

**SUMMARIZED MINUTES
SCOTTSDALE CITY COUNCIL
RETREAT
MONDAY, APRIL 17, 2017**



**ARIZONA STATE UNIVERSITY SKYSONG
BUILDING 1, GLOBAL CONFERENCE ROOM
1475 N. SCOTTSDALE ROAD, SUITE 201
SCOTTSDALE, ARIZONA 85257**

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Retreat of the Scottsdale City Council at 8:10 a.m. on Monday, April 17, 2017.

ROLL CALL

Present: Mayor W.J. "Jim" Lane
Vice Mayor Suzanne Klapp
Councilmembers Virginia L. Korte, Kathy Littlefield, Linda Milhaven, Guy Phillips (arrived at 9:10 a.m.), and David N. Smith

Also Present: City Manager Jim Thompson
Deputy City Attorney Joe Padilla
City Treasurer Jeff Nichols
City Auditor Sharron Walker
City Clerk Carolyn Jagger
Dr. Maria Church, CEO, Government Leadership Solutions

1. REVIEW THE AGENDA AND PROCESS FOR THE DAY

Dr. Church reviewed the quotes provided by Councilmembers and the City Manager:

- "If the doors of perception were cleansed everything would appear to man as it is, infinite." – Aldous Huxley
- "Leadership is the capacity to translate vision into reality." – Warren Bennis
- "Be the change you want to see." – Gandhi (paraphrased)
- "Planning for the future without consideration of the past is like trying to plant cut flowers." — David Boorstin (paraphrased)
- "Be true to yourself and what you believe in." – Unknown
- "The speed of the boss is the speed of the gang." - Lee Iacocca (paraphrased)
- "To thine own self be true." – Shakespeare
- "If you don't know where you're going, any road will take you there." – George Harrison

Dr. Church elicited input and agreement on the rules of engagement and expectations for the day:

- Consensus of direction
- Once priorities are decided, set a plan in place with more detail
- Learn how to have a productive conversation
- Articulate a greater sense of purpose
- Recognize that we work better together
- Set tone and direction, without getting into the weeds
- Set litmus test to measure against
- Achieve a better understanding of each other's point of view

2. REVIEW AND DISCUSSION PRE-RETREAT RESEARCH INCLUDING INTERVIEWS AND SURVEYS

Dr. Church reviewed the purpose and results of the Council Pre-Retreat Survey. The Councilmembers' responses to the assessment questions are compiled in the attached report. Question 1 of the survey asked the Council to rank the list of identified priorities. Dr. Church announced the results as follows:

1. Finalize a Capital Improvement/Infrastructure Plan (including transportation – define policy, identify technology involved)
2. Fiscal sustainability – adopt a strategy that ensures fiscal sustainability of the City
3. Budgeting – prioritize discretionary spending
4. Finalize Preserve Plan (including the Desert Discovery Center)
5. Determine clear vision for Downtown
6. Economic Development – determine what more can be done with the Economic Development Plan (e.g., define and articulate business friendliness)
7. Finalize General Plan 2035 with vote going to citizens
8. Articulate and agree on a vision for the City to be used as the guide by which to measure all decisions (litmus test)
9. Tourism – determine what needs to be done to bring in more tourism
10. Address flood control issues
11. Address neighborhood issues (i.e., commercial use in residential, such as ranches)
12. Address why the Council is voting for judges

Dr. Church suggested briefly reviewing and discussing the results of the remaining survey questions to allow the Council time to focus on their top three priorities. During these discussions additional topics of interest were expressed. The Council placed these topics in a list of parking lot items for further discussion at the end of the retreat:

- Are we relying on our cachet of past success?
- How do we evolve in a changing environment?
- Airpark/Airport – How do we protect/preserve? What are options?
- What long-term tax structures do we need? Currently low tax/high services
- How do we adjust as tourism evolves in our community?
- Do we want to be involved in flight path issues? To what degree?

The following comments were expressed regarding Question 4, "What makes Scottsdale successful today?"

