

AGENDA
CITY OF MINNETONKA
STUDY SESSION
MONDAY, AUGUST 27, 2007
6:30 P.M.

BOARDS AND COMMISSIONS ROOM

1. 2008 preliminary budget review
2. Adjournment

Additional Information
Study Session summary May 14, 2007
Special Study Session summary May 21, 2007
Study Session summary June 11, 2007

The purpose of a study session is to allow the city council to discuss matters informally and in greater detail than permitted at formal council meetings. While all meetings of the council are open to the public, study session discussions are generally limited to the council, staff and consultants.

City Council Study Session Item #1 Meeting of August 27, 2007

Brief Description: 2008 preliminary budget review.

Recommended Action: Provide direction on key budget issues and preliminary property tax levy.

The purpose of this study session is to review key budget issues and provide direction on the 2008 preliminary tax levy, which will be certified on September 10, 2007, as required by state law. This is the maximum amount the city can levy for 2008. When the final budget is adopted in December, the final levy may be less than the preliminary amount, but cannot be greater.

Background

The city of Minnetonka takes a responsible long-term perspective with financial planning and management. Decisions are made with the future in mind to ensure our ongoing ability to provide residents and businesses with the quality services they have come to expect, and at a reasonable price.

This initial budget study session focuses on the big picture. Council direction is requested for service priorities and the preliminary tax levy. Detailed budget requests are reviewed in November, with the final budget adopted in December.

The city of Minnetonka always encourages public budget input. In addition to the Truth-in-Taxation hearing, residents and businesses will have an opportunity to provide feedback via the city's website and *Minnetonka Memo*. Comments will be shared with council as budget options are considered.

Budget Pressures

Personnel costs. As is the case with any service business, salary and benefit costs represent about three-fourths of the city's operating budget:

- **Salaries.** All union contracts expire at the end of 2008, and existing contracts include base increases of three percent for all employee groups. This is very comparable with increases throughout the metro area for comparable cities. Under the city's unique MERIT system, market adjustments are expected to be made for about one-half of all employees in 2008 to ensure that the city of Minnetonka remains competitive. These increases will add an estimated total of 0.7 percent to the three percent base salary increases.

- **Health insurance** premiums are expected to increase by an average of about two percent in 2008 under a new contract with HealthPartners. This follows double digit increases in previous years. 2008 is the first year in a new three-year contract negotiated through the LOGIS consortium, with future year increases capped at 16 percent annually. The growing complexity of benefit administration is also impacting HR workloads, prompting a review of potential outsourcing and staffing alternatives for these services.

Health Insurance Premium Annual Increases	
2006	12%
2007	16%
2008	2%
2009	16%
2010	16%

Unfunded mandates. Other units of government continue to impose mandates that impact city budgets:

- **PERA.** Most significantly, the city and its employees have to absorb third year increases in pension contributions related to a five-year state mandated plan to fix Public Employee Retirement Association (PERA) funding liabilities. In 2008, the city will be required to contribute at a rate of 6.5 percent of salary (up from 5.5 two years ago) for most employees, and at a rate of 12.9 percent (up from 9.3) for police and fire employees. *These increases will cost the city more than one million dollars over the five-year phase in.*
- **Legal expenses.** Changes in the Hennepin County court system, legislative actions and increased local traffic enforcement have significantly impacted city prosecution costs in recent years. Staffing and computer system changes were previously made to accommodate these impacts. Despite these efforts, steadily growing workloads have required the city to terminate its long-time contract with Minnetrista and St. Bonifacius for prosecution services. The net impact of this change is the loss of \$66,000 annually in contract revenue.

Other operating costs. Non-personnel cost inflation is expected to be higher than in recent years (3 to 4 percent), with some costs even higher:

- **Energy costs** continue to outpace other operating expenses, and will directly impact building, vehicle and materials budgets. As discussed in a later section, an aggressive energy conservation plan was adopted last year to curb rising expenses for electric and gas utilities and fuel.

- **IT costs** continue to rise as the city expands technology applications to provide better service to the public. Pressures resulting from the increasing complexity, frequency of replacement and usage levels necessitated a review of IT staffing options. Over the past six years, the current staff has seen the number of computers increase 60 percent, servers more than triple, and home connections increase tenfold. Examples of new systems include police car connectivity, digital dispatch, field laptops, public works scheduling, digital video, fiber optic networks and VOIP phone system. Systemwide security requirements have correspondingly increased.

2008 Budget & Tax Target

Options to manage budget pressures remain limited. Unlike private businesses, the city cannot unilaterally choose our client base, nor the services we wish to sell, nor even the geographic market areas we serve.

To meet resident and business expectations for both service quality and taxes, staff proposes that the **2008 property tax increase for basic services be limited to three percent**. This target would cover both operating and capital expenses, and any budget changes would be met through reallocations of the normal growth in existing resources. For example, any staffing changes to meet rising IT demands would need to fit within this overall three percent tax increase.

As subsequently detailed, **two options for expanded public safety services** are also recommended for consideration by council. These options would require an additional 1.7 percent tax increase, which would be over and above the recommended three percent base property tax increase for 2008.

The recommended target is among the lowest in recent years, and would be the **lowest tax increase of comparable cities in the metro area**. As a result of various market changes, **city property taxes will go down for seven out of every ten Minnetonka homeowners**.

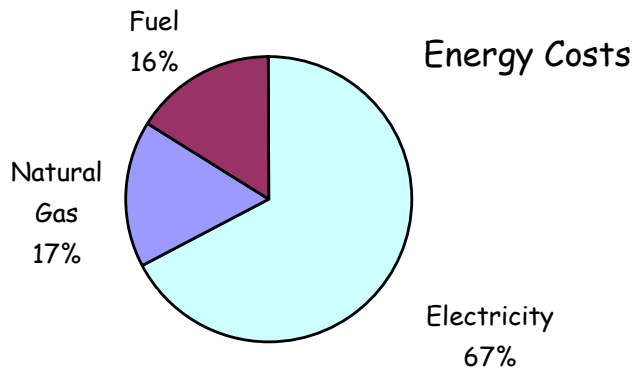
Progress Report and Budget Issues

Several initiatives were previously approved by council in the 2007 budget, and progress reports are provided as background for 2008 budget discussions:

- Energy Conservation
- Traffic Management
- *ReadyMinnetonka*
- Natural Resources
- Road Revitalization
- Infiltration & Inflow

Energy Conservation

Energy costs continue to represent a significant share of the city's operating budget pressures. Electricity accounts for two-thirds of all energy costs, with the remainder natural gas and vehicle fuel. To address the ongoing challenge of energy cost uncertainty, council set a goal of reducing energy usage by up to ten percent in 2007. Initial progress in meeting this goal has been good.

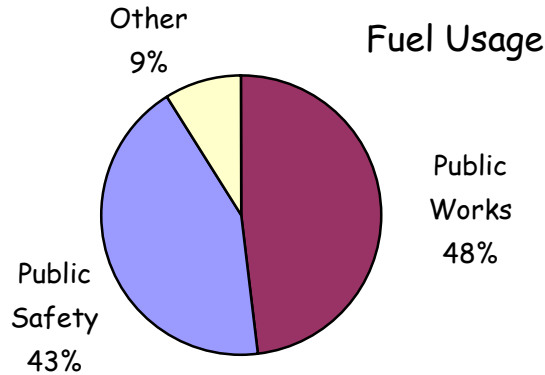


Electricity & gas utility progress. Municipal buildings, the ice arenas and Williston account for nearly 90 percent of all natural gas usage. Close to one-half of total electricity usage is related to water treatment and pumping, with street lighting accounting for another quarter. Recreation facilities use 18 percent, and other municipal buildings another 10 percent. Expenses of the water utilities, ice arenas and Williston are fully supported by user fees.

Due to utility company billing cycles, energy usage data is only available for the first four months of 2007. Comparing this time period to the same period in 2006 and adjusting for weather, natural gas usage is down 10.3 percent and electric usage is down 3.1 percent for a combined reduction of 8.2 percent:

Usage (MMBTU Equiv)	Gas	Electric	Total
2006	11,609	4,796	16,405
2007 adjusted	10,409	4,647	15,056
Savings	1,200	149	1,349
Percentage	10.3%	3.1%	8.2%

Fuel usage progress. Public works and public safety account for nearly all vehicle fuel usage in the city. Police operations represent 37 percent of total fuel usage, with street maintenance another quarter of the total. Water utilities and parks/trails maintenance use 12 and 10 percent, respectively.



Fuel conservation has been more challenging, since options to reduce usage for such services as police patrols, snow plowing and street maintenance are limited due to the nature of the activities. Through June, fuel usage actually increased over the same time period last year. This was due to two main factors: twice as many major snow events this year, and the location of the thin overlay program.

In all of 2006, public works personnel plowed in six major snow events. Since January of this year, the department has responded to seven major snow events. Last year, the thin overlay project areas were in close proximity to the public works facility, but this year's paving is in the southwest portion of the city.

On a more positive note, the police department's fuel usage decreased by five percent between January and June of 2007, compared with the same time period last year. Usage for all other city departments (excluding public works and police) decreased by two percent.

2008 budget. The rising cost of energy requires both short-term and long-term solutions. Although a longer pay-back period is needed for the more expensive measures, the city will be well positioned in the long run by the strategic investments being made today.

Staff has implemented a number of immediate actions to reduce energy use, such as lowering thermostats and decreasing vehicle idling, and a long-term approach is also being pursued. Most significantly, consultants were engaged to conduct a comprehensive energy audit and lighting study of all city buildings.

Based on their recommendations, the 2008-12 CIP includes \$40,000 in 2008 and 2009 to upgrade energy consuming equipment such as light fixtures, ballasts, occupancy sensors, insulation, weather stripping, set-back thermostats and similar equipment that will save energy expenses over the long term. Most improvements focus on lighting upgrades, heat controls and conservation. Roof replacements on ten city buildings are also included in the five-year CIP; adding insulation during re-roofing will decrease heating and cooling expenses.

Finally, all future fleet vehicle purchases will include consideration of emerging technologies. A hybrid vehicle was purchased for the engineering department, and other departments may follow. Part of the decision-making process will include a cost-benefit analysis of the impacts of using alternative energy sources.

In addition to the adopted 2008-12 CIP conservation initiatives, one additional action is recommended for the 2008 operating budget: the \$75,000 contingency reserve included in this year's budget should be continued to hedge against energy cost uncertainties.

Traffic Management

Community surveys have consistently identified residential speeding as a concern. In response, council authorized an expanded traffic management program last year with various enforcement, education, and engineering strategies. An interdepartmental traffic safety committee including police, engineering and public works staff developed a coordinated approach, and collectively implemented the strategies to influence driver behavior.

Enforcement progress. Two full-time officers were previously added in 2000, with their time dedicated to traffic related issues. These traffic unit officers account for about 40 percent of all traffic-related activity of the department.

Additionally, the entire police department is now emphasizing increased traffic management. Experienced officers are embracing this new focus, and their augmented work is being reinforced. The importance of traffic management is stressed to all new officers going through the Field Officer Training program. The results of these supplemental efforts are obvious:

	2005	2006	2007 (thru June)
Traffic contacts	7,669	9,045	5,542
Traffic citations	4,776	5,531	3,525

To fund this year's supplemental traffic enforcement effort, the police department earmarked \$20,000 from its existing operating budget for additional overtime traffic enforcement. From April 1 through June 30, an extra 135 hours were dedicated to traffic enforcement, yielding 605 traffic contacts and 284 citations. This supplemental enforcement runs through mid-September.

Education progress. Traffic contacts may not always lead to citations. Traffic warnings can and do have a positive impact on a driver's future behavior, and are considered an integral part of the police department's educational plan.

