

OFFICE

1. Description and Purpose The purpose of the office budget is to help advance the Association's mission and goals by:

- providing employees with sufficient training and support;
- providing office and conference space that projects a professional image;
- providing conference space with sufficient equipment;
- providing adequate, reliable office equipment to efficiently serve members; and
- acquiring adequate levels of services and supplies at reasonable rates.

The most significant direct expense item in this budget area is rent. This expense accounts for approximately 64% of the direct expenses in this budget area.

2. Historical Information

The MSBA office has been in its current location since April 1999. The MSBA's current lease, which was renewed in 2009, will expire in May 2014; it has an option at that time to renew its lease for an additional five years. It shares rent expenses for restrooms with Minnesota CLE and HCBA.

The office space has 28 workstations including the Receptionist's work area. Nineteen (19) workstations are occupied by MSBA employees, one workstation is occupied by the Executive Director of LRAP, one workstation is occupied by the Executive Director of LegalCorps, and seven are unoccupied. There are 17 offices: 15 offices are occupied by MSBA employees, one office is rented by MDLA, and one office is used as a staff conference room.

The MSBA has three conference rooms: Board Room (seating: 14), Honors Room (seating: 40), and Presidents Room (seating: 70).

3. Personnel There are 4.16 FTE positions allocated to this program.

4. Report on 2009-10 Performance Standards

A. Provide employees with training and support services they need to advance the Association's mission and goals.

- a. Develop a process that identifies employees' with advanced skills in at least three areas and who have an interest in serving as resources for employees.

This standard was met. We surveyed employees to obtain information about what types of assistance was needed and if they would be willing and capable to serve as resources. We have identified 30 specific areas and all areas except one have one or more employees listed as resources. We have identified two network locations where this information can be stored and accessed and are in the process of determining which location is the most convenient for employees to use.

- b. Develop a follow-up process for new employees that identifies where additional training is needed after a new employee has completed the general orientation process.

This standard was met. In an effort to keep things simple but effective, the following items will be implemented for new employees after general office orientation has been completed: 1) two weeks after the orientation checklist is completed, the HR Director will ask the new employee questions about each item noted and verify the expectations for the level of use and knowledge of key areas; 2) during at least the first two months of employment, the HR Director will check with the new employee periodically to ask questions to determine the level of understanding of key aspects of the general office orientation information; and 3)

within the first three to six months of employment, the HR Director will organize Lunch with the Executive Director to ensure new employees hired during that time period obtain a better understanding of the history of the MSBA and its mission.

- B. Provide office and conference space that projects a professional image.
 - a. If the budget allows, the main entrance and pocket doors in the Presidents and Honors Rooms should be repaired and painted.

This standard was met. The items were repaired and painted. Unfortunately it does not take long for the front door to be nicked and scuffed. It is difficult for some deliveries to be made because of the narrow space between the front door and the railing outside the suite.
 - b. Create at least one new process to more effectively manage all conference space.

This standard was met. We created a staff team to be responsible for all internal aspects of the conference space. They recommend capital expenses, monitor use, ensure internal procedures are followed, etc. The staff team consists of the Section Liaisons who are in an excellent position to effectively manage the conference space, recommend capital expenses, and respond to feedback from members.
- C. Obtain quality products and services at reasonable rates.
 - a. Compare costs and services from two office supply companies with current vendor's prices and services to determine savings for up to 15 regularly used office products.

This standard was met. Last summer, we contacted two office supply companies to obtain prices of 13 office products and information about their services. Although one company did not have the lowest prices for all of the items priced, their total costs were less than Office Depot's prices. Office Depot is the MSBA's current primary office supply company. We plan to obtain current prices; if Office Depot continues to have the highest overall total cost, we will determine the best approach to reduce the MSBA's office supply costs. We may ask Office Depot to match the lowest quote or switch office supply companies.

5. 2010-11 Performance Standards

- A. Provide employees with training and support services they need to advance the Association's mission and goals.
 - a) Determine up to three areas of interest to employees and of value to the MSBA and ask staff experts to develop and conduct in-house employee training sessions.
 - b) Review areas and staff expert list and have user guidelines or checklists created for at least three areas.
- B. Provide office and conference space that projects a professional image.
 - a) We will identify up to three areas that can be repaired or completed with budgeted Office funds.
 - b) Working with the staff conference team, we will recommend capital improvements for the Presidents and/or Honors Rooms; and if funds are available and approved, the items will be purchased.
- C. Obtain quality products and services at reasonable rates.
 - a) We will obtain quotes from at least two other printing companies to determine if printing expenses can be reduced for letterhead, envelopes, and business cards.

6. Three-Year Plan Performance Standards

- A. Provide employees with training and support services they need to advance the Association's mission and goals.
- B. Provide office and conference space that projects a professional image.

C. Obtain quality products and services at reasonable rates.

7. Report on 2009-10 User Satisfaction

Members – The Presidents Room, which is the MSBA's largest conference room, has a maximum seating capacity of 40. There are times when meetings of 50 – 70 registrants have been held in the Presidents Room. We assume members have an expectation of sitting at a table when they pre-register and attend a CLE seminar particularly when lunch is served; this type of accommodation is not possible when registrations exceed 45. We plan to select up to five meetings held in the Presidents Room that have 55 or more registrants to determine members' levels of satisfaction with the accommodations.

