



Minutes City Council Summit August 13, 2010 and August 14, 2010

Minutes of the City Council Summit Meeting of Friday, August 13, 2010 held at 11:30 a.m. at the Arizona Historical Museum, 1300 North College Avenue, Tempe, Arizona.

COUNCIL PRESENT:

Mayor Hugh Hallman
Councilmember Robin Arredondo-Savage
Councilmember Mark W. Mitchell
Councilmember Corey D. Woods

Vice Mayor Joel Navarro
Councilmember Shana Ellis
Councilmember Onnie Shekerjian

STAFF PRESENT:

Charlie Meyer, City Manager
Jeff Kulaga, Assistant City Manager
Andrew Ching, City Attorney

Brigitta Kuiper, City Clerk
Gretchen Maynard, Organizational Development Administrator

The Mayor and City Council gathered for lunch at 11:30 a.m. Mayor Hallman called the meeting to order at 12:30 pm.

1. Review Open Meeting Law / Ethics / Agenda

Brigitta Kuiper distributed a publication entitled "You as a Public Official" published by the League of Arizona Cities and Towns (League). The publication, designed specifically for elected officials, includes information concerning open meeting law, conflict of interests, public records, and other related topics. The basic principal behind the open meeting law is that the operation of government is of public concern; therefore the public's business should be conducted in public. The one exception to the law is executive sessions, which are not conducted in public.

There are four open meeting law requirements:

- 1) *Meeting notice* (date/time/location) – Tempe posts meeting agendas on its website and two posting boards. The League also posts notices and links to city/town agendas on their website.
- 2) *Agenda content* – items for discussion must be listed on agendas and only those items may be discussed.
- 3) *Posting agendas* – must be posted a minimum of 24-hours in advance of the meeting time.
- 4) *Posting minutes* – must be posted within two days of Council approval. Minutes may be used in lieu of a legal action summary which must be posted within three days of the Council meeting; subcommittee and advisory committee minutes must be posted within ten days. Consensus reports and DVD recordings may also be used as the legal action summary.

Ms. Kuiper stated that preparing accurate and complete minutes is essential. Staff is being trained on minute content (key points and decisions) and the importance of remaining objective and consistent. Minutes are a critical element to complying with the open meeting law.

Ms. Kuiper added that the open meeting law also pertains to e-mail communications. There are penalties for open meeting law violations including fines and up to removal from public office.

Mayor Hallman voiced his desire to minimize changes to Council agendas so that Councilmembers have adequate time to review materials prior to meetings. He referred to a July 21, 2010 memo prepared by the City Clerk that outlined the revisions to Council agendas that had occurred over the prior 90-day period. Mayor Hallman stated that he will work with his colleagues to improve the turn around time for making board and commission appointments. Maintaining a quorum for some boards and commission is a point of concern. Ms. Kuiper noted that in an effort to assist staff, she has prepared a calendar that outlines the deadlines/timelines for submitting Council materials for the agenda. This information has been conveyed to department heads and institutes citywide standards for deadlines and processes.

Mayor Hallman asked that the City Clerk clearly articulate the nature of the revisions to the agenda materials when Council meeting packets are revised. Council agendas and meeting packets are electronically posted on Fridays by noon. For Councilmembers that have chosen to electronically access their Council meeting materials, there is an electronic drop box feature that allows access to agendas and confidential materials. Councilmember Shekerjian requested that notification of revisions be given to those Councilmembers that access the information electronically.

