

# AGENDA

## Greenwood City Council

THURSDAY, August 4, 2011  
20225 Cottagewood Road, Deephaven, MN 55331



### Worksession

*In accordance with open meeting laws, the council worksession is open to the public for viewing, but there will be no opportunity for public participation.*

- 6:00 PM 1. CALL TO ORDER ~ ROLL CALL ~ APPROVE AGENDA
- 6:00 PM 2. DISCUSS 2012 BUDGET
- 6:50 PM 3. ADJOURNMENT

### Regular Meeting

*The public is invited to address the council regarding any item on the regular meeting agenda. If your topic is not on the agenda, you may speak during Matters from the Floor. Reminder: Please turn off cell phones and pagers.*

- 7:00 PM 1. CALL TO ORDER ~ ROLL CALL ~ APPROVE AGENDA
- 7:00 PM 2. CONSENT AGENDA
  - Council members may remove consent agenda items for discussion. Removed items will be placed under Other Business.*
  - A. Recommendation: Approve 07-05-11 City Council Minutes
  - B. Recommendation: Approve June Cash Summary Report
  - C. Recommendation: Approve July Verifieds and Check Register
  - D. Recommendation: Approve August Payroll Register
- 7:05 PM 3. MATTERS FROM THE FLOOR
  - This is an opportunity for the public to address the council regarding matters not on the agenda. The council will not engage in discussion or take action on items presented at this time. However, the council may ask for clarification and may include items on a future agenda. Comments are limited to three minutes.*
- 7:10 PM 4. ANNOUNCEMENTS, PRESENTATIONS & REPORTS
  - A. Presentation: Chief Scott Gerber, Excelsior Fire District 2012 Budget
  - B. Presentation: Chief Bryan Litsey, South Lake Minnetonka Police Department 2012 Budget
  - C. Report: City Attorney Mark Kelly, Unemployment Claim
- 8:30 PM 5. PUBLIC HEARINGS
  - A. None
- 8:30 PM 6. UNFINISHED BUSINESS
  - A. Discuss: Yard Definitions
- 8:40 PM 7. NEW BUSINESS
  - A. Discuss: Code Section 1135.05 Revision to Change "Office" to a Principal Use and Change "Restaurant" to a Conditional Use
  - B. Discuss: Replacement Policy for Minnetonka Blvd. Barrier Posts
  - C. Consider: Resolution 16-11 for Renewal of Recycling Services from Vintage Waste
  - D. Consider: Appointing 2nd Lake Minnetonka Communications Commission Representative
  - E. Set Date: Budget Comment Opportunity
- 9:15 PM 8. OTHER BUSINESS
  - A. None
- 9:15 PM 9. COUNCIL REPORTS
  - A. Fletcher: Planning Commission, Lake Minnetonka Communications Commission, Milfoil
  - B. Kind: Police, Administration
  - C. Page: Lake Minnetonka Communications Commission
  - D. Quam: Roads & Sewer, Minnetonka Community Education
  - E. Rose: Excelsior Fire District
- 9:30 PM 10. ADJOURNMENT

*Agenda times are approximate. Every effort will be made to keep the agenda on schedule.*



<b>Agenda Number</b>	<b>Worksession</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Budget Worksession
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>Mayor Kind and Councilman Rose worked on the attached draft of the 2012 city budget. Yellow indicates items that still need to be confirmed. The council will have the opportunity to discuss any line item of the budget at the August worksession prior to the regular council meeting.</p>
<b>Council Action</b>	No council action can be taken at worksessions.

# 2012 Greenwood PRELIMINARY Budget

		2010 Actual	2010 Budget	2011 YTD (June)	2011 Budget	2012 Budget	% Change	% Op. Budget	% Total Budget
<b>GENERAL FUND REVENUE</b>									
1	<b>TAXES</b>			(7/7/11)					
2	101-31010 General Property Tax	651,021	666,252	309,955	645,417	643,894	-0.24%		
3	101-31020 General Property Tax - Delinquent	27,778	1,000	4,239	0	0	#DIV/0!		
4	101-31040 Fiscal Disparities	5,044	2,200	2,506	0	0	#DIV/0!		
5	101-31800 Surcharge Revenue	225	25	25	0	0	#DIV/0!		
6	101-31910 Penalties	9	50	0	0	0	#DIV/0!		
7		<b>684,077</b>	<b>669,527</b>	<b>316,725</b>	<b>645,417</b>	<b>643,894</b>	<b>-0.24%</b>		<b>88.79%</b>
8	<b>LICENSES &amp; PERMITS</b>								
9	101-32110 3.2 Beer, Liquor, Cigarette License	2,950	3,250	50	3,250	3,000	-7.69%		
10	101-32180 Other Business Licenses / Permits (Rental, Peddler, Commercial Marina, Trash)	6,266	3,355	1,000	3,400	3,400	0.00%		
11	101-32210 Building Permits	11,319	12,000	15,822	12,000	16,000	33.33%		
12	101-32211 Electric Permit	0	1,200	970	1,200	1,000	-16.67%		
13	101-32240 Animal License	775	100	725	200	200	0.00%		
14		<b>21,310</b>	<b>19,905</b>	<b>18,566</b>	<b>20,050</b>	<b>23,600</b>	<b>17.71%</b>		<b>3.25%</b>
15	<b>INTERGOVERNMENT REVENUE</b>								
16	101-33402 Homestead Credit (Market Value Credit)	0	0	0	0	0	#DIV/0!		
17	101-33423 Other State Grants / Aids (Recycle Grant)	0	0	0	0	0	#DIV/0!		
18	101-33610 Hennepin County Road Aid (CAM)	0	0	0	0	0	#DIV/0!		
19	101-33630 Local Government Aid (LGA)	2,671	0	0	0	0	#DIV/0!		
20		<b>2,671</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>		<b>0.00%</b>
21	<b>PUBLIC CHARGES FOR SERVICES</b>								
22	101-34103 Zoning & Subdivisions (Variances)	400	2,500	0	1,500	500	-66.67%		
23	101-34207 False Alarm Fee	375	50	0	200	0	-100.00%		
24	101-34304 Load Limit Fees	550	1,000	379	2,000	600	-70.00%		
25	101-34409 Recycling Fees	19,470	18,810	9,720	18,819	18,819	0.00%		
26		<b>20,795</b>	<b>22,360</b>	<b>10,098</b>	<b>22,519</b>	<b>19,919</b>	<b>-11.55%</b>		<b>2.75%</b>
27	<b>FINES, FORFEITURES &amp; PENALTIES</b>								
28	101-35101 Court Fines	5,644	5,000	3,055	4,500	4,500	0.00%		0.62%
29									
30	<b>MISC. INCOME</b>								
31	101-36102 Investment Income	5,507	5,000	2,933	5,000	6,000	20.00%		
32	101-36230 Misc. Income (Copies, Donations, Refunds, Etc.)	7,069	25	8	0	0	#DIV/0!		
33	101-39201 Interfund Operating Transfer: From Marina Fund	15,000	15,000	0	15,000	12,000	-20.00%		
34	101-3920??? Administration Expense Reimbursement: 10% of Marina Revenue	0	0	0	0	2,790	#DIV/0!		
35	101-39202 Administrative Expense Reimbursement: 10% of Sewer Revenue	0	0	0	10,650	10,866	2.03%		
36	101-39203 Administrative Expense Reimbursement: 10% of Stormwater Revenue	0	0	0	1,650	1,625	-1.52%		
37		<b>27,576</b>	<b>20,025</b>	<b>2,941</b>	<b>32,300</b>	<b>33,281</b>	<b>3.04%</b>		<b>4.59%</b>
38									
<b>Total Revenue</b>		<b>762,073</b>	<b>736,817</b>	<b>351,385</b>	<b>724,786</b>	<b>725,194</b>	<b>0.06%</b>		

# 2012 Greenwood PRELIMINARY Budget

		2010 Actual	2010 Budget	2011 YTD (June)	2011 Budget	2012 Budget	% Change	% Op. Budget	% Total Budget
<b>GENERAL FUND EXPENSES</b>									
41	<b>COUNCIL</b>								
42	101-41100-103 Council Salaries (Gross)	13,200	13,200	6,600	13,200	13,200	0.00%		
43	101-41100-122 FICA Contributions (6.2%)	831	818	409	818	818	0.00%		
44	101-41100-123 Medicare Contributions (1.45%)	194	191	96	191	191	0.00%		
45	101-41100-371 Training / Conference Registration (League of Minnesota Cities Training)	135	600	0	600	600	0.00%		
46	101-41100-372 Meals / Lodging	0	50	0	100	100	0.00%		
47	101-41100-433 Misc. (Dues, Subscriptions, Supplies, Etc.)	65	150	38	150	150	0.00%		
48		<b>14,425</b>	<b>15,010</b>	<b>7,143</b>	<b>15,060</b>	<b>15,060</b>	<b>0.00%</b>	<b>2.21%</b>	
49	<b>ELECTIONS</b>								
50	101-41200-103 Election Salaries (Part-Time Election Judge Salaries)	1,795	1,500	0	0	1,800	#DIV/0!		
51	101-41200-214 Operational Support - Forms (Ballots, Voter Reg. Rosters)	0	300	0	0	300	#DIV/0!		
52	101-41200-219 Election Operations / Support (Deephaven)	74	350	0	0	0	#DIV/0!		
53	101-41200-319 Equipment Maintenance (ES&S Maintenance Agreement / Programming)	629	400	0	200	650	225.00%		
54	101-41200-372 Meals / Lodging (Election Judge Snacks)	149	75	0	0	150	#DIV/0!		
55	101-41200-439 Misc. (Supplies, Postage, Etc.)	235	325	0	50	250	400.00%		
56		<b>2,883</b>	<b>2,950</b>	<b>0</b>	<b>250</b>	<b>3,150</b>	<b>1160.00%</b>	<b>0.46%</b>	
57	<b>ADMINISTRATION</b>								
58	101-41400-101 City Administrator Salary	27,078	57,681	0	0	0	#DIV/0!		
59	101-41400-121 PERA Contributions (7%)	1,718	4,038	63	0	0	#DIV/0!		
60	101-41400-122 FICA Contributions (6.2%)	1,679	3,576	0	0	0	#DIV/0!		
61	101-41400-123 Medicare Contributions (1.45%)	393	836	0	0	0	#DIV/0!		
62	101-41400-139 City Administrator Insurance (Unemployment Insurance Reimbursement in 2011)	579	1,423	2,884	0	0	#DIV/0!		
63	101-41400-201 Office Supplies	699	600	0	600	0	-100.00%		
64	101-41400-202 Duplicating	229	400	487	200	500	150.00%		
65	101-41400-204 Stationary, Forms, Printing	614	525	136	525	500	-4.76%		
66	101-41400-309 Professional Services - Other (ISP, Website, Email)	4,192	3,500	65	1,000	500	-50.00%		
67	101-41400-310 Clerk's Contractural (\$2,400 Minutes, \$32,867 Deephaven Admin Services)	14,647	3,250	12,818	34,141	35,267	3.30%		
68	101-41400-311 Office (Rent and Equipment)	10,352	11,580	2,777	6,800	6,600	-2.94%		
69	101-41400-313 Professional Services (Civic Accounting)	2,877	4,100	1,940	1,920	1,940	1.04%		
70	101-41400-321 Communications - Telephone	1,348	1,500	199	700	400	-42.86%		
71	101-41400-322 Postage	2,144	1,400	503	1,400	1,100	-21.43%		
72	101-41400-351 Newspaper Legal Notices	1,738	2,500	350	2,000	1,000	-50.00%		
73	101-41400-372 Meals / Lodging	0	50	0	0	0	#DIV/0!		
74	101-41400-411 Rentals / Office Equipment (Copier Lease Through May 2013)	2,626	2,280	1,023	2,335	2,100	-10.06%		
75	101-41400-439 Misc. (Equipment, Dog Tags, Etc.)	289	1,300	136	400	300	-25.00%		
76		<b>73,199</b>	<b>100,539</b>	<b>23,380</b>	<b>52,021</b>	<b>50,207</b>	<b>-3.49%</b>	<b>7.37%</b>	

# 2012 Greenwood PRELIMINARY Budget

		2010 Actual	2010 Budget	2011 YTD (June)	2011 Budget	2012 Budget	% Change	% Op. Budget	% Total Budget
77	<b>ASSESSOR</b>								
78	101-41500-309 Assessor - Contract (Hennepin Co.)	13,861	14,000	0	14,000	14,000	0.00%		
79	101-41500-439 Assessor - Other (Hennepin Co. Notices, Processing, Tax Rolls)	3	125	57	100	120	20.00%		
80		<b>13,864</b>	<b>14,125</b>	<b>57</b>	<b>14,100</b>	<b>14,120</b>	<b>0.14%</b>	<b>2.07%</b>	
81	<b>LEGAL SERVICES</b>								
82	101-41600-304 Legal Services - General	11,672	20,000	5,112	15,000	12,000	-20.00%		
83	101-41600-308 Legal Services - Prosecution	3,232	6,000	2,415	4,000	4,000	0.00%		
84		<b>14,904</b>	<b>26,000</b>	<b>7,526</b>	<b>19,000</b>	<b>16,000</b>	<b>-15.79%</b>	<b>2.35%</b>	
85	<b>AUDITING</b>								
86	101-41700-301 Auditing (\$9100 in 2011, \$9300 in 2012)	8,900	8,900	9,100	9,100	9,300	2.20%		
87		<b>8,900</b>	<b>8,900</b>	<b>9,100</b>	<b>9,100</b>	<b>9,300</b>	<b>2.20%</b>	<b>1.36%</b>	
88	<b>GENERAL GOVERNMENT TOTAL</b>	<b>128,173</b>	<b>167,524</b>	<b>47,206</b>	<b>109,531</b>	<b>107,837</b>	<b>-1.55%</b>	<b>15.83%</b>	<b>14.87%</b>
90	<b>LAW ENFORCEMENT</b>								
91	101-42100-310 Law Enforcement - Contract (Monthly)	151,356	151,352	79,338	158,672	172,519	8.73%		
92	101-42100-311 Police Side Lease - Facilities (Quarterly)	47,900	47,901	23,632	47,263	47,263	0.00%		
93	101-42100-439 Police Safety - Other (Jail, Etc.)	675	1,000	437	1,000	900	-10.00%		
94		<b>199,931</b>	<b>200,253</b>	<b>103,407</b>	<b>206,935</b>	<b>220,682</b>	<b>6.64%</b>	<b>32.39%</b>	
95	<b>FIRE</b>								
96	101-42200-309 Fire Protection - Operations (Quarterly)	63,990	63,990	34,246	68,492	66,439	-3.00%		
97	101-42200-311 Fire Side Lease - Facilities (Quarterly)	58,520	58,520	29,647	59,239	60,005	1.29%		
98		<b>122,510</b>	<b>122,510</b>	<b>63,892</b>	<b>127,731</b>	<b>126,444</b>	<b>-1.01%</b>	<b>18.56%</b>	
99	<b>PUBLIC SAFETY TOTAL</b>	<b>322,441</b>	<b>322,763</b>	<b>167,300</b>	<b>334,666</b>	<b>347,126</b>	<b>3.72%</b>	<b>50.95%</b>	<b>47.87%</b>
100	<b>ZONING</b>								
101	101-42400-308 Zoning Administration	1,637	4,000	1,549	4,000	3,000	-25.00%		
102	101-42400-309 Public Notices	86	0	257	1,500	700	-53.33%		
103	101-42400-310 Building Inspections	8,383	6,500	3,340	6,500	7,000	7.69%		
104	101-42400-438 Misc. (Duplicating, Etc.)	0	200	171	0	200	#DIV/0!		
105	<b>ZONING TOTAL</b>	<b>10,105</b>	<b>10,700</b>	<b>5,317</b>	<b>12,000</b>	<b>10,900</b>	<b>-9.17%</b>	<b>1.60%</b>	<b>1.50%</b>
106	<b>ENGINEERING</b>								
107	101-42600-303 Engineering Fees - Misc.	2,323	5,000	570	3,500	1,000	-71.43%		
108		<b>2,323</b>	<b>5,000</b>	<b>570</b>	<b>3,500</b>	<b>1,000</b>	<b>-71.43%</b>	<b>0.15%</b>	
109	<b>UTILITIES &amp; ROADS</b>								
110	101-43100-381 S&R - Utility Services - Elec (Includes Siren Electric)	4,218	3,600	2,098	4,000	4,300	7.50%		
111	101-43100-409 Other - Road Repair & Maintenance 2010 Road Imp, 2011 Public Works Repairs)	4,995	0	1,977	5,000	4,000	-20.00%		
112		<b>9,214</b>	<b>3,600</b>	<b>4,075</b>	<b>9,000</b>	<b>8,300</b>	<b>-7.78%</b>	<b>1.22%</b>	

# 2012 Greenwood PRELIMINARY Budget

		2010 Actual	2010 Budget	2011 YTD (June)	2011 Budget	2012 Budget	% Change	% Op. Budget	% Total Budget
	<b>MAJOR ROAD IMPROVEMENTS</b>								
113	101-43200-229 Major Road Improvements - Construction	121,943	100,500	0	115,000	115,000	0.00%		
114	101-43200-303 Major Road Improvements - Engineering	14,713	0	6,320	15,000	15,000	0.00%		
115		<b>136,656</b>	<b>100,500</b>	<b>6,320</b>	<b>130,000</b>	<b>130,000</b>	<b>0.00%</b>	<b>#DIV/0!</b>	
116	<b>PUBLIC WORKS</b>								
117	101-43900-226 Signs (2012-2018: Retroreflectivity Project, \$165 per installed sign x 400 / 6 years = \$11,000)	3,631	2,000	366	5,000	11,000	120.00%		
118	101-43900-310 Streets - Sweeping (Stormwater Fund in 2012)	5,472	5,000	0	4,000	0	-100.00%		
119	101-43900-312 Snow Plowing	16,307	13,000	12,470	15,000	16,000	6.67%		
120	101-43900-313 Trees, Weeds, Mowing	12,001	13,000	7,806	13,000	13,000	0.00%		
121	101-43900-314 Park & Tennis Court Maintenance	0	200	947	200	500	150.00%		
122	101-43900-315 LRT Trail and Mtka. Blvd. Path Snow Plowing	625	1,000	1,846	800	1,000	25.00%		
123	101-43900-439 Misc.	3,481	2,000	0	0	0	#DIV/0!		
124		<b>41,517</b>	<b>36,200</b>	<b>23,436</b>	<b>38,000</b>	<b>41,500</b>	<b>9.21%</b>	<b>6.09%</b>	
125	<b>ROADS &amp; PUBLIC WORKS TOTAL</b>	<b>189,710</b>	<b>145,300</b>	<b>34,401</b>	<b>180,500</b>	<b>180,800</b>	<b>0.17%</b>	<b>26.54%</b>	<b>24.93%</b>
126	<b>MISC. EXPENSES</b>								
127	101-49000-310 Recycling Contract	20,389	18,819	9,410	18,819	18,820	0.01%		
128	101-49000-311 Spring Clean-Up Day	2,108	4,000	2,860	2,500	2,900	16.00%		
129	101-49000-369 League of Minnesota Cities Insurance Trust / Liability (2010 Includes Work Comp)	1,755	7,500	2,887	7,600	3,000	-60.53%		
130	101-49000-370 League of Minnesota Cities Insurance Trust / Workers Comp	0	0	95	110	100	-9.09%		
131	101-49000-433 Misc.	0	100	0	0	0	#DIV/0!		
132	101-49000-434 Southshore Center	1,200	0	0	1,200	1,200	0.00%		
133	101-49000-435 League of Minnesota Cities	826	0	0	997	1,000	0.30%		
134	101-49000-436 Lake Minnetonka Conservation District	6,344	6,344	3,254	6,507	6,264	-3.73%		
135	101-49000-437 July 4th Fireworks (2010 Budget Includes Southshore Center and LMC)	1,200	3,180	1,345	1,300	1,400	7.69%		
136	<b>MISC. TOTAL</b>	<b>33,822</b>	<b>39,943</b>	<b>19,851</b>	<b>39,033</b>	<b>34,684</b>	<b>-11.14%</b>	<b>5.09%</b>	<b>4.78%</b>
137	<b>Total Operating Budget</b>	<b>684,252</b>	<b>686,230</b>	<b>274,075</b>	<b>675,730</b>	<b>681,347</b>	<b>0.83%</b>		
138	<b>CONTINGENCY &amp; FUND TRANSFERS</b>								
139	101-49000-439 Contingency (2011: 4.3% of Operating Budget, 2012: 3.5% of Operating Budget)	590	20,587	5,266	29,056	23,847	-17.93%		
140	101-49000-440 Reserve Replenishment	37,231	10,000	0	0	0	#DIV/0!		
141	101-49000-500 Transfer to Bridge Fund	40,000	20,000	0	20,000	20,000	0.00%		
142	<b>CONTINGENCY &amp; FUND TRANSFERS TOTAL</b>	<b>77,821</b>	<b>50,587</b>	<b>5,266</b>	<b>49,056</b>	<b>43,847</b>	<b>-10.62%</b>		<b>6.05%</b>
143	<b>Total Expenses</b>	<b>762,073</b>	<b>736,817</b>	<b>279,341</b>	<b>724,786</b>	<b>725,194</b>	<b>0.06%</b>		
144	<b>GENERAL FUND CASH BALANCE (State Guidelines: 35%-50% of Operating Budget)</b>	<b>298,537</b>	<b>252,058</b>	<b>298,537</b>	<b>252,058</b>	<b>298,537</b>		<b>43.82%</b>	

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		2010 Actual	2010 Budget	2011 YTD (June)	2011 Budget	2012 Budget	% Change	% Op. Budget	% Total Budget
<b>SEWER ENTERPRISE FUND</b> <i>This fund can be used for any city purpose. Goal: \$250,000</i>									
145	602-34401	REVENUE: Sewer Use Charges	114,197	114,000	54,331	106,500	108,660	2.03%	
146	602-34402	REVENUE: Late Charges & Penalties	3,004		348	2,000	0	-100.00%	
147	602-34403	REVENUE: Delinquent Sewer Payments Received	577		0	0	0	#DIV/0!	
148	602-34404	REVENUE: Delinquent Sewer Late Fees Received	40		0	0	0	#DIV/0!	
149	602-34408	REVENUE: Permit Fees	50		100	0	0	#DIV/0!	
150	602-36100	REVENUE: Special Assessments	2,278		1,904	0	0	#DIV/0!	
151	602-43200-303	EXPENSE: Engineering Sewer	2,449		3,437	2,700	4,000	48.15%	
152	602-43200-309	EXPENSE: Met Council and Excelsior	49,511		14,000	52,000	52,000	0.00%	
153	602-43200-310	EXPENSE: Public Works Sewer	8,066		1,137	5,000	1,500	-70.00%	
154	602-43200-319	EXPENSE: Equipment Maintenance (2011 these items go to 602-43200-404)	299		0	0	0	#DIV/0!	
155	602-43200-381	EXPENSE: Utility Services - Electric	2,477		973	1,700	2,500	47.06%	
156	602-43200-404	EXPENSE: Repair & Maintenance - Machinery & Equipment	14,553		3,442	7,000	7,000	0.00%	
157	602-43200-439	EXPENSE: Misc. (Gopher State One Call, Insurance, Forms, Printing, Etc.)	6,649		1,024	500	2,000	300.00%	
158	602-43200-530	EXPENSE: Capital Outlay (2011 I/I Project)	0		0	50,000	28,000	-44.00%	
159	602-43200-720	ADMINISTRATIVE EXPENSE: To General Fund (10% of Sewer Revenue to Offset Adm. Costs)	0		0	10,650	10,866	2.03%	
160		<b>Net Total</b>	<b>36,141</b>		<b>32,670</b>	<b>-21,050</b>	<b>794</b>	<b>-103.77%</b>	
161		<b>SEWER ENTERPRISE FUND CASH BALANCE</b>	<b>392,038</b>		<b>424,708</b>	<b>401,273</b>	<b>402,067</b>		
<b>STORMWATER SPECIAL REVENUE FUND</b> <i>This fund can be used for any city purpose.</i>									
162	502-34401	REVENUE: Stormwater Use Charges	16,407		8,117	16,500	16,250	-1.52%	
163	502-34403	REVENUE: Delinquent Stormwater Payments Received	0		0	0	0	#DIV/0!	
164	502-34404	REVENUE: Delinquent Stormwater Late Fees Received	0		0	0	0	#DIV/0!	
165	502-43200-303	EXPENSE: Engineering Stormwater	3,886		3,275	4,000	4,000	0.00%	
166	502-43200-310	EXPENSE: Public Works Stormwater	630		470	500	500	0.00%	
167	502-43200-319	EXPENSE: Equipment and Maintenance	1,060		0	1,500	500	-66.67%	
168	502-43200-409	EXPENSE: Street Sweeping	0		2,350	4,000	3,000	-25.00%	
169	502-43200-439	EXPENSE: Misc. (EPA Fee, Etc.)	557		37	2,000	600	-70.00%	
170	502-43200-720	ADMINISTRATIVE EXPENSE: To General Fund (10% of Stormwater Rev. to Offset Adm. Costs)	0		0	1,650	1,625	-1.52%	
171		<b>Net Total</b>	<b>10,274</b>		<b>1,985</b>	<b>2,850</b>	<b>6,025</b>	<b>111.40%</b>	
172		<b>STORMWATER SPECIAL REVENUE FUND CASH BALANCE</b>	<b>9,272</b>		<b>11,257</b>	<b>17,907</b>	<b>23,932</b>		
<b>PARK SPECIAL REVENUE FUND</b> <i>This is a dedicated fund for park "improvements" only. Cannot be used for maintenance.</i>									
173	401-36230	REVENUE: Park Dedication Fees			0	0	0	#DIV/0!	
174	401-45000-000	EXPENSE: Park Improvements			0	5,000	5,000	0.00%	
175		<b>Net Total</b>			<b>0</b>	<b>-5,000</b>	<b>-5,000</b>	<b>0.00%</b>	
176		<b>PARK FUND CASH BALANCE</b>	<b>27,055</b>		<b>27,055</b>	<b>22,055</b>	<b>22,055</b>		

# 2012 Greenwood PRELIMINARY Budget

		2010 Actual	2010 Budget	2011 YTD (June)	2011 Budget	2012 Budget	% Change	% Op. Budget	% Total Budget
<b>MARINA ENTERPRISE FUND</b> <i>This fund can be used for any city purpose. Dock anticipated replacement year: 2015+ (minimum \$50,000 for replacement)</i>									
175	605-36201	REVENUE: Boat User Fees	227,000	22,700	25,300	25,300	27,900	10.28%	
176	605-45100-309	EXPENSE: Professional Services (Dock In and Out)	3,809		1,500	4,600	4,000	-13.04%	
177	605-45100-310	EXPENSE: Public Works	527		157	300	300	0.00%	
178	605-45100-439	EXPENSE: Misc. (LMCD Multi-Dock License \$350, Milfoil Contribution \$5000)	865		343	350	5,350	1428.57%	
179	605-45100-590	EXPENSE: Capital Outlay	0		0	0	0	#DIV/0!	
180	605-49300-721	ADMINISTRATIVE EXPENSE: To General Fund (10% of Marina Fund to Offset Adm. Costs)	0		0	0	2,790	#DIV/0!	
181	605-49300-720	OPERATING TRANSFER: To General Fund	0	15,000	0	15,000	12,000	-20.00%	
182		<b>Net Total</b>	<b>223,191</b>		<b>23,300</b>	<b>5,050</b>	<b>6,250</b>	<b>23.76%</b>	
183		<b>MARINA ENTERPRISE FUND CASH BALANCE</b>	<b>16,703</b>		<b>40,003</b>	<b>21,753</b>	<b>28,003</b>		
<b>BRIDGE CAPITAL PROJECT FUND</b> <i>This fund was created in 2010. The funds can be used for any city purpose. Goal: \$200,000</i>									
184	403-39200	REVENUE: Transfer from General Fund	40,000	20,000	0	20,000	20,000	0.00%	
185	403-45100-303	EXPENSE: Engineering	0	0	30	0	0	#DIV/0!	
186	403-45100-530	EXPENSE: Capital Outlay	0	0	0	0	0	#DIV/0!	
187		<b>Net Total</b>	<b>40,000</b>	<b>20,000</b>	<b>-30</b>	<b>20,000</b>	<b>20,000</b>	<b>0.00%</b>	
188		<b>BRIDGE CAPITAL PROJECT FUND CASH BALANCE</b>	<b>40,000</b>		<b>39,970</b>	<b>40,000</b>	<b>79,970</b>		
189		<b>Total Fund Cash Balances</b>	<b>783,605</b>		<b>775,765</b>	<b>854,564</b>	<b>10.16%</b>		



<b>Agenda Number</b>	<b>2</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Consent Agenda
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>The consent agenda includes the most recent council minutes, cash summary report, verified report, electronic fund transfers, and check registers. Council members may remove consent agenda items for further discussion. Removed items will be placed under Other Business on the agenda.</p>
<b>Council Action</b>	<p>Recommended Motion:</p> <p>I move the council approves the consent agenda items as presented.</p>

**GREENWOOD CITY COUNCIL MEETING**  
**Tuesday, July 5, 2011, 7:00 P.M.**  
**Council Chambers, 20225 Cottagewood Road, Deephaven, MN 55331**

**1. CALL TO ORDER – ROLL CALL – APPROVAL OF AGENDA**

Mayor Kind called the meeting to order at 7:00 P.M.