In addition to enforcement, traffic unit officers are also responsible for the educational component of the traffic management plan. In 2007, officers have conducted the following educational seminars:

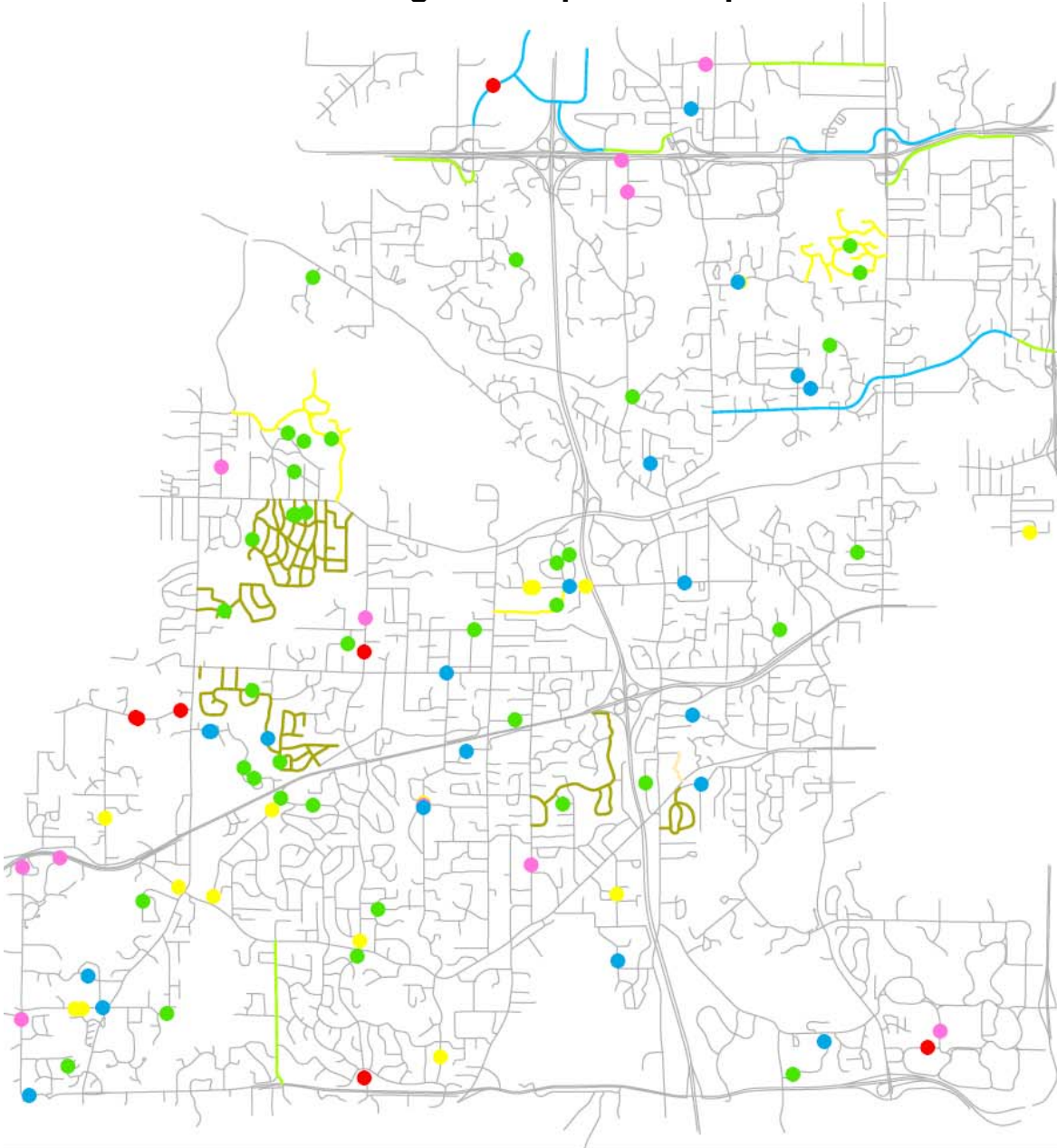
- Teen Diversion Driving Seminar. Monthly seminars are offered to first-time traffic offenders and their parents for the purposes of educating and changing teen driving behaviors.
- Senior Driving Seminar. The "Driving Safely While Aging Gracefully" program, developed exclusively by Minnetonka's traffic unit, focuses on helping seniors recognize how the aging process can affect driving ability.
- Ghost Out. This Hopkins High School senior class event presents, in dramatic and memorable fashion, the negative consequences of drinking and driving. A similar program was previously conducted at Minnetonka High School in 2006.

Engineering progress. Various design strategies are also being implemented to influence driver behavior. To help focus city efforts, Engineering is updating city-wide traffic counts for all state aid routes with new speed data to help monitor and identify any areas that need particular attention.

About one-half of the 118 traffic count locations now include speed data, and others will be collected on a complaint basis. As one recent example, Cottage Lane speed data was collected in response to speeding complaints. In this case, compliance was determined to be higher than the 85 percent standard, or the speed at which at least 85 percent of motorists drive on the road.

As shown on the map on the following page, most streets are signed at the standard 30 miles per hour, but different limits were established decades ago for some areas. The speed count dots indicate the speed at which 85 percent of motorists drive. While many areas of the city are in compliance, some will receive more enforcement attention.

Traffic Management Speed Compliance



**MnDot Authorized Speed Limit
On Local Streets
All Others 30 MPH**

- 15
- 20
- 25
- 35
- 40

**Speed Count Locations
85th Percentile Speed**

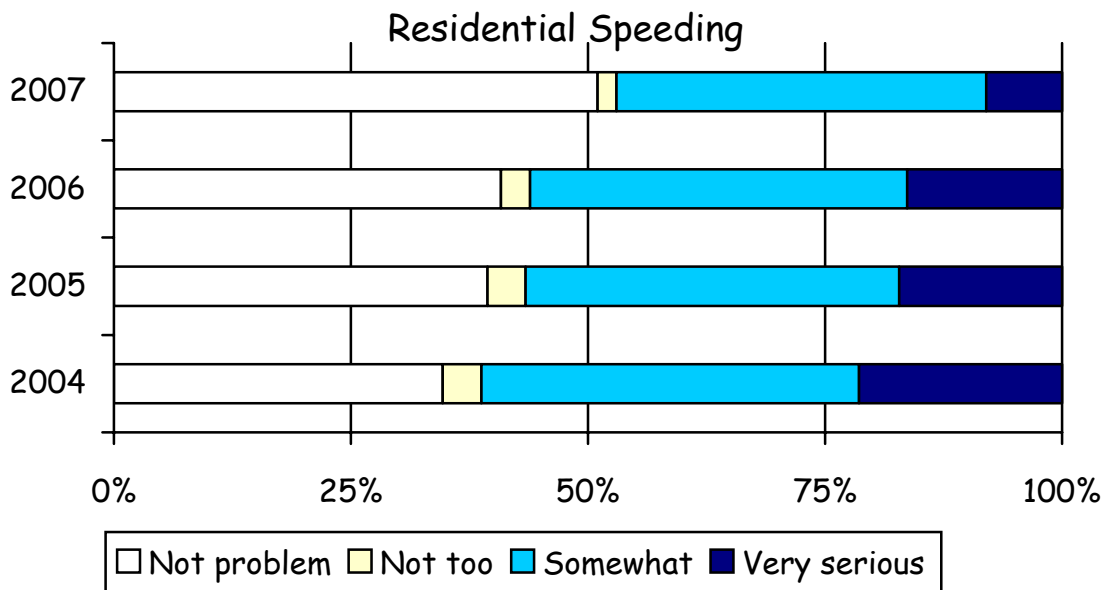
- 30 or less
- 31 - 33
- 34 - 36
- 37 - 39
- 40 or greater

Additional engineering progress includes:

- Engineering is developing a crosswalk policy that will be used as a guide to determine appropriate crosswalk locations and to better manage and enhance existing crosswalks uniformly throughout the city. This policy will be presented to the council later this year for consideration.
- In-street pedestrian crosswalk signs have been placed at several key crosswalks adjacent to schools to enhance safety. When the crosswalk policy is formalized, other locations will be evaluated (including key trail locations) and signs will be placed accordingly.
- Starting in mid-July, public works began restriping all existing crosswalks throughout the city. Additionally, crosswalk signs have been updated with florescent yellow-green signs for better visibility, including enhanced reflectorized fluorescent sign posts at key locations.
- Engineering is implementing traffic calming techniques as part of the city's roadway reconstruction projects. Recently, intersection realignments and narrower street widths were included as part of the Boulder Creek and Acorn Ridge reconstruction projects. These traffic calming techniques will provide for safer, better controlled intersections and may lead to slower, calmer traffic within the neighborhoods.
- Various traffic calming improvements were also made based on input from the Glen Lake Pedestrian Plan Committee. As examples, Woodhill Road was restriped to narrow the lanes from 12 to 11 feet. The narrower lane widths give motorists the feeling of a more confined driving area, which leads to more attentive driving and slower speeds. The narrower lane widths also increase shoulder widths, which creates a larger safety buffer and more room for pedestrians.

2008 Budget. Community response to the traffic management program has been encouraging. The community survey indicates a very positive impact on resident perceptions of driving habits, especially in the past year.

Following implementation of the traffic management program, fewer than one-half of Minnetonka residents now view speeding as a concern -- a significant decline from three years earlier when two-thirds of all residents expressed concerns about residential speeding. Even more telling, the share of residents who view speeding as very serious was cut in half since last year



Based on these encouraging results, staff plans to continue the supplemental traffic enforcement efforts initiated in 2007. The overtime funds temporarily reallocated within the department’s budget this year will be incorporated into future base funding, and will be accommodated within the three percent base tax increase target.

Increased enforcement option. Staff also recommends that council consider expanding the traffic management effort by adding another full time position. This would increase the dedicated traffic unit to three officers, and would result in the following increases in enforcement:

- Two traffic officers would work Monday and Friday, and three officers would be on duty Tuesday, Wednesday and Thursday. The city would be divided into three zones, with a traffic officer assigned to each. Traffic contacts would increase by an estimated 1,600 to 2,000 annually, an increase of about 15 to 20 percent over current levels.
- Three officers could conduct their own traffic saturations, rather than rely on shift officers, who are often called away for patrol calls. This would increase enforcement on Williston, Plymouth and other major roads.
- The additional traffic officer would also allow for more residential visibility to accommodate extra patrol requests. The city typically has a backlog of 10 to 15 requests for neighborhood patrols, and these could be regularly scheduled, rather than sporadically assigned to shift officers.

- The additional officer would permit specialized training, and more time to be spent on truck and trailer enforcement. It is currently not possible to dedicate any time for this purpose.
- Education and administrative duties would be split three ways, providing more time for traffic enforcement and such training functions as the Car Seat Clinic, Mock Crash and Senior Driving Seminars.

The addition of another traffic officer would cost \$67,000 annually plus \$20,000 in one time squad car and equipment expenses. Expected growth in court fine revenue would cover increased legal expenses and a portion of the costs of the additional officer. The net budget impact would be a property tax increase of about 0.3 percent over the recommended three percent base increase.

Discussion question: Is council interested in considering the recommended increase in traffic enforcement?

ReadyMinnetonka

The fire department has developed the *ReadyMinnetonka* program to enhance community involvement in, and understanding of, emergency preparedness. The successful school fire education program was adapted to better prepare the city, its residents and business community for unusual events that have significant community-wide impact.

Progress. A total of 63 paid-on-call firefighters and officers have completed the requirements to be presenters for the *ReadyMinnetonka* program. Since the first of the year, 68 presentations have been delivered to over 1,300 people, with an additional 16 presentations at National Night Out neighborhood gatherings.

School partnerships have proven to be the most effective way to bring the *ReadyMinnetonka* program into homes. The existing school fire safety program was overhauled to include the all-hazards preparedness of *ReadyMinnetonka*. The elementary school program was developed with the assistance of the Gatewood Elementary School principal, while Minnetonka High School staff provided assistance in developing the high school program. Both programs have been presented to approximately 500 children and young adults.

In addition to these efforts, the Minnetonka School District has also completed a complementary program to *ReadyMinnetonka* called the *SmartSchool* program. This program involves schools reviewing and revising policies and procedures to enhance school preparedness for acts of violence, fire, sexual violence, intrusion, arson, drills and exercises, emergency communication, and bombs and bomb threats. The Hopkins and Wayzata School Districts are also considering this tool, using feedback from the Minnetonka District's experiences.

One key to *ReadyMinnetonka*'s success is developing **community partnerships** prior to an emergency event, and the fire department has played a central role in bringing the partners together. For example, community-based groups check on residential facilities with at-risk populations (assisted living housing, nursing homes, etc.) after an emergency to determine if there are any pressing needs. In addition, local scout troops are collaborating with Presbyterian Homes to help should a disaster occur.

Faith-based groups are also receptive to *ReadyMinnetonka* and are evaluating how to tie this program into their other roles in emergencies, such as providing shelter, coordination and faith services. Additionally, local Boy Scouts have been using the *ReadyMinnetonka* training to help achieve the rank of Eagle Scout, and the Cub Scouts are obtaining merit badges with the training.

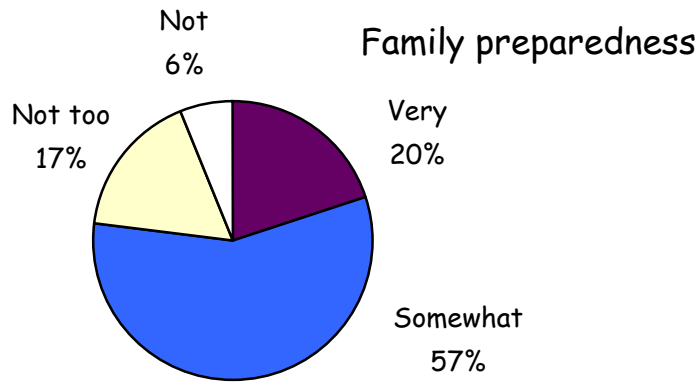
The *ReadyMinnetonka* program provides **employers** an extra measure of insurance by educating their personnel on how to be prepared for emergencies. The intent is to increase the likelihood that employees will report to work in the event of an emergency. City staff met with management teams at Cargill, Cub Foods, Kraemer's Hardware, Opportunity Workshop, Ridgedale and United Healthcare to encourage them to consider future employee presentations. As with the community groups, some business and commercial establishments have adopted at-risk housing facilities. For example, the staff at Cargill adopted Hillcrest Nursing Home as their partner should an emergency occur.

In addition to schools, community groups and businesses, *ReadyMinnetonka* has worked directly with **neighborhoods**. A program has been developed using a fire truck and its equipment to provide visual aids to describe the basic needs for family preparedness. The police department's Neighborhood Watch Block Captains group evaluated the program for effectiveness and provided positive feedback. The program has been used on-site for National Night Out, during neighborhood block parties and at local Neighborhood Watch meetings.

Communication has been extensive. The city's website was revised to prominently feature *ReadyMinnetonka* information. Introductory articles appeared in the *Sun-Sailor* newspaper, the *Minnetonka Memo*, and the city's *Hot Topics* e-newsletter. Ongoing weekly *ReadyMinnetonka* hints are placed in *Hot Topics* and are submitted to the *Sun-Sailor*.