Councilmember Arredondo-Savage asked if consideration had been given to posting the revised agenda on Tuesday, versus the current practice of Wednesday. City Councilmembers discussed the need for revisions to Council agendas and the need to develop standards to determine whether a requested change is compelling enough to warrant a revision and re-posting. There are times when agenda revisions are necessary. Andrew Ching suggested that if an agenda item is substantially complete, it be included on the agenda as a place holder if the remainder of the materials will be complete in time for agenda revisions and reposting. Councilmembers could review the majority of the agenda item after the agenda is posted on Friday with only the specific revisions/modifications left to review when the agenda is revised and reposted. Councilmembers discussed and agreed upon the process for revising the agendas, as follows:

- Council meeting agendas will be posted by noon on the Friday prior to the meeting.
- Revisions may occur between Friday at noon and Tuesday at noon. If so, the City Clerk's office will post the revised agenda(s) no later than 5 p.m. and deliver paper revisions and electronic notification to Councilmembers. Revisions will be clearly documented on the cover sheet.
- Revisions requested by staff that occur after Tuesday at noon will be referred to the City Manager and City Attorney for review and approval. If approved, the agenda be revised and re-posted.
- Revisions requested by Councilmembers that occur after Tuesday at noon will be referred to the Mayor for approval. If the Mayor does not deem the matter to be of a compelling nature, the Councilmember may seek the support of one of his/her colleagues to place the item on the agenda. Two of the three members in support of the revision have approval authority.
- Agenda place holders will be used for situations where the agenda material is substantially complete and it is anticipated to be fully complete by Tuesday at noon.
- The City Clerk will monitor the revision process and report back to City Council in six months.

Councilmembers discussed the need to maintain an environment of professionalism among colleagues as recent discussions have been challenging, yet productive. In response to a question from Mayor Hallman, Councilmembers discussed the importance in complying with the open meeting law. Individually, Councilmembers take measures to ensure open meeting laws are not compromised.

Charlie Meyer asked Councilmembers for feedback on the effectiveness/efficiency of the electronic Council meeting packets prior to and during Council meetings. Concerning the agenda, staff is currently working on a one page contract summary worksheet which will contain all relevant data associated with a contract. This document could potentially replace lengthy contracts in the Council packets, which are primarily boiler plate language. An electronic link to the entire contract could be included if Councilmembers choose to access that document. Councilmember Shekerjian noted that large documents take longer to download using the iPad and suggested that larger documents be maintained separately from the staff summary reports or contract summary worksheets. She asked staff to contact the National League of Cities to find out more information about alternatives to using paper to convey information.

Andrew Ching provided a brief overview of the open meeting law. He cited examples of situations for discussion purposes. The state statute is broad enough that the open meeting law could be breached by watching a Council meeting on television, in the event that multiple Councilmembers are also watching, thus creating a quorum. Social gatherings and press conferences also pose potential open meeting law violations. These types of gatherings are publicly posted via the Council Calendar which provides the public with notification that a quorum of Council may be present. If a meeting is to be held, posting an agenda with specific items for discussion is required.

Mr. Ching added that an emerging area of open meeting law concern is social media use by elected officials. Councilmembers discussed the use of social media such as Facebook and Twitter. Mayor Hallman added that topics that fall within the purview of "future Council discussions" should also be considered in accordance with the open meeting law. When using e-mail, a "reply to all" could be a violation of the open meeting law. Perception is important as well when a quorum of Council is seen together. Mr. Ching encouraged the Mayor and Councilmembers to self police by avoiding having conversations that may eventually evolve into official city business. Discussions continued about the applicability of the open meeting law to boards and commissions and Council committees. For Council Committees, the two Councilmembers appointed by the Mayor cannot discuss issues as they constitute a quorum of the Committee. This presents difficulties for Councilmembers who are working on a particular issue. Councilmembers agreed that setting high standards to comply with the open meeting law is important.

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The Meeting recessed at 1:55 p.m. and reconvened at 2:05 p.m. with all Councilmembers present.

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2. City Overview / Personnel Update

Charlie Meyer distributed and reviewed updated department organizational charts. The goal of organizational restructuring was to create a maximum of five layers of supervision throughout the organization: 1) department director, 2) deputy director, 3) managers, 4) direct supervisors, and 5) line employees. There are some exceptions to the five layers; however, previously there were up to eight levels of supervision in some departments. A few positions remain vacant as he has received community input regarding the recruitment process and a desire to have all job recruitments open to the public.

