020-21 budgets in FinDepts, those costs are assigned to services, MNIT allocates the infrastructure costs (indirect) up to higher levels of the model via metrics.

To illustrate, the table below provides a more detailed view of the service-costing model:

FY20-21 Indirect Service Cost Allocation Hierarchy and Methodology



10-24-18

The cost allocation model utilizes internal metrics or cost drivers to allocate infrastructure expenses to higher levels in the cost model. These metrics are a measurement of the amount of indirect expenses or resources utilized or consumed by higher levels in the cost model. In addition, there are end-user metrics that measure the resource demand for IT Standard Services and Infrastructure. The following table lists the most common metrics. For brevity, this table includes metrics aggregated at the Service Component/Product Line level. The metrics apply to the more detailed services located in the lower tiers of the service-costing model.

Metrics used to Allocate Infrastructure/Indirect Costs

Product Line	Service	Metric
Level 2		
Database	834-Database - Dedicated DB Hosting-MS SQL Tier 1	Database
Database	835-Database - Dedicated DB Hosting-MS SQL Tier 2	Database
Database	839-Database - Shared DB Hosting - MS SQL	Database
Database	836-Database - Dedicated DB Hosting-Oracle Tier 1	Instance
Database	837-Database - Dedicated DB Hosting-Oracle Tier 2	Instance
Middleware	841-Middleware - Tier 1 Middleware Inst (Complex)	Instance
Middleware	842-Middleware - Tier 2 Middleware Inst. (Simple)	Instance
Middleware	843-Middleware - Middleware Shared Hosting	Instance

Level 1

Mainframe	750-Mainframe - Mainframe CPU	1000 CPU Svc/Unit
Mainframe	752-Mainframe - Mainframe Specialty Processor	1000 CPU Svc/Unit
Mainframe	753-Mainframe – Reads	Report Reads
Data Center	712-Hosting - Data Center Basic – RU	RU
Server	713-Hosting - Dedicated Hosting – Server	Dedicated Server
Server	715-Hosting - Shared Hosting – CPU	CPU
Server	716-Hosting - Shared Hosting – Memory	Memory
Storage & Backup	748-Mainframe - Disk Storage	Gb/day
Storage & Backup	754-Mainframe backups	Gb/day
Storage & Backup	717-Hosting - Data Storage	Storage

Overhead Allocation

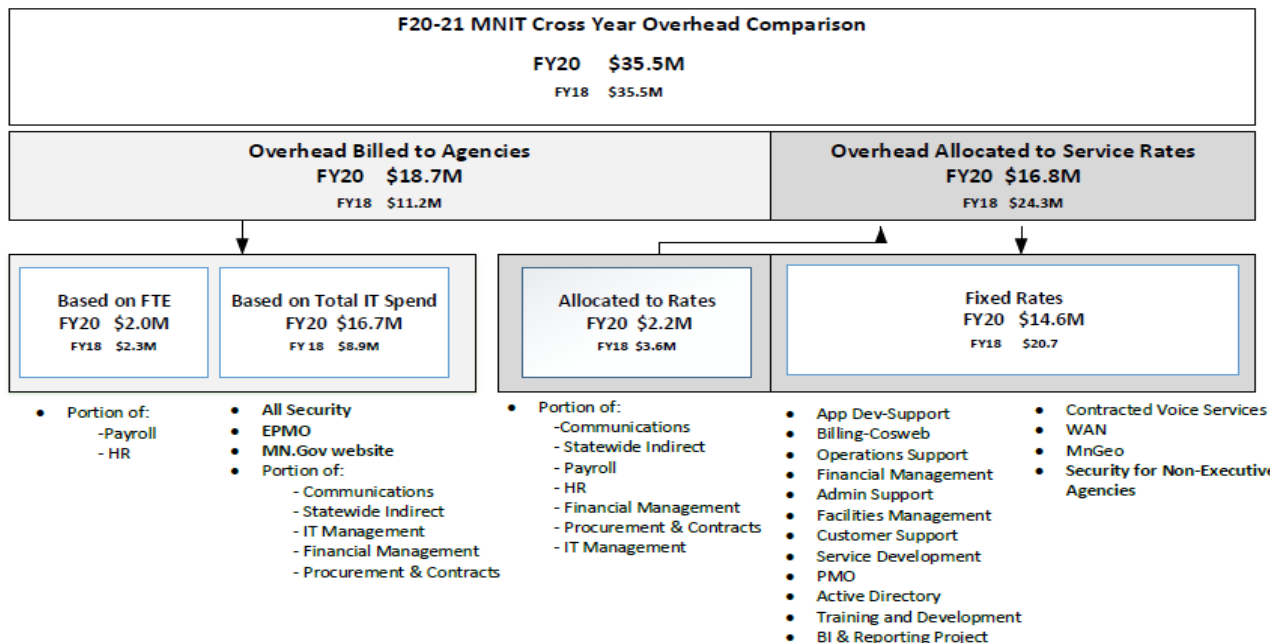
In concert with the Financial Program Steering Team, MNIT developed a more equitable method of allocating overhead for FY18/19 rates. Prior to FY18, overhead costs were spread across all central services as a percentage of revenue (or expense). Under the new method adopted in FY18 and continued for FY20, overhead expenses are divided into 2 categories:

- Enterprise overhead that supports both central and agency IT, i.e. HR, payroll, Finance, and Security. This overhead pool is allocated between central and agencies using FY2018/19 plan @agency IT spend or FTEs. The portion attributable to agencies is apportioned based upon actual FY17 @agency IT spend or FY18 FTEs. The central portion is included in rates as a percentage of expense.
- Non-enterprise indirect/overhead is included in central rates as a percentage of expense

The chart below depicts the various components of overhead and the method of billing and allocation:



10-22-18



*Based on FY20-21 Rate Run 20.5

Major Steps in the MNIT Central FY2020-21 Budget and Cost Model Process

1. The Financial Steering Team reviewed the FY20 Budget assumptions (salary increase, attrition, etc.).
2. The Executive Budget Team approved the FY20 budget.
3. Incremental expense was added to the FY2020 budget for FY21 salary step increases and insurance.
4. Financial staff entered the approved Central non-payroll budget adjustments into Nicus.
5. Service teams allocated FinDept expenses (payroll and non-payroll) to services to create “Direct” service costs. Service teams generally assign percentages of total FinDept cost to services, unless specific account class costs need to be assigned to specific services.
6. Service teams completed a two-step process around volumes:
 - a. Service managers collect external (billable) volumes for central and CBTOs collect external (billable) volumes for agencies services that are being brought into end-user (enterprise) rates for the first time.
 - b. Service managers collect internal (non-billable) foundational infrastructure and platform service volumes.
 1. Allocate the internal volumes by service to those services that consume them. Internal volumes are allocated upward to the next level in the model (see FY20-21 Indirect Service Cost Allocation Hierarchy and Methodology diagram on page 15).
 2. An internal rate is calculated based upon total direct cost plus total indirect cost coming into the service divided by total volumes (external plus internal), e.g. storage cost per Gigabyte, which is then used to cost out the internal volumes that have been allocated in number 1 above.
7. Overhead is separated between
 - a. Enterprise support functions (HR, payroll, procurement) that are billed to agencies based upon a metric such as FTEs or @agency IT Spend and
 - b. Non-enterprise support that is allocated to all central services as a percentage of expense.
8. Run the Nicus M-PWR model to generate FY20 breakeven rates for all enterprise IT Standard Services and Infrastructure services that have volume forecasts and allocated costs. Estimate break-even rates for other services.
9. MNIT staff reviewed services rates and made adjustments, where appropriate. Part of this process consisted of comparing FY20-21 break-even rates against FY18-19 break-even rates and available state and private vendor benchmarks.
10. MNIT then reviewed the estimated impact of the new rates with CBTOs and agencies using the Power BI impact analysis.
11. Submit FY20-21 Enterprise Rate package to MMB for approval.
12. The customer continues to receive three invoices for MNIT Enterprise services (Computing, Voice, WAN), and a fourth invoice for locally provided services.

Service Benchmarks

During FY2017 MNIT contracted with Science Applications International Corporation (SAIC) to perform an independent analysis of MNIT FY18-19 service rates compared to 31 other states and to private vendors. SAIC has performed similar studies for other states including Utah and Montana. SAIC's study approach was to consider not only the cost but also the value inherent in the service offering compared to the benchmark service. The results of the study were that 93% of MNIT rates were deemed to be 'Reasonable' to 'Best Value' compared to other states and 90% were 'Reasonable' to 'Best Value' compared to other states and private vendors combined. By way of contrast, SAICs analysis of MNITs FY17 rates one year earlier assessed 77% of MNIT's key rates as 'Reasonable' to 'Best Value'. MNIT plans to update the benchmark analysis on a regular basis in order to monitor progress toward fully competitive service rates.

Investments

FY2020-21 Capital Investments – Equipment

Detailed information regarding all FY2020-21 capital asset and technology purchases based on the current capitalization threshold of \$5,000 is reported in the "CA & T Purchases" worksheet in the Financial Data section of the Rate Package. There are sub-groupings to indicate whether the planned investment will be funded using the Master Lease State Loan Program (Fund 5000) or the 5500 Fund (Non-Master Lease), based on the restrictions for use of the Master Lease loan program and federal requirements for depreciation.

Master Lease Funding

MNIT will purchase capital assets using Master Lease totaling \$9.6 million dollars in FY20 and \$10.2 million in FY21. These capital assets will be depreciated over the life cycle of the capital investment (generally three or four years). The FY2020-21 planned, budgeted equipment investments are associated with anticipated requirements in: Storage Area Network (SAN), Local Area Network (LAN), Wide Area Network (WAN), Backup/Storage, and refresh/replacement equipment based on replacement schedules.

Capital Investments – Computer Software

Purchased software

Computer Software is the most common type of intangible capital asset.

Purchased computer software is capitalized and amortized over 5 years if it is:

- Used in the operation of state business
- Externally purchased for internal use
- \$30,000 or more at acquisition on a per user license.

Licensed software having a license period of more than one year is capitalized and amortized over the license term.

Software that does not meet this criterion is expensed.

Internally generated software

Internally-generated computer software (IGCS) is software that is developed in-house or by a third party contractor including purchased software that is modified for customization using more than minimal effort.

For IGCS that meets the criteria set forth by GASB 51, MNIT capitalizes and amortizes over the useful life of the application or website. The current capitalization threshold is \$500,000.

Outstanding Loans

Master Lease Loan Program

MNIT finances tangible capital assets with loans provided through the State of Minnesota Master Lease Program. Assets funded in this manner are requested in the Master Lease Demand Survey and meet the capitalization threshold established by the Departments of MMB and Administration. Based on the outstanding balance and installment schedule, MNIT makes bi-annual loan payments in November and May for principal and interest due December 1 and June 1. The amounts of the December 2018 and June 2019 payments (payable in November and May) for FY2019 are included in the Financial Data section of this rate package.

The total loan payments (principal and interest) for capital assets financed with loans through the State of Minnesota Master Lease Loan program total roughly \$3.6 and \$2.4 million dollars in FY2020 and FY2021, respectively.

Outstanding loan balances total roughly \$11.9 million as of June 30, 2018. For details, see the Financial Data section, including a schedule of future minimum payments by fiscal years with the current amount needed to satisfy MNIT Service's Master Lease Loans Payable as of June 30, 2018.

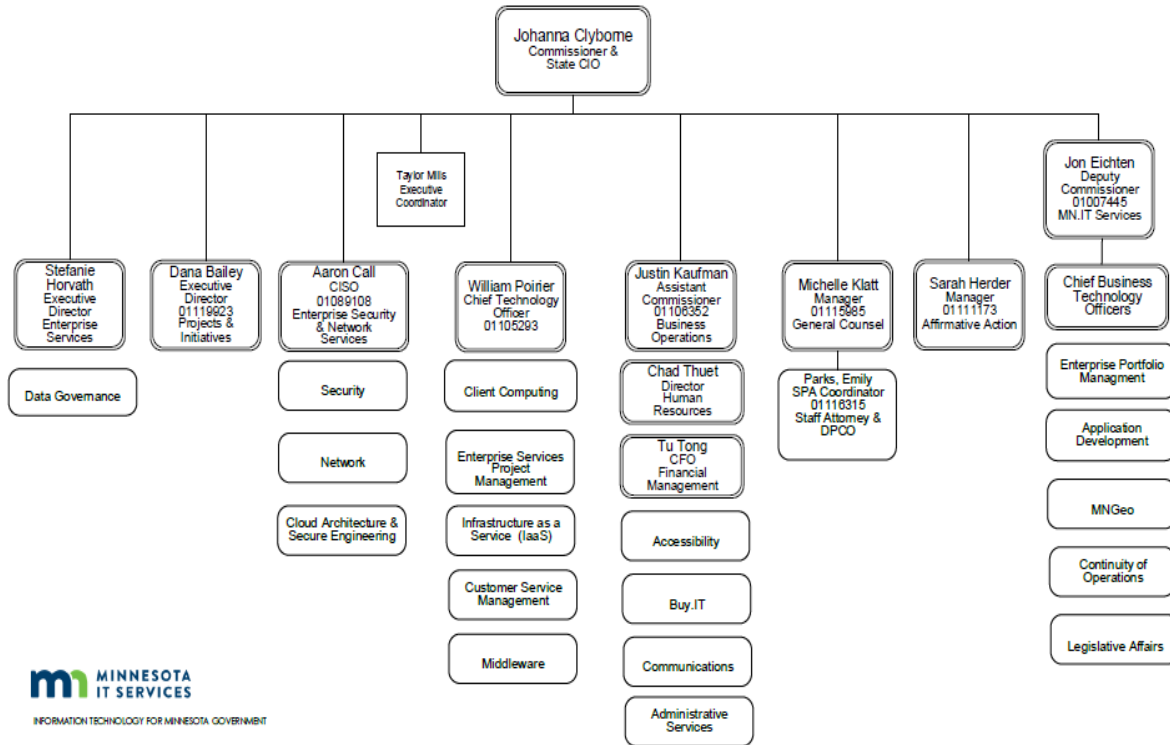
Other Loans

MNIT has a Cash Assistance loan from Minnesota Management & Budget (as per Minnesota Statutes, section 16A.671, subdivision 3, paragraph a) which is repayable by the end of the fiscal year 2019 closing period.

MNIT has submitted a Change Item for the FY20/21 biennium for Cash Flow Assistance in the amount of \$50 million.

Enterprise – Executive Central Office

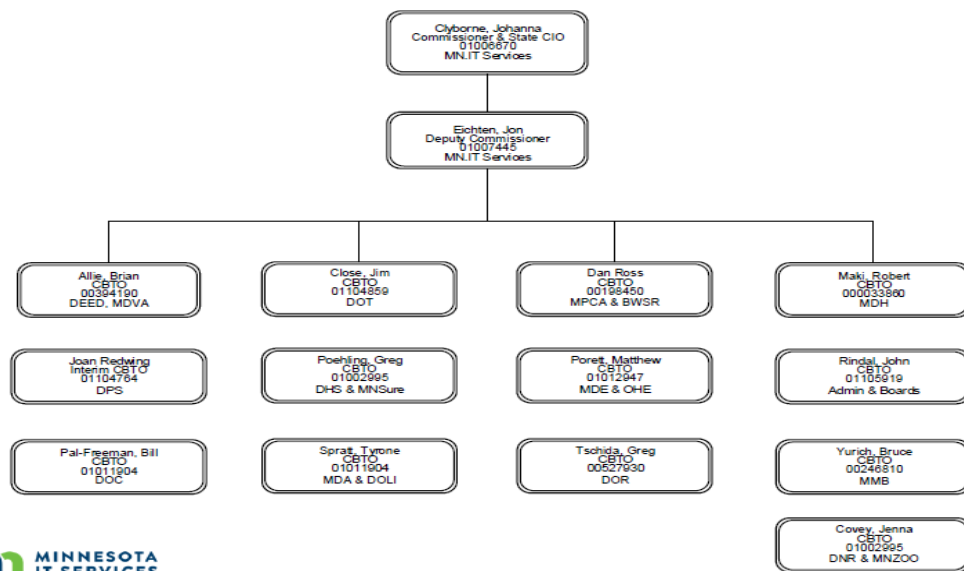
October 2018



Agency – Executive Business Partners

October 2018

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**FINANCIAL SCHEDULES FOR RATE PACKAGE
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MNIT Central IT Spend

FY19-FY20 Enterprise Revenue & Expenses Excluding Future Wave

\$000's

	FY18 Act		FY20		FY19 v FY20 Var Inc(Dec)		Notes
	(Prelim)	FY19 Fcst	Budget	\$	%		
Revenue	\$161,561	\$168,665	\$178,290	\$9,625	6%		
Expenses							
Salaries							
41000 Full Time - Salary	61,635	67,363	74,737	7,374	11%	33 new FTE, \$1.9M DHS trsfr, \$1.9M not fcst in '19 and \$700K steps	
41030 Part-Time-Seasonal-Labor Serv	319	351	301	(50)	-14%		
41050 Overtime and Premium Pay	2,259	2,226	2,222	(4)	0%		
41070 Other Employee Cost	625	1,198	550	(648)	-54%	Comp Abs & OPED recalculated	
Sub Totals Salary/Fringe	64,837	71,138	77,810	6,672	9%		
41100 Space Rental and Utilities	5,837	6,432	6,481	49	1%		
41110 Printing and Advertising	11	35	75	40	114%		
41130/41145 IT/Prof/Tech O/S Vendor	3,910	4,596	5,027	430	9%	Eliminated \$1.5M special projects	
41150 Computer and Systems Services	34,777	39,321	40,418	1,097	3%	\$701K Microsoft, \$194K BMC and roughly \$300K for inflation ave of 3%	
41155 Communications	17,156	17,891	18,161	270	2%	Telcom mostly pass through expenses	
41160 Trav-Sub-InState-Border Comm	144	181	216	35	19%		
41170 Trav/Sub-OutOfState-BorderComm	60	40	55	15	37%		
41180 Employee Development	408	567	587	20	4%		
41190/41195 State Agcy-Prov Prof-Tech Serv	95	93	93	0	0%		
41300 Supplies	836	723	912	189	26%	LAN and Data Center Network	
41400 Equipment	2,165	2,121	2,121	0	0%	Mainframe, copier rental	
41500 Repairs to Equip & Furn	6,671	7,193	7,973	781	11%	Hardware maintenance contracts	
42010 Statewide Indirect	1,345	1,346	1,345	(1)	0%		
42020 Attorney General	14	15	15	0	0%		
42030 State Agency Reimbursements	(8)	0	0	0	0%		
43000 Other Operating Costs	1,070	1,155	860	(295)	-26%		
44010 ML Interest	190	200	280	80	40%	Increased capital equipment purchases	
47160 Equipment-Non Capital	6,286	9,030	7,522	(1,508)	-17%	\$1.2M of PC/Laptops catchup not needed in FY20	
49000 Depreciation and Amortization	5,578	6,589	8,340	1,751	27%	Masterlease; hosting equipment and catchup on LAN replacements	
Sub Totals Non-Salary	86,544	97,528	100,480	2,953	3%		
Totals Operating Expenses	151,382	168,665	178,290	9,625	6%		
Operating Income (Loss)	\$10,179	\$(0)	\$(0)	\$0			
Non-Operating Revenues (Expenses)							
Investment Income	0	125	200	75	60%		
Federal Grants	0	0	0	0			
Other Non-Operating Revenues (Expenses)	0	0	0	0			
44000 MMB Loan	(882)	(641)	(641)	0	0%	Moved @Agency Pass Thru to 2001 Fund	
44200 Distrib of Amounts Collected (Fed Liability)	(3,813)	0	0	0			
Gain (Loss) on Disposal of Capital Assets	0	0	0	0			
Sub Totals Non-Operating Rev (Exp)	(4,695)	(516)	(441)	75	-15%		
Income (Loss) Before Transfers and Contributions	\$5,484	\$(516)	\$(441)	\$75	-15%		

FY20 vs FY18 Total IT Spend by Agency

MNIT SERVICES

FOR FISCAL YEAR 2020 (run 20.5)

\$000's

Agency	FY18 Budget	FY20 Budget	FY20 vs FY18 Comparison
B04-AGRICULTURE	2,633	3,029	396
B11-COSMETOLOGIST EXAMINERS BOARD	94	97	3
B13-COMMERCE	2,041	2,601	560
B14-ANIMAL HEALTH BOARD	254	330	77
B15-BOARD OF BARBER EXAMINERS	14	23	9
B20-EXPLORE MINNESOTA TOURISM	410	241	(169)
B22-EMPLOYMENT & ECONOMIC DEVELOPMENT	16,763	10,735	(6,027)
B41-WORKERS COMP COURT OF APPEALS	1	1	0
B42-LABOR & INDUSTRY	2,688	3,174	485
B7E-ARCHITECTURE ENGINEERING BOARD	51	13	(38)
B7P-ACCOUNTANCY BOARD	52	13	(38)
B82-PUBLIC UTILITIES COMMISSION	373	268	(105)
E25-CENTER FOR ARTS EDUCATION	60	142	82
E37-EDUCATION	8,274	9,831	1,557
E39-BOARD OF TEACHING	0	396	396
E44-MN STATE ACADEMIES	502	299	(203)
E50-ARTS BOARD	39	146	107
E60-OFFICE OF HIGHER EDUCATION	513	2,534	2,021
E77-ZOOLOGICAL BOARD	585	536	(49)
G02-ADMINISTRATION	4,962	3,873	(1,089)
G05-RACING COMMISSION	2	41	38
G09-GAMBLING CONTROL BOARD	37	17	(20)
G10-MINNESOTA MANAGEMENT & BUDGET	11,345	13,315	1,970
G17-HUMAN RIGHTS DEPT	258	262	3
G19-INDIAN AFFAIRS COUNCIL	5	1	(4)
G45-MEDIATION SERVICES BUREAU	25	92	67
G46-MN.IT Services Central	167,345	200,640	33,296
G67-REVENUE	22,349	21,742	(607)
G92-OMBUDSPERSON FOR FAMILIES	0	0	0
G9K-ADMINISTRATIVE HEARINGS	173	188	15
G9L-BLACK MINNESOTANS COUNCIL	5	1	(4)
G9M-CHICANO LATINO AFFAIRS COUNCIL	1	1	0
G9N-ASIAN-PACIFIC COUNCIL	1	1	0
G9X-CAPITOL AREA ARCHITECTURAL & PLANNING BOARD	0	0	0
G9Y-DISABILITY COUNCIL	0	5	4
H12-HEALTH	26,767	23,226	(3,541)
H55-HUMAN SERVICES	78,838	92,753	13,915
H75-VETERANS AFFAIRS DEPT	3,269	3,828	559
H7B-MEDICAL PRACTICE BOARD	156	31	(124)
H7C-NURSING BOARD	289	37	(252)
H7D-PHARMACY BOARD	322	326	4
H7F-DENTISTRY BOARD	40	42	2
H7H-CHIROPRACTORS EXAMINERS BOARD	2	23	21
H7J-OPTOMETRY BOARD	2	3	1
H7K-NURSING HOME ADMIN BOARD	171	886	715
H7L-SOCIAL WORK BOARD	128	5	(123)
H7M-MARRIAGE & FAMILY THERAPY BOARD	2	3	1
H7Q-PODIATRIC MEDICINE BOARD	2	3	1
H7R-VETERINARY MEDICINE BOARD	2	3	1
H7S-EMERGENCY MEDICAL SERVICES BOARD	18	21	3
H7U-DIETETICS & NUTRITION PRACTICE BOARD	2	3	1
H7V-PSYCHOLOGY BOARD	2	4	2
H7W-PHYSICAL THERAPY BOARD	2	3	1
H7X-BEHAVIORAL HEALTH AND THERAPY BOARD	2	3	1
H9G-OMBUDSMAN MH/MR	220	187	(33)
J68-TAX COURT	37	108	71
P07-PUBLIC SAFETY	42,763	49,478	6,714
P78-CORRECTIONS	6,377	11,511	5,134
P9E-SENTENCING GUIDELINES COMMISSION	5	5	0
R29-NATURAL RESOURCES	15,346	13,494	(1,852)
R32-POLLUTION CONTROL	8,589	9,667	1,078
R9P-WATER & SOIL RESOURCES BOARDS	969	874	(95)
T79-TRANSPORTATION	31,436	23,074	(8,362)
Total	457,614	504,191	46,576

NOTES

- 1) FY18 Budget is based off of the final budget estimates from agencies including adjustments that were received post rate package submission.
- 2) The base for this report has wave/optimization moved to the MNIT Central expense total for both years.

