

**CITY OF TONKA BAY  
ITEM NO. 9A**

# Memo

**To:** Honorable Mayor and City Council  
**From:** Joe Kohlmann, City Administrator  
**Date:** July 22, 2014  
**Re:** Fourth of July Policing Costs

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The SLMPD Coordinating Committee passed the following motion:

“Motion recommending that starting in 2015, each member city make a direct contribution to the South Lake Minnetonka Police Department (SLMPD) for the cost of policing the Fourth of July activities. The amount will be based on actual payroll costs plus a five percent administrative fee proportioned between the member cities using the same percentages that apply to the funding the operating budget. Member cities may also choose to make an additional contribution directly to the sponsor for other costs related to the event”.

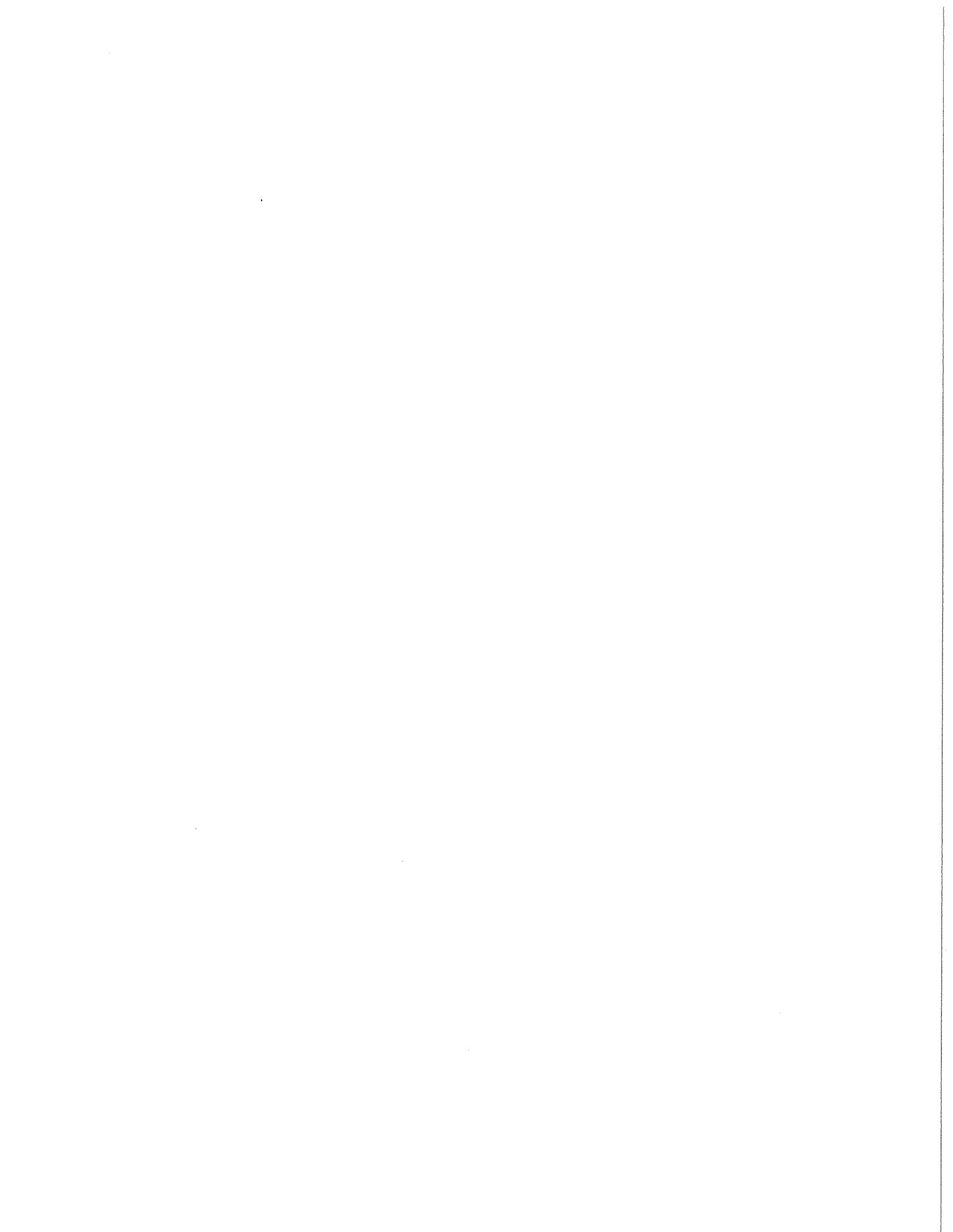
Had this been the procedure for 2014, the costs would have been broken down as follows:

