

**AGENDA**

**MINNETONKA CITY COUNCIL**

**SPECIAL MEETING, MONDAY, JANUARY 23, 2012**

**7:30 PM  
COUNCIL CHAMBERS**

1. CALL TO ORDER
2. ROLL CALL: Ellingson-Allendorf- Wiersum-Hiller-Wagner-Schneider
3. City Manager Replacement  
  
RECOMMENDATION: Accept resignation, designate replacement and authorize transition process (4 VOTES)
4. ADJOURNMENT

**City Council Agenda Item #3**  
**Meeting of January 23, 2012**

**Brief Description:** City Manager Replacement

**Recommended Actions:** Accept resignation, designate replacement and authorize transition process

**Overview**

At the January 9, 2012 regular meeting of the city council, John Gunyou announced his plans to retire from his position as city manager, effective June 1, 2012. During the subsequent discussion, council indicated interest in appointing Assistant City Manager Geralyn Barone as Minnetonka's next city manager.

Consistent with the attached memo from Mayor Terry Schneider, staff recommends the city manager replacement process be initiated at this meeting by: 1) accepting Gunyou's resignation, effective June 1, 2012, 2) designating Barone as the next city manager, subject to negotiation of an appropriate contract, and 3) authorizing the mayor and two councilmembers to oversee administrative details of the hiring process.

Following Barone's designation, staff recommends that "creative thinking" discussions involving council and the new city manager take place concurrently, but separately, from the administrative hiring process. The objectives of these facilitated discussions would be to provide insight into and direction for council priorities, and to clearly define expectations of the new city manager.

**Selection Process**

At the January 9, 2012 council meeting, five council members all expressed interest in moving ahead with hiring Barone as the next city manager. With such a highly qualified internal candidate, council did not think it necessary to incur the time, expense and organizational disruption of an extensive external recruitment process. Council also expressed interest in using the leadership transition period as an opportunity to jointly explore and define priorities and expectations of the new city manager.

Outside recruitments typically take about six months, and can cost from \$30,000 to \$40,000. Leadership effectiveness during a changeover can often extend well into an additional year. The advantages of outside hires typically include such factors as the lack of a suitable internal candidate or situations in which major concerns exist about organizational direction. Neither is the case in Minnetonka.

Internal promotions for CEO positions are common in private corporations, nonprofit organizations and even public agencies to ensure the continuity of sound operations, and to avoid disruptive uncertainty for both customers and employees. As local city examples, internal promotions were made to hire the current city managers of such communities as Plymouth, St. Louis Park, Burnsville, Rochester, Chaska, Chanhassen, Richfield, Savage and Crystal. Every county administrator in the seven-county metro area has been promoted from within their organizations.

As indicated in the attached minutes from the January 9 meeting, council indicated that excellent succession planning has provided the city with the opportunity for a talented internal candidate to step into the top leadership position. Council members with experience working with city managers throughout the region and state noted it was very unlikely there were any outside candidates who could match Barone's abilities.

Council noted that the best management success most often comes from hiring people who rise up through the organization, since internal candidates are familiar with the culture and employees. Council noted one sign of a successful organization is its ability to develop people and give them the opportunity to move up into leadership positions.

Council observed that when Gunyou ran for statewide office last year, Barone functioned very effectively as acting city manager, and she was viewed as a strong candidate to permanently replace Gunyou, had he been elected. Council further indicated that the city had 18 years to "interview" Barone during her service as assistant city manager, and that she had consistently exceeded their expectations.

### **City Manager Qualifications**

In response to council's request for insight into the traits of ideal city managers, the following profile was developed for the last Minnetonka recruitment. Although developed specifically for the city of Minnetonka, the list includes similar criteria as are used throughout the country for city manager selections:

#### General Qualifications

The ideal candidate will be one who has the ability to embrace and take charge of the community's strategic framework, support the organization's shared values, and take the city to the next level of success. This will be an individual who has the ability to guide the city as it redevelops itself to maintain its current positive character. The ideal candidate should be one who has demonstrated experience living the existing shared values of the city government organization.