Mr. Meyer detailed the department head and deputy position assignments. There are seven department directors that report to the City Manager. The remaining city office managers report to Jeff Kulaga. Mr. Meyer noted the following:

- The Information Technology Division (IT) is shifting to a more global view of conducting business. Vacant personnel positions in IT will remain unfilled until their restructuring has been completed.
- Combining the Community Development and Development Services Departments will result in operational efficiencies. Challenges remain in the Engineering project review process; structural changes to the organization may be necessary.
- Recruitment for three Deputy Public Works Director positions and the City Internal Audit Manager are underway.
- Recently, there were approximately 35 retirements in the Water Department. These vacancies resulted in promotional opportunities and made jobs available for employees that may otherwise have been laid off.
- Community Services and the Fire Department are awaiting direction from management regarding their recruitments before filling vacant positions.
- Neighborhood Services will oversee the Customer Service Call Center.

Mr. Meyer stated that the employee personnel rules and regulations stipulate that if there are four or fewer internal applicants, staff may seek approval to open the recruitment to the general public. Management has received comments from the public about the lack of inclusiveness when recruiting and a preference to have all recruitments open to the public. Mayor Hallman noted that the recruitment process has been a challenge because if management does not hold open recruitments, it is viewed as a lack of desire to diversify the workforce. Institutional knowledge should be taken into consideration when determining whether or not an external recruitment is the preferred method. There is a balance between institutional knowledge and someone with new ideas. Mr. Meyer stated that there are circumstances whereby conducting an open recruitment can be counter productive; however, his overall preference is for open recruitments.

Mr. Meyer stated that he has been working with an employee group to develop a purpose statement that represents a Strategic Operations Plan. The organizational purpose statement revolves around the question "Are we providing outstanding value?" An important consideration is balancing the value of an amenity versus the cost to provide it. A shared vision strengthens the organization. Other program components include taking pride in serving and sustainable practices. The purpose statement developed is "*Tempe creates outstanding value for those we serve through shared visioning, superior service and sustainable practices*".

A Performance Management System will be instituted citywide. There is also a leadership development program that will focus on results. Developing norms of behavior for staff is critically important and leads to holding each other accountable. Work plans with built in measures to gauge success will be developed as a strategy for carrying out Council directives.

Councilmember Woods asked if there is a policy or document that addresses staff protocol in approaching Council. Mr. Meyer stated that there is nothing in writing; employees do have the option of speaking with Council. What needs to be defined is lobbying Council on issues, which is inappropriate. For example, Councilmembers are not allowed to get involved with personnel matters, so if an employee presents a Councilmember with a personnel matter, that is inappropriate. Councilmember Mitchell noted that it is unethical for Councilmembers to breach the Charter. He voiced his appreciation for having an open door policy between Council and staff.

Vice Mayor Navarro asked how management intends to measure accountability. Mr. Meyer explained that management is proposing standards to measure accountability that may differ slightly based upon work area. Work groups have started setting goals which builds teamwork. This system is not based on individual employee evaluations, but on work groups.

Mr. Meyer stated that one of the main goals of the strategic operations plan is to increase organizational capacity so that tasks are completed in a cost effective and comprehensive fashion. External goals are determined by Council. Mayor Hallman stated that the Council focus needs to be on goals and staff can then focus on the steps and means to achieve those goals. Neighborhood revitalization is an example of how the linkage between goals and organizational focus works. Mr. Meyer outlined his two major goals. 1) develop and implement a strategic operations plan to achieve high performance, organization-wide alignment, continuous improvement and measured performance, and, 2) develop and implement a financial plan which achieves fiscal sustainability through disciplined management of resources. Staff will also work on preparing financial policies for Council consideration. This will be a five-year plan to address sales tax revenues, capital improvement project policies, debt service and state shared revenues. Mr. Meyer closed by voicing his optimism about the new management team in place and their leadership abilities.