Members Present: Mayor Kind; Councilmembers Page, Quam and Rose

Others Present: City Attorney Kelly, Acting City Clerk Young, and City Engineer Martini (departed the meeting at 7:17 P.M.)

Members Absent: Councilmember Fletcher

**Quam moved, Page seconded, approving the agenda as presented. Motion passed 4/0.**

**2. CONSENT AGENDA**

**Page moved, Rose seconded, approving the items contained on the Consent Agenda.**

- A. June 7, 2011, City Council Meeting Minutes**
- B. May 2011 Cash Summary Report**
- C. June 2011 Verifieds, Check Register and Electronic Fund Transfer**
- D. July 2011 Payroll Register**

**Motion passed 4/0.**

**3. MATTERS FROM THE FLOOR**

There were no matters from the floor presented this evening.

**4. ANNOUNCEMENTS, PRESENTATIONS & REPORTS**

**A. City Engineer Dave Martini**

**1. 2011 Sewer Project Bids**

Engineer Martini explained during its June 7, 2011 meeting, Council discussed the two bids the City had received for making repairs to City's sanitary sewer system in 2011. The bids were substantially higher than the engineer's estimate of approximately \$97,000. The significant cost difference between the bids and the estimate was for point repairs included in the bids, noting repair requires excavation. The bids for the trenchless repairs were in line with the engineer's estimate. During that meeting Council directed him to re-bid the project after removing the excavation, point repairs and site restoration for the point repair areas. The City received two bids for the downsized project; one from Infratech and one from Visu Sewer. The low bidder is Infratech for an amount of \$96,242.76. Visu Sewer's bid is \$105,273.00.

Infratech's mobilization cost in its bid for the larger project was \$25,000; the mobilization cost in its bid for the downsized project is \$3,000.

Martini stated Staff recommends accepting the bid from Infratech for the 2011 repairs of the City's sanitary sewer system.

In response to a comment from Councilmember Quam, Engineer Martini explained this project will complete all of the repairs to the sanitary sewer system with the exception of the point repairs. Martini noted that during Council's June 7<sup>th</sup> meeting it decided to hold off on making the point repairs with the hope that there could be grant monies available from Metropolitan Council Environment Services (MCES) through its Municipal Infiltration/Inflow (I/I) Grant Program to help fund those repairs in 2012. Martini stated after this year the City should make repairs to the system on a regular basis.

**Quam moved, Rose seconded, accepting bid and awarding contract for the 2011 Sanitary Sewer Rehabilitation Project to Infratech for an amount not to exceed \$96,242.76 and directing that the costs be paid out of the Sewer Fund.**

Councilmember Quam asked who is responsible for keeping the public informed about the project. Engineer Martini stated Bolton & Menk will keep people informed of planned disruptions.

**Motion passed 4/0.**

## **2. 2011 Road Project Bids**

Engineer Martini stated during its May 3, 2011, meeting Council directed the City Engineer to secure bids for roadway improvements to Crestside Avenue, West Street, the entire west leg of Greenwood Circle and the middle portion of Meadville Street and some bituminous curbing on Fairview Street. Alternate bids were secured for the fire access lane on Greenwood Circle. The City received bids from seven firms.

Martini explained GMH Asphalt submitted the low base bid for an amount of \$112,944.70. Its alternate bid is \$14,164.20. The total bid amount from GMH Asphalt is \$127,108.90. He stated he thought the bids were competitive. He asked Council if it wants to include the fire access lane on Greenwood Circle in the 2011 roadway improvements projects.

Mayor Kind explained the City's 2011 budget programmed \$130,000 for these improvements with \$115,000 of that being for the construction work and \$15,000 being for the associated engineering work. She noted the bids do not include the costs for engineering work. Engineer Martini explained that to date the cost for engineering work is slightly less than \$9,000 and he thought the budget of \$15,000 for the engineering work should be sufficient.

Kind asked Council if it would like find an additional approximate \$12,000 (\$127,108.90 – \$115,000) in funding from some other source. She stated she thought the City may be eligible to receive about \$3,000 in County Aid to Municipalities (CAM) that could be used for the improvements. She asked if Council wants to take the remaining \$9,000 from the City's contingency fund so that improvements could be made to all of Greenwood Circle. She noted she is inclined to do that.

In response to a comment from Councilmember Page, Engineer Martini explained the fire access lane goes down to the City's docks, near an apartment building and garages. Page stated the roofing on the garages is being replaced this summer and there are large dumpsters and equipment near the access lane. Page suggested waiting to make the repairs to the access lane until 2012.

There was Council consensus to delay making improvements to the fire access lane on Greenwood Circle until 2012.

**Page moved, Rose seconded, accepting bid and awarding contract for the 2011 Street Improvements Project to GMH Asphalt for an amount not to exceed \$112,944.70 and directing that the costs be paid out of the General Fund. Motion passed 4/0.**

In response to a question from Councilmember Quam, Engineer Martini stated the contract completion date for the street improvements is the end of August 2011 and the contract completion date for the sanitary sewer repairs is the end of September 2011. Martini noted that Bolton & Menk will keep the public informed about the project.

### **3. County Aid to Municipalities (CAM) for 2011 Road Projects**

Mayor Kind stated the City's County Aid to Municipalities (CAM) account has a balance of approximately \$3,000. She asked Engineer Martini if he recommends submitting a project approval form to get the balance now to help fund the 2011 roadway improvements. Engineer Martini stated he recommends doing that.

Kind then stated in order to receive Minnesota State aid for roadway improvements the roadways must be built to conform to State standards. She asked if Hennepin County had any similar special requirements. Engineer Martini stated the County doesn't have any special requirements, but in order to use the funds on a roadway the roadway must be classified a certain way by the County.

City Clerk Young explained the money in the CAM account can be carried forward for up to three years and an extension must be asked for to carry it forward longer. He then explained that a request for taking funds out of the account for roadway improvements must be submitted before the roadway improvement project is initiated.

**Page moved, Quam seconded, directing the City Clerk to work with the City Engineer to complete the project approval to receive Count Aid to Municipalities funds for the 2011 Street Improvements Project. Motion passed 5/0.**

### **B. Night to Unite, Tuesday, August 2, 2011**

Mayor Kind stated the 2011 Night to Unite event is scheduled for August 2<sup>nd</sup>. She noted that people in the community should contact South Lake Minnetonka Police Department (SLMPD) Community Service Supervisor Dave Hohertz at (952) 960-1619 if they would like SLMPD personnel to come to their neighborhood Night to Unite events. Kind noted that August Council meeting will be held on Thursday, August 4<sup>th</sup> so it does not conflict with Night to Unite.

## **5. PUBLIC HEARING**

None.

## **6. UNFINISHED BUSINESS**

### **A. Ordinance 195 Regarding Criminal History Background Checks for city Employment and City License Applications**

Mayor Kind stated this is the second reading of Ordinance 195 amending the Ordinance Code Chapter 12 to add a section regarding criminal history background checks for applicants for City employment and applicants for City licenses. Council adopted the first reading of the Ordinance during its June 7, 2011, meeting subject to a few amendments. A copy of the revised Ordinance is included in the meeting packet.

**Quam moved, Rose seconded, Approving Ordinance 195, “An Ordinance Amending the Greenwood Ordinance Code to Add Sections 130 and 470 Regarding Criminal History Background Investigations for Applicants for City Employment and City Licenses.” Motion passed 4/0.**

**7. NEW BUSINESS**

**A. Resolution 15-11 Summary of Ordinance 195 for Publication**

**Page moved, Quam seconded, Adopting RESOLUTION 15-11, “A Resolution Approving Publication of Ordinance Number 195 by Title and Summary.” Motion passed 4/0.**

**B. Yard Definitions**

Mayor Kind explained the City has recently received a couple of complaints regarding storage of vehicles in “front yards.” City Code Section 900.65 (3)(b) under Unlawful Parking and Storage states “*Vehicles that are parked or stored outside in the front yard areas must be on a paved parking surface or driveway area.*” The enforcement of that section of the Code has highlighted the need for Council to review the definition of “front yards” and “yards” in general. The meeting packet contains an illustration depicting the interpretation of the current yard definitions and another that depicts the proposed yard definitions. The current definitions are located in Chapter 11 of the City Code. She asked Council if the definitions should also be located in Chapter 12 General, Definitions and Penalties in addition to Chapter 11. She also asked Council to comment on the proposed changes to the definitions of yards.

Councilmember Quam stated there are quite a few properties in the City that have yards which are hard to define.

Councilmember Page stated he thought the proposed definition for a front yard is an expansion of a restricted area. Mayor Kind and Councilmember Quam agreed with that.

Mayor Kind asked Councilmember Page if he would like a boat parked in front of a principal structure. Councilman Page stated that he does not object to boats in front yards.

Attorney Kelly stated the way he interprets the current Code is illustrated by the drawing for the proposed Code (the one where the front yard goes the full width from one side property line to the other).

Mayor Kind stated the proposed definition of front yard states “... *the front of the lot between the side yard lines...*” Attorney Kelly explained side yard line is different than side yard and the definition of building in the Zoning Code is referring to the principal structure and not an accessory or subordinate structure. Kelly then explained the zoning code serves one purpose and the penal code serves another. Kelly recommended putting the illustration for the proposed definitions in the definitions section as an illustration of what the yard definitions mean and the penal code could reference the definition. Kind asked if it would apply because it would be in the Zoning Code Chapter of the City Code. Kelly explained the zoning code needs its own set of defined ordinances in order to avoid this exact debate. If Council wants the City to make use of those definitions going forward on the penal code, the penal code can

specifically reference the definitions in the zoning code. Kind asked if the definitions should be repeated in Chapter 12 General, Definitions and Penalties to which Kelly responded it could be done either way. Kelly cautioned against creating a situation where a nonconforming accessory structure defines where the front yard begins and ends.

Councilmember Quam asked if the definition of principal structure needs to be clarified in the yard definitions.

Attorney Kelly stated the simple question Council needs to answer this evening is if it wants to adopt one of the two illustrations and then come back with any tweaking it wants to make to the current definitions. He stated he didn't think the current definitions impair the City from moving forward if there is an enforcement issue.

Mayor Kind noted the Planning Commission needs to review changes to the Zoning Code Chapter of the City Code. She asked Council if it wants to send this to the Commission for discussion and recommendation on how to amend the current definitions so they are in sync with the illustration for the proposed definitions.

Councilmember Quam stated he supports have the Planning Commission discuss this and make a recommendation on it.

Councilmember Rose stated he wants to leave the definitions as they are because, from his perspective, property owners use their yards the way yards are illustrated for the current code (where the front yard goes from inside edge of one side yard to the inside edge of the other).

Mayor Kind stated she likes Attorney Kelly's idea to include the illustration in the Code. She also stated she shares Kelly's concern about having a nonconforming accessory structure being the definer for what a front yard is.

Councilmember Page stated he prefers to leave the definitions as they are. He then stated he doesn't care if someone parks their boat close to the side lot line even if it's close to the street side of their property. Mayor Kind noted it would be any vehicle, not just boats.

Councilmember Quam stated it's the neighbors that also have to look at the vehicles. He asked what harm there is in having the Planning Commission make a recommendation on this.

Councilmember Rose asked if part of the complaint was about vehicles being parked in the public right-of-way. Mayor Kind clarified it was about the unpaved part of the right-of-way and that area is still part of someone's front yard. Councilmember Quam stated people can't park on a public right-of-way to which Kind responded they can provided it's not posted "no parking" and the vehicle would have to be moved after three days. Kind stated there are rules in the code about how the unpaved part of a public right-of-way can be used.

Councilmember Page stated if the recommended illustration is adopted (where the front yard goes between the side lot lines) no one can store their boat in their yard. Mayor Kind stated they could still park it in the back or side yard or on a paved surface. Page stated people currently park their boats on an unpaved surface next to their driveways during the winter months.

Councilmembers Page and Rose stated they did not want to change the Code. Mayor Kind and Councilmember Quam stated they wanted the Planning Commission to consider the proposed changes to

the Code. Councilman Page suggested continuing the discussion to the August meeting so Councilman Fletcher can weigh in.

**Quam moved, Rose seconded, continuing this item to the August 4, 2011, City Council meeting. Motion passed 3/1 with Rose dissenting.**

Councilmember Page stated there is no problem enforcing the Code as is. Mayor Kind stated the complaint issue has been resolved.

**8. OTHER BUSINESS**

**A. None**

**9. COUNCIL REPORTS**

**A. Kind: Police, Administration**

Mayor Kind explained the 2006 Supplemental Binding Arbitration Order stipulates that the funding formula for South Lake Minnetonka Police Department (SLMPD) Operating Fund be adjusted every five years based on a number of factors. The SLMPD member cities' City Administrators/Manager had been assigned the task of revising the formula for 2012-2016 in accordance with the Order. A copy of the reallocation formula, the arbitration allocation and other pertinent data is included in the meeting packet.

Kind then explained 2004 population, 2005 tax capacity, and 2005 initial complaint reports (ICRs) for each member city are compared to the subsequent 5-year averages for each of the categories. The difference between the two are added to the arbitration order formula to determine the new formula for 2012-2016. The difference results are: Excelsior 1.05%; Greenwood 0.47%; Shorewood -1.51%; and, Tonka Bay -0.02%. The differences were added to the arbitration order amounts for each city: 27% for Excelsior, 8% for Greenwood, 50% for Shorewood, and, 15% for Tonka Bay. Thus the 2012-2016 allocation amounts for each city are 28.05% for Excelsior, 8.47% for Greenwood, 48.49% for Shorewood, and 13.94% for Tonka Bay.

Kind stated that Excelsior Mayor Ruehl expressed concern about the increased percent for Excelsior.

Councilmember Rose asked when the actual funding formula will be changed again. Mayor Kind explained that all four member cities would have to agree to a change in the formula and if an agreement can't be reached the cities would have to go arbitration. Kind stated all four cities could agree to keep the formula set by the original arbitration order. She then stated if Excelsior does not want to move forward with the new formula she could suggest freezing the percentages at the 2006 arbitration amount.

Mayor Kind explained if the new allocation amounts are used it would mean an increase of approximately \$10,000 for Greenwood if the 2012 SLMPD Operating Budget stays flat. She noted that she attended a SLMPD budget work session on June 20 and that the first draft of the 2012 budget reflects an increase of 2.8% and that increase combined with the formula change would mean an approximate \$15,000 increase for Greenwood.

Kind also reported on a Minnetonka Blvd. accident. She stated that a car ran into the short telephone-like poles along side of Minnetonka Boulevard, noting the poles did not serve as a barrier because the car went through the poles and flipped over onto the other side of the path. The cost to repair the poles was

\$284.41. She asked if the poles were providing a false sense of safety for people using the path. Councilmember Quam stated the poles serve as protection for walkers and bikers. He noted when the car hit the poles it flipped over onto the street and did not cross through the barrier, so the barrier worked. Councilmember Page stated he wants to keep the barrier. Kind stated that based on Quam's information, she was okay with keeping the barrier poles.

Mayor Kind then gave a report regarding the previous City Clerk's unemployment claim. Kind stated that the former clerk got a job after she resigned from her position with the City but was laid off from that job and applied for unemployment benefits. Kind explained the Minnesota Unemployment Insurance Office policy is that the City is responsible for approximately 75% of the benefits (around \$10,500) and that her most recent employer is responsible for approximately 25% of the benefits. Councilmember Page asked why the City has to pay for the benefits when the previous clerk resigned from the City. Council asked Attorney Kelly to research if the City has any way around paying the unemployment benefits.

**B. Page: Lake Minnetonka Conservation District**

Councilmember Page reported on Lake Minnetonka Conservation District (LMCD) activities. The Minnesota Department of Natural Resources (MnDNR) has suspended conducting inspections at the Gray's Bay and Spring Park Bay boat launches due to the State Government shutdown. The LMCD has hired supplemental inspections to conduct inspections at other public launches on Lake Minnetonka. The LMCD is discussing whether it should allocate some inspectors to those two launches. The DNR had not approved the LMCD permit for milfoil harvesting before it shut down. The LMCD did apply for a grant from the DNR at the last minute to help fund the inspections it conducts. Zebra mussels have spread to other areas in Lake Minnetonka. They are multiplying at a much faster rate than anticipated. The LMCD Ordinance Committee has recommended changes to the multiple dock license amenity criteria, noting he does not support the changes.

**C. Quam: Roads & Sewer, Minnetonka Community Education**

Councilmember Quam stated Council has already discussed repairs to the sewer system and road improvements.

Quam then stated the Minnetonka Community Education (MCE) Tour de Tonka race is scheduled for August 6<sup>th</sup> and the MCE is looking for volunteers to help with that event. Volunteers can get more information from the Tour de Tonka website.

**D. Rose: Excelsior Fire District**

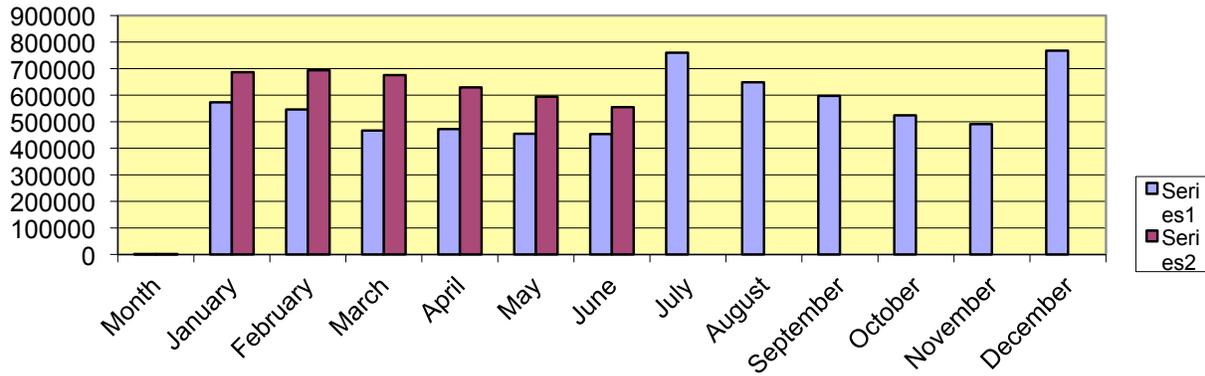
Councilmember Rose stated there had not been an Excelsior Fire District (EFD) Board meeting since the last Council meeting. The next EFD Board meeting is scheduled for July 27, 2011.

**10. ADJOURNMENT**

**Quam moved, Page seconded, Adjourning the City Council Regular Meeting of July 5, 2011, at 7:57 P.M. Motion passed 4/0.**

**RESPECTFULLY SUBMITTED,**  
**Christine Freeman, Recorder**

## City of Greenwood Monthly Cash Summary



Month	2010	2011	Variance with Prior Month	Variance with Prior Year
January	\$573,056	\$686,781	-\$80,855	\$113,725
February	\$545,897	\$693,859	\$7,078	\$147,962
March	\$466,631	\$675,719	-\$18,140	\$209,088
April	\$472,069	\$629,569	-\$46,150	\$157,500
May	\$454,955	\$593,928	-\$35,641	\$138,973
June	\$453,487	\$555,064	-\$38,864	\$101,577
July	\$759,701	\$0	-\$555,064	-\$759,701
August	\$648,560	\$0	\$0	-\$648,560
September	\$597,536	\$0	\$0	-\$597,536
October	\$523,980	\$0	\$0	-\$523,980
November	\$491,216	\$0	\$0	-\$491,216
December	\$767,636	\$0	\$0	-\$767,636

Bridgewater Bank Money Market	\$348,118
Bridgewater Bank Checking	\$4,631
Beacon Bank Money Market	\$202,215
Beacon Bank Checking	\$100
<b>Total</b>	<b>\$555,064</b>

### **ALLOCATION BY FUND**

General Fund	\$23,525
General Fund Designated for Parks	\$27,055
Bridge Capital Project Fund	\$39,970
Stormwater Special Revenue Fund	\$7,176
Sewer Enterprise Fund	\$416,991
Marina Enterprise Fund	\$40,346
<b>Total</b>	<b>\$555,064</b>

Check Issue Date(s): 07/01/2011 - 07/31/2011

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
07/11	07/11/2011	10354	762	CATALYST GRAPHICS INC	101-20100	44.41
07/11	07/11/2011	10355		Information Only Check	101-20100	.00 V
07/11	07/11/2011	10356	9	CITY OF DEEPHAVEN	101-20100	21,910.07
07/11	07/11/2011	10357	594	CITY OF EXCELSIOR	602-20100	2,317.56
07/11	07/11/2011	10358	52	EXCELSIOR FIRE DISTRICT	101-20100	31,946.25
07/11	07/11/2011	10359	601	HENNEPIN COUNTY ASSESSORS OFF.	101-20100	6,891.06
07/11	07/11/2011	10360	788	KRISTI CONRAD	101-20100	56.06
07/11	07/11/2011	10361	105	METROPOLITAN COUNCIL ENV SERV	602-20100	2,336.37
07/11	07/11/2011	10362	701	Popp Telecom	101-20100	41.90
07/11	07/11/2011	10363	758	Sign Source, Inc.	101-20100	2,787.00
07/11	07/11/2011	10364	38	VOID - SOUTH LAKE MINNETONKA POLIC	101-20100	.00
07/11	07/11/2011	10365	785	VIKING LAND TREE CARE INC	101-20100	1,609.13
07/11	07/11/2011	10366	145	XCEL	602-20100	247.93
07/11	07/25/2011	10367	51	BOLTON & MENK, INC.	502-20100	6,580.00
07/11	07/25/2011	10368	68	GOPHER STATE ONE CALL	602-20100	136.40
07/11	07/25/2011	10369	789	HENNEPIN COUNTY TREASURER	101-20100	6,891.06
07/11	07/25/2011	10370	784	HERITAGE SHADE TREE CONSULT	101-20100	62.50
07/11	07/25/2011	10371	99	LAKE MTKA CONSERVATION DISTRIC	101-20100	1,626.75
07/11	07/25/2011	10372	769	MN DEPT OF LABOR & INDUSTRY	101-20100	408.58
07/11	07/25/2011	10373	136	Sun Newspapers	101-20100	85.80
07/11	07/25/2011	10374	145	XCEL	101-20100	387.68
Totals:						<u>86,366.51</u>

Dated: \_\_\_\_\_

Mayor: \_\_\_\_\_

City Council: \_\_\_\_\_

\_\_\_\_\_

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City Recorder: \_\_\_\_\_

Vendor Name	Vendor No	Seq	Type	Description	Inv Date	Due Date	Total Cost	9	Per	GL Acct
<b>7/7/2011</b>										
<b>CATALYST GRAPHICS INC</b>										
CATALYST GRAPHICS INC	762									
74908	1	Inv		CITY NEWSLETTER	06/27/2011	07/07/2011	44.41	No	7/11	101-41400-204
Total CATALYST GRAPHICS INC							44.41			
<b>CITY OF DEEPHAVEN</b>										
CITY OF DEEPHAVEN	9									
070111	1	Inv		RENT & EQUIPMENT	07/01/2011	07/07/2011	542.95	No	7/11	101-41400-311
070111	2	Inv		Postage	07/01/2011	07/07/2011	13.20	No	7/11	101-41400-322
070111	3	Inv		COPIES	07/01/2011	07/07/2011	1.30	No	7/11	101-41400-202
070111	4	Inv		STREETS	07/01/2011	07/07/2011	7,027.14	No	7/11	101-43100-409
070111	5	Inv		SIGNS	07/01/2011	07/07/2011	392.20	No	7/11	101-43900-226
070111	6	Inv		WEED/TREE/MOWING	07/01/2011	07/07/2011	1,961.00	No	7/11	101-43900-313
070111	7	Inv		Docks	07/01/2011	07/07/2011	78.44	No	7/11	605-45100-310
070111	8	Inv		PARK MAINTENANCE	07/01/2011	07/07/2011	431.42	No	7/11	101-43900-314
070111	9	Inv		2nd Quarter Building Permits	07/01/2011	07/07/2011	8,402.92	No	7/11	101-42400-310
070111	10	Inv		Clerk Services	07/01/2011	07/07/2011	3,052.00	No	7/11	101-41400-310
070111	11	Inv		NEWSLETTER SHIPPING CHG	07/01/2011	07/07/2011	7.50	No	7/11	101-41400-322
Total 070111							21,910.07			
Total CITY OF DEEPHAVEN							21,910.07			
<b>CITY OF EXCELSIOR</b>										
CITY OF EXCELSIOR	594									
070111	1	Inv		2nd qrt joint sanitary sewer use	07/01/2011	07/07/2011	2,317.56	No	7/11	602-43200-309
Total CITY OF EXCELSIOR							2,317.56			
<b>EXCELSIOR FIRE DISTRICT</b>										
EXCELSIOR FIRE DISTRICT	52									
071511	1	Inv		3rd qtr buildings	07/07/2011	07/07/2011	14,823.30	No	7/11	101-42200-311
071511	2	Inv		3rd qtr operations	07/07/2011	07/07/2011	17,122.95	No	7/11	101-42200-309
Total 071511							31,946.25			
Total EXCELSIOR FIRE DISTRICT							31,946.25			
<b>HENNEPIN COUNTY ASSESSORS OFF.</b>										
HENNEPIN COUNTY ASSESSORS OFF.	601									
1000005621	1	Inv		2ND 1/2 PMT FOR SERVICES	06/24/2011	07/07/2011	6,891.06	No	7/11	101-41500-309
Total HENNEPIN COUNTY ASSESSORS OFF.							6,891.06			
<b>KRISTI CONRAD</b>										
KRISTI CONRAD	788									
070711	1	Inv		2011 JULY 4TH EXP REIMBURED	07/07/2011	07/07/2011	56.06	No	7/11	101-49000-437
Total KRISTI CONRAD							56.06			
<b>METROPOLITAN COUNCIL ENV SERV</b>										
METROPOLITAN COUNCIL ENV SERV	105									
964731	1	Inv		Monthly wastewater Charge	07/06/2011	07/07/2011	2,336.37	No	7/11	602-43200-309