The *ReadyMinnetonka* e-mail listserv has been operational for less than a year, but already has over 30 subscribers, who in turn forward the e-mails to about 750 people as conditions warrant. In a recent survey, 96 percent of users rated the information as both appropriate and useful. Eighty percent listed the information as "above average" or "excellent."

This year's community survey (conducted in March) reflects the good start made by *ReadyMinnetonka* in preparing residents to deal with emergencies. Of those who indicated they were not prepared, a lack of information was cited as the most common reason. As the program expands, community preparedness is expected to continue to improve.



2008 Budget. The *ReadyMinnetonka* program continues to evolve and expand throughout the Minnetonka community. To achieve the program goals, the fire department's paid-on-call firefighters are playing an increasing role in delivering the preparedness message. No changes are suggested for the program in 2008.

Future Fire Service Strategy

In connection with development of the city's comprehensive plan, the fire department intends to prepare a long-term (twenty year) Future Fire Service Strategy for the community. This planning effort will be similar to the Gage-Babcock study conducted in the early 1980's.

Background. During the past several years, the fire department has been examining the services it provides, expectations of residents and businesses, and its ability to continue to operate using a paid-on-call model. Several issues have arisen during this self evaluation: condition of the stations, age and cost of equipment and vitality of the paid-on-call model currently used by the city.

The management and reputation of the Minnetonka Fire Department has helped forestall some of the challenges faced by other metro area departments with maintaining paid-on-call forces. However, turnover trends indicate that additional steps will be necessary to maintain a viable fire protection operation.

In all of 2006, only one firefighter with less than three years of service left the department. In 2007 to date, a total of five have already left for various personal reasons. Equally problematic, the average age of paid-on-call firefighters is 43, which indicates a substantial number will be retiring in the next several years, and will need to be replaced. Recruitment is increasingly difficult.

Various interim steps have already been taken to maintain the high level of fire service that Minnetonka residents and businesses have come to expect. The box alarm system, stronger mutual aid agreements, aggressive recruiting and the use of technology have all been employed to maintain service level and quality.

Several issues have also been addressed in the 2008-2012 CIP. Station updates and maintenance are budgeted for \$35,000 in each year of the CIP to fund basic improvements. Replacement of the City's ladder trucks has been scheduled, but listed as unfunded, while funding options are explored for this costly equipment.

Although these stopgap steps have been taken, staff believes it important to prepare a comprehensive fire service strategy that will serve the future needs of the community. The challenge is to structure a fire department that can continue to provide excellent services with paid-on-call firefighters. Most fundamentally, the current organization must adapt to fit the needs and interests of the next generation of fire fighters, rather than try to fit people into a static structure.

Duty crew model. The current page-out model used by the city of Minnetonka requires that firefighters respond to calls regardless of their schedule, activity or prior commitments. Historically, our firefighters have preferred this method of response. Citizens have also accepted the short delay in response, since it is offset by the savings of using a paid-on-call, rather than a career force.

Several factors are challenging the city's ability to maintain this paid-on-call model: escalating housing costs, traffic congestion, time availability and changing interests of newer firefighters. The emerging needs of firefighters and community expectations require that the city's traditional model of paid-on-call be examined, and that the use of duty crews be considered.

Firefighters currently respond to emergency calls as they occur via a paging system. The duty crew model incorporates a small crew of three to four firefighters, who would be "on duty" and housed in station #1 around the clock. This model would ensure immediate in-service time, and would also allow paid-on-call firefighters the ability to schedule their time and have far less disruption in their busy lives. Although duty crews would have the primary responsibility of responding, neighborhood station crews would continue to respond as needed.

Most other larger paid-on-call fire departments in the metro area have already deployed paid-on-call duty crews, and this model is expected to be applicable for future fire protection in the city of Minnetonka. It's worth noting that the paid-on-call model used by the city has previously been modified several times over the past forty years to adapt to changing needs.

Staff intends to use an inclusive planning model to develop a future fire service strategy that will work best for the community, as well as the firefighters. The process will be facilitated by a consultant, and will include firefighters, fire department officers and other city staff.

2008 Budget. An additional \$110,000 is recommended for the 2008 budget to fund the planning study and an initial pilot program for duty crews. This operating cost estimate is based on expected minimum staffing, with offsetting savings from reduced call backs. Although the study is a one time expense, this budgeted amount is expected to be continued in future years, as duty crews are phased in.

Staff also recommends that an additional \$250,000 be budgeted for one-time capital expenses. Transitioning to the duty crew model will require modifications to Station #1 quarters to accommodate the 24 hour crews. As one example, Murphy beds are currently located in a common meeting room.

Equally important, the police and fire departments will use this planning effort as an opportunity to review overall space usage, and develop a coordinated plan to more effectively use available space. Personnel, equipment and storage needs have evolved over the years. As examples, the Police Department now has 15 more people than when they first occupied their station, and equipment storage needs are now far more extensive. The new plan will address current and future needs for both departments, and will determine ways in which space allocations can complement common functions.

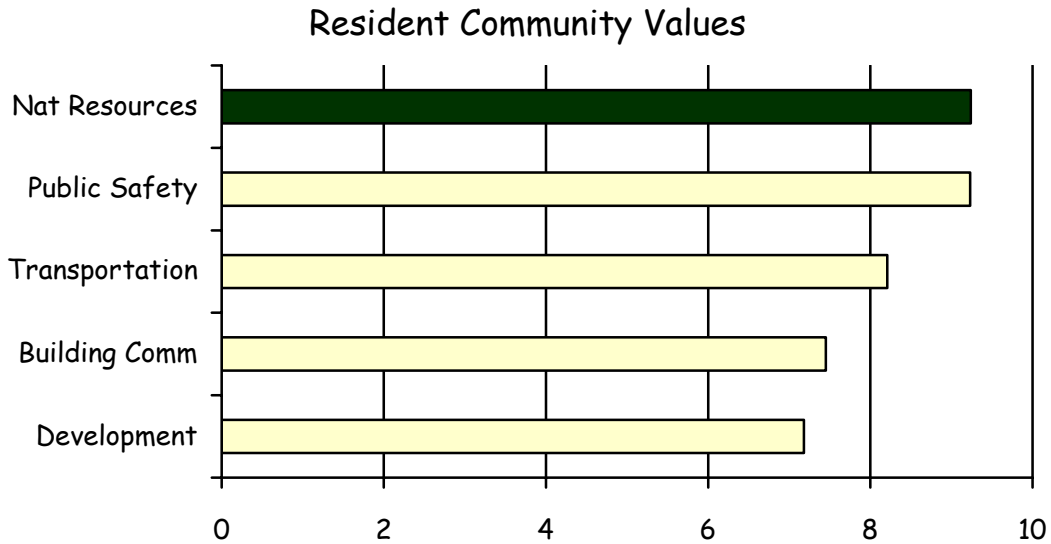
Future Fire Service Strategy	
Operating costs	\$110,000
Capital costs	250,000
2008 Total	\$360,000

The 2008 budget for the recommended future fire service strategy is \$360,000. This represents a tax increase of 1.4 percent over the recommended three percent base increase. Ongoing operating costs are estimated to be \$110,000.

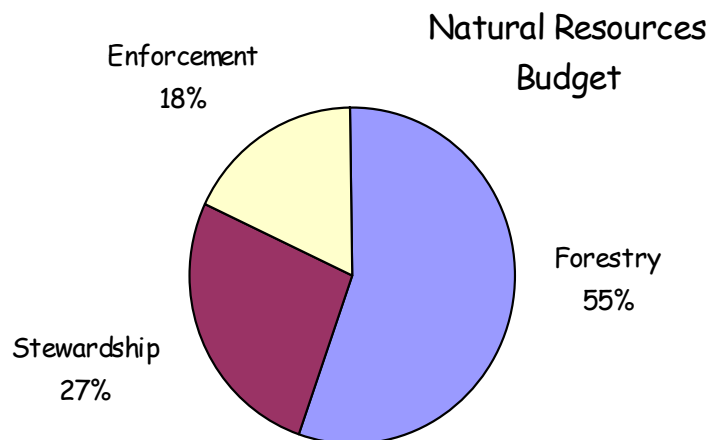
Discussion question: Does council support funding the recommended future fire service strategy?

Natural Resources

As council knows, Minnetonka residents place a very high value on the protection of our community's natural resources. In fact, the importance of this value is equal to public safety, which is typically the highest value in other communities, and far greater than other traditional values when rated on a scale of 1 to 10:

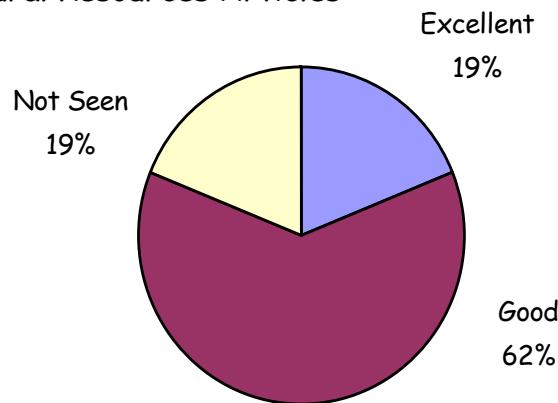


Consistent with the importance of this community value, all forestry, stewardship and enforcement functions were consolidated into a new public works division in 2005, and various new programs were initiated.



- The tree planting program was modified to reach a greater number of residents, aid in reforestation and maximize the city's planting budget. The new program offers trees to residents at a cost savings. In the first year, 1,300 trees were sold to over 650 households. The trees purchased by residents equaled 84 percent of the 1,547 trees lost to Dutch elm disease and oak wilt in 2006.
- Over 350 tree inspections and consultations were provided for private property owners and city properties during the first six months of 2007.
- More than 120 grading and building permits were reviewed and inspected for compliance with natural resource regulations. Natural resources staff developed checklists and guidelines to assist applicants with plan preparation so they may submit the appropriate information to comply with the new building permit standards.
- Volunteer stewardship programs were expanded and residents continue to donate their time to work on natural resource projects. These projects include the Arbor Day planting, restoration projects in the parks, buckthorn control on neighborhood outlots, storm drain monitoring and the wetland health evaluation project. Many school groups have also volunteered their time to enhance our natural environment, including St. David's School, Groveland Elementary and Scenic Heights Elementary.
- The April *Minnetonka Memo* contained an eight-page natural resources pull-out section regarding several natural resource topics, including tree care tips, protecting native vegetation and preserving water quality. This educational information has been well received by residents, with six out of ten indicating the articles caused them to change their behavior:

Natural Resources Articles



The 2007 budget also funded a second **ICWC crew** to supplement park maintenance efforts. Savings in contracted maintenance costs have more than offset the added expense of the new crew. Major tasks of the crew include:

- Programs for deer enclosures were expanded; work was undertaken at Gray's Bay, and active restoration was increased by 15 acres.
- Buckthorn was cut in three new areas of the city: south side of Minnehaha Creek between I-494 and Baker Rd., area south of the Minnehaha Creek headwaters canoe landing, and at Jidana Park. Cutting and management will expand to adjacent areas in the coming seasons.
- Mowing and outdoor maintenance services have been done by the ICWC crew at the four satellite fire stations, Gray's Bay Marina, Williston Center, Libb's Lake, Ford Park, and the Glen Lake area. Previously, these services were provided by contracted workers.
- The crew assisted with various park renewal projects, including removal of benches, play equipment and other older park amenities.
- With the upgrade to a more natural setting at the Civic Center campus, the ICWC crew has assumed the responsibility of site maintenance.

Finally, Natural Resources recently initiated a ***Living Legacy*** program to encourage Minnetonka residents to place portions of their properties into conservation easements. The city does not pay for the land value of the property, but will cover all administrative and legal expenses. As a first step, staff assembled an inventory of properties at least two to five acres in size, and contacted five of the owners to gauge their potential interest in the program. Initial response has been encouraging.

2008 Budget. Consolidating the natural resources functions into one division has served the city well. The forestry program has been streamlined and a greater emphasis has been placed on public education and involvement. Use of the ICWC crew has proven to be very cost-effective, with exceptional results.

No major changes are recommended for 2008, although staff does plan to incorporate two additional service improvements that will be accommodated within the base three percent tax growth:

- expansion of the highly successful tree sale program, and a
- seasonal intern to assist in monitoring and enforcement of conservation easements and mapping the urban forest.

The 2008 budget will also include an **accounting change** to consolidate all ongoing natural resources program costs in the Natural Resources Division. Begun in the mid-1990s, the city's CIP budgets \$150,000 annually from the Park Dedication Fund for the city's Land Stewardship Program. Because the program is an annual cost that more closely resembles an operating expense, that cost and its related levy will be shifted to the operating budget. Beginning in 2008, the program will be financed within the Natural Resources Division budget. While this will appear to be a 25 percent increase in the Division's budget, the accounting change will not increase the city's overall costs for the program.