Operating Revenue and Expense Budgets

MN.IT SERVICES

ENTERPRISE & AGENCY IT SERVICES

FOR FISCAL YEARS 2018 & 2020

\$000's

ACCT		FY18 Budget*	FY20 Budget**	\$ Var	% Var
OPERATING REVENUES BY PROGRAM					
	IT Standard Services	\$121,749	\$135,471	\$13,723	11%
	Platform as a Service (PaaS)	22,093	13,924	(8,168)	-37%
	Hosting Infrastructure	58,110	36,965	(21,145)	-36%
	Center of Excellence	10,953	4,371	(6,582)	-60%
	Applications Professional Services	157,932	212,133	54,202	34%
	Projects Professional Services	44,542	42,447	(2,095)	-5%
	Other	42,236	58,878	16,642	39%
	TOTAL OPERATING REVENUES	\$457,614	\$504,191	\$46,576	10%
OPERATING EXPENSES					
41000	Personnel and Fringe Benefits	\$257,746	\$278,702	\$20,956	8%
41100	Space Rent, Bldg, Maint & Utilities***	6,099	6,481	382	6%
41110	Printing & Adv	47	100	53	112%
41130	Professional Services - Outside	6,068	2,691	(3,377)	-56%
41145	IT/Prof/Tech O/S Vendor	35,170	44,798	9,628	27%
41150	Computer & Sys Svcs	78,324	100,489	22,165	28%
41155	Communications	19,403	18,757	(646)	-3%
41160	Travel - In State	378	482	105	28%
41170	Travel - Out of State	160	181	21	13%
41180	Employee Development	1,739	1,995	256	15%
41190	Professional Services - State	225	305	80	36%
41195	IT St Agcy Prof/Tech Svc	519	1,269	750	144%
41300	Supplies	10,996	2,078	(8,918)	-81%
41400	Other Equipment/Depreciation	8,266	10,436	2,170	26%
41500	Repair and Maint Contracts	10,027	12,248	2,221	22%
42000	Agency Indirect Costs	20	20	0	0%
42010	Statewide Indirect	1,232	1,370	138	11%
42020	Attorney General	15	15	(0)	-2%
42030	State Agency Reimbursements	65	2	(63)	-97%
42040	Agency Direct Costs	85	85	0	0%
43000	Other Operating Costs	3,097	5,338	2,241	72%
47060	Equipment-Capital	0	0	0	0%
47160	Equipment-Non Capital	14,783	16,070	1,287	9%
	TOTAL OPERATING EXPENSES	\$454,463	\$503,911	\$49,447	11%
NON-OPERATING EXPENSES					
44000	Loans and Advances (MMB Loan Int)	\$496	\$641	\$145	29%
44010	Debt Service (ML Int)	155	280	125	81%
44200	Distrib of Amounts Collected	2,500	0	(2,500)	-100%
	TOTAL NON-OPERATING EXPENSES	\$3,151	\$921	(\$2,230)	-71%
	TOTAL EXPENSES	\$457,614	\$504,832	\$47,217	10%
	FTE Headcounts	2,316.1	2,286.1	-30.0	-1%

NOTES

A fixed inflation factor was not used for expense categories.

* FY18 Budget is the avg of FY18-19 and is based off of the final budget estimates from agencies including adjustments that were received post rate package submission.

** FY20 Budget is the avg of FY20-21.

*** Includes Leasehold Improvements.

History and Proforma
MN.IT SERVICES
ENTERPRISE & AGENCY IT SERVICES
FOR FISCAL YEARS 2017 - 2020
\$000's

<i>Statement of Revenues, Expenses, Changes in Net Position</i>	*FY17 Actual	*FY18 Actual (Prelim)	**FY19 Forecast	***FY20 Proposed	\$ Change FY20 vs FY19	% Change FY20 vs FY19
Operating Revenues:						
Net Sales	\$446,026	\$450,702	\$490,211	\$504,191	\$13,980	3%
Total Operating Revenues	\$446,026	\$450,702	\$490,211	\$504,191	\$13,980	3%
Operating Expenses:						
Purchased Services	\$113,038	\$135,233	\$186,864	\$182,884	(\$3,980)	-2%
Salaries and Fringe Benefits*	253,990	264,636	264,358	278,702	14,344	5%
Depreciation and Amortization	11,018	12,634	6,589	8,293	1,704	26%
Supplies and Materials	17,497	17,893	20,571	20,291	(280)	-1%
Repairs and Maintenance	8,819	9,661	9,125	12,248	3,123	34%
Indirect Costs	900	1,352	1,600	1,492	(108)	-7%
Other Expenses	33	47	0	0	0	
Total Operating Expenses	\$405,294	\$441,455	\$489,107	\$503,911	\$14,804	3%
Operating Income (Loss)	\$40,732	\$9,247	\$1,104	\$280	(\$824)	-75%
Nonoperating Revenues (Expenses):						
Investment Income	\$113	\$171	\$200	\$0		
Interest and Financing Costs	(689)	(1,072)	(641)	(280)		
Grants, Aids and Subsidies	(0)	0	0	0		
Other Nonoperating Expenses	(4,158)	(3,813)	0	0		
Gain (Loss) on Disposal of Capital Assets	0	0	0	0		
Total Nonoperating Revenues (Expenses)	(\$4,734)	(\$4,714)	(\$441)	(\$280)		
Income (Loss) Before Transfers and Contributions	\$35,998	\$4,532	\$663	(\$0)		
Transfers-Out	(39)	(48,058)	0	0		
Change in Net Position	\$35,959	(\$43,526)	\$663	(\$0)		
Net Position, Beginning, as Reported	\$3,087	\$39,046	(\$17,792)	(\$17,129)		
Change in Accounting Principle	\$0	(\$13,313)	\$0	\$0		
Net Position, Beginning, as Restated	\$3,087	\$25,733	(\$17,792)	(\$17,129)		
Net Position, Ending	\$39,046	(\$17,792)	(\$17,129)	(\$17,129)		

NOTES

*FY17-18 - Pension liability accruals of \$122.7M (FY17) & \$85M (FY18) have been removed from the Salaries & Fringe Benefits line and will not match the actual CAFR data. FY16 Pension liability \$ have been removed from the FY17 "Net Position, Beginning, as Restated" and will not match the actual CAFR data. Data does NOT include DHS non-payroll expense.

**FY19 - Forecast is based on 10/3/18 report "MMB 2021 Expense Target" and @Agency is based on current SWIFT budget as of 10/25/18.

***FY20 - Budget is the avg of FY20-21.

FY20/21 Rate-Based Budget Cost Breakdown

MNIT Services Enterprise Technology Fund (5500)

\$000's

	Central	Optimization (Wave Agencies)	Total Rate Based
Salaries			
41000 Full Time - Salary	\$74,737	\$15,216	\$89,953
41030 Part-Time-Seasonal-Labor Serv	301	184	485
41050 Overtime and Premium Pay	2,222	0	2,222
41070 Other Employee Cost	550	13	563
Sub Totals Salary/Fringe	77,810	15,413	93,223
41100 Space Rental and Utilities	6,481	0	6,481
41110 Printing and Advertising	75	0	75
41130/41145 IT/Prof/Tech O/S Vendor	5,027	24	5,051
41150 Computer and Systems Services	40,418	865	41,284
41155 Communications	18,161	0	18,161
41160 Trav-Sub-InState-Border Comm	216	0	216
41170 Trav/Sub-OutOfState-BorderComm	55	0	55
41180 Employee Development	587	(0)	587
41190/41195 State Agcy-Prov Prof-Tech Serv	93	0	93
41300 Supplies	912	110	1,022
41400 Equipment	2,121	0	2,121
41500 Repairs to Equip & Furn	7,973	827	8,800
42010 Statewide Indirect	1,345	0	1,345
42020 Attorney General	15	0	15
42030 State Agency Reimbursements	0	0	0
43000 Other Operating Costs	860	(0)	860
44010 ML Interest	280	0	280
47160 Equipment-Non Capital	7,522	5,110	12,632
49000 Depreciation and Amortization	8,340	0	8,340
Sub Totals Non-Salary	100,480	6,937	107,418
Totals Operating Expenses	178,290	22,350	200,640
Non-Operating Revenues (Expenses)			
Investment Income	200	0	200
Federal Grants	0	0	0
Other Non-Operating Revenues (Expenses)	0	0	0
44000 MMB Loan	(641)	0	(641)
44200 Distrib of Amounts Collected (Fed Liability)	0	0	0
Gain (Loss) on Disposal of Capital Assets	0	0	0
Sub Totals Non-Operating Rev (Exp)	(441)	0	(441)
TOTAL EXPENSES	\$178,731	\$22,350	\$201,081

NOTES

Agency transfers may vary slightly from PowerBI due to changes in agency based attrition rates.

Cash Flow Forecast

MN.IT SERVICES
 INTERNAL SERVICE FUND (5500)
 FY2020-21
 \$000

	Cash Assistance	Receipts FY20	Receipts FY21	Expenditures FY20	Expenditures FY21	Cash Assistance Repayment	Change in Cash	Cash Balance	Cash Balance w/o cash Assistance
Beginning Balance								19,129	
July	50,000			17,803			32,197	51,327	1,327
August		1,672		18,514			(16,842)	34,485	(15,515)
September		6,688		17,306			(10,618)	23,866	(26,134)
October		16,720		16,735			(15)	23,851	(26,149)
November		15,669		14,059			1,609	25,460	(24,540)
December		15,669		12,936			2,733	28,193	(21,807)
January		15,669		14,741			927	29,120	(20,880)
February		15,669		14,109			1,559	30,680	(19,320)
March		15,669		25,097			(9,428)	21,251	(28,749)
April		15,669		14,091			1,577	22,829	(27,171)
May		15,669		11,964			3,704	26,533	(23,467)
June		15,669		14,659		641	368	26,901	(23,099)
Total for BY20	50,000	150,428		192,016		641	7,772	26,901	
Beginning Balance								26,901	(23,099)
July		15,669		7,742	21,388		(13,462)	13,440	64,081
August		15,669	1,672	882	14,929		1,530	14,970	65,611
September		18,875	6,688	1	17,306		8,256	23,226	73,867
October			16,720		16,735		(15)	23,211	73,852
November			15,669		14,059		1,609	24,820	75,461
December			15,669		12,936		2,733	27,552	78,193
January			15,669		14,741		927	28,479	79,120
February			15,669		14,109		1,559	30,039	80,680
March			15,669		25,097		(9,428)	20,610	71,251
April			15,669		14,091		1,577	22,188	72,829
May			15,669		11,964		3,704	25,892	76,533
June			15,669		14,659		1,009	26,901	77,542
July-Aug close period			50,212		8,625	50,641	(9,054)	17,848	17,848
Total for BY21	0		200,640		200,640	50,641	(9,054)	17,848	
	50,000	200,640	200,640	200,640	200,640	51,282	(1,282)	17,848	

Schedule of Outstanding Loans

MN.IT SERVICES
ENTERPRISE TECHNOLOGY FUND 5500
FOR FISCAL YEAR 2020
\$000's

Master Equipment Lease Purchase Agreement

This is an equipment lease purchase program between the State of Minnesota and Banc of America. Purchase terms are for three, four or five years and payments of principal and interest are processed twice annually.

The following is a schedule by fiscal year of future minimum payments with the current amount needed to satisfy Master Lease Loans Payable as of June 30, 2018:

REPAYMENT SCHEDULE	MASTER LEASE 15	MASTER LEASE 16	MASTER LEASE 17	TOTAL
FY2019	1,298	2,676	500	\$4,474
FY2020	372	2,699	513	\$3,583
FY2021		1,906	525	\$2,431
FY2022		685	535	\$1,220
FY2023		37	173	\$210
Total Principal	\$1,670	\$8,003	\$2,247	\$11,919

Other Loans:

Cash Assistance loan from Minnesota Management & Budget (as per Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a)) Repayable by the end of the fiscal year 2019 closing period	\$110,000
MNIT submitted a FY20/21 Change Item for Cash Assistance Loan	\$50,000

Capital Assets and Technology Investment

MN.IT SERVICES
 ENTERPRISE TECHNOLOGY FUND (5500)
 FOR FISCAL YEARS 2020-21
 \$000's

Description of Item	FinDept	FinDept Name	FY 20 Total Amount	FY 21 Total Amount
Master Lease Investment (Included on ML Demand Survey):				
Storage lifecycle (infrastructure upgrades)	G463B001	G46 SAN Storage	\$1,000	\$1,000
Backup Storage refresh	G463B000	G46 Backup & Archive	\$350	
Physical Server Lifecycle	G463HS00	G46 Server	\$1,000	\$1,250
Enterprise Data Center Infrastructure	G463DC75	G46 Data Center	\$200	
DC Network Switch Lifecycle	G463DN00	G46 Data Center-Network	\$1,200	\$1,200
LAN Switch Upgrades	G463F000	G46 LAN Services-Facilities	\$2,000	\$2,500
Leaf Router Replacement	G463FW05	G46 Network Design/Support	\$700	\$1,000
MNET Network Hub Upgrades	G463FW05	G46 Network Design/Support	\$2,500	\$2,500
Firewall Upgrades	G463H000	G46 Network Firewall	\$200	\$300
Security Appliances	G463LS03	G46 Security Services-ISIRT	\$200	\$200
		Master Lease Total	\$9,350	\$9,950
Non-Master Lease Investment (not on ML Demand Survey):				
LAN Switch Upgrades	G463F000	G46 LAN Services-Facilities	\$250	\$250
		Non-Master Lease Total	\$250	\$250
		GRAND TOTAL	\$9,600	\$10,200

Swift Spending Plan

MN.IT SERVICES
ENTERPRISE TECHNOLOGY FUND (5500)
FOR FISCAL YEAR 2020
\$000's

Reconciliation to Services

Operating Expenses

Personnel and Fringe Benefits	\$93,223
Space Rent, Bldg, Maint & Utilities	6,481
Repair and Maint Contracts	8,800
Printing & Adv	75
Professional Services - Outside	4,696
Computer & Sys Svcs - PC & Non PC	41,284
Communications	18,161
Travel	271
Supplies	1,022
Other Equipment	14,753
Depreciation	8,340
Employee Development	587
Other Operating Costs	860
Statewide Indirect	1,345
Attorney General	15
Professional Services - State	448
State Agency Reimbursements	0
Loans and Advances	0
Debt Service	280
Working Capital Adjustment	0
Total Operating Expenses	\$200,640

Cost Model Distribution to Services

Rate Matrix

IT Standard Services

Workstation Mgmt	\$52,060
Mobile Device Mgmt	1,127
Contracted Voice Services	10,429
IP Voice Services	11,297
LAN Services	9,411
WAN Services	23,805
MnGeo Service Bureau	1,859
Security Services	496
SaaS Development & Support	667
Financial Mgmt - Billback	0
MN.IT Administrative Charges	18,689
Web	168

Platform as a Service (PaaS)

Database	814
Middleware	470

Foundational Infrastructure

Mainframe	25,147
Data Center	3,550
Server	25,249
Storage & Backup	6,767
Hosting	0

Centers of Excellence

Total	\$200,640
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Five Year Rate Comparison- Major Cost Recovery Services

MNIT SERVICES

ENTERPRISE TECHNOLOGY FUND (5500)

FOR FISCAL YEAR 2016-2020

Budget Activity	Product Line	Service Desc.	Service Code	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
IT Standard Services	Workstation Management	Desktop - Standard Desktop	701			58.30	58.30	57.54	
		Entrprs SW - Desktop & Mobile User - No Supp	703			22.90	22.90	28.61	
		Entrprs SW - Desktop & Mobile User-Tier1 Supp	704			50.30	50.30	N/A	
		Entrprs SW - Desktop & Mobile User-Tier2 Supp	705			55.90	55.90	48.74	
		Laptop - Standard Laptop	742			78.70	78.70	74.60	
		Microsoft EA-User	484	147	179	N/A	242.23	233.31	
	Contracted Telecom Services	Over-the-Phone Interp Svc		4	1.34	1.45	1.35	1.35	1.39
			Telephone - Centrex Line	760			35.70	35.70	35.79
			Reservationless Toll Free	80	0.033	0.037	0.035	0.035	0.0348
			Switched LD	16	0.069	0.075	0.070	0.070	0.0687
			Dedicated LD	17	0.053	0.057	0.053	0.053	0.052
			Toll Free Switched	19	0.086	0.092	0.087	0.087	0.0854
			Toll Free Dedicated	20	0.048	0.052	0.049	0.049	0.0482
			Payphones	NOTE C	Cost + 22%	Cost + 29%	Cost + 19%	Cost + 19%	Cost
			Miscellaneous Monthly Charges	NOTE G	Cost + 22%	Cost + 29%	Cost + 19%	Cost + 19%	Cost
			Centrex Prime Station	6	25.50	27.50	27.70	27.70	28.74
			IP Services	Telephone - Contact Center Agent		761			90.80
	Telephone - IP Telephone	763					22.34	22.34	19.34
	CCM Agent	2			73	84	84.10	84.10	82.41
	CCM IVR Service	42			41	47	47.20	47.20	47.63
	IPT-Hosted Adv Subscription	54			10.25	12.00	12.50	12.50	12.19
	LAN Services	LAN 24		719			158.00	158.00	143.17
			LAN Core Medium	721			1,283.00	1,283.00	1,171.64
			LAN 48	723			296.00	296.00	279.40
	WAN Services	MNET AccessFacility (WAN Appndix A)		APX WAN	Appendix	Appendix	Appendix	Appendix	Appendix
			WAN - Branch office	774			3,075.00	3,075.00	2,915.59
			WAN - Headquarters	777			8,912.00	8,912.00	8,560.45
Internet Bandwidth			786			5.76	5.76	4.88	
MPLS BW State			790			5.13	5.13	4.91	
MPLS I-NET 12Gbps			812		2.80	2.77	2.77	1.85	
MNIT Administrative Charges	Administrative Charges - FTE Based		863			Cost	Cost	Cost	
		Administrative Charges - IT Spend Based	864			Cost	Cost	Cost	
Foundational Infrastructure	Data Center	Hosting - Data Center Basic - RU	712			48.60	48.60	43.05	
		Mainframe	Mainframe - Database - Adabas	745			0.0151	0.0151	0.0115
	Mainframe - Database - DB2		746			0.0575	0.0575	0.0533	
	Mainframe - Database - Supra		747			0.1078	0.1078	0.1044	
	Mainframe - Mainframe CPU		750			0.0255	0.0255	0.0244	
	Mainframe - Mainframe - Scheduled Jobs		751			1.67	1.67	1.64	
	Mainframe - Mainframe Specialty Processor		752			0.0062	0.0062	0.0056	
	Mainframe - Reads		753			0.0165	0.0165	0.0154	
	Server	Hosting - Dedicated Hosting - Server	713			1,162.00	1,162.00	1,640.06	
		Hosting - Shared Hosting - CPU	715			50.50	50.50	65.89	
		Hosting - Shared Hosting - Memory	716			13.45	13.45	22.98	
	Storage & Backup	Hosting - Data Storage		717			0.4430	0.4430	0.1865
			Mainframe backups	754			0.1383	0.1383	0.0940
Ctr of Excellence	Ctr of Excellence	FileNet Ctr of Excellence	885			47.79	47.79	37.73	
		Oracle IAM Ctr of Excellence	900			0.2900	0.2900	0.1846	

RATE SCHEDULE

Version 1.1

ENTERPRISE TECHNOLOGY FUND (5500)
FOR FISCAL YEAR 2020-21

FY20-21 Rates are Effective 7/1/19

Budget Activity	Service Component	Product Line	Service Group	Svc Name	Product Code	Metric	Billing Interval	FY19 Requested Rate	FY20-21 Requested Rate
IT Standard Services	Client Computing	Workstation Management	Workstation Management	A08-SharePoint on Premise	TBD	% of use	Month		Cost
				484-Microsoft EA-User	8450	User	One-time	\$ 242.23	\$ 233.31
				546-Desktop Miscellaneous	8277	Item	Month	Cost + 5%	Cost
				586-Desktop Enterprise SW	8752	Item	One-time	Cost	Cost
				701-Desktop - Standard Desktop	8ED0	Desktops	Month	\$ 58.30	\$ 57.54
				702-Entrprs SW - Workstation - MDE	8ESDMDE1	AD Attribute	Month	\$ 19.50	\$ 19.24
				703-Entrprs SW - Workstation - No Supp	8ESD0	AD Attribute	Month	\$ 22.90	\$ 28.61
				705-Entrprs SW - Workstation-Tier2 Supp	8ESD2	AD Attribute	Month	\$ 55.90	\$ 48.74
				707-Entrprs SW - Kiosk User - Tier 1 Support	8ESK1	AD Attribute	Month	\$ 33.10	\$ 35.15
				742-Laptop - Standard Laptop	8ELO	Laptops	Month	\$ 78.70	\$ 74.60
				887-Laptop-Performance or Specialized Laptop	8EL9	Cost	One-time	Cost	Cost
				888-Laptop-3 Year Laptop Replacement	8EL3R	Cost	One-time	Cost	Cost
				889-Desktop-4 Year Desktop Replacement	8ED4R	Cost	One-time	Cost	Cost
				890-Desktop-3 Year Desktop Replacement	8ED3R	Cost	One-time	Cost	Cost
				926-Workstation - Prof Svcs - Basic	8PSWS1	Hour	Month	\$ 62.60	\$ 62.60
				928-Workstation - Prof Svcs - Intermediate	8PSWS2	Hour	Month	\$ 80.60	\$ 80.60
				930-Workstation - Prof Svcs - Advanced	8PSWS3	Hour	Month	\$ 95.70	\$ 95.70
		Mobile Device Management	Mobile Device Management	755-Mobile Device Management - Advanced MDM	8230	Airwatch	Month	\$ 11.80	\$ 9.87
				756-Mobile Device Management - Basic MDM	8EMD0	Active Sync (No Airwatch)	Month	\$ 3.19	\$ 4.77
				956-Mobile Device Mgmt - Prof Svcs - Basic	8PSMDM1	Hour	Month	\$ 62.60	\$ 62.60
				958-Mobile Device Mgmt - Prof Svcs - Intermediate	8PSMDM2	Hour	Month	\$ 80.60	\$ 80.60
				960-Mobile Device Mgmt - Prof Svcs - Advanced	8PSMDM3	Hour	Month	\$ 95.70	\$ 95.70
	Telecom	Contracted Voice Services	Language Services	004-Over-the-Phone Interp Svc	IDCODELANG	Minute	Month	\$ 1.35	\$ 1.39
				005-Interpretation-Miscellaneous	INTERP-MISC	Item	Month	Cost + 19%	Cost
			Local Service	006-Centrex Prime Station	QCP-A	Item	Month	\$ 27.70	\$ 28.74
				032-Misc Monthly Charges	NOTE G	Item	Month	Cost + 19%	Cost
				034-Voice Circuits, T-1, PRI	NOTE D	Circuit	Month	Cost + 19%	Cost
				035-Payphones	NOTE C	Item	Month	Cost + 19%	Cost
				758-Telephone - Basic Line	TEL-BASIC	Line	Month	\$ 24.20	\$ 23.97
				759-Telephone - Business Line	TEL-BUSINESS	Line	Month	\$ 52.80	\$ 52.31
				760-Telephone - Centrex Line	TEL-CENTREX	Line	Month	\$ 35.70	\$ 35.79
				764-Telephone - Small office Multi Line	TEL-MULTILINE	Line	Month	\$ 24.00	\$ 23.78
				771-Telephone - NOTE VT1 (\$.01-\$10)	TEL-NOTE-VT1	Item	Month	Cost + 19%	Cost
				772-Telephone - NOTE VT2 (\$10.01 - \$100)	TEL-NOTE-VT2	Item	Month	Cost + 19%	Cost
				773-Telephone - NOTE VT3 (\$100.01+)	TEL-NOTE-VT3	Item	Month	Cost + 19%	Cost
				801-Fed Fees - Standard Charge	FEDFEES	Item	Month	\$ 6.76	\$ 6.73
				992-Telephone-Emergency Phone	EMERGRPHN	Line	Month	\$ 12.50	\$ 12.44