Vendor Name Invoice No	Seq	Type	Vendor No Description	Inv Date	Due Date	Total Cost	9	Per	GL Acct
Total METROPOLITAN COUNCIL ENV SERV						2,336.37			
<b>Popp Telecom</b>									
Popp Telecom			701						
1967729	1	Inv	Local, Long dist. & DSL	06/30/2011	07/07/2011	41.90	No	7/11	101-41400-321
Total Popp Telecom						41.90			
<b>Sign Source, Inc.</b>									
Sign Source, Inc.			758						
28917	1	Inv	FOAM SIGN (CITY ON THE LAKE)	04/15/2011	07/07/2011	2,787.00	No	7/11	101-43900-226
Total Sign Source, Inc.						2,787.00			
<b>SOUTH LAKE MINNETONKA POLICE</b>									
SOUTH LAKE MINNETONKA POLICE			38						
062411	1	Inv	Hennepin Co. Processing Fees	06/24/2011	07/07/2011	133.44	No	7/11	101-42100-439
070111	1	Inv	3rd quarter lease	07/01/2011	07/07/2011	11,816.00	No	7/11	101-42100-311
70111	1	Inv	OPERATING BUDGET EXPENSE	07/01/2011	07/07/2011	13,223.00	No	7/11	101-42100-310
Total SOUTH LAKE MINNETONKA POLICE						25,172.44			
<b>VIKING LAND TREE CARE INC</b>									
VIKING LAND TREE CARE INC			785						
2145	1	Inv	TREE MAINTENANCE	06/20/2011	07/07/2011	1,609.13	No	7/11	101-43900-313
Total VIKING LAND TREE CARE INC						1,609.13			
<b>XCEL</b>									
XCEL			145						
062411	1	Inv	LIFT STATION #1	06/24/2011	07/07/2011	37.44	No	7/11	602-43200-381
062411	2	Inv	LIFT STATION #2	06/24/2011	07/07/2011	38.13	No	7/11	602-43200-381
062411	3	Inv	LIFT STATION #3	06/24/2011	07/07/2011	28.69	No	7/11	602-43200-381
062411	4	Inv	LIFT STATION #4	06/24/2011	07/07/2011	38.24	No	7/11	602-43200-381
062411	5	Inv	LIFT STATION #6	06/24/2011	07/07/2011	83.48	No	7/11	602-43200-381
062411	6	Inv	4925 MEADVILLE STREET *	06/24/2011	07/07/2011	9.08	No	7/11	101-43100-381
062411	7	Inv	Sleepy Hollow Road *	06/24/2011	07/07/2011	9.07	No	7/11	101-43100-381
062411	8	Inv	SIREN	06/24/2011	07/07/2011	3.80	No	7/11	101-43100-381
Total 062411						247.93			
Total XCEL						247.93			
Total 7/7/2011						95,360.18			

07/07/2011 GL Period Summary

GL Period	Amount
7/11	95,360.18
	95,360.18

<u>GL Period</u>	<u>Amount</u>
	<u><u>                    </u></u>

Vendor Name	Vendor No								
Invoice No	Seq	Type	Description	Inv Date	Due Date	Total Cost	9	Per	GL Acct
<b>7/11/2011</b>									
<b>SOUTH LAKE MINNETONKA POLICE</b>									
SOUTH LAKE MINNETONKA POLICE 38									
062411	2	Adj	Hennepin Co. Processing Fees	07/11/2011	07/11/2011	133.44 -	No	7/11	101-42100-439
070111	2	Adj	3rd quarter lease	07/11/2011	07/11/2011	11,816.00 -	No	7/11	101-42100-311
70111	2	Adj	OPERATING BUDGET EXPENSE	07/11/2011	07/11/2011	13,223.00 -	No	7/11	101-42100-310
Total SOUTH LAKE MINNETONKA POLICE						25,172.44 -			
Total 7/11/2011						25,172.44 -			

07/11/2011 GL Period Summary

GL Period	Amount
7/11	25,172.44 -
	25,172.44 -

Vendor Name	Vendor No	Seq	Type	Description	Inv Date	Due Date	Total Cost	9	Per	GL Acct
<b>7/25/2011</b>										
<b>BOLTON &amp; MENK, INC.</b>										
BOLTON & MENK, INC. 51										
140448		1	Inv	2011 STREET IMPROVEMENT	06/29/2011	07/25/2011	2,623.50	No	7/11	101-43200-303
140449		1	Inv	COUNCIL MEETING	06/29/2011	07/25/2011	60.00	No	7/11	101-42600-303
140449		2	Inv	MEADVILLE ST SURVEY COORD	06/29/2011	07/25/2011	60.00	No	7/11	502-43200-303
140449		3	Inv	ANALYZE ST SWEEP DATA	06/29/2011	07/25/2011	48.00	No	7/11	502-43200-303
Total 140449							168.00			
140450		1	Inv	MS4 INSPECTIONS	06/29/2011	07/25/2011	1,852.50	No	7/11	502-43200-303
140451		1	Inv	2011 SANITARY SWR REHAB	06/29/2011	07/25/2011	1,936.00	No	7/11	602-43200-303
Total BOLTON & MENK, INC.							6,580.00			
<b>GOPHER STATE ONE CALL</b>										
GOPHER STATE ONE CALL 68										
11937		1	Inv	Gopher State One Call	06/01/2011	07/25/2011	62.45	No	7/11	602-43200-439
14991		1	Inv	Gopher State One Call	07/01/2011	07/25/2011	73.95	No	7/11	602-43200-439
Total GOPHER STATE ONE CALL							136.40			
<b>HENNEPIN COUNTY TREASURER</b>										
HENNEPIN COUNTY TREASURER 789										
1000005621		1	Inv	BAL DUE - 2011 ASSMT FEES	06/24/2011	07/25/2011	6,891.06	No	7/11	101-41500-309
Total HENNEPIN COUNTY TREASURER							6,891.06			
<b>HERITAGE SHADE TREE CONSULT</b>										
HERITAGE SHADE TREE CONSULT 784										
5154		1	Inv	TREE CONSULTATION	07/14/2011	07/25/2011	62.50	No	7/11	101-43900-313
Total HERITAGE SHADE TREE CONSULT							62.50			
<b>LAKE MTKA CONSERVATION DISTRIC</b>										
LAKE MTKA CONSERVATION DISTRIC 99										
071411		1	Inv	3rd QTR LEVY PMT	07/14/2011	07/25/2011	1,626.75	No	7/11	101-49000-436
Total LAKE MTKA CONSERVATION DISTRIC							1,626.75			
<b>MN DEPT OF LABOR &amp; INDUSTRY</b>										
MN DEPT OF LABOR & INDUSTRY 769										
2ND QTR 2011		1	Inv	2ND Q BLDG PERMIT SURCHG	06/30/2011	07/25/2011	408.58	No	7/11	101-42400-310
Total MN DEPT OF LABOR & INDUSTRY							408.58			
<b>Sun Newspapers</b>										
Sun Newspapers 136										
1060763		1	Inv	RESOLUTION	07/14/2011	07/25/2011	85.80	No	7/11	101-41400-351
Total Sun Newspapers							85.80			
<b>XCEL</b>										
XCEL 145										
070511		1	Inv	Street Lights *	07/05/2011	07/25/2011	387.68	No	7/11	101-43100-381

Vendor Name	Vendor No	Invoice No	Seq	Type	Description	Inv Date	Due Date	Total Cost	9	Per	GL Acct
Total XCEL								387.68			
Total 7/25/2011								16,178.77			

07/25/2011 GL Period Summary

GL Period	Amount
7/11	16,178.77
	<u>16,178.77</u>
Grand Total:	<u>86,366.51</u>

Report GL Period Summary

GL Period	Amount
7/11	86,366.51
	<u>86,366.51</u>

Vendor Number Hash: 8590  
 Vendor Number Hash - Split: 9849  
 Total Number of Invoices: 29  
 Total Number of Transactions: 49

Terms Description	Invoice Amt	Net Inv Amt
Open Terms	86,366.51	86,366.51
	<u>86,366.51</u>	<u>86,366.51</u>

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Pay Per Date	Jrnl	Check Date	Check Number	Payee	Emp No	Amount
08/01/11	PC	08/01/11	8011101	Debra J. Kind	34	277.05
08/01/11	PC	08/01/11	8011102	Fletcher, Thomas M	33	84.70
08/01/11	PC	08/01/11	8011103	H. Kelsey Page	35	184.70
08/01/11	PC	08/01/11	8011104	Quam, Robert	32	184.70
08/01/11	PC	08/01/11	8011105	William Rose	36	184.70
Grand Totals:						<u>915.85</u>

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<b>Agenda Number</b>	<b>4A</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Presentation: Chief Scott Gerber, Excelsior Fire District Budget
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>Chief Gerber will attend the August council meeting to present the preliminary 2012 Excelsior Fire District budget. In the past the council has reviewed and taken action on the fire budget at the August meeting, so the fire budget numbers can be included it in the city's preliminary budget, which must be approved at the September council meeting. This year the fire budget timeline changed regarding the date that pension numbers would be available. The tentative date for the public meeting to get city input regarding the fire budget is August 10 at 6:00 pm at the Excelsior Fire District Station #1 – Public Safety Facility. Interested council members and members of the public are welcome to attend this meeting. The Greenwood council will not discuss or take action on the final fire budget until our September council meeting.</p>
<b>Council Action</b>	No council action needed.



**2012**

**3<sup>rd</sup> DRAFT**

**Proposed  
CIP and Operating  
Budget**

**June 15, 2011**



# Excelsior Fire District

*Proudly serving the Communities of:*

*Deephaven-Excelsior-Greenwood-Shorewood-Tonka Bay*

24100 Smithtown Road

Shorewood, MN. 55331

## Proposed 2012 Budget Recommendations Summary

June 15, 2011

### Funding Summary

- Overall Proposed Budget
  - \$1,516,291
- 0.71% overall increase from approved 2011 budget
  - \$10,675 increase in Fire District funding
- 0.30% overall increase to cities from 2011 Contribution
  - 2011 Proposed Operating Budget – \$ 796,724 - \$4,437 increase (.56%)
  - 2011 Proposed Capital/Building – \$ 719,567 - \$6,238 increase (.87%)
- The estimated \$40,000 budgeted “Required Mandatory Contribution” for the Excelsior Firefighters Relief Association will come from “unspent construction” funding from the construction projects (two stations). No impact to city contribution; therefore, not included in the line item budget.
- Fund Balance summary noted below

### **Projected Operating Fund Balances**

	<b>2010 Budget Actual</b>	<b>2011 Projected Budget</b>	<b>2012 Budget Proposed</b>
<b>January 1 Fund Reserve</b>	<b>317,207</b>	<b>280,239</b>	<b>273,430</b>
<b><u>EFD Annual Expenditures</u></b>			
Operating Fund Expenditures	719,666	778,677	796,724
Mandatory Fire Relief Contribution	58,554	88,554	40,000
CEP Fund Transfer	155,000	160,000	165,000
Facilities Fund Transfer	552,859	553,329	554,567
Building Fund Transfer	25,000	0	0
Fire Relief Fund Transfer	62,000	0	0
<b>Total Operating Fund Expenditures</b>	<b>1,573,079</b>	<b>1,580,560</b>	<b>1,556,291</b>
<b><u>EFD Annual Revenues</u></b>			
EFD Municipal Contributions	1,481,886	1,511,751	1,516,291
Interest Income	3,394	0	0
Other Revenues	10,831	0	0
Fire Relief Fund Transfer	0	62,000	0
Facilities Fund Transfer	40,000	0	40,000
<b>Total Operating Fund Revenues</b>	<b>1,536,111</b>	<b>1,573,751</b>	<b>1,556,291</b>

	2010	2011	2012
	Budget	Projected	Budget
	Actual	Budget	Proposed
December 1 Fund Reserve	280,239	273,430	273,430
Fund Reserve Percentage	32.13%	31.53%	32.68%

**Fire District Auditor recommends a Operating Fund Reserve of 20-30% of budgeted expenditures.**

**Other operational considerations for the future based on budget direction**

- 1) Will need to replace MDC in Aerial 11 (Projected \$5,000)
- 2) Will need to replace station 1 lounge furniture (Projected \$2,500)
- 3) Will need to purchase cabinets for the boat and water area (Projected (\$1,000))

Excelsior Fire District

**DRAFT**  
6/15/2011 3rd DRAFT

Draft Budget FY 2012  
Comparison with Previous Years  
With 2011 Projected

Account Code	Object Description	2006 Actual Amount	2007 Actual Amount	2008 Actual Amount	2009 Actual Amount	2010 Actual Amount	2011 Budget Adopted	2011 Projected	2012 Proposed Budget	2012 Proposed Dollar increase	Percent Change From 11 Adopted
<b>Fund 230</b>	<b>FIRE OPERATING FUND</b>										
<b>Dep't 42200</b>	<b>Fire Operations</b>										
<b>Personal Services</b>											
230-42200-101	Employees Regular	76,042	81,197	87,913	88,152	129,524	126,178	126,178	130,946	4,768	3.78%
230-42200-103	Part-Time Employees	4,427	4,769	13,290	14,575	15,480	16,900	16,900	17,243	343	2.03%
230-42200-106	Firefighter's Salaries	121,707	116,135	121,936	133,424	149,895	157,835	157,835	161,160	3,325	2.11%
230-42200-107	Fire Officer's Salaries	21,300	23,472	24,460	34,405	26,891	31,880	31,880	32,518	638	2.00%
230-42200-108	Part-Time Fire Inspector	37,628	36,525	36,398	31,406	-	-	-	-	-	-
230-42200-121	PERA	6,594	11,756	13,456	19,297	19,195	18,979	18,979	20,105	1,126	5.93%
230-42200-122	FICA/MC	16,592	14,784	16,470	19,611	19,950	17,961	17,961	18,313	352	1.96%
230-42200-131	Employer Paid Health	2,657	14,180	11,585	21,166	20,834	27,610	25,200	27,610	-	0.00%
230-42200-133	Employer Paid Life Insurance	7	21	24	42	25	100	100	100	-	0.00%
230-42200-151	Worker's Comp Insurance Premiit	15,644	20,833	16,274	17,870	17,268	21,000	21,000	21,000	-	0.00%
	<b>Total Personal Services</b>	<b>302,598</b>	<b>323,672</b>	<b>341,806</b>	<b>379,948</b>	<b>399,062</b>	<b>418,443</b>	<b>416,033</b>	<b>428,995</b>	<b>10,552</b>	<b>2.52%</b>
<b>Supplies</b>											
230-42200-200	Office Supplies	3,581	5,062	3,623	3,625	3,081	4,000	4,000	4,000	-	0.00%
230-42200-212	Motor Fuels	10,524	11,335	13,244	10,097	11,775	14,000	14,000	15,000	1,000	7.14%
230-42200-217	Clothing	10,058	12,203	20,261	19,305	17,693	18,600	18,600	21,900	3,300	17.74%
230-42200-220	Repair/Maint. Supplies	9,378	6,296	4,589	6,429	6,002	5,550	5,550	6,000	450	8.11%
230-42200-221	First Aid Supplies	2,372	2,536	5,099	533	3,388	2,775	2,775	3,500	725	26.13%
230-42200-222	Firefighting Supplies	3,138	7,071	14,355	14,239	8,576	6,880	6,880	8,500	1,620	23.55%
230-42200-240	Small Tools and Minor Equipmen	1,082	-	-	-	-	-	-	-	-	-
230-42200-241	Fire Prevention Tools	1,889	3,570	4,446	5,237	5,389	5,200	5,200	5,200	-	0.00%
	<b>Total Supplies</b>	<b>42,022</b>	<b>48,073</b>	<b>65,617</b>	<b>59,465</b>	<b>55,904</b>	<b>57,005</b>	<b>57,005</b>	<b>64,100</b>	<b>7,095</b>	<b>12.45%</b>
<b>Professional Services</b>											
230-42200-304	Legal	-	1,557	660	6,526	75	4,500	4,500	4,500	-	0.00%
230-42200-307	Fiscal Management Fees	16,538	18,000	18,000	18,000	18,000	18,000	18,000	17,000	(1,000)	-5.56%
230-42200-311	Auditing	6,150	6,460	7,290	7,515	7,730	10,500	10,500	10,000	(500)	-4.76%
230-42200-312	Refuse & Recycling Collection	1,208	1,439	1,755	1,356	976	1,500	1,500	1,500	-	0.00%
230-42200-313	Janitorial Services	3,927	4,570	7,848	6,000	8,123	7,500	7,500	7,800	300	4.00%
230-42200-318	Medical Fees	3,576	9,598	10,199	8,365	6,585	8,500	8,500	7,500	(1,000)	-11.76%
230-42200-319	Professional Services	17,141	12,724	24,645	14,964	18,076	17,804	17,804	18,204	400	2.25%
	<b>Total Professional Services</b>	<b>48,540</b>	<b>54,348</b>	<b>70,397</b>	<b>62,726</b>	<b>59,565</b>	<b>68,304</b>	<b>68,304</b>	<b>66,504</b>	<b>(1,800)</b>	<b>-2.64%</b>
<b>Other Services and Charges</b>											
230-42200-321	Telephone/Communications	38,299	18,319	15,966	27,514	21,552	23,400	23,400	23,400	-	0.00%
230-42200-322	Postage	912	502	448	306	379	600	600	500	(100)	-16.67%
230-42200-323	Radio Units	-	24,022	37,767	28,493	24,787	29,500	29,500	29,500	-	0.00%
230-42200-331	Conferences	17,018	1,833	7,759	6,189	1,237	5,400	5,400	5,400	-	0.00%
230-42200-332	Mileage	159	-	1,091	155	21	1,000	1,000	500	(500)	-50.00%
230-42200-333	Meeting Expenses	-	2,430	2,489	2,660	2,474	2,800	2,800	2,800	-	0.00%
230-42200-334	Training & Schools	-	7,418	26,049	18,229	18,746	25,700	25,700	25,700	-	0.00%
230-42200-350	Printing & Publishing	3,465	275	575	975	1,020	1,770	1,770	1,270	(500)	-28.25%
230-42200-360	Insurance	22,946	26,471	26,323	25,791	27,860	29,500	29,500	30,000	500	1.69%
230-42200-381	Electric Utilities	29,319	31,710	29,636	27,389	32,507	31,500	31,500	32,500	1,000	3.17%
230-42200-383	Gas Utilities	21,524	23,565	23,411	12,826	14,950	25,000	25,000	15,000	(10,000)	-40.00%
230-42200-386	Water and Sewer Utilities	1,182	1,149	887	626	924	1,300	1,300	1,000	(300)	-23.08%
230-42200-401	Repairs & Maint. Contracted Bidç	15,529	14,914	17,853	31,354	23,355	36,286	36,286	33,036	(3,250)	-8.96%
230-42200-404	Repairs/Maint. Machinery/Equip.	23,853	14,607	20,843	29,360	25,066	22,000	22,000	22,500	500	2.27%
230-42200-405	Fire Equipment Maintenance	6,805	9,886	8,822	7,318	7,346	10,245	10,245	10,885	640	6.25%
230-42200-412	Building Rentals	-	-	-	-	-	-	-	-	-	-
230-42200-430	Misc Expenses	-	-	413	(646)	455	500	500	500	-	0.00%
230-42200-433	Dues and Subscriptions	1,234	1,204	2,068	2,291	2,454	2,034	2,034	2,634	600	29.50%
230-42200-439	Contingency	7,031	314	193	475	-	-	-	-	-	-
230-42200-440	Fund Balance/ Reserve	-	-	-	-	-	-	-	-	-	-
230-42200-444	WAFTA	-	-	-	-	-	-	-	-	-	-
	<b>Total Other Services</b>	<b>189,276</b>	<b>178,619</b>	<b>222,593</b>	<b>221,305</b>	<b>205,133</b>	<b>248,535</b>	<b>248,535</b>	<b>237,125</b>	<b>(11,410)</b>	<b>-4.59%</b>
	<b>Total Operating Budget</b>	<b>582,436</b>	<b>604,712</b>	<b>700,413</b>	<b>723,444</b>	<b>778,218</b>	<b>792,287</b>	<b>789,877</b>	<b>796,724</b>	<b>4,437</b>	<b>0.56%</b>
<b>Capital Outlay</b>											
230-42200-560	Furniture and Fixtures	1,150	-	-	-	-	-	-	-	-	-
230-42200-570	Office Equip. and Furnishings	3,792	-	-	-	-	-	-	-	-	-
230-42200-720	Operating Transfers (Equipment)	125,000	150,000	155,000	155,000	155,000	160,000	160,000	165,000	5,000	3.13%
	Operating Transfers (Building)	592,369	588,065	592,473	559,000	552,859	553,329	553,329	554,567	1,238	0.22%
	<b>Total Capital Outlay</b>	<b>722,311</b>	<b>738,065</b>	<b>747,473</b>	<b>714,000</b>	<b>794,859</b>	<b>713,329</b>	<b>713,329</b>	<b>719,567</b>	<b>6,238</b>	<b>0.87%</b>
	<b>Totals Fund 230 Fire Operating</b>	<b>1,304,747</b>	<b>1,342,777</b>	<b>1,447,886</b>	<b>1,437,444</b>	<b>1,573,077</b>	<b>1,505,616</b>	<b>1,503,206</b>	<b>1,516,291</b>	<b>10,675</b>	<b>0.71%</b>
<b>Pension</b>											
230-42200-170	Firefighter Pension Contribution	15,000	15,000	10,000	-	58,554	80,000	88,554	-	(80,000)	-100.00%
	<b>Totals Funds Fire Overall</b>	<b>1,319,747</b>	<b>1,357,777</b>	<b>1,457,886</b>	<b>1,437,444</b>	<b>1,596,109</b>	<b>1,585,616</b>	<b>1,591,760</b>	<b>1,516,291</b>	<b>(69,325)</b>	<b>-4.37%</b>

NOTE: \$40,000 from Unspent funds

(2011 Contribution) = 1,511,751 1,516,291 0.30%

City Contribution increase from 2011 4,540

**EXCELSIOR FIRE DISTRICT**  
**2012 DRAFT Operating Budget**  
 June 15, 2011

**CATEGORY**

**PERSONAL SERVICES**

		Detail Item Amount			Line Item Total	Category Total
101	Employees Regular (Full-time)				130,946	
	Fire Chief	90,646	2% increase			
	Fire Inspector	40,300	8% (17.94/hr to 19.38/hr)			
			Larger Percentage increase again in 2013 to get to market wage			
103	Part Time employees					
	Administrative Specialist	17,243	2.00%		17,243	
	\$16.58/hr x 20 hours per week					
106	Firefighters Salaries				161,160	
	East Call Pay					
	\$10.20 x 216 x 8 x 1 1/4 hrs	22,032	2.00%			
	East Drill Pay					
	\$20.40 x 50 x 15	15,300	2.00%			
	West Call Pay					
	\$10.20 x 500 x 14 x 11/4 hrs	89,250	2.00%			
	West Drill Pay					
	\$20.40 x 50 x 22	22,440	2.00%			
	Duty Officer Pay					
	\$28 per day x 365	10,220	3.80%			
	\$20.40 per call x 94	1,918	2.00%			
107	Fire Officer's Salaries				32,518	
	Assistant Chief	5,539	2.00%	5,430	109	
	Battalion Chiefs (2)	7,840	2.00%	7,686	154	
	Captains (5)	11,313	2.00%	11,091	222	
	Apparatus Coordinator	1,938	2.00%	1,900	38	
	Asst. Apparatus Coord.	1,077	2.00%	1,056	21	
	Coordinators (6)	3,877	2.00%	3,801	76	
	Maintenance	934	2.00%	916	18	
121	PERA				20,105	
	Chief	13,053				
	Fire Inspector	5,802				
	Administrative Specialist	1,250				
122	FICA				13,067	
	Firefighters	9,982				
	Fire Inspector	-				
	Administrative Specialist	1,069				
	Fire Officers (10)	2,016				
123	Medicare				5,246	
	Chief	1,289				
	Fire Inspector	841				
	Firefighters	2,349				
	Fire Officers (10)	521				
	Administrative Specialist	246				
131	Health Insurance				27,610	
	Chief	15,270				
	Fire Inspector	12,340				
133	Life Insurance				100	
	Chief	50				
	Fire Inspector	50				
151	Workers Compensation				21,000	
<b>TOTAL PERSONAL SERVICES</b>						<b>428,995</b>

CATEGORY									
SUPPLIES									
				Detail Item Amount				Line Item Total	Category Total
200	Office Supplies							4,000	
212	Motor Fuels							15,000	
217	Clothing							21,900	
	Turnout Gear (5 sets)			8,750					
	Helmets (6)			950					
	ID for helmets			200					
	Hoods (12)			450					
	Gloves (10 pairs)			500					
	Boots (6 pairs)			1,200					
	Turnout Gear Cleaning			2,500					
	Turnout Gear Repair			750					
	Firefighter Uniforms (6)			1,400					
	Badges & Uniform Brass			800					
	Firefighter Work Uniforms (10)			1,400					
	Fire Inspector Uniforms			400					
	Duty Uniforms			600					
	Fire Chief Uniforms			400					
	Cold Water Rescue Suits (1)			1,600					
220	Repair and Maintenance Supplies							6,000	
	Batteries			600					
	Culligan Water Station 1 & 2			700					
	Solar Salt Station 2			700					
	Small Tools			2,000					
	Vehicle and Station Supplies			2,000					
221	First Aid Supplies							3,500	
222	Fire Fighting Supplies/Tools							8,500	
	Fire Extinguisher Powder			450					
	Cartridge Refills			350					
	Oxygen Refills			2,000					
	Firefighting Foam			1,500					
	Extinguisher Refill			1,700					
	Small tools (Acct Tags, Saws, Wr			1,500					
	Hazmat Supplies			1,000					
241	Fire Prevention							5,200	
	Code Books			500					
	Open House			1,800					
	Supplies & Handouts			2,200					
	Sparky Costume Maintenance			200					
	Life Safety Video			500					
<b>TOTAL SUPPLIES</b>									<b>64,100</b>
<b>PROFESSIONAL SERVICES</b>									
304	Legal							4,500	
307	Fiscal Management							17,000	
311	Auditing							10,000	
	District Audit and Northland Securities								
312	Refuse							1,500	
313	Janitorial							7,800	
318	Medical Fees							7,500	
319	Professional services							18,204	
	Recording Secretary			2,400					
	Computer Services			15,304					
	CISD			500					
<b>TOTAL PROFESSIONAL SERVICES</b>									<b>66,504</b>

CATEGORY								
OTHER SERVICES AND CHARGES								
			Detail Item Amount			Line Item Total		Category Total
321	Communications					23,400		
	Telephone		13,500					
	Cell Phones		3,000					
	Pagers (4 @ 475)		1,900					
	Pager Repair		1,200					
	Internet		1,400					
	MDC Air Cards		2,400					
322	Postage					500		
323	Radio Units					29,500		
	Hennepin County Radio Lease		27,000					
	Hennepin County Radio Repair		500					
	MDC Maintenance		2,000					
331	Conferences					5,400		
	Mn Fire Dept. Conference		750					
	Mn Fire Chief's Conference		500					
	I Chiefs Conference							
	Fire Department Instr. Conf.		3,500					
	Emergency Mgnt Conf.		400					
	Fire Inspectors Conference		250					
332	Mileage and Travel					500		
333	Meeting Expenses					2,800		
334	Training Expenses					25,700		
	Training Tower / Simulator		3,000					
	EMT (4 @ 800)		3,200					
	EMT Refresher		5,500					
	FFI		2,700					
	FFII		1,200					
	Haz-Mat Ops		2,000					
	Vo-Tech Schools		2,000					
	State Sectional Schools		2,800					
	Boat Training		300					
	Bloodborne/Right To Know		100					
	Guest Speakers							
	Training Aids		600					
	Support Staff training		300					
	Fire Chief Training		300					
	Fire Inspector Training		700					
	Training Equipment		1,000					
350	Printing And Publishing					1,270		
	Call Sheets		325					
	Film & Developing		370					
	Stationary		350					
	Printer cartridges		225					
	Other Printing							
360	Insurance					30,000		
381	Electric Utilities					32,500		
383	Gas Utilities					15,000		
386	Water and Sewer Utilities					1,000		
401	Building Repair					33,036		
	Annual Maintenance		20,936					
	Sprinkler Alarm Inspection / Testing (Contractor Eval)		1,800					
	Station Maintenance - (painting, other)		1,500					
	UPS Replacement at station 1							
	Elevator Inspection		1,800					
	Sealcoating for parking lot at Station 1							
	Generator Repair at Station #1		2,000					
	Firefighter Furniture Replacement at Station #1		0		(2500 - 2013)			
	Cabinets for Boat and Water Area		0		(1000 - 2013)			
	Station 1 Ice Jam Repair		5,000					

404 Repair And Maintenance Of Apparatus							22,500		
	Truck Repair		12,850						
	Pump Testing		1,200						
	Service		4,900						
	Major Repairs		2,700						
	Supplies		850						

<b>CATEGORY</b>							
<b>OTHER SERVICES AND CHARGES (Cont.)</b>							
		<b>Detail Item Amount</b>			<b>Line Item Total</b>		<b>Category Total</b>
405	Fire Equipment Maintenance				10,885		
	Compressor Service	1,450					
	Air	575					
	Gas Powered Equipment	500					
	SCBA Service	3,410					
	31 packs @\$110/per pack						
	Fit Testing						
	SCBA Flow Testing						
	SCBA Hydro Testing						
	SCBA Maintenance	1,200					
	Ladder Testing	2,000					
	Hose Testing	200					
	Air Monitor	750					
	Air Monitor Calibration	300					
	Maint. Agreement Fitness Room	500					
430	Misc Expenses				500		
	Bank Expenses	500					
433	Dues And Subscriptions				2,634		
	Nat. Volunteer Fire Council	30					
	IAFC/INT Assoc Of Fire Chiefs	195					
	Int Assn Of Arson Investigators	50					
	NAFI	40					
	Mn Chapter IAAI	25					
	Mn State Fire Chiefs Assoc	130					
	ACFEI	130					
	MSFDA	300					
	Fire Marshals Assoc Of Mn (2)	70					
	NFPA						
	ACS Firehouse Solutions	125					
	Hennepin County Fire Chiefs	20					
	<i>Hennepin County Fire Chiefs (FI)</i>	<i>500</i>					
	United Firefighters Assoc	30					
	Firehouse Magazine	30					
	Smoke Eater (22)	160					
	Chamber	-					
	Lake Region Mutual Aid	75					
	Southwest Mutual Aid	100					
	Metro Fire Chief's	100					
	Fire Chiefs	74					
	Vol FF Benefit Association	350					
	<i>Excelsior Rotary</i>	<i>100</i>					
439	Contingency						
440	Fund Balance / Reserve				-		
<b>TOTAL OTHER SERVICES AND CHARGES</b>							<b>237,125</b>
<b><u>TOTAL OPERATING BUDGET</u></b>							<b><u>796,724</u></b>
<b>CAPITAL OUTLAY</b>							
560	Furniture And Equipment						
570	Office Equipment						
<b>TOTAL CAPITAL OUTLAY</b>							
<b>CAPITAL TRANSFERS</b>							
	Equipment Transfers				165,000		
720	Facilities Transfers				<i>554,567</i>		
	* The Bond payment was increased from the 2011 amount of \$553,329 to \$554,567 in 2012						
<b>TOTAL CAPITAL TRANSFERS</b>							<b>719,567</b>
<b><u>TOTAL CAPITAL</u></b>							<b><u>719,567</u></b>



**Excelsior Fire District  
Proposed Budget 2012**

Allocation by City using Joint Powers Agreement funding formula for 2012

\$796,724 Operating  
\$719,567 Building

	<u>Tax Capacity Payable 2011</u>		<u>Sum of all</u>		<u>Cities' Calculated</u>		
			<u>Factors</u>		<u>Share of Cost</u>		
	<u>Dollars</u>	<u>Percent</u>	<u>Per JPA</u>		<u>Operations</u>	<u>Facilities</u>	<u>Total</u>
Deephaven	\$11,178,216	27.21%	27.21%		\$216,753	\$195,762	\$412,516
Excelsior	\$4,225,376	10.28%	10.28%		\$81,933	\$73,998	\$155,931
Greenwood	\$3,426,333	8.34%	8.34%		\$66,439	\$60,005	\$126,444
Shorewood**	\$15,868,696	38.62%	38.62%		\$307,705	\$277,906	\$585,611
Tonka Bay	\$6,389,349	15.55%	15.55%		\$123,894	\$111,896	\$235,790
	<u>\$41,087,970</u>	<u>100%</u>	<u>100.00%</u>		<u>\$796,724</u>	<u>\$719,567</u>	<u>\$1,516,291</u>
							<u>\$1,516,291</u>

(Using 2011 Hennepin County Assessors' valuations as of April 8, 2011)  
xx -- Total 2011 Tax Capacity less reduction for The Islands served by the Mound FD.