*As detailed in her attached resume, Barone has served as Minnetonka's assistant city manager for the past 18 years, and has provided integral leadership to develop and maintain the city's culture of excellence. Over*

*the years, she has led the development, implementation and management of the city's Strategic Framework, long-standing Shared Values, and MERIT performance management system, which integrates the city's framework and values. She also oversaw development of the city's most recent comprehensive plan update, which incorporates a unique provision to guide public services through the challenges of changing demographics and financial realities of the "new normal."*

#### Professional Qualities

- Possesses a master's degree in public administration or related field with evidence of continued professional development.
- Has at least four years of experience in local government as a city manager, deputy or assistant in a progressive community.
- Has the ability and willingness to address and try to resolve conflict.
- Is a leader, team player and a person with a collaborative style.
- Is a creative thinker, fair and equitable, willing to let others take credit, has no personal agenda and is flexible.
- Is well-organized, thorough, and is a good facilitator.
- Is a person who can simultaneously understand the big picture and determine how the local situations fit into the whole.
- Is a visionary, a decision-maker, has a high energy level and is an enthusiastic individual.
- Participation in ICMA is a plus.

*Barone not only meets, but far exceeds, each of these considerations. With nearly three decades of city management experience, she is deeply respected both within the city and among her professional peers. Widely viewed as a thoughtful, resourceful, problem solver, Barone is the "go to" person for any number of issues both within and outside the community. Her reputation for creative, collaborative and fair leadership is regularly recognized through awards and appointments throughout the region.*

#### Council Related

- Has the ability to effectively interpret the policy direction of the city council, convey that direction to a very qualified group of department directors, while giving them the leeway to effectively implement policy decisions.
- Respects the prerogatives of elected officials.
- Is willing to support city council decisions, but also is willing to make his/her own recommendations to council, and is willing to provide alternatives to the council if it is going in a direction that he/she believes is inconsistent with the organization's vision, mission, goals, and values.
- Can support the city's strategic direction.
- Is committed to protecting the city's conservative financial position.

- Is committed to achieving the affordable housing goals set by the city.
- Is committed to preservation of the city's natural resources.

*In her role as assistant city manager and as acting city manager in both 2000 and 2010, Barone has direct experience with the current Minnetonka council and department directors on each of these criteria, ranging from policy decisions to budget management. She has already earned the respect of council and staff as an effective leader who can guide the formation and implementation of city policy. As examples, Barone led all phases of the city's open space preservation and parks renewal initiatives, Minnehaha Creek planning effort, and public safety study. She has also been intimately involved in all phases of the city's budget and capital planning, and helped lead the recent organizational restructuring that has insured the city's capacity to provide quality services well into the future.*

#### Staff Related

- Can demonstrate how the shared values of Minnetonka were supported in previous position.
- Encourages and facilitates staff professional development and personal growth.
- Has the ability to bring out the best in staff at all levels of the organization.
- Is willing to take calculated risks; allows staff to take calculated risks and learn from those efforts.
- Is technologically-oriented and supports the utilization of information technology in the workplace.

*Barone is directly responsible for all personnel and technology activities of the city, and is deeply respected by employees at all levels for her firm, respectful leadership. She fosters strong labor-management relationships, the benefit of which was directly reflected in the city's ability to renegotiate union contracts during recent economically challenging times. Her ratings in Minnetonka's unique 360 evaluation system far exceed those earned by any other manager in the city, despite the fact that her cohorts include managers considered the best in their fields.*

#### Citizen Related

- Is committed to providing a high level of customer service to citizens.
- Is an innovative professional with highly-developed abilities at networking and building regional partnerships.
- Possesses a community service perspective; is willing to be involved and be a part of the community.
- Is an effective communicator, especially adept at listening and relating well with citizens.

- Is aware of, and attuned to, the diverse and changing cultures of all communities.

*Barone has led many of the city's customer service initiatives, and she effectively manages a wide variety of resident issues through the implementation of management policies and procedures, as well as direct interaction with resident concerns. She has served as staff liaison to various citizen groups, including the park board, comp plan committee, open space preservation and Williston Center task forces, and Minnehaha Creek joint steering committee with the MCWD. She represents the city on a variety of regional boards and committees, most significantly, the LOGIS executive committee, where she has overseen major technology and healthcare insurance reforms that have greatly benefited the city.*

### **Creative Thinking Discussions**

Following Barone's designation as the next city manager, staff recommends that the leadership transition period be used as an opportunity to jointly explore and define city priorities with the new manager. As outlined in Mayor Schneider's memo, "creative thinking" discussions would take place concurrent with, but separate from, the administrative hiring process.

If council thinks it might be helpful, a third-party facilitator could work with council and Barone during February and March to define and discuss various issues, with the objective of providing insight into council priorities, and clearly defining expectations of the new city manager. Discussions might address such issues as how to most productively use Barone's management skills and talents, and how to ensure effective interactions between the new manager and council – including the newly elected member of the city council.