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The Meeting recessed at 3:17 p.m. and reconvened at 3:32 p.m. with all Councilmembers present.
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3. Real Colors Temperaments: Facilitated Exercise

Gretchen Maynard provided a brief background on the study of temperaments. There are four temperaments, one of which is dominant in each individual. Understanding different temperaments leads to more effective communication. Ms. Maynard facilitated an exercise so that Councilmembers and staff could determine their dominant temperament. Meeting participants broke into small groups based upon temperaments, discussed their values, joys, needs and strengths, and presented the information to the group. Group discussion and interaction followed.

Ms. Maynard closed by stating that all temperaments have strengths that lend themselves to teams. Knowing how to communicate with the different temperaments makes for a better team environment.

At 5:12 p.m., participants walked to the O'Connor House, 1230 North College Avenue, Tempe, Arizona, for a tour and dinner. The meeting adjourned at 7:25 p.m.

Minutes of the City Council Summit Meeting of Saturday, August 14, 2010 held at 8:30 a.m. at the Arizona Historical Museum, 1300 North College Avenue, Tempe, Arizona.

The Mayor and City Council gathered for breakfast at 8:00 a.m. Mayor Hallman called the meeting to order at 8:30 a.m. with all Councilmembers present.

Mayor Hallman stated that the purpose of this meeting is to prioritize work for staff, taking into consideration existing fiscal restraints.

Charlie Meyer explained that limited staff were invited to attend the Council summit in order to facilitate an open dialogue about the current state of the city. Mr. Meyer noted the following:

- Fiscal year 2011/12 budget will remain static based on revenue forecasts.
- Staff will focus on basics and service delivery
- The revenue stream has begun to show slow signs of recovery.
- Staff will begin preparing a plan for when the .02% sales tax increase, approved by voters in May 2010, sunsets four years from now. This poses a huge financial challenge.
- Reduced level of operations is the new status quo.
- There are no funds for FY 2010/11 capital program projects.
- Infrastructure planning will begin in the near future.
- State laws impact how cities and towns are able to financially plan. Borrowing money increases debt, which impacts bond ratings.
- A 17% reduction in staffing over the past two years, plus reduced library and swimming pool hours, has had minimal adverse impact to the community. There may be additional operational reduction opportunities and increased efficiencies available to bridge the temporary sales tax financial challenge.
- Wage reductions (furloughs) will be restored when revenues permit.
- Previous revenue forecasts indicate a communication gap between staff forecasts and information communicated to Council.
- Revenue trigger points in the Memorandums of Understanding will affect the financial picture.
- In the event of revenue growth, the following restorations will occur: a) employee cuts/furloughs, b) fund balance, and c) Capital Improvement Program

Mayor Hallman provided an overview of the budget reduction exercise whereby expenditures were broken down into green, yellow and red categories. The .02% sales tax increase represents \$8 million, which must be accounted for when the sales tax increase sunsets. If \$8 million in efficiencies is not realized at that time, it could result in the need to further reduce personnel or use of additional revenues, if available. Until revenues exceed 3% of budget projections, employee wages will not be restored. Should revenues exceed 3%, employee restorations would be apportioned among the work groups. Revenue projections for 2011 estimate a 7% growth. Any revenues beyond the 7% revenue projections would be dedicated to budget restorations.

Councilmember Shekerjian credited past Councils for the fund balance that was recently available and used to incentivize early retirements.

Mayor Hallman noted the importance of taking into account capital expenditures that create recurring operating costs, such as the Town Lake and the Tempe Center for the Arts and the financial burden these amenities represent.

Priorities identified:

1. Long range financial plan to be prepared by staff
2. Baseline infrastructure/maintenance measurement.

Councilmember Mitchell asked staff to provide Council with a list of infrastructure needs.