**Quarterly Billings**

	<u>Operations</u>	<u>Buildings</u>	<u>Total</u>
Deephaven	\$ 54,188.32	\$ 48,940.57	\$ 103,128.90
Excelsior	\$ 20,483.24	\$ 18,499.58	\$ 38,982.82
Greenwood	\$ 16,609.74	\$ 15,001.20	\$ 31,610.94
Shorewood**	\$ 76,926.23	\$ 69,476.48	\$ 146,402.71
Tonka Bay	\$ 30,973.47	\$ 27,973.91	\$ 58,947.38
			<u>\$ 379,072.75</u>

**2012 Proposed Plan C (3rd Draft) Budget  
Contribution with 2012 JPA Formula  
Summary of Percentage Increase by City**

<b>2012 Formula</b>									
<b>2012 Operating Budget and \$165,000 Capital Transfer</b>									
City	2010 Contribution	2011 Contribution	Increase	% Increase from 2010	2012 Proposed	Increase	% Increase from 2011		
Deephaven	\$ 408,409.00	\$ 408,310.00	\$ (99.00)	-0.02%	\$ 412,516.00	\$ 4,206.00	1.03%		
Excelsior	\$ 157,984.00	\$ 159,515.00	\$ 1,531.00	0.97%	\$ 155,931.00	\$ (3,584.00)	-2.25%		
Greenwood	\$ 122,510.00	\$ 127,785.00	\$ 5,275.00	4.31%	\$ 126,444.00	\$ (1,341.00)	-1.05%		
Shorewood	\$ 570,742.00	\$ 583,390.00	\$ 12,648.00	2.22%	\$ 585,611.00	\$ 2,221.00	0.38%		
Tonka Bay	\$ 222,241.00	\$ 232,751.00	\$ 10,510.00	4.73%	\$ 235,790.00	\$ 3,039.00	1.31%		
<b>Total Contribution</b>	<b>\$ 1,481,886.00</b>	<b>\$ 1,511,751.00</b>	<b>\$ 29,865.00</b>	<b>2.02%</b>	<b>\$ 1,516,292.00</b>	<b>\$ 4,541.00</b>	<b>0.30%</b>		
<b>Tax Capacity Information</b>									
<b>City</b>	<b>2010 Values</b>	<b>2011 Values</b>	<b>\$ Change</b>	<b>% Change from 2010</b>					
Deephaven	\$12,067,101	\$11,178,216	(\$888,885)	-7%					
Excelsior	\$4,714,251	\$4,225,376	(\$488,875)	-10%					
Greenwood	\$3,776,525	\$3,426,333	(\$350,192)	-9%					
Shorewood	\$17,241,365	\$15,868,696	(\$1,372,669)	-8%					
Tonka Bay	\$6,878,662	\$6,389,349	(\$489,313)	-7%					
<b>Totals</b>	<b>\$44,677,904</b>	<b>\$41,087,970</b>	<b>(\$3,589,934)</b>	<b>-8%</b>					
<b>City</b>	<b>2008 Values</b>	<b>2009 Values</b>	<b>\$ Change</b>	<b>% Change from 2008</b>					
Deephaven	\$12,878,297	\$12,508,003	(\$370,294)	-3%					
Excelsior	\$4,651,191	\$4,838,446	\$187,255	4%					
Greenwood	\$3,438,594	\$3,752,017	\$313,423	9%					
Shorewood	\$16,935,039	\$17,479,666	\$544,627	3%					
Tonka Bay	\$6,225,329	\$6,806,407	\$581,078	9%					
<b>Totals</b>	<b>\$44,128,450</b>	<b>\$45,384,539</b>	<b>\$1,256,089</b>	<b>3%</b>					



<b>Agenda Number</b>	<b>4B</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Presentation: Chief Bryan Litsey, South Lake Minnetonka Police 2012 Budget
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>Chief Litsey will attend the August council meeting to present the 2012 South Lake Minnetonka Police Department budget. The overall budget increase to the cities is 2.6%. The coordinating committee unanimously recommended approval of the budget at their July 20, 2011 meeting. The Greenwood council needs to review and take action on the police operating budget at the August council meeting.</p> <p>Due to the reallocation of the funding formula for 2012-2016 as ordered by the binding arbitration agreement, Greenwood's share of the operating cost will increase by 8.73% if the 2012 budget is approved. The coordinating committee unanimously agreed that the <u>interpretation</u> of the arbitration agreement is accurate. The administrators group is reviewing the joint powers agreement and will make a recommendation as to whether each city council needs to approve the interpretation of the reallocation formula or not. Some argue that the reallocation is part of the binding arbitration order, and therefore no council action is needed. Whatever the case, at the August council meeting the council may want to take action to avoid the need to call a special meeting if the administrators group recommends that council action is required.</p>
<b>Council Action</b>	<p>Suggested Motions:</p> <ol style="list-style-type: none"> <li>1. I move the council accepts the 2012 South Lake Minnetonka Police Department Operating Budget as presented.</li> <li>2. I move the council accepts the new reallocation formula presented in the council packet as an accurate interpretation of the arbitration agreement order.</li> <li>3. Do nothing.</li> </ol>

# 2012 OPERATING BUDGET REVISED PROPOSAL



Proudly Serving

*Excelsior, Greenwood, Shorewood and Tonka Bay*

## Coordinating Committee Meeting

Wednesday - July 20, 2011

Prepared by Chief Bryan Litsey

[www.southlakepd.com](http://www.southlakepd.com)



SOUTH LAKE MINNETONKA POLICE DEPARTMENT  
*Serving Excelsior, Greenwood, Shorewood and Tonka Bay*

BRYAN T. LITSEY  
Chief of Police

24150 SMITHTOWN ROAD  
SHOREWOOD, MN 55331-8598

Office (952) 474-3261  
Fax (952) 474-4477

## MEMORANDUM

**TO:** Coordinating Committee Members

**FROM:** Bryan Litsey, Chief of Police

**DATE:** July 11, 2011 - Monday

**RE:** Coordinating Committee Meeting - July 20, 2011  
Revised 2012 Operating Budget Proposal - Recommended Motion

This is my thirteenth year of preparing and presenting a budget as the chief executive officer for the South Lake Minnetonka Police Department (SLMPD). Each time my primary objective has been to develop a realistic, yet lean and efficient budget proposal that adequately provides for the mission of the organization with an eye towards the future. This has been particularly challenging in recent years with a sluggish economy that has been slow to recover from the recession.

There are some unique aspects to preparing an annual operating budget for a joint powers organization. The process starts sooner and involves multiple layers of review prior to being considered for approval by the respective City Councils. Transparency during the budget process is important and a new web-based feature has opened up the process even further. This is the first time interested individuals can go to [www.southlakepd.com](http://www.southlakepd.com) to track the budget process and gain access to downloadable information. The site is regularly updated and shows the current status of the budget process.

The Chief of Police for the SLMPD has a greatly expanded role given the autonomy of being a joint powers organization. Many of the duties are akin to that of a city manager with additional financial responsibilities. This extends to the budget process, where the Chief of Police is charged with shepherding through a budget proposal that has the support of the Coordinating Committee and is ultimately approved by the member City Councils.

This revised proposal is a culmination of what has transpired during the budget process to date. Preliminary budget considerations were discussed at the Coordinating Committee Meeting held on May 11, 2011. These were incorporated into an initial budget proposal developed by staff and presented at the Coordinating Committee Work Session held on June 27, 2011. Since then, further refinements have been made based on the direction received at

**Chief's Memorandum to the Coordinating Committee**  
**Revised 2012 Operating Budget - Recommended Motion**  
**July 11, 2011 - Monday**  
**Page 2 of 3**

the work session and input from the negotiation team that represents the Coordinating Committee during contract talks with the union. A considerable amount of reference material has been generated along the way, including two comprehensive PowerPoint presentations and a budget memorandum specifically addressing observations about overtime expenses. Not only are they part of this budget packet, but they can be viewed and downloaded from the SLMPD web site.

The intent of this revised proposal is to provide a workable budget for 2012 absent any anomalies and/or unforeseen conditions. It sustains current operations while addressing some future needs. Personnel costs should be less of a factor on the expense side, although the expiring labor agreement with union employees has yet to be negotiated for 2012. The good news is that for the first time in years health insurance rates are expected to decrease rather than increase. Other expense considerations include additional costs associated with the transition to a new record management system and additional capital needed to support an adequate vehicle fleet rotation schedule. Declining revenues continue to be an issue, most notably state aid payments associated with police pensions and disability benefits.

Another factor that comes into play for 2012 is an adjustment to the funding formula used to determine each member city's percentage contribution toward the operating budget. An arbitration ruling in 2006 reset these percentages and locked them in for the next five years (2007-2011). These percentages first become eligible for adjustment in 2012 and every five-year period thereafter based on three determining factors (population, tax capacity and police statistical data). An administrators group sanctioned through the Coordinating Committee has been working on the reallocation formula for 2012. These preliminary figures were released at the budget work session held on June 27, 2011 and have been included in this budget packet. Although these new percentages have yet to be finalized for the 2012 budget year, an illustration of the impact has been included with the budget spreadsheets.

Looking forward, it is important not to lose site of the findings and recommendations made by the Strategic Planning Group (SPG) in their published report dated May 11, 2008. This Strategic Action Plan is still posted on the SLMPD web site and serves as a good reminder of the unfinished business needing to be addressed once economic conditions improve. Central to their recommendations is for the SLMPD to increase its current complement of police officers. Doing more with less can only stretch so far before core operations and safety become compromised. The SLMPD has been on this threshold for a number of years and this critical staffing concern needs to be funded sooner rather than later. Attempts have been made to secure a COPS grant for this purpose, but competition has been immense for the

**Chief's Memorandum to the Coordinating Committee**  
**Revised 2012 Operating Budget - Recommended Motion**  
**July 11, 2011 - Monday**  
**Page 3 of 3**

limited amount of money available through this federally funded program. The vast majority of applicants have not received funding, with the SLMPD being among this group. This is no reflection on the need, but rather, demand far exceeding the available funding.

In conclusion, staff is recommending that the Coordinating Committee adopt the motion below supporting the revised budget proposal as presented. This will be on the agenda for the Coordinating Committee Meeting on July 20, 2011.

**Proposed Motion:**

**Motion to accept the 2012 Operating Budget Proposal as presented at the Coordinating Committee Meeting on July 20, 2011. Further, that this budget proposal be forwarded to the member City Councils with a recommendation for approval prior to September 1, 2011.**

# **2012 OPERATING BUDGET REVISED PROPOSAL**



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Excelsior, Greenwood, Shorewood and Tonka Bay

## **BUDGET DOCUMENTS Spreadsheets - Narrative**

Prepared by Chief Bryan Litsey

# SOUTH LAKE MINNETONKA POLICE DEPARTMENT

## 2012 Operating Budget - Revised Proposal

### Projected Expenses

#### Coordinating Committee Meeting

Wednesday - July 20, 2011

ITEM	CATEGORY	AMOUNT
50100	Salaries - Full-Time	\$1,195,700
50200	Salaries - General Overtime	\$38,000
50200	Salaries - Reimbursed Overtime	\$38,000
50300	Salaries - Part-Time	\$95,700
50500	Social Security & Medicare	\$28,800
50600	PERA Pensions	\$180,600
50700	Insurance Benefits	\$236,000
51000	Contracted Services	\$17,000
52100	Equipment Leases	\$30,000
52200	Repairs & Maintenance	\$43,000
52300	Utilities	\$59,200
52400	Janitorial & Cleaning	\$11,000
52500	Printing & Publishing	\$3,200
52800	Care of Persons	\$100
53000	Supplies	\$74,100
54000	Uniforms & Gear	\$13,800
54500	Training & Conferences	\$10,100
56000	Insurance	\$60,000
56100	Subscriptions & Memberships	\$2,900
57000	Special Projects	\$13,600
58000	Capital Outlay	\$54,000
59000	Undesignated Allocation	\$28,100
	<b>TOTAL PROJECTED EXPENSES</b>	<b>\$2,232,900</b>

**SOUTH LAKE MINNETONKA POLICE DEPARTMENT  
2012 Operating Budget - Revised Proposal**

**Projected Revenues**

**Coordinating Committee Meeting**

**Wednesday - July 20, 2011**

<b>ITEM</b>	<b>CATEGORY</b>	<b>AMOUNT</b>
40110	Court Overtime	\$5,000
40120	Excelsior Park and Dock Patrol	\$20,700
42100	State Police Officer Aid	\$97,000
42200	State Training Reimbursement	\$4,500
43100	Minnetonka School District	\$7,000
43200	Administrative Requests	\$4,000
43400	Security Details	\$25,000
44000	Investment Income	\$4,500
46400	Forfeitures	\$1,500
46500	Grant Reimbursements	\$26,000
46600	Other Reimbursements	\$2,000
	<b>TOTAL PROJECTED REVENUES</b>	<b>\$197,200</b>
	<i>Expenses in Excess of Revenues</i>	<b>\$2,035,700</b>

	<b>PROJECTED COST TO MEMBER CITIES</b>	<b>\$2,035,700</b>
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**SOUTH LAKE MINNETONKA POLICE DEPARTMENT  
2012 Operating Budget - Revised Proposal**

**Coordinating Committee Meeting**

**Wednesday - July 20, 2011**

**Contributions from Member Cities - Year 2012**

**Arbitration Allocation Formula (2007-2011)**

<b>MEMBER CITY</b>	<b>TOTAL AMOUNT</b>	<b>% SHARE</b>	<b>\$ SHARE</b>	<b>\$ INCREASE OVER 2011</b>
Excelsior	\$2,035,700	27.0%	\$549,639	\$14,121
Greenwood	\$2,035,700	8.0%	\$162,856	\$4,184
Shorewood	\$2,035,700	50.0%	\$1,017,850	\$26,150
Tonka Bay	\$2,035,700	15.0%	\$305,355	\$7,845

<b>2012 Total Contributions from Member Cities</b>	<b>\$2,035,700</b>	<p>The Fourth Amendment to the Joint Powers Agreement (JPA), which was ratified by the member cities in 2006, relied on arbitration to determine each member city's annual contribution toward the operating budget. The initial percentages were locked in for five years (2007-2011) as reflected on this page. Beginning in 2012, and every five-year period thereafter, these percentages are subject to adjustment based on predetermined criteria. The preliminary readjusted percentages for the next five-year period (2012-2016) are reflected on the following page.</p>
<b>2011 Total Contributions from Member Cities</b>	<b>\$1,983,400</b>	
<b>Dollar Increase Over 2011</b>	<b>\$52,300</b>	
<b>Percentage Increase Over 2011</b>	<b>2.6%</b>	

**Contributions from Member Cities - Year 2011**

<b>MEMBER CITY</b>	<b>TOTAL AMOUNT</b>	<b>% SHARE</b>	<b>\$ SHARE</b>	<b>\$ INCREASE OVER 2010</b>
Excelsior	\$1,983,400	27.0%	\$535,518	\$24,705
Greenwood	\$1,983,400	8.0%	\$158,672	\$7,320
Shorewood	\$1,983,400	50.0%	\$991,700	\$45,750
Tonka Bay	\$1,983,400	15.0%	\$297,510	\$13,725
<b>Totals</b>			<b>\$1,983,400</b>	<b>\$91,500</b>

**SOUTH LAKE MINNETONKA POLICE DEPARTMENT  
2012 Operating Budget - Revised Proposal**

**Coordinating Committee Meeting**

**Wednesday - July 20, 2011**

**Contributions from Member Cities - Year 2012**

**Preliminary Reallocation Formula (2012-2016)**

<b>MEMBER CITY</b>	<b>TOTAL AMOUNT</b>	<b>% SHARE</b>	<b>\$ SHARE</b>	<b>\$ INCREASE OVER 2011</b>
Excelsior	\$2,035,700	28.0532%	\$571,079	\$35,561
Greenwood	\$2,035,700	8.4747%	\$172,519	\$13,847
Shorewood	\$2,035,700	48.4887%	\$987,085	-\$4,615
Tonka Bay	\$2,035,700	14.9834%	\$305,017	\$7,507

<b>2012 Total Contributions from Member Cities</b>	<b>\$2,035,700</b>	<p>The Fourth Amendment to the Joint Powers Agreement (JPA), which was ratified by the member cities in 2006, relied on arbitration to determine each member city's annual contribution toward the operating budget. The initial percentages were locked in for five years (2007-2011) as reflected on the previous page. Beginning in 2012, and every five-year period thereafter, these percentages are subject to adjustment based on predetermined criteria. The preliminary readjusted percentages for the next five-year period (2012-2016) are reflected on this page.</p>
<b>2011 Total Contributions from Member Cities</b>	<b>\$1,983,400</b>	
<b>Dollar Increase Over 2011</b>	<b>\$52,300</b>	
<b>Percentage Increase Over 2011</b>	<b>2.6%</b>	

**Contributions from Member Cities - Year 2011**

<b>MEMBER CITY</b>	<b>TOTAL AMOUNT</b>	<b>% SHARE</b>	<b>\$ SHARE</b>	<b>\$ INCREASE OVER 2010</b>
Excelsior	\$1,983,400	27.0%	\$535,518	\$24,705
Greenwood	\$1,983,400	8.0%	\$158,672	\$7,320
Shorewood	\$1,983,400	50.0%	\$991,700	\$45,750
Tonka Bay	\$1,983,400	15.0%	\$297,510	\$13,725
<b>Totals</b>			<b>\$1,983,400</b>	<b>\$91,500</b>

# SOUTH LAKE MINNETONKA POLICE DEPARTMENT

## 2012 Operating Budget - Revised Proposal

**Coordinating Committee Meeting - July 20, 2011**

### Proposed 2012 Operating Budget and Approved 2011 Operating Budget 2010 Operating Budget Information (Budget/Actual)

OPERATING BUDGET EXPENSES							
Item	Category	Proposed 2012	Budgeted 2011	Inc(Dec)	Change	Budgeted 2010	Actual 2010
50100	Salaries - Full-time	\$1,195,700	\$1,185,500	\$10,200	0.9%	\$1,155,500	\$1,128,956
50200	Salaries - General Overtime	\$38,000	\$37,800	\$200	0.5%	\$37,000	\$36,504
50200	Salaries - Reimbursed Overtime	\$38,000	\$38,000	\$0	0.0%	\$30,500	\$33,591
50300	Salaries - Part-Time	\$95,700	\$95,600	\$100	0.1%	\$94,200	\$81,597
50500	Social Security & Medicare	\$28,800	\$28,600	\$200	0.7%	\$27,000	\$25,823
50600	PERA Pensions	\$180,600	\$179,000	\$1,600	0.9%	\$169,500	\$160,948
50700	Insurance Benefits	\$236,000	\$239,500	(\$3,500)	-1.5%	\$207,000	\$211,913
51000	Contracted Services	\$17,000	\$14,000	\$3,000	21.4%	\$12,100	\$17,364
52100	Equipment Leases	\$30,000	\$30,000	\$0	0.0%	\$30,300	\$29,165
52200	Repairs & Maintenance	\$43,000	\$43,200	(\$200)	-0.5%	\$43,800	\$47,749
52300	Utilities	\$59,200	\$62,000	(\$2,800)	-4.5%	\$68,000	\$53,802
52400	Janitorial & Cleaning	\$11,000	\$11,600	(\$600)	-5.2%	\$12,400	\$12,707
52500	Printing & Publishing	\$3,200	\$3,200	\$0	0.0%	\$4,000	\$3,893
52800	Care of Persons	\$100	\$100	\$0	0.0%	\$100	\$196
53000	Supplies	\$74,100	\$70,500	\$3,600	5.1%	\$66,500	\$61,445
54000	Uniforms & Gear	\$13,800	\$13,600	\$200	1.5%	\$13,600	\$16,381
54500	Training & Conferences	\$10,100	\$10,100	\$0	0.0%	\$10,100	\$9,492
56000	Insurance	\$60,000	\$60,000	\$0	0.0%	\$60,000	\$60,000
56100	Subscriptions & Memberships	\$2,900	\$2,900	\$0	0.0%	\$2,900	\$3,220
57000	Special Projects	\$13,600	\$12,700	\$900	7.1%	\$12,400	\$12,380
58000	Capital Outlay	\$54,000	\$50,000	\$4,000	8.0%	\$50,000	\$50,000
59000	Undesignated Allocation	\$28,100	\$0	\$28,100	N/A	N/A	N/A
<b>TOTAL PROJECTED EXPENSES</b>		<b>\$2,232,900</b>	<b>\$2,187,900</b>	<b>\$45,000</b>	<b>2.1%</b>	<b>\$2,106,900</b>	<b>\$2,057,126</b>

OPERATING BUDGET REVENUES							
<i>(Does Not Include Contributions from Member Cities)</i>							
Item	Category	Proposed 2012	Budgeted 2011	Inc(Dec)	Change	Budgeted 2010	Actual 2010
40110	Court Overtime	\$5,000	\$5,500	(\$500)	-9.1%	\$5,000	\$4,080
40120	Excelsior Park and Dock Patrol	\$20,700	\$21,000	(\$300)	-1.4%	\$22,000	\$17,953
42100	State Police Officer Aid	\$97,000	\$102,000	(\$5,000)	-4.9%	\$118,000	\$88,721
42200	State Training Reimbursement	\$4,500	\$5,500	(\$1,000)	-18.2%	\$7,000	\$4,418
43100	Minnetonka School District	\$7,000	\$7,000	\$0	0.0%	\$7,000	\$6,838
43200	Administrative Requests	\$4,000	\$3,500	\$500	14.3%	\$1,000	\$3,859
43400	Security Details	\$25,000	\$25,000	\$0	0.0%	\$25,000	\$22,325
44000	Investment Income	\$4,500	\$4,500	\$0	0.0%	\$10,000	\$1,997
46400	Forfeitures	\$1,500	\$1,000	\$500	50.0%	\$1,000	\$1,797
46500	Grant Reimbursements	\$26,000	\$26,500	(\$500)	-1.9%	\$17,500	\$25,172
46600	Other Reimbursements	\$2,000	\$3,000	(\$1,000)	-33.3%	\$1,500	\$1,121
<b>TOTAL PROJECTED REVENUES</b>		<b>\$197,200</b>	<b>\$204,500</b>	<b>(\$7,300)</b>	<b>-3.6%</b>	<b>\$215,000</b>	<b>\$178,281</b>
Expenses in Excess of Revenues		\$2,035,700	\$1,983,400	\$52,300	2.6%	\$1,891,900	\$1,878,845
<b>PROJECTED COST TO MEMBER CITIES</b>		<b>\$2,035,700</b>	<b>\$1,983,400</b>	<b>\$52,300</b>	<b>2.6%</b>		

# SOUTH LAKE MINNETONKA POLICE DEPARTMENT

## Historical Comparison - Member City Contributions Toward Operations Years 2012 - 2003

### Coordinating Committee Meeting - July 20, 2011

Prepared by Chief Bryan Litsey

Operating Budget - Year 2012	Excelsior	Greenwood	Shorewood	Tonka Bay	Reserves	Total	% Change Previous Year
JPA Percentage Contributions	Pending	Pending	Pending	Pending		Pending	
Final Contributions	Pending	Pending	Pending	Pending		Pending	

The 2012 budget process was still in progress at the time this document was prepared. Salaries and benefits should be less of a factor on the expense side, although the expiring labor agreement with union employees has yet to be negotiated for 2012. The good news is that for the first time in years health insurance rates are expected to decrease rather than increase. Other expense considerations include additional costs associated with the transition to a new record management system and additional capital needed to support an adequate vehicle fleet rotation schedule. Declining revenues continue to be problematic, most notably state aid payments associated with police pensions and disability benefits.

Another consideration that comes into play for 2012 is an adjustment to the funding formula used to determine each member city's percentage contribution toward the operating budget. An arbitration ruling in 2006 reset these percentages and locked them in for the next five years (2007-2011). These percentages first become eligible for adjustment in 2012 and every five-year period thereafter based on three determining factors (population, tax capacity and police statistical data). An administrators group sanctioned through the Coordinating Committee has been working on a reallocation formula for 2012. Preliminary figures were released at the budget work session held on June 27, 2011. These new percentages have yet to be finalized for the 2012 budget year.

Operating Budget - Year 2011	Excelsior	Greenwood	Shorewood	Tonka Bay	Reserves	Total	% Change Previous Year
JPA Percentage Contributions	27.0%	8.0%	50.0%	15.0%		100.0%	
Final Contributions	\$535,518	\$158,672	\$991,700	\$297,510		\$1,983,400	4.8%

The lackluster economy was still a consideration during the 2011 budget process. Salaries and benefits were the impetus behind much of the overall increase under expenses. The multi-year (2010-2011) labor agreement negotiated with union employees contained a base wage freeze for 2010 followed by a two (2) percent increase for 2011. This applied to non-union personnel as well. This coincided with additional PERA and Medicare costs tied to payroll, rate increases and eligibility requirements. Health insurance costs also went up significantly due to more employees opting for dependent coverage and a reopener in the union contract for 2011 that led to the employer contribution increasing as a result of notably higher rates. Declining revenues continued to be a factor, most notably state aid and investment income. Much of the burden for making up this loss revenue shifted to the member cities.

