

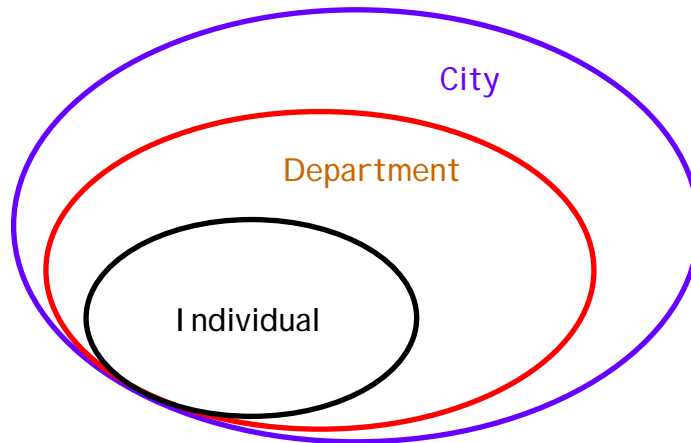
**City Council Agenda Item #14B
Meeting of April 23, 2007**

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.

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

- **Natural environment (A).** This grade improved over last year's A- rating, with the excellent and good ratings from the community survey improving. Residents continue to feel strongly about natural areas, with very favorable support of the city's efforts to protect wetlands and forested areas. Both park and trail maintenance ratings improved as well, with 98% and 97% favorable ratings respectively. This is likely a reflection of increased educational efforts and added resources to trail maintenance.

The city council and park board are very supportive of city efforts, although some are noticeably concerned about the expansion and maintenance of the city's trail system.

- **Public Safety (A).** Very consistent with past years, this grade remains a solid A, Over 98% of the survey respondents rate police protection positively, with half rating it as excellent, and all of the respondents rated fire protection positively.

When asked about the greatest public safety concern in Minnetonka, 47% of those surveyed said there is none, up from 28% last year.

This year, over half of the respondents do not feel residential speeding is a concern, compared to 40% last year. The number of residents who think speeding is a very serious problem was cut in half, from 16% last year to 8% this year. This significant change may be an outgrowth of the city's substantial attention given to reducing speeding in the community. Ratings by the city council and police advisory committee related to public safety continue to be very positive.

- **Transportation (A-).** The overall grade for this goal remained an A-, although responses related to infrastructure investment improved. The downward trend of ratings for street maintenance was reversed this year. When residents were asked where they might spend additional resources, streets and public safety are even priorities, whereas streets were a much higher priority last year. This is reflective of the increased investment the council has approved for the thin overlay and street reconstruction programs.
- **Development (A-).** This grade remains consistent with last year. More than nine out of ten residents provided favorable responses for community planning. The rating on allowing appropriate public input is the highest it has ever been. Interestingly, the support for higher density as a trade-off has been eroding the last several years. For example, more people oppose higher density if some affordable housing units were included in the development. There is somewhat more support for higher density as a tradeoff for environmental protection. When residents were asked about specific development concerns, the impact on the natural environment and loss of open space were their greatest concerns. Providing increased availability of affordable housing continues to be a concern of both planning commission and EDA members.
- **Building Community (A-).** This rating remained unchanged from last year. Residents continue to provide high ratings for city facilities and activities. About one-third of residents surveyed report using the Gray's Bay marina facilities and give it high marks. Related to information sources, over three-fourths of residents prefer the *Minnetonka Memo* over any other source of information about the city. This reflects the increased importance placed on enhancing the *Memo's* design and content. Particularly high grades were received for environmental articles. More than nine out of ten visitors to the city's web site rate it excellent or good.
- **Public Services (A).** City services continue to receive a solid A. Contributing to this are high marks from the council and advisory boards for providing value (quality services at a reasonable price), managing for the long term, and providing excellent customer service. Overall staff performance ratings by

residents have improved, especially for courtesy of city staff. Even with two major property tax increases over the last several years, 85% of residents favorably rated the value of city services considering the property taxes paid. Of particular note is that close to half of the residents are still willing to raise taxes to maintain city services.

