

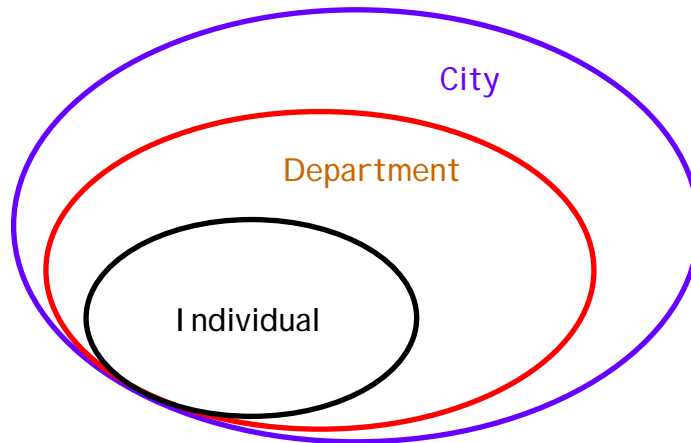
**City Council Agenda Item #14A  
Meeting of April 24, 2006**

**Brief Description:** MERIT Organizational Component.

**Recommended Action:** None required.

**Background**

As part of the city of Minnetonka's MERIT compensation system, a three-tiered program is used to measure performance at the organizational (city), departmental and individual levels. This organizational evaluation provides feedback about our collective performance as a city government.



Everyone needs to know how they are doing, both individually and as a team. Just like individual employees, the overall city team needs to know what we are doing well, and what areas we need to concentrate on to do our jobs better. The focus of the citywide component is on the city's seven strategic goals, which means that staff is evaluated on how well we meet the values of the community, as established by the city council.

For each strategic goal, the city council rates our performance with a weight of one-third of the total grade for that goal. The remaining two-thirds of the grade consists of a combination of items: feedback from the applicable advisory board/commission, neighborhood block captains, or outside groups; results from the community survey; employee feedback; and where appropriate, objective measures.

The organizational component uses a grading scale in which 4.0 = A. Council and board ratings average the actual letter grades assigned by members. Community

survey ratings are based on a similar letter and numerical grading scale assigned to our citizens' excellent/good/fair/poor ratings. Because it relates to our overall performance, the community survey's Quality of Life question is included as an eighth "goal" in the citywide evaluation.

The combined grades for each strategic goal are then averaged to obtain the final overall organizational grade.

## Results

Minnetonka traditionally receives very high grades for performance in achieving each of our strategic goals, and this year is no exception. It is noteworthy, however, that the community survey results reflect a slight downward trend.

<b>Goal</b>	<b>City Council</b>	<b>Advisory Boards</b>	<b>Survey/ Other</b>	<b>Combined</b>
Natural environment	A	A	A-	<b>A-</b>
Public safety	A	A	A-	<b>A</b>
Transportation	A-	A	B+	<b>A-</b>
Development	A-	A-	B+	<b>A-</b>
Building community	A	A-	A-	<b>A-</b>
Public services	A	A	A-	<b>A</b>
Organizational excellence	A		A	<b>A</b>
Quality of life			A	<b>A</b>
<b>Overall Grade</b>	<b>A</b>	<b>A</b>	<b>A-</b>	<b>A</b>

- **Natural environment (A-).** This grade dropped slightly from last year's rating of a low A to this year's high A-, primarily due to lower ratings for open space and trails. Residents feel strongly about natural areas, and continue to give the city very positive grades, although there is a slight downward trend in opinion about how well the city is protecting wetlands. Lower open space ratings may reflect recent controversial development projects in the community, but over three-fourths of our residents still feel the city has the right amount of open space.

The council and park board highly rate recent park renewal and open space preservation efforts. Of those residents with an opinion about the park renewal program, eight in ten expressed satisfaction with their renewed parks. This year's survey asked dog owners whether they would frequent a dog park if available, and nearly half would use it at least once a week. Three-fourth of our residents said they would attend a performance at the new outdoor amphitheater.