Road Revitalization

In response to growing resident dissatisfaction with road repair, council approved a new road revitalization program in 2006 for Minnetonka's 250 miles of local streets. The program uses a two-pronged approach for stabilizing, repairing and maintaining city roads: (1) thin overlay to stabilize deteriorating pavement and prolong the life of city streets by five to eight years, until such time that (2) complete road reconstruction can take place

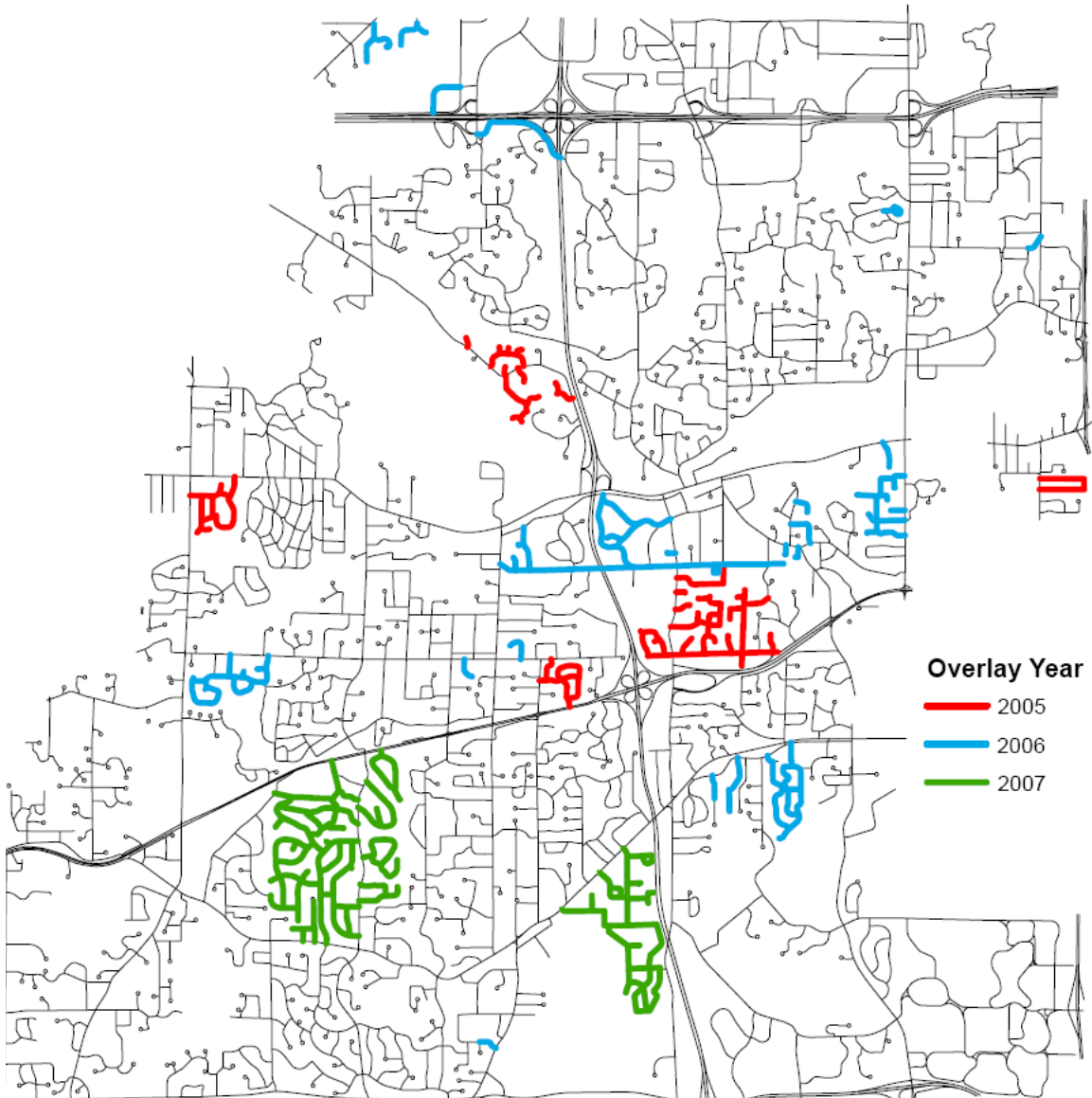
Reconstruction progress includes:

- completion of a 2006 project in the Acorn Ridge area and Eastwood Road, with a total length of three miles.
- initial surfacing on 2.2 miles of streets in the Boulder Creek area, with driveway and yard restoration completed by September 1.
- Black Oaks Lane and Gleason Acres Drive (total length of 0.4 miles), prepared for paving in August, with all work completed by September 1.

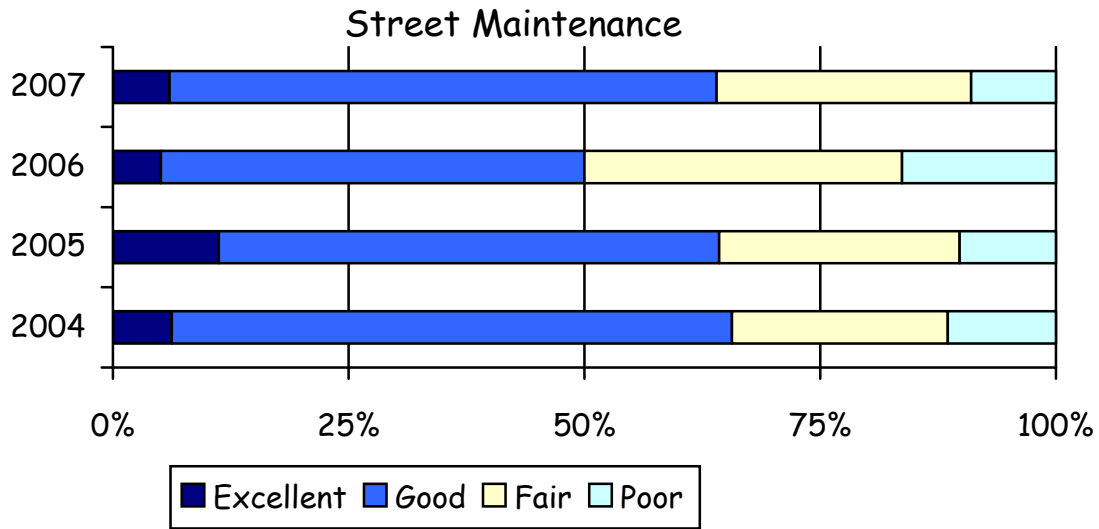
Thin overlay progress. This year's 15,000 ton program is now two-thirds complete, with favorable weather allowing for an average of 300 tons of asphalt to be placed per day. The map on the following page shows recent progress, including the area currently being overlaid.

The following streets in the southwest part of the city (south of Highway 7 and east and west of Woodland Road) are included in the 2007 program: Fairhills Road, Hamilton Lane, Hamilton Road, Woodgate Road South, Woodgate Court, Woodgate Road North, Elodie Lane, half of Nursery Drive, Hilltop Terrace, Picha Road, Oak Drive, Forest Road, Birch Road, Elm Circle, Elm Drive, Norwood Drive, Norwood Lane, Temple Road South, Temple Circle, Temple Drive South, Temple Terrace, Temple Way, Temple Road and Temple Drive. Streets remaining to be overlaid in 2007 are east of Spring Hill Park/north of Excelsior Boulevard, and east of Glen Lake/south of Excelsior Boulevard.

Thin Overlay Program Progress



The pavement management rating for streets indicates an average pavement condition of 78; the city's goal is to be at 70 or above. Perhaps more important, resident reaction has been extremely positive. Community survey satisfaction ratings for pavement repair and patching rebounded in 2007, from a 50 percent approval rating in 2006 to 64 percent approval in 2007. At the recent National Night Out, Public Works crews were actually applauded by area residents.



2008 Budget. The comprehensive road revitalization program is well underway, and residents appear to be very appreciative of the city's efforts. The City of Minnetonka was ahead of many other cities (and certainly the state) in initiating this effort, and no major changes are recommended for 2008.

I & I (Infiltration & Inflow) Reduction

Last fall, the city launched a five-year effort to reduce the flow of clear water into the Met Council's overburdened sanitary sewer and waste treatment system. To assist homeowners in identifying problematic connections, the city began home inspections in March of this year. If a homeowner is found to have an illegal discharge into the sanitary sewer system, the city offers a matching grant program to assist in making repairs.

Along with the I & I inspection, each homeowner receives a new water meter that features automated reading via radio signal. This will allow staff to drive through neighborhoods to check meters, rather than stopping at each home to record the meter reading. This automated approach is considerably more cost-effective, and also provides residents more timely information on water use and possible leaks in the home.

Progress. I & I inspections began in the areas of the city identified as having the greatest increased sewer flow after rain events. The initial inspection area is in the north-central section of the community, located east of I-494, west of Cedar Pass, south of I-394, and north of Minnetonka Boulevard.

Through August 7, the city's contractor has completed 1,144 residential visits (about seven percent of all residential customers), and 1,099 meters have been installed. Of these properties, 83 have not yet passed the I & I inspection, while 26 passed after a second inspection. Eight property owners requested matching grants, and the city has awarded grants ranging from \$24 to \$453, with a total of \$1,572 distributed to date.

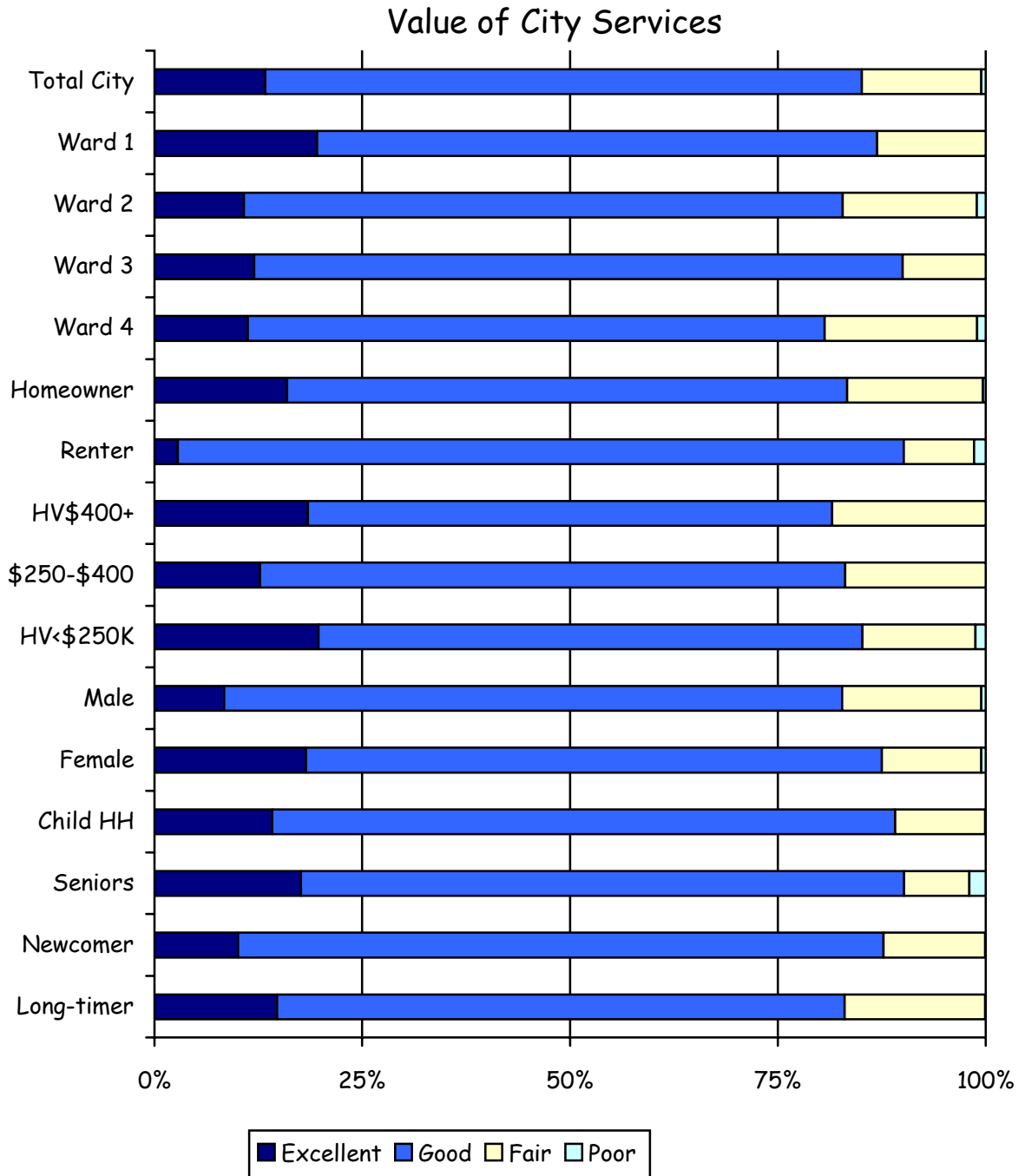
140 accounts have not responded to the contractor's request for inspection – even after receiving three letters, a preset appointment postcard, and at least one door knock of their home with a door hanger left. In accordance with adopted council policy, beginning in December, a final letter will be sent before a fine of \$150 per month is added to the utility bill.

Although a majority of inflow is coming from private property, 6,800 public manholes have also been inspected, with 1,000 remaining to be inspected. Approximately ten percent have been found to leak. A manhole rehabilitation program will be started in 2008 to fix the leaky manholes.

2008 Budget. The I & I program is off to a good start, with an initial seven percent failure rate on home inspections. The project intentionally began slowly to ensure proper implementation, and the rate of inspections and meter conversions will pick up as more districts of the city are inspected. The northeast quadrant of Minnetonka is slated for the next round of inspections. No major changes in the program are recommended for 2008.

Property Taxes

Minnetonka residents have always highly valued the city services they receive for the taxes they pay. This is generally true across the board, with positive ratings consistently in the 80 to 90 percent range, despite recent substantial increases for road improvements. Minnetonka's tax value ratings are considered to be outstanding compared with other suburban communities.