Member City	Total Amount	% Share	\$ Share
Excelsior	\$6,800	28.0532%	\$1,908
Greenwood	\$6,800	8.4747%	\$576
Shorewood	\$6,800	48.4887%	\$3,297
Tonka Bay	\$6,800	14.9834%	\$1,019

The City of Tonka Bay has traditionally contributed \$1,500 directly to the Chamber of Commerce for extra policing costs. However, under the proposal, the SLMPD would invoice the City the appropriate amount to cover extra policing costs directly. *(Corresponding documents attached)*

**Council Action Requested:**

Motion to approve the Coordinating Committee’s Recommendation concerning policing cost for the Fourth of July’s activities.





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

BRYAN LITSEY  
Chief of Police

24150 Smithtown Road  
Shorewood, Minnesota 55331

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

## MEMORANDUM

**TO:** Coordinating Committee Members  
**FROM:** Bryan Litsey, Chief of Police  
**DATE:** July 10, 2014 - Thursday  
**RE:** Policing Costs - Fourth of July Activities

The subject of who should bear the cost of policing the Fourth of July activities surfaced again this year as documented in the attached communications. It was also a topic of discussion at the budget work session held on July 1, 2014. This is the impetus behind the following suggested motion being advanced to the Coordinating Committee for consideration at the upcoming meeting on July 16, 2014.

**Suggested Motion:**

Motion recommending that starting in 2015, each member city make a direct contribution to the South Lake Minnetonka Police Department (SLMPD) for the cost of policing the Fourth of July activities. The amount will be based on actual payroll costs plus a five percent administrative fee proportioned between the member cities using the same percentages that apply to funding the operating budget. Member cities may also choose to make an additional contribution directly to the sponsor for other costs related to the event.

If the motion is adopted by the Coordinating Committee, the next course of action would be for the city administrator/manager for each member city to bring this before their council for approval.

**SOUTH LAKE MINNETONKA POLICE DEPARTMENT**  
**2014 Operating Budget - Policing Fourth of July Activities**

**Coordinating Committee - Budget Work Session**

**Tuesday - July 1, 2014**

**Proposed Contributions from Member Cities - Year 2014**

**Preliminary Estimate - Subject to Change**

<b>MEMBER CITY</b>	<b>TOTAL AMOUNT</b>	<b>% SHARE</b>	<b>\$ SHARE</b>
Excelsior	\$6,800	28.0532%	\$1,908
Greenwood	\$6,800	8.4747%	\$576
Shorewood	\$6,800	48.4887%	\$3,297
Tonka Bay	\$6,800	14.9834%	\$1,019

**Committee, the city manager/administrator for each member city needs to bring this forward to their respective city council for approval.**

I want to thank Chamber Director Hotvet for being so accommodating concerning the miscommunication that occurred in this matter. This clarification should prevent a repeat in subsequent years. **Have a great Fourth of July weekend!**

Chief Bryan Litsey  
South Lake Minnetonka Police Department  
24150 Smithtown Road  
Shorewood, Minnesota 55331  
(952) 474-3261 General Number  
(952) 960-1601 Direct Number  
(952) 292-7103 Mobile Number