- **Public Safety (A).** Consistent with previous years, public safety rates a solid A. Residents continue to feel very safe in Minnetonka, with 91% indicating there are no areas in the city where they feel unsafe; that increase of five percent over last year is counter to the downward trend in other communities. Police protection continues its high ratings, with 9 of 10 residents rating services as excellent or good. This is particularly noteworthy since many police interactions are for enforcement purposes. Of those having an opinion on the fire service, fully 99% rated it excellent or good. Residential speeding continues to be a concern for over one-half of our residents, although that percentage has somewhat decreased in the past two years.
- **Transportation (A-).** The overall grade for this goal remained at A-, likely a reflection of the public's continuing frustration with current road conditions. Community satisfaction with pavement repair and street patching slipped from a 63% approval rating last year to 49% this year, the lowest rating of the last six years. However, Minnetonka's road ratings continue to be more favorable than other communities, which typically have 65:35 negative ratios. Although council recently approved a significant increase in road funding, residents have not yet seen the benefits of that decision. Council opinion varies on the city's achievements on enhancing resident and business mobility, with grades ranging from A+ to B-. On a positive note, 92% of residents surveyed rated snow plowing as excellent or good, an increase over the last two years. Additionally, over two-thirds of respondents rated our road construction communication efforts as good or excellent during last year's major disruptions.
- **Development (A-).** The overall grade for development continues at A-, despite the controversial projects of the past year. Resident support for higher density for environmental protection or affordable housing slipped from last year, as did the share of those who feel the city is successful in balancing the rights of individual property owners with the interests of the wider community. However, three-fourths still believe the city is successfully meeting that balance, despite the widespread publicity about development projects. More encouraging, those with a positive opinion about appropriate opportunities for input into the zoning and development decision-making process actually increased to 82%. This could reflect the city's ongoing efforts to improve information access and encourage public participation.
- **Building Community (A-).** This rating slipped from an A in 2005 to a high A- this year. The city council and most advisory board members continue to rate city communication efforts very highly. As in previous years, city publications (*Minnetonka MEMO* and recreation program brochure) are widely recognized and highly rated. Although access to [eminnetonka.com](http://eminnetonka.com) increased by nine percent over last year, web site ratings and ease of navigating the site slipped.

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These ratings should improve as the city's redesigned web site is launched this summer. About one-half of residents with only dial-up Internet service indicated interest in wireless broadband, and three-fourths favored city ownership. Ratings of recreation and senior programs remained stable, with 98% of those with an opinion rating these services as excellent or good. As a side note, 70 percent of respondents have no children in their homes, a demographic trend that will influence future program offerings.

- **Public Services (A).** City services continue to receive a solid A, especially ratings for managing for the long term. Nearly 81% of residents with an opinion consider the general value of city services as excellent or good, although the share of excellent ratings declined somewhat from last year. And while grades remain very high, there was a slight downturn in customer service ratings after several years of upward trends. A similar falloff was seen in the percentage of residents who would favor higher taxes to maintain services, although the ratio remains positive. Residents are clearly most concerned about road conditions, with two-thirds of those rating any service as fair or poor citing issues with roads. Over one-half of respondents indicated that roads should receive more funding, more than double those that favored the traditional priority of public safety.
- **Organizational Excellence (A).** With a solid A rating, the city council and outside groups agree that city employees set the high standard that others strive to emulate. Employees think the city is a great place to work by an overwhelming ratio of 90:1, which is significantly higher than last year. Similar improvements were seen in ratings for doing the right thing at the right time for the right reason. The shared value of Outcome Focused Teamwork continues to be the highest rated value by employees. Although it was also rated very highly, Authentic Communication is the value employees cited as needing more improvement.
- **Quality of life (A).** Minnetonka consistently ranks very highly for its quality of life, as reflected by the unchanged grade of A over many years. In many ways, this overall rating is reflective of our efforts to both maintain and contribute toward improvements in our community. An exceptional 99% of our citizens rate their quality of life in Minnetonka as either excellent or good, with over one-half of residents consistently assigning an excellent rating. This year's survey asked residents what they liked most about living in Minnetonka, and four out of ten noted factors related to our natural setting. Another one-third mentioned location, and 14 percent cited neighborhood specifics. Only eight percent mentioned schools, which reflects the number of households without children. When asked what they liked least about living in Minnetonka, nearly one-third said there was nothing they didn't like about our community – only about six percent of residents in other cities report there is nothing they don't like. Roads and traffic were mentioned by one-fourth as a concern, and 16 percent cited taxes. Only seven percent listed growth.