Budget Activity	Service Component	Product Line	Service Group	Svc Name	Product Code	Metric	Billing Interval	FY19 Requested Rate	FY20-21 Requested Rate
			Long Distance	016-Switched LD	LD-1	Minute	Month	\$ 0.0700	\$ 0.0687
				017-Dedicated LD	LD-2	Minute	Month	\$ 0.0530	\$ 0.0520
				019-Toll Free Switched	LD-4	Minute	Month	\$ 0.0870	\$ 0.0854
				020-Toll Free Dedicated	LD-5	Minute	Month	\$ 0.0490	\$ 0.0482
				769-Telephone - NOTE CE	TEL-NOTE-CE	Item	Month	Cost + 19%	Cost
				770-Telephone - NOTE MIN	TEL-NOTE-MIN	Minute	Month	Cost + 19%	Cost
			Audio & Web Conferencing	080-Reservationless Toll Free	IC-R8	Minute	Month	\$ 0.0350	\$ 0.0348
				504-Reservationless Toll	IC-R	Minute	Month	\$ 0.0350	\$ 0.0348
				816-Conferencing Web Account	CONF-ACTIVEHOST	Account	Month	\$ 49.10	\$ 48.70
				822-Telephone - NOTE CONF (NOTE CONF Appendix)	TEL-CONFNOTE	Item	Month	Telephone Note Conf Appendix	Telephone Note Conf Appendix
				832-WebEx Meeting Center per minute	CONF-WBX-MCPM	Minute	Month	\$ 0.1100	\$ 0.1090
				833-WebEx VoIP Audio	CONF-VOIP-AUDIO	Minute	Month	\$ 0.0280	\$ 0.0278
				994-WebEx-Recording-Per-Minute Meeting-Screen/Audio	WXPPM-REC	Item	Month	\$ 89.25	\$ 88.56
				995-Recording-ResPlus Per-Minute Meeting-Audio Only	RESPLUS-REC	Minute	Month	\$ 0.04	\$ 0.0348
				996-WebEx-Storage Overage-Branded WebEx Site	WXSTORE-OVER	GB	Month	\$ 23.00	\$ 22.89
		IP Voice Services	Contact Center	002-CCM Agent	CCMG01	Seat	Month	\$ 84.10	\$ 82.41
				003-CCM Supervisor	CCMG02	Seat	Month	\$ 160.00	\$ 159.55
				042-CCM IVR Service	CCMIVR	Port	Month	\$ 47.20	\$ 47.63
				043-CCM IVR Svc w/Speech Recogntn	CCMIVR-SR	Port	Month	\$ 81.40	\$ 80.74
				044-CCM Agent Activation	CCMLIC	Device	One-time	\$ 1,873.00	\$ 1,873.00
				057-IPT Activation Metro Gateway	IPTLICMG	Subscription	One-time	\$ 82.00	\$ 82.00
				477-CCM Agent Setup	CCMSET	Seat	One-time	\$ 51.10	\$ 51.67
				478-IVR CVP Activation	IVRLIC	Port	One-time	\$ 781.00	\$ 781.00
				761-Telephone - Contact Center Agent	TEL-AGENT	Station Count	Month	\$ 90.80	\$ 86.59
				762-Telephone - Contact Center Supervisor	TEL-SUPV	Station Count	Month	\$ 164.00	\$ 160.35
				767-VoIP SIP Session	CCOFFNET	Port	Month	\$ 15.10	\$ 15.12
				768-IVR Premium Reporting	CCMIVR-PR	Item	Month	\$ 100.00	\$ 101.13
			IP Telephony	054-IPT-Hosted Adv Subscription	IPTA	Station	Month	\$ 12.50	\$ 12.19
				056-IPT-Hosted Basic Subscription	IPTB	Station	Month	\$ 6.31	\$ 6.45
				059-Quality Mgmt Support Only	QM-01	Seat	Month	\$ 6.42	\$ 6.34
				479-Workforce Mgmt Support Only	WFM-01	Seat	Month	\$ 6.41	\$ 6.43
				520-IPT-Hosted Ported Nbr Stn SC	IPTPORT	Station	Month	\$ 6.39	\$ 6.44
				691-Misc Charges-Recurring	IPMISC	Item	Month	Cost + 0/5/10/15/19%	Cost
				757-Telephone - Advanced IP Telephone	TEL-IPTADV	Line	Month	\$ 25.50	\$ 25.50
				763-Telephone - IP Telephone	TEL-IPT	Line	Month	\$ 22.34	\$ 19.34
				765-Telephone - Softphone	TEL-IPTSOFT	Line	Month	\$ 18.00	\$ 18.00
				993-IPT-Telephone Handset	PHONESET	Phone	One-time	Cost + 10%	Cost
			IPT Install and Professional Services	039-IP Professional Svc Fees	7570D	Hour	One-time	\$ 123.00	\$ 122.35
				055-IPT-Hosted Adv Subs Setup	IPTAS	Device	One-time	\$ 102.00	\$ 101.43

Budget Activity	Service Component	Product Line	Service Group	Svc Name	Product Code	Metric	Billing Interval	FY19 Requested Rate	FY20-21 Requested Rate
				061-Voice Mail Activation	UC-LIC	Mailbox	One-time	\$ 14.50	\$ 14.41
				515-IPT Tel# Transition Fee	SIPTN	Number	One-time	\$ 5.04	\$ 5.04
				518-IPT-Activation Other Gateway	IPTLICOG	Subscription	One-time	\$ 69.00	\$ 69.00
				519-IPT-Hosted Basic Subs Setup	IPTBS	Device	One-time	\$ 94.00	\$ 94.00
				557-IP Vendor Professional Svc Fee	IPVPS	Hour	One-time	\$ 250.00	\$ 250.00
				558-IP Vendor Professional Services	VENDORPS	Service	One-time	Cost + 0/5/10/15/19%	Cost
				950-Telephone - Prof Svcs - Basic	TEL-PS-BASIC	Hour	Month	\$ 62.60	\$ 62.60
				952-Telephone - Prof Svcs - Intermediate	TEL-PS-INTM	Hour	Month	\$ 80.60	\$ 80.60
				954-Telephone - Prof Svcs - Advanced	TEL-PS-ADV	Hour	Month	\$ 95.70	\$ 95.70
			Voice Mail	062-Voice Mail for Analog	UCVMANALOG	Mailbox	Month	\$ 11.90	\$ 11.73
				063-Voice Mail Std-IPT	UCVMSTD	Mailbox	Month	\$ 1.09	\$ 1.09
				521-Handlers UC-Call and Directory	UCHANDLERS	Port	Month	\$ 47.80	\$ 46.44
			Video Conferencing	813-Conferencing Personal Video Conf Account	CONF-PVCA	Account	Month	\$ 5.17	\$ 5.16
				814-Conferencing Video Room	CONF-VR	Room System	Month	\$ 45.80	\$ 45.77
				818-Room System Lease	CONF-RMLease	Item	Month	Cost + 5%	Cost
				819-Room System Smartnet	CONF-RMmaint	Item	Month	Cost + 5%	Cost
				820-Streaming Media Type 1	CONF-STRM1	Item	Month	\$ 100.00	\$ 99.82
				821-Streaming Media Type 2	CONF-STRM2	Item	Month	\$ 150.00	\$ 149.74
				823-Video Directory Service	CONF-DIR	Subscription	Month	\$ 271.00	\$ 270.69
				824-Video LNM Support	CONF-LNM	Subscription	Month	\$ 24,314.00	\$ 23,850.67
				825-Video Service Installation	CONF-VID-INSTALL	Item	One-time	\$ 250.00	\$ 250.00
				826-Video Service Type 1	CONF-VID1	Subscription	Month	\$ 21.70	\$ 21.38
				827-Video Service Type 2	CONF-VID2	Subscription	Month	\$ 143.00	\$ 140.92
				828-Video Service Type 3	CONF-VID3	Subscription	Month	\$ 270.00	\$ 266.07
				829-Video Service Type 4	CONF-VID4	Subscription	Month	\$ 358.00	\$ 354.05
				974-Conferencing - Prof Svcs - Basic	VID-PS-BASIC	Hour	Month	\$ 62.60	\$ 62.60
				976-Conferencing - Prof Svcs - Intermediate	VID-PS-INTM	Hour	Month	\$ 80.60	\$ 80.60
				978-Conferencing - Prof Svcs - Advanced	VID-PS-ADV	Hour	Month	\$ 95.70	\$ 95.70
		LAN Services	Install and Professional Services	727-LAN Device Config One-time	LAN-CONFIG	Configuration	One-time	\$ 215.00	\$ 210.37
				728-LAN Device Install One-time	LAN-INSTALL	Install	One-time	\$ 215.00	\$ 210.37
				738-LAN IT Professional	LAN-PS-PRO	Service	One-time	\$ 64.00	\$ 60.32
				739-LAN structured cabling installation	LAN-CABLING	Install	One-time	Cost + 19%	Cost
				932-LAN - Prof Svcs - Basic	LAN-PS-BASIC	Hour	Month	\$ 62.60	\$ 62.60
				934-LAN - Prof Svcs - Intermediate	LAN-PS-INTM	Hour	Month	\$ 80.60	\$ 80.60
				936-LAN - Prof Svcs - Advanced	LAN-PS-ADV	Hour	Month	\$ 95.70	\$ 95.70
			LAN Switch Services	718-LAN - LAN 12	LAN-12	Device	Month	\$ 78.20	\$ 73.34
				719-LAN - LAN 24	LAN-24	Device	Month	\$ 158.00	\$ 143.17
				720-LAN - LAN Core Large	LAN-CORE-L	Device	Month	\$ 2,754.00	\$ 2,496.19
				721-LAN - LAN Core Medium	LAN-CORE-M	Device	Month	\$ 1,283.00	\$ 1,171.64
				722-LAN - LAN Core Small	LAN-CORE-S	Device	Month	\$ 682.00	\$ 640.72
				723-LAN - LAN 48	LAN-48	Device	Month	\$ 296.00	\$ 279.40
				729-LAN Device Service Level AA	LAN-DEV-AA	Service	Month	\$ 39.00	\$ 39.00
				730-LAN Device Service Level H	LAN-DEV-H	Service	Month	\$ 319.00	\$ 319.00

Budget Activity	Service Component	Product Line	Service Group	Svc Name	Product Code	Metric	Billing Interval	FY19 Requested Rate	FY20-21 Requested Rate
				731-LAN - LAN-12-Fiber	LAN-12-FIBER	Service	Month	\$ 394.00	\$ 358.71
				732-LAN Device Service Level J	LAN-DEV-J	Service	Month	\$ 494.00	\$ 494.00
				733-LAN Device Service Level K	LAN-DEV-K	Service	Month	\$ 594.00	\$ 594.00
				734-LAN - LAN-24-Fiber	LAN-DEV-L	Service	Month	\$ 750.00	\$ 750.00
				735-LAN Device Service Level M	LAN-DEV-M	Service	Month	\$ 1,000.00	\$ 1,000.00
				736-LAN Device Service Level N	LAN-DEV-N	Service	Month	\$ 1,250.00	\$ 1,250.00
				737-LAN Device Service Level O	LAN-DEV-O	Service	Month	\$ 1,500.00	\$ 1,365.65
			WLAN Services	724-LAN - Wireless Device Specialized	LAN-AP-SPECIAL	Device	Month	\$ 40.00	\$ 41.38
				725-LAN - Wireless Device Standard	LAN-AP-STANDARD	Device	Month	\$ 23.60	\$ 22.46
				726-Additional WLAN features	LAN-AP-XX	Feature	Month	Cost + 19%	Cost
				740-Wireless Access Point A	LAN-AP-A	Service	Month	\$ 15.40	\$ 14.30
				741-Wireless Access Point C	LAN-AP-C	Service	Month	Cost + 19%	Cost
			LAN-Other Services	989-LAN Miscellaneous	LAN-0000	Item	One-time	Cost + 0/5/10/15/19%	Cost
		WAN Services	Access Circuit Services	337-MNET AccessFacility	AF-XXXX	Circuit	Month	\$25 - \$10,000	\$25 - \$10,000
			Customer Premise Network Hardware	782-H/A Option 2nd device Branch	WAN-HA-BNCH	Device	Month	\$ 350.00	\$ 338.55
				783-H/A Option 2nd device District	WAN-HA-DIST	Device	Month	\$ 250.00	\$ 241.68
				784-H/A Option 2nd device Field	WAN-HA-FLD	Device	Month	\$ 135.00	\$ 135.00
				785-H/A Option 2nd device HQ	WAN-HA-HQ	Device	Month	\$ 750.00	\$ 725.64
				791-Network Device 1	WAN-ND1	Device	Month	\$ 51.90	\$ 49.94
				793-Network Device 2	WAN-ND2	Device	Month	\$ 109.00	\$ 104.53
				794-Network Device 3	WAN-ND3	Device	Month	\$ 151.00	\$ 144.79
				795-Network Device 4	WAN-ND4	Device	Month	\$ 200.00	\$ 192.90
				796-Network Device 5	WAN-ND5	Device	Month	\$ 227.00	\$ 227.00
				797-Network Device 6	WAN-ND6	Device	Month	\$ 240.00	\$ 231.63
				798-Network Device 7	WAN-ND7	Device	Month	\$ 291.00	\$ 283.15
				799-Network Device 8	WAN-ND8	Device	Month	\$ 466.00	\$ 452.13
				800-Network Device 9	WAN-ND9	Device	Month	\$ 652.00	\$ 630.36
				792-Network Device 10	WAN-ND10	Device	Month	\$ 922.00	\$ 884.12
				802-PE Hub Port 1	WAN-PE1	Connection	Month	\$ 83.20	\$ 79.80
				803-PE Hub Port 2	WAN-PE2	Connection	Month	\$ 137.00	\$ 133.30
				804-PE Hub Port 3	WAN-PE3	Connection	Month	\$ 241.00	\$ 232.70
				805-PE Hub Port 4	WAN-PE4	Connection	Month	\$ 439.00	\$ 423.57
			Customer Premise Security Services	806-Software VPN with Hard Token	VPN-HARD	Client	Month	\$ 10.80	\$ 10.40
				807-Software VPN with SW Token	VPN-SOFT	Client	Month	\$ 5.50	\$ 5.30
				811-Software VPN	VPN-PKI	Client	Month	\$ 1.75	\$ 1.75
			Install and Professional Services	780-Access Facility One-time	WAN-AF-INSTALL	Install	One-time	Cost + 5%	Cost
				808-WAN Device Config One-time	WAN-CONFIG	Configuration	One-time	\$ 215.00	\$ 210.37
				809-WAN Device Install One-time	WAN-INSTALL	Install	One-time	\$ 215.00	\$ 210.37
				810-WAN IT Professional	WAN-PROF3054A	Hour	One-time	\$ 85.00	\$ 85.00
			WAN Bandwidth Services	786-Internet Bandwidth <12 Gbps	WAN-INET-BW	Mbps	Month	\$ 5.76	\$ 4.88

Budget Activity	Service Component	Product Line	Service Group	Svc Name	Product Code	Metric	Billing Interval	FY19 Requested Rate	FY20-21 Requested Rate
				812-Internet Bandwidth >12Gbps	WAN-INET-12G	Mbps	Month	\$ 2.77	\$ 1.85
				789-MPLS BW >12 Gbps	WAN-MPLS-METRO	Mbps	Month	\$ 2.32	\$ 2.16
				790-MPLS BW <12 Gbps	WAN-MPLS-STATE	Mbps	Month	\$ 5.13	\$ 4.91
			WAN Collab Equipment	A09-Collab - Pop. < 10,001	WAN-CLLB-T1	Service	Month		\$ 900.00
				A10-Collab - Pop. 10,001-25,000	WAN-CLLB-T2	Service	Month		\$ 1,300.00
				A11-Collab - Pop. 25,001-50,000	WAN-CLLB-T3	Service	Month		\$ 1,700.00
				A12-Collab - Pop. 50,001-100,000	WAN-CLLB-T4	Service	Month		\$ 2,100.00
				A13-Collab - Pop. > 100,000	WAN-CLLB-T5	Service	Month		\$ 3,000.00
				A14-Collab - Partner 1	WAN-CLLB-P1	Service	Month		\$ 8,330.00
				A15-Collab - Partner 2	WAN-CLLB-P2	Service	Month		\$ 54,100.00
			WAN Service Tiers	777-WAN - Headquarters 501+ Employees	WAN-HQ	Bandwidth	Month	\$ 8,912.00	\$ 8,560.45
				774-WAN - Branch Office 101-500 Employees	WAN-BNCH	Bandwidth	Month	\$ 3,075.00	\$ 2,915.59
				775-WAN - District Office 26-100 Employees	WAN-DIST	Bandwidth	Month	\$ 889.00	\$ 845.22
				776-WAN - Field Office 13-25 Employees	WAN-FLD	Bandwidth	Month	\$ 395.00	\$ 374.44
				779-WAN - Small Office 2-12 Employees	WAN-SM	Bandwidth	Month	\$ 159.00	\$ 148.16
				778-WAN - One Person Office	WAN-1	Bandwidth	Month	\$ 61.00	\$ 47.79
			WAN-Other Services	787-Miscellaneous Charges - One Time	WAN-0000	Item	One-time	Cost + 0/5/10/15/19%	Cost
				788-Miscellaneous Charges - Recurring	WAN-9999	Item	Month	Cost + 5/10/15/19%	Cost
			Install and Professional Services	938-WAN - Prof Svcs - Basic	WAN-PS-BASIC	Hour	Month	\$ 62.60	\$ 62.60
				940-WAN - Prof Svcs - Intermediate	WAN-PS-INTM	Hour	Month	\$ 80.60	\$ 80.60
				942-WAN - Prof Svcs - Advanced	WAN-PS-ADV	Hour	Month	\$ 95.70	\$ 95.70
	MnGeo Service Bureau	MnGeo Service Bureau	MnGeo Service Bureau	844-MNGeo - Enterprise GIS Software	8MGE01	License Use	One-time	Cost	Cost
				845-MNGeo - Geospatial Commons	8MGE02	Cost Server/Storage Plus Professional Services	One-time	Cost + 19%	Cost
				846-MNGeo - GIS Web Services	8MGE03	Transactions Used or Flat Fee	One-time	Cost + 19%	Cost
				855-MNGeo - Prof Svcs - Basic	8PSMG1	Hour	Month	\$ 62.60	\$ 62.60
				857-MNGeo - Prof Svcs - Intermediate	8PSMG2	Hour	Month	\$ 80.60	\$ 80.60
				859-MNGeo - Prof Svcs - Advanced	8PSMG3	Hour	Month	\$ 95.70	\$ 95.70
				891-MNGeo - Shared MNGeo Application Hosting	8MGE04	Instance	Month	Cost + 19%	Cost
				892-MNGeo - Dedicated MNGeo Application Support	8MGE05	Item	Month	Cost + 19%	Cost
				529-Other Fees or Surcharges	8182	Item	Month	Cost + 0/5/10/15/19%	Cost
				562-Aerial Photo EA	8756	Item	Month	Cost + 0/5/10/15/19%	Cost
	Security Services	Security Services	Security Services	A07-Multi-factor Authentication (TBD)	TBD	User	Month		\$ 2.31

Budget Activity	Service Component	Product Line	Service Group	Svc Name	Product Code	Metric	Billing Interval	FY19 Requested Rate	FY20-21 Requested Rate
				564-Security Services	8754	Item	Month	Cost + 0/5/10/15/19%	Cost
				899-Intrusion Detection and Prevention	8SEC2	Item	Month	Cost + 19%	Cost
				901-Vulnerability Mgmt	8SEC3	Device	Month	\$ 2.21	\$ 1.96
				920-Security Services - Prof Svcs - Basic	8PSSEC1	Hour	Month	\$ 62.60	\$ 62.60
				922-Security Services - Prof Svcs - Intermediate	8PSSEC2	Hour	Month	\$ 80.60	\$ 80.60
				924-Security Services - Prof Svcs - Advanced	8PSSEC3	Hour	Month	\$ 95.70	\$ 95.70
	SaaS Development & Support	SaaS Development & Support	SaaS Development & Support	860-SaaS App Dev & Support - Licensing	8SAAS1	Item	One-time	Cost + 0%	Cost
				861-SaaS App Dev & Support - Storage	8SAAS2	Item	One-time	Cost + 0%	Cost
				862-SaaS App Dev & Support - Platform Support	8SAAS3	Item	One-time	Cost + 19%	Cost
				987-SaaS App Dev & Support - Add-on	8SAAS4	Item	One-time	Cost + 0/5/10/15/19%	Cost
				980-SaaS - Prof Svcs - Basic	8PSAAS1	Hour	Month	\$ 62.60	\$ 62.60
				982-SaaS - Prof Svcs - Intermediate	8PSAAS2	Hour	Month	\$ 80.60	\$ 80.60
				984-SaaS - Prof Svcs - Advanced	8PSAAS3	Hour	Month	\$ 95.70	\$ 95.70
	Leadership	Financial Mgmt - Billback	Financial Mgmt - Billback	165-Financial Management - Billback	8406	Purchase Price	Month	Cost + 13% (Min \$25 & Max \$500)	Cost + 13% (Min \$25 & Max \$500)
				991-Financial Management - Billback	8430	Dollars	Month	Cost	Cost
	MN.IT Administrative Charges	MN.IT Administrative Charges	MN.IT Administrative Charges	863-Administrative Charges - FTE Based	8SGA1	Item	Month	Cost*	Cost*
				864-Administrative Charges - IT Spend Based	8SGA2	Item	Month	Cost	Cost
				851-Web Content Mgmt - Static Hosting Large	8206	>5000 MB	Month	\$ 175.00	\$ 177.55
				852-Web Content Mgmt - Static Hosting Medium	8205	2001-5000 MB	Month	\$ 131.00	\$ 141.07
				853-Web Content Mgmt - Static Hosting Small	8204	501-2000 MB	Month	\$ 62.10	\$ 63.25
				850-Web Content Mgmt - Static Hosting Extra Small	8203	<500 MB	Month	\$ 17.90	\$ 16.96
				902-Web Content Mgmt - Prof Svcs - Basic	8PSWEB1	Hour	Month	\$ 62.60	\$ 62.60
				904-Web Content Mgmt - Prof Svcs - Intermediate	8PSWEB2	Hour	Month	\$ 80.60	\$ 80.60
				906-Web Content Mgmt - Prof Svcs - Advanced	8PSWEB3	Hour	Month	\$ 95.70	\$ 95.70
				210-WC Miscellaneous	8134	Item	Month	Cost + 0/5/10%	Cost
Projects & Initiatives	Project Management	Project Mgmt	Project Mgmt	914-Project Mgmt - Prof Svcs - Basic	8PSPM1	Hour	Month	\$ 62.60	\$ 62.60
				916-Project Mgmt - Prof Svcs - Intermediate	8PSPM2	Hour	Month	\$ 80.60	\$ 80.60
				918-Project Mgmt - Prof Svcs - Advanced	8PSPM3	Hour	Month	\$ 95.70	\$ 95.70
Platform as a Service (PaaS)	Platform as a Service (PaaS)	Database	All Other (Database)	201-Database SW Maint	8119	Processor Core	Month	Cost + 19%	Cost
				202-Database Lic Maint	8128	Processor Core	Month	Cost + 19%	Cost
				598-Database Enterprise SW	8750	Item	One-time	Cost	Cost
				962-Database - Prof Svcs - Basic	8PSDB1	Hour	Month	\$ 62.60	\$ 62.60