**Member City Contributions Toward Operations**

Continued - Page 2

<b>Operating Budget - Year 2010</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	27.0%	8.0%	50.0%	15.0%		100.0%	
Final Contributions	\$510,813	\$151,352	\$945,950	\$283,785		\$1,891,900	0.7%

The economic downturn significantly impacted the 2010 budget process. The approved budget was predicated on being able to negotiate a base wage freeze with union employees exclusive of step increases and other obligations. This was also the expectation concerning non-union personnel. This budget objective was subsequently achieved as part of the multi-year (2010-2011) labor agreement negotiated with union employees. These factors, coupled with reductions in other expenses, basically made for a flat budget. If not for the decline in revenues, most notably state aid, member city contributions would have actually gone down from the previous year.

<b>Operating Budget - Year 2009</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	27.0%	8.0%	50.0%	15.0%		100.0%	
Recommended Contributions <i>2009 Strategic Goals Included</i>	\$524,070	\$155,280	\$970,500	\$291,150		\$1,941,000	9.5%
Difference	\$17,037	\$5,048	\$31,550	\$9,465		\$63,100	3.5%
Final Contributions	\$507,033	\$150,232	\$938,950	\$281,685		\$1,877,900	6.0%

The arbitration process in 2006 settled the dissension that had lingered for several years over the formula used to determine each city's annual contribution to the operating budget. This paved the way for a renewed effort on the part of the Coordinating Committee to engage in strategic planning. Although the groundwork was laid in 2007, this effort kicked into high gear with the creation of a Strategic Planning Group (SPG) at the beginning of 2008. The SPG adopted an aggressive schedule so that their findings could be considered as part of the budget process for 2009. A three step approach was followed which included information gathering, defining the key issues and developing a plan. Through this process four strategic goals were identified as being critically important to the mission of the organization. Specific to the operating budget were phasing in additional police officers earmarked for the patrol division; increasing the overtime budget to help manage scheduling issues; and maintaining a sufficient fund balance in order to keep pace with technology. A corresponding five-year budget projection was developed to show the financial implications of implementing these strategic goals. The operating budget proposal, which was endorsed by the Coordinating Committee and overwhelmingly supported by three of the four member City Councils, incorporated the strategic goals recommended for 2009. Nevertheless, it fell short of being adopted because one City Council lacked majority support for the proposal. Ultimately, an operating budget was adopted for 2009 absent any of the goals developed through the strategic planning process.

**Member City Contributions Toward Operations**  
**Continued - Page 3**

<b>Operating Budget - Year 2008</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	27.0%	8.0%	50.0%	15.0%		100.0%	
Contributions Without CSO Option	\$466,263	\$138,152	\$863,450	\$259,035		\$1,726,900	5.8%
Difference	\$12,150	\$3,600	\$22,500	\$6,750		\$45,000	2.8%
Final Contributions With CSO Option	\$478,413	\$141,752	\$885,950	\$265,785		\$1,771,900	8.6%

The 2008 operating budget proposal contained an option for expanded community service officer (CSO) coverage. The figures above reflect the difference between these two budget scenarios. Ultimately, the budget with the CSO option was approved as part of a two step process. This allowed the SLMPD to take on animal control and other responsibilities for the member cities. Prior to this change, the member cities had contracted with other agencies for animal control service. By redirecting this money to the SLMPD, considerably better and expanded service was achieved for virtually the same or minimally higher cost to member cities.

<b>Operating Budget - Year 2007</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Reset 2006 Baseline</b>
JPA Percentage Contributions Pursuant to Arbitration Ruling (1)	27.0%	8.0%	50.0%	15.0%		100.0%	
<b>Reset 2006 Baseline Amount (2)</b>						\$1,556,100	N/A
Final Contributions	\$440,512	\$130,522	\$815,762	\$244,729		\$1,631,525	4.8%

(1) The Fourth Amendment to the Joint Powers Agreement, which was ratified in 2006, ended the stalemate over the percentage share each member city contributes toward the operating budget. This political dispute, which had plagued the budget process since 2003, was resolved by an arbitration panel and their findings of fact and order was filed in June of 2006. Their ruling established new percentages for each member city starting in 2007, which are subject to review and adjustment every five years based on predetermined criteria. These new percentages are reflected above.

(2) The Fourth Amendment to the Joint Powers Agreement also reset the baseline for determining each member city's share of the operating budget in 2007. This number normally represents the cumulative total of what the member cities contributed toward the operating budget the previous year. Although this came to \$1,517,051 for 2006, there was a one time exception whereby this number increased to what it would have been if the operating budget had been fully funded in 2006. This brought the baseline up to \$1,556,100, which became the new starting point for 2007.

**Member City Contributions Toward Operations**  
**Continued - Page 4**

<b>Operating Budget - Year 2006</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	29.5%	8.5%	46.0%	16.0%		100.0%	
Recommended Contributions	\$459,050	\$132,269	\$715,806	\$248,976		\$1,556,100	3.7%
No Increase Scenario	\$400,000	\$115,254	\$623,729	\$216,949		\$1,355,932	0.0%
Difference	\$59,050	\$17,015	\$92,077	\$32,027		\$200,168	
Additional Voluntary Contributions	\$20,000	\$17,015	\$92,077	\$32,027		\$161,119	
Final Contributions	\$420,000	\$132,269	\$715,806	\$248,976		\$1,517,051	1.1%
Adjusted Budget Percentages	27.7%	8.7%	47.2%	16.4%		100.0%	

<b>Operating Budget - Year 2005</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	29.5%	8.5%	46.0%	16.0%		100.0%	
Recommended Contributions	\$442,559	\$127,517	\$690,092	\$240,032		\$1,500,200	4.1%
No Increase Scenario	\$400,000	\$115,254	\$623,729	\$216,949		\$1,355,932	0.0%
Difference	\$42,559	\$12,263	\$66,363	\$23,083		\$144,268	
Additional Voluntary Contributions	\$0	\$17,394	\$94,132	\$32,742		\$144,268	
Final Contributions	\$400,000	\$132,648	\$717,861	\$249,691		\$1,500,200	5.9%
Adjusted Budget Percentages	26.7%	8.8%	47.9%	16.6%		100.0%	

<b>Operating Budget - Year 2004</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	29.5%	8.5%	46.0%	16.0%		100.0%	
Recommended Contributions	\$425,154	\$122,502	\$662,952	\$230,592		\$1,441,200	6.3%
No Increase Scenario	\$400,000	\$115,254	\$623,729	\$216,949		\$1,355,932	0.0%
Difference	\$25,154	\$7,248	\$39,223	\$13,643		\$85,268	
Additional Voluntary Contributions	\$0	\$7,248	\$39,223	\$13,643		\$60,114	
Final Contributions	\$400,000	\$122,502	\$662,952	\$230,592		\$1,416,046	4.4%
Adjusted Budget Percentages	28.2%	8.7%	46.8%	16.3%		100.0%	

**Member City Contributions Toward Operations**  
**Continued - Page 5**

<b>Operating Budget - Year 2003</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	29.5%	8.5%	46.0%	16.0%		100.0%	
Recommended Contributions	\$409,254	\$117,920	\$638,158	\$221,968		\$1,387,300	6.5%
Final Contributions	\$400,000	\$115,254	\$623,729	\$216,949		\$1,355,932	4.1%
Difference	\$9,254	\$2,666	\$14,429	\$5,019	\$31,368	Difference Made Up With Reserve Funds	



## 2012 OPERATING BUDGET

### Detailed Line Item Narrative

Prepared by Chief Bryan Litsey

Coordinating Committee Meeting - July 20, 2011

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## PROJECTED EXPENSES

### 50100 - SALARIES - FULL-TIME

This line item includes full-time salaries for union and non-union personnel. Due to current economic considerations, no additional full-time positions have been factored into this category. Nevertheless, the current level of police officer staffing remains insufficient as reinforced through the strategic planning process and subsequent budget proposals since then. Expenses attributed to this category take into account the current complement of full-time positions, tenure of personnel within these positions, movement within the salary schedule and other earned compensation. These factors, when applied to a maturing payroll, have an increased cost even without wage increases for 2012. The current labor agreement with union employees expires at the end of this year and has yet to be negotiated for 2012. Any wage increases afforded union employees normally applies to non-union personnel as well. The projected settlement amount for full-time salaries has been factored into the budget under the undesignated allocation category.

### 50200 - SALARIES - GENERAL OVERTIME

This line item is for overtime paid by the department to personnel working in excess of their regularly scheduled shifts, working on holidays, call-outs for special circumstances and filling gaps in the schedule due to sickness, injuries, earned time off, vacant positions, etc. Staffing and activity levels are uncontrollable variables that impact overtime throughout the year. The amount earmarked for this purpose is well below what is needed to consistently use overtime to backfill vacancies in the patrol schedule. This budget deficiency has repeatedly been recognized as a critical need to address with regard to officer and public safety as well as the delivery of services. It has once again been put on hold due to budget constraints. The slight increase under this category is tied to the projected salary increases for 2012.

### 50200 - SALARIES - REIMBURSED OVERTIME

Overtime paid under this line item is offset on the revenue side. It includes court appearances, educational programs in the schools, policing special events, security details and various enforcement grants. The amount budgeted is an estimate based on past history and any new request for services that are anticipated. Although subject to variances, less or more on the expense side is proportionately less or more on the revenue side thus having no adverse effect on the budget. Each member city is responsible for reimbursing the department for court appearances attributed to incidents within their

**2012 Operating Budget - Detailed Line Item Expenses**  
**Coordinating Committee Meeting - July 20, 2011**  
**Page 2 of 9**

city. This is reflected under revenues as court overtime. Court appearances stemming from mutual aid assistance, etc. are not eligible for reimbursement. Providing educational programs in the schools, such as the highly popular CounterAct program, is funded by the Minnetonka School District. This is reported as such under revenues. There are a number of reoccurring special events throughout the year in which the event sponsors pay for an additional police presence. These include Art on the Lake, Fourth of July, Lake Minnetonka Triathlon, Tour de Tonka and Pond Hockey. There are also other events and security details that come up during the year that the department is paid to police. One innovative and very successful partnership arrangement with the private sector has been the special policing detail underwritten by Maynard's Restaurant and BayView Event Center/Bayside Grille. These popular lakeside establishments pay to have an additional police presence on weekend evenings during the busier summer months. It is anticipated this partnership arrangement will be renewed in 2012 for a sixth consecutive year. The reimbursable costs associated with policing all of the aforementioned activities is reflected under revenues as Security Details. Another grouping under this category is the reimbursable overtime associated with state grants. One of these is the Toward Zero Deaths traffic enforcement grant administered through the Minnesota Office of Traffic Safety. This combines two separately administered grants previously known as Safe & Sober and Operation NightCAPP. The SLMPD will remain part of the same grouping of law enforcement agencies in western Hennepin County that jointly apply for this grant. The other state grant is through the Minnesota Institute of Public Health for conducting alcohol compliance checks. Reimbursement received for these initiatives is reflected under revenues as Grant Reimbursements.

**50300 - SALARIES - PART-TIME**

This line item includes part-time salaries for non-union personnel. Expenses attributed to this category take into account our current complement of part-time positions, tenure of personnel within these positions and movement within the salary schedule. This category is basically flat for 2012 pending the outcome of negotiations with union employees for 2012. Any wage increases afforded union employees normally applies to non-union personnel as well. This projected amount for part-time positions has been factored into the budget under the undesignated allocation category. It is important to note that included under part-time salaries are the seasonal positions associated with providing park and dock patrol services to the City of Excelsior. The cost of providing these services is paid by the City of Excelsior and is reflected as such under revenues.

**50500 - SOCIAL SECURITY & MEDICARE**

This line item includes the required employer contributions for those personnel covered under the federally mandated Social Security and Medicare Programs. Although rates for both are expected to remain the same in 2012, there are two other factors contributing to an increase under this category. First, as payroll goes up so does the base from which these calculations are made as a percentage of salaries. Second, police officers used to be exempt from both Social Security and Medicare. This has since changed so that newly hired police officers are now subject to Medicare. Therefore, as exempt police officers retire the department is required to make Medicare contributions on behalf of their

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replacements. The amount attributed to projected wage increases has been accounted for under the undesignated allocation category.

**50600 - PERA PENSIONS**

This line item includes the required employer contributions for those personnel covered under the state mandated Public Employees Retirement Association (PERA). Contribution amounts are calculated as a percentage of salaries based on the prevailing rates at the time. Eligible police officers are covered under the Police and Fire Plan and eligible civilian personnel are covered under the Coordinated Plan. With few exceptions, this will be the first time in several years that contribution rates will not be going up for either plan. The nominal increase to this category is a result of a slightly larger payroll base without factoring in any projected wage increases. The latter of these is accounted for under the undesignated allocation category.

**50700 - INSURANCE BENEFITS**

This line item includes the employer contribution toward health, life and supplemental insurance for eligible personnel. The majority of expense under this category is for health insurance. The SLMPD is part of a consortium of local governmental agencies that collectively negotiate with health insurance providers to obtain coverage at competitive rates. This alliance is called the LOGIS Health Care Group, which is managed by Gallagher Benefit Services, Inc. One proactive way the group has been trying to lower costs is educating employees on the cost savings derived when switching from a traditional plan to a high deductible plan with a companion health savings account (HSA). The department has been in the forefront of this effort, both in educating employees as well as securing mutually acceptable language in the current union labor agreement to make the HSA plan more appealing. The existing contract with HealthPartners expires at the end of 2011 and went out for bids earlier this year. The bids for 2012 were received back in May with both HealthPartners and Blue Cross Blue Shield (BCBS) submitting the lowest acceptable bids. Both bid packages contained significant rate decreases over 2011. Preliminary indications were that the LOGIS Group was going to continue with HealthPartners based on an initial review of the bids. This has since changed, with Blue Cross Blue Shield apparently lowering its rates even further. Consequently, the LOGIS Group will be switching to Blue Cross Blue Shield in 2012 with rate reductions of 17 to 20 percent from comparable plans being offered through HealthPartners in 2011. The contract with Blue Cross Blue Shield is in the process of being finalized and the specific plans and pricing will be made available to members within a few weeks. This marks the first time in years that rates will be going down by double digits rather than up by double digits. This is obviously good news for the 2012 budget, with escalating health insurance rates being one of the most significant factors behind rising labor costs in recent years. Although this budgeted expense will not go up for 2012, the employee stands to gain the most from the lower rates since the employer contribution in the union contract is a set dollar amount rather than a percentage. This is in contrast to periods of rising rates when having a set dollar amount in the union contract is generally more advantageous to the employer. In addition to the aforementioned anomaly for 2012, coverage changes, etc. have resulted in there being a moderate decrease in this category.

### **51000 - CONTRACTED SERVICES**

This line item takes into account a number of professional services that are utilized as part of operations. These include the annual audit and other financial expertise; general legal counsel for departmental affairs; specialized labor attorney to provide advice during union negotiations; interpreters to facilitate communication with non-English speaking victims, witnesses and suspects; pre-employment medical and psychological examinations for personnel hired during the year; emergency veterinary care for sick/injured animals; and fees associated with payroll and other financial transactions. With many of these services it is difficult to estimate from year-to-year how much they will be utilized. Circumstances, requirements and increased responsibilities all factor into the equation and have led to this category consistently being underbudgeted. This shortfall was partially addressed for 2011. The increase being proposed for 2012 is a continuation of this effort and will better align the budget with actual expenses.

### **52100 - EQUIPMENT LEASES**

This line item includes lease and maintenance agreements for such things as connecting to the state criminal justice information system (CJIS), postage meter and document processing equipment. The most significant expense under this category is the annual transfer made to the Technology Fund. Please refer to the "Funds Supporting Operations" section of this proposal for a more detailed explanation of this special fund. This transfer continues to be lower than what is needed to sustain an adequate fund balance to meet future technology needs. One of the key strategic goals identified through the strategic planning process was increasing the transfer to this fund to help keep pace with technology. This has repeatedly been put on hold due to budgetary constraints.

### **52200 - REPAIRS & MAINTENANCE**

This line item covers such things as the repair of office equipment and furniture, preventative building maintenance, vehicle repairs, support for technology and calibrating specialized equipment. A number of maintenance agreements have been secured for critical building components such as the heating/cooling systems, boiler inspections, communications, emergency generator, elevator, security gate, etc. Many of these expenses are shared with the Excelsior Fire District as joint tenants of the building. These maintenance agreements are necessary not only to prevent the disruption of emergency services, but also to extend the useful life of equipment. The same is true when it comes to vehicle maintenance, which is the most significant expense under this category. It is important that our fleet of vehicles be maintained in top-notch condition given the reliance placed on them for emergency response. Maintaining a reliable computer network with interoperability capabilities requires specialized technical support along with having a number of user/maintenance agreements in place. As dependency on technology increases so does the expense of keeping it operational. Other items in this category include the cost of calibrating specialized equipment such as speed measuring devices and truck scales. There is also a nominal contribution to the Firearms Range Fund. Please refer to the "Funds Supporting Operations" section of this proposal for a more detailed explanation of this special

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fund. Removed from this category is the annual maintenance fee for ongoing support of our antiquated record management system (PC ENFORS). Customer support has been virtually non-existent since PC ENFORS fell victim to a number of corporate takeovers that rendered the product obsolete. It makes no sense to pay for a maintenance plan that provides nothing of value, not to mention our pending changeover to a new record management system that has been partially accounted for under the undesignated allocation category. There would have been more of a reduction to this category if not for some additional expenses in this category.

### **52300 - UTILITIES**

The majority of expenses under this line item are associated with the public safety facility that serves as headquarters for the SLMPD and the Excelsior Fire District. Shared costs include phone service, high speed data connections, electricity, natural gas, water, sewer, waste removal and fire alarm monitoring/maintenance. The cost of heating the public safety facility has gone down considerably since the system controls were fine-tuned a couple years ago. This was not fully reflected in the budget until there was a reasonable degree of certainty that the majority of these savings were due to technology and not weather conditions or some other anomaly. Consequently, 2011 is the first budget in which these natural gas savings have been fully taken into account. Both electrical and natural gas costs attributed to the public safety facility have been kept flat in the 2012 budget. This is after a historical review of costs and in consideration of potential rate increases. Noteworthy savings have been realized by renegotiating government contracts with the same providers used by the department for telecommunications and cellular service. This more favorable pricing through Integra and Sprint/Nextel has reduced this budget category for 2012. This is another example of the ongoing commitment by this department to reduce costs whenever feasible.

### **52400 - JANITORIAL & CLEANING**

This line item includes janitorial and carpet cleaning maintenance. No longer included under this category is the cost of cleaning supplies, which is being absorbed under the supplies category without any corresponding increase. This change, coupled with a slight reduction in monthly janitorial fees, has resulted in a decrease to this category for 2012.

### **52500 - PRINTING & PUBLISHING**

This line item includes printing costs for letterhead, envelopes, business cards, forms, citations and warning notices. Publishing costs are generally limited to advertising personnel vacancies and posting official notices in the newspaper. Other expenses include purchasing publications to help personnel do their work. These expenses have steadily gone down as the ability to access information through internet increases. Additionally, computer generated forms are replacing some of the printed forms. These factors were behind a significant decrease in 2011 that will allow this category to remain flat in 2012.

**52800 - CARE OF PERSONS**

This line item includes caring for detainees while being held at the SLMPD detention facility. This is a nominal expense since most detainees are either booked and released from the SLMPD detention facility or transported to the Hennepin County Jail. This category is also used to track booking fees, which are offset through reimbursement from the member cities.

**53000 - SUPPLIES**

This comprehensive line item includes gasoline for vehicles in the fleet, diesel fuel for the emergency generator at the public safety facility, vehicle supplies, educational materials, ammunition, first aid supplies, recording supplies, drug testing kits, small equipment, office supplies, meeting expenses and other miscellaneous items necessary for department operations. There is an offset under revenues for the educational materials used by the police officer(s) instructing the CounterAct Program at the local elementary schools. Motor fuels (gasoline and diesel) represent the greatest expense item under this category and have gone up considerably since the beginning of 2011. Revisions recently made to the 2011 operating budget have accounted for some of this unanticipated increase by reallocating to motor fuels what was left in the undesignated allocation category. Nevertheless, the revised budget amount will likely be shy of where motor fuel costs actually end up for 2011. Consequently, more has been budgeted for motor fuels in 2012 to bring this expense more in line with current and future pricing. The benchmark used for making this determination is predicated on a yearly retail average of \$3.78 per gallon after factoring in the federal excise tax exemption. The volatility of the market continues to make this a hard commodity to predict and could easily surge even more in 2012.

**54000 - UNIFORMS & GEAR**

This line item includes uniforms and gear for department personnel along with applicable clothing and equipment allowances. In recent years, the expansion of the community service officer program and the formation of an emergency response unit have increased expenses under this category. This category also absorbs the considerable expense of outfitting new personnel, which is not always known at the time the budget is prepared. State and federal reimbursement is available when purchasing body armor for licensed police officers. Costs associated with outfitting seasonal personnel working the park and dock patrol detail are reimbursed by the City of Excelsior. There is a nominal increase to this category to account for rising vendor prices. Nothing additional has been budgeted for clothing and equipment allowances, which will be part of labor negotiations for 2012. Any additional amount will have to be managed within the budgeted amount in order to keep expenses lean.

**54500 - TRAINING & CONFERENCES**

This line item must accommodate the required and specialized training needs of both full-time and part-time personnel. The amount allocated to this category is marginal at best. The hiring of new personnel adds to this cost, since they generally require more training during the first few years of employment.

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A case in point is the necessary training for new police recruits. Costs can easily exceed several thousand dollars for training and certification in such areas as emergency medical technician, pursuit driving techniques, interviewing and interrogation, alcohol breath testing, fingerprint technician and authorized user of the criminal justice information system. Once achieved, ongoing refresher training is required of all officers to maintain their certifications. Officers must regularly train and demonstrate proficiency in the use of firearms (pistol, shotgun and rifle), Taser, ASP baton, chemical spray, use of force techniques, high risk traffic stops, etc. Additionally, all personnel must receive ongoing OSHA training dealing with hazardous materials, blood borne pathogens, etc. This does not even include the discretionary training needed to enhance the skill level and professionalism of personnel and to prepare them for specialized assignments in such areas as tactical operations, investigations, supervision and administration. The state also continues to require more mandated training without reimbursement in response to directives from the legislature. Nevertheless, the importance of providing training cannot be underestimated in order to provide quality service and minimize injuries. Training costs are significant, but this pales in comparison to the implications associated with failing to adequately train personnel. The state provides some reimbursement for training, but this has been steadily declining over the years and only covers a small portion of the expenses. Due to budgetary constraints, no increase has been factored into this category even though training needs and costs are ever increasing. This has been mitigated to some extent by management personnel limiting their training and conferences so that core training needs can be satisfied.

**56000 - INSURANCE**

The amount allocated to this line item is transferred to the Designated Insurance Fund. Premiums are paid out of this fund for liability, property and workers compensation coverage through the League of Minnesota Cities Insurance Trust (LMCIT). It also provides a means for absorbing higher deductibles and self-insuring against smaller claims. Please refer to the "Funds Supporting Operations" section of this proposal for a more detailed explanation of this special fund. It was recognized as part of the 2010 budget process that the transfer amount needed to be increased and maintained at this level in subsequent budget years in order to sustain an adequate fund balance. The proposed amount for 2012 is a continuation of that practice with the same amount being transferred as 2010 and 2011.

**56100 - SUBSCRIPTIONS & MEMBERSHIPS**

This line item includes subscriptions to periodicals as well as memberships in civic and professional organizations. Also included is the contractual expense of activating and renewing peace officer licenses through the state for all police personnel. There is no proposed increase to this category for 2012.

**57000 - SPECIAL PROJECTS**

This line item includes membership in the Southwest Metro Drug Task Force, subscriber fee for the services provided by CornerHouse, annual transfer to the Designated Reserve Officer Fund and

## **2012 Operating Budget - Detailed Line Item Expenses**

**Coordinating Committee Meeting - July 20, 2011**

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membership in the Lake Minnetonka Emergency Response Unit. New to this category for 2012 is the annual fee that the SLMPD and other member law enforcement agencies contribute to the Lake Minnetonka Area Emergency Response Unit. This relatively new item was initially handled as an incidental training expense. Now that it has become a recurring annual expense, it needs to have a designated line item in the budget and this is the appropriate category. This accounts for most of the increase to this category. New to this category in 2009 was an annual contribution to the Reserve Officer Fund. Prior to this time, each member city contributed the same amount directly to this fund. The Coordinating Committee changed this practice so that the contribution to this fund is made through the operating budget. They also adopted a schedule whereby the contribution increases each year by \$200. Please refer to the "Funds Supporting Operations" section of this proposal for a more detailed explanation of this special fund. The Southwest Metro Drug Task Force is funded through contributions from member law enforcement agencies supplemented by grant money and proceeds seized through forfeitures. Once again, there is no anticipated increase to members for 2012. CornerHouse is a highly respected sexual abuse evaluation center for child victims. A nominal increase in the subscriber fee is anticipated for 2012.

### **58000 - CAPITAL OUTLAY**

The amount appropriated to this line item is earmarked for two capital funds. These are the Vehicle Fund and the Equipment Fund. Please refer to the "Funds Supporting Operations" section of this proposal for a more detailed explanation of these two special funds. Nearly the entire amount under this category is transferred to the Designated Vehicle Fund. This fund is utilized to purchase, equip and setup vehicles. It is intended to support a uniform fleet replacement schedule. In recent years, the amount transferred to this fund has lagged well behind what is needed to sustain this conservative fleet rotation schedule. Even with the additional amount being proposed for 2012, it is well short of the amount actually needed. A short-term fix was taken in 2010 to address this issue by using proceeds in the DWI Forfeiture Fund to acquire and outfit one of the two patrol vehicles purchased that year. It needs to be recognized, however, this is not an advisable long-term strategy to bolster this fund. The DWI Forfeiture Fund is an unpredictable funding source and should not be relied upon as a steady revenue stream. The department was able to meet another vehicle need this year without having to deplete proceeds in the Designated Vehicle Fund. Through a fundraising effort, the department was able to secure nearly \$15,000 to purchase and outfit a much needed Polaris Ranger ATV. Nevertheless, future budgets need to incrementally increase the amount being transferred into the Designated Vehicle Fund in order to support a realistic fleet replacement schedule.

### **59000 - UNDESIGNATED ALLOCATION**

This line item was first incorporated into the budget process for 2011. The projected amount is based on what will likely be needed for those expense items still pending at the time the budget is prepared. This normally involves salaries and benefits that have yet to be negotiated for the following budget year. Such is the case for 2012. Also factored into this category for 2012 is the start of an amortization schedule to incorporate as part of operations the costs associated with a new record management system

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yet to be selected. Funds in reserve will be used to supplement this new system until such time as it is fully supported by the operating budget.



## 2012 OPERATING BUDGET

### Detailed Line Item Narrative

Prepared by Chief Bryan Litsey

Coordinating Committee Meeting - July 20, 2011

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### PROJECTED REVENUES

*(Excluding Required Contributions from Member Cities)*

#### 40110 - COURT OVERTIME

Each member city is responsible for reimbursing the department for court appearances attributed to incidents within their respective jurisdiction. Court appearances stemming from mutual aid assistance, etc. are not eligible for reimbursement. Court overtime varies from year-to-year and the amount reflected under this category is an estimate based upon past experience. It is important to note that fine revenues generated by the SLMPD go directly to the member city in which the violation occurred.

#### 40120 - EXCELSIOR PARK & DOCK PATROL

It is anticipated that the City of Excelsior will again request the SLMPD to provide park and dock patrol services in 2012. These services supplement the policing already in place to address some seasonal law enforcement needs specific to Excelsior. The department is reimbursed by the City of Excelsior for providing these supplemental services and the anticipated amount is reflected under this category. There is a prescribed protocol in the current Joint Powers Agreement (JPA) that must be followed prior to implementing these services.