- **Organizational Excellence (A).** This consistently remains at a solid A rating. Both the city council and outside groups continue to agree that city employees set the standard that others emulate. Employees continue to highly rate the city as a great place to work. In living the shared values, employees rate themselves at an A- this year. Amongst the city's shared values, teamwork remains the value employees feel they and their coworkers live up to best.
- **Quality of life (A-).** Ninety-nine percent of residents continue to rate Minnetonka's quality of life favorably. Due to a slight decline in those rating the quality as excellent, the overall grade declined slightly from an A last year to an A- this year. When asked what residents liked most about Minnetonka, the natural setting was heads and tails above everything else. When asked what residents liked least about Minnetonka, four of ten said there was nothing they liked least.

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. Our actual "grade point average" is 3.82, 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 3.82 is 95.5% of 4.00. This percentage is applied to the maximum dollars dedicated to this component.

Nonunion personnel receive an award of \$477.50 (95.5% 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 \$95.50. The police sergeants' labor agreement is pending, although current contract language provides for an award of \$477.50.

All full-time non-probationary employees who were employed by the city in 2006, and were still employed as of April 1, 2007, 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 2006.

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:
Geraldyn R. Barone, Assistant City Manager

**ORGANIZATIONAL MERIT RESULTS
2005 - 2007**

GOAL	City Council			Advisory Boards			Survey/Other			Combined		
	2005	2006	2007	2005	2006	2007	2005	2006	2007	2005	2006	2007
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-	B+	B+	A-	A-	A-
Development	A	A-	A	A-	A-	A-	A-	B+	A-	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-
OVERALL GRADE	A	A	A	A	A	A-	A-	A-	A-	A	A	A-

MERIT Organizational Component
Council & Boards Survey Results, April 2007
(Overall grades include community survey results)

GOAL	A+	A	A-	B+	B	B-	C+	C	C-	Score	Grade
NATURAL ENVIRONMENT										3.856	A
Improve our water resources & woodlands										3.820	A-
City Council	2	1	3	1						3.857	A
Park Board	2	2	1							4.066	A
Community survey										3.536	A-
Facilitate open space preservation										3.882	A
City Council	1	4	2							3.953	A
Park Board	2	3								4.132	A
Community survey										3.562	A-
Renew and sustain our parks										3.953	A
City Council	5	1	1							4.189	A+
Park Board	3	1	1							4.132	A
Community survey										3.540	A-
Expand & maintain our trail system										3.767	A-
City Council	1	4		1	1					3.809	A-
Park Board	2	1		1	1					3.798	A-
Community survey										3.694	A-
PUBLIC SAFETY										3.899	A
Foster community involvement & individual responsibility										3.877	A
City Council	2	4	1							4.047	A
Police Advisory Comm.		3	1							3.918	A
Nghbrhd. Block Captains	1	7	2	5	2					3.666	A-
Enhance personal and business safety										3.792	A-
City Council	2	3	1		1					3.904	A
Police Advisory Comm.	1	2		1						3.915	A
Nghbrhd. Block Captains	1	9	1	5	1					3.744	A-
Community survey										3.642	A-
Ensure hometown security by collaborating with others										4.030	A
City Council	3	3	1							4.094	A
Police Advisory Comm.	2	1		1						3.998	A
TRANSPORTATION										3.611	A-
Enhance resident & business mobility										3.644	A-
City Council		3	2	2						3.714	A-
Community survey										3.609	A-