Budget Activity	Service Component	Product Line	Service Group	Svc Name	Product Code	Metric	Billing Interval	FY19 Requested Rate	FY20-21 Requested Rate
				964-Database - Prof Svcs - Intermediate	8PSDB2	Hour	Month	\$ 80.60	\$ 80.60
				966-Database - Prof Svcs - Advanced	8PSDB3	Hour	Month	\$ 95.70	\$ 95.70
			DB2	838-Database - Distributed Systems - DB2	8150	Instance	Month	\$ 755.00	\$ 647.55
			MS SQL	834-Database - Dedicated DB Hosting-MS SQL Tier 1	8DBH1	Database	Month	\$ 469.00	\$ 394.61
				835-Database - Dedicated DB Hosting-MS SQL Tier 2	8DBH2	Database	Month	\$ 234.00	\$ 219.13
				839-Database - Shared DB Hosting - MS SQL	8DBH5	Database	Month	\$ 189.00	\$ 203.51
			Oracle	836-Database - Dedicated DB Hosting-Oracle Tier 1	8DBH3	Instance	Month	\$ 1,785.00	\$ 1,718.69
				837-Database - Dedicated DB Hosting-Oracle Tier 2	8DBH4	Instance	Month	\$ 1,481.00	\$ 1,434.72
				840-Database - Shared DB Hosting - Oracle	8DBH6	Instance	Month	\$ 1,220.00	\$ 1,220.00
		Middleware	Middleware	599-Middleware Enterprise SW	8751	Item	One-time	Cost	Cost
				841-Middleware - Tier 1 Middleware Inst (Complex)	8155	Instance	Month	\$ 1,121.00	\$ 1,056.87
				842-Middleware - Tier 2 Middleware Inst. (Simple)	8156	Instance	Month	\$ 446.00	\$ 434.68
				843-Middleware - Middleware Shared Hosting	8MW1	Instance	Month	\$ 263.00	\$ 263.00
				968-Middleware - Prof Svcs - Basic	8PSMW1	Hour	Month	\$ 62.60	\$ 62.60
				970-Middleware - Prof Svcs - Intermediate	8PSMW2	Hour	Month	\$ 80.60	\$ 80.60
				972-Middleware - Prof Svcs - Advanced	8PSMW3	Hour	Month	\$ 95.70	\$ 95.70
Foundational Infrastructure	Hosting	Mainframe	Mainframe	745-Mainframe - Database - Adabas	8022	1000 CPU Svc/Unt	Month	\$ 0.0151	\$ 0.0115
				746-Mainframe - Database - DB2	1207	1000 CPU Svc/Unt	Month	\$ 0.0575	\$ 0.0533
				747-Mainframe - Database - Supra	5012	1000 DB Calls	Month	\$ 0.1078	\$ 0.1044
				749-Mainframe - Enterprise Workload Schedule	8231	Job	Month	\$ 1.21	\$ 1.01
				750-Mainframe - Mainframe CPU	8EMF2	1000 CPU Svc/Unt	Month	\$ 0.0255	\$ 0.0244
				751-Mainframe - Mainframe Scheduled Jobs	8030	Job	Month	\$ 1.67	\$ 1.64
				752-Mainframe - Mainframe Specialty Processor	8EMF3	1000 CPU Svc/Unt	Month	\$ 0.0062	\$ 0.0056
				753-Mainframe - Reads	8435	Report Reads	Month	\$ 0.0165	\$ 0.0154
				944-Mainframe - Prof Svcs - Basic	8PSMF1	Hour	Month	\$ 62.60	\$ 62.60
				946-Mainframe - Prof Svcs - Intermediate	8PSMF2	Hour	Month	\$ 80.60	\$ 80.60
				948-Mainframe - Prof Svcs - Advanced	8PSMF3	Hour	Month	\$ 95.70	\$ 95.70
			MF DASD/Tape Storage	748-Mainframe - Disk Storage	8EMF1	Gb/day	Month	\$ 0.2428	\$ 0.2301
				754-Mainframe backups	8EMF4	Gb/day	Month	\$ 0.1383	\$ 0.0940
		Data Center	Data Center	491-Hosting - Data Center Miscellaneous	8372	Item	Month	Cost + 0/5/10/15/19%	Cost
				712-Hosting - Data Center Basic - RU	8EH0	RU	Month	\$ 48.60	\$ 43.05
		Server	Server	545-Hosting - Server Miscellaneous	8325	Item	Month	Cost + 0/5/10/15/19%	Cost
				709-Hosting - Cloud Usage Tier 1	8EHC1	Usage	Month	Cost + 0/5/10/15/19%	Cost
				710-Hosting - Cloud Usage Tier 2	8EHC2	Usage	Month	Cost + 0/5/10/15/19%	Cost

Budget Activity	Service Component	Product Line	Service Group	Svc Name	Product Code	Metric	Billing Interval	FY19 Requested Rate	FY20-21 Requested Rate
				711-Hosting - Cloud Usage Tier 3	8EHC3	GB - Storage	Month	Cost + 0/5/10/15/19%	Cost
				713-Hosting - Dedicated Hosting - Server	8EH1	Dedicated Server	Month	\$ 1,162.00	\$ 1,640.06
				715-Hosting - Shared Hosting - CPU	8EH2	vCPU	Month	\$ 50.50	\$ 65.89
				716-Hosting - Shared Hosting - Memory	8EH3	GB - vMemory	Month	\$ 13.45	\$ 22.98
				897-Hosting - Remote Desktop Virtualization	8EHA5	User	Month	\$ 30.00	\$ 17.31
				990-Remote Server	8EH6	Remote Server	Month	\$ 335.45	\$ 537.32
				600-Server Enterprise SW	8753	Item	One-time	Cost	Cost
		Storage & Backup	Backup & Archive	261-Hosting - Data Storage Miscellaneous	8126	Item	Month	Cost + 0/5/10/15/19%	Cost
				893-Hosting - Ent Disk Backups - Addl Retention	8EHA1	GB	Month	\$ 0.1130	\$ 0.1218
				894-Hosting - Enterprise Tape Backups	8EHA2	GB	Month	\$ 0.1130	\$ 0.1252
				895-Hosting - Data Archiving	8EHA3	GB	Month	\$ 0.2225	\$ 0.2225
				896-Hosting - High Availability Replication	8EHA4	GB	Month	\$ 0.4449	\$ 0.3401
				069-Ent E-mail Archiving	8297	Mailbox	Month	\$ 5.63	\$ 5.79
			SAN Storage	717-Hosting - Data Storage	8EH4	GB - Storage	Month	\$ 0.4430	\$ 0.1865
		Hosting Professional Services	Prof Svcs Data Ctr/Server/Storage	908-Hosting - Prof Svcs - Basic	8PSH1	Hour	Month	\$ 62.60	\$ 62.60
				910-Hosting - Prof Svcs - Intermediate	8PSH2	Hour	Month	\$ 80.60	\$ 80.60
				912-Hosting - Prof Svcs - Advanced	8PSH3	Hour	Month	\$ 95.70	\$ 95.70
Ctr of Excellence	Ctr of Excellence	Ctr of Excellence	Ctr of Excellence	885-FileNet EDMS	8CEF1	User License	Month	\$ 47.79	\$ 37.73
				900-Oracle IAM	8CEIAM1	User License	Month	\$ 0.2900	\$ 0.1846
				988-Oracle IAM Software	8SEC4	Item	Month	Cost	Cost
				997-IAM -Vendor Professional Svcs	IAM-PS-VENDOR	Cost	One-time	Cost	Cost
				998-IAM-Prof Svcs-Basic	IAM-PS-BASIC	Hour	Month	\$ 62.60	\$ 62.60
				999-IAM-Prof Svcs-Intermediate	IAM-PS-INTM	Hour	Month	\$ 80.60	\$ 80.60
				A01-IAM-Prof Svcs-Advanced	IAM-PS-ADV	Hour	Month	\$ 95.70	\$ 95.70
				A02-FileNet -Vendor Professional Svcs	FN-PS-VENDOR	Cost	One-time	Cost	Cost
				A03-FileNet EDMS-Prof Svcs-Basic	FN-PS-BASIC	Hour	Month	\$ 62.60	\$ 62.60
				A04-FileNet EDMS-Prof Svcs-Intermediate	FN-PS-INTM	Hour	Month	\$ 80.60	\$ 80.60
				A05-FileNet EDMS-Prof Svcs-Advanced	FN-PS-ADV	Hour	Month	\$ 95.70	\$ 95.70

* Budgeted cost

RATE MATRIX												
MN.IT CENTRAL and AGCY-BASED ENTERPRISE COSTS AND VOLUMES												
ENTERPRISE TECHNOLOGY FUND (5500)												
FOR FISCAL YEAR 2020												
Rate Matrix #20.5 - w/DOT laas												
					FY20 Budget Units & Rates		FY20 Budget (\$000s)					
FY20 Product Line	FY20 Service Group	FY20 Svc Name	FY20 Metric	FY20 Billing Interval	FY20 Bud Billable Units	FY20 Bud B/E Rate	FY20 Bud Direct Cost	FY20 Bud Net Indirect Cost (IN & OUT)	FY20 Bud Overhead	FY20 Bud Total Cost	FY20 Bud Revenue	FY20 Bud Net Margin Variance
Workstation Management	Workstation Management	484-Microsoft EA User (8450)	User	One-time	724	\$ 233.3113	\$ 153	\$ -	\$ 16	\$ 169	\$ 169	\$ -
Workstation Management	Workstation Management	546-Desktop Miscellaneous (8277)	Item	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workstation Management	Workstation Management	586-Desktop Enterprise SW (8752)	Item	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workstation Management	Workstation Management	701-Desktop - Standard Desktop (8ED0)	Desktops	Month	227,096	\$ 57.54	\$ 11,777	\$ 25	\$ 1,265	\$ 13,067	\$ 13,067	\$ -
Workstation Management	Workstation Management	702-Entrprs SW - Workstation - MDE (8ESDME1)	AD Attribute	Month	7,548	\$ 19.24	\$ 130	\$ 1	\$ 14	\$ 145	\$ 145	\$ -
Workstation Management	Workstation Management	703-Entrprs SW - Workstation No Supp (8ESD0)	AD Attribute	Month	11,136	\$ 28.61	\$ 254	\$ 34	\$ 31	\$ 319	\$ 319	\$ -
Workstation Management	Workstation Management	704-Entrprs SW - Workstation-Tier1 Supp(8ESD1)	AD Attribute	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workstation Management	Workstation Management	705-Entrprs SW - Workstation-Tier2 Supp(8ESD2)	AD Attribute	Month	437,292	\$ 48.74	\$ 19,206	\$ 44	\$ 2,064	\$ 21,314	\$ 21,314	\$ -
Workstation Management	Workstation Management	706-Entrprs SW - Kiosk User - No Supp(8ESK0)	AD Attribute	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workstation Management	Workstation Management	707-Entrprs SW - Kiosk User Tier 1 Supp(8ESK1)	AD Attribute	Month	7,236	\$ 35.1503	\$ 229	\$ 1	\$ 25	\$ 254	\$ 254	\$ -
Workstation Management	Workstation Management	708-Entrprs SW - Kiosk User Tier 2 Supp(8ESK2)	AD Attribute	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workstation Management	Workstation Management	742-Laptop - Standard Laptop (8EL0)	Laptops	Month	199,036	\$ 74.60	\$ 13,395	\$ 16	\$ 1,438	\$ 14,848	\$ 14,848	\$ -
Workstation Management	Workstation Management	887-Laptop-Perform or SpecLaptop(8EL9)	Cost	One-Time	701,200	\$ 0.99	\$ 692	\$ -	\$ -	\$ 692	\$ 692	\$ -
Workstation Management	Workstation Management	888-Laptop-3 Year Laptop Replacement (8EL3R)	Cost	One-Time	202,960	\$ 1.1028	\$ 224	\$ -	\$ -	\$ 224	\$ 224	\$ -
Workstation Management	Workstation Management	889-Desktop-4 Year Desktop Rep(8ED4R)	Cost	One-Time	210,210	\$ 1.0648	\$ 224	\$ -	\$ -	\$ 224	\$ 224	\$ -
Workstation Management	Workstation Management	890-Desktop-3 Year Desktop Rep(8ED3R)	Cost	One-Time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workstation Management	Workstation Management	926-Workstation - Prof Svcs - Basic (8PSWS1)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workstation Management	Workstation Management	928-Workstation ProfSvcsInter(8PSWS2)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workstation Management	Workstation Management	930-Workstation ProfSvcsAdv(8PSWS3)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workstation Management	Workstation Management	A08-SharePoint on Premise (TBD)	% of Use	Month	678,866	\$ 1.1841	\$ 80	\$ 723	\$ -	\$ 804	\$ 804	\$ -
Total Workstation Management					2,683,304		\$ 46,363	\$ 844	\$ 4,853	\$ 52,060	\$ 52,060	\$ -
Mobile Device Management	Mobile Device Management	755-Mobile Device Management - Adv MDM(8230)	Airwatch	Month	105,408	\$ 9.87	\$ 940	\$ -	\$ 101	\$ 1,040	\$ 1,040	\$ -
Mobile Device Management	Mobile Device Management	756-Mobile Device Management Basic MDM(8EMD0)	Active Sync	Month	18,096	\$ 4.77	\$ 78	\$ -	\$ 8	\$ 86	\$ 86	\$ -
Mobile Device Management	Mobile Device Management	956-Mobile Device Mgmt ProfSvcsBasic(8PSMDM1)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile Device Management	Mobile Device Management	958-Mobile Device Mgmt ProfSvcsInter(8PSMDM2)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile Device Management	Mobile Device Management	960-Mobile Device Mgmt Prof SvcsAdv(8PSMDM3)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Mobile Device Management					123,504		\$ 1,018	\$ -	\$ 109	\$ 1,127	\$ 1,127	\$ -
Contracted Voice Services	Language Services	004-Over-the-Phone Interp Svc (IDCODELANG)	Minute	Month	1,306,825	\$ 1.39	\$ 1,646	\$ -	\$ 176	\$ 1,822	\$ 1,822	\$ -
Contracted Voice Services	Language Services	005-Interpretation-Miscellaneous(INTERP-MISC)	Item	Month	71,970	\$ 2.09	\$ 150	\$ -	\$ -	\$ 150	\$ 150	\$ -
Contracted Voice Services	Local Service	006-Centrex Prime Station (QCP-A)	Item	Month	58,860	\$ 28.74	\$ 1,455	\$ 73	\$ 164	\$ 1,692	\$ 1,692	\$ -
Contracted Voice Services	Local Service	032-Misc Monthly Charges (NOTE G)	Item	Month	67,644	\$ 2.24	\$ 151	\$ -	\$ -	\$ 151	\$ 151	\$ -
Contracted Voice Services	Local Service	034-Voice Circuits, T-1, PRI (NOTE D)	Circuit	Month	32,166	\$ 21.32	\$ 686	\$ -	\$ -	\$ 686	\$ 686	\$ -
Contracted Voice Services	Local Service	035-Payphones (NOTE C)	Item	Month	717	\$ 22.08	\$ 16	\$ -	\$ -	\$ 16	\$ 16	\$ -
Contracted Voice Services	Local Service	758-Telephone - Basic Line (TEL-BASIC)	Line	Month	1,916	\$ 23.97	\$ 41	\$ -	\$ 4	\$ 46	\$ 46	\$ -
Contracted Voice Services	Local Service	759-Telephone - Business Line (TEL-BUSINESS)	Line	Month	11,532	\$ 52.31	\$ 545	\$ -	\$ 58	\$ 603	\$ 603	\$ -
Contracted Voice Services	Local Service	760-Telephone - Centrex Line (TEL-CENTREX)	Line	Month	43,416	\$ 35.79	\$ 1,403	\$ -	\$ 150	\$ 1,554	\$ 1,554	\$ -
Contracted Voice Services	Local Service	764-Telephone Sm Office Mult Ln(TEL-MULTILINE)	Line	Month	5,688	\$ 23.78	\$ 122	\$ -	\$ 13	\$ 135	\$ 135	\$ -
Contracted Voice Services	Local Service	771-Telephone-NOTEVT1(\$01-10)(TEL-NOTE-VT1)	Item	Month	154,060	\$ 0.5312	\$ 82	\$ -	\$ -	\$ 82	\$ 82	\$ -
Contracted Voice Services	Local Service	772-TelephoneNOTEVT2(10.01-100)(TEL-NOTE-VT2)	Item	Month	13,712	\$ 26.44	\$ 363	\$ -	\$ -	\$ 363	\$ 363	\$ -
Contracted Voice Services	Local Service	773-TelephoneNOTEVT3(\$100.01+)(TEL-NOTE-VT3)	Item	Month	105	\$ 144.01	\$ 15	\$ -	\$ -	\$ 15	\$ 15	\$ -
Contracted Voice Services	Local Service	801-Fed Fees - Standard Charge (FDFEES)	Item	Month	15,520	\$ 6.73	\$ 94	\$ -	\$ 10	\$ 104	\$ 104	\$ -
Contracted Voice Services	Local Service	992-Telephone-Emergency Phone (EMERPHN)	Line	Month	2,604	\$ 12.44	\$ 29	\$ -	\$ 3	\$ 32	\$ 32	\$ -
Contracted Voice Services	Long Distance	016-Switched LD (LD-1)	Minute	Month	3,032,664	\$ 0.0687	\$ 188	\$ -	\$ 20	\$ 208	\$ 208	\$ -
Contracted Voice Services	Long Distance	017-Dedicated LD (LD-2)	Minute	Month	1,856,074	\$ 0.0520	\$ 87	\$ -	\$ 9	\$ 97	\$ 97	\$ -

