

**MINUTES  
MINNETONKA CITY COUNCIL  
REGULAR MEETING, MONDAY, JANUARY 9, 2012**

**1. CALL TO ORDER.**

Schneider called the meeting to order at 6:36 p.m.

**2. PLEDGE OF ALLEGIANCE.**

All joined in the Pledge of Allegiance.

**3. ROLL CALL**

Council members Bob Ellingson, Dick Allendorf, Brad Wiersum, James Hiller, Tony Wagner, and Terry Schneider were present.

**4. APPROVAL OF AGENDA**

Gunyou asked that an item be added to item 14, other business.

Wiersum moved, Wagner seconded a motion to accept the agenda with addenda to items 5, 9B, 10G, and 15A. All voted "yes." Motion carried.

**5. APPROVAL OF MINUTES: December 19, 2011 regular meeting**

Allendorf moved, Wagner seconded a motion to approve the minutes of the December 19, 2011 regular meeting with the addendum. All voted "yes." Motion carried.

**6. SPECIAL MATTERS:**

**A. Recognition of Parker LaPlant's Eagle Scout elections related project**

Schneider read the recognition and presented LaPlant with a certificate.

**7. REPORTS FROM CITY MANAGER & COUNCIL MEMBERS**

Gunyou reported on the schedule for upcoming council meetings.

**8. CITIZENS WISHING TO DISCUSS MATTERS NOT ON THE AGENDA**

No one appeared.

**9. BIDS AND PURCHASES:**

**A. Bid for self-propelled milling machine**

Gunyou gave the staff report.

Wiersum said he shared the staff's excitement about the machine because the work the city has done to improve the roads has been beneficial to all residents.

Wiersum moved, Wagner seconded a motion to award bid to Ziegler CAT in the amount of \$389,000 and amend the 2012-2016 Capital Improvement Program. All voted "yes." Motion carried.

**B. Bids for water treatment plant 14 electrical upgrade**

Gunyou gave the staff report.

Wagner moved, Allendorf seconded a motion to award bid to API Electric Company in the amount of \$152,700. All voted "yes." Motion carried.

**10. CONSENT AGENDA (Items Requiring a Majority Vote):**

**A. Resolution designating an Acting Mayor and Alternate Acting Mayor for 2012**

Wagner moved to adopt Resolution No. 2012-001 designating Council member Hiller Acting Mayor. At the request of Allendorf, Wagner agreed to amend the motion to also designate Council member Wiersum Alternate Acting Mayor. Wiersum seconded the amended motion. All voted "yes." Motion carried.

**B. Resolution appointing election judges and absentee ballot board for the Special Election on February 14, 2012**

Allendorf moved, Wiersum seconded a motion to adopt Resolution No. 2012-002. All voted "yes." Motion carried.

**C. Designation of the city's official newspaper for 2012**

Allendorf moved, Wiersum seconded a motion to designate Minnetonka Sun-Sailor as the city's official newspaper for 2012. All voted "yes." Motion carried.

**D. Agreement with Minnetonka School District #276 for police liaison services for 2012**

Allendorf moved, Wiersum seconded a motion to approve agreement with Minnetonka School District #276 to provide school liaison services for calendar year 2012. All voted "yes." Motion carried.

**E. Agreement with Hopkins School District # 270 for police liaison services for 2012**

Allendorf moved, Wiersum seconded a motion to approve agreement with Hopkins School District #270 to provide senior high liaison service for calendar year 2012. All voted "yes." Motion carried.

**F. Agreement with Intermediate School District #287 for police liaison services for 2012**

Allendorf moved, Wiersum seconded a motion to approve agreement with Intermediate School District #287 for police liaison services for calendar year 2012. All voted "yes." Motion carried.

**G. Cooperative trail agreement for the Nine Mile Creek Regional Trail**

Allendorf moved, Wiersum seconded a motion to approve the agreement with the addendum. All voted "yes." Motion carried.

**H. Resolution authorizing the installation of no parking signs on Tree Street**

Hiller asked for the item to be pulled from the consent agenda. He said he heard from residents who had questions about the item. He asked why there would be only a partial restriction of parking along the south side of Tree Street and what the basis was for determining how much no parking would exist.