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## Bryan Litsey

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**From:** Bryan Litsey  
**Sent:** Thursday, July 03, 2014 11:19 AM  
**To:** Gerry De La Vega (gerryd@terradek.com); Mark Gaylord; Scott Zerby (szerby@ci.shorewood.mn.us); Scott Zerby (scott@gamersdigital.com); Debra Kind (dkind100@gmail.com)  
**Cc:** Joe Kohlmann (jkohlmann@cityoffonkabay.net); Kristi Luger (kluger@ci.excelsior.mn.us); Bill Joynes (BJoynes@ci.shorewood.mn.us); Gus Karpas (guskarpas@mchsi.com); Dana Young (danayoung@mchsi.com); Laura Hotvet (director@excelsior-lakeminnetonkachamber.com); Stuart Bonniwell (sbonniwell@unique-software.com); Ken Potts (PottsKatty@aol.com); David Pierson (dpierson@southlakepd.com); Nancy Swanson (nswanson@southlakepd.com)  
**Subject:** Policing Costs - Fourth of July Festivities  
**Importance:** High

July 3, 2014 – Thursday

Coordinating Committee Members  
South Lake Minnetonka Police Department

This communication is a follow-up to the discussion that took place at the Coordinating Committee work session last Tuesday (07-01-2014) regarding the allocation of costs for policing the Fourth of July festivities. Deputy Chief Dave Pierson and I met with Chamber Executive Director Laura Hotvet this morning about the direction given at the work session and the disconnect between her expectations and how the member cities were handling their respective contributions to the event this year.

She was accepting of the direction given by the Coordinating Committee for this year whereby the invoice for policing the event will be submitted to the Chamber for payment. This is with the understanding that the invoice will reflect actual payroll costs plus a five percent administrative fee rather than the contract policing rates, which will bring down the total cost. Also, there will be no charge for the command staff personnel (Litsey, Pierson and Neururer) working the event. All member city contributions should go directly to the Chamber, including any separate contributions that were intended to go directly to the SLMPD for policing the event. **Please let Chamber Director Hotvet know as soon as possible if this means your city will be making an additional contribution to the Chamber and what the amount will likely be subject to council approval.**

Also discussed was the game plan for subsequent years. I advised Chamber Director Hotvet that the Coordinating Committee will be considering a formal motion at their next quarterly meeting recommending that the member cities be invoiced directly for the costs associated with policing the Fourth of July festivities. The invoice would reflect actual payroll costs plus a five percent administrative fee and the cost allocation between member cities would be in accordance with the operating budget formula. Member cities could opt to make an additional contribution directly to the Chamber for other costs associated with the event. **If adopted by the Coordinating**

# South Lake Minnetonka Police Department **ESTIMATE**

24150 Smithtown Road  
 Shorewood, MN 55331  
 Phone 952-474-3261  
 Fax 952-474-4477

DATE: June 11, 2014

Bill To:  
 South Lake-Excelsior Chamber of Commerce  
 202 Water Street, Suite 209  
 P.O. Box 32  
 Excelsior, MN 55331

For:  
 Estimate – 4<sup>th</sup> of July (Subject to Change)

DESCRIPTION	AMOUNT
<b>Morning Activities - Races</b>	
Licensed Police Officers      28.0 hours @ \$72 per hour	\$2,016.00
Community Service Officers    10.5 hours @ \$30 per hour	<u>\$ 315.00</u>
<b><i>Total Morning Activities - Races</i></b>	<b>\$2,331.00</b>
<b>Morning Activities – Kids Parade</b>	
Licensed Police Officer        3.0 hours @ \$72 per hour	<b>\$ 216.00</b>
<b>Evening Activities</b>	
Licensed Police Officers       55.0 hours @ \$72 per hour	\$3,960.00
Community Service Officers    5.5 hours @ \$30 per hour	<u>\$ 165.00</u>
<b><i>Total Evening Activities</i></b>	<b>\$4,125.00</b>
<b>Reserve Officers – Voluntary Contribution</b>	<b>\$ 100.00</b>
<b>Chief Bryan Litsey and Deputy Chief Dave Pierson – No Charge</b>	
<b>GRAND TOTAL</b>	<b>\$6,772.00</b>

Make all checks payable to the South Lake Minnetonka Police Department.

THANK YOU!