City Councilmembers discussed major City issues, including staffing, economic development, and City services in light of the current economic environment in order to create a vision and strategic work plan for staff. Discussion included:

- Prefer paying existing staff for the extra tasks versus hiring additional personnel.
- It is important to be aware of employee burn out and low morale.
- There is a point where belt tightening becomes counter productive; management intends to develop ways to measure efficiency and its organizational impact.
- The organization is reactionary in nature, operating on a complaint basis.
- Tempe should be positioned to proactively and aggressively seek out economic development opportunities when economic recovery occurs.
- Cross training employees to vary their tasks might ease employee burn out.
- The lagging housing market, property valuations and lack of jobs impact opportunities and whether or not people are attracted to the area.
- Tempe has made significant investments in its infrastructure which should attract economic development.
- It is important to measure where Tempe is lacking and to address those issues so that when the economy rebounds, Tempe's opportunities are maximized.
- There is a disconnect between the Council vision and conveying those concepts to staff.
- Staff needs to have a defined vision from Council in order to move forward in right direction.
- It is important to consider the cost/benefit of ideas in order to make the best decisions.
- Tempe's approach needs to shift from spending money to solve problems to finding creative ways to resolve issues.
- The community survey results reveal what residents value.
- The survey results indicate that residents feel Tempe offers a high quality of services, however, this does not necessarily translate into a high quality of life.
- Creating an inviting environment attracts investment in the community.
- Blight (fencing, right of way, medians and sidewalks), sustainability, streets, alleys and code enforcement all have an impact on the quality of life.
- It is important for the public to understand that a benefit of economic development is that it supports/funds City services.
- Current economic development activity is operationally compartmentalized; staff needs to work in a more synergistic fashion.
- Being proactive and taking inventory of existing resources is important so that leadership is prepared to position the City to expand its resources.
- There is concern that quality control is lacking.
- There are no systems in place to measure how well tasks are completed and how continued maintenance and oversight are ensured. Instituting a process will benefit the entire City and will improve communication.
- The limited personnel resources impact how, and which, jobs are completed.
- By identifying priorities, it will give management a clear direction of expectations and outcomes and guide staff on how to utilize time and resources.
- Staff has indicated an interest in looking at new ways of doing things, however funding will be required to get things accomplished.
- Economic development is one way to generate a high quality of life.
- Staff has data that would be helpful to potential businesses to educate business owners on locations that would benefit them most.
- There are opportunities to encourage synergy in strip centers; a proactive approach in sharing this data with the business community is necessary.
- Adopting a proactive approach on economic development activity is preferable.
- Engaging small business owners would also show support and add character to the community.
- A balanced approach is necessary to attracting businesses and promoting sustainability.
- There is nationwide interest in sustainability; it attracts the creative classes of people.
- A cost/benefit analysis should be a program component to ensure that what is being promoted makes sense and has a measurable pay back.
- Thinking outside of the box will be essential to getting things accomplished with fewer resources. Incentivizing this thinking brings about creativity.