City Engineer Lee Gustafson said staff felt that the area on the south side could be allowed for parking because there was adequate room. No problems were encountered on Tree Street when cars were only parked on one side. Parking would be allowed on the south side where the sidewalk is located. He said parking was restricted slightly on the south side near Woodhill Road to ensure there were good sight lines when drivers were pulling out of the Glenn/ St. Therese development. If problems are encountered with the parking, the item would be brought back to the council.

Hiller said it was a fairly reasonable proposal but he was concerned how bad conditions might be with cars parked on one side and snow falling. Another concern was that Tree Street was never intended to handle the

overflow. The original agreement included permission from the Glenhaven Center that they would accept the overflow parking. He said because of the convenience he was concerned people would park on the street rather than the area designated for overflow parking.

Schneider said the primary determination for bringing the item back to the council should be safety and not convenience.

James Householder, Jr., 14501 Atrium Way, said the residents' first choice was to have no parking on both sides of Tree Street. He said the staff recommendation was a good second alternative.

Hiller asked when the signs could be installed. Gustafson indicated if the item was approved the signs would be installed within a few days.

Allendorf noted that the police and engineering staff had been responsive in addressing the parking issues and that was why the temporary no parking signs had been posted.

Allendorf moved, Hiller seconded a motion to adopt Resolution No. 2012-003 authorizing a no parking zone and the installation of "No Parking" signs on the north side of Tree Street from Woodhill Road to 650 feet to the west, and on the south side of Tree Street from Woodhill Road to 150 feet to the west. All voted "yes." Motion carried.

**I. Resolution providing for the issuance and sale of approximately \$4,580,000 General Obligation Refunding Bonds, Series 2012A**

Allendorf moved, Hiller seconded a motion to adopt Resolution No. 2012-004 providing for the issuance and sale of approximately \$4,580,000 General Obligation Refunding Bonds, Series 2012A. All voted "yes." Motion carried.

**11. Items requiring Five Votes: None**

**12. INTRODUCTION OF ORDINANCES: None**

**13. PUBLIC HEARINGS:**

**A. Temporary on-sale liquor license for ResourceWest, for use at 14600 Minnetonka Boulevard**

Schneider opened the public hearing at 6:52 p.m. No one spoke.

Schneider closed the public hearing at 6:52 p.m.

Wiersum moved, Hiller seconded a motion to grant the license. All voted "yes." Motion carried.

## 15. APPOINTMENTS and REAPPOINTMENTS:

### A. Appointment of representatives to various advisory boards, commissions and committees

Wagner moved, Allendorf seconded a motion to approve the following appointments:

- Terry Schneider as the Minnetonka City Council Legislative Contact to Metro Cities.
- Terry Schneider as the Minnetonka City Council representative to the Municipal Legislative Commission Board of Directors.
- Dick Allendorf as the Minnetonka City Council representative to the I-494 Joint Powers Organization.
- Robert Ellingson as the Minnetonka City Council representative to the Southwest Suburban Cable Commission.
- Desyl Peterson as the Minnetonka City Council's appointed representative to the Suburban Rate Authority and Geralyn Barone as the alternate.
- Perry Vetter as the Minnetonka City Council's appointed representative to the Bennett Family Park Board.
- Steve Pieh as the Minnetonka City Council's appointed representative to the Minnetonka School District Community Education Advisory Council.
- Dave Johnson as the Minnetonka City Council's appointed representative to the Music Association of Minnetonka.
- Terry Schneider as the Minnetonka City Council representative to the West Hennepin Affordable Housing Land Trust (Homes Within Reach).
- Elise Durbin as the Minnetonka City Council's appointed representative to the Wayzata Schools Community Collaboration Council.

All voted "yes." Motion carried.

### B. Reappointments to Minnetonka boards, commissions and committees

Schneider moved, Wiersum seconded a motion to approve the following reappointments to the Minnetonka Boards, Commissions and Committees:

- Paul Ansolabehere, to the community commission, to serve another two-year term, effective February 1, 2012 and expiring on January 31, 2014.