**SOUTH LAKE MINNETONKA  
POLICE DEPARTMENT**

24150 SMITHTOWN ROAD  
SHOREWOOD, MN 55331-8598

**BRYAN T. LITSEY**  
Chief of Police

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

## MEMORANDUM

**To:** Chief Bryan T. Litsey  
**From:** Deputy Chief David W. Pierson  
**Date:** June 30, 2014  
**Subject:** 4<sup>th</sup> of July Cost Estimates

Please find accompanying this memorandum a cost estimate for both morning and evening 4<sup>th</sup> of July events. You will notice that there is a modest growth in expenditures for 2014. In 2013 all of the day and evening events came to a final total of \$5,622.00. Cost estimates for day and evening events for 2014 come in \$1,150.00 more than 2013 for a total of \$6,772.00.

There are several considerations for this increase. It should be noted that in 2013 we were absent one officer due to an injury. This year we have a complete complement of officers. The next consideration is due to the Chamber of Commerce decision to greatly expand. The extended race course covers three of the four cities that the South Lake Minnetonka Police Department serves. Additionally, the race transects numerous high traffic county roads and city streets. The result of these modifications is a greater need for officers to staff roadways and intersections.

The last consideration that needs to be recognized is the increased costs of providing service for staffing special policing events. The 2014 increase of department infrastructure has forced a small increase in the cost of providing police services for events.

If you have any further questions, please let me know.

this event (Litsey, Pierson and Neururer). Regardless of which cost calculation is used, each member city would be invoiced based on the operating budget formula.

If you would like, this can be discussed at the work session this evening under other business. However, it would be helpful to know in advance if your city council addressed this topic last year as part of the 2014 budget process.

Chief Bryan Litsey  
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## **Bryan Litsey**

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**From:** Bryan Litsey  
**Sent:** Tuesday, July 01, 2014 1:21 PM  
**To:** Gerry De La Vega (gerryd@terradek.com); Mark Gaylord; Scott Zerby (szerby@ci.shorewood.mn.us); Scott Zerby (scott@gamersdigital.com); Debra Kind (dkind100@gmail.com)  
**Cc:** Joe Kohlmann (jkohlmann@cityoftonkabay.net); Kristi Luger (kluger@ci.excelsior.mn.us); Bill Joynes (BJoynes@ci.shorewood.mn.us); Dana Young (danayoung@mchsi.com); Christine Freeman (cfr33man@gmail.com); Stuart Bonniwell (sbonniwell@unique-software.com); Ken Potts (PottsKatty@aol.com); David Pierson (dpierson@southlakepd.com); Nancy Swanson (nswanson@southlakepd.com)  
**Subject:** Fourth of July Policing Costs  
**Attachments:** 4th of July Memo-Cost Estimate - Year 2014.pdf

July 1, 2014 – Tuesday

Coordinating Committee Members  
South Lake Minnetonka Police Department

Re: Fourth of July Policing Costs

During the 2014 budget process last year, there was discussion about the member cities absorbing the additional cost of policing the Fourth of July festivities rather than assessing that cost to the Excelsior-Lake Minnetonka Chamber of Commerce as has been the past practice. It was generally agreed that of all the community events held during the year this was the one most deserving of special considerations. It was made clear this would be the only exception to the long-standing practice of assessing special event sponsors for the cost of additional policing as determined by the SLMPD.

There was a question of how to reflect this in the budget. Incorporating this expense into the budget without a revenue offset like years past would inflate member city contributions. This would leave the false impression of a larger than usual budget increase. To avoid this misconception, and to remain consistent with past practices, the preferred approach was to invoice each city separately for policing this event based on the same formula used for the operating budget. This would keep this expense budget neutral.

I am not sure how many of the member cities actually addressed this as part of their approval of the 2014 operating budget. Therefore, I am in limbo as to whether or not to invoice the Excelsior-Lake Minnetonka Chamber as in the past. The attached cost estimate and corresponding memorandum by Deputy Chief Pierson is for policing this year's event based on anticipated staffing needs and 2014 contract policing rates. If the member cities all agreed to absorb this cost, it could either be based on the 2014 contract policing rates or actual payroll costs plus a five percent administrative fee as has been the practice when providing supplemental policing to a member city. There would also be no additional cost for the command staff personnel working