FY20 Product Line	FY20 Service Group	FY20 Svc Name	FY20 Metric	FY20 Billing Interval	FY20 Bud Billable Units	FY20 Bud B/E Rate	FY20 Bud Direct Cost	FY20 Bud Net Indirect Cost (IN & OUT)	FY20 Bud Overhead	FY20 Bud Total Cost	FY20 Bud Revenue	FY20 Bud Net Margin Variance
Contracted Voice Services	Long Distance	019-Toll Free Switched (LD-4)	Minute	Month	1,258,446	\$ 0.0854	\$ 97	\$ -	\$ 10	\$ 107	\$ 107	\$ -
Contracted Voice Services	Long Distance	020-Toll Free Dedicated (LD-5)	Minute	Month	20,203,649	\$ 0.0482	\$ 880	\$ -	\$ 94	\$ 974	\$ 974	\$ -
Contracted Voice Services	Long Distance	769-Telephone - NOTE CE (TEL-NOTE-CE)	Item	Month	191	\$ 5.2851	\$ 1	\$ -	\$ -	\$ 1	\$ 1	\$ -
Contracted Voice Services	Long Distance	770-Telephone - NOTE MIN (TEL-NOTE-MIN)	Minute	Month	25,021	\$ 0.1138	\$ 3	\$ -	\$ -	\$ 3	\$ 3	\$ -
Contracted Voice Services	Audio & Web Conferencing	080-Reservationless Toll Free (IC-R8)	Minute	Month	8,929,793	\$ 0.0348	\$ 280	\$ -	\$ 30	\$ 310	\$ 310	\$ -
Contracted Voice Services	Audio & Web Conferencing	504-Reservationless Toll (IC-R)	Minute	Month	46,440	\$ 0.0517	\$ 2	\$ -	\$ 0	\$ 2	\$ 2	\$ -
Contracted Voice Services	Audio & Web Conferencing	766-Telephone Audio Conferencing	Minute	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracted Voice Services	Audio & Web Conferencing	815-Conferencing Video/Web Collaboration Account	Account	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracted Voice Services	Audio & Web Conferencing	816-Conferencing Web Account(CONF-ACTIVEHOST)	Account	Month	14,945	\$ 48.70	\$ 657	\$ -	\$ 70	\$ 728	\$ 728	\$ -
Contracted Voice Services	Audio & Web Conferencing	822-Telephone-NOTECONFAAppendix (TEL-CONFNOTE)	Item	Month	1,530,119	\$ 0.2351	\$ 325	\$ -	\$ 35	\$ 360	\$ 360	\$ -
Contracted Voice Services	Audio & Web Conferencing	830-WebEx CMR	Account	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracted Voice Services	Audio & Web Conferencing	831-WebEx EENH-200	Account	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracted Voice Services	Audio & Web Conferencing	832-WebEx Meeting Ctr per min(CONF-WBX-MCPM)	Minute	Month	714,776	\$ 0.1090	\$ 70	\$ -	\$ 8	\$ 78	\$ 78	\$ -
Contracted Voice Services	Audio & Web Conferencing	833-WebEx VoIP Audio (CONF-VOIP-AUDIO)	Minute	Month	1,166,752	\$ 0.0278	\$ 29	\$ -	\$ 3	\$ 32	\$ 32	\$ -
Contracted Voice Services	Audio & Web Conferencing	994-WebEx-Recording-Per-Minute Meeting-Screen/Audio (WXPPM-REC)	Item	One-time	260	\$ 88.56	\$ 21	\$ -	\$ 2	\$ 23	\$ 23	\$ -
Contracted Voice Services	Audio & Web Conferencing	995-Recording-ResPlus Per-Minute Meeting-Audio Only (RESPLUS-REC)	Minute	One-time	1,428,576	\$ 0.0348	\$ 45	\$ -	\$ 5	\$ 50	\$ 50	\$ -
Contracted Voice Services	Audio & Web Conferencing	996-WebEx-Storage Overage-Branded WebEx Site (WXSTORE-OVER)	GB	Month	168	\$ 22.89	\$ 3	\$ -	\$ 0	\$ 4	\$ 4	\$ -
Total Contracted Voice Services					41,994,607		\$ 9,487	\$ 73	\$ 868	\$ 10,429	\$ 10,429	\$ -
IP Voice Services	Contact Center	002-CCM Agent (CCMG01)	Seat	Month	1,776	\$ 82.41	\$ 112	\$ 20	\$ 14	\$ 146	\$ 146	\$ -
IP Voice Services	Contact Center	003-CCM Supervisor (CCMG02)	Seat	Month	204	\$ 159.55	\$ 20	\$ 9	\$ 3	\$ 33	\$ 33	\$ -
IP Voice Services	Contact Center	042-CCM IVR Service (CCMIVR)	Port	Month	15,192	\$ 47.63	\$ 541	\$ 113	\$ 70	\$ 724	\$ 724	\$ -
IP Voice Services	Contact Center	043-CCM IVR Svc w/Speech Recognitn (CCMIVR-SR)	Port	Month	3,732	\$ 80.74	\$ 224	\$ 48	\$ 29	\$ 301	\$ 301	\$ -
IP Voice Services	Contact Center	044-CCM Agent Activation (CCMLIC)	Device	One-time	2	\$ 774.65	\$ 1	\$ 0	\$ 0	\$ 2	\$ 2	\$ -
IP Voice Services	Contact Center	057-IPT Activation Metro Gateway (IPTLICMG)	Subscription	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	Contact Center	477-CCM Agent Setup (CCMSET)	Seat	One-time	55	\$ 51.67	\$ 1	\$ 2	\$ 0	\$ 3	\$ 3	\$ -
IP Voice Services	Contact Center	478-IVR CVP Activation (IVRLIC)	Port	One-time	4	\$ 422.13	\$ 1	\$ 0	\$ 0	\$ 2	\$ 2	\$ -
IP Voice Services	Contact Center	761-Telephone Contact Ctr Agent(TEL-AGENT)	Station Count	Month	17,952	\$ 86.59	\$ 1,111	\$ 293	\$ 151	\$ 1,554	\$ 1,554	\$ -
IP Voice Services	Contact Center	762-Telephone Contact Center Sup(TEL-SUPV)	Station Count	Month	2,095	\$ 160.35	\$ 238	\$ 66	\$ 33	\$ 336	\$ 336	\$ -
IP Voice Services	Contact Center	767-VoIP SIP Session (CCOFFNET)	Port	Month	8,832	\$ 15.12	\$ 69	\$ 51	\$ 13	\$ 134	\$ 134	\$ -
IP Voice Services	Contact Center	768-IVR Premium Reporting (CCMIVR-PR)	Item	Month	24	\$ 101.13	\$ 1	\$ 2	\$ 0	\$ 2	\$ 2	\$ -
IP Voice Services	IP Telephony	040-Additional Line (ALAPP)	Device/Port	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	IP Telephony	054-IPT-Hosted Adv Subscription (IPTA)	Station	Month	40,030	\$ 12.19	\$ 441	\$ -	\$ 47	\$ 488	\$ 488	\$ -
IP Voice Services	IP Telephony	056-IPT-Hosted Basic Subscription (IPTB)	Station	Month	1,836	\$ 6.45	\$ 4	\$ 6	\$ 1	\$ 12	\$ 12	\$ -
IP Voice Services	IP Telephony	059-Quality Mgmt Support Only (QM-01)	Seat	Month	19,176	\$ 6.34	\$ 104	\$ 5	\$ 12	\$ 122	\$ 122	\$ -
IP Voice Services	IP Telephony	479-Workforce Mgmt Support Only (WFM-01)	Seat	Month	5,952	\$ 6.43	\$ 18	\$ 17	\$ 4	\$ 38	\$ 38	\$ -
IP Voice Services	IP Telephony	520-IPT-Hosted Ported Nbr Stn SC (IPTPORT)	Station	Month	732	\$ 6.44	\$ 2	\$ 3	\$ 0	\$ 5	\$ 5	\$ -
IP Voice Services	IP Telephony	691-Misc Charges-Recurring (IPMISC)	Item	Month	540	\$ 502.28	\$ 271	\$ -	\$ -	\$ 271	\$ 271	\$ -
IP Voice Services	IP Telephony	757-Telephone Advanced IP Tel(TEL-IPTADV)	Line	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	IP Telephony	763-Telephone - IP Telephone (TEL-IPT)	Line	Month	289,406	\$ 19.34	\$ 4,824	\$ 232	\$ 542	\$ 5,598	\$ 5,598	\$ -
IP Voice Services	IP Telephony	765-Telephone - Softphone (TEL-IPTSOFT)	Line	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	IP Telephony	993-IPT-Telephone Handset (PHONESET)	Phone	One-time	3,600	\$ 1.0000	\$ 4	\$ -	\$ -	\$ 4	\$ 4	\$ -
IP Voice Services	IPT Install and Professional Services	039-IP Professional Svc Fees (7570D)	Hour	One-time	2,728	\$ 122.35	\$ 301	\$ -	\$ 32	\$ 334	\$ 334	\$ -
IP Voice Services	IPT Install and Professional Services	046-IPT-Device Activation (DEV-LIC)	Device	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FY20 Product Line	FY20 Service Group	FY20 Svc Name	FY20 Metric	FY20 Billing Interval	FY20 Bud Billable Units	FY20 Bud B/E Rate	FY20 Bud Direct Cost	FY20 Bud Net Indirect Cost (IN & OUT)	FY20 Bud Overhead	FY20 Bud Total Cost	FY20 Bud Revenue	FY20 Bud Net Margin Variance
IP Voice Services	IPT Install and Professional Services	055-IPT-Hosted Adv Subs Setup (IPTAS)	Device	One-time	1,029	\$ 101.43	\$ 94	\$ -	\$ 10	\$ 104	\$ 104	\$ -
IP Voice Services	IPT Install and Professional Services	061-Voice Mail Activation (UC-LIC)	Mailbox	One-time	180	\$ 14.41	\$ 2	\$ -	\$ 0	\$ 3	\$ 3	\$ -
IP Voice Services	IPT Install and Professional Services	515-IPT Tel# Transition Fee (SIPTN)	Number	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	IPT Install and Professional Services	518-IPT-Activation Other Gateway (IPTLICOG)	Subscription	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	IPT Install and Professional Services	519-IPT-Hosted Basic Subs Setup (IPTBS)	Device	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	IPT Install and Professional Services	557-IP Vendor Professional Svc Fee (IPVPS)	Hour	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	IPT Install and Professional Services	558-IP Vendor Professional Services(VENDORPS)	Service	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	IPT Install and Professional Services	950-Telephone - Prof Svcs Basic(TEL-PS-BASIC)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	IPT Install and Professional Services	952-Telephone - Prof Svcs Interm(TEL-PS-INTM)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	IPT Install and Professional Services	954-Telephone - Prof Svcs Adv(TEL-PS-ADV)	Hour	Month	168	\$ 95.15	\$ 14	\$ -	\$ 2	\$ 16	\$ 16	\$ -
IP Voice Services	Voice Mail	062-Voice Mail for Analog (UCVMANALOG)	Mailbox	Month	4,525	\$ 11.73	\$ 48	\$ -	\$ 5	\$ 53	\$ 53	\$ -
IP Voice Services	Voice Mail	063-Voice Mail Std-IPT (UCVMSTD)	Mailbox	Month	35,900	\$ 1.09	\$ 34	\$ 1	\$ 4	\$ 39	\$ 39	\$ -
IP Voice Services	Voice Mail	521-Handlers UC-Call and Direct(UCHANDLERS)	Port	Month	1,876	\$ 46.44	\$ 74	\$ 5	\$ 8	\$ 87	\$ 87	\$ -
IP Voice Services	Video Conferencing	665-County/State Collab(COLLABORATION-IPT)	Subscription	Month	1,671	\$ 209.93	\$ 317	\$ -	\$ 34	\$ 351	\$ 351	\$ -
IP Voice Services	Video Conferencing	813-Conferencing PersonVidConfAcct(CONF-PVCA)	Account	Month	408	\$ 5.16	\$ 1	\$ 1	\$ 0	\$ 2	\$ 2	\$ -
IP Voice Services	Video Conferencing	814-Conferencing Video Room (CONF-VR)	Room System	Month	686	\$ 45.77	\$ 21	\$ 7	\$ 3	\$ 31	\$ 31	\$ -
IP Voice Services	Video Conferencing	817-County/State Collab-Vid(CONF-VID-COLLAB)	Subscription	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	Video Conferencing	818-Room System Lease (CONF-RMLEASE)	Item	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	Video Conferencing	819-Room System Smartnet (CONF-RMMAINT)	Item	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	Video Conferencing	820-Streaming Media Type 1 (CONF-STRM1)	Item	Month	108	\$ 99.82	\$ 7	\$ 3	\$ 1	\$ 11	\$ 11	\$ -
IP Voice Services	Video Conferencing	821-Streaming Media Type 2 (CONF-STRM2)	Item	Month	156	\$ 149.74	\$ 15	\$ 6	\$ 2	\$ 23	\$ 23	\$ -
IP Voice Services	Video Conferencing	823-Video Directory Service (CONF-DIR)	Subscription	Month	12	\$ 270.69	\$ 2	\$ 1	\$ 0	\$ 3	\$ 3	\$ -
IP Voice Services	Video Conferencing	824-Video LNM Support (CONF-LNM)	Subscription	Month	12	\$ 23,850.67	\$ 236	\$ 22	\$ 28	\$ 286	\$ 286	\$ -
IP Voice Services	Video Conferencing	825-Video Service Install(CONF-VID-INSTALL)	Item	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	Video Conferencing	826-Video Service Type 1 (CONF-VID1)	Subscription	Month	1,404	\$ 21.38	\$ 19	\$ 8	\$ 3	\$ 30	\$ 30	\$ -
IP Voice Services	Video Conferencing	827-Video Service Type 2 (CONF-VID2)	Subscription	Month	180	\$ 140.92	\$ 16	\$ 7	\$ 2	\$ 25	\$ 25	\$ -
IP Voice Services	Video Conferencing	828-Video Service Type 3 (CONF-VID3)	Subscription	Month	168	\$ 266.07	\$ 29	\$ 12	\$ 4	\$ 45	\$ 45	\$ -
IP Voice Services	Video Conferencing	829-Video Service Type 4 (CONF-VID4)	Subscription	Month	204	\$ 354.05	\$ 65	\$ -	\$ 7	\$ 72	\$ 72	\$ -
IP Voice Services	Video Conferencing	974-Conferencing Prof SvcsBasic(VID-PS-BASIC)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	Video Conferencing	976-Conferencing Prof Svcs Inter(VID-PS-INTM)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IP Voice Services	Video Conferencing	978-Conferencing Prof SvcsAdv(VID-PS-ADV)	Hour	Month	76	\$ 95.53	\$ 5	\$ 2	\$ 1	\$ 7	\$ 7	\$ -
Total IP Voice Services					462,632		\$ 9,287	\$ 942	\$ 1,067	\$ 11,297	\$ 11,297	\$ -
LAN Services	Install and Professional Services	727-LAN Device Config One-time (LAN-CONFIG)	Configuration	One-time	83	\$ 210.37	\$ 17	\$ -	\$ -	\$ 17	\$ 17	\$ -
LAN Services	Install and Professional Services	728-LAN Device Install One-time (LAN-INSTALL)	Install	One-time	84	\$ 210.37	\$ 18	\$ -	\$ -	\$ 18	\$ 18	\$ -
LAN Services	Install and Professional Services	738-LAN IT Professional (LAN-PS-PRO)	Service	One-time	388	\$ 60.32	\$ 23	\$ -	\$ -	\$ 23	\$ 23	\$ -
LAN Services	Install and Professional Services	739-LAN Structured Cabling Inst(LAN-CABLING)	Install	One-time	59	\$ 3,458.30	\$ 205	\$ -	\$ -	\$ 205	\$ 205	\$ -
LAN Services	Install and Professional Services	932-LAN - Prof Svcs - Basic (LAN-PS-BASIC)	Hour	Month	208	\$ 58.18	\$ 11	\$ -	\$ 1	\$ 12	\$ 12	\$ -
LAN Services	Install and Professional Services	934-LAN - Prof Svcs Interm(LAN-PS-INTM)	Hour	Month	417	\$ 74.86	\$ 28	\$ -	\$ 3	\$ 31	\$ 31	\$ -

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LAN Services	Install and Professional Services	936-LAN - Prof Svcs - Advanced (LAN-PS-ADV)	Hour	Month	4,139	\$ 88.87	\$ 332	\$ -	\$ 36	\$ 368	\$ 368	\$ -
LAN Services	LAN Switch Services	718-LAN - LAN 12 (LAN-12)	Device	Month	4,117	\$ 73.34	\$ 273	\$ -	\$ 29	\$ 302	\$ 302	\$ -
LAN Services	LAN Switch Services	719-LAN - LAN 24 (LAN-24)	Device	Month	9,596	\$ 143.17	\$ 1,241	\$ -	\$ 133	\$ 1,374	\$ 1,374	\$ -
LAN Services	LAN Switch Services	720-LAN - LAN Core Large (LAN-CORE-L)	Device	Month	108	\$ 2,496.19	\$ 243	\$ 1	\$ 26	\$ 270	\$ 270	\$ -
LAN Services	LAN Switch Services	721-LAN - LAN Core Medium (LAN-CORE-M)	Device	Month	558	\$ 1,171.64	\$ 590	\$ -	\$ 63	\$ 654	\$ 654	\$ -
LAN Services	LAN Switch Services	722-LAN - LAN Core Small (LAN-CORE-S)	Device	Month	1,548	\$ 640.72	\$ 896	\$ -	\$ 96	\$ 992	\$ 992	\$ -
LAN Services	LAN Switch Services	723-LAN - LAN 48 (LAN-48)	Device	Month	14,743	\$ 279.40	\$ 3,569	\$ 151	\$ 399	\$ 4,119	\$ 4,119	\$ -
LAN Services	LAN Switch Services	729-LAN Device Service Level AA (LAN-DEV-AA)	Service	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LAN Services	LAN Switch Services	730-LAN Device Service Level H (LAN-DEV-H)	Service	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LAN Services	LAN Switch Services	731-LAN - LAN-12-FIBER (LAN-12-FIBER)	Service	Month	504	\$ 358.71	\$ 163	\$ -	\$ 18	\$ 181	\$ 181	\$ -
LAN Services	LAN Switch Services	732-LAN Device Service Level J (LAN-DEV-J)	Service	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LAN Services	LAN Switch Services	733-LAN Device Service Level K (LAN-DEV-K)	Service	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LAN Services	LAN Switch Services	734-LAN - LAN-24-Fiber (LAN-DEV-L)	Service	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LAN Services	LAN Switch Services	735-LAN Device Service Level M (LAN-DEV-M)	Service	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LAN Services	LAN Switch Services	736-LAN Device Service Level N (LAN-DEV-N)	Service	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LAN Services	LAN Switch Services	737-LAN Device Service Level O (LAN-DEV-O)	Service	Month	84	\$ 1,365.65	\$ 104	\$ -	\$ 11	\$ 115	\$ 115	\$ -
LAN Services	LAN-Other Services	989-LAN Miscellaneous (LAN-0000)	Item	One-time	12	\$ 3,060.83	\$ 37	\$ -	\$ -	\$ 37	\$ 37	\$ -
LAN Services	WLAN Services	724-LAN - Wireless Dev Spec(LAN-AP-SPECIAL)	Device	Month	1,692	\$ 41.38	\$ 63	\$ -	\$ 7	\$ 70	\$ 70	\$ -
LAN Services	WLAN Services	725-LAN - Wireless Dev Stand(LAN-AP-STANDARD)	Device	Month	27,720	\$ 22.46	\$ 559	\$ 3	\$ 60	\$ 623	\$ 623	\$ -
LAN Services	WLAN Services	726-Additional WLAN features (LAN-AP-XX)	Feature	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LAN Services	WLAN Services	740-Wireless Access Point A (LAN-AP-A)	Service	Month	36	\$ 14.30	\$ 0	\$ -	\$ 0	\$ 1	\$ 1	\$ -
LAN Services	WLAN Services	741-Wireless Access Point C (LAN-AP-C)	Service	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total LAN Services					66,097		\$ 8,373	\$ 155	\$ 882	\$ 9,411	\$ 9,411	\$ -
WAN Services	Access Circuit Services	337-MNET Access Facility (AF-XXXX)	Circuit	Month	20,760	\$ 360.32	\$ 6,263	\$ 493	\$ 724	\$ 7,480	\$ 7,480	\$ -
WAN Services	Customer Premise Network Hardware	666-Credit Recurring (CREDIT RECURRING)	Item	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WAN Services	Customer Premise Network Hardware	782-H/A Option 2nd device Branch(WAN-HA-BNCH)	Device	Month	24	\$ 338.55	\$ 7	\$ -	\$ 1	\$ 8	\$ 8	\$ -
WAN Services	Customer Premise Network Hardware	783-H/A Option 2nd device Dist(WAN-HA-DIST)	Device	Month	12	\$ 241.68	\$ 3	\$ -	\$ 0	\$ 3	\$ 3	\$ -
WAN Services	Customer Premise Network Hardware	784-H/A Option 2nd device Field (WAN-HA-FLD)	Device	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WAN Services	Customer Premise Network Hardware	785-H/A Option 2nd device HQ (WAN-HA-HQ)	Device	Month	60	\$ 725.64	\$ 39	\$ -	\$ 4	\$ 44	\$ 44	\$ -
WAN Services	Customer Premise Network Hardware	791-Network Device 1 (WAN-ND1)	Device	Month	168	\$ 49.94	\$ 8	\$ -	\$ 1	\$ 8	\$ 8	\$ -
WAN Services	Customer Premise Network Hardware	792-Network Device 10 (WAN-ND10)	Device	Month	37	\$ 884.12	\$ 29	\$ -	\$ 3	\$ 33	\$ 33	\$ -
WAN Services	Customer Premise Network Hardware	793-Network Device 2 (WAN-ND2)	Device	Month	888	\$ 104.53	\$ 84	\$ -	\$ 9	\$ 93	\$ 93	\$ -
WAN Services	Customer Premise Network Hardware	794-Network Device 3 (WAN-ND3)	Device	Month	84	\$ 144.79	\$ 11	\$ -	\$ 1	\$ 12	\$ 12	\$ -
WAN Services	Customer Premise Network Hardware	795-Network Device 4 (WAN-ND4)	Device	Month	2,052	\$ 192.90	\$ 322	\$ 36	\$ 38	\$ 396	\$ 396	\$ -
WAN Services	Customer Premise Network Hardware	796-Network Device 5 (WAN-ND5)	Device	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WAN Services	Customer Premise Network Hardware	797-Network Device 6 (WAN-ND6)	Device	Month	1,597	\$ 231.63	\$ 296	\$ 38	\$ 36	\$ 370	\$ 370	\$ -
WAN Services	Customer Premise Network Hardware	798-Network Device 7 (WAN-ND7)	Device	Month	433	\$ 283.15	\$ 93	\$ 18	\$ 12	\$ 123	\$ 123	\$ -
WAN Services	Customer Premise Network Hardware	799-Network Device 8 (WAN-ND8)	Device	Month	874	\$ 452.13	\$ 309	\$ 48	\$ 38	\$ 395	\$ 395	\$ -
WAN Services	Customer Premise Network Hardware	800-Network Device 9 (WAN-ND9)	Device	Month	252	\$ 630.36	\$ 129	\$ 14	\$ 15	\$ 159	\$ 159	\$ -

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WAN Services	Customer Premise Network Hardware	802-PE Hub Port 1 (WAN-PE1)	Connection	Month	240	\$ 79.80	\$ 17	\$ -	\$ 2	\$ 19	\$ 19	\$ -
WAN Services	Customer Premise Network Hardware	803-PE Hub Port 2 (WAN-PE2)	Connection	Month	744	\$ 133.30	\$ 75	\$ 15	\$ 10	\$ 99	\$ 99	\$ -
WAN Services	Customer Premise Network Hardware	804-PE Hub Port 3 (WAN-PE3)	Connection	Month	692	\$ 232.70	\$ 133	\$ 12	\$ 16	\$ 161	\$ 161	\$ -
WAN Services	Customer Premise Network Hardware	805-PE Hub Port 4 (WAN-PE4)	Connection	Month	1,272	\$ 423.57	\$ 429	\$ 58	\$ 52	\$ 539	\$ 539	\$ -
WAN Services	Customer Premise Security Services	806-Software VPN with Hard Token (VPN-HARD)	Client	Month	732	\$ 10.40	\$ 7	\$ -	\$ 1	\$ 8	\$ 8	\$ -
WAN Services	Customer Premise Security Services	807-Software VPN with SW Token (VPN-SOFT)	Client	Month	1,608	\$ 5.30	\$ 8	\$ -	\$ 1	\$ 9	\$ 9	\$ -
WAN Services	Customer Premise Security Services	811-Software VPN (VPN-PKI)	Client	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WAN Services	Install and Professional Services	780-Access Facility One-time (WAN-AF-INSTALL)	Install	One-time	41	\$ 2,278.50	\$ 94	\$ -	\$ -	\$ 94	\$ 94	\$ -
WAN Services	Install and Professional Services	808-WAN Device Config One-time (WAN-CONFIG)	Configuration	One-time	247	\$ 212.02	\$ 52	\$ -	\$ -	\$ 52	\$ 52	\$ -
WAN Services	Install and Professional Services	809-WAN Device Install One-time (WAN-INSTALL)	Install	One-time	69	\$ 212.02	\$ 15	\$ -	\$ -	\$ 15	\$ 15	\$ -
WAN Services	Install and Professional Services	810-WAN IT Professional (WAN-PROF3054A)	Hour	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WAN Services	Install and Professional Services	938-WAN - Prof Svcs - Basic (WAN-PS-BASIC)	Hour	Month	53	\$ 59,921.1	\$ 3	\$ -	\$ 0	\$ 3	\$ 3	\$ -
WAN Services	Install and Professional Services	940-WAN - Prof SvcsInterm(WAN-PS-INTM)	Hour	Month	24	\$ 76.86	\$ 2	\$ -	\$ 0	\$ 2	\$ 2	\$ -
WAN Services	Install and Professional Services	942-WAN - Prof Svcs - Advanced (WAN-PS-ADV)	Hour	Month	1,401	\$ 91.31	\$ 116	\$ -	\$ 12	\$ 128	\$ 128	\$ -
WAN Services	WAN Bandwidth Services	786-Internet Bandwidth <12 Gbps (WAN-INET-BW)	Mbps	Month	24,732	\$ 4.88	\$ 109	\$ -	\$ 12	\$ 121	\$ 121	\$ -
WAN Services	WAN Bandwidth Services	789-MPLS BW >12 Gbps (WAN-MPLS-METRO)	Mbps	Month	870,475	\$ 2.16	\$ 1,699	\$ -	\$ 182	\$ 1,881	\$ 1,881	\$ -
WAN Services	WAN Bandwidth Services	790-MPLS BW <12 Gbps (WAN-MPLS-STATE)	Mbps	Month	259,307	\$ 4.91	\$ 1,151	\$ -	\$ 123	\$ 1,274	\$ 1,274	\$ -
WAN Services	WAN Bandwidth Services	812-Internet Bandwidth >12Gbps (WAN-INET-12G)	Mbps	Month	483,969	\$ 1.85	\$ 807	\$ -	\$ 87	\$ 894	\$ 894	\$ -
WAN Services	WAN Collab Equipment	664-County/State Collab(COLLABORATION)	Subscription	Month	1,671	\$ 2,136.71	\$ 3,224	\$ -	\$ 346	\$ 3,570	\$ 3,570	\$ -
WAN Services	WAN Collab Equipment	781-County/State Collaboration WAN(WAN-CLLB)	Service	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WAN Services	WAN Service Tiers	774-WAN - Branch Office 101-500 Employees (WAN-BNCH)	Bandwidth	Month	440	\$ 2,915.59	\$ 1,072	\$ 87	\$ 124	\$ 1,283	\$ 1,283	\$ -
WAN Services	WAN Service Tiers	775-WAN - District Office 26-100 Employees (WAN-DIST)	Bandwidth	Month	837	\$ 845.22	\$ 595	\$ 44	\$ 69	\$ 708	\$ 708	\$ -
WAN Services	WAN Service Tiers	776-WAN - Field Office 13-25 Employees (WAN-FLD)	Bandwidth	Month	1,577	\$ 374.44	\$ 497	\$ 37	\$ 57	\$ 591	\$ 591	\$ -
WAN Services	WAN Service Tiers	777-WAN - Headquarters 501+ Employees (WAN-HQ)	Bandwidth	Month	185	\$ 8,560.45	\$ 1,326	\$ 108	\$ 154	\$ 1,588	\$ 1,588	\$ -
WAN Services	WAN Service Tiers	778-WAN - One Person office (WAN-1)	Bandwidth	Month	7,752	\$ 47.79	\$ 307	\$ 28	\$ 36	\$ 370	\$ 370	\$ -
WAN Services	WAN Service Tiers	779-WAN - Small Office 2-12 Employees (WAN-SM)	Bandwidth	Month	6,381	\$ 148.16	\$ 794	\$ 60	\$ 92	\$ 945	\$ 945	\$ -
WAN Services	WAN-Other Services	787-Miscellaneous Charges One Time(WAN-0000)	Item	One-time	36	\$ 8,765.10	\$ 316	\$ -	\$ -	\$ 316	\$ 316	\$ -
WAN Services	WAN-Other Services	788-Miscellaneous Charges - Recurr(WAN-9999)	Item	Month	228	\$ 60.12	\$ 14	\$ -	\$ -	\$ 14	\$ 14	\$ -
Total WAN Services					1,691,956		\$ 20,452	\$ 1,096	\$ 2,257	\$ 23,805	\$ 23,805	\$ -
MnGeo Service Bureau	MnGeo Service Bureau	529-Other Fees or Surcharges (8182)	Item	Month	2	\$ 12,500.00	\$ 25	\$ -	\$ -	\$ 25	\$ 25	\$ -
MnGeo Service Bureau	MnGeo Service Bureau	562-Aerial Photo EA (8756)	Item	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MnGeo Service Bureau	MnGeo Service Bureau	844-MNGeo - Enterprise GIS Software (8MGEO1)	License Use	One-time	26	\$ 25,948.07	\$ 672	\$ 3	\$ -	\$ 675	\$ 675	\$ -
MnGeo Service Bureau	MnGeo Service Bureau	845-MNGeo - Geospatial Commons (8MGEO2)	Item	One-time	19	\$ 2,644.70	\$ 29	\$ 22	\$ -	\$ 50	\$ 50	\$ -
MnGeo Service Bureau	MnGeo Service Bureau	846-MNGeo - GIS Web Services (8MGEO3)	Service	Month	7	\$ 4,724.24	\$ 25	\$ 8	\$ -	\$ 33	\$ 33	\$ -
MnGeo Service Bureau	MnGeo Service Bureau	855-MNGeo - Prof Svcs - Basic (8PSMG1)	Hour	Month	2,450	\$ 55.73	\$ 123	\$ -	\$ 13	\$ 137	\$ 137	\$ -
MnGeo Service Bureau	MnGeo Service Bureau	857-MNGeo - Prof Svcs - Intermediate (8PSMG2)	Hour	Month	1,540	\$ 73.08	\$ 102	\$ -	\$ 11	\$ 113	\$ 113	\$ -
MnGeo Service Bureau	MnGeo Service Bureau	859-MNGeo - Prof Svcs - Advanced (8PSMG3)	Hour	Month	6,354	\$ 87.86	\$ 504	\$ -	\$ 54	\$ 558	\$ 558	\$ -
MnGeo Service Bureau	MnGeo Service Bureau	891-MNGeo - Shared MNGeo App Host(8MGEO4)	Instance	Month	134	\$ 699.21	\$ 44	\$ 50	\$ -	\$ 94	\$ 94	\$ -
MnGeo Service Bureau	MnGeo Service Bureau	892-MNGeo - Dedicated MNGeo App Supp(8MGEO5)	Item	Month	99	\$ 1,773.67	\$ 44	\$ 131	\$ -	\$ 175	\$ 175	\$ -
Total MnGeo Service Bureau					10,631		\$ 1,568	\$ 214	\$ 78	\$ 1,859	\$ 1,859	\$ -