Such discussions would help insure a smooth and orderly leadership transition, and a clear understanding of the challenges and priorities expected of the new manager. The discussions could explore how Barone's management style, skills and talents would be used, and if there are any new ways of interaction between the new city manager and the council, general public and broader region. The specific goals of such a creative thinking exercise would need to be further refined so that both council and the new manager would have a clear understanding of the objectives of the exercise.

### **Recommended Timeline**

The following process is recommended to ensure an effective and seamless leadership transition on June 1, 2012:

#### January 23 Special Meeting

- City council formally accepts Gunyou's resignation, effective June 1, 2012, in accordance with the attached letter dated January 9, 2012.
- Council formally designates Barone as Minnetonka's next city manager, subject to negotiation of an appropriate contract. Following designation, the subsequent administrative hiring process would be similar to any recruitment.
- Council authorizes the mayor and two additional councilmembers to oversee administrative details of the hiring process. These elected officials would be responsible for such activities as initiating and reviewing background checks, negotiating and recommending to the full council an employment contract with the new city manager. Staff support would be provided by current City Manager John Gunyou, City Attorney Desyl Peterson and Human Resources Manager Sue Poulos.

#### February 14 Special Election

- Following February 21 certification of election results, new council member is sworn in on February 27.

#### February and March

- "Creative thinking" discussions involving council and Barone, concurrent with, but separate from, the hiring process. The objectives of these facilitated discussions would be to provide insight into and direction for council priorities, and to clearly define expectations of the new city manager.

#### April 16 Regular Meeting

- Full council approves employment contract with the new city manager.

May 14 Regular Meeting

- John Gunyou's last council meeting. Public farewell reception would also be held sometime this week.

June 4 Regular Meeting

- Geralyn Barone's first council meeting. Public welcoming reception would also be held sometime this week.

**Recommendations**

- 1) Accept John Gunyou's resignation, effective June 1, 2012.
- 2) Designate Geralyn Barone as Minnetonka's next city manager, subject to negotiation of an appropriate contract.
- 3) Authorize mayor and two additional council members to oversee administrative details of hiring process.
- 4) Provide additional direction on the recommended transition process.

Attachments:

John Gunyou resignation letter, dated January 9, 2012  
Memo from Mayor Schneider to John Gunyou, dated January 12, 2012  
Unapproved minutes of January 9, 2012 council meeting  
Geralyn Barone's resume

Originated by:

John Gunyou, City Manager



City of  
**minnetonka**

14600 Minnetonka Boulevard

Minnetonka, MN 55345


952-939-8200

Fax 952-939-8244

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January 9, 2012


Terry Schneider, Mayor  
City of Minnetonka  
14600 Minnetonka Blvd.  
Minnetonka, MN 55345

  
Mayor Schneider:

This is my notice that I intend to retire from my position as city manager, effective June 1, 2012.

It has been a true honor to serve the city of Minnetonka, and I will be forever grateful to you, our exceptional city councils and my extraordinary coworkers, for the opportunity to do so.

Sincerely,



John Gunyou

Cc: Minnetonka City Council

Date January 12, 2012

Memo to: John Gunyou

Copy to: GERALYN BARONE, Council Members

Re: Designation of City Manager process

Based on the discussion at the last council meeting, I am recommending that we rethink the structure of the Jan. 23<sup>rd</sup> Study Session to better address three items.

First, we received your letter of resignation, but did not formally accept the resignation. I believe that should be done soon, and recommend that the Study Session be noticed as a Special Council meeting, where we can take formal action including accepting your resignation.

Second, assuming that your staff report adequately addresses the pros and cons between making an internal hire for your replacement vs. engaging a search firm and conducting broad search for city manager applicants, I recommend that we adopt a formal motion declaring GERALYN BARONE as our "Designated" next city manager, subject to council approval of an employment contract. This would trigger the typical process that would have been taken if we had made our "Selection" via a broad search process, including any background checks and negotiation of an employment contract.

Third, James raised an intriguing idea regarding using the transition period (the time between selecting the next city manager and the city manager formally starting work) to engage in a "creative thinking" exercise to look at how the new city manager's management style, skills and talents would be used, if there are any new ways of interaction between the new city manager and the council, general public and broader region, etc. The "etc." and the goals of such a critical thinking exercise would need to be refined so that we all have a clear understanding of what the objectives of the exercise, and how the process would work (facilitated process etc.).

The effort would be conducted after the formal selection of the next city manager and is not meant to be part of the hiring process, but would run concurrently with the transition phase of that process. This also gives the newly elected council member a chance to interact more with the designated city manager and council members at a more in-depth level. This effort could also provide some valuable insight for GERALYN into the expectations of city council.