#### 42100 - STATE POLICE OFFICER AID

State peace officer aid is the largest revenue item in the budget other than member city contributions. This payment received through the Minnesota Department of Revenue is based upon the number of full-time licensed police officers employed by an agency for the required period of time. It is funded through a surcharge on auto insurance premiums and the amount of the reimbursement is determined on a per officer basis not to exceed what the employer collectively contributed the previous year toward police pensions (PERA Police & Fire Fund). Historically, the amount collected from the insurance surcharge has been enough so that the SLMPD has been fully reimbursed for the previous year's contribution to police pensions. Unfortunately, the last time this favorable condition occurred was in 2007. That year, the SLMPD received \$102,522 in state police officer aid based on actual pension contributions of \$102,522 in 2006. The trend reversed in 2008, when the SLMPD only received \$99,355 in state police officer aid, even though actual police pension contributions were \$126,197 in 2007. This net difference of approximately 21 percent amounted to a revenue loss of \$26,842. This disparity intensified in 2009, when the SLMPD received only \$93,391 in state police officer aid based on actual pension contributions of \$136,323 in 2008. This net difference of approximately 32 percent amounted to a

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revenue loss of \$42,932. Unfortunately, this downward trend continued in 2010, when the SLMPD only received \$88,245 in state police officer aid, even though actual police pension contributions were \$150,268 in 2009. This net difference of approximately 41 percent amounted to a revenue loss of \$62,023. This difference was partially accounted for in the 2010 operating budget by reducing revenue expectations from state police officer aid to \$118,000. This left a funding gap of \$29,755, instead of the \$62,023 previously mentioned. Nevertheless, much of the burden for making up this loss revenue has shifted to the member cities. The outlook remains bleak for 2011, even though the projected revenue from state police officer aid was downgraded to \$102,000. In anticipation of this continuing trend, revenue expectations have been reduced even further for 2012. The budget amount of \$97,000 could still turn out to be overly optimistic.

**42200 - STATE TRAINING REIMBURSEMENT**

On an annual basis, the Minnesota Board of Peace Officer Standards and Training (POST) provides reimbursement to local units of government to help defray some of the costs associated with training their respective police officers. The amount of reimbursement is contingent upon how much funding has been appropriated by the legislature divided by the number of eligible officers. The SLMPD submits an application each year to receive this reimbursement. Even though training has become more costly over the years, the amount received in reimbursement has steadily gone down. For example, during the last reimbursement cycle (July 1, 2009 to June 30, 2010), the department only received \$4,418 of the nearly \$30,000 it submitted in overall training costs (salaries, registration fees, etc.) for police personnel meeting the eligibility requirements.

**43100 - MINNETONKA SCHOOL DISTRICT**

The Minnetonka School District provides funding for police liaison activities and educational programs in the schools. It is because of this funding that the department is able to offer the CounterAct Program each year in the elementary schools. The curriculum is designed to involve police officers, schools and families in preventing children from using alcohol and drugs. It also helps children to avoid using violence as a means of solving problems. Officers also provide other educational programs in the schools such as talking to high school students about the legal consequences associated with drinking and driving. This reimbursement is expected to remain the same for 2012.

**43200 - ADMINISTRATIVE REQUESTS**

This line item includes the revenue received from requests for information and other services. Records are an important internal function of the department and data requests are received from the public on a daily basis. These include the thousands of reports, photographs and audio/visual recordings generated from medicals, accidents, criminal activity and other requests for service. Revenue from accommodating these requests has been down ever since the state imposed limits on how much could be charged. However, this is more than offset by the upswing in revenue generated from

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accommodating fingerprint requests for employment, adoption and other non-criminal related purposes. Demand for this service continues to increase at a time when fewer law enforcement agencies are offering this service for even their own residents. The department has seized this opportunity to expand its market share by incorporating this service into the many other duties performed by the community service officers. This service is particularly appealing to the public since it is available on evenings and weekends. Processing fingerprint requests is also made easier by the inkless electronic fingerprinting equipment the department was able to obtain through a grant.

**43400 - SECURITY DETAILS**

This category includes additional policing requests over and above the services normally provided by the department. These extra policing requests are billed at a set amount determined annually with personnel working these details being paid in accordance with their overtime rates. The number of requests vary from year-to-year, but have been on the increase. The estimated amount in this category is subject to fluctuation, but there is no adverse net effect on the budget since costs incurred are reimbursed by the business, organization, etc. contracting for the service. Fourth of July and Art on the Lake are two of the more high profile events in which sponsors pay for an additional police presence. Other major events include the Pond Hockey Tournament, Lake Minnetonka Half Marathon, Lake Minnetonka Triathlon, Tour de Tonka, Minnetonka Schools Earth Day, Excelsior Firefighters Relief Association Dance and Minnetonka High School Homecoming Parade. One of the more innovative and very successful partnership arrangements with the private sector has been the special policing detail underwritten by Maynard's Restaurant and BayView Event Center/Bayside Grille. These popular lakeside establishments pay to have an additional police presence on weekend evenings during the busier summer months. The SLMPD initiated this pilot project back in 2007 and it has been continued ever since. It is anticipated this partnership arrangement will be renewed in 2012 for a sixth consecutive year.

**44000 - INVESTMENT INCOME**

The two authorized financial depositories for the department are Beacon Bank and the 4M Fund (*Minnesota Municipal Money Market Fund*). Accounts maintained at Beacon Bank are used primarily for operating purposes and administrating the debt service obligation relating to the police portion of the public safety facility. Interest earnings from the debt service obligation are not commingled with interest earnings from operations. The 4M Fund is used to maintain money in reserve to meet accrued personnel liabilities and unforeseen expenses. The anticipated revenue under this category is based upon historical trends and anticipated future earnings. The earning potential from interest income has gone down dramatically in recent years from \$25,160 in 2007 to \$1,197 in 2010. Recent efforts to maximize the earning potential from investments has resulted in a switch to higher yielding money market accounts at Beacon Bank. Balances exceeding the FDIC limits are backed with collateralized investments secured by the bank. These are reported to the SLMPD on a quarterly basis. Options are still being reviewed for the money on account with the 4M Fund. The fund performance has declined

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considerably and there are other safe investments on the market with higher earning potential, especially when liquidity is not essential. It is anticipated that the department will soon be moving away from the 4M Fund in favor of a more diverse and longer term investment portfolio. These aforementioned considerations give cause for more optimistic interest projections for 2012.

**46400 - FORFEITURES**

This reflects unanticipated revenue from forfeitures not accounted for elsewhere. It is subject to extreme fluctuations and in some years there is nothing to report under this category. Proceeds from the sale of vehicles forfeited under the impaired driving laws are not reflected in this category. This money goes directly into the DWI Forfeiture Fund maintained by the department which is administered in accordance with state guidelines. Please refer to the "Funds Supporting Operations" section of this proposal for a more detailed explanation of this special fund. Drug related forfeitures usually stem from enforcement activities through the Southwest Metro Drug Task Force (SWMDTF) of which the SLMPD is a charter member. The proceeds from these forfeitures remain with the SWMDTF to support operations and to keep member contributions extremely low. In fact, member contributions have not gone up for years, even though the primary grant used to fund operations has steadily gone down.

**46500 - GRANT REIMBURSEMENTS**

Most of the reimbursement under this category is for special enforcement grants. One exception is the health insurance reimbursement program for police officers disabled in the line of duty. Minnesota Statue 299A.465 requires the employer of a police officer disabled in the line of duty to provide the same health insurance benefits as if the disabled officer was actively employed. This includes the disabled officer's dependents as well. The SLMPD currently has one former police officer who qualifies for this ongoing benefit until reaching medicare eligibility. This obligation is accounted for in the budget each year under health insurance costs. The state provides partial reimbursement to help defray the cost of complying with this law, but the amount has been steadily declining. During the last reimbursement cycle (July 1, 2009 to June 30, 2010) the department only received \$5,005 (41%) of the \$12,252 it contributed toward health insurance on behalf of this disabled officer. Two special enforcement grants included under this category are Safe and Sober and Operation NightCAP. Beginning with fiscal year 2012, the Minnesota Office of Traffic Safety is combining them into one grant under the name of Toward Zero Deaths. The focus will essentially be the same and the SLMPD will remain with the same group of law enforcement agencies jointly working this project in western Hennepin County. This combined enforcement and educational effort concentrates on seat belts, child safety seats, speeders, move over law, driving while impaired and motorcycles. The other enforcement grant under this category is for conducting alcohol compliance checks at local retailers. It is currently being administered through the Minnesota Institute of Public Health after going through a reorganization period. Since funds are limited, grants are normally staged each year so that no one law enforcement agency receives funding every year. This category is subject to variances throughout the year depending on the number and status of overtime projects. Nevertheless, it is budget neutral in the

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sense that more or less costs on the expense side are proportionately offset by more or less reimbursement on the revenue side.

**46600 - OTHER REIMBURSEMENTS**

Included under this category are the animal boarding fees collected for kenneling stray and/or dangerous dogs. The SLMPD first assumed responsibility for animal control as part of its expanded community service officer program implemented in 2008. Initially, there was an agreement in place with the Mound Police Department to board those dogs not retrieved by their owners within the first day of being impounded. The Mound Police Department discontinued providing this boarding option to other cities and thus the onus fell back on the SLMPD to manage this within the limits of two indoor kennels. The related fines collected on behalf of each member city are defined by ordinance and forwarded to each member city on a quarterly basis. Other miscellaneous reimbursements are also included under this category. Anticipated revenues from this category have been downgraded to more closely align with what actual collections have been.

# **2012 OPERATING BUDGET REVISED PROPOSAL**



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## **FUNDS SUPPORTING OPERATIONS Spreadsheets - Narrative**

Prepared by Chief Bryan Litsey

# SOUTH LAKE MINNETONKA POLICE DEPARTMENT

## 2012 Operating Budget - Revised Proposal

Coordinating Committee Meeting - Wednesday, July 20, 2011

### FUNDS IN SUPPORT OF OPERATIONS

Designated Funds	Audited Balances <i>December 31, 2010</i>	Audited Balances <i>December 31, 2009</i>
Insurance Fund	\$12,152	\$8,368
Vehicle Fund	\$28,514	\$14,089
Equipment Fund	\$16,080	\$7,192
Technology Fund	\$74,061	\$89,173
Building Fund	\$29,476	\$4,476
DWI Forfeiture Fund	\$26,067	\$43,305
Reserve Officer Fund	\$5,024	\$1,576
Firearms Range Fund	\$3,227	\$3,693
<b>Total</b>	<b>\$194,601</b>	<b>\$171,872</b>

Undesignated Fund	Audited Balance <i>December 31, 2010</i>
Undesignated-Reserve Fund - <b>See Notation (1)</b>	\$144,713
	Unaudited Balance <i>May 11, 2011</i>
Balance After Approved Transfer - (May 2011)	\$135,713



Undesignated Fund	Audited Balances <i>December 31, 2009</i>
Undesignated-Reserve Fund - <b>See Notation (2)</b>	\$156,650
Balance After Approved Transfer - (May 2010)	\$131,650



**Notation (1):** There was a net increase in the Undesignated-Reserve Fund as a result of favorable operations during 2010. This is reflected in the audit report completed by CPA Stuart Bonniwell for 2010. The balance in the Undesignated-Reserve Fund was approximately 6.6 percent of projected operating expenses for 2011. This balance was reduced to approximately 6.2 percent with the approved transfer of \$9,000 into the Designated Technology Fund. The resulting balance in the Undesignated-Reserve Fund is at a minimally acceptable level in which to support current and future operations, especially with the operating budget being so lean, surge in gasoline prices and the uncertainty of state aid revenues.

**Notation (2):** There was a net increase in the Undesignated-Reserve Fund as a result of favorable operations during 2009. This is reflected in the audit report completed by CPA Stuart Bonniwell for 2009. The balance in the Undesignated-Reserve Fund was approximately 7.4 percent of projected operating expenses for 2010. This was subsequently reduced to approximately 6.2 percent with the approved transfer of \$25,000 into the Designated Building Fund. The resulting balance in the Undesignated-Reserve Fund is at a minimally acceptable level in which to support current and future operations.

**SOUTH LAKE MINNETONKA POLICE DEPARTMENT**  
**2012 Operating Budget - Revised Proposal**

Coordinating Committee Meeting - Wednesday, July 20, 2011

**PROPOSED TRANSFERS TO DESIGNATED FUNDS**

Operating Budget Categories				Transfer >	Designated Funds
Item	Category	Sub-Item	Sub-Category	Amount	Fund Name
52100	Equipment Leases	52110	Communications	\$20,000	Technology
52200	Repairs & Maintenance	52220	Building Maintenance	\$1,200	Firearms Range
56000	Insurance	56000	N/A	\$60,000	Insurance
57000	Special Projects	57005	Reserve Officers	\$2,800	Reserve Officer
58000	Capital Outlay	58200	Vehicles	\$52,000	Vehicle
58000	Capital Outlay	58300	Equipment	\$2,000	Equipment
<b>Total</b>				<b>\$138,000</b>	



## 2012 OPERATING BUDGET

### Summary of Funds Supporting Operations

Prepared by Chief Bryan Litsey

Coordinating Committee Meeting - July 20, 2011

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#### INTRODUCTION

The South Lake Minnetonka Police Department (SLMPD) is responsible for managing its own fiscal affairs as a joint powers organization. This means it is necessary for the department to maintain a number of specialized and capital funds to support the operating budget, which is financed primarily by member city contributions. Many of these funds are used to help with cash flow and to maintain consistency in the operating budget from year-to-year. All fund balances are subject to variances depending on when revenues, transfers and expenditures are received or made throughout the year. Since most of these funds depend on operating budget transfers to maintain an adequate balance, this becomes problematic during periods when the operating budget is held to a bare minimum and dependency on these funds increases. This has been the case the past few years with transfers to several of these funds falling behind what is needed to maintain adequate balances. The following narrative provides an overview of each fund within the context of the overall fiscal management of the organization. The corresponding spreadsheet is a snapshot of the audited fund balances as of December 31, 2010.

#### DESIGNATED FUNDS

***Insurance Fund*** - This fund is used to manage insurance costs. Premiums are paid out of this fund for liability, property and workers compensation insurance provided through the League of Minnesota Cities Insurance Trust (LMCIT). Maintaining this fund helps protect against the volatility in the insurance industry. It also provides a means for absorbing higher deductibles and self-insuring against smaller claims. Until 2010, the balance in this fund had been declining faster than it was being replenished due to increased premiums and additional insurance. This was addressed as part of the 2010 budget process by increasing the amount being transferred into this fund from operations. It was further recognized that this higher transfer amount needed to be maintained in subsequent budget years in order to sustain an adequate fund balance. The proposed amount for 2012 is a continuation of that practice with the same amount being transferred as 2010 and 2011.

***Vehicle Fund*** - This fund is utilized to purchase, equip and set-up vehicles. It allows for a uniform replacement schedule for vehicles in the SLMPD fleet. Proceeds from the sale of vehicles go directly into this fund to help offset replacement costs. Vehicles in the patrol fleet are replaced more frequently than the vehicles used for other functions, given the high and rigorous number of miles put on patrol vehicles and their need to be in good condition for safety and reliability. The annual transfer to this fund from the operating budget was drastically reduced in 2004 to help with a projected revenue

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shortfall that year. The fund balance was sufficient enough at the time to temporarily absorb a reduced contribution from the operating budget. It was recognized, however, this could not be sustained over the long-term and if allowed to continue would have severe financial implications on future operating budgets. Since that time, only nominal progress has been made toward restoring this fund to a sustainable level through incremental increases in transfers from the operating budget along with transfers of excess revenues. The transfer amount has remained flat the last few years at \$48,000, which is well short of the approximately \$66,000 that is currently needed to support a conservative fleet rotation schedule. A band-aid approach was recently taken to help shore up this fund on an interim basis. The Coordinating Committee approved using a portion of the DWI Forfeiture Fund to purchase and outfit one of two new patrol vehicles acquired in 2010. This stopgap measure helped preserve capital in the fund until subsequent transfers from the operating budget can be increased incrementally over the next several years to a more acceptable level. The DWI Forfeiture Fund is an unpredictable funding source that should not be relied upon as a steady revenue stream. The budget proposal for 2012 begins to address this shortfall by increasing the transfer amount to \$52,000. Although a step in the right direction, the amount being transferred will need to be accelerated in future budget years to keep the fund solvent. Adding to the urgency is that the next generation of pursuit rated police vehicles will be significantly more expensive.

***Equipment Fund*** - This fund was established for the purchase and replacement of furnishings and other non-vehicle related equipment. Some of the fund uses have been shifted in recent years to the Technology Fund. Additionally, most of the furnishings were new when the SLMPD moved into its current facility thus lessening the dependency on this fund. Nevertheless, this fund is still being relied upon for a number of equipment needs. Annual transfers to this fund from the operating budget have been minimal in recent years due to budgetary constraints. This would have been more consequential if not for the resourcefulness of the department in securing other funding sources through grants and donations. One of the most consistent and prominent contributors has been the South Lake Minnetonka Crime Prevention and Criminal Apprehension Fund. This locally based nonprofit organization has contributed thousands of dollars toward equipment purchases. Once again, only a nominal transfer amount of \$2,000 is being proposed for 2012.

***Technology Fund*** - This fund supports the ever increasing role of technology in law enforcement. It was initially established in anticipation of the conversion by Hennepin County to a new 800 MHz radio system. It was realized that the department would have to absorb a considerable expense for the equipment needed to remain part of the county-wide system. This conversion took place in the fall of 2002. Since that time, the fund has taken on an expanded role to support other technologies such as the installation of mobile data computers in the patrol vehicles and the internal expansion and replacement of computer hardware and software. Some of the aforementioned radio equipment and mobile data computers have or will soon be coming to the end of their useful life-span and need to be replaced in accordance with the revised schedule that has been adopted. For instance, the scheduled replacement of all the mobile data computers in the patrol vehicles should be completed by the end of 2011. A decision was made to defer the replacement of the original group of 800 MHz radios until 2012, even

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though the manufacturer recommended 2009. This stopgap measure helps preserve capital until 2012, when the replacement of the 800 MHz radios is scheduled to begin. Once again, the department will be looking at the lease to own option through Hennepin County to help preserve some much needed capital. Another “big ticket” item that is scheduled to be replaced in 2012 is our in-house record management system that was purchased in 1999 in order to be Y2K compliant. An internal work group has been researching various replacement options in terms of price and value. Only two vendors are still in contention, both of which market their products differently. A preliminary presentation was made to the Coordinating Committee earlier this year without a specific recommendation. The goal is to have a recommendation ready for consideration before the end of 2011. The initial capital outlay and ongoing costs of a new record management system will significantly impact both this fund and the operating budget. The amount currently being transferred to this fund from operations covers the lease, maintenance and user fees charged by Hennepin County for 800 MHz equipment with little remaining for other technology needs. Although no increase is being proposed for 2012, future consideration needs to be given to increasing the transfer amount as recommended during the strategic planning process. The operating budget proposed for 2012 has funds set aside under the undesignated allotment category to begin absorbing the cost of an annual maintenance agreement on a new record management system. This will have to be supplemented with other funds for a period of time until fully integrated into the operating budget. Surplus revenues have been transferred into this fund over the years to supplement the annual appropriation from the operating budget. This last occurred in May 2011 when the Coordinating Committee approved transferring \$9,000 in surplus revenues from the 2010 operating budget to the Designated Technology Fund to help support a new record management system.

***Building Fund*** - This fund was initially created to assist with capital costs associated with maintaining the former police station and to provide the financial means for exploring the option of a new shared facility with the Excelsior Fire District (EFD). It was later used to offset some of the costs associated with the SLMPD moving into its new shared facility with the EFD. In more recent years, this fund has served primarily as a capital account for maintaining and improving the functionality of the facility. This use is different from what is factored into the operating budget each year for the routine maintenance and upkeep of the building. Even though the facility is still relatively new, this fund has already been used for some costly repairs and system malfunctions not covered under warranty. The fund is not supported through operations, other than when there has been a transfer of surplus year-end revenues. The fund received a significant boost in 2011 after the Shorewood EDA informed the SLMPD that there were unspent bond proceeds left in the construction fund for the public safety facility. The amount designated to the SLMPD was determined to be \$29,737.85. The Coordinating Committee approved transferring this amount into the Designated Building Fund to help bring the balance up to a more acceptable level. It is still short of what is needed to meet long-term capital replacement needs.

***Reserve Officer Fund*** - This fund was initially established to finance the appreciation banquet held each year for volunteer reserve officers. The use of this fund has been expanded in recent years to help cover the expense of equipping and training reserve officers. One of the funding sources was changed in 2009 at the direction of the Coordinating Committee. Member cities no longer contribute directly to this

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fund. Instead, this contribution now comes in the form of an annual transfer from the operating budget under the expense category of Special Projects. Other funding sources include the proceeds generated by the department auctioning seized and/or unclaimed property along with occasional grants and private donations. A new approach that has raised additional revenue is suggesting a voluntary donation be made to this fund if reserve officers help out with a special detail or event. This is now included on the invoice when the department bills for services connected with these types of activities. It is important to note that reserve officers are volunteers in the true sense of the word and receive no personal compensation. Having this fund is a nice way to show the members of this volunteer unit that they are appreciated and supported by the South Lake Minnetonka communities.

***DWI Forfeiture Fund*** - The proceeds realized from the sale of vehicles seized by the SLMPD pursuant to the DWI forfeiture law must be distributed in accordance with state statute. The percentage that goes to the department is maintained in a dedicated account for ease of tracking as required by state guidelines. Expenditures from this fund are also regulated by state statute and must be related in some way to enhancing law enforcement efforts. This includes purchasing equipment that can aid in the detection and apprehension of people who are driving while impaired. This fund is intended to supplement, not replace normal budgetary items. It is not an acceptable practice to use these proceeds to reduce the impact on the operating budget.

***Firearms Range Fund*** - This fund was created to help manage and track expenses relating to the operation and maintenance of the SLMPD indoor firearms range. Some of the more costly items are maintaining the automated target system, cleaning the bullet trap and replacing the special filters that are part of the air exchange unit. This fund receives a nominal contribution each year from the operating budget along with the revenues generated from other law enforcement agencies renting the firearms range for training purposes.

**UNDESIGNATED FUND**

***Reserve Fund*** - The budget process is not a perfect science and many costs are influenced by external factors that are not easily controlled. Additionally, when providing essential services to the public it is critical to have money in reserves for unknown contingencies. This fund provides the SLMPD with a marginally acceptable cushion against unanticipated expenses ranging from escalating fuel prices to investigating a major crime involving hundreds of hours of overtime. One important distinction, however, is that the department does not rely on money in reserves as extensively as a municipality to maintain its cash flow throughout the year. This is because unlike a municipality, which needs to maintain its cash flow between tax collections, the department receives the majority of its revenue through monthly payments from member cities. This provides a constant revenue stream throughout the year. The history has been to maintain in reserves the equivalent of between five and six percent of operating expenses as a standard financial practice. More recently, this has been increased to the six percent range due to the downturn in the economy along with the increased vulnerabilities and potential shortcomings in the budgets that have been adopted. One of the most notable concerns is the

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continuing decline in state police officer aid, which is the largest revenue item in the budget after member city contributions. Further declines in this annual payment may require using reserves in order to end the year with a balanced budget. It is prudent, therefore, to maintain a slightly higher reserve balance than what has been the case in the past. Anything beyond this amount would be considered discretionary in terms of its use. The current practice has been to shift any additional surplus toward capital needs rather than offsetting operating expenses. It is normally not advisable to offset operating expenses with reserves, being the temporary relief it provides will have to be made up in future budget years in addition to any other budgetary increases. This compounding effect can be difficult to overcome and can lead to future budget deficits. Transferring excess reserves to designated funds allows the department to better meet specific needs.

# SOUTH LAKE MINNETONKA POLICE DEPARTMENT

## Historical Comparison - Member City Contributions Toward Operations Years 2012 - 2003

**Coordinating Committee Meeting - July 20, 2011**

Prepared by Chief Bryan Litsey

Operating Budget - Year 2012	Excelsior	Greenwood	Shorewood	Tonka Bay	Reserves	Total	% Change Previous Year
JPA Percentage Contributions	Pending	Pending	Pending	Pending		Pending	
Final Contributions	Pending	Pending	Pending	Pending		Pending	

The 2012 budget process was still in progress at the time this document was prepared. Salaries and benefits should be less of a factor on the expense side, although the expiring labor agreement with union employees has yet to be negotiated for 2012. The good news is that for the first time in years health insurance rates are expected to decrease rather than increase. Other expense considerations include additional costs associated with the transition to a new record management system and additional capital needed to support an adequate vehicle fleet rotation schedule. Declining revenues continue to be problematic, most notably state aid payments associated with police pensions and disability benefits.

Another consideration that comes into play for 2012 is an adjustment to the funding formula used to determine each member city's percentage contribution toward the operating budget. An arbitration ruling in 2006 reset these percentages and locked them in for the next five years (2007-2011). These percentages first become eligible for adjustment in 2012 and every five-year period thereafter based on three determining factors (population, tax capacity and police statistical data). An administrators group sanctioned through the Coordinating Committee has been working on a reallocation formula for 2012. Preliminary figures were released at the budget work session held on June 27, 2011. These new percentages have yet to be finalized for the 2012 budget year.

Operating Budget - Year 2011	Excelsior	Greenwood	Shorewood	Tonka Bay	Reserves	Total	% Change Previous Year
JPA Percentage Contributions	27.0%	8.0%	50.0%	15.0%		100.0%	
Final Contributions	\$535,518	\$158,672	\$991,700	\$297,510		\$1,983,400	4.8%

The lackluster economy was still a consideration during the 2011 budget process. Salaries and benefits were the impetus behind much of the overall increase under expenses. The multi-year (2010-2011) labor agreement negotiated with union employees contained a base wage freeze for 2010 followed by a two (2) percent increase for 2011. This applied to non-union personnel as well. This coincided with additional PERA and Medicare costs tied to payroll, rate increases and eligibility requirements. Health insurance costs also went up significantly due to more employees opting for dependent coverage and a reopener in the union contract for 2011 that led to the employer contribution increasing as a result of notably higher rates. Declining revenues continued to be a factor, most notably state aid and investment income. Much of the burden for making up this loss revenue shifted to the member cities.

## Member City Contributions Toward Operations

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<b>Operating Budget - Year 2010</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	27.0%	8.0%	50.0%	15.0%		100.0%	
Final Contributions	\$510,813	\$151,352	\$945,950	\$283,785		\$1,891,900	0.7%

The economic downturn significantly impacted the 2010 budget process. The approved budget was predicated on being able to negotiate a base wage freeze with union employees exclusive of step increases and other obligations. This was also the expectation concerning non-union personnel. This budget objective was subsequently achieved as part of the multi-year (2010-2011) labor agreement negotiated with union employees. These factors, coupled with reductions in other expenses, basically made for a flat budget. If not for the decline in revenues, most notably state aid, member city contributions would have actually gone down from the previous year.

<b>Operating Budget - Year 2009</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	27.0%	8.0%	50.0%	15.0%		100.0%	
Recommended Contributions <i>2009 Strategic Goals Included</i>	\$524,070	\$155,280	\$970,500	\$291,150		\$1,941,000	9.5%
Difference	\$17,037	\$5,048	\$31,550	\$9,465		\$63,100	3.5%
Final Contributions	\$507,033	\$150,232	\$938,950	\$281,685		\$1,877,900	6.0%

The arbitration process in 2006 settled the dissension that had lingered for several years over the formula used to determine each city's annual contribution to the operating budget. This paved the way for a renewed effort on the part of the Coordinating Committee to engage in strategic planning. Although the groundwork was laid in 2007, this effort kicked into high gear with the creation of a Strategic Planning Group (SPG) at the beginning of 2008. The SPG adopted an aggressive schedule so that their findings could be considered as part of the budget process for 2009. A three step approach was followed which included information gathering, defining the key issues and developing a plan. Through this process four strategic goals were identified as being critically important to the mission of the organization. Specific to the operating budget were phasing in additional police officers earmarked for the patrol division; increasing the overtime budget to help manage scheduling issues; and maintaining a sufficient fund balance in order to keep pace with technology. A corresponding five-year budget projection was developed to show the financial implications of implementing these strategic goals. The operating budget proposal, which was endorsed by the Coordinating Committee and overwhelmingly supported by three of the four member City Councils, incorporated the strategic goals recommended for 2009. Nevertheless, it fell short of being adopted because one City Council lacked majority support for the proposal. Ultimately, an operating budget was adopted for 2009 absent any of the goals developed through the strategic planning process.