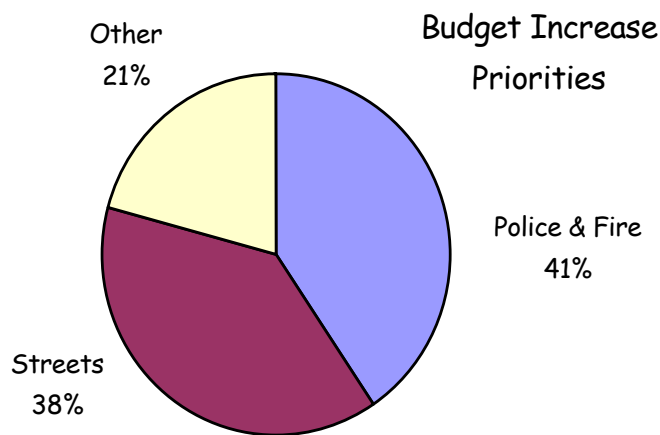


Recommended 2008 tax increase. Staff recommends that a preliminary total property tax levy of \$27,267,554 be certified. This levy includes the three percent base tax increase (including both operating funds and the adopted CIP), and also includes an additional \$447,000 for the two new public safety initiatives.

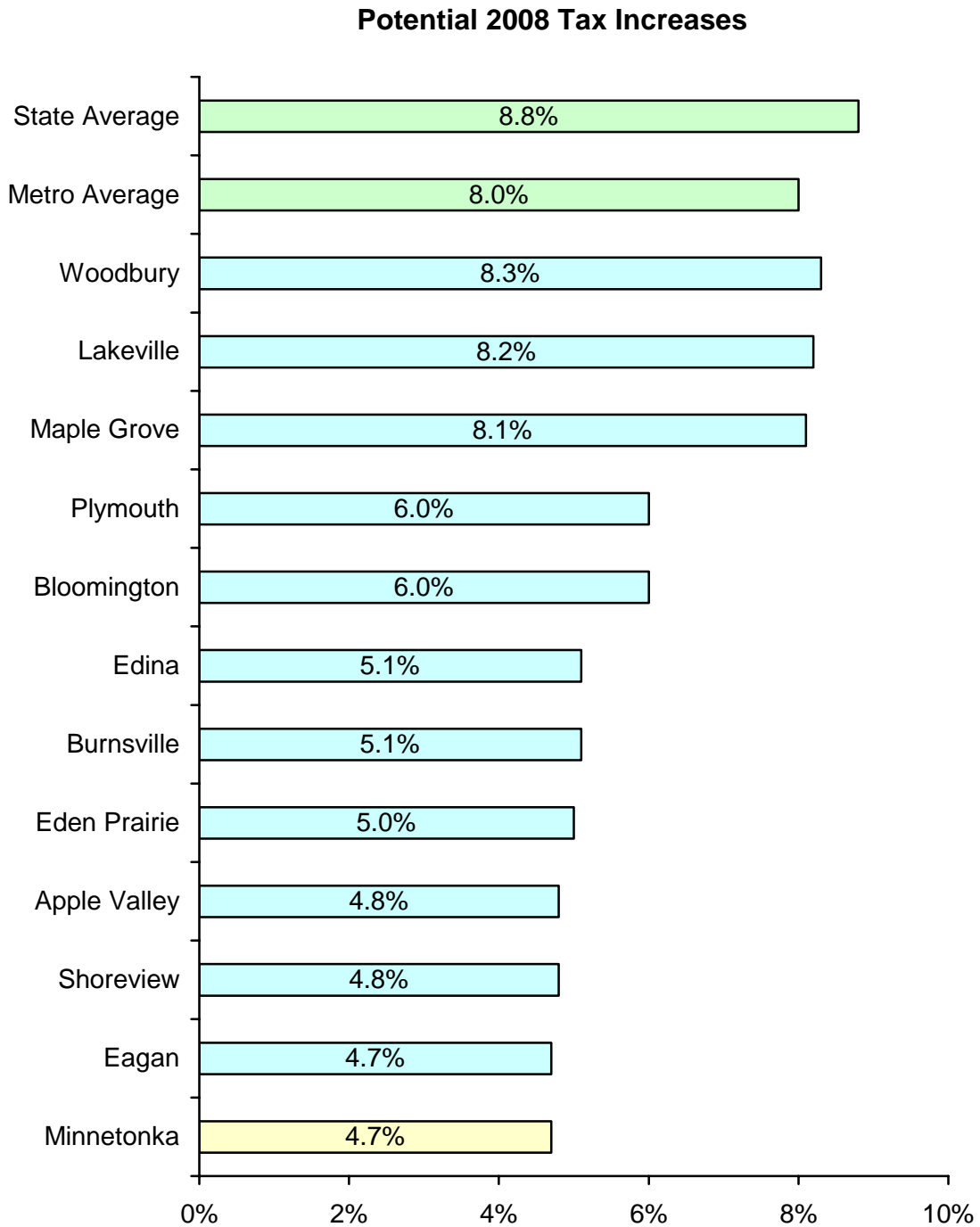
Certifying the total additional amount in the preliminary levy preserves future flexibility. Should council subsequently decide not to adopt either of these new initiatives, the adopted levy can always be reduced in December.

Property Taxes (thousands)	2007 Levy	2008 Levy	Increase
General Fund		\$19,048	
Capital Funds		7,773	
Subtotal	\$26,043	\$26,821	3.0%
Public Safety initiatives:			
Traffic Management		87	0.3%
Fire Service Strategy		360	1.4%
Total		\$27,268	4.7%

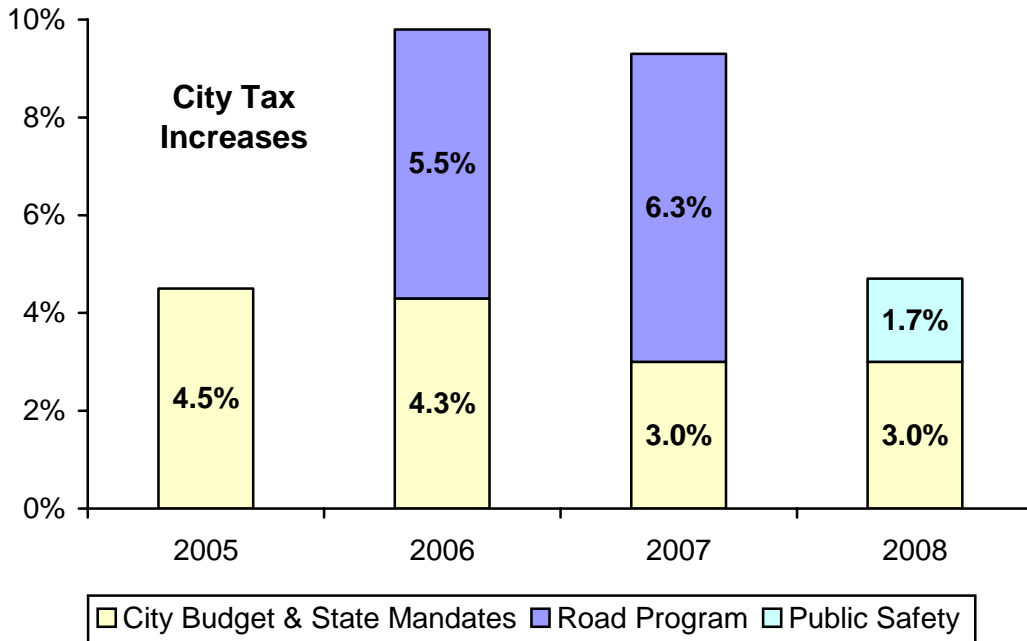
Budget priorities. When asked their priorities for budget increases, residents consistently indicate streets and public safety. Beginning in 2006, substantial investments are now being made in road rehabilitation; the recommended 2008 budget allocates new resources to police and fire services.



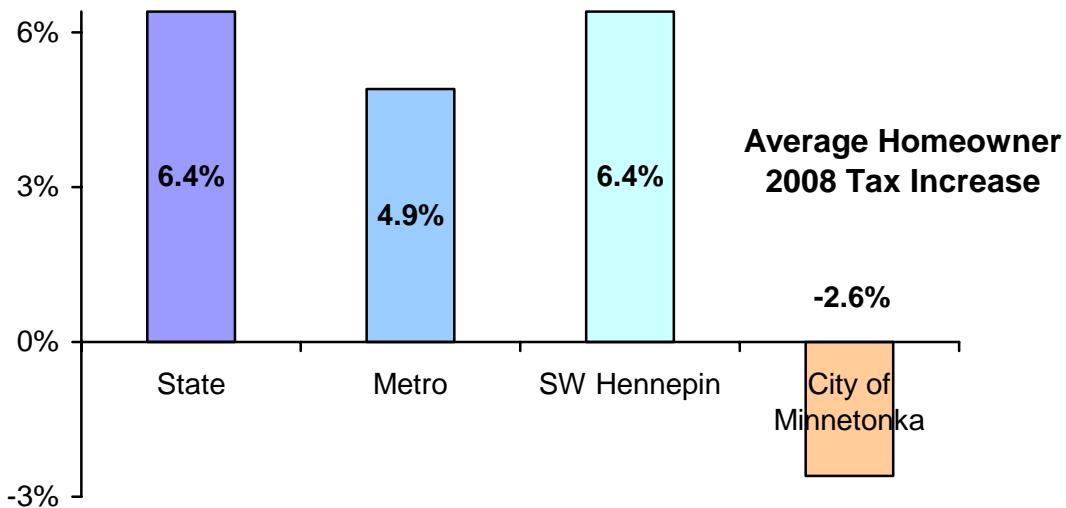
Comparison with other cities. The recommended City of Minnetonka tax increase is well below the 2008 increase projected by House Research for both the state and metro area, and is also considerably less than increases planned in other cities. In fact, Minnetonka's would be the lowest increase of comparable cities in the metro area:



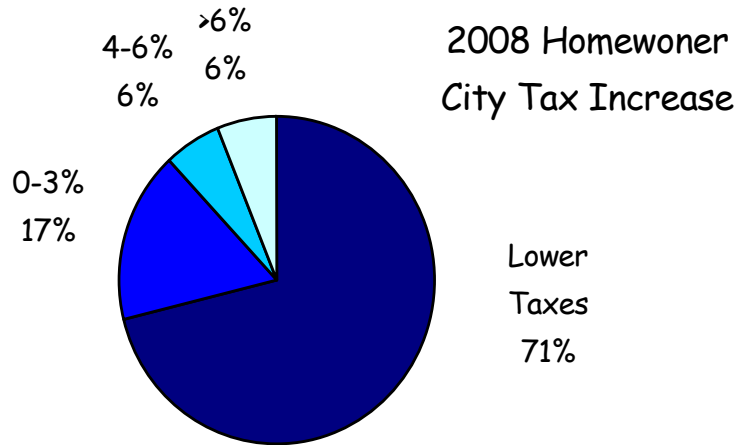
Recent trends. The recommended 2008 levy is also among the lowest increases for the City of Minnetonka in recent years:



Homeowner taxes. Various factors affect the property taxes paid by individual homeowners, including changes in market value, state law and city, county and school budgets. Although 2008 property tax revenue would increase 4.7 percent with the recommended levy, **city property taxes will decrease 2.6 percent for the median Minnetonka homeowner.** In comparison, total taxes (city, county, school) for the average homeowner in the state and metro area are expected increase 6.4 percent and 4.9 percent respectively.



The greater relative growth in commercial property value and decertification of another TIF district in the city will significantly reduce the share of property taxes paid by Minnetonka homeowners in 2008. Very conservative initial estimates indicate that **seven of ten homeowners will pay lower city property taxes**, and another 17 percent will pay less than three percent more. City property taxes would only increase for properties that experienced an increase in value last year, most often due to location or the state's Limited Market Value phase out.



