

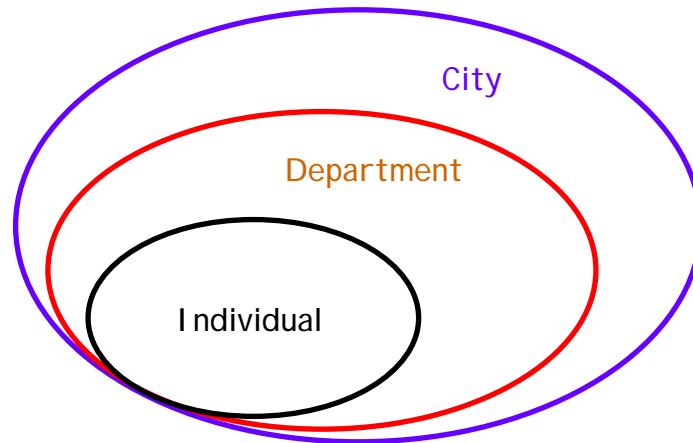
**City Council Agenda Item #14B
Meeting of April 21, 2008**

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. These goals were recently affirmed by the community as part of the Comprehensive Guide Plan update process.

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 and neighborhood block captains; 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 particularly noteworthy that resident support, as reflected by the community survey results, show improvement over recent years.

Goal	City Council	Advisory Boards	Survey/ Other	Combined
Natural environment	A	A	A-	A
Public safety	A	A	A-	A
Transportation	A-	A-	A-	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).** The city retained it's A grade from last year, and recent efforts to strengthen environmental protection were recognized. Residents feel strongly about natural areas, and rated the city even more favorably for wetland and forested area protection. Just two years ago, 69% rated the city's efforts as excellent or good, with positive ratings increasing to 88% this year. Few other metro area cities even approach this positive a rating.

The percentage of residents who considered the amount of natural open space in the city as "about right" increased from 78% in 2007 to 84% in 2008 – one of the best in the metro area. Additionally, the 16% who believe Minnetonka has too little natural open space is about one-half of the metro average. In a new

question about natural resources services, 96% of residents rated the city positively. Only 12% of Minnetonka residents think the city is doing too little for environmental protection, compared with about one-third of residents in the average metro area city.

The city council and advisory boards concur, and continue to give strong marks for the city's environmental protection efforts. Several made comments regarding the Upper Minnehaha Creek plan and how it is reflective of Minnetonka's commitment to preserving natural areas.

- **Public Safety (A).** Very consistent with previous years, public safety rates a solid A. Residents continue to feel very safe in Minnetonka, with 95% indicating there are no areas in the city where they feel unsafe. This is an exceptionally high rating compared with other metro area cities.

Although there was a slight decrease in the number of residents rating police services as excellent, more than 9 of 10 residents still consider these services excellent or good. A larger drop was actually expected in connection with the police department's increased focus on speed enforcement, and those efforts are paying off. Residents who feel speeding is an issue of concern has dropped progressively over the past several years, from 58% in 2006 to 49% in 2007 to 42% in 2008.

Efforts by the fire department to publicize the city's "Ready Minnetonka" program are also resulting in higher recognition. Only one in ten residents was aware of the program last year, and that jumped to three in ten this year. Those who feel prepared remained steady compared to last year, at about eight in ten residents.

- **Transportation (A-).** The overall grade for this goal remained at A-, with ratings very consistent with last year. After several years of decline, resident satisfaction with street maintenance stabilized and retained the gains of last year. Two of three respondents rating road services as excellent or good, and 96% rated snow plowing positively. Nearly one-half of residents would put any budget increase into roads, and the future funding of road improvements was a concern expressed by council. The city council's opinions related to transportation were diverse, with ratings ranging from A+ to B.

After last year's affirmation of community values and update of the city's strategic goals, transportation now includes usability of trails and sidewalks. Ninety-seven percent of residents rating trail maintenance considered it either excellent or good. For the council and advisory board members, comments focused on filling the gaps in the trail system and improving "walkability."