### **Performance Award**

Combined ratings of each of the seven strategic goals and the Quality of Life rating result in an overall organizational grade of A for this year, consistent with last year's grade. Our actual "grade point average" is 3.835, slightly lower than last year. This final grade is the basis for the organizational component award in the city's three-tiered performance program of the MERIT system.

Similar to the departmental component, the organizational lump sum award is prorated based on the actual percentage grade point average. For this year, the city's grade of 3.835 is 95.9% of 4.000. This percentage is applied to the maximum dollars dedicated to this component.

Nonunion personnel and police sergeants receive an award of \$479.50 (95.9% of the maximum award of \$500). Police officers and public works employees receive a prorated amount of the \$100 maximum as negotiated in their respective labor agreements with the city, or \$95.90.

All full-time non-probationary employees who were employed by the city in 2005, and were still employed as of April 1, 2006, receive a lump sum payment as noted. These amounts are pro-rated for our regular (permanent) part-time employees and for those eligible employees who did not work for the city during the entire year in 2005.

This performance pay amount is a symbolic recognition of the exceptional performance of city employees who participate in this program. We sincerely appreciate the city council's continuing support of the MERIT system philosophy, and our belief in recognizing exceptional performance.

Submitted through:  
John Gunyou, City Manager

Originated by:  
Gerald R. Barone, Assistant City Manager

**ORGANIZATIONAL MERIT RESULTS  
2004 - 2006**

GOAL	City Council			Advisory Boards			Survey/Other			Combined		
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
Natural environment	A	A	A	A-	A	A	A	A-	A-	A-	A	A-
Public safety	A	A	A	A	A	A	A-	A-	A-	A	A	A
Transportation	A-	A	A-	A	A-	A	A-	A-	B+	A-	A-	A-
Development	A-	A	A-	A-	A-	A-	A-	A-	B+	A	A-	A-
Building community	A	A	A	A	A	A-	A	A-	A-	A	A	A-
Public services	A+	A	A	A	A	A	A-	A-	A-	A	A	A
Organizational excellence	A+	A	A				A	A-	A	A	A	A
Quality of life							A	A	A	A	A	A
<b>OVERALL GRADE</b>	A	A	A	A	A	A	A-	A-	A-	A	A	A

**MERIT Organizational Component**  
**Council & Boards Survey Results, April 2006**  
 (Overall grades include community survey results)

GOAL	A+	A	A-	B+	B	B-	C+	C	C-	Score	Grade
<b>NATURAL ENVIRONMENT</b>										3.914	<b>A</b>
<b>Improve our water resources &amp; woodlands</b>										3.760	<b>A-</b>
City Council		4	2	1						3.810	<b>A-</b>
Park Board	2	2	1		1					3.888	<b>A</b>
Community survey										3.583	<b>A-</b>
<b>Facilitate open space preservation</b>										3.969	<b>A</b>
City Council	2	3		2						3.903	<b>A</b>
Park Board	2	2	2							4.000	<b>A</b>
Community survey										4.005	<b>A</b>
<b>Renew and sustain our parks</b>										4.077	<b>A</b>
City Council	5	2								4.236	<b>A+</b>
Park Board	4	2								4.220	<b>A+</b>
Community survey										3.777	<b>A-</b>
<b>Expand &amp; maintain our trail system</b>										3.850	<b>A</b>
City Council	1	4	2							3.953	<b>A</b>
Park Board	3		1		2					3.777	<b>A-</b>
Community survey										3.820	<b>A-</b>
<b>PUBLIC SAFETY</b>										3.930	<b>A</b>
<b>Foster community involvement &amp; individual responsibility</b>										3.847	<b>A</b>
City Council	2	2	2	1						3.904	<b>A</b>
Police Advisory Comm.		2	1							3.890	<b>A</b>
Nghbrhd. Block Captains	3	8	4	4	1	1				3.746	<b>A-</b>
<b>Enhance personal and business safety</b>										3.887	<b>A</b>
City Council	3	3			1					3.999	<b>A</b>
Police Advisory Comm.	1	2								4.110	<b>A</b>
Nghbrhd. Block Captains	4	8	2	6		1				3.777	<b>A-</b>
Community survey										3.718	<b>A-</b>
<b>Ensure hometown security by collaborating with others</b>										4.057	<b>A</b>
City Council	3	2	1		1					3.951	<b>A</b>
Police Advisory Comm.	1	2								4.110	<b>A</b>
<b>TRANSPORTATION</b>										3.685	<b>A-</b>
<b>Enhance resident &amp; business mobility</b>										3.705	<b>A-</b>
City Council	1	1	2	1	1	1				3.524	<b>A-</b>
Community survey										3.796	<b>A-</b>