GOAL	A+	A	A-	B+	B	B-	C+	C	C-	Score	Grade
Meet local & regional needs through leadership & collaboration										3.840	A
City Council	1	2	4							3.859	A
Community groups	1			1						3.830	A-
Optimize infrastructure investments										3.351	A-
City Council	0	4	2	1						3.810	A-
Community survey										3.121	B
DEVELOPMENT										3.690	A-
Guide development to achieve our community vision										3.754	A-
City Council	2	3	1							4.055	A
Planning Commission		1	2	1						3.668	A-
Community survey										3.541	A-
Balance individual property rights with the public interest										3.792	A-
City Council	1	3	3							3.906	A
Planning Commission	1	1	2							3.918	A
Community survey										3.553	A-
Increase the availability of affordable and lifecycle housing										3.522	A-
City Council	2	2	2	1						3.904	A
Planning Commission		1		2	1					3.415	B+
EDA			1		1	1				3.113	B
Community survey										3.399	B+
Actively shape redevelopment to meet community interests										3.693	A-
City Council	2	1	3	1						3.857	A
Planning Commission	1		2		1					3.668	A-
EDA		1		2						3.553	A-
BUILDING COMMUNITY										3.785	A-
Foster open communication with the community										3.731	A-
City Council	1	2	4							3.859	A
Park Board	1	3			1					3.866	A
Planning Commission	3				1					3.998	A
EDA		1	1							3.835	A
Senior Advisory Board	1	1	1	1	1					3.666	A-
History Commission	1	1	1	2						3.732	A-
Police Advisory Comm.	1	1	1		1					3.750	A-
Nghbrhd Block Captains		7	5	2	3					3.648	A-
Community survey										3.551	A-
Promote activities that encourage understanding & involvement										3.763	A-
City Council	1	4	1			1				3.810	A-

GOAL	A+	A	A-	B+	B	B-	C+	C	C-	Score	Grade
Park Board	2	1	1		1					3.866	A
Senior Advisory Board		2	1	2						3.666	A-
History Commission	1	2		2						3.798	A-
Community survey										3.701	A-
Play a leading role in local, metro & national partnerships										3.839	A
City Council	2	3	1			1				3.857	A
Community groups	1			1						3.830	A-
Embrace our proud past, cultural heritage & growing diversity										3.809	A-
City Council	2	5								4.094	A
History Commission	1	1	1	1	1					3.666	A-
PUBLIC SERVICES										3.908	A
Provide value: quality services at a reasonable price										3.866	A
City Council	5	2								4.236	A+
Park Board	2	2	1							4.066	A
Planning Commission	1	2			1					3.833	A-
EDA	1	1		1						3.887	A
Senior Advisory Board	2	1		1	1					3.798	A-
History Commission	2	1	2							4.000	A
Police Advisory Comm.	1	2	1							4.000	A
Nghbrhd Block Captains	1	8	5		2	1				3.726	A-
Community survey										3.460	B+
Manage for the long term										4.041	A
City Council	4	2	1							4.141	A
Park Board	1	4								4.066	A
Planning Commission	1	1	1		1					3.750	A-
EDA	1	1		1						3.887	A
Senior Advisory Board	2	1	1		1					3.866	A
History Commission	2	1	2							4.000	A
Police Advisory Comm.	1	1	2							3.918	A
Nghbrhd Block Captains	2	6	2	1	6					3.608	A-
Bond rating, GFOA, tax rate										4.110	A
Provide excellent customer service										3.895	A
City Council	2	5								4.094	A
Park Board	1	3								4.083	A
Planning Commission	1	2	1							4.000	A
EDA	2		1							4.110	A
Senior Advisory Board	1	2	1		1					3.800	A-
History Commission	1	2		2						3.798	A-
Police Advisory Comm.		2	2							3.835	A
Nghbrhd Block Captains	2	8	2	1	3	1				3.706	A-

GOAL	A+	A	A-	B+	B	B-	C+	C	C-	Score	Grade
Community survey										3.685	A-
Promote innovative service delivery										3.831	A-
City Council	2	3	1		1					3.904	A
Park Board	2	1	1							4.083	A
Planning Commission	1	2		1						3.915	A
EDA	2			1						3.997	A
Senior Advisory Board	1	1		1		1				3.583	A-
History Commission		2		3						3.598	A-
Police Advisory Comm.		1	3							3.753	A-
Nghbrhd Block Captains	1	6	5	1	3	1				3.628	A-
ORGANIZATIONAL EXCELLENCE										4.000	A
Set the high standard that others emulate										4.015	A
City Council	4	2			1					4.046	A
Community groups	1		1							4.000	A
Provide a great place to work										4.100	A
City Council	5	2								4.236	A+
Employees	76	42			15		2		1	4.032	A
Live our shared values										3.941	A
City Council	4	3								4.189	A+
Employees*	1053	1685		799			177		90	3.818	A-
Do the right thing at the right time for the right reason										3.942	A
City Council	2	5								4.094	A
Employees*										3.866	A

*Multiple questions