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Security Services	Security Services	898-Shared Web Content and Filtering (8SEC1)	User	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Security Services	Security Services	899-Intrusion Detect and Prevent(8SEC2)	Item	One-time	35	\$ 6,843.40	\$ 204	\$ 36	\$ -	\$ 240	\$ 240	\$ -
Security Services	Security Services	901-Vulnerability Mgmt (8SEC3)	Device	Month	5,796	\$ 1.96	\$ 10	\$ -	\$ 1	\$ 11	\$ 11	\$ -
Security Services	Security Services	920-Security Services ProfSvcs Basic(8PSSEC1)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Security Services	Security Services	922-Security Services ProfSvcsInterm(8PSSEC2)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Security Services	Security Services	924-Security Services ProfSvcsAdv(8PSSEC3)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Security Services	Security Services	A07-Multi-factor Authentication (TBD)	User	Month	106,020	\$ 2.31	\$ 222	\$ -	\$ 24	\$ 245	\$ 245	\$ -
Total Security Services					111,851		\$ 435	\$ 36	\$ 25	\$ 496	\$ 496	\$ -
SaaS Development & Support	SaaS Development & Support	860-SaaS App Dev & Suppt Lic(8SAAS1)	Item	One-time	78,306	\$ 0.85	\$ 67	\$ -	\$ -	\$ 67	\$ 67	\$ -
SaaS Development & Support	SaaS Development & Support	861-SaaS App Dev & Support - Storage (8SAAS2)	Item	One-time	2,350	\$ 0.94	\$ 2	\$ -	\$ 0	\$ 2	\$ 2	\$ -
SaaS Development & Support	SaaS Development & Support	862-SaaS App Dev & Suppt PlatformSupp(8SAAS3)	Item	One-time	301,282	\$ 0.86	\$ 258	\$ -	\$ -	\$ 258	\$ 258	\$ -
SaaS Development & Support	SaaS Development & Support	980-SaaS - Prof Svcs - Basic (8PSAAS1)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SaaS Development & Support	SaaS Development & Support	982-SaaS - Prof Svcs - Intermediate (8PSAAS2)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SaaS Development & Support	SaaS Development & Support	984-SaaS - Prof Svcs - Advanced (8PSAAS3)	Hour	Month	2,000	\$ 165.10	\$ 298	\$ -	\$ 32	\$ 330	\$ 330	\$ -
SaaS Development & Support	SaaS Development & Support	987-SaaS App Dev & Support - Add-on (8SAAS4)	Item	One-time	11,486	\$ 0.85	\$ 10	\$ -	\$ -	\$ 10	\$ 10	\$ -
Total SaaS Development & Support					395,424		\$ 635	\$ -	\$ 32	\$ 667	\$ 667	\$ -
Financial Mgmt - Billback	Financial Mgmt - Billback	165-Financial Management - Billback (8406)	Purchase Price	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Financial Mgmt - Billback	Financial Mgmt - Billback	991-Financial Management - Billback	Dollars	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Financial Mgmt - Billback					0		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MN.IT Administrative Charges	MN.IT Administrative Charges	863-AdminCharges FTE Based(8SGA1)	Item	Month	2,010,000	\$ 1.00	\$ 2,007	\$ 1	\$ -	\$ 2,007	\$ 2,007	\$ -
MN.IT Administrative Charges	MN.IT Administrative Charges	864-AdminChargesIT Spend Based(8SGA2)	Item	Month	16,589,293	\$ 1.01	\$ 15,844	\$ 838	\$ -	\$ 16,682	\$ 16,682	\$ -
Total MN.IT Administrative Charges					18,599,293		\$ 17,852	\$ 838	\$ -	\$ 18,689	\$ 18,689	\$ -
Web	Web	210-WC Miscellaneous (8134)	Item	Month	6,204	\$ 6.55	\$ 41	\$ -	\$ -	\$ 41	\$ 41	\$ -
Web	Web	847-Web Content Mgmt Dyn Web HostLarge(8593)	>9000 MB + % SA	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web	Web	848-Web Content Mgmt Dyn Web HostMed(8591)	1000-9000 MB + %	Month	0	\$ -	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	\$ -
Web	Web	849-Web Content Mgmt Dyn Web HostSmall(8590)	0-999 MB + % SA	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web	Web	850-Web Content Mgmt Static HostExSmall(8203)	<500 MB	Month	240	\$ 16.96	\$ 3	\$ 1	\$ 0	\$ 4	\$ 4	\$ -
Web	Web	851-Web Content Mgmt Static HostLarge(8206)	>5000 MB	Month	84	\$ 177.55	\$ 13	\$ 1	\$ 1	\$ 15	\$ 15	\$ -
Web	Web	852-Web Content Mgmt Static HostMed(8205)	2001-5000 MB	Month	48	\$ 141.07	\$ 2	\$ 4	\$ 1	\$ 7	\$ 7	\$ -
Web	Web	853-Web Content Mgmt Static HostSmall(8204)	501-2000 MB	Month	72	\$ 63.25	\$ 3	\$ 1	\$ 0	\$ 5	\$ 5	\$ -
Web	Web	902-Web Content Mgmt Prof SvcsBasic(8PSWEB1)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web	Web	904-Web Content Mgmt Prof SvcsInterm(8PSWEB2)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web	Web	906-Web Content Mgmt Prof SvcsAdv(8PSWEB3)	Hour	Month	1,150	\$ 84.01	\$ 87	\$ -	\$ 9	\$ 97	\$ 97	\$ -
Web	Web	A06-Web Content Mgmt - Open Source (TBD)	Instance	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Web					7,798		\$ 149	\$ 7	\$ 12	\$ 168	\$ 168	\$ -
Total IT Standard Services					66,147,097		\$ 115,620	\$ 4,205	\$ 10,184	\$ 130,008	\$ 130,008	\$ -
Project Mgmt	Project Mgmt	914-Project Mgmt - Prof Svcs - Basic (8SPM1)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Mgmt	Project Mgmt	916-Project Mgmt Prof Svcs Interm(8SPM2)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Mgmt	Project Mgmt	918-Project Mgmt Prof Svcs Adv(8SPM3)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Project Mgmt					0		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Database	All Other (Database)	201-Database SW Maint (8119)	Processor Core	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Database	All Other (Database)	202-Database Lic Maint (8128)	Processor Core	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Database	All Other (Database)	598-Database Enterprise SW (8750)	Item	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Database	All Other (Database)	962-Database - Prof Svcs - Basic (8PSDB1)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Database	All Other (Database)	964-Database - Prof Svcs - Interm(8PSDB2)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Database	All Other (Database)	966-Database - Prof Svcs - Advanced (8PSDB3)	Hour	Month	3,963	\$ 80.13	\$ 287	\$ -	\$ 31	\$ 318	\$ 318	\$ -

FY20 Product Line	FY20 Service Group	FY20 Svc Name	FY20 Metric	FY20 Billing Interval	FY20 Bud Billable Units	FY20 Bud B/E Rate	FY20 Bud Direct Cost	FY20 Bud Net Indirect Cost (IN & OUT)	FY20 Bud Overhead	FY20 Bud Total Cost	FY20 Bud Revenue	FY20 Bud Net Margin Variance
Database	DB2	838-Database - Distributed Systems DB2(8150)	Instance	Month	168	\$ 647.55	\$ 98	\$ 0	\$ 11	\$ 109	\$ 109	\$ -
Database	MS SQL	834-Database - Ded DB HostMS SQL Tier1(8DBH1)	Database	Month	240	\$ 394.61	\$ 511	\$ (426)	\$ 9	\$ 95	\$ 95	\$ -
Database	MS SQL	835-Database - Ded DB HostMS SQL Tier2(8DBH2)	Database	Month	60	\$ 219.13	\$ 255	\$ (243)	\$ 1	\$ 13	\$ 13	\$ -
Database	MS SQL	839-Database - Shared DB HostMS SQL(8DBH5)	Database	Month	648	\$ 203.51	\$ 9	\$ 110	\$ 13	\$ 132	\$ 132	\$ -
Database	Oracle	836-Database - Ded DB HostOracle Tier1(8DBH3)	Instance	Month	36	\$ 1,718.69	\$ 168	\$ (112)	\$ 6	\$ 62	\$ 62	\$ -
Database	Oracle	837-Database - Ded DB HostOracle Tier2(8DBH4)	Instance	Month	60	\$ 1,434.72	\$ 171	\$ (93)	\$ 8	\$ 86	\$ 86	\$ -
Database	Oracle	840-Database - Shared DB HostOracle(8DBH6)	Instance	Month	0	\$ -	\$ 58	\$ (58)	\$ -	\$ -	\$ -	\$ -
Total Database					5,175		\$ 1,556	\$ (821)	\$ 79	\$ 814	\$ 814	\$ -
Middleware	Middleware	599-Middleware Enterprise SW (8751)	Item	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Middleware	Middleware	841-Middleware - Tier 1 Middleware Inst(8155)	Instance	Month	420	\$ 1,056.87	\$ 599	\$ (198)	\$ 43	\$ 444	\$ 444	\$ -
Middleware	Middleware	842-Middleware - Tier 2 Middleware Inst(8156)	Instance	Month	60	\$ 434.68	\$ 217	\$ (193)	\$ 3	\$ 26	\$ 26	\$ -
Middleware	Middleware	843-Middleware - Middleware Shared Host(8MW1)	Instance	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Middleware	Middleware	968-Middleware - Prof Svcs - Basic (8PSMW1)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Middleware	Middleware	970-Middleware - Prof Svcs - Interm(8PSMW2)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Middleware	Middleware	972-Middleware - Prof Svcs - Advanced(8PSMW3)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Middleware					480		\$ 815	\$ (391)	\$ 46	\$ 470	\$ 470	\$ -
Total Platform as a Service (PaaS)					5,655		\$ 2,372	\$ (1,212)	\$ 124	\$ 1,284	\$ 1,284	\$ -
Mainframe	Mainframe	745-Mainframe - Database - Adabas (8022)	1000 CPU Svc/Unt	Month	204,557,417	\$ 0.0115	\$ 2,123	\$ -	\$ 228	\$ 2,350	\$ 2,350	\$ -
Mainframe	Mainframe	746-Mainframe - Database - DB2 (1207)	1000 CPU Svc/Unt	Month	25,877,621	\$ 0.0533	\$ 1,245	\$ -	\$ 134	\$ 1,379	\$ 1,379	\$ -
Mainframe	Mainframe	747-Mainframe - Database - Supra (5012)	1000 DB Calls	Month	4,429,134	\$ 0.1044	\$ 417	\$ -	\$ 45	\$ 462	\$ 462	\$ -
Mainframe	Mainframe	749-Mainframe - Ent Workload Sched(8231)	Job	Month	186,576	\$ 1.01	\$ 171	\$ -	\$ 18	\$ 189	\$ 189	\$ -
Mainframe	Mainframe	750-Mainframe - Mainframe CPU (8EMF2)	1000 CPU Svc/Unt	Month	574,934,389	\$ 0.0244	\$ 12,887	\$ (193)	\$ 1,361	\$ 14,055	\$ 14,055	\$ -
Mainframe	Mainframe	751-Mainframe - Mainframe Sched Jobs(8030)	Job	Month	508,138	\$ 1.64	\$ 807	\$ (56)	\$ 80	\$ 831	\$ 831	\$ -
Mainframe	Mainframe	752-Mainframe - Mainframe Spec Process(8EMF3)	1000 CPU Svc/Unt	Month	169,409,495	\$ 0.0056	\$ 864	\$ (1)	\$ 93	\$ 956	\$ 956	\$ -
Mainframe	Mainframe	753-Mainframe - Reads (8435)	Report Reads	Month	47,555,396	\$ 0.0154	\$ 673	\$ (11)	\$ 71	\$ 733	\$ 733	\$ -
Mainframe	Mainframe	944-Mainframe - Prof Svcs - Basic (8PSMF1)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mainframe	Mainframe	946-Mainframe - Prof Svcs Interm(8PSMF2)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mainframe	Mainframe	948-Mainframe - Prof Svcs - Advanced (8PSMF3)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mainframe	MF DASD/Tape Storage	748-Mainframe - Disk Storage (8EMF1)	Gb/day	Month	3,048,328	\$ 0.2301	\$ 638	\$ (5)	\$ 68	\$ 701	\$ 701	\$ -
Mainframe	MF DASD/Tape Storage	754-Mainframe backups (8EMF4)	Gb/day	Month	37,111,111	\$ 0.0940	\$ 3,180	\$ (28)	\$ 338	\$ 3,490	\$ 3,490	\$ -
Total Mainframe					1,067,617,604		\$ 23,006	\$ (294)	\$ 2,435	\$ 25,147	\$ 25,147	\$ -
Data Center	Data Center	491-Hosting - Data Center Misc (8372)	Item	Month	884,715	\$ 0.4509	\$ 399	\$ -	\$ -	\$ 399	\$ 399	\$ -
Data Center	Data Center	712-Hosting - Data Center Basic - RU (8EH0)	RU	Month	73,188	\$ 43.05	\$ 3,807	\$ (961)	\$ 305	\$ 3,151	\$ 3,151	\$ -
Total Data Center					957,903		\$ 4,206	\$ (961)	\$ 305	\$ 3,550	\$ 3,550	\$ -
Server	Server	545-HostingServerMiscellaneous (8325)	Item	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Server	Server	600-Server Enterprise SW (8753)	Item	One-time	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Server	Server	709-Hosting - CloudUsageTier1 (8EHC1)	Usage	Month	84	\$ 11,904.76	\$ 1,000	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ -
Server	Server	710-Hosting - CloudUsageTier2 (8EHC2)	Usage	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Server	Server	713-Hosting - Dedicated Hosting Server(8EH1)	Dedicated Server	Month	2,412	\$ 1,640.06	\$ 3,928	\$ (356)	\$ 383	\$ 3,956	\$ 3,956	\$ -
Server	Server	715-Hosting - Shared Hosting - CPU (8EH2)	vCPU	Month	96,195	\$ 65.89	\$ 7,515	\$ (1,791)	\$ 614	\$ 6,338	\$ 6,338	\$ -
Server	Server	716-Hosting - Shared Hosting - Memory (8EH3)	GB - vMemory	Month	436,654	\$ 22.98	\$ 12,342	\$ (3,280)	\$ 972	\$ 10,034	\$ 10,034	\$ -
Server	Server	897-Hosting-RemoteDesktopVirt (8EHA5)	User	Month	186,228	\$ 17.31	\$ 2,913	\$ (1)	\$ 312	\$ 3,224	\$ 3,224	\$ -
Server	Server	990-Remote Server (8EH6)	Server	Month	1,296	\$ 537.32	\$ 629	\$ -	\$ 67	\$ 696	\$ 696	\$ -
Total Server					722,868		\$ 28,328	\$ (5,427)	\$ 2,348	\$ 25,249	\$ 25,249	\$ -
Storage & Backup	Backup & Archive	069-Ent E-mail Archiving (8297)	Mailbox	Month	63,732	\$ 5.79	\$ 333	\$ -	\$ 36	\$ 369	\$ 369	\$ -
Storage & Backup	Backup & Archive	261-Hosting-DataStorageMisc (8126)	Item	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage & Backup	Backup & Archive	893-Hosting - Ent Disk Backups AddlRet(8EHA1)	GB	Month	7,003,637	\$ 0.1218	\$ 844	\$ (73)	\$ 83	\$ 853	\$ 853	\$ -
Storage & Backup	Backup & Archive	894-Hosting - Enterprise Tape Backups (8EHA2)	GB	Month	44,611	\$ 0.1252	\$ 5	\$ -	\$ 1	\$ 6	\$ 6	\$ -
Storage & Backup	Backup & Archive	895-Hosting - Data Archiving (8EHA3)	GB	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage & Backup	Backup & Archive	896-Hosting - High Avail Replic(8EHA4)	GB	Month	1,820,163	\$ 0.3401	\$ 559	\$ -	\$ 60	\$ 619	\$ 619	\$ -
Storage & Backup	Cloud	711-Hosting - Cloud Hosting - Storage (8EHC3)	GB - Storage	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FY20 Product Line	FY20 Service Group	FY20 Svc Name	FY20 Metric	FY20 Billing Interval	FY20 Bud Billable Units	FY20 Bud B/E Rate	FY20 Bud Direct Cost	FY20 Bud Net Indirect Cost (IN & OUT)	FY20 Bud Overhead	FY20 Bud Total Cost	FY20 Bud Revenue	FY20 Bud Net Margin Variance
Storage & Backup	SAN Storage	717-Hosting - Data Storage (8EH4)	GB - Storage	Month	26,383,077	\$ 0.1865	\$ 4,919	\$ (474)	\$ 476	\$ 4,921	\$ 4,921	\$ -
Total Storage & Backup					35,315,220		\$ 6,660	\$ (548)	\$ 655	\$ 6,767	\$ 6,767	\$ -
Hosting	Prof Svcs Data Ctr/Server/Storage	908-Hosting - Prof Svcs - Basic (8PSH1)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hosting	Prof Svcs Data Ctr/Server/Storage	910-Hosting - Prof Svcs - Intermediate(8PSH2)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hosting	Prof Svcs Data Ctr/Server/Storage	912-Hosting - Prof Svcs - Advanced (8PSH3)	Hour	Month	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Hosting					0		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Hosting Infrastructure					1,104,613,595		\$ 62,200	\$ (7,230)	\$ 5,743	\$ 60,713	\$ 60,713	\$ -
Ctr of Excellence	Ctr of Excellence	885-FileNet EDMS (8CEF1)	User License	Month	82,680	\$ 37.73	\$ 2,406	\$ 412	\$ 302	\$ 3,119	\$ 3,119	\$ -
Ctr of Excellence	Ctr of Excellence	900-Oracle IAM (8CEIAM1)	User License	Month	28,170,828	\$ 0.1846	\$ 2,419	\$ 2,277	\$ 503	\$ 5,200	\$ 5,200	\$ -
Ctr of Excellence	Ctr of Excellence	988-Oracle IAM Software (8SEC4)	Item	Month	215,000	\$ 1.47	\$ 316	\$ -	\$ -	\$ 316	\$ 316	\$ -
Total Ctr of Excellence					28,468,508		\$ 5,141	\$ 2,689	\$ 806	\$ 8,635	\$ 8,635	\$ -
					1,199,234,855		\$ 185,332	\$ (1,549)	\$ 16,857	\$ 200,640	\$ 200,640	\$ -