<b>GOAL</b>	<b>A+</b>	<b>A</b>	<b>A-</b>	<b>B+</b>	<b>B</b>	<b>B-</b>	<b>C+</b>	<b>C</b>	<b>C-</b>	<b>Score</b>	<b>Grade</b>
<b>Meet local &amp; regional needs through leadership &amp; collaboration</b>										3.952	<b>A</b>
City Council	1	3	2	1						3.857	<b>A</b>
Community group		1								4.000	<b>A</b>
<b>Optimize infrastructure investments</b>										3.397	<b>B+</b>
City Council	3	2	2							4.047	<b>A</b>
Community survey										3.072	<b>B</b>
<b>DEVELOPMENT</b>										3.754	<b>A-</b>
<b>Guide development to achieve our community vision</b>										3.887	<b>A</b>
City Council		4	2	1						3.810	<b>A-</b>
Planning Commission	1	1	1							4.000	<b>A</b>
Community survey										3.851	<b>A</b>
<b>Balance individual property rights with the public interest</b>										3.716	<b>A-</b>
City Council	1	4	2							3.953	<b>A</b>
Planning Commission	1			1	1					3.553	<b>A-</b>
Community survey										3.643	<b>A-</b>
<b>Increase the availability of affordable and lifecycle housing</b>										3.702	<b>A-</b>
City Council		4	2	1						3.810	<b>A-</b>
Planning Commission	1	1	1							4.000	<b>A</b>
EDA	1	1		2						3.748	<b>A-</b>
Community survey										3.422	<b>B+</b>
<b>Actively shape redevelopment to meet community interests</b>										3.712	<b>A-</b>
City Council		3	1	3						3.666	<b>A-</b>
Planning Commission	1	1		1						3.887	<b>A</b>
EDA	1	1		1		1				3.583	<b>A-</b>
<b>BUILDING COMMUNITY</b>										3.839	<b>A</b>
<b>Foster open communication with the community</b>										3.840	<b>A</b>
City Council	1	4	2							3.953	<b>A</b>
Park Board	3	1		1	1					3.887	<b>A</b>
Planning Commission	2			1						3.997	<b>A</b>
EDA	1	1	1	1						3.833	<b>A-</b>
Senior Advisory Board	2	3	3	1	1					3.800	<b>A-</b>
Heritage Comm.	1	1	1	1						3.833	<b>A-</b>
Police Advisory Comm.		3								4.000	<b>A</b>
Nghbrhd Block Captains	1	11	1	5	3					3.698	<b>A-</b>
Community survey										3.703	<b>A-</b>
<b>Promote activities that encourage understanding &amp; involvement</b>										3.904	<b>A</b>
City Council	1	4	2							3.953	<b>A</b>