- Priscille Biehlmann, to the community commission, to serve another two-year term, effective February 1, 2012 and expiring on January 31, 2014.
- Betty Johnson, to the community commission, to serve another two-year term, effective February 1, 2012 and expiring on January 31, 2014.
- Heather Odland, to the community commission, to serve another two-year term, effective February 1, 2012 and expiring on January 31, 2014.
- Lucienne Taylor, to the community commission, to serve another two-year term, effective February 1, 2012 and expiring on January 31, 2014.
- Michael Happe, to the EDAC, to serve another two-year term, effective February 1, 2012 and expiring on January 31, 2014.
- Marvin Puspoki, to the park board, to serve another two-year term, effective February 1, 2012 and expiring on January 31, 2014.
- Madeline Seveland, to the park board, to serve another two-year term, effective February 1, 2012 and expiring on January 31, 2014.
- Mark Magney, to the planning commission, to serve another two-year term, effective February 1, 2012 and expiring on January 31, 2014 and designating Kathryn Aanenson as chair of the EDAC and Bruce Smith as vice chair.

All voted "yes." Motion carried.

#### 14. OTHER BUSINESS:

Gunyou announced he planned to retire effective June 1, 2012. He acknowledged he had the opportunity to work with some pretty extraordinary mayors and council members over the past 11 years as well as exceptional co-workers. He thanked them all for the opportunity.

Schneider noted that when the council conducted interviews to replace the previous city manager there was an executive recruiter that was hired and there were a considerable amount of applicants. The process was very elaborate and when the final five candidates were chosen, the council recognized there was a unique opportunity to hire a city manager that was "out of the box." Four of the finalists were professional city managers with great resumes and good experience. The one anomaly was Gunyou who had no city manager experience but had been the state finance director, worked for MPR, and was a CEO of an internet company. The thing that convinced the council at that point in time to take the risk and go with the unknown was Gunyou's leadership style and communication abilities. During the interview process there was a concern about finding a person who understood the city's culture and attitudes.

Schneider said the city had a long standing reputation of having staff work independently with a city manager to provide guidance and serving as a form of a mentor and supporter more than a boss. He said this

characteristic stood out with Gunyou and the council felt he could maintain the city's culture. The council also was looking for someone willing to allow staff to take risks. All the other candidates indicated there was no reason to take risks but Gunyou indicated in order to move forward staff had to be allowed to take risks to be creative and innovative. Schneider said Gunyou's finance ability and interaction with the state were very beneficial in keeping the city in the current financial position it is in and to set it on the right path going forward. The council didn't choose Gunyou for that reason at that point in time, but that aspect turned out to be very valuable. Schneider said there were only a couple of city managers in the Twin Cities that could compare with Gunyou, and Gunyou was leaving the city in much better position than where it was when he started.

Schneider said Gunyou's willingness to delegate responsibilities and to encourage staff to grow to their maximum abilities, particularly during the time he ran for lieutenant governor, allowed the council to see that it had a potential qualified in-house candidate. Schneider said he and Gunyou had informal conversations about what the city might do if Gunyou were elected and Assistant City Manager Geralyn Barone was looked at as a strong possibility to permanently replace Gunyou. Schneider said his only concern with Barone was if she was really excited and interested in being the city manager. Schneider said he came away from discussions with her really impressed with her sincerity and ability to maintain the city's culture and attitude.

Schneider said the council wanted to come up with a concise, complete and transparent process to select the new city manager. He strongly encouraged the council to focus its decision by keeping in mind the city had an excellent in-house candidate rather than get sidetracked on trying to "do the right thing" by someone else's standard. He said he didn't think there were outside candidates who could meet Barone's abilities. He suggested focusing on a process and strategy that would allow the council to confirm one-on-one what Barone's thoughts, attitudes and interests were. Then in a very transparent dialogue at a public session, reaffirm that the right decision was being made before doing something that would involve a lot more complex process. He said his main concern was to maintain the culture and character the city has worked so hard over the years to develop.