- Curb appeal is essential in order to distinguish Tempe from surrounding jurisdictions and to attract new people.
- A challenging aspect to curb appeal is private property maintenance. Curb appeal includes alleys, parks, streets, medians, sidewalks, landscaping, condition of houses, etc.
- Creating a 'feel' for an environment is the goal to attracting people.
- There is a desire to develop a strategic economic development plan.
- Tempe has cultural, educational, arts and transit amenities, but economic development needs to be taken to the next level. Leveraging those amenities and incorporating a cost/benefit analysis of new propositions are important program components
- If economic challenges are not viewed as an opportunity, the status quo will be the result.
- Proactive analysis of how efficiencies can be captured will require staff involvement and buy in.
- Neighborhood/homeowner associations could be asked to assist in the education process on alley ownership and maintenance responsibility for residents.
- A neighborhood alley clean up event held in conjunction with another city function, such as Getting Arizona Involved in Neighborhoods (G.A.I.N.) night would be advantageous.
- Data is available to identify hot spots in Tempe so that staff can focus their collective attention on an issue.
- Neighborhood associations could be encouraged to adopt their neighborhood parks, medians and sidewalk landscaping.
- If the City imposes additional maintenance standards on small businesses, business owners or landlords may not be financially able to comply.
- Revitalization of neighborhoods includes strip centers.
- Landscaping is lacking in some strip centers which has a significant impact on appearance.
- It may be a challenge to encourage people to spend money on curb appeal on private property versus public property.
- There is lack of enforcement for development and disposition agreement stipulations, especially when properties are sold. This lack of oversight spans from property aesthetics to tax obligations.
- Leveraging city resources to encourage and create partnerships should be cultivated. An example is partnering with neighborhood or homeowner associations.
- Is it more important to spend resources on attracting new businesses or business retention?
- There is a desire to improve the City's relationship with Arizona State University (ASU) officials - perhaps a quarterly joint meeting could be held.
- There is a need to improve the cultural atmosphere along Mill Avenue.
- Vacant retail space along Mill Avenue could be used for artists' studios, and display/sale of artwork to activate the space.
- Creative use of vacant space would attract people to the downtown.
- It is important to create an atmosphere downtown that surrounding cities lack; this involves taking risks.
- Downtown merchants (tenants) have repeatedly indicated that there is a disconnect between themselves, city staff and the Downtown Community, Inc. (DTC).
- Tenants believe that the DTC focuses more on their relationship with downtown landlords, rather than tenants. Enhancing relations with downtown tenants is important.
- Attracting more locally owned businesses to the downtown versus national retail chains and restaurants would change the environment.
- Small business owners struggle to pay high rent rates along Mill Avenue. This creates an advantage that national chains have over small businesses in the downtown.
- The public perceives that there is limited parking in the downtown. This continues to be a challenge.
- There are a variety of sporting events that occur in Tempe - additional exploration into youth sports and its costs/benefits should be considered.
- Several Councilmembers voiced an interest in taking a more active role in economic development.
- If staff is expected to be proactive with economic development, then it is fitting that Council follow suit.
- It is important to have a thorough knowledge of what is important to the customer when approaching an development lead.
- It would not be appropriate to have multiple individuals negotiating economic development deals; however staff can keep Councilmembers informed of the status of negotiations.

- Potential areas of focus for economic development included the downtown, Town Lake, long-term model for the Rio Salado Project, and commercial/industrial park revitalization.

Mayor Hallman stated that the previous focus of Council committees included public works, parks and recreation, public safety, and finance/economic development. To move forward, a common vision will be required so that a direction is clear. Values that have been identified include: high tech, sustainable, family oriented, entertainment driven. Existing resources need to be expanded. Improvements need to be made on maintaining properties, expanding economic development, transportation/transit, educational partnerships, and hotel/conference center. Maintenance and “back-to-basics” should be a component of all future Council Committees.

Councilmembers voiced their desire to finalize pending committee work, in the event that the Mayor is not prepared to make new committee assignments at this time.

Councilmember Ellis discussed the educational aspect of the modern streetcar study and the available funding for these types of projects. These are on-going issues for her Committee. It is important to explore transit options that connect Tempe to other cities.

Mayor Hallman asked Councilmember Arredondo-Savage to Chair the Council Educational Partnerships Committee and to serve on the Transportation Committee until committee assignments are finalized. Prior to identifying who will serve on what committee, a holistic community vision will be necessary in order to adopt a ‘brand’. Mayor Hallman directed Councilmembers to continue to work on their committees if there is unfinished business. Several Councilmembers noted their areas of interest, as follows:

Councilmember Robin Arredondo-Savage: Economic development, partnerships, aesthetics, parks/neighborhoods, budget/finance, upkeep/maintenance

Councilmember Mitchell: Economic development (hotel/conference center), high tech/bio sciences, manufacturing, hotels, vacant parcels, silos on Mill Avenue, etc. The vision for the City is a vital component of committee directives.

Based on the hour, a continuation of the Summit discussions was scheduled for Friday, September 10, 2010 at noon; the location is to be determined.

The Meeting was adjourned at 12:15 pm.

I, Brigitta M. Kuiper, the duly-appointed City Clerk of the City of Tempe, Maricopa County, Arizona, do hereby certify the above to be the minutes of the City Council Summit of August 13 and August 14, 2010, by the Tempe City Council, Tempe, Arizona.

Hugh Hallman, Mayor

ATTEST:

Brigitta M. Kuiper, City Clerk