

**City Council
Agenda Item 10.E
Meeting of May 18, 2026**



Title: 2026 community survey and organizational MERIT

Report from: Sarissa Seracki, Senior Management Coordinator

Submitted Through: Erik Nilsson, City Attorney
Moranda Dammann, Assistant City Manager
Mike Funk, City Manager

Presenter: Mike Funk, City Manager

Action Requested: Motion

Form of Action: Report

Votes needed: 4 votes

Summary Statement

The purpose of this agenda item is to provide the council the opportunity to accept the 2026 community survey results and organizational MERIT. The annual community survey provides the necessary data to determine the results of this year's MERIT program evaluation, particularly the organizational component.

Peter Leatherman, from the Morris Leatherman Company, presented the findings and conclusions from the 2026 community survey at the May 11, 2026 city council study session.

Recommended Action

Motion to accept the survey results.

Strategic Plan Relatability

N/A

Financial Consideration

Yes

The cost is included in the 2026 budget.

Background

Community Survey

Each year the city contracts with a professional survey firm to conduct a statistically valid telephone survey of residents on a variety of topics related to city operations. These topics range from demographics, quality of life, city services, public safety, natural environment, development and redevelopment, parks and recreational facilities, public transit issues, city government and staff and communication issues.

The survey of residents is intended to inform strategic planning and budgeting decisions, help set performance targets and strengthen community engagement. It is important for residents to have the opportunity to share their opinions. It is equally important for them to feel confident that their voices are heard.

Conducting a survey is a proactive approach to initiating and completing the communication loop with the community.

The City of Minnetonka is evaluated according to how well it achieves its strategic goals. Measuring ongoing progress ensures that the city is responsive to the priorities of the community it serves. By receiving ongoing feedback from stakeholders, the city can observe trends and track progress to guide policy-making and budgeting.

Peter Leatherman of the Morris Leatherman Company presented the findings and conclusions from the 2026 community survey at the May 11, 2026 city council study session.

Organizational MERIT

In addition, the annual community survey provides the necessary data to determine the results of this year’s MERIT program evaluation, in particular the organizational component. The focus of the overall city component is on performance related to achieving the city’s strategic priorities. Staff is evaluated on how well it meets the values of the community, as established by the city council.

M-E-R-I-T Definition:

Market – One of the main objectives of the MERIT program is to enhance the city’s ability to recruit and retain valued employees. To do this, the program ensures that the organization’s pay structure remains competitive in the marketplace.

Excellence Recognition – Excellence is highly valued in Minnetonka, and this standard is recognized. Minnetonka employees consistently perform at the highest levels, and the program rewards them accordingly.

Integrated – The overall MERIT program is integrated so that the pieces effectively complement each other. Although each component is unique, they work together to provide employees with a fair level of total compensation.

Teamwork – While each individual has unique needs that are recognized, the MERIT program reinforces the city’s shared value that teamwork is essential to our common success.

For the organizational MERIT component, grades are assigned to the city’s mission, vision, guiding principles, and strategic goals based on survey results and several metrics. The maximum MERIT pay provided in the organizational component is: \$500 for non-union employees, police sergeants and fire IAFF; \$100 for police officers and Public Works Local 49 as outlined in collective bargaining agreements. The letter grade “A+” equals \$500 or \$100. When the grade is less than “A+”, the percentage is applied to \$500 or \$100 to determine the actual dollar amount for that grade.

Results:

Minnetonka traditionally receives very high grades for performance in achieving each of its strategic goals, and this year the city continued to show great performance. There are 53 questions utilized in the community survey and two finance components that determine grading.

2026 Grade

Vision and mission (14 questions)	A-
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Guiding principles (11 questions)	A-
Financial strength (Aaa bond rating & GFOA certificate)	A
Sustainability, resilience and natural environment (8 questions)	A-
Safe and healthy community (6 questions)	A-
Infrastructure and asset management (6 questions)	A-
Livable and well-planned community development (2 questions)	A-
Community inclusiveness (6 questions)	A-
Overall Grade (53 questions & 2 finance components)	A-

Combined ratings of the city's vision and mission, guiding principles, and each of the six strategic priorities result in an overall organizational grade of A- for this year. The city's actual "grade point average" is 3.615 on a 4.0 scale or 90.37%, slightly lower than last year's 3.631 or 90.78% result. Employees received their compensation on their May 14 paychecks.

ATTACHMENTS:

[2026 City of Minnetonka Survey Results](#)

[2026 City of Minnetonka Report of Findings](#)