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

**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 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 . . . 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 was thinking the council would have a discussion about the vision and once the vision was developed, then Barone would be asked how the vision would be implemented. He would not wait until the end of the process to make a decision about the new city manager.

**Geralyn R. Barone**  
[gbarone@eminnetonka.com](mailto:gbarone@eminnetonka.com)  
952.939.8216

## **KEY STRENGTHS**

- Extensive local government leadership experience with full range of municipal issues and functions, including financial and personnel management
- Strong collaboration, negotiation, communication, conflict resolution and program management skills
- Fiscally responsible, customer oriented, highly ethical, forward thinking, and practical
- Dedicated commitment to the city's shared values, ensuring a positive, respectful culture of excellence

## **EDUCATION**

B.A. – Political Science, 1980  
University of Minnesota, Twin Cities

M.A. – Public Affairs, 1982  
University of Minnesota, Humphrey School of Public Affairs

Public Human Resources Certificate, 1995  
University of Minnesota, Carlson School of Management & Industrial Relations Center

## **PROFESSIONAL EXPERIENCE**

### **City of Minnetonka, MN**

#### ***Assistant City Manager/Director of Administrative Services 1994 - present***

Assist city manager with overall administration of the city, with full responsibility to serve as acting manager as required. Direct all human resources, IT, city clerk, risk management, communications, community relations and other administrative support functions. Oversee city's strategic visioning, comprehensive planning and performance management systems. Assist with preparation and management of all city department operating and CIP budgets, and prepare administrative budgets.

Lead collaborative special projects involving multiple departments and outside agencies (e.g., POST plan, open space and parks renewal bond referendum, deer management, public safety study, Minnehaha Creek long-range planning and joint city/MCWD facility). Serve as staff liaison to Minnetonka Park Board and other citizen and staff committees. Provide guidance to department directors and actively problem solve issues. Serve as chief labor relations and negotiating officer.

**City of Brooklyn Center, MN**

***Assistant City Manager/Personnel Coordinator 1985 – 1993***

Assist city manager in overall administration of the city, and serve as acting city manager in manager's absence. Oversee human resources function. Manage department budget. Supervise city manager's office staff. Serve as staff liaison to Park and Recreation Commission and Human Rights and Resources Commission. Lead special projects and conduct research.

***Administrative Assistant, Police Department 1982 – 1985***

Assist with department budgeting and labor relations. Prepare annual police statistical reports. Conduct emergency preparedness management activities and grant writing. Provide staff support to Crime Prevention Fund and traffic committee.

**City of St. Louis Park, MN**

***Intern to City Manager 1981***

Assist with department budgeting process. Conduct research and prepare special projects.

**PROFESSIONAL AFFILIATIONS & ACTIVITIES**

- ICMA (International City/County Managers Association)
- MCMA (Minnesota City Managers Association)
- APMP (Association of Public Management Professionals – formerly MAUMA) – past president, vice president; outstanding assistant awards in 1996 & 1999
- IPMA (International Public Management Association)
- NPELRA & MPELRA (National and MN Public Employers Labor Relations Assoc.)
- League of Minnesota Cities Human Resources & Data Practices Committee (current member, past chair)
- LOGIS Executive Committee and Board of Directors
- LOGIS Health Care Committee
- Twin City Area Labor Management Council – Board of Directors
- University of Minnesota Humphrey School of Public Affairs – graduate student mentor
- University of Park – staff mentor
- Advanced Management Leadership Group

**COMMUNITY LIAISON POSITIONS**

**Minnetonka**

- Park Board (1994 – present)
- Minnetonka/Minnehaha Creek Watershed District Steering Committee – proposed joint facility (2009 – present)
- Comprehensive Guide Plan Citizen and Staff Services Committees (2007 – 2009)
- Open Space Preservation Citizen Task Force (1998 – 1999)
- Williston Center Task Force (1996)

Brooklyn Center

- Park and Recreation Commission (1985 – 1993)
- Human Rights and Resources Commission (1985 – 1993)
- 75<sup>th</sup> Anniversary Committee (1986)

**COMMUNITY INVOLVEMENT**

Immaculate Heart of Mary Church and School, Minnetonka (1987 – present)

Benilde-St. Margaret's School (2002 – present)

Finance committee member (IHM school deconsolidation); funeral lunch contributor;  
open house, athletic, classroom and fundraiser events volunteer

Glen Lake Mighty Mites (2003 – 2006) and Chester Bird American Legion Baseball (2011)

Tournament and concessions volunteer