In the spring of 2009, we were able to obtain 70 chairs at no cost from Minnesota CLE. They replaced all of the chairs in the auditorium and we selected 70 chairs they no longer needed. The 70 chairs replaced the 40 chairs that were located in the Presidents Room. Because seating capacity in the Presidents Room increased, we did not conduct member user satisfaction.

Staff – As mentioned in the performance standard, we plan to develop a process that identifies employees' with advanced skills in at least three areas and who have an interest in serving as a resource for employees. We will survey employees to determine their satisfaction with the communicated resources and if they have suggestions for additional resource areas that could be added.

We did not survey employees to determine their satisfaction with our efforts to identify areas of need and employee experts. Because we are up to 30 identified areas and employees continue to add their names to the expert list and are willing to serve as resources, we feel this effort is going to be successful. We will add the employee expert information to the general office orientation process to ensure new employees are aware of internal resources. We will continue to promote the location of the resource information and make sure employees use it.

8. 2010-11 User Satisfaction

Members: Performance standards B. a) and b) emphasize the importance of maintaining office and conference space that projects a professional image. Although we are not planning a member survey, we feel the updates made in the next twelve months to maintain office and conference space will help our efforts to continue to project a professional image. The MSBA is a successful organization and we want the office and conference space to continue to project that image.

Staff: In the next twelve months, employee experts will be serving as resources, conducting in-house training programs, and/or developing user guides. We will survey employees to determine their level of satisfaction with those items. We want to know if they received timely and valuable responses to their requests for help, if they learned valuable information during the training sessions, and if the user guides are useful and easy to understand.

9. Market Penetration

Not applicable.

10. Current Issues and Challenges

We recognize there are leasehold improvements that could be made and equipment purchased for the reception area and conference rooms that would create efficiencies and improve service. However, funds are not available to purchase all of them in one fiscal year. We will prioritize the recommendations and request the funds over a two- or three-year period.

The MSBA's postal equipment will no longer be supported by Neopost after June 2010. New equipment will need to be purchased.

With the sections' continued success to increase the number of CLE seminars and registrants, it would be a benefit to members and employees if the MSBA leased the available non-contiguous conference space, which is still available. However, because of the uncertainty of the economy, we will not recommend the MSBA lease the space in 2010-11.

We are striving to be a "green" office and have found that many "green" office products are very expensive. At this point, we are making "green" changes that do not have a negative affect on the budget.

11. Explanation of Budget Categories

Rent -- The MSBA office and conference space totals 13,680 total usable square feet. In addition, the MSBA has 312-sq. ft. of storage space in the City Center. The chart below breaks down: Total Gross Rent p.s.f., Total Rent Expense, Total Rent Revenue, and Net Rent Expense.

Rent Revenue/Expense	Projected Actual 2009-10	Approved Budget 2009-10	Proposed Budget 20010-11
Rent p.s.f.	16.75	16.75	16.75
Operating Costs/Property Tax p.s.f.	10.71	10.71	10.71
Total Gross Rent p.s.f. (Original Lease 12,824 sq. ft.)	\$27.46	\$27.46	\$27.46
Gross Rent (Original Lease)	352,000	352,000	352,000
Gross Rent (Additional Space 856 sq. ft.)	19,500	19,500	19,500
Total Gross Rent	371,500	371,500	371,500
Storage Rent	3,750	3,750	3,750
Gross Rent Payable to MCLE	4,800	4,800	5,350
Leasehold Improvements	0	0	0
Total Estimated Rent Expense	\$376,000	\$376,000	\$381,000
Gross Rent Revenue from HCBA	0	0	0
Subsidy Revenue (Principal & Interest)	85,000	85,000	85,000
Net Rent Expense	\$291,000	\$291,000	\$296,000

The rent for the current space is \$16.75 sq ft. The rent for the 856 sq ft of new office space is \$12.00 sq. ft.

An office is rented to Minnesota Defense Lawyers Association (MDLA). Their contract expires in 2010; they pay an annual flat fee for rent and limited services; this revenue is tracked in the Outside Organizations' budget.

Leasehold Depreciation: Leasehold depreciation includes both an expense account and a contra expense account. Following auditors' suggestions, a deferred liability account was created to fund the annual leasehold improvement depreciation expense.

Telephone -- The MSBA currently has a T1 and is utilizing all 24 channels; a block of 100 direct dial numbers; and a toll-free number. All direct dial calls are routed through the MSBA's Avaya Merlin Legend telephone system and then re-routed either directly to employees or to the Merlin Messaging voice mail system. The Merlin Legend was purchased in 1999 and upgraded in 2005; the Merlin Messaging voice mail system was purchased in 2004.

Telephone System Expenses

- Paetec (T1 line (24 channels), 800 number), and long distance service. Contract expires: 2/20/10.
- Merlin Legend telephone system maintenance (Transcend)
- Merlin Messaging voice mail maintenance (Transcend)
- White page listings

Insurance/Bond -- The MSBA has the following office insurance coverage, which also covers Minnesota CLE unless otherwise noted. Minnesota CLE reimburses the MSBA for its portion of the premiums. The expense numbers in the budget are net of the Minnesota CLE reimbursement.

- Comprehensive Business Liability
- Umbrella Liability
- Commercial Auto
- Errors and Omissions
- Workers Compensation
- Commercial Crime
- Employment Practices Liability (MSBA only)
- Fiduciary Liability (MSBA only)

In July 2010, Minnesota CLE may begin obtaining its own business-related insurance coverage.