## Member City Contributions Toward Operations

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Operating Budget - Year 2008	Excelsior	Greenwood	Shorewood	Tonka Bay	Reserves	Total	% Change Previous Year
JPA Percentage Contributions	27.0%	8.0%	50.0%	15.0%		100.0%	
Contributions Without CSO Option	\$466,263	\$138,152	\$863,450	\$259,035		\$1,726,900	5.8%
Difference	\$12,150	\$3,600	\$22,500	\$6,750		\$45,000	2.8%
Final Contributions With CSO Option	\$478,413	\$141,752	\$885,950	\$265,785		\$1,771,900	8.6%

The 2008 operating budget proposal contained an option for expanded community service officer (CSO) coverage. The figures above reflect the difference between these two budget scenarios. Ultimately, the budget with the CSO option was approved as part of a two step process. This allowed the SLMPD to take on animal control and other responsibilities for the member cities. Prior to this change, the member cities had contracted with other agencies for animal control service. By redirecting this money to the SLMPD, considerably better and expanded service was achieved for virtually the same or minimally higher cost to member cities.

Operating Budget - Year 2007	Excelsior	Greenwood	Shorewood	Tonka Bay	Reserves	Total	% Change Reset 2006 Baseline
JPA Percentage Contributions Pursuant to Arbitration Ruling (1)	27.0%	8.0%	50.0%	15.0%		100.0%	
Reset 2006 Baseline Amount (2)						\$1,556,100	N/A
Final Contributions	\$440,512	\$130,522	\$815,762	\$244,729		\$1,631,525	4.8%

(1) The Fourth Amendment to the Joint Powers Agreement, which was ratified in 2006, ended the stalemate over the percentage share each member city contributes toward the operating budget. This political dispute, which had plagued the budget process since 2003, was resolved by an arbitration panel and their findings of fact and order was filed in June of 2006. Their ruling established new percentages for each member city starting in 2007, which are subject to review and adjustment every five years based on predetermined criteria. These new percentages are reflected above.

(2) The Fourth Amendment to the Joint Powers Agreement also reset the baseline for determining each member city's share of the operating budget in 2007. This number normally represents the cumulative total of what the member cities contributed toward the operating budget the previous year. Although this came to \$1,517,051 for 2006, there was a one time exception whereby this number increased to what it would have been if the operating budget had been fully funded in 2006. This brought the baseline up to \$1,556,100, which became the new starting point for 2007.

**Member City Contributions Toward Operations**

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<b>Operating Budget - Year 2006</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	29.5%	8.5%	46.0%	16.0%		100.0%	
Recommended Contributions	\$459,050	\$132,269	\$715,806	\$248,976		\$1,556,100	3.7%
No Increase Scenario	\$400,000	\$115,254	\$623,729	\$216,949		\$1,355,932	0.0%
Difference	\$59,050	\$17,015	\$92,077	\$32,027		\$200,168	
Additional Voluntary Contributions	\$20,000	\$17,015	\$92,077	\$32,027		\$161,119	
Final Contributions	\$420,000	\$132,269	\$715,806	\$248,976		\$1,517,051	1.1%
Adjusted Budget Percentages	27.7%	8.7%	47.2%	16.4%		100.0%	

<b>Operating Budget - Year 2005</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	29.5%	8.5%	46.0%	16.0%		100.0%	
Recommended Contributions	\$442,559	\$127,517	\$690,092	\$240,032		\$1,500,200	4.1%
No Increase Scenario	\$400,000	\$115,254	\$623,729	\$216,949		\$1,355,932	0.0%
Difference	\$42,559	\$12,263	\$66,363	\$23,083		\$144,268	
Additional Voluntary Contributions	\$0	\$17,394	\$94,132	\$32,742		\$144,268	
Final Contributions	\$400,000	\$132,648	\$717,861	\$249,691		\$1,500,200	5.9%
Adjusted Budget Percentages	26.7%	8.8%	47.9%	16.6%		100.0%	

<b>Operating Budget - Year 2004</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	29.5%	8.5%	46.0%	16.0%		100.0%	
Recommended Contributions	\$425,154	\$122,502	\$662,952	\$230,592		\$1,441,200	6.3%
No Increase Scenario	\$400,000	\$115,254	\$623,729	\$216,949		\$1,355,932	0.0%
Difference	\$25,154	\$7,248	\$39,223	\$13,643		\$85,268	
Additional Voluntary Contributions	\$0	\$7,248	\$39,223	\$13,643		\$60,114	
Final Contributions	\$400,000	\$122,502	\$662,952	\$230,592		\$1,416,046	4.4%
Adjusted Budget Percentages	28.2%	8.7%	46.8%	16.3%		100.0%	

**Member City Contributions Toward Operations**

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<b>Operating Budget - Year 2003</b>	<b>Excelsior</b>	<b>Greenwood</b>	<b>Shorewood</b>	<b>Tonka Bay</b>	<b>Reserves</b>	<b>Total</b>	<b>% Change Previous Year</b>
JPA Percentage Contributions	29.5%	8.5%	46.0%	16.0%		100.0%	
Recommended Contributions	\$409,254	\$117,920	\$638,158	\$221,968		\$1,387,300	6.5%
Final Contributions	\$400,000	\$115,254	\$623,729	\$216,949		\$1,355,932	4.1%
Difference	\$9,254	\$2,666	\$14,429	\$5,019	\$31,368	Difference Made Up With Reserve Funds	

DATE: July 20, 2011  
TO: SLMPD Coordinating Committee  
FROM: Brian Heck, Joe Kohlmann, Kristi Luger, and Dana Young  
SUBJECT: 2012 Police Formula Implementation

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In accordance to the June 1, 2006 Findings of Fact and Order document, the funding formula for the South Lake Minnetonka Police Department (SLMPD) is to be adjusted every five years with the first adjustment being effective for calendar year 2012. At the May 11, 2011 SLMPD Coordinating Committee meeting, the Coordinating Committee directed the City Administrators/Managers to study the Order and determine the appropriate funding formula adjustment. While analyzing the Order, we agreed that it would be helpful for future Coordinating Committees to have a document that would serve as a guide on how to adjust the funding formula. The intent of this memorandum is to serve as that guide.

- Key Documents. 2012 Adjustments to the SLMPD Funding Formula are guided by two documents: (1) the June 1, 2006 Findings of Fact and Order issued by the Funding Formula Arbitration Panel of former Minnesota Supreme Court Justice James H. Gilbert, former Minnesota Court of Appeals Judge Marianne D. Short, and former Hennepin County District Court Judge Peter J. Lindberg (the "Order"); and (2) the June 15, 2006 Supplemental Binding Arbitration Order issued by the same Arbitration Panel (the "Supplemental Order"). The Order was issued at the conclusion of an arbitration proceeding agreed to by the SLMPD member cities (Excelsior, Greenwood, Shorewood, and Tonka Bay) that included presentation of evidence, filing of briefs, and an arbitration hearing held on May 4, 2006. The Supplemental Order was issued in response to a June 9, 2006 letter from attorneys for the four member cities seeking clarification of the Order.
- The New Funding Formula. The Order set forth the allocation of operating budget costs (the "Funding Formula") between the member cities as follows:

Excelsior	27%
Greenwood	8%
Shorewood	50%
Tonka Bay	15%

Order at p. 8. The Funding Formula established by the Arbitration Panel took effect January 1, 2007. Supplemental Order at ¶ 1.

- Scope of the New Funding Formula. The Funding Formula established in the Order applies only to the SLMPD operating budget costs. The operating budget costs do not include the City of Excelsior's separately contracted park patrol and dockmaster services. Order at p. 8. Nor do they include police facility debt service costs, which are governed by separate agreement. Supplemental Order at ¶ 1.

- Timing of Adjustments to the Funding Formula. The Funding Formula is to be adjusted every five years. Order at p. 8; Supplemental Order at ¶ 2. The first adjustment shall be effective for calendar year 2012. Supplemental Order at ¶ 2. Subsequent adjustments, if necessary, shall be made every five years (effective January 1, 2017; January 1, 2022; etc.). Order at p. 8; Supplemental Order at ¶ 2.
- Mechanics of the Adjustments. Each adjustment to the Funding Formula shall be based on “the differences, if any, between the data established at the commencement of each five year period and the immediately subsequent five year averages of the Member Cities’ tax capacity, population, and ICR statistics.” Supplemental Order at ¶ 2. For the initial adjustment (taking effect on January 1, 2012), “these three factors shall be compared to the 2005 tax capacity and ICRs of Member Cities and the 2004 population statistics with equal weight to each factor.” Id. The three factors are to be used to adjust the Funding Formula set in the Order, not to create a new Funding Formula based purely on the three factors. Supplemental Order at p. 2.
- Implementation. Based on the language in the Order and Supplemental Order, we conclude that the adjustment should be implemented as shown on the attached spreadsheet using the following steps:
  1. Calculate each Member City’s “Baseline Percentages” of population, tax capacity, and ICRs. For population 2004 figures are used; for tax capacity and ICRs, 2005 figures are used.
  2. Calculate each Member City’s average percentage of total tax capacity<sup>1</sup>, total ICRs<sup>2</sup> and total population<sup>3</sup> for the past five years (the “Subsequent Five Year Average Percentages”). For tax capacity and ICRs, this requires averaging of data from calendar years 2006-2010; for population, data from 2005-2009 shall be averaged.
  3. Multiply each Member City’s Baseline Percentages of population, tax capacity, and ICR percentages by 0.33 and add them together to create a Total for Comparison (Column A).
  4. Multiply each Member City’s Subsequent Five Year Average Percentages by 0.33 and add them together to create a Subsequent Five Year Percentages Total for Comparison (Column B).
  5. Compare Column A with Column B for each Member City to determine the difference.
  6. Use the difference in step 5 to either add to or subtract from the Funding Formula established by the Arbitration Panel effective January 1, 2007.

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<sup>1</sup> Tax Capacity Source: Hennepin County Taxpayer Services 'Adjusted Net Tax Capacity'

<sup>2</sup> ICR Source: SLMPD, citations are not included

<sup>3</sup> Population Source: [www.metrocouncil.org/metroarea/stats.htm](http://www.metrocouncil.org/metroarea/stats.htm)

# REALLOCATION FORMULA FOR SLMPD OPERATING FUND ~ 2012-2016

Revised 06-28-11

## POPULATION BASELINE

	2004 Population	% of Total
Excelsior	2,400	19.3159%
Greenwood	800	6.4386%
Shorewood	7,625	61.3682%
Tonka Bay	1,600	12.8773%
	12,425	100.0000%

## TAX CAPACITY BASELINE

	2005 Tax Cap	% of Total
Excelsior	3,005,669	13.7493%
Greenwood	2,079,710	9.5135%
Shorewood	12,836,707	58.7209%
Tonka Bay	3,938,449	18.0163%
	21,860,535	100.0000%

## ICR BASELINE

	2005 ICR's	% of Total
Excelsior	2,049	31.8762%
Greenwood	369	5.7405%
Shorewood	3,308	51.4623%
Tonka Bay	702	10.9210%
	6,428	100.0000%

## POPULATION AVERAGES

	2005	2006	2007	2008	2009	Average	% of Avg. Total
	2,380	2,395	2,437	2,382	2,360	2,391	19.4371%
	759	814	818	804	806	800	6.5056%
	7,551	7,499	7,611	7,582	7,618	7,572	61.5616%
	1,545	1,525	1,534	1,532	1,549	1,537	12.4957%
	12,235	12,233	12,400	12,300	12,333	12,300	100.0000%

## TAX CAPACITY AVERAGES

	2006	2007	2008	2009	2010	Average	% of Avg. Total
	3,334,776	3,917,784	4,245,911	4,397,510	4,235,792	4,026,355	13.3040%
	2,447,073	2,894,806	3,377,856	3,688,315	3,713,570	3,224,324	10.6539%
	14,477,835	16,319,066	17,798,714	18,513,585	18,269,931	17,075,826	56.4224%
	4,609,014	5,358,772	6,148,162	6,748,501	6,824,277	5,937,745	19.6197%
	24,868,698	28,490,428	31,570,643	33,347,911	33,043,570	30,264,250	100.0000%

## ICRs AVERAGES

	2006	2007	2008	2009	2010	Average	% of Avg. Total
	2159	2044	2316	2086	2150	2,151	35.3597%
	341	352	382	352	385	362	5.9574%
	3142	2823	3190	2928	2831	2,983	49.0334%
	596	537	695	598	509	587	9.6495%
	6,238	5,756	6,583	5,964	5,875	6,083	100.0000%

	Column A			
	1/3 Pop	1/3 Tax Cap	1/3 ICRs	Totals for Comparison
	2004	2005	2005	
Excelsior	6.4386%	4.5831%	10.6254%	21.6471%
Greenwood	2.1462%	3.1712%	1.9135%	7.2309%
Shorewood	20.4561%	19.5736%	17.1541%	57.1838%
Tonka Bay	4.2924%	6.0054%	3.6403%	13.9382%
<b>TOTAL</b>	<b>33.3333%</b>	<b>33.3333%</b>	<b>33.3333%</b>	<b>100.0000%</b>

	Column B				Column C		Column D
	1/3 Pop	1/3 Tax Cap	1/3 ICRs	Totals for 5-Year Avg	Difference Column A & B	Arbitration Allocation	C+D = New Allocation
	2005-2009	2006-2010	2006-2010				
	6.4790%	4.4347%	11.7866%	22.7003%	1.0532%	27.0000%	28.0532%
	2.1685%	3.5513%	1.9858%	7.7056%	0.4747%	8.0000%	8.4747%
	20.5205%	18.8075%	16.3445%	55.6725%	-1.5113%	50.0000%	48.4887%
	4.1652%	6.5399%	3.2165%	13.9216%	-0.0166%	15.0000%	14.9834%
	33.3332%	33.3334%	33.3334%	100.0000%		100.0000%	100.0000%

In 2016 the formula will be adjusted for 2017-2021 using Column B percentages as the new baseline numbers for Column A, and the numbers for the new averages will be from 2010-2014 for population, and from 2011-2015 for tax capacity and ICRs.

Going forward the same reallocation formula is used every 5 years.

*Tax Capacity Source: Hennepin County Taxpayer Services 'Adjusted Net Tax Capacity'*

*ICR Source: SLMPD - does not included citations*

*Population Source: www.metrocouncil.org/metroarea/stats.htm*



<b>Agenda Number</b>	<b>4C</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Report: City Attorney Mark Kelly, Unemployment Claim
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>Attached is a memo from City Attorney Mark Kelly regarding his research into the former clerk's unemployment claim. Mark will answer council questions at the August meeting.</p>
<b>Council Action</b>	<p>Suggested Motions:</p> <ol style="list-style-type: none"> <li>1. I move the council accepts the city attorney's recommendation that the city cannot successfully contest the interpretation of state statute 268.095, subd. 10, and therefore approves the payment of the unemployment insurance bill dated 7/8/11 in the amount of \$5,256.</li> <li>2. I move the council authorizes the mayor to write a letter to the Minnesota Unemployment Office stating that no further payments will be made until the city receives copies of all determinations and a written reply to the mayor's 2/7/11 letter, and the city attorney's 4/19/11 letter.</li> </ol>

# KELLY LAW OFFICES

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*Established 1948*

351 SECOND STREET  
EXCELSIOR, MINNESOTA 55331

MARK W. KELLY  
WILLIAM F. KELLY (1922-1995)

(952) 474-5977  
FAX 474-9575

July 21, 2011

Mayor Deb Kind  
and City Council Members  
City of Greenwood  
20225 Cottagewood Road  
Deephaven, MN 55331

Re: Roberta L. Whipple Employment Benefits Issue

Dear Mayor and Council Members:

The City received notice dated February 2, 2011 from Minnesota Unemployment Insurance that former City Clerk, Roberta Whipple, had applied for unemployment benefits and that the City, as a past employer during the applicant's "base period" held potential liability for any benefits paid. The letter advised that the maximum charge to the City would be \$10,556.00, if benefits were paid over 52 weeks.

The State notice acknowledges that Ms. Whipple had separated from employment in the past for reasons other than "lack of work", (i.e. she quit) and advised that a questionnaire would be provided to the City's online account or by mail regarding this separation. (Of course there had already been a legal determination of ineligibility based on having quit.) The notice stated that the City had the right to raise the issue of having quit and other issues, such as lack of work, refusal to accept employment, strike, pension being received, not looking for work, etc. We had no information on any of these and, therefore, did not address such issues.

Those issues can be raised by internet, fax or mail, and notice needed to be appealed by February 22<sup>nd</sup>. Mayor Kind prepared a response (in consultation with me) dated February 7<sup>th</sup>. As Chief Executive of the City, she had the authority to communicate with the State. Her mailed objection reiterated the City's position that it raises an issue of ineligibility in this matter. In support thereof she provided the legal determination that Roberta Whipple was ineligible for unemployment benefits based on having quit all as determined by the Minnesota Unemployment Insurance Department, June, 2010.

The State of Minnesota did not respond to the Mayor's letter. We don't know why. Perhaps they found it non-determinative, perhaps it got lost, or perhaps they did not process it as an appeal, despite its clear intent. On April 8, 2011, the State sent notice of unemployment benefits paid to Roberta Whipple. These benefits were paid apparently after a final determination had been made by the State. After the April 8<sup>th</sup> notice, I was asked by the Mayor

to reply to the State and did so April 19<sup>th</sup> (see copy enclosed). I have not received any response from the State.

Having received no written response from the State, to either Mayor Kind's letter of objection or my letter, Mayor Kind made a phone inquiry and was informally advised by a Minnesota Unemployment Insurance staffer that Ms. Whipple had gained new employment since the June, 2010 determination, but had later been laid off. Apparently relying on 268.095, Subd. 10, the staffer was of the opinion Ms. Whipple had re-qualified for unemployment benefits, because she had earned eight times her weekly unemployment benefit amount. It was understood that this unemployment benefit amount is to be split between the City and her most recent employer.

### **Discussion**

Ineligibility for unemployment benefits is regulated by Minnesota Statute Section 268.095. Under this Statute, Ms. Whipple was found ineligible for benefits for having quit (Subd. 1). However, Subdivision 10 thereof provides that *ineligibility* continues for "the duration of [Ms. Whipple's] *unemployment and* until the end of the calendar week that the applicant had total earnings and subsequent covered employment of eight times the applicant's weekly unemployment benefit allowed. I did not find any Minnesota Administrative Rules on this topic.

Clearly, the State of Minnesota did not acknowledge Mayor Kind's letter of February 7<sup>th</sup>, and apparently has made a final determination authorizing payment of unemployment benefits. They have not given us any final determination in writing. If no final determination has, in fact, been made, then arguably the State has improperly charged the City's account.

My correspondence of April 19<sup>th</sup> has also been disregarded. The City might demand a reply and also demand copies of all determinations. Assuming the State replies, we should learn the legal basis on which the State took its action.

I am advised that late fee charges are being accrued for non-payment of these unemployment account charges at the rate of \$42.00 per invoice. Delay in making the payment will cause those charges to continue, however, any payment on the account while this dispute is open may be cited by the State as a waiver of objection or an admission of liability. The payment of the first invoice from the Minnesota Unemployment Office was approved at the July council meeting.

I do not believe the City can successfully contest the interpretations of Minnesota Statute Section 268.095, Subd. 10 (used to re-qualify Ms. Whipple for benefits), by the Unemployment Insurance Department. They establish their own interpretation. It is unlikely the City of Greenwood would convince them to revise that interpretation. The cost of pressing such an issue could add up and be for naught.

I welcome any questions you may have.

Sincerely,

/s/

Mark W. Kelly  
MWK/tas

# KELLY LAW OFFICES

*Established 1948*

351 SECOND STREET  
EXCELSIOR, MINNESOTA 55331

April 28, 2011

Department of Employment and  
Economic Development  
Minnesota Unemployment Insurance  
332 Minnesota Street  
St. Paul, MN 55101-1351

**BY POST AND FAX: 651-297-5283**

Re: Employer Account No. 07991797  
Employer: City of Greenwood  
Applicant-Employee: Roberta A. Whipple  
Employee SSN: 502-76-4433  
Employment Start Date: 01/01/2010  
Employment End Date: 05/20/2010  
Job Title: City Clerk/Administrator  
Minnesota Unemployment Insurance Determination of Ineligibility  
06/24/2010

Dear Minnesota Unemployment Insurance:

The City of Greenwood protests the following attached advisory:

Notice of Unemployment Benefits paid and reimbursable bill:  
Quarter 1, 2011

charged to City of Greenwood Employer Account No. 07991797. This is an improper charge and must be reversed and canceled.

Employee-Applicant Roberta A. Whipple was determined June 24, 2010 to be ineligible for unemployment of benefits chargeable to the City of Greenwood, Minnesota (see Exhibit B attached). In particular, Applicant Whipple was determined to have quit employment during the week beginning May 16, 2010 for reasons of changes in the conditions employment that did not have a substantial negative affect on the applicant that would cause the average reasonable worker to quit. To the best of the City of Greenwood's knowledge, this determination was not appealed.

Please review this matter and advise, in writing, the true and correct Minnesota Unemployment Insurance determination in this regard.

In the event your department reversed its determination, please provide full particulars. In the event the City of Greenwood is liable for unemployment insurance benefits for Employee-Applicant, Roberta L. Whipple, please provide a written explanation of the process that occurred which has given rise to this determination.

Sincerely,

Mark W. Kelly  
Attorney for City of Greenwood  
MWK/tas

cc: Greenwood City Clerk/Administrator



# Unemployment Insurance Minnesota

Document ID: 7227183



7227183

CITY OF GREENWOOD  
KARPAS GUS  
20225 COTTAGEWOOD RD  
EXCELSIOR MN 55331-6700

07/08/2011

Employer Account Number  
07991797

## Notice of Unemployment Benefits Paid and Reimbursable Bill: Quarter 2, 2011

	<b>Charge</b>
<b>Previous Balance:</b>	\$0.00
<b>Payments:</b>	\$0.00
<b>Benefits Paid Charges/Adjustments:</b>	\$5,256.00
<b>Interest:</b>	\$0.00
<b>Fees and Penalties:</b>	\$0.00
<b>Amount Owed by 08/31/2011 :</b>	<b>\$5,256.00</b>

This is an Unemployment Insurance bill. Payment must be made in full by 08/31/2011 .

### UNEMPLOYMENT BENEFITS PAID SUMMARY INFORMATION

Unemployment benefits were paid to individuals previously employed in Minnesota by CITY OF GREENWOOD during or prior to the quarter ending 06/30/2011 . The attached table contains information regarding benefits paid that were charged to your account and any adjustments to your account during Quarter 2 of 2011 .

### ADDITIONAL INFORMATION

For additional information regarding Minnesota Unemployment Insurance and other resources for employers, go to the Minnesota UI web site: [www.uimn.org](http://www.uimn.org) . For detailed transaction, unit and payment information related to this statement, or to download a detailed Unemployment Benefits Paid file, select Benefits Paid Charges.



# Unemployment Insurance Minnesota

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Document ID: 7227183

Employer Account Number: 07991797

CITY OF GREENWOOD

## Unemployment Benefits Paid Summary Information

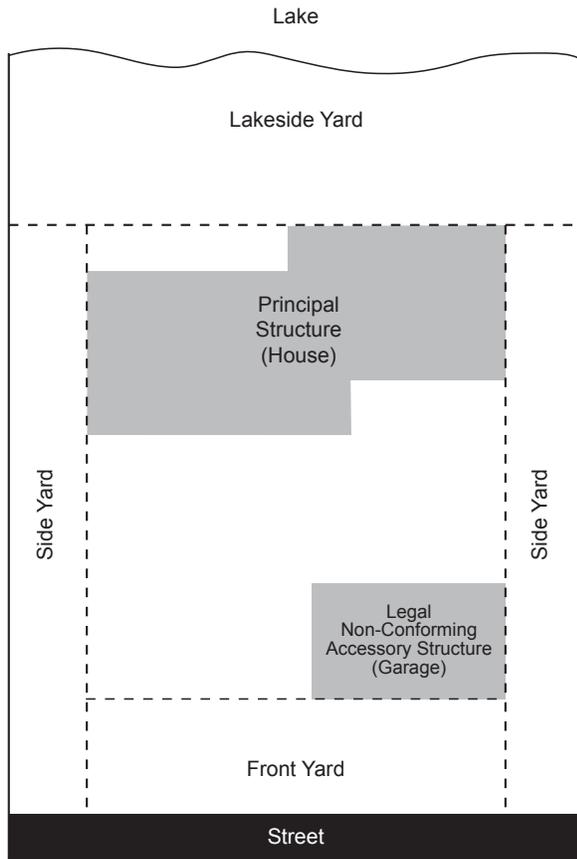
Quarter 2, 2011 Total: \$5,256.00

<u>Applicant SSN</u>	<u>Applicant Name</u>	<u>Begin Benefit Account</u>	<u>Begin Base Period</u>	<u>End Base Period</u>	<u>Wages Paid</u>	<u>% Benefits Paid</u>	<u>Benefits Paid Charges</u>
502-76-4433	WHIPPLE , ROBERTA L.	01/30/2011	10/01/2009	09/30/2010	\$42,234.12	100.0000%	\$5,256.00



<b>Agenda Number</b>	<b>6A</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Discuss: Definitions of Yards
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>The council discussed the Definitions of Yards at the July council meeting. 4 of 5 council members were in attendance at the July meeting, and the council was split on whether or not to refer the topic to the planning commission for their review and recommendation. The council decided to continue the discussion to the August meeting so Councilman Fletcher can break the tie. Below is the report that was included on the July agenda ...</p> <p>The city recently has received a couple complaints regarding storage of vehicles in "front yards." The applicable code is section 900.65 <u>Unlawful Parking and Storage</u> (3)(b): Vehicles that are parked or stored outside in the front yard areas must be on a paved parking surface or driveway area.</p> <p>The enforcement of this code section has highlighted the need for the council to review the definition of "front yard" and "yards" in general. Attached are drawings depicting the current yard definitions and proposed yard definitions for the council's consideration. Currently yard definitions are located in the zoning code (chapter 11). Should the yard definitions be located with the general code definitions as well (chapter 12)?</p>
<b>Council Action</b>	<p>Suggested Motion:</p> <ol style="list-style-type: none"> <li>1. I move the council directs the planning commission to review and make a recommendation regarding the definition of yards.</li> <li>2. Do nothing.</li> </ol>



## CURRENT CODE (Chapter 11, Page 14)

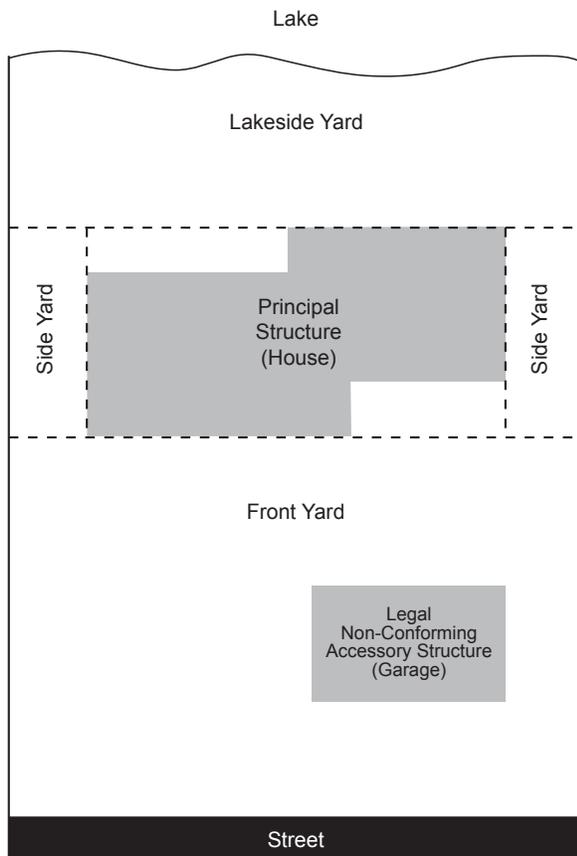
The drawing on the left depicts how the current city code definition of yards could be interpreted:

Yard (Front) means a yard extending across the front of the lot between the side yard lines and lying between the edge of the public right-of-way open and actually used for travel and the nearest line of the building.

Yard (Rear) means an open space unoccupied except for accessory buildings on the same lot with a building between the rear lines of the building and the rear line of the lot, for the full width of the lot.