Wiersum thanked Gunyou for his service. He said he appreciated Gunyou's leadership because he was not afraid to say what he thought and he was not afraid to delegate and allow staff to express disagreement. He also appreciated that Gunyou had put the city in a good spot in terms of succession planning. Wiersum said succession planning was a key leadership trait that some people did well and others did not. He said former Police Chief Joy Rikala had done a good job with succession

planning making sure Police Chief Mark Raquet was prepared and ready when she retired. Wiersum said Gunyou had done a similar thing putting the city in a position where it had Barone ready to step into the city manager role. The opportunity to have such a talented individual stepping in behind Gunyou was a great opportunity for the city.

Wagner said the traits of a strong leader are leaving someone in place that can succeed you and potentially do an even better job. He said the city had a great candidate and he supported the process Schneider outlined. He noted the city had a unique opportunity in that it had five months to prepare for the transition.

Allendorf said that he asked for his comments from the last meeting praising Gunyou, Barone, and Finance Director Merrill King be added to the December 19, 2011 minutes because he thought it important to note the contributions that were made to put the city in such a good position to move ahead with a budget and a new structure that still incorporated efficiency. He said the city had 13 years to interview Barone and she had never disappointed him during that time. He asked during the process that Gunyou help identify a list of traits to help answer someone who asked why the city was not hiring a search firm to do a nationwide search and instead the best candidate was an in-house candidate.

Hiller said the council should consider the council had been spoiled by Gunyou because he has done a great job in working with the council. Hiller said the council should ask what it wanted to push, or what attitude should be projected for what the council really wanted. He noted the market was coming back and development growth was occurring and the council should ask what more it might want. The council should take this time to ask with the shift and new thinking if something should be changed or set other emphasis. That question should be part of the process rather than focusing on the person. He said the council had to set expectations as to the direction of the city, and what the council valued.

Ellingson noted he worked for a state agency with over 500 employees for over 20 years. What he has found was when the agency hired people in management positions the best success had come from hiring people who came up through the organization. Those people are familiar with the culture and people. One sign of a successful organization was its ability to develop people and give them the opportunity to move up into leadership positions.

Schneider said he was intrigued by Hiller's comments, and thought that during the transition process, Barone could explain how she would implement the council's vision and what might be done differently. There

could be a dialogue on how she would work on a shift in priorities or other issues that might be raised.

Gunyou suggested that during the January 23 study session he could come back with a recommendation for a process that incorporated the council's discussion. Schneider asked that the process include a transition plan for Barone becoming the new city manager. In terms of the timing, Schneider said the council had to be sensitive to the fact if some visioning process were to take four months then it couldn't wait until the end of that process to finalize the hire.

Hiller said he would like the council's thoughts discussed without a specific candidate in mind. This would then allow the formation of questions on how the council's vision would be effectively implemented. The process would be for the council to discuss what it wanted to happen and then the selection would be made followed by a visioning on how to implement the council's direction.

Schneider said he would not wait until the end of any visioning process to make a decision about the new city manager.

Shifting topics, Allendorf noted there was a special election on February 14. He said his concern about the shortened election cycle was the citizens would not be informed about who the candidates were and what they stood for. He had not seen any information that vetted the candidates. Barone noted there was a League of Women's Voters candidate forum scheduled for January 25 that would be broadcast. Allendorf asked if there was any information currently available that would help the citizens learn more about the candidates.

Schneider said he had heard the local media was planning on doing the typical candidate guides but they would be published a week or two before the election. He agreed with Allendorf that it would be nice if the online sources could do ongoing profiles. The more information that was available earlier would help citizens become better informed.

Wiersum said he had been encouraging neighbors and friends to vote in the special election. He suggested the city buy advertisements informing people of the special election. Gunyou indicated staff would look at doing more publicity of the special election.

## 16. ADJOURNMENT

Wagner moved, Wiersum seconded a motion to adjourn the meeting at 7:24 p.m. All voted "yes." Motion carried.

Respectfully submitted,

David E. Maeda  
City Clerk