<b>GOAL</b>	<b>A+</b>	<b>A</b>	<b>A-</b>	<b>B+</b>	<b>B</b>	<b>B-</b>	<b>C+</b>	<b>C</b>	<b>C-</b>	<b>Score</b>	<b>Grade</b>
Park Board	2	3		1						3.998	<b>A</b>
Senior Advisory Board	4	2	2	2						3.932	<b>A</b>
Heritage Comm.	1	1	1	1						3.833	<b>A-</b>
Community survey										3.839	<b>A</b>
<b>Play a leading role in local, metro &amp; national partnerships</b>										3.780	<b>A-</b>
City Council	2	3	2							4.000	<b>A</b>
Community group			1							3.670	<b>A-</b>
<b>Embrace our proud past, cultural heritage &amp; growing diversity</b>										3.832	<b>A-</b>
City Council	2	3	2							4.000	<b>A</b>
Heritage Comm.	2			1	1					3.748	<b>A</b>
<b>PUBLIC SERVICES</b>										3.978	<b>A</b>
<b>Provide value: quality services at a reasonable price</b>										3.900	<b>A</b>
City Council	4	3								4.189	<b>A+</b>
Park Board	3	1			1					3.998	<b>A</b>
Planning Commission	1	1		1						3.887	<b>A</b>
EDA	1	2	1							4.000	<b>A</b>
Senior Advisory Board	3	2	2	3						3.832	<b>A-</b>
Heritage Comm.	2	1			1					3.915	<b>A</b>
Police Advisory Comm.	1	2								4.110	<b>A</b>
Nghbrhd Block Captains	4	7	5	4	1					3.809	<b>A-</b>
Community survey										3.576	<b>A-</b>
<b>Manage for the long term</b>										4.091	<b>A</b>
City Council	3	4								4.141	<b>A</b>
Park Board	2	2	1							4.066	<b>A</b>
Planning Commission	1		2							3.890	<b>A</b>
EDA	3		1							4.165	<b>A+</b>
Senior Advisory Board	4	2	4							4.000	<b>A</b>
Heritage Comm.	2	2								4.165	<b>A+</b>
Police Advisory Comm.	1	2								4.110	<b>A</b>
Nghbrhd Block Captains	3	8	4	4	2					3.761	<b>A-</b>
Bond rating, GFOA, tax rate										4.110	<b>A</b>
<b>Provide excellent customer service</b>										4.004	<b>A</b>
City Council	5	2								4.236	<b>A+</b>
Park Board	3	1	1							4.132	<b>A</b>
Planning Commission	2	1								4.220	<b>A+</b>
EDA	2	1	1							4.083	<b>A</b>
Senior Advisory Board	2	4	2	1	1					3.833	<b>A-</b>
Heritage Comm.	1	2		1						3.915	<b>A</b>
Police Advisory Comm.	1	2								4.110	<b>A</b>
Nghbrhd Block Captains	3	9	5	2	1	1				3.794	<b>A-</b>

<b>GOAL</b>	<b>A+</b>	<b>A</b>	<b>A-</b>	<b>B+</b>	<b>B</b>	<b>B-</b>	<b>C+</b>	<b>C</b>	<b>C-</b>	<b>Score</b>	<b>Grade</b>
Community survey										3.765	<b>A-</b>
<b>Promote innovative service delivery</b>										3.916	<b>A</b>
City Council	3	3	1							4.094	<b>A</b>
Park Board	2		2	1						3.866	<b>A</b>
Planning Commission	1	1		1						3.887	<b>A</b>
EDA	1	2	1							4.000	<b>A</b>
Senior Advisory Board	2	2	2	4						3.732	<b>A-</b>
Heritage Comm.		2				1				3.557	<b>A-</b>
Police Advisory Comm.	1	1	1							4.000	<b>A</b>
Nghbrhd Block Captains	3	8	4	3	3					3.746	<b>A-</b>
<b>ORGANIZATIONAL EXCELLENCE</b>										4.037	<b>A</b>
<b>Set the high standard that others emulate</b>										4.031	<b>A</b>
City Council	3	3	1							4.094	<b>A</b>
Community group		1								4.000	<b>A</b>
<b>Provide a great place to work</b>										4.121	<b>A</b>
City Council	4	3								4.189	<b>A+</b>
Employees	87	39			13		2			4.088	<b>A</b>
<b>Live our shared values</b>										3.973	<b>A</b>
City Council	3	4								4.141	<b>A</b>
Employees*	1184	1835		702			157		41	3.888	<b>A</b>
<b>Do the right thing at the right time for the right reason</b>										4.023	<b>A</b>
City Council	4	3								4.189	<b>A+</b>
Employees*	219	315		81			27		5	3.940	<b>A</b>

\*Multiple questions