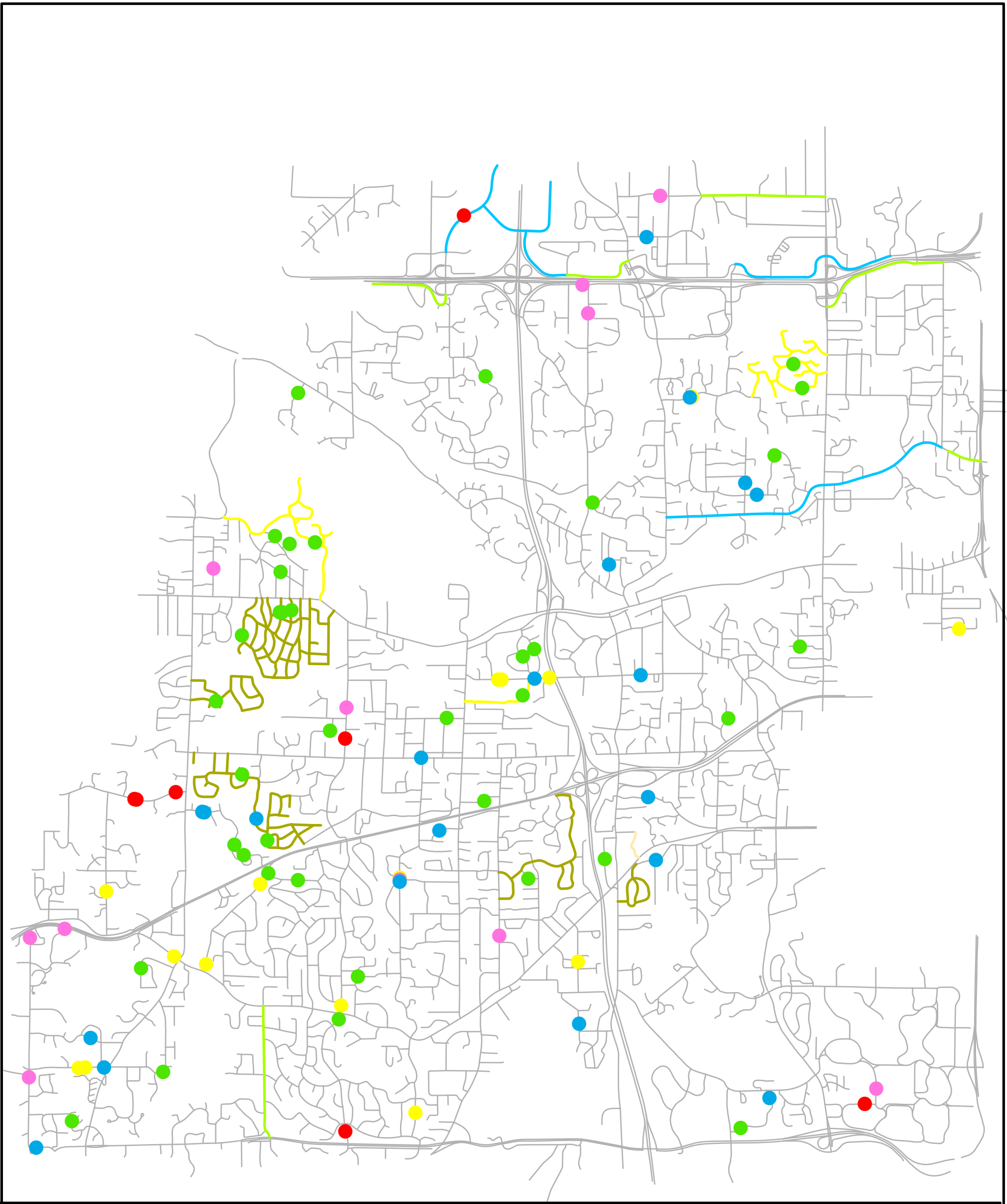
Discussion question: Does council concur that \$27,268,554 should be certified as the preliminary levy for 2008?

Summary

As a result of responsible long-term financial planning, the city of Minnetonka continues to be better positioned than many other communities to deal with recurring budget pressures and legislative mandates. Staff recommends that city property taxes should increase 3.0 percent in 2008 to fund basic city services, with an additional 1.7 percent increase dedicated to new public safety initiatives. As a result of various market changes, **city property taxes will go down for seven out of every ten Minnetonka homeowners.**

Originated by:

John Gunyou, City Manager
 Geralyn Barone, Assistant City Manager
 Merrill King, Finance Director

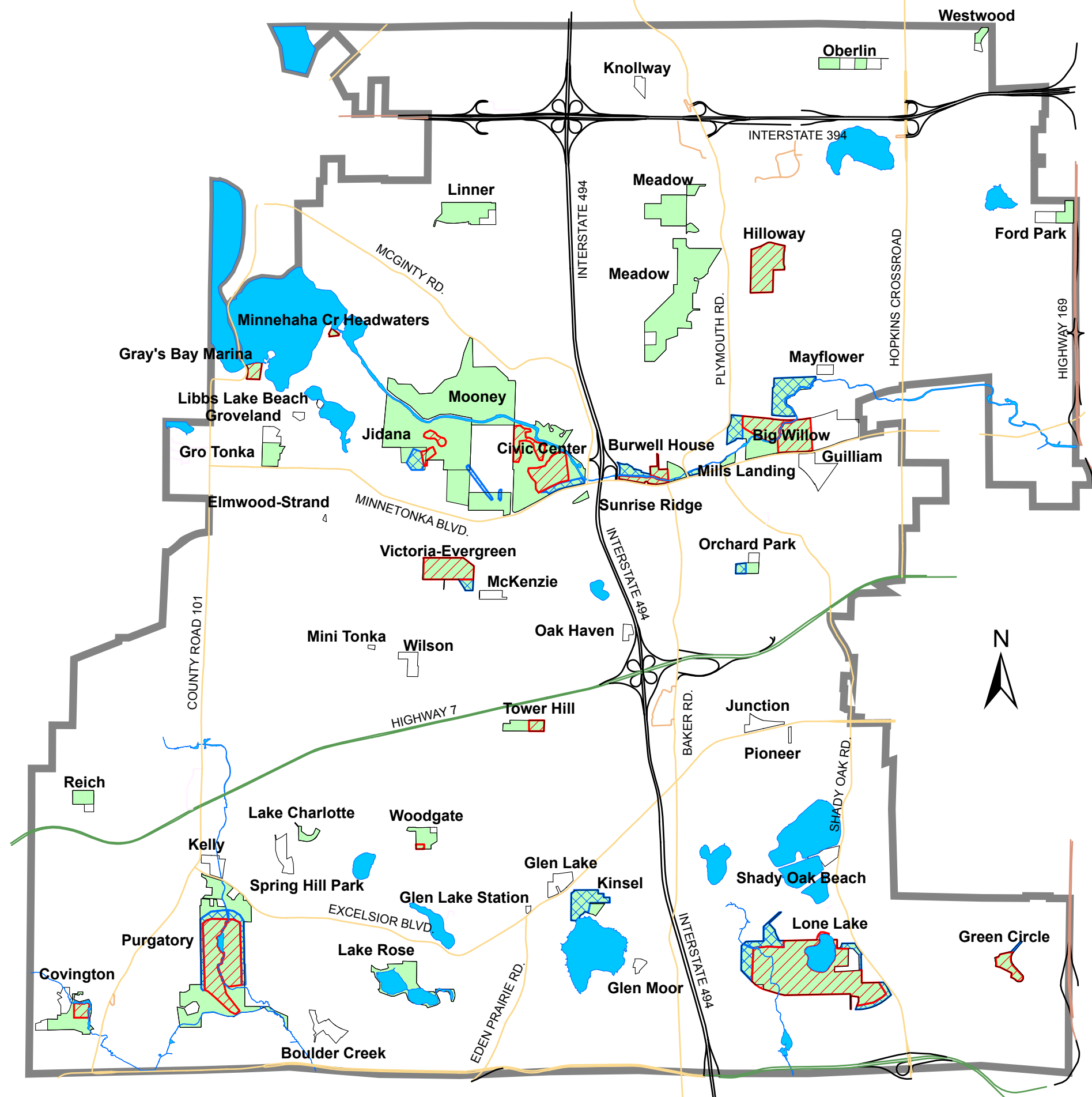


**MnDot Authorized Speed Limit
On Local Streets
All Others 30 MPH**

- 15
- 20
- 25
- 35
- 40

**Speed Count Locations
85th Percentile Speed**

- 30 or less
- 31 - 33
- 34 - 36
- 37 - 39
- 40 or greater



Acres	Legend
750	Natural Park Area
350	Active Play Area
260	Active Restoration
15+	Restoration 2008-2010

**STAFF SUMMARY
CITY OF MINNETONKA
CITY COUNCIL STUDY SESSION
MONDAY, MAY 14, 2007
PAGE 1**

Council Present: Bob Ellingson, Terry Schneider, Al Thomas, Tony Wagner, Brad Wiersum, and Mayor Jan Callison. Dick Allendorf was excused.

Planning Commission: Steven Adams, Mike Brandt, John Cheleen, Paul Lehman, Sarah Schmitz

Staff: John Gunyou, GERALYN Barone, Desyl Peterson, Ron Rankin, Julie Wischnack, David Maeda

Callison called the meeting to order at 6:30 p.m.

Wiersum moved, Thomas seconded a motion for the council to go into executive session. All voted "yes." Motion carried.

1. Executive session to discuss the billboard litigation

The council went into executive session at 6:32 p.m.

Callison called the meeting back to order at 7:00 p.m.

2. Report from city manager

None.

3. Dynamic signage

The council and commission watched a demonstration of a dynamic sign from Daktronics representatives. The demonstration included examples of the sign's brightness with different colors, different sequencing ranging from two to eight seconds, different non-instantaneous transitions including fades and spin-ins, and also a dynamic balloon graphic display.

After the demonstration Gunyou said staff was in the process of developing an ordinance to regulate dynamic signage and the study session was an opportunity to provide staff direction and feedback. Currently there is a moratorium on electronic signs in connection with a lawsuit involving two electronic signs, one on I-394 and one on I-494. The city contracted with various experts to provide background on the subject. An initial draft of a report has been prepared, but not finalized. The recommendations were included in the staff recommendations, and a final copy of the report will be available when the ordinance is introduced.

Gunyou said the draft ordinance will be introduced at the June 4 council meeting. The planning commission public hearing will be June 14. The commission's recommendation will then be considered by the council on June 25.

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CITY OF MINNETONKA
CITY COUNCIL STUDY SESSION
MONDAY, MAY 14, 2007
PAGE 2**

Gunyou said the simplest approach in adopting a dynamic sign ordinance would have been to either allow everything or to allow nothing. Several cities have taken those approaches. Gunyou said the difficulty with allowing no dynamic signs is that approach doesn't recognize the evolution of technology. Staff felt it important to recommend an ordinance that wouldn't need adjusting every time a new technology is developed.

Gunyou cautioned there is always a tension between policy and law on what the city might want to do but would not legally be allowed. The strictest restriction is that free speech is constitutionally protected so the ordinance cannot discriminate against one form of expression versus another. There are also distinctions between offsite and onsite advertising. He said staff tried to be evenhanded. The dynamic sign provisions were designed to overlay the existing sign ordinance and incorporate many of the same definitions and provisions. He concluded the staff presentation by describing the recommended approach as standards-based, rather than overly proscriptive.

Lehman asked if the intention was to prohibit all new dynamic signs. Gunyou said no and that people who currently have a sign could convert their signs within the restrictions of the proposed ordinance. More dynamic signs are expected in the future, with many churches, gas stations and schools likely converting their static signs into dynamic signs. Schneider added that billboards and car dealerships along I-394 are the most likely to convert their signs.

Wiersum said he supported the general approach and liked the idea of being proactive as technology will change and the issue will grow. He said building on the existing sign ordinance was logical.

Schneider asked how the ordinance would apply to portable dynamic signs. City Attorney Desyl Peterson said currently those types of signs are prohibited and that would continue. She said there is a new trend with dynamic signs on the side of box trucks and that would be difficult to regulate since the trucks travel from city to city, and on interstate highways, and that issue would have to be addressed at a higher level.

Schmitz said she too liked the approach of overlaying the dynamic sign provisions over the existing sign ordinance, especially for signs that are part dynamic and part static. If there were different ordinances for different types of signs there might be confusion with which ordinance would apply to those types of combination signs.

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CITY OF MINNETONKA
CITY COUNCIL STUDY SESSION
MONDAY, MAY 14, 2007
PAGE 3**

Getting back to Schneider's point, Wiersum said he could see adding something to the ordinance to address vehicles that function specifically as signs. However trying to get at trucks with signs on them would be difficult.

Gunyou said the brightness provision of the ordinance is challenging because of the difficulty of enforcement. He said the intent of the staff recommendation is that a dynamic sign should have the appearance of a regular sign in either the day or night. This requires a dynamic sign to be brighter during the day so the sign doesn't appear dimmer in the sunlight. It also deals with conditional issues like which direction the sign is facing, east or west. This requires constant adjustment of the sign depending on the ambient lighting conditions to keep it looking like a regular sign. Some cities establish maximum "nit" levels but it isn't possible to measure it by a meter because the appearance differs depending on the distance the sign is viewed from. Gunyou said at present there is no good way to measure the brightness, although there might be in the future. Staff is recommending language similar to the state of Wisconsin that says the signs should be no brighter than is necessary to be legible for general visibility. He said in talking with the sign industry there was agreement that the enforcement mechanism should be on a complaint basis. If there is a complaint and the city decides a problem exists, the sign owner would be notified, and if there is any disagreement there would be an appeals process.

Adams said he drives by a dynamic billboard every day and it he finds it distracting. He supports including a standard in the ordinance. Gunyou noted staff is proposing to prohibit pure white light which is the brightest color. The sign industry doesn't like to use pure white because it distracts from the rest of the sign.

Wagner asked how the brightness tests deal with light spillover issues. Gunyou responded electronic signs are better with spillover because the light comes not just from a bulb but from cylinders in the sign face. Similar to new television screens, if viewed from the side, the image disappears or fades. The light is also shielded downward. Wagner asked if the existing ordinance needed to be tweaked on the issue of spillover. Gunyou agreed that with dark sky ordinances being examined by other cities, the spillover issue should be considered.

Lehman said the issue of brightness should be addressed for all signs and not just dynamic signs. He said all signs should meet the same standards regardless of the technology involved. Gunyou said that issue might best be considered as a next step rather than dealing with the issue in this proposed change to the ordinance.

Callison said the proposed language of "adequate visibility" was vague and didn't address the balance between visibility and safety. She suggested adding

**STAFF SUMMARY
CITY OF MINNETONKA
CITY COUNCIL STUDY SESSION
MONDAY, MAY 14, 2007
PAGE 4**

language better defining adequate visibility. Peterson suggested adding “factors to be considered...”

Schneider said he has driven by a billboard that was too dim for the conditions and he realized as he was trying to read the sign he wasn't paying attention to the road. Wiersum said he was concerned about leaving it up to a billboard owner to decide what was adequately visible. The city may not agree but creating standards for a broad variety of circumstances would be difficult to do. Peterson said she would be concerned about prohibiting full brightness because with different technologies it could be appropriate that the lighting be at full brightness in order to be legible. She said there was an instance in which she saw the I-494 billboard on a bright sunny day with snow on the ground where the sign appeared very dull.