Minnesota IT Services

FY20/21 Overhead Basis Calculation and Prelim Cost by Agency - FTE and IT spend

\$000s

Agency	FTEs			IT Spend			Total
	# FTE's	% of total	Estimated Admin Chgs	\$ Spend	% of total	Estimated Admin Chgs	Estimated Admin Chgs
B04 Agriculture Dept	10.6	0.6%	12	3,412	1.0%	164	176
B11 Cosmetologist Exam Board	0.0	0.0%		124	0.0%	6	6
B13 Commerce Dept	13.5	0.8%	15	2,343	0.7%	112	128
B14 Animal Health Board	10.0	0.6%	11	343	0.1%	16	28
B15 Barber Examiners Board	0.0	0.0%		12	0.0%	1	1
B20 Explore Minnesota Tourism	0.0	0.0%		506	0.1%	24	24
B22 Employ & Econ Development Dept	56.2	3.2%	64	15,626	4.5%	750	813
B41 Workers Comp Court of Appeals	0.0	0.0%		1	0.0%		
B42 Labor & Industry Dept	15.0	0.8%	17	2,899	0.8%	139	156
B7E Architecture, Engineering Bd	0.0	0.0%		58	0.0%	3	3
B7P Accountancy Board	0.0	0.0%		44	0.0%	2	2
B82 Public Utilities Comm	2.5	0.1%	3	347	0.1%	17	19
B9D Amateur Sports Comm	0.0	0.0%			0.0%		
E25 Perpich Ctr For Arts Education	2.0	0.1%	2	255	0.1%	12	14
E37 Education Department	44.6	2.5%	50	8,457	2.4%	406	456
E44 Mn State Academies	2.0	0.1%	2	400	0.1%	19	21
E39 PELSB	3.4	0.2%	4	32	0.0%	2	5
E50 Arts Board	1.0	0.1%	1	152	0.0%	7	8
E60 Office of Higher Education	7.5	0.4%	8	688	0.2%	33	41
E77 Minnesota Zoological Garden	0.0	0.0%		543	0.2%	26	26
G02 Administration Dept	11.8	0.7%	13	3,633	1.0%	174	188
G05 Racing Commission	0.0	0.0%		23	0.0%	1	1
G09 Gambling Control Board	0.0	0.0%		12	0.0%	1	1
G10 Mn Management & Budget	50.7	2.9%	57	13,220	3.8%	634	692
G17 Human Rights Dept	1.0	0.1%	1	214	0.1%	10	11
G19 Indian Affairs Council	0.0	0.0%		3	0.0%		
G45 Bureau of Mediation Services	0.0	0.0%		25	0.0%	1	1
G67 Revenue Dept	105.3	5.9%	119	28,552	8.2%	1,370	1,489
G9K Administrative Hearings	0.0	0.0%		693	0.2%	33	33
G9L Black Minnesotans Council	0.0	0.0%		5	0.0%		
G9M Chicano/Latino Affairs Council	0.0	0.0%			0.0%		
G9N Asian-Pacific Council	0.0	0.0%		4	0.0%		
G9X Capitol Area Architect	0.0	0.0%		1	0.0%		
G9Y Disability Council	0.0	0.0%		3	0.0%		
H12 Health Department	107.8	6.1%	122	21,035	6.0%	1,009	1,131
H55 Department of Human Services	751.2	42.3%	850	98,089	28.2%	4,706	5,555
H60 MNsure	0.0	0.0%			0.0%		
H75 Veterans Affairs Dept	14.0	0.8%	16	3,708	1.1%	178	194
H7B Medical Practice Board	1.0	0.1%	1	217	0.1%	10	12
H7C Nursing Board	2.0	0.1%	2	535	0.2%	26	28
H7D Pharmacy Board	0.0	0.0%		342	0.1%	16	16
H7F Dentistry Board	0.0	0.0%		34	0.0%	2	2
H7H Chiropractors Board	0.0	0.0%			0.0%		
H7K Nursing Home Admin Board	1.0	0.1%	1	247	0.1%	12	13
H7L Social Work Board	1.0	0.1%	1	141	0.0%	7	8
H7Q Podiatric Medicine Board	0.0	0.0%		1	0.0%		
H7R Veterinary Medicine Board	0.0	0.0%		1	0.0%		
H7S Emergency Medical Services Bd	0.0	0.0%		65	0.0%	3	3
H7U Dietetics & Nutrition Practice	0.0	0.0%			0.0%		
H7V Psychology Board	0.0	0.0%		15	0.0%	1	1
H7W Physical Therapy Board	0.0	0.0%		8	0.0%		
H7X Behavioral Health & Therapy Bd	0.0	0.0%		7	0.0%		
H9G Ombud Mental Hlth & Dev Dis	1.4	0.1%	2	101	0.0%	5	6
J68 Tax Court	0.0	0.0%		72	0.0%	3	3
P07 Department of Public Safety	136.9	7.7%	155	50,296	14.5%	2,413	2,568
P78 Corrections Dept	47.6	2.7%	54	12,539	3.6%	602	655
P7T Peace Officers Board (POST)	0.0	0.0%		16	0.0%	1	1
P9E Sentencing Guidelines Comm	0.0	0.0%		8	0.0%		
R29 Natural Resources Dept	103.5	5.8%	117	14,139	4.1%	678	795
R32 Pollution Control Agency	51.8	2.9%	59	10,135	2.9%	486	545
R9P Water & Soil Resources Board	4.0	0.2%	5	888	0.3%	43	47
T79 Transportation Dept	214.5	12.1%	243	52,467	15.1%	2,517	2,760
TOTAL	1,775	100.0%	2,007	347,736	100.0%	16,682	18,689

FTE counts are based on labor distribution of active staff in PPE 5.28.2018 for FY20.21

IT Spend is based on the Legislative IT spend reports for FY17 (for 20.21 IT spend rates) and uses only @ agency pass through spend.

PELSB is basd off of FY20 NICUS budget data as it is a new agency (used to be Board of Teaching).

MN.IT Services
Overhead Cost Reconciliation
FY2020 Plan
Whole Dollars

SG&A Service Name	SG&A Service Definition/Notes and Comments	FY20 SG&A Expense		
		Total SG&A	SG&A Allocated to Central Rates	SG&A Billed to Agencies*
182-OH-PI AC Office (Payroll Costs Only)	Projects & Initiatives Office. Management staffing for Project Mgmt Office activities. Payroll Only. See related row 31 below.	792,114		792,114
151-OH-FM AC Office	Financial Mgmt Office. Management staffing for Financial Services activities.	401,773	196,053	205,721
172-OH-Financial Mgmt - Payroll	Payroll processing staffing.	292,740	75,617	217,123
163-OH-Financial Mgmt - Accounts Payable	Accounts payable processing staffing.	461,694	138,763	322,931
184-OH-Procurement/Contracts	Contracting and procurement processing staffing.	1,517,135	454,738	1,062,398
164-OH-Financial Mgmt - Audit, Billing, & Rcvbls	Auditing, billing, and receivable staffing and materials.	458,991	138,915	320,076
169-OH-Financial Mgmt - Financial Analysis	Financial analysis staffing.	654,670	194,728	459,942
174-OH-Human Resources, 173-OH-HR AC Office	Human Resources Office and Human Resources management, staffing, and supplies.	2,244,999	592,233	1,652,766
156-Communications, 157-OH-Communications & Planning - Governance, 181-OH-PC AC Office	Planning and communications Office and Governance management, staffing, software, and other costs.	967,260	311,982	655,278
180-OH-ITSRM AC Office	IT Standards and Risk Mgmt Office. Management staffing and software for Security and Risk activities.	337,769	76,934	260,834
122-OH-IAM (Cyber-Ark)	Identity and Access Mgmt staffing and software.	457,333	6,831	450,502
186-OH-Risk & Compliance	Security Services Risk and Compliance Staffing.	982,391	3,679	978,713
188-OH-Secure Systems Engineering	Security Services Secure Systems Engineering staffing.	104,981	30,927	74,054
189-OH-Security Services - ISIRT	Information Security Incident & Response team staffing, software, and equipment maintenance.	2,595,184	4,419	2,590,765
602-OH-App Support - Web Content Management		929,838		929,838
191-OH-Security Services - Vulnerability Mgmt	Vulnerability management team staffing, software, and equipment maintenance.	1,020,925	3,642	1,017,283
New- IaaS Architecture		1,663,591		1,663,591
692-OH-Security Services-LOB Security Teams	Security Lines of Business staffing. Lines of Business represent security work done to support groupings of consolidated agencies in 6 focus areas: Health, Safety, Economy, Education, Environment, General Government.	2,009,257	32,382	1,976,875
884-OH-Program Mgmt Office - ePMO		692,527	1,473	691,054
Financial Mgmt Statewide Indirect Costs and Internal Allocation of services	Statewide Indirect Costs formerly allocated to overhead service 168-OH-Financial Mgmt - Finance-General are allocated partially to agencies and partially to service 986-OH-Cost Alloc to 100% OH for FY20. See item 1 below. Also includes internal allocations for services.	2,367,222		2,367,222
Subtotal - Billable to Agcy and Service SG&A		\$ 20,952,396	\$ 2,263,315	\$ 18,689,081
113-OH-Application Development Other		644,624	644,624	
116-OH-Application Support Other		139,439	139,439	
117-OH-App Support - Billing Systems		315,150	315,150	
119-OH-App Support - Cosweb ARS		145,266	145,266	
126-OH-App Support - Operations Mgmt		371,787	371,787	
150-OH-Admin Support		536,344	536,344	
154-OH-Asset Mgmt - Mobile Devices		220,025	220,025	
160-OH-Customer Support & Svc Development		1,223,335	1,223,335	
167-OH-Facilities Mgmt		650,356	650,356	
168-OH-Financial Mgmt - Finance-General	All Finance General costs except Statewide Indirect Costs (see row 25 above and row 62 below)	3,062,255	3,062,255	
182-OH-PI AC Office	Projects & Initiatives Office. Non Payroll Amounts only. See related row 2 above.	332,288	332,288	
187-OH-SD AC Office	Service Delivery Office	616,699	616,699	
192-OH-Training & Development		487,141	487,141	
865-OH-Active Directory		443,693	443,693	
866-OH-Project Mgmt Office - PM		2,533,699	2,533,699	
883-OH-BI & Reporting	Business Intelligence and Reporting. Service was called Data Management prior to FY18	531,468	531,468	
602-OH-App Support - Web Content Management	is now split between admin charges and services. Supports MN.GOV	340,785	340,785	
986-OH-Costs Alloc to 100% OH**	See Note Below starting in row 63 for Detail	1,999,057	1,999,057	
Subtotal - 100% Service SG&A		14,593,410	14,593,410	
Total Overhead		\$ 35,545,806	\$ 16,856,725	
FY20 MN.IT Revenue		\$ 200,640,314	\$ 200,640,314	
MN.IT FY20 SG&A in Rates as % of MN.IT Revenue		18%	8%	

****FY20 Service 986-OH-Costs Alloc to 100% OH Explanation**

Two types of cost allocations make up this service:

1. Internal costs to provide services to Finance, HR, Security, or Communications SG&A, Web and other Admin Charge related costs (specified in column E). The costs allocated to cell E25 are listed below:

Infrastructure (Indirect costs)	837,528
Statewide Indirect	741,903
Workstation	90,213
Email/Lync	22,169
Network	109,741
Service Desk	563,714
Phones	1,953
Total Central IT Staff Cost Allocations to Admin Charges	\$ 2,367,222

2. Service 986 100% Alloc to OH also provides a place for costs to be allocated as overhead that are not allocated to any service specifically, and so are allocated 100% as overhead on service rates so that all services bear their proportion of the cost of these services. (986)

Phones	11,824
Workstation	89,405
Network	5,909
Email/Skype	16,587
Service Desk	337,284
Finance - Statewide Indirect Costs	603,245
Sharepoint	483,617
Hosting	422,447
Mainframe	1,372
Database	13,234
Middleware	14,133
Total Other Allocations	\$ 1,999,057
Total Central IT Staff Cost allocations plus Other Allocations (cell C38 above, difference is rounding)	\$ 4,366,279

*SG&A costs for Finance, HR, Security, and Communications.

AGENCY IMPACT
Rate Run #20.5

Agency Description	1-Original FY18 Budget	2-FY18 Expenses	3-FY20 Forecast	4-FY20 Forecast compared to FY18 Original Budget	5-Percentage variances	6-Variance due to Agency-based pass through	7-Variance due to Enterprise Rate	8-Variance due to Enterprise Volumes	9-Variance due to MNIT Admin Charges & Cost services
100-COUNTIES	\$2,854,177	\$3,618,669	\$3,598,139	\$743,961	26.1 %		\$13,602	\$530,903	\$199,456
200-CITIES	\$799,563	\$670,918	\$694,592	(\$104,971)	-13.1 %		(\$17,935)	(\$26,873)	(\$60,163)
300-QUASI GOV/AGENCIES/PRIVATE	\$727,751	\$929,570	\$774,589	\$46,838	6.4 %		(\$23,579)	\$105,865	(\$35,449)
400-PUBLIC SCHOOLS (NON HIGHER ED.-K12)	\$3,027,109	\$2,920,397	\$2,845,308	(\$181,801)	-6.0 %		(\$353,100)	(\$40,547)	\$211,847
600-COUNTIES FEDERAL/AGENCIES	\$2,753	\$0	\$0	(\$2,753)	-100.0 %		\$64	(\$2,620)	(\$197)
999-BUDGET HOLDER	\$1,253,916		\$1,979,779	\$725,864	57.9 %		(\$107,382)	\$485,661	\$347,585
B04- AGRICULTURE DEPARTMENT	\$4,412,037	\$4,867,462	\$4,854,481	\$442,444	10.0 %	\$396,044	(\$458,967)	\$393,416	\$111,950
B11-COSMETOLOGIST EXAM BOARD	\$119,450	\$352,522	\$188,922	\$69,472	58.2 %	\$2,775	(\$14,728)	\$66,131	\$15,294
B13-DEPARTMENT OF COMMERCE	\$2,746,127	\$3,433,750	\$3,886,361	\$1,140,235	41.5 %	\$559,991	(\$28,285)	\$545,207	\$63,322
B14-ANIMAL HEALTH BOARD	\$465,463	\$447,899	\$480,311	\$14,848	3.2 %	\$76,663	(\$39,756)	(\$18,494)	(\$3,564)
B15-BARBER EXAMINERS BOARD	\$19,452	\$13,514	\$31,052	\$11,600	59.6 %	\$8,601	(\$2,511)	\$5,348	\$161
B20-EXPLORE MINNESOTA TOURISM	\$578,553	\$468,103	\$416,002	(\$162,552)	-28.1 %	(\$169,197)	(\$53,363)	\$50,984	\$9,024
B22-EMPLOYMENT & ECONOMIC DEVELOP	\$27,064,469	\$26,022,355	\$20,993,708	(\$6,070,761)	-22.4 %	(\$6,026,301)	(\$1,058,000)	\$774,319	\$239,221
B24-PUBLIC FACILITIES AUTHORITY		\$17,788	\$16,310	\$16,310	Infinity			\$16,303	\$6
B34-HOUSING FINANCE AGENCY	\$150,055	\$323,813	\$307,611	\$157,556	105.0 %		(\$6,546)	\$148,409	\$15,693
B41-WORKERS' COMP COURT OF APPEALS	\$26,910	\$22,442	\$21,226	(\$5,684)	-21.1 %	\$0	(\$9,819)	\$4,120	\$15
B42-LABOR & INDUSTRY DEPARTMENT	\$4,267,777	\$4,816,916	\$5,413,049	\$1,145,272	26.8 %	\$485,388	(\$346,094)	\$770,672	\$235,306
B43-IRON RANGE RESOURCES & REHAB	\$98,328	\$169,140	\$156,466	\$58,138	59.1 %		(\$4,921)	\$40,453	\$22,606
B7E-ARCHITECTURE, ENGINEERING BD	\$58,405	\$38,293	\$32,189	(\$26,216)	-44.9 %	(\$37,693)	(\$27)	\$9,748	\$1,756
B7N-HORTICULTURE SOCIETY BOARD	\$254	\$0	\$0	(\$254)	-100.0 %		\$0	\$0	(\$254)
B7P-ACCOUNTANCY BOARD	\$60,295	\$54,589	\$30,818	(\$29,477)	-48.9 %	(\$38,179)	(\$86)	\$7,722	\$1,066
B82-PUBLIC UTILITIES COMMISSION	\$474,198	\$479,606	\$495,810	\$21,612	4.6 %	(\$104,884)	(\$950)	\$105,643	\$21,803
B9D-AMATEUR SPORTS COMMISSION	\$3,718	\$0		(\$3,718)	-100.0 %		(\$188)	(\$2,658)	(\$871)
B9U-MINNESOTA TECHNOLOGY INC	\$5			(\$5)	-100.0 %		\$0	\$0	(\$5)
E25-PERPICH CENTER FOR ARTS EDUCATION	\$355,567	\$374,328	\$287,896	(\$67,670)	-19.0 %	(\$133,023)	(\$6,194)	\$58,536	\$13,011
E26-MN STATE COLLEGES/UNIVERSITIES	\$6,771,616	\$6,187,622	\$5,936,488	(\$835,129)	-12.3 %		(\$510,551)	\$466,606	(\$791,184)
E37-EDUCATION DEPARTMENT	\$9,179,700	\$8,528,198	\$11,415,104	\$2,235,404	24.4 %	\$1,556,650	(\$75,454)	\$549,916	\$204,291
E39-BOARD OF TEACHING		\$583,510	\$448,918	\$448,918	Infinity	\$395,862		\$46,677	\$6,379
E40-HISTORICAL SOCIETY	\$168,296	\$171,485	\$170,680	\$2,385	1.4 %		(\$765)	\$5,180	(\$2,030)
E44-MINNESOTA STATE ACADEMIES	\$715,846	\$463,038	\$480,716	(\$235,130)	-32.8 %	(\$202,692)	(\$13,509)	(\$38,134)	\$19,205
E50-ARTS BOARD	\$98,112	\$206,107	\$207,984	\$109,872	112.0 %	\$106,693	(\$20,172)	\$21,669	\$1,683
E60-OFFICE OF HIGHER EDUCATION	\$1,203,568	\$1,772,789	\$2,756,824	\$1,553,256	129.1 %	\$2,021,235	(\$40,709)	\$122,484	(\$549,755)
E77-ZOOLOGICAL BOARD	\$946,628	\$870,172	\$1,037,307	\$90,679	9.6 %	(\$48,590)	\$5,848	\$127,101	\$6,320
E81-UNIVERSITY OF MINNESOTA	\$712,084	\$687,440	\$660,860	(\$51,225)	-7.2 %		(\$64,721)	\$29,256	(\$15,760)
E9W-HIGHER ED FACILITIES AUTHORITY	\$5,692	\$3,894	\$4,528	(\$1,164)	-20.5 %		(\$633)	(\$2,913)	\$2,382
G02-ADMINISTRATION DEPARTMENT	\$6,705,891	\$5,751,105	\$5,644,568	(\$1,061,324)	-15.8 %	(\$1,088,671)	(\$271,641)	\$203,392	\$95,596
G03-LOTTERY	\$203,299	\$158,762	\$164,204	(\$39,095)	-19.2 %		(\$4,459)	(\$6,567)	(\$28,069)
G05-RACING COMMISSION	\$77,274	\$68,812	\$81,398	\$4,124	5.3 %	\$38,431	(\$21,319)	\$2,713	(\$15,700)
G06-ATTORNEY GENERAL	\$152,984	\$254,856	\$248,263	\$95,279	62.3 %		(\$4,334)	\$93,038	\$6,575
G09-GAMBLING CONTROL BOARD	\$125,686	\$58,871	\$137,568	\$11,882	9.5 %	(\$20,000)	\$1,116	\$23,402	\$7,364

Agency Description	1-Original FY18 Budget	2-FY18 Expenses	3-FY20 Forecast	4-FY20 Forecast compared to FY18 Original Budget	5-Percentage variances	6-Variance due to Agency-based pass through	7-Variance due to Enterprise Rate	8-Variance due to Enterprise Volumes	9-Variance due to MNIT Admin Charges & Cost services
G10-MINNESOTA MANAGEMENT & BUDGET	\$13,953,000	\$20,103,956	\$16,978,245	\$3,025,244	21.7 %	\$1,970,442	(\$10,558)	\$819,423	\$245,937
G17-HUMAN RIGHTS DEPARTMENT	\$409,937	\$390,496	\$417,633	\$7,696	1.9 %	\$3,118	(\$39,974)	\$42,802	\$1,749
G19-INDIAN AFFAIRS COUNCIL	\$24,546	\$20,994	\$17,937	(\$6,608)	-26.9 %	(\$4,000)	(\$2,871)	\$3,357	(\$3,094)
G38-INVESTMENT BOARD	\$29,921	\$35,367	\$37,246	\$7,325	24.5 %		(\$212)	\$10,515	(\$2,977)
G39-GOVERNORS OFFICE	\$138,970	\$210,144	\$188,428	\$49,458	35.6 %		(\$57,125)	\$98,693	\$7,889
G45-MEDIATION SERVICES DEPARTMENT	\$77,807	\$134,768	\$154,239	\$76,433	98.2 %	\$66,519	(\$8,624)	\$20,559	(\$2,022)
G46-MN.IT - OFFICE OF MN.IT SERVICES	\$416,747	\$569,898	\$222,430	(\$194,317)	-46.6 %		(\$58,764)	(\$260,945)	\$125,392
G53-SECRETARY OF STATE	\$383,674	\$370,446	\$374,809	(\$8,865)	-2.3 %		(\$11,667)	\$39,269	(\$36,467)
G61-STATE AUDITOR	\$58,622	\$52,733	\$50,602	(\$8,020)	-13.7 %		(\$813)	\$17,414	(\$24,621)
G62-MINN STATE RETIREMENT SYSTEM	\$116,473	\$132,400	\$131,999	\$15,526	13.3 %		(\$3,065)	\$26,946	(\$8,354)
G63-PUBLIC EMPLOYEES RETIRE ASSOC	\$118,290	\$148,884	\$129,536	\$11,246	9.5 %		(\$3,262)	\$23,980	(\$9,472)
G67-REVENUE DEPARTMENT	\$25,788,458	\$21,310,349	\$28,233,022	\$2,444,564	9.5 %	(\$607,106)	(\$38,553)	\$2,333,444	\$756,779
G69-TEACHERS RETIREMENT ASSOCIATION	\$152,671	\$149,450	\$130,111	(\$22,560)	-14.8 %		(\$16,712)	\$24,227	(\$30,075)
G92-OMBUDSPERSON FOR FAMILIES	\$13,597	\$19,550	\$14,419	\$823	6.1 %	(\$0)	(\$3,598)	\$3,716	\$705
G98-VFW	\$214	\$215	\$204	(\$11)	-5.0 %		(\$11)	\$1	\$0
G9J-CAMPAIGN FINANCE BOARD	\$10,296	\$12,382	\$15,177	\$4,880	47.4 %		(\$528)	\$5,708	(\$300)
G9K-ADMINISTRATIVE HEARINGS	\$578,338	\$656,513	\$590,926	\$12,587	2.2 %	\$14,530	(\$126,629)	\$94,697	\$29,989
G9L-COUNCIL FOR MINNESOTANS OF AFRICAN HERIT	\$19,379	\$18,924	\$14,045	(\$5,334)	-27.5 %	(\$4,083)	(\$5,677)	\$2,319	\$2,107
G9M-MINNESOTA COUNCIL ON LATINO AFFAIRS	\$19,029	\$30,860	\$28,646	\$9,617	50.5 %	(\$0)	(\$4,018)	\$13,208	\$427
G9N-ASIAN PACIFIC COUNCIL	\$16,709	\$13,790	\$14,116	(\$2,593)	-15.5 %	\$431	(\$5,432)	\$1,568	\$839
G9X-CAPITOL AREA ARCHITECT	\$11,433	\$13,194	\$8,634	(\$2,799)	-24.5 %	\$140	(\$2,373)	(\$601)	\$35
G9Y-MN STATE COUNCIL ON DISABILITY	\$46,456	\$32,835	\$27,947	(\$18,509)	-39.8 %	\$4,423	(\$24,063)	\$1,091	\$39
H12-HEALTH DEPARTMENT	\$30,301,433	\$25,161,714	\$29,716,092	(\$585,341)	-1.9 %	(\$3,540,742)	(\$36,982)	\$1,975,827	\$1,016,556
H55-HUMAN SERVICES DEPARTMENT	\$149,145,006	\$160,442,685	\$163,719,506	\$14,574,500	9.8 %	\$14,117,083	(\$2,687,703)	\$321,471	\$2,823,649
H60-MNSURE	\$1,246,497	\$1,795,722	\$1,673,095	\$426,598	34.2 %		(\$99,961)	\$472,951	\$53,608
H75-VETERANS AFFAIRS DEPARTMENT	\$6,165,694	\$5,225,544	\$6,867,244	\$701,550	11.4 %	\$558,553	(\$336,878)	\$377,113	\$102,763
H7B-MEDICAL PRACTICE BOARD	\$239,813	\$145,794	\$146,253	(\$93,560)	-39.0 %	(\$124,217)	(\$36,039)	\$62,722	\$3,975
H7C-NURSING BOARD	\$437,181	\$195,181	\$154,332	(\$282,850)	-64.7 %	(\$251,750)	(\$31,141)	(\$15,420)	\$15,461
H7D-PHARMACY BOARD	\$377,253	\$411,093	\$409,910	\$32,657	8.7 %	\$4,233	(\$18,411)	\$38,156	\$8,679
H7F-DENTISTRY BOARD	\$76,742	\$84,757	\$84,692	\$7,950	10.4 %	\$1,842	(\$13,540)	\$19,810	(\$162)
H7H-CHIROPRACTORS BOARD	\$24,319	\$40,855	\$45,688	\$21,369	87.9 %	\$21,135	(\$9,982)	\$10,981	(\$764)
H7J-OPTOMETRY BOARD	\$4,462	\$11,224	\$4,044	(\$418)	-9.4 %	\$1,101	(\$616)	(\$903)	\$0
H7K-NURSING HOME ADMINISTRATION BOARD	\$370,837	\$982,398	\$1,131,862	\$761,025	205.2 %	\$715,338	(\$559)	\$42,148	\$4,098
H7L-SOCIAL WORK BOARD	\$174,221	\$86,054	\$58,977	(\$115,244)	-66.1 %	(\$122,897)	(\$19,163)	\$23,925	\$2,891
H7M-MARRIAGE AND FAMILY THERAPY BD	\$8,757	\$13,464	\$9,689	\$932	10.6 %	\$1,101	(\$2,565)	\$2,396	\$0
H7Q-PODIATRIC MEDICINE BOARD	\$4,782	\$17,858	\$6,559	\$1,777	37.2 %	\$1,034	(\$1,166)	\$1,852	\$57
H7R-VETERINARY MEDICINE BOARD	\$12,040	\$21,997	\$18,470	\$6,430	53.4 %	\$1,101	(\$6,208)	\$11,609	(\$73)
H7S-EMERGENCY MEDICAL SERVICES OFF	\$56,066	\$178,477	\$73,552	\$17,486	31.2 %	\$2,573	(\$18,509)	\$29,528	\$3,895
H7U-DIETETICS & NUTRITION PRACTICE	\$5,657	\$8,541	\$4,367	(\$1,289)	-22.8 %	\$1,067	(\$1,199)	(\$1,132)	(\$26)
H7V-PSYCHOLOGY BOARD	\$288,884	\$118,636	\$204,613	(\$84,271)	-29.2 %	\$1,606	(\$41,663)	(\$9,767)	(\$34,447)