- **Development (A-).** The overall grade for development continues at an A-, with 94% of residents rating community planning positively. Residents remain consistent in their belief that the city has been successful in balancing property rights with the public interest, with three of four residents feeling this way. Positive ratings have increased in the past two years following a downturn in 2006, likely associated with the controversial Glen Lake redevelopment.

Advisory board members recognize the city's role in maintaining the delicate balance between individual property rights and protecting the environment. As one park board member stated, "I believe this fact will always make this an issue of spirited debate." Eighty-two percent of residents believe they have appropriate opportunities for input into development decisions, a slight decline after several years of increase.

The promotion of green technology and sustainable development was added to this year's development value. Both council and advisory board members felt more could be done by the city with this emerging trend. Discussions by the comprehensive guide plan steering committee indicate a future commitment to addressing this through policies proposed for inclusion in the plan.

- **Building Community (A-).** This rating has remained at A- over the last several years. Communicating with residents is an integral part of this value, and ratings for the *Minnetonka Memo* and the city's web site remain high. Ninety-one percent of residents rate the *Memo* as good or excellent. Web and email as the preferred method of receiving city information increased from 10% in 2007 to 17% this year – one of the highest in the metro area.

Use of the city's website is also the highest in the metro area, and ratings for content and ease of navigation place www.eminnetonka.com among the top two metro area city websites. When residents were asked if they would use a new online feature allowing them to provide comments about specific city road or development projects, three of four indicated they would likely do so.

The city council acknowledged the great start of the community commission, and challenged staff to look at better ways of engaging neighborhoods - noting National Night Out as a positive example. Several advisory board members suggested preparing for the changing demographics and diversity of the community, citing more younger seniors and a growing immigrant population.

- **Public Services (A).** City services continue to receive a solid A, especially ratings for managing for the long term. Nearly 86% of residents with an opinion consider the general value of city services to be excellent or good. Counter to national trends, the percentage of residents who favor higher taxes to maintain services has steadily increased over the last several years, rising from 54% in

2007 to 60% this year. This positive tax ranking is the highest in the metro area, with most communities averaging 25% to 30%. Despite major tax increases in recent years for road rehabilitation, residents opposed to tax increases dropped from a high of 40% last year to 34% in 2008.

Grades remain exceptionally high for customer service. With 80% considered the “gold standard,” Minnetonka’s positive ratings for employee performance are consistently in the 90’s. In fact, Minnetonka staff ratings are the highest in the metro area. Related to innovative service delivery, one advisory board member suggested promoting examples in the *Minnetonka Memo* so residents are more aware of the city’s efforts.

- **Organizational Excellence (A).** This value remains a solid A. Over 95% of employees think the city is a great place to work. The shared values of Outcome Focused Teamwork and Healthy Human Relationships continue to be the highest rated values by employees. Comments by employees emphasized the supportive and friendly work environment that contributes to their job success. This year, a number of employees noted their increasingly heavy work load, and voiced concerns about to their ability to keep up with it.
- **Quality of life (A-).** Ninety-six percent of residents continue to rate Minnetonka’s quality of life favorably. Although those rating the quality as excellent has slipped slightly in recent years, Minnetonka remains among the top two communities in the metro area. When asked what they like most about Minnetonka, residents most often note specific attributes of the community, which is atypical of other suburban cities, in which general locational factors are more often cited. This indicates a growing sense of community identity.

Twenty percent of residents say they moved to Minnetonka for its natural setting, and 42% of all residents cite the natural setting as the single aspect they like most about Minnetonka. When asked what they liked least about Minnetonka, four of ten voluntarily said there was nothing they did not like about the community. This exceptionally large percentage of Minnetonka “boosters” is six times the metro average among cities.

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. The city’s actual “grade point average” is 3.799, 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 3.799 is 95% of 4.000. This percentage is applied to the maximum dollars dedicated to this component.

Nonunion personnel and police sergeants receive an award of \$475 (95% of the maximum award of \$500). Police officers, public safety dispatchers and public works employees receive a prorated amount of the \$100 maximum as negotiated in their respective labor agreements with the city, or \$95.

All full-time non-probationary employees who were employed by the city in 2007, and were still employed as of April 1, 2008, receive a lump sum payment as noted. These amounts are pro-rated for 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:

Geralyn R. Barone, Assistant City Manager