Schmitz asked if the companies would adjust the signs to adapt to conditions. She didn't want to see a complaint come in when it was sunny only to have conditions change, and it likely wasn't realistic to expect the companies to monitor changing weather conditions. Gunyou said current sign technology includes photo cells and timers to adjust to lighting conditions. He said he expects the technology will get better so adopting a philosophy the dynamic signs should look the same as regular billboards might be the best approach as technology changes. Callison said the proposed panel that would decide on the complaints is based on the idea there will be constant light. If the panel decided the light setting is wrong and the technology allows for changes periodically, the panel would not have much function because by the time they get out to regulate, the setting may have changed.

Adams asked if the Wisconsin Department of Transportation had developed a good way to regulate these issues. Peterson said the proposed standard is currently in effect and the state is struggling to implement it. The standard has been in place for at least a year. There is no appeals process in place and the department is supposed to come up with rules to implement the standard but this hasn't been done yet. Wiersum agreed having a vague standard makes sense because there needs to be a level of accountability. If there is a complaint there would be a methodology to take action.

Gunyou said the frequency of the message change and the type of change has a big impact on the operational mode. If the message changes frequently it is distracting. If the message is sequential and you are waiting for the next message, that too is distracting. To get at these public safety issues the recommendation is to require the instantaneous replacement of a static unrelated image. The current dynamic billboards display one ad that is instantaneously and completely replaced by another ad. There is not a fade in from one ad to the next. There is not a series of ads from one company with only slight changes from one ad to the next. Gunyou said the billboard industry has agreed to live

**STAFF SUMMARY
CITY OF MINNETONKA
CITY COUNCIL STUDY SESSION
MONDAY, MAY 14, 2007
PAGE 5**

with this provision. Staff also recommends the minimum display time be 20 minutes for each advertisement. This suggested time limit is the same as Bloomington's sign ordinance. Gunyou said the only exception would be for time and temperature signs. A federal court has allowed those types of signs to change when the time changes.

For signs that consist of both dynamic and non-dynamic portions, Gunyou said the recommendation is to allow 35 percent of the sign to be dynamic. One rationale for signs is way finding. People are served by being able to find where they want to go. The signs serve a public safety purpose as well because they allow people to make the driving adjustments needed to get to their destination. Callison asked about font size requirements. Gunyou responded when the ordinance is introduced, recommendations will be made for the minimum size font that will be allowed.

Peterson said by reducing the amount of space for the dynamic portion of a sign, it would encourage people to make their messages smaller to get more information delivered. This could be distracting. Cheleen noted the color of the letters is another issue that would impact the readability. Schneider said the viewing distance makes a difference as well.

Callison said the 35 percent requirement might not work in all cases because for signs with smaller face sizes like the Midwest Bank sign, putting in a maximum font size might cause issues. She said there is a relationship between the size of the sign and the font size. Schneider agreed and said the critical component was finding a substantive way-finding feature. He said in some instances a fifty/fifty ratio may be appropriate. He asked if the proposed ordinance would allow the non-dynamic portion to be electronic. Gunyou said that was not the intent because for enforceability purposes it would be easier to structurally limit the signs. Schneider said he wasn't sure he supported that because one of the positives of the dynamic billboards are they are better aesthetically than illuminated wood or aluminum signs.

Lehman asked about the federal exemption for signs displaying time and temperature. He questioned how the ordinance would deal with signs that display time, temperature and a message. He said if the ordinance limited companies to just displaying time and temperature, those signs might go away altogether. Conversely if the ordinance allowed an exemption of the 20 minute time change between messages for signs that display time, temperature and a message, it might create a loophole. Peterson replied the ordinance would allow the signs to include time, temperature and a message but the message still could only change once every 20 minutes while the time and temperature could change as the facts change.

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CITY OF MINNETONKA
CITY COUNCIL STUDY SESSION
MONDAY, MAY 14, 2007
PAGE 6**

Callison said over the weekend she drove to Cleveland and back. She said the distracting signs she saw near the Wisconsin Dells and Chicago were the ones that had a lot of motion with fading and splicing. She said dynamic signs in Chicago displayed two advertisements side by side. She suggested clarifying the ordinance to prohibit multiple advertisers on the same face at the same time. Schneider said such a prohibition deals with content. Callison said the ordinance could restrict multiple ads at the same time. Wagner said he would support that.

Schmitz asked for the rationale of the proposed 35 percent dynamic sign provision. Peterson said it was decided the way-finding purpose had more weight than advertising, so the ratio was proposed on a two for one basis. Gunyou said one possibility would be to base the percentage allowed on the size of the sign.

Cheleen asked if logos would be allowed under the animation provisions of the ordinance. Gunyou said the animation provisions prohibit motion and would not apply to fixed logos.

Gunyou said the ordinance deals with off premise signs differently than on premise signs because off premise signs have different rights as nonconforming uses. The city no longer allows off premise signs, and as nonconforming uses, they cannot be expanded. There are 33 existing billboard faces in the city. The recommendation is for an incentive to be provided to encourage companies to take down existing signs in exchange for more favorable standards and regulations. Clear Channel owns 30 of the signs in Minnetonka. The company has a pending lawsuit with the city, so Gunyou said the company was approached to see if they would be open to some type of settlement arrangement. At an earlier study session, council gave direction for a potential settlement with Clear Channel.

Under the settlement, the company would permanently remove some billboards in exchange for more liberal allowances for billboards located in areas they may feel more strongly about converting to dynamic signs. Gunyou said the two areas Clear Channel feels most strongly about would be allowed to use 100 percent of the sign face and a more frequent rate of change for the ads. The company proposed eight seconds instead of 20 minutes for the rate of change allowed. The federal highway administration and MNDOT have indicated this is the evolving standard in the industry,. The city's position was that the 100 percent use of the sign face was something that was workable, but the eight second change rate was difficult to accept. A number of discussions were held and Gunyou said Clear Channel was willing to give up a substantial number of billboards to have the eight second limit for its remaining sign faces. The company agreed to permanently remove 15 of its 30 signs. Eight of the remaining signs can be converted to dynamic billboards and the other seven will remain fixed signs under the tentative agreement.

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CITY COUNCIL STUDY SESSION
MONDAY, MAY 14, 2007
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Gunyou said the signs the city most wanted removed were not the ones Clear Channel most wanted to convert. Under the company's business model it makes more sense to keep the billboards in the corridors that have 100,000 drivers driving past them every day. Conversely, the city was most interested in removing the billboards that had more aesthetic impact because of the area involved. Under the proposed settlement Gunyou said the city will allow Clear Channel to have one east facing and one west facing sign on I-394 west of Plymouth Road, and one east facing and one west facing sign east of Plymouth Road. This means, driving either way a person would only see two dynamic billboards changing every eight seconds. Because the Plymouth Road overpass represents an effective visual barrier, the driver would not see both billboards at the same time so the frequency of change would not be that distracting. The tentative agreement will be publicly announced on Tuesday, May 15.

Adams said the eight seconds provision was a problem and asked if that could be lengthened. Callison said the proposal would come before the council for approval. Adams said he drives by a sign that changes every eight seconds and it is distracting and a public safety issue. Cheleen said he agreed signs that change every eight seconds are distracting but removing billboards permanently from the city was a nice tradeoff. Gunyou pointed out that Clear Channel also agreed to keep the eight second minimum even if the federal government should later decide to allow more frequent changes. Schneider said the frequency of the time between changes was much talked about by the council. He asked Adams how frequently the sign he sees changes before he drives by it. Adams said he usually sees two changes.

Wiersum said when it came down to making a decision, the council saw a great opportunity to permanently get rid of one-half of the billboards in Minnetonka. He said none of the council liked allowing changes every eight seconds but it came down to the question if the trade was worth it. Was the city better off with the eight seconds and half the billboards gone or could the city end up in the position of having to accept the eight seconds and getting nothing in return because of future changes in federal government regulations?

Wagner said he drives I-394 several times a day and the city is blessed by the topography in the area. The overpasses limit what the driver will see in regards to the allowed signs.

Peterson thanked the council and planning commission for all the thoughtful comments and feedback. She said it was an extremely difficult issue for staff to get its arms around.

Wiersum congratulated the staff for all the work and said he is excited about the idea of the billboards coming down.

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CITY OF MINNETONKA
CITY COUNCIL STUDY SESSION
MONDAY, MAY 14, 2007
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Gunyou said he has been involved in a lot of negotiations over the years and wanted to recognize the representatives from Clear Channel for their straightforward approach to the negotiations. He said it really is a win/win agreement and that the company deserved a lot of credit for coming to the table with an open mind.

4. Adjournment

The study session adjourned at 8:25 p.m.

Respectfully submitted,

David E. Maeda
City Clerk

**STAFF SUMMARY
CITY OF MINNETONKA
CITY COUNCIL SPECIAL STUDY SESSION
MONDAY, MAY 21, 2007
PAGE 1**

Council Present: Dick Allendorf, Terry Schneider, Al Thomas, Tony Wagner, Brad Wiersum and Mayor Jan Callison.

Council Excused: Bob Ellingson

Staff: John Gunyou, Geralyn Barone, David Maeda

Callison called the meeting to order at 6:15 p.m. and explained the interview process.

1. Boards and commissions interviews

Donna Bloom served on the senior citizens advisory board for four years. She said health issues forced her off of the board but now that she has had a hip replacement she feels she will be better able to contribute to the board. Thomas asked Bloom what she enjoyed most about her time on the board and what she thought could be improved. Bloom replied that she enjoyed the people on the board and meeting new people. She said she would like to see the board become more of a working board participating in events like Summerfest.

Ann Drier worked for the United States Department of Agriculture and Homeland Security for over 20 years. She was a realty specialist helping to establish border stations on the Canadian and Mexican borders. She retired in January 2006. She learned about the city's seniors programs while she was taking an exercise class. Wiersum asked which job she enjoyed most in her life. Drier replied she enjoyed her customs work because it allowed her to work with the Canadian and Mexican governments and she got to meet a lot of people. Schneider asked what she hoped to accomplish on the board over the next year. Drier said although she doesn't fully know all the board does, she is looking forward to learning. Thomas said that her experience in learning about the city's senior programs through taking an exercise program might be advantageous in her helping other learn about the programs.

2. Adjournment

The study session adjourned at 6:24 p.m.

Respectfully submitted,

David E. Maeda
City Clerk

**STAFF SUMMARY
CITY OF MINNETONKA
CITY COUNCIL STUDY SESSION
MONDAY, JUNE 11, 2007
PAGE 1**

Council Present: Dick Allendorf, Bob Ellingson, Terry Schneider, Al Thomas, Brad Wiersum, and Mayor Jan Callison

Council Absent: Tony Wagner

Staff: John Gunyou, Geralyn Barone, Virg Herrmann, Jeff Dulac, David Maeda

Callison called the meeting to order at 6:30 p.m. City Manager John Gunyou gave an update on upcoming meetings. There is no meeting June 18. The next council meeting will be June 25. The city's Summer Festival and Ice Cream Social is Saturday, June 23. Callison said that she received a phone call from Bennett Family Park inviting people to the groundbreaking for their Miracle Field on Saturday, June 16 beginning at 10 a.m. She said the Headwaters Creek celebration is Wednesday, June 13.

1. LOGIS Map demonstration

Virg Herrmann from the engineering department gave a presentation of the LOGIS geographic information system mapping software.

Thomas asked the difference between the software and the mapping options available via the Hennepin County web site. Herrmann pointed out the different layer options such as adding lot lines, house numbers, street names, and wetland information to the city map. Thomas asked if the information on the map can be used to determine property line disputes. Herrmann said no, that the information on the map is a good representation but is not a survey. Gunyou pointed out the LOGIS map software is for internal city use only and that the Hennepin County system is designed to provide public access.

2. Boards and commissions interviews

Callison said there is one youth position open on the economic development authority, one on the park board, and two open on the police advisory committee.

Hannah Gilbert

Gilbert recently finished her sophomore year at Hopkins High School. Her family moved to Minnetonka two years ago from Highland Park, Illinois. She said things that are important to her are school and getting good grades, her family and friends. She plays volleyball and golf.

Callison asked why Gilbert was interested in serving on the police advisory committee. Gilbert said it sounded like the most interesting committee and she has an interest in how the legal process works.

**STAFF SUMMARY
CITY OF MINNETONKA
CITY COUNCIL STUDY SESSION
MONDAY, JUNE 11, 2007
PAGE 2**

Wiersum said moving while in high school is a difficult thing. He asked her thoughts on Minnetonka and how it compares with her previous home. Gilbert responded it is a more relaxed and friendly place compared to Highland Park. She said it's less superficial here and more about the people.

Thomas pointed to a response in Gilbert's application that mentioned a "drug epidemic" in the schools. He asked for suggestions that are not being done now that might help deal with the problem. She said there should be more of a police presence in the schools.

Schneider pointed to another portion of Gilbert's application that said she has always been interested in politics. He asked what about politics interests her. She said politics affects people's lives and she finds it interesting.

Cameron French

French was originally born in Richfield, moved to Long Lake and has lived in Minnetonka for the past seven years. He loves the outdoors and goes canoeing in the BWCA (Camp Menogyn) every summer. He said that is why he chose the park board as his number one choice. He completed his junior year of high school and works at Target.

Schneider noted his interest in biological sciences and asked how that would apply to serving on the park board. French said he thought the board monitors the quality of water in the city. Schneider said that wasn't entirely correct but there is a strong natural resource element.