Agency Description	1-Original FY18 Budget	2-FY18 Expenses	3-FY20 Forecast	4-FY20 Forecast compared to FY18 Original Budget	5-Percentage variances	6-Variance due to Agency-based pass through	7-Variance due to Enterprise Rate	8-Variance due to Enterprise Volumes	9-Variance due to MNIT Admin Charges & Cost services
H7W-PHYSICAL THERAPY BOARD	\$14,637	\$38,362	\$22,792	\$8,155	55.7 %	\$1,472	(\$4,114)	\$11,422	(\$624)
H7X-BEHAVIORAL HEALTH & THERAPY BD	\$49,721	\$19,544	\$22,331	(\$27,390)	-55.1 %	\$1,270	(\$7,478)	(\$21,533)	\$351
H7Y-OCCUPATIONAL THERAPY PRACTICE BOARD		\$38,779	\$5,157	\$5,157	Infinity			\$5,157	\$0
H9G-OMBUDSMAN FOR MENTAL HEALTH & DEVELOPMEN	\$284,788	\$202,812	\$256,636	(\$28,152)	-9.9 %	(\$32,992)	(\$15,099)	\$16,820	\$3,120
J33-TRIAL COURTS	\$79,891	\$149,916	\$145,966	\$66,076	82.7 %		(\$3,523)	\$44,879	\$24,721
J50-STATE GUARDIAN AD LITEM	\$2,546	\$3,361	\$3,061	\$515	20.2 %		(\$2,156)	\$2,672	\$0
J52-PUBLIC DEFENSE BOARD	\$367,491	\$317,588	\$313,816	(\$53,675)	-14.6 %		(\$42,064)	\$56,059	(\$67,671)
J58-COURT OF APPEALS	\$5,452	\$3,609	\$3,635	(\$1,817)	-33.3 %		\$22	(\$27)	(\$1,812)
J65-SUPREME COURT	\$1,769,844	\$1,887,467	\$1,578,199	(\$191,645)	-10.8 %		(\$85,924)	\$126,386	(\$232,107)
J68-TAX COURT	\$78,587	\$79,344	\$195,643	\$117,056	149.0 %	\$71,246	(\$8,266)	\$49,479	\$4,596
J70-JUDICIAL STANDARDS BOARD	\$8,423	\$3,386	\$3,751	(\$4,672)	-55.5 %		(\$54)	\$1,870	(\$6,488)
L28-SENATE	\$11,338	\$10,789	\$11,120	(\$217)	-1.9 %		\$379	(\$50)	(\$547)
L31-HOUSE	\$26,502	\$41,713	\$37,468	\$10,966	41.4 %		(\$1,921)	(\$3,228)	\$16,116
L49-LEGISLATIVE AUDITOR	\$51,635	\$58,631	\$61,412	\$9,777	18.9 %		(\$286)	\$13,936	(\$3,873)
L5D-LEG COORDINATING COMM	\$1,841	\$1,662	\$1,724	(\$117)	-6.4 %		\$62	(\$156)	(\$23)
L5F-LEGISLATIVE REFERENCE LIBRARY		\$6,495	\$6,926	\$6,926	Infinity			\$6,926	\$0
L5G-REVISOR OF STATUES	\$90,440	\$80,840	\$47,599	(\$42,841)	-47.4 %		(\$10,530)	(\$36,479)	\$4,168
P01-MILITARY AFFAIRS DEPARTMENT	\$1,240,517	\$1,154,669	\$1,089,552	(\$150,965)	-12.2 %		(\$19,003)	\$17,423	(\$149,386)
P07-PUBLIC SAFETY DEPARTMENT	\$50,964,641	\$62,010,644	\$64,107,854	\$13,143,213	25.8 %	\$6,714,304	(\$140,287)	\$4,429,351	\$2,139,846
P78-CORRECTIONS DEPARTMENT	\$18,488,205	\$19,942,713	\$23,353,708	\$4,865,503	26.3 %	\$5,133,569	(\$3,044,033)	\$2,309,628	\$466,340
P7T-PEACE OFFICERS BOARD (POST)	\$276,472	\$16,211	\$16,636	(\$259,836)	-94.0 %		(\$34,606)	(\$23,911)	(\$201,318)
P9E-SENTENCING GUIDELINES COMMISSION	\$22,327	\$24,136	\$20,734	(\$1,593)	-7.1 %	(\$0)	(\$6,960)	\$6,001	(\$634)
R29-DEPARTMENT OF NATURAL RESOURCE	\$20,536,965	\$20,052,516	\$22,326,506	\$1,789,541	8.7 %	(\$1,852,472)	(\$68,499)	\$3,382,513	\$328,000
R32-POLLUTION CONTROL AGENCY	\$13,614,628	\$10,836,274	\$13,605,678	(\$8,950)	-0.1 %	\$1,077,807	(\$842,117)	(\$399,945)	\$155,305
R9P-WATER AND SOIL RESOURCES BOARD	\$1,470,156	\$1,573,021	\$1,386,662	(\$83,494)	-5.7 %	(\$95,318)	(\$167,559)	\$142,822	\$36,561
T79-TRANSPORTATION DEPARTMENT	\$39,796,502	\$48,703,585	\$46,568,796	\$6,772,294	17.0 %	(\$8,361,838)	(\$126,224)	\$13,825,837	\$1,434,518
T9B-METROPOLITAN COUNCIL/TRANSPORT	\$309,143	\$392,144	\$365,487	\$56,344	18.2 %		(\$31,454)	(\$320)	\$88,118
Total	\$457,519,909	\$482,829,087	\$504,568,173	\$47,048,264	10.3 %	\$13,268,726	(\$11,988,579)	\$36,320,259	\$9,447,858

Financial Steering Team

Karl Nilsson, Project Manager, MNIT

Jim Close, CBTO, MnDOT

Alex Kotze, CFO, DHS

Robert Maki, CBTO, DNR

Swanson, Kristy, CFO, DLI

Rindal, John, CBTO, Admin

Alisha Cowell, Executive Budget Coordinator, MMB

Cole St. John, EBO, MMB

Margaret Kelly, Assistant Commissioner, MDH

Bridgett Anderson, Executive Director, HLB

Lori Caspers, CFO, MDOR

Joshua Bunker, CFO, MPCA

Justin Kaufmann, Assistant Commissioner, MNIT

Tu Tong, CFO, MNIT

Kristin Schroedl, Senior Admin Officer, MnDOT

Minnesota IT Services

Mid-Year Rate Adjustment Rationale

Enterprise Technology Fund (5500)

FY21 Rate Adjustments

Product Line: Workstation, Telecom, Hosting, Database, Middleware, & Centers of Excellence

Proposed Effective Date: 7/1/2020

Product Code: Various (see Appendix)

Product Code Description:

No proposed new product codes are included in this request. Rate adjustments requested are for existing product codes.

Reason / rationale for rate adjustment:

As a result of significant volume and expense variances that occurred in certain FY19 product lines, MNIT is required to make billing adjustments in order to minimize federal liability and to avoid under or overcharging customers in FY21. One of the four allowable billing adjustment methods under OMB 2CFR Part 200 is to adjust future billing rates. The methodology outlined by OMB is to carry forward product line variances from the year incurred into the second fiscal year following the year that the variances occurred, i.e. skip the immediate year ahead FY20 which has already taken place,

Note: FY20 product line over and under recovery will be credited or billed to agencies in early FY21. This request is only for rate decreases related to the FY19 the over recoveries. A separate request for rate increases related to the FY19 under recoveries will be submitted later this year after agency impact has been reviewed with affected customers..

Why rate adjustment was not addressed during the normal, annual budget and rate-setting process?

FY20-21 rates were set based upon estimated volumes and expenses. Due to the rapidly changing technology environment and the introduction of new services, some product lines experienced volume variances and to a lesser extent expense variances compared to the volumes and expenses that were the basis of FY20-21 rates.

Consequences if proposed rate adjustment is not approved:

As an internal service fund MNIT is obliged to break even as much as possible on its product lines per federal and MMB guidelines. If FY21 rates are not adjusted based

upon actual FY19 product line margin variances, MNIT would incur federal liability for the federal government's share of excess fund balances and customers would pay either too much or too little for IT services in FY21.

Current and Proposed Rate(s) of Key Services (Additional services in Appendix at end)

Service Name	Billable Unit	Current Rate	Proposed Rate	% Change
742-Laptop-Std Laptop	Laptops	74.60	71.96	-4
763-IP Telephone	Line	19.34	17.99	-7
745-Mainframe-Database-Adabas	1000 CPU Svc/Unit	0.0115	0.0098	-15
746-Mainframe-Database-DB2	1000 CPU Svc/Unit	0.0533	0.0378	-29
750-Mainframe-Mainframe CPU	1000 CPU Svc/Unit	0.0244	0.0167	-32
752-Mainframe-Mainframe Spec Process	1000 CPU Svc/Unit	.0056	.0025	-55
712-Hosting-Data Center Basic-RU	RU	43.05	33.83	-21
748-Mainframe Disk Storage	Gb	0.2301	0.1515	-34
754-Mainframe Backups	Gb	0.0940	0.0755	-20
900-Oracle IAM	UserLicense	.1846	.1607	-13

(attach additional sheet(s), if necessary)

Rationale for proposed rate type/structure and billable unit:

All adjustments are for rated services whose rates were calculated by dividing estimated costs by estimated volume (metric).

How does this overall rate adjustment compare to the projected rate change percentage forecasted and communicated to state agencies during the biennial process?

See percentage rate changes in Appendix.

Major factors or cost drivers contributing to and considered in rate adjustment calculation

The FY21 adjusted rates were calculated according to the following steps:

1. FY19 excess fund balance by service (FY19 actual net margin less 60 days working capital)
2. Forecasted FY21 Vols
3. Forecasted FY21 costs
4. FY21 costs +/- FY19 over/under
5. FY 21 adjusted rate=(4) divided by (2)

Customer Impact (Expected impact of pricing/rate adjustment on customers):
All are rate decreases.

If approved, Customer Communication Plan for rate adjustment (minimally requires 30-day written notice to agencies prior to implementation in the event of rate increase, unless waived by MMB):

MNIT proposes to implement these rate decreases as of July 1, 2020 in order that customers receive the benefit as early as possible.

Product Line Net Margin Impact (impact of rate adjustment on total product line net margin):
(000's)

Product Line	Rate Package	Revenue Incr/(Decr)	Exp Incr/(Decr)	Net Margin Impact
Workstation Management	0	-656		0
WAN/LAN/IP	0	-1,732		0
Hosting, DB & MW	0	-10,832		0
IAM	0	-594		0
Security	0			0
SaaS, Web, Admin Charges	0			0
Product Line Net Margin	0	-13,814		0

Fund Net Margin Impact: (Impact on Enterprise Technology Fund (970) bottom line net margin, retained earnings balances, cash flow, over/under recovery rates)

ETF Fund Total	Rate Package	Proposed	Net Margin Impact
Revenue	\$200,640	\$193,975	-\$6,665
Total Expense (Direct/Indirect)	200,640	200,640	0
ETF Grand Total Net Margin	0	-\$6,665	-\$6,665

Risk Assessment

Is there financial risk for this rate adjustment based on the financial condition of the fund?

Yes
 No

If yes, is the financial risk reasonable and tolerable?

Yes
 No
 N/A

What mitigating steps would need to be implemented for the risk to be reasonable and tolerable?

Competition / Industry Standard:

Is this an emergency situation?

Yes
 No


Explanation: Goal is to implement the reduced rates into July 2020 billing.

Prepared by _____ **Date** 07/22/2020


Printed Name Tony Rees **Contact Number:** 651-201-1106
Email Address: tony.rees@state.mn.us

Signature Block:

Internal MN.IT Approval:

DocuSigned by:

 _____ Date 8/12/2020
 000E72249BDB44E...

Chief Technology Officer

DocuSigned by:

 _____ Date 8/12/2020
 18B6EF411BF147D...

Chief Financial Officer

MMB Approval:

DocuSigned by:

 _____ Date 8/13/2020
 4B2097410E374C7...

Executive Budget Officer

DocuSigned by:

 _____ Date 8/13/2020
 5A74FD7A382B49B...

Budget Director

Appendix

FY21 Rate Adjustments (for FY19 Over Recoveries) to avoid Federal Liability					
Product Line	Service Name	New FY21 Rate	Old FY20 Rate	Rate Adj	% Change
RATE REDUCTIONS					
Workstation Management	742-Laptop - Standard Laptop (8EL0)	\$ 71.96	\$ 74.60	\$ (2.64)	-4%
IP Voice Services	002-CCM Agent (CCMG01)	\$ 75.90	\$ 82.41	\$ (6.51)	-8%
	003-CCM Supervisor (CCMG02)	\$ 153.41	\$ 159.55	\$ (6.14)	-4%
	042-CCM IVR Service (CCMIVR)	\$ 46.18	\$ 47.63	\$ (1.45)	-3%
	043-CCM IVR Svc w/Speech Recognitn (CCMIVR-SR)	\$ 76.16	\$ 80.74	\$ (4.58)	-6%
	761-Telephone Contact Ctr Agent(TEL-AGENT)	\$ 79.83	\$ 86.59	\$ (6.76)	-8%
	762-Telephone Contact Center Sup(TEL-SUPV)	\$ 149.72	\$ 160.35	\$ (10.63)	-7%
	767-VoIP SIP Session (CCOFFNET)	\$ 14.28	\$ 15.12	\$ (0.84)	-6%
	054-IPT-Hosted Adv Subscription (IPTA)	\$ 11.57	\$ 12.19	\$ (0.62)	-5%
	056-IPT-Hosted Basic Subscription (IPTB)	\$ 6.12	\$ 6.45	\$ (0.33)	-5%
	059-Quality Mgmt Support Only (QM-01)	\$ 5.97	\$ 6.34	\$ (0.37)	-6%
	479-Workforce Mgmt Support Only (WFM-01)	\$ 6.07	\$ 6.43	\$ (0.36)	-6%
	520-IPT-Hosted Ported Nbr Stn SC (IPTPORT)	\$ 6.22	\$ 6.44	\$ (0.22)	-3%
	763-Telephone - IP Telephone (TEL-IPT)	\$ 17.99	\$ 19.34	\$ (1.35)	-7%
	039-IP Professional Svc Fees (7570D)	\$ 116.09	\$ 122.35	\$ (6.26)	-5%
	062-Voice Mail for Analog (UCVMANALOG)	\$ 11.22	\$ 11.73	\$ (0.51)	-4%
	063-Voice Mail Std-IPT (UCVMSTD)	\$ 1.03	\$ 1.09	\$ (0.06)	-5%
	521-Handlers UC-Call and Direct(UCHANDLERS)	\$ 42.62	\$ 46.44	\$ (3.82)	-8%
WAN Services	337-MNET Access Facility (AF-XXXX)	Reduce all active rates 6%			-6%
	782-H/A Option 2nd device Branch(WAN-HA-BNCH)	\$ 313.06	\$ 338.55	\$ (25.49)	-8%
	783-H/A Option 2nd device Dist(WAN-HA-DIST)	\$ 230.18	\$ 241.68	\$ (11.50)	-5%
	785-H/A Option 2nd device HQ (WAN-HA-HQ)	\$ 671.78	\$ 725.64	\$ (53.86)	-7%
	792-Network Device 10 (WAN-ND10)	\$ 824.55	\$ 884.12	\$ (59.57)	-7%
	793-Network Device 2 (WAN-ND2)	\$ 98.58	\$ 104.53	\$ (5.95)	-6%
	794-Network Device 3 (WAN-ND3)	\$ 134.13	\$ 144.79	\$ (10.66)	-7%
	795-Network Device 4 (WAN-ND4)	\$ 182.17	\$ 192.90	\$ (10.73)	-6%
	797-Network Device 6 (WAN-ND6)	\$ 207.95	\$ 231.63	\$ (23.68)	-10%
	798-Network Device 7 (WAN-ND7)	\$ 267.20	\$ 283.15	\$ (15.95)	-6%
	799-Network Device 8 (WAN-ND8)	\$ 419.42	\$ 452.13	\$ (32.71)	-7%
	800-Network Device 9 (WAN-ND9)	\$ 598.15	\$ 630.36	\$ (32.21)	-5%
	802-PE Hub Port 1 (WAN-PE1)	\$ 75.88	\$ 79.80	\$ (3.92)	-5%
	803-PE Hub Port 2 (WAN-PE2)	\$ 123.82	\$ 133.30	\$ (9.48)	-7%
	804-PE Hub Port 3 (WAN-PE3)	\$ 223.22	\$ 232.70	\$ (9.48)	-4%
	805-PE Hub Port 4 (WAN-PE4)	\$ 401.06	\$ 423.57	\$ (22.51)	-5%
	789-MPLS BW (WAN-MPLS)	\$ 2.03	\$ 2.16	\$ (0.13)	-6%
	812-Internet Bandwidth (WAN-INET)	\$ 1.72	\$ 1.85	\$ (0.13)	-7%
	774-WAN - Branch Office 101-500 Employees (WAN-BNCH)	\$ 2,719.28	\$ 2,915.59	\$ (196.31)	-7%
	775-WAN - District Office 26-100 Employees (WAN-DIST)	\$ 779.72	\$ 845.22	\$ (65.50)	-8%
	776-WAN - Field Office 13-25 Employees (WAN-FLD)	\$ 345.94	\$ 374.44	\$ (28.50)	-8%
	777-WAN - Headquarters 501+ Employees (WAN-HQ)	\$ 8,154.94	\$ 8,560.45	\$ (405.51)	-5%
	778-WAN - One Person office (WAN-1)	\$ 46.13	\$ 47.79	\$ (1.66)	-3%
	779-WAN - Small Office 2-12 Employees (WAN-SM)	\$ 138.25	\$ 148.16	\$ (9.91)	-7%
Database	838-Database - Distributed Systems DB2(8150)	\$ 420.53	\$ 647.55	\$ (227.02)	-35%
	834-Database - Ded DB HostMS SQL Tier1(8DBH1)	\$ 390.88	\$ 394.61	\$ (3.73)	-1%
	835-Database - Ded DB HostMS SQL Tier2(8DBH2)	\$ 205.69	\$ 219.13	\$ (13.44)	-6%
	839-Database - Shared DB Host MS SQL(8DBH5)	\$ 157.77	\$ 203.51	\$ (45.74)	-22%
	836-Database - Ded DB HostOracle Tier1(8DBH3)	\$ 1,617.73	\$ 1,718.69	\$ (100.96)	-6%
	837-Database - Ded DB HostOracle Tier2(8DBH4)	\$ 990.02	\$ 1,434.72	\$ (444.70)	-31%
Middleware	841-Middleware - Tier 1 Middleware Inst(8155)	\$ 945.71	\$ 1,056.87	\$ (111.16)	-11%
	842-Middleware - Tier 2 Middleware Inst(8156)	\$ 400.75	\$ 434.68	\$ (33.93)	-8%
Mainframe	745-Mainframe - Database - Adabas (8022)	\$ 0.0098	\$ 0.0115	\$ (0.0017)	-15%
	746-Mainframe - Database - DB2 (1207)	\$ 0.0378	\$ 0.0533	\$ (0.0155)	-29%
	749-Mainframe - Ent Workload Sched(8231)	\$ 0.7609	\$ 1.01	\$ (0.2491)	-25%
	750-Mainframe - Mainframe CPU (8EMF2)	\$ 0.0167	\$ 0.0244	\$ (0.0077)	-32%
	752-Mainframe - Mainframe Spec Process(8EMF3)	\$ 0.0025	\$ 0.0056	\$ (0.0031)	-55%
Data Center	712-Hosting - Data Center Basic - RU (8EH0)	\$ 33.83	\$ 43.05	\$ (9.22)	-21%
Storage & Backup	748-Mainframe - Disk Storage (8EMF1)	\$ 0.1515	\$ 0.2301	\$ (0.0786)	-34%
	754-Mainframe backups (8EMF4)	\$ 0.0755	\$ 0.0940	\$ (0.0185)	-20%
	893-Hosting-Ent Disk Backups	\$ 0.1190	\$ 0.1218	\$ (0.0028)	-2%
Ctr of Excellence	900-Oracle IAM (8CEIAM1)	\$ 0.1607	\$ 0.1846	\$ (0.0239)	-13%