Yard (Side) means an open, unoccupied space on the lot with a building between the building and the side line of the lot.

Yard (Lakeside) means a yard extending across the lot and lying between the rear line of the building and lakeshore. In no event shall the lakeside yard be interpreted to coincide with definition of front yard contained herein.



## PROPOSED

The drawing on the left depicts the definition of yards with the following proposed changes:

Yard (Front) means a yard extending across the full width of the lot and lying between the edge of the public right-of-way open and actually used for travel and the nearest line of the principal structure. Corner lots have two front yards.

Yard (Rear) means an open, unoccupied space between the rear property line and the nearest line of the principal structure, for the full width of the lot.

Yard (Side) means an open, unoccupied space between the principal structure and the side property lines of the lot.

Yard (Lakeside) means a yard extending the full width of the lot and lying between the lakeshore and the nearest rear line of the principal structure. In no event shall the lakeside yard be interpreted to coincide with definition of front yard contained herein.



<b>Agenda Number</b>	<b>7A</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Discuss: Code Section 1135.05 Revision to Change "Office" to a Principal Use and Change "Restaurant" to a Conditional Use
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>Councilman Rose requested this item be included on the August council agenda. He would like the council to consider revising the city code to change the principal and conditional uses in the C-2 lake recreation district (attached). The current code lists marinas and restaurants as principal uses, and includes general offices on the list of conditional principal uses in the C-2 district. With the discontinuance of a restaurant use at one of the C-2 sites, and the recent council approval of an office building as the principal use for the site, now is a good time to consider changing the code if the council desires.</p> <p>All zoning chapter 11 revisions must be reviewed by the planning commission. Therefore, if the council decides to move forward with changing section 1135.05, it must first be referred to the planning commission for their review and recommendation.</p>
<b>Council Action</b>	<p>Suggested Motions:</p> <ol style="list-style-type: none"> <li>1. I move the council directs the planning commission to review and make a recommendation regarding amending code section 1135.05 to change "office" to a principal use and change "restaurant" to a conditional use.</li> <li>2. Do nothing.</li> </ol>

Subd. 10. Additional Regulations. Additional requirements for signs, parking and other regulations in the C-1 district are set forth in section 1140 et seq.

## **SECTION 1135. C-2 LAKE RECREATION DISTRICT.**

### **Section 1135.00. Purpose.**

The C-2 lake recreation district is intended to provide a district that will allow commercial activity to serve the recreational needs of residents in conjunction with lake activities and to otherwise permit as conditional use, general offices, retail uses, and multi-family residential uses that meet specific standards and which will otherwise prevent and buffer interference with residential areas.

### **Section 1135.05. C-2 Permitted Uses.**

No building or home should be used, altered, or converted in any manner except as provided in section 1135 et seq. Permitted uses within the C-2 zone shall be:

#### Subd. 1. Principal Uses:

- A. Marinas (as defined at section 1135.35, subdivision 4); and
- B. **Restaurant** (as defined at section 1135.35, subdivision 5).

#### Subd. 2. Accessory Uses:

- A. Off-street parking and loading;
- B. Signs as regulated in section 1140 et seq.; and
- C. Multiple docks and/or mooring areas in conjunction with operation of a LMCD licensed marina or multiple-family residential use.

#### Subd. 3. Conditional Principal Uses:

- A. Retail uses that are marina or water related;
- B. Multi-family residential use (including the platting of condominiums within multi-family buildings with a minimum of not less than 1,500 square feet per residential unit subject to performance standards set forth at section 1135.00 et seq. and section 1140.00 et seq.;
- C. **General offices**; and
- D. Multiple permitted principal or conditional principal uses, other than multi-family, on a single tax parcel.

### **Section 1135.10. C-2 Lot Dimensions.**

The following height, yard lot width and coverage regulations shall be considered minimum standards.

Subd. 1. Height Regulations: The maximum building height for multi-family residential structures of 8 units or greater shall be not more than 32 feet for structures with gable roofs of not less than 5/12 pitch; all other roof/building designs or uses shall not exceed 30 feet in building height.

#### Subd. 2. Front Yard Regulations:

- A. There shall be a front yard setback of above grade structures (except entrance monuments) not less than 50 feet from the right-of-way line of all public highways and roads.
- B. Where a lot is located at the intersection of 2 or more roads or highways, there shall be a front yard setback on all streets.
- C. There shall be a setback from the lakeshore of not less than 50 feet.

#### Subd. 3. Side Yard Regulations:

- A. There shall be a side yard of not less than 15 feet on each side of a building except as modified below.
- B. No building used for commercial purposes shall be located within 30 feet of any lot line abutting a residential district.

Subd. 4. Lot Depth Regulations: There shall be a rear yard having a depth of not less than 50 feet.

Subd. 5. Lot Width Regulations: Every lot or tract shall have a width of not less than 75 feet abutting a public right-of-way.



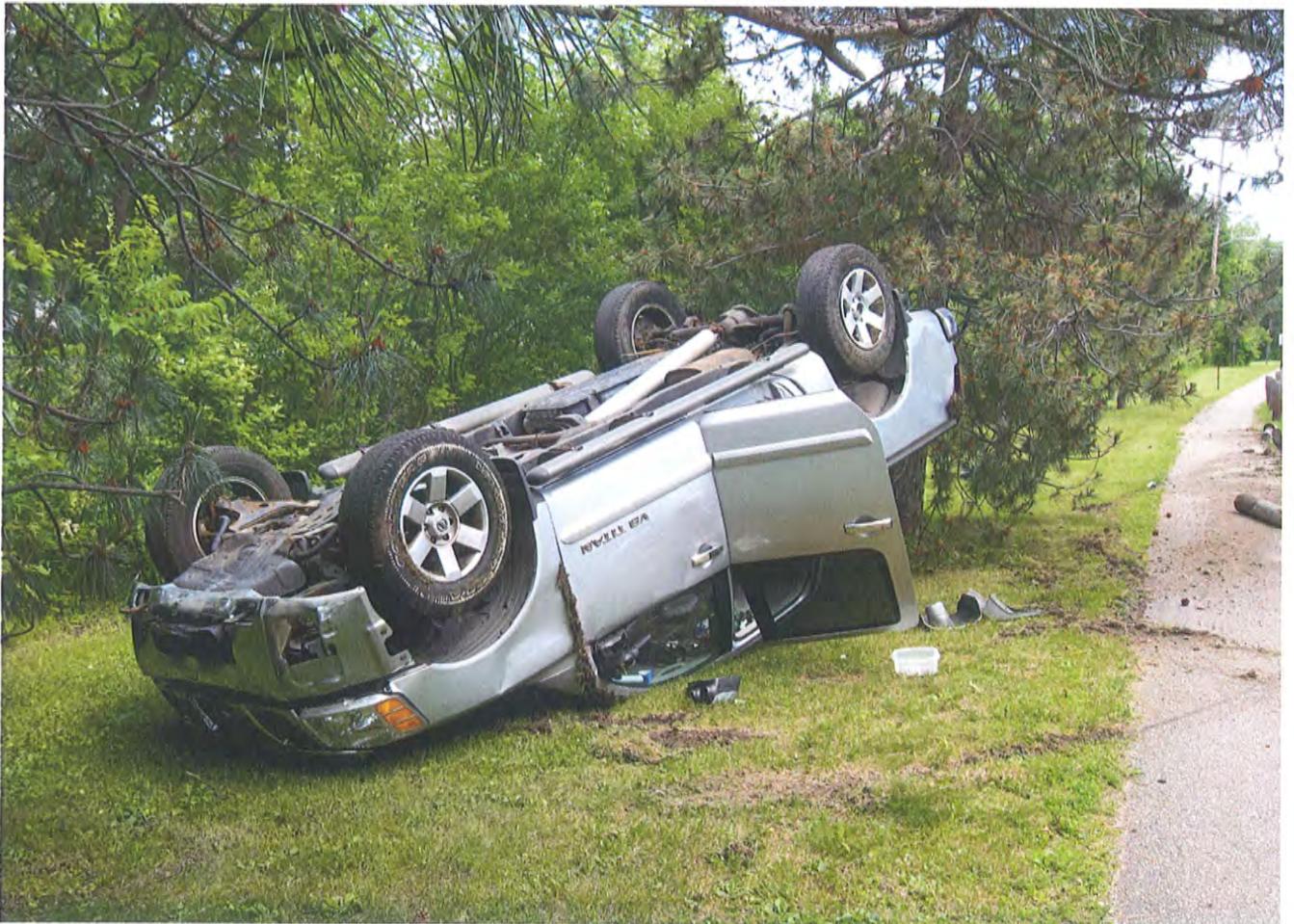
<b>Agenda Number</b>	<b>7B</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Discuss: Minnetonka Blvd. Barrier Posts
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>A truck crashed into the Minnetonka Blvd. barrier posts on 06-27-11. Mayor Kind reported on the accident as part of her police / administration report at the 07-05-11 council meeting. She was under the impression that the vehicle went through the barrier poles and landed upside down on the walking path side of the posts. She observed that the posts might be creating a false sense of security to people on the adjacent path and suggested that the council might want to consider a policy of not replacing damaged posts going forward. The cost for replacing the damaged barrier posts was approximately \$280.</p> <p>During the council discussion, contradictory information was shared stating that the barrier posts worked in the 06-27-11 accident because they stopped the car from crossing the walking path and caused the vehicle to flip over onto the street. Based on this information, the council decided the posts served a purpose and decided to continue with the policy of replacing them when they are damaged.</p> <p>Upon further investigation with the police department, it turns out that the initial information was correct – the car went through the barrier posts and landed upside down on the walking path side of the posts. The police report and photos are attached. Opinions from the police chief and city engineer also are attached.</p> <p>According to public works, it costs about \$650 per year to weed whip around the posts and the cost to remove all of the posts would be a one-time cost of \$600 to \$800.</p> <p>Based on this information the council may wish to consider establishing a policy to remove the barrier posts -- either by not replacing them as they are damaged or by removing all of the posts.</p>
<b>Council Action</b>	<p>Suggested Motions:</p> <ol style="list-style-type: none"> <li>1. I move the council establishes a policy of not replacing the Minnetonka Blvd. barrier posts when they are damaged.</li> <li>2. I move the council directs the city clerk to write a work order for public works to remove all of the Minnetonka Blvd. barrier posts.</li> <li>3. Do nothing.</li> </ol>

STATE OF MINNESOTA - DEPARTMENT OF PUBLIC SAFETY																						
ACCIDENT REPORT (LAW ENFORCEMENT ONLY)																						
LOCAL CASE NO. 11002434	AMENDED N	PAGE 1 OF 1		FOR DRS USE ONLY 11002434																		
HIT-AND-RUN N	PUB PROP Y	VEHICLES 01	KILLED 00	INJURED 00	\$ MIN Y	MONTH 6	DATE 27	YEAR 2011	DAY Mon	MILITARY TIME 1137												
ROUTE SYSTEM ON 10		ROUTE NUMBER OR STREET NAME Minnetonka Blvd 2430		ROADWAY DIRECTION N E W S E W		AT INTERSECTION WITH OR 200.0		MI FT N S W OR														
COUNTY NO 27	CITY TWP Greenwood	INT ELEM	REFERENCE POINT + .	ROUTE SYS 10	ROUTE #, STREET, CORP LIMIT, OR FEATURE Meadville Street																	
UNIT 1					UNIT 2																	
FACTOR 1 15	POSITION 01	DRIVER LICENSE NUMBER - 1 S109134643610			STATE MN	CLASS D	DL STATUS 01															
FACTOR 2	NAME (FIRST, MIDDLE, LAST) THOMAS FRANCIS DUNN			DATE OF BIRTH 12/04/90		NAME (FIRST, MIDDLE, LAST)		DATE OF BIRTH		FACTOR 2												
MNUVER 01	ADDRESS 4940 ST ALBANS BAY RD			DR VIOLNS N	RESTRICT 01	ADDRESS		DR VIOLNS RESTRICT		MNUVER												
PHYSCL 01	CITY, STATE, ZIP GREENWOOD 55331			952-237-1740		CITY, STATE, ZIP				PHYSCL												
RCOMND 01	ADDRESS CORRECT Y	SEX M	SAFE EQPT TYPE 04	SAFE EQPT USE 04	AIRBAG 04	EJECT 05	INJ SEV N		RCOMND													
ALCHL TEST Y	TYPE 03	DRUG TEST N	TYPE 98	TO HOSP N	TRANSPORT <input type="checkbox"/> AMB <input type="checkbox"/> OTHER	AMBULANCE SERVICE		RUN NUMBER														
OCUPP 01	OWNER NAME DUNN BRIDGETTE ELIZABETH			FIRE N	OWNER NAME		FIRE	OCUPP #														
VEH TYP 02	ADDRESS 4940 ST ALBANS BAY RD			TOWED Y	ADDRESS		TOWED	VEH TYP														
VEH USE 01	CITY, STATE, ZIP GREENWOOD MN 55331			PULLING UNIT N	DIRECT 05	CITY, STATE, ZIP		PULLING UNIT	DIRECT	VEH USE												
DMG LOC 11	MAKE NISS	MODEL TTN	YEAR 2005	COLOR SIL	MAKE		MODEL	YEAR	COLOR	DMG LOC												
DMG SEV 04	PLATE # 389AJH	ST REG MN	YEAR REG 12	FIRST 57	SEQUENCE OF EVENTS SECOND 41	THIRD	FOURTH	MOST HARM EVENT 41		DMG SEV												
INSURANCE Progressive					POLICY NUMBER 12449479-0		INSURANCE (UNIT 2)		POLICY NUMBER													
CARGO BODY TYPE	HAZ MAT PLAC	WAIVED	INSPECTION #	INSP BADGE #	IF ACCIDENT INVOLVED A COMMERCIAL MOTOR VEHICLE, SCHOOL BUS, OR HEAD START BUS REMEMBER TO NOTIFY THE STATE PATROL (required under MS 169.783 and 169.4511).					WAIVED	HAZ MAT PLAC	CARGO BODY TYPE										
COMMERCIAL VEHICLE NUMBER 1 - MOTOR CARRIER NAME					DOT NUMBER		COMMERCIAL VEHICLE NUMBER 2 - MOTOR CARRIER NAME					DOT NUMBER										
PASSENGERS / WITNESSES																						
Roberta Jon Batinich (952-378-3590)			UNIT W	POSTN	DATE OF BIRTH 7/31/1957	SEX F	TYPE	USE	AIRBAG	EJECT	INJ SEV	TO HOSP	TRANSPORT <input type="checkbox"/> AMB <input type="checkbox"/> OTHER	AMB SERVICE	RUN NUMBER							
													<input type="checkbox"/> AMB <input type="checkbox"/> OTHER	AMB SERVICE	RUN NUMBER							
													<input type="checkbox"/> AMB <input type="checkbox"/> OTHER	AMB SERVICE	RUN NUMBER							
OWNER OF OTHER DAMAGED PROPERTY AND DESCRIPTION OF DAMAGED PROPERTY AND/OR YELLOW TAG NUMBER(S) City of Greenwood Wooden Posts											DAMAGED PROPERTY / YELLOW TAG NUMBER N/A											
ACG TYP 41	SCHL BUS 03	LOCATN 04	ON BRIDGE N	TYPE OF WZ 98	LOC OF CRASHWZ 98	WORKERS PRESENT I	RDESIGN 08	RD SLURF 01	RD CHAR 05	NARRATIVE: D1 stated that he was SB on Minnetonka Blvd and traveling at 30 MPH. D1 said that he had a dog in the vehicle with him and the dog distracted or interfered with his driving causing him to veer off the road and roll his vehicle.  Radio: 11:44 11:52 12:59				DEVICE 98	WORKING 98	INT REL 01	SPEED LIMIT 30	WEATHER 1 01	WEATHER 2	LIGHT 01	PHOTOS TAKEN Y	DIAGRAM 07
OFFICER RANK, NAME AND BADGE # Sergeant Mark Geyer S2					AGENCY So Lake Minnetonka PD		PATROL STATION		<input type="checkbox"/> STATE PATROL <input type="checkbox"/> SHERIFF <input checked="" type="checkbox"/> LOCAL													

*Handwritten signature*







**From:** "Bryan Litsey" <blitsey@southlakepd.com>  
**Date:** July 8, 2011 4:45:19 PM CDT  
**To:** "Debra Kind" <dkind100@gmail.com>  
**Subject: RE: 6/27 Greenwood Accident**

Friday – July 8, 2011

Mayor Deb Kind  
City of Greenwood

Deb,

Attached is the information you requested. I would certainly seek restitution for the city property that was damaged.

In my opinion, the poles are an ineffective barrier for protecting pedestrians on the walkway. If this is the intent, then a barrier designed to meet this expectation should be installed.

Have a great weekend!

Bryan

Chief Bryan Litsey  
South Lake Minnetonka Police Department  
24150 Smithtown Road  
Shorewood, Minnesota 55331  
(952) 474-3261 General Number  
(952) 960-1601 Direct Number

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**From:** "David Martini" <davidma@bolton-menk.com>  
**Subject:** **Minnetonka Blvd. Barrier**  
**Date:** July 25, 2011 11:38:32 AM CDT  
**To:** "Debra Kind" <dkind100@gmail.com>

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Deb,

As requested, I have looked at the posts that are intended to act as a barrier between Minnetonka Boulevard and the trail that runs along it. In my opinion, this is not an effective barrier for the following reasons:

1. Based on pictures I have reviewed from a recent accident, it does not appear that the ground is providing adequate support for the posts. Because of this, a vehicle is able to knock the posts over and drive through the barrier. Although this is bad for protecting the trail, it does make for a less severe crash from the vehicles standpoint. The alternative is hitting the posts and coming to an abrupt stop, which is potentially a very dangerous situation for the driver and passengers.
2. Because the barrier can be driven through (at least under certain conditions), trail users are not protected as they may believe.

Ultimately, an effective and safe barrier should keep an errant vehicle from reaching the trail but should at the same time absorb the energy from the crash and direct the vehicle back in the direction of travel. Typically this is done with a continuous guardrail.

Please let me know if you have questions or would like additional information.

Thanks.

**David P. Martini, P.E.**

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<b>Agenda Number</b>	<b>7C</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Consider: Resolution for Renewal of Recycling Services from Vintage Waste
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>The city approved a 1-year agreement for recycling services with Vintage Waste Systems, Inc. in September 2009. The agreement was for service to be provided from September 1, 2009 through August 31, 2010. The agreement included the option for two 1-year extensions if agreed upon by both parties. Vintage Waste is agreeable to extending the agreement. The attached resolution outlines the specifics of the agreement. The council needs to take action on the resolution at the August council meeting to ensure a recycling agreement is in place beginning September 1, 2011.</p>
<b>Council Action</b>	<p>Suggested Motion:</p> <p>I move the council approves resolution 16-11 regarding recycling services provided by Vintage Waste Systems, Inc. for September 2011 through August 2012.</p>

**RESOLUTION NO. 16-11**

**A RESOLUTION APPROVING RECYCLING SERVICES FOR  
THE CITY OF GREENWOOD PROVIDED BY VINTAGE WASTE SYSTEMS, INC.  
FOR SEPTEMBER 2011 THROUGH AUGUST 2012**

**WHEREAS**, the City of Greenwood approved a 1-year agreement for recycling services with Vintage Waste Systems, Inc. in September 2009.

**WHEREAS**, the agreement was for service to be provided from September 1, 2009 through August 31, 2010.

**WHEREAS**, the agreement included the option for two 1-year extensions if agreed upon by both parties.

**WHEREAS**, both parties hereby desire to extend the agreement and agree to the following:

1. Vintage Waste Systems, Inc. will continue to provide recycling service for the City of Greenwood from September 1, 2011 through August 31, 2012.
2. Vintage Waste will continue to charge the same monthly rate:  
\$5.25 per residential unit, \$30 for Georgetown Manor, total of \$1568.25 per month
3. Vintage Waste will continue to provide weekly service for this extension.
4. Vintage Waste will continue to provide drive-in service as requested (currently 15 homes).
5. Vintage Waste will continue to provide 35-gallon carts per residential unit, and two 96-gallon carts for Georgetown Manor. Larger carts will be provided for no extra charge as requested (currently 25% of the homes).

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENWOOD**, that the 2011-2012 recycling agreement with Vintage Waste Systems, Inc. is hereby adopted and city staff and officials are authorized and directed to take necessary actions to implement the service.

**ADOPTED** BY THE CITY COUNCIL OF THE CITY OF GREENWOOD, MINNESOTA, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2011.

Ayes \_\_\_\_\_, Nays \_\_\_\_\_.

CITY OF GREENWOOD

VINTAGE WASTE SYSTEMS, INC.

\_\_\_\_\_  
Debra J. Kind, Mayor

\_\_\_\_\_  
Corey Metcalf

Attest:

\_\_\_\_\_  
Gus E. Karpas, City Clerk

\_\_\_\_\_  
Emilee Metcalf



<b>Agenda Number</b>	<b>7D</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Consider: Appointing 2nd Lake Minnetonka Communications Commission Representative
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>As of 7/27/11 no applications have been received for the city's 2nd seat on the Lake Minnetonka Communications Commission. With important decisions being made at the upcoming LMCC meeting on August 16, the council may wish to appoint a council member as our 2nd representative until another person steps forward to apply for the position.</p>
<b>Council Action</b>	<p>Suggested Motion:</p> <ol style="list-style-type: none"> <li>1. I move the council appoints _____ as the city's 2nd representative on the Lake Minnetonka Communications Commission and directs the city clerk to notify the LMCC executive director of the change in LMCC representation for Greenwood.</li> <li>2. Do nothing.</li> </ol>



<b>Agenda Number</b>	<b>7E</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Set Date: Budget Comment Opportunity
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>At every August council meeting the council is asked to determine the time, date, place, when the public will be able to comment on the upcoming budget. The date, time, place, and phone contact number will be publishing in the property tax mailing sent out by the county. In the past the council has set the date, time, and place to coincide with the December council meeting.</p>
<b>Council Action</b>	<p>Suggested Motion:</p> <p>I move the council sets the time, date, and place for hearing public comment regarding the 2012 budget to be 7 PM, December 6, 2011, at the Deephaven Council Chambers located at 20225 Cottagewood Rd, Deephaven, MN 55331 and directs the city clerk to notify the county with this information as well as the phone number (952.474.6633) to be published in the county property tax mailing.</p>



<b>Agenda Number</b>	<b>9</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	Council Reports
<b>Summary</b>	<p>The following is a brief summary of this agenda item:</p> <p>This is an opportunity for each council member to present updates and get input regarding various council assignments and projects. Related documents may be attached to this cover sheet.</p>
<b>Council Action</b>	No council action is required.



<b>Agenda Number</b>	<b>FYI</b>
<b>Agenda Date</b>	08-04-11

<b>Agenda Item</b>	FYI Items in Council Packet
<b>Summary</b>	The attached items are included in the council packet For Information Only.
<b>Council Action</b>	No council action is needed for FYI items.

**GREENWOOD PLANNING COMMISSION  
WEDNESDAY, JUNE 15, 2011  
7:00 P.M.**

**1. CALL TO ORDER/ROLL CALL**

Chairman Lucking called the meeting to order at 7:00 p.m.

Members Present: Chairman Lucking and Commission members John Beal, Douglas Reeder, Brian Malo, and Bill Cook

Absent: City Attorney Mark Kelly, Zoning Coordinator Gus Karpas and Commissioner David Paeper

Others Present: Council Liaison Tom Fletcher

**2. APPROVE AGENDA**

Commissioner Beal requested an amendment of the agenda to include a discussion regarding instituting quiet hours at St. Alban's Bay.

Commissioner Cook moved to approve the agenda, as amended, for tonight's meeting. Commissioner Beal seconded the motion. Motion carried 4-0.

**3. MINUTES OF APRIL 20, 2011 AND JOINT MEETING MINUTES OF MAY 18, 2011**

Commissioner Cook moved to approve the minutes of April 20, 2011, as amended, and the minutes of May 18, 2011. Commissioner Beal seconded the motion. Motion carried 4-0.

**4. LIAISON REPORT**

Commissioner Reeder enters at 7:05 p.m.

Council Liaison Fletcher provided a brief report on recent Council activities. He stated that the Carlson project was approved on a 4-1 vote by the City Council. He added that Mr. Carlson submitted additional information on signage and parking at the meeting.

He provided a brief summary on the 2011 Street Overlay Project and the annual July 4<sup>th</sup> Celebration at the Old Log Theatre.

Tom Fletcher stated that Jeff Wirth had asked to appear before the City Council to discuss exterior improvements to his house at 5560 Maple Heights Road but never showed up. He stated that Mr. Wirth has until July 17<sup>th</sup> to comply with City requirements but he didn't believe that Mr. Wirth intended to install siding on his home. He stated that there are no specific requirements within the Greenwood City Codes to install siding.

Tom Fletcher stated that the speed trailer, which is actually owned by the City of Shorewood, is now available to be scheduled through the Southlake Police Department. He asked the

Commission to let the Council know if they had any recommendations on possible locations to install the speed trailer in Greenwood.

Tom Fletcher concluded his report by stating that the Council had a discussion regarding initiating a tree replacement program in coordination with the Xcel Energy Transmission Project along the LRT trail. He stated that the Council supported the use of Park Funds to plant trees along the LRT trail and he is coordinating efforts with neighboring cities that abut the regional trail to get widespread support for the replanting of trees along the trail once the transmission project is completed. He noted that there seems to be quite a bit of support for this effort from surrounding cities.

## 5. PUBLIC HEARING

There was no Public Hearing this evening.

## 6. NEW BUSINESS

**A. Ordinance Amendment** – Discuss amendment of Zoning Ordinance to reflect changes in State Statutes.

Commissioner Beal stated that his only objection to the proposed amendment is the statement in state law that refers to “circumstances unique to the property not created by the landowner”. He stated that he is uncertain what the ramifications would be if a prior landowner creates the unique circumstances and the next property request a variance to seek relief from the circumstances created by the prior landowner. He suggested that the language should be changed from **the** landowner to **a** landowner.

Council Liaison Tom Fletcher and Commissioner Reeder both noted that this statement is pre-existing language in the original variance language that had been carried over into the new variance statute.

Commissioner Beal moved to direct staff to schedule a public hearing to present the proposed Ordinance Amendment. Commissioner Cook seconded the motion. Motion carried 5-0.

Commissioner Beal suggested that the City Council could offer a change in the language from **the** landowner to **a** landowner and could send a letter to the state legislature recommending this change.

Council Liaison Tom Fletcher agreed and added that a City is permitted to make their language more restrictive than state statutes.

General discussion was held regarding the proposed Ordinance Amendment and whether City Attorney Mark Kelly, who was not in attendance at this meeting, had read the ordinance. Upon further consideration, the Commission tabled action on the proposed ordinance until the next Commission meeting and requested that staff contact the City Attorney to ensure that he has had the opportunity to review the ordinance prior to the next meeting.

**B. St. Alban's Quiet Bay**

Commissioner Beal observed that Gray's Bay has established "quiet hours" from 4:00 p.m. on Fridays until midnight on Sundays and wondered if there would be majority of support for presenting this proposal to the Lake Minnetonka Conservation District.

Chairman Lucking stated that Council Member Kelsey Page, Greenwood's LMCD Representative, is not supportive of a quiet bay proposal for St. Alban's Bay. He added that Mayor Kind is also not supportive due to potential restrictions on being allowed to water ski from your dock.

Commissioner Reeder acknowledged that St. Alban's Bay is a very popular water skiing area.

Chairman Lucking stated that he would prefer banning wake runner boats but would personally continue to allow water skiing. He noted that a person certainly could attempt to generate support by initiating a petition.

Council Liaison Tom Fletcher stated that it would certainly be helpful to have the support of Greenwood's representative before the LMCD Board of Directors. He stated that initiating a quiet hour's proposal before the LMCD already would continue the already existing perception that St. Alban's Bay is considered as a private bay by lakeshore owners.

Chairman Lucking stated that he thought this proposal might have some support but felt that more people would likely be opposed to the idea, which was surprising to him.

Commissioner Beal acknowledged that his proposal for quiet hours on St. Alban's Bay might be a tough sell.

**7. ADJOURN**

Motion by Commissioner Beal to adjourn the meeting. Commissioner Cook seconded the motion. The meeting adjourned at 7:30 p.m.