Callison asked if French had ever served on a committee with all adults. French said no, but at his work there are a lot of older people so he is used to that environment. Callison asked if there were particular things he does to help deal with that type of situation. French said he tries to be personable.

Wiersum asked French what he thought residents needed to do to be more protective of the environment. French said it was about giving a little more effort. He said Purgatory Park borders his backyard and the city has strengthened its policy on residents cleaning up after their dogs. Getting a message to people to keep the parks clean might be one approach. He said if residents want to maintain the city's natural resources everyone needs to do his/her part.

Thomas said the park board is looking at the city's dog leash ordinances and will be looking at the dog leash rules in the parks. He said that since French lives so close to Purgatory Park if he has had any bad experiences with dogs in the park. French said that a few years ago the police told his brother and him to put their dog on a leash. Also, his mother jogs through the park and has had issues with a

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person who has a massive dog. French said some dogs do fine while roaming free while others do need to be restrained.

Callison said that French indicated on his application an interest in serving on the police advisory committee and asked him to talk about his interest. French said like Gilbert he has seen drug and alcohol abuse at the high school. He said the problem is sad because some of the kids are well off and have had every advantage in life yet decide to use pot and alcohol. Ellingson asked if the activity is actually occurring at the school itself. French said yes, noting he has witnessed apparent drug use at the school and it is not a good experience to see that. Ellingson asked if the school officials were aware of the problem but were unable to keep up with it. French said searches are done but greater emphasis needs to be put on the punishment to send a message.

French asked how often the park board meets. Assistant City Manager GERALYN Barone said the board usually meets once a month and there is an occasional joint meeting with the Hopkins Park Board. Callison noted the youth position on the Park Board is non-voting unless a member of the board is absent. She said the youth representative has been a great asset to the board.

Wiersum said the police advisory committee is an advisory committee. He said French might find it interesting because the committee discusses the programs the police liaison officers run in the schools. The committee also looks at the different programs targeted at youth.

Schneider asked for clarification on what nights the various boards and commissions meet. Barone indicated the park board meets on Wednesday nights. Wiersum said the police advisory committee meets three or four times a year, usually on Thursday nights. There are other activities such as ride-alongs with police officers. Thomas said the economic development authority meets the second Tuesday of every month.

Tess Komarek

Komarek finished her sophomore year at Hopkins High School. She has lived in Minnetonka for ten years with her mom, dad, sister, and golden retriever, Bubba. Komarek plays basketball and soccer and volunteers through both sports teaching younger kids how to play. In her free time she plays sports, hangs out with friends and enjoys Shady Oak Park. This past year she took pre-calculus, advanced English, honors chemistry, and history. Her cumulative grade point average was 3.87. She said this year's classes were hard but pushed her to work harder and taught her that when she puts her mind to something it can be rewarding.

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Schneider asked how she would acclimate herself in an environment where she would be a student representative serving with adults. Komarek said as long as she could form a relationship with the adults it would not be a problem.

Thomas asked for an example of a good thing the city is doing in park management and something that could be improved upon. Komarek said the parks are well designated, well lit and the grass is well kept but when she is biking through some parts she sees a beer can which is disappointing. Callison asked if Komarek participated in the renewal process for the park. She said no.

Wiersum asked how Komarek became aware of the openings. She said her mother found the volunteer opportunities. For her the volunteer hours sparked an interest for college and being involved in something other than the volunteering she does for her sports activities. Callison asked if being a sophomore, Komarek was looking to serve for two years or for one. Komarek said she is interested in serving two years.

Komarek asked the council what they liked about serving on the council and what they disliked. Wiersum said it is a great group of people. Prior to getting elected, he didn't know that much about the city. He said Minnetonka is a great city and it is rewarding having the opportunity to learn more about what makes the city work, and getting to know a lot of residents. He said the part he doesn't like is sometimes the meetings go long. Schneider said there is a chance to work with a lot of different people and it is rewarding to help them solve problems. On the flip side working with a lot of people and helping them solve problems sometimes isn't a lot of fun. So it can be either challenging or rewarding. Allendorf said it is good to be able to weigh things and make decisions that keeps Minnetonka great or makes it better. He said if he wasn't on the council he would fear someone might be in his place that wouldn't make the right decisions. Wiersum said there are times when residents call and he doesn't agree with their position. But representing them he helps them make the best case for their position so they have the best chance to succeed. He said he finds this dynamic unique.

Ethan Lang

Lang is a junior at Hopkins High School and is interested in serving on the police advisory committee. He has served in student government at his junior and senior high schools. Next year he will be serving as secretary of the student government executive committee. Lang is also involved in the YMCA Youth in Government program. In that program he has chaired committees, run for office, and served as the South Korean United Nations ambassador. He sings in two choirs at the school. He also participated in the spring musical and is a swimmer. He said his most relative qualification is serving as a student representative on the Hopkins School Board. During his time with the board some of the issues discussed were creating financial stability for the district, closing Katherine

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Curren Elementary School, redistricting the elementary schools, and avoiding credit caps at the high school.

Gunyou indicated Lang might be interested in serving on the newly established community commission. The objective of the commission is to reach out and get more community involvement. Barone said the commission came out of the 50th Anniversary Committee whose membership consisted of community representatives from many different groups from the schools to nonprofits, to the faith community. Gunyou said one of the objectives is to find representatives of different ages and genders with different interests and backgrounds. Lang said he would be interested in serving on that commission.

Allendorf asked Lang with all his activities how he would find the time to serve on a board or commission. Lang said he would find the time and he already spends late nights reading the agendas for the school board meetings.

Ellingson asked if Lang had any ideas to address drug and alcohol abuse at the schools. Lang replied he agreed with the idea of increasing police presence and tougher punishment. He said it is a tough issue and it should be drilled into kids early on that drinking and taking drugs isn't the right or cool thing to do.

Schneider said the issue has been around for many years and the primary challenge comes from peer pressure with kids influencing other kids. He asked Lang how he sees changing that so the peer pressure is reversed. Lang said just saying don't take drugs or alcohol is not effective and it almost encourages kids to drink and take drugs as a matter of rebellion. Making kids see that it is not cool to drink or take drugs might work better.

Ellingson asked if there has been a drop off in the past year in the amount of kids from the Ridgedale YMCA participating in the Youth in Government program. Lang said yes there had been. He said in the past the program involved a lot of students from the Hopkins school district but in the past year there were efforts to branch out to Orono, Wayzata and Minnetonka more.

Ashley Mecum

Mecum said Jidana Park borders her backyard and she is really interested in environmental studies with particular interest in conservation. She is in choir and will enter her senior year next year. She has done a lot of volunteer work. Being a type one diabetic she has participated in many walks and runs for cures. She loves to watch environmental television programs. She is particularly interested in how to help make the world better with things like using hybrid cars. She likes to dance and draw in her free time.

Schneider said that in Mecum's application materials there was a statement that one of her goals is to change the community to be a more enjoyable and

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peaceful place. He asked her to talk about that goal. Mecum said one example is the dog on a leash issue and that her mom was knocked over and injured by a dog. She said dogs should be leashed especially on school property. She said another recent example was when her family was looking for parking in Como Park and had people yelling and shouting at them. She said routing people differently might create more parking.

Thomas said Mecum mentioned in her application she would like to see an expansion in summer programs. He asked her if she could think of things the city is not doing in its park programs that should be considered. Mecum said she would like to see a community picnic where people would get together and exchange ideas. She said one conservation idea came from an observation in school where if one piece of plastic shows up in the recycling bin the contents of the entire bin are thrown into the trash. She suggested providing designated bins for plastic and paper.

Wiersum said he was intrigued by Mecum's strong interest in environmental issues. He said the city council and boards and commissions constantly have to weigh individual rights with the common good. He said the city works hard on managing the environment. He asked what more could be done so the city and its residents are more environmentally conscious. Mecum said she sees beer cans float down the river in Jidana Park. She said it would be worthwhile to include pictures of things like this in the city's pamphlets to show people that these things happen in the community and people can step up to keep the community clean. She suggested getting groups out in the parks to help clean up litter.

Callison asked how Mecum heard about the openings. Mecum said she found materials in her school.

Robbie Rosenthal

Rosenthal is a senior at Hopkins High School. He was born and raised in Minnetonka so when he saw the openings he thought it would be a great opportunity to get more involved in the community. He has served on the student government both in junior and senior high as vice president, president, and treasurer. He is also involved in the YMCA Youth in Government program. He ran for governor and lost but was appointed chief of staff to the current governor. Two years ago he was voted cabinet member of the year. He is the current president of his synagogue's youth group. He was also appointed to the JCRC's teen coalition. Rosenthal said Camp Menogyn and Camp Warren have been a big part of his life. He has been going since age six and has canoed and backpacked in Yellowstone. He was named all conference in golf this past year and was named team captain.

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Callison noted Rosenthal's first interest was serving on the economic development authority. Rosenthal said that stood out when he was applying but he is open to any way he could serve and make a difference in the city.

Allendorf asked how Rosenthal familiarized himself with the economic development authority, park board and police advisory committee. Rosenthal said he talked with his teachers and other residents but didn't find a lot of information. He said by participating he could learn what is going on.

Wiersum said Rosenthal has done a lot of things and has an impressive background. He asked Rosenthal of the many things he has done what the best experience was and why. Rosenthal said from a personal standpoint Camp Menogyn and the Yellowstone trip stands out because there were days where his group woke up at 5 a.m. and didn't get to camp until 8 p.m. He said it was a great experience as far as pushing himself and being able to say, "look what I did." Also, looking behind him and not being able to see where he started from created a sense of self accomplishment. He said as far as his political background his work with a youth group and being named top lobbyist allowed him to go to Washington, D.C. and speak with U.S. Senator Amy Klobuchar and U.S. Representative Jim Ramstad as well as speak on issues he is passionate about.

Callison asked what issues he feels passionate about. Rosenthal identified AIDs problems, Dalfour, poverty and healthcare issues.

Gauri Subramani

Subramani is a senior at Hopkins High School. She moved to Minnesota when she was six years old and has lived in Minnetonka all that time. She has been on the varsity debate team for three years and will serve as captain next year. She said the team has been successful both at the state and national levels. She is also involved in an anti-racist group at school called Dare to Be Real. She said the group started this past year and talked about racial issues with sophomores at the high school and also grade school students. This coming year she will be the leader of the group and will focus on activities with junior high students. She said a lot of times that race and social issues are often ignored in society. She is interning at the Minnesota Advocates for Human Rights, a nonprofit group that works with immigration issues, women's issues and education. Last year she worked in the immigrant issues program and worked at a Minnesota State Fair booth. This year she worked in the women's issues program creating a workshop for International Women's Day, a statewide convention at the University of Minnesota featuring workshops and panels on various issues. Her workshop involved teenage girls' issues focusing on the impact of the media on teenagers. She said the workshop looked at the type of images the media projects and tried to go beyond the health class discussions which basically say objectification is bad. The workshop instead focused on the disconnect between objecting women to an ideal standard and at the same time having everyone still subscribe

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to the ideal. The discussion involved how to make the message make sense that girls don't have to look like the media ideal. This summer Subramani is working at the University of Minnesota Psychology Department on a project that is examining the role of emotions in politics.

Allendorf said often there is a trigger like the encouragement from a certain teacher that leads to a person getting involved. He asked Subramani what got her involved in debate. She said she admired her older sister who was involved in debate and thought it was a valuable activity. At first she said unlike her sister she wasn't that interested because it conflicted with the tennis season, but then she realized she wasn't really good at tennis so she began to love debate.

Thomas said that of all the applicants Subramani was the only one who mentioned eminent domain. He asked her opinion on the eminent domain that occurred as part of the Glen Lake development project. She said the sentiment in her neighborhood was the project was destroying the neighborhood and it was unfortunate the community at large doesn't approve of the project. She said she needed more information to make an educated statement about it but she thought it was sad some small businesses were being destroyed and the feel of the neighborhood was being changed from a small residential area to a more populous area including condos.

Wiersum asked what some of the topics have been during Subramani's time on the debate team and asked her to name the most interesting topic. She said this past year's topic was a just government ought to provide health care for its citizens. She said the nice thing about debate is not knowing much about a topic and becoming immersed in all the literature to be found on the topic. She said her favorite topic was a victim of repeated domestic violence having the right to use deliberate deadly force against her/his attacker. She said it was the type of topic that doesn't get discussed publicly. She said a lot of times debaters feel removed from the topic because they deal with abstract concepts but domestic violence is an issue some people have had an experience with. She thus found the topic interesting because it forced the debaters to confront a real world issue in a sensitive manner. She said the latest debate topic was corporations ought to be held to the same moral standards as individuals.

Schneider noted Subramani indicated her top interest was serving on the economic development authority. He said the authority deals with affordable housing issues. He asked her to expand on her interest in that area. She said she was interested in the area due in part to her involvement with Minnesota Advocates for Human Rights and seeing the unfortunate situations some immigrants find themselves in.

Ellingson asked Subramani's opinion on how different ethnic groups at the high school get along. She said participating in Dare to Be Real she was forced to

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look at the unacknowledged tension that exists. She said kids say that Hopkins is accepting and diverse but at the central gathering place of the high school the students are racially segregated. She said students say that is due to who they are friends with without accepting that issues exist and they might have a role in perpetuating the problems.

Schneider made the general comment that if the applicants were a sign of the youth coming up he was very comfortable in his old age.

3. Adjournment

The study session adjourned at 7:54 p.m.

Respectfully submitted,

David E. Maeda
City Clerk