- Mayor Lane acknowledged the importance of this topic, especially in terms of perception. The question boils down to "What is success?", and the answers and impacts vary depending upon the perspective of the individual. For the City, Mayor Lane believes the question should be "How do we define that success?" His answer was a City that is sustainable, including environment, economy, tax base, and atmosphere necessary to maintain and create a high quality of life and a great place to visit.
- Councilman Smith thinks of the concept in terms of how the people who chose to live, work, and visit Scottsdale define success; what brought them to Scottsdale; and what would keep them here. Citizens already have expressed many desires and expectations for the City, including low density views and vistas, a sense of openness, escaping the urban environment, and valuing arts and culture.
- Vice Mayor Klapp noted that the citizen survey indicated that residents are pretty happy with Scottsdale as it is today, which equates to a measure of success.
- Councilmember Korte defined Scottsdale's success as having a strong economy and quality of life. She believes it is also about being a place to grow, learn and be successful as individuals, which involves a strong education component. Other elements include access to diverse housing options and community resources, such as senior centers and parks.
- Councilwoman Milhaven noted that the discussion relates to a definition of success. One important aspect is awareness of changes happening in the world and the community and having a view for the future in terms of what changes are required for preparedness.
- Councilwoman Littlefield expressed concern that citizenry has the perception of not being considered or heard, which causes a level of distrust and disconnect between the City and the citizens.

The following comments were expressed regarding Question 5, "What differences do you see in Scottsdale today versus ten years ago? How do you feel about those changes?"

- Councilwoman Littlefield referenced the survey response: *"The smaller population and elections in March made the people a stronger force ten years ago. Now a higher population and local elections coinciding with national elections have diluted the vote, which allows big money to rule. Look at Phoenix where just 11 percent of the voting population approved a \$3 billion tax on their city. We are heading in that direction."* She commented that the lower voter turnout may be a reflection of a disconnection. Mayor Lane added that public commenters noted that a more concentrated and engaged segment of the population is represented in special elections, and there is lower participation with a disengaged and uninformed population.

- Councilman Smith referenced the survey response, "*Citizens are older and less likely to commit to paying more taxes,*" and questioned the connection between age and willingness to pay taxes. In response to Councilman Smith's question about an aging population, Assistant City Manager Brent Stockwell confirmed that the population age continues to increase.
- Councilman Smith asked if the City should be geared towards younger generations, and if so, why? Vice Mayor Klapp responded that the topic is relevant to the goal of trying to pass bond elections, in that older citizens may not be eager to increase their tax burdens. Councilmember Korte cited Sun City as a demographic that fails to pass bonds. Mayor Lane commented that retired individuals are less likely to support education-related bonds.
- Councilwoman Milhaven spoke to comments regarding distrust. She explained that differences of opinion are sometimes characterized as distrust. She makes it a point to say that she believes Councilmembers are doing the right things, even if she does not always agree. She quoted, "It's not hard to do the right thing. What's hard is to know what the right thing is." She requested that Council remove the word "distrust" from its internal discussions, and expressed her belief that Councilmembers can and should trust what each one tells the others, while acknowledging that this does not guarantee agreement. Mayor Lane agreed with the suggestion. He noted that individuals sometime express distrust with the Council; however, the majority of the community is very satisfied and trusting. Councilmember Korte commented on the inability for the community to have a robust conversation, which was reflected in the General Plan and visioning discussions, where there was inability to reach consensus.
- Dr. Church said all of these aspects relate to the parking lot items in terms of reestablishing and building trust. She pointed out that when asked what is working well on the Council, several members responded with the ability to have honest, respectful conversations and respect for one another. Councilwoman Milhaven added that Council sets the example for the community. Mayor Lane noted that Council has created a much more civil dialogue over the past several months.

The following comments were expressed regarding Question 6, "How do you see Scottsdale ten years from now? How do you feel about those changes?"

- Mayor Lane said one overriding item is the desire for Scottsdale or Cave Creek to be known as "The West's most western town," and what that might imply. The City has become addicted to a significant influx of tourism dollars and must continue to evolve in order to meet current conditions, changing environments, and new generations.
- Councilwoman Littlefield addressed the Airpark and nearby residents. She said the number one reason community airparks close is having too many residents living in close proximity. Councilwoman Littlefield asked if Council should have a discussion on joining in the lawsuit that Phoenix filed against the FAA.
- Councilman Smith expressed concern over needed tax structures to support the City. He said the City supports services with the lowest sales tax rate of any city at 1.3 percent. Any changes that undermine tourism, which accounts for so much of the operating budget, would inevitably result in increased taxes.

3. DETERMINE TWO TO THREE GOALS FOR THE NEXT TWO YEARS AND IDENTIFY FOR EACH OF THE GOALS:

- a. Success (both end state and engagement)**
- b. Milestones**
- c. Roles and responsibilities**

Dr. Church reviewed the top three priorities:

1. Finalize a Capital Improvement/Infrastructure Plan (including transportation – define policy, identify technology involved)
2. Fiscal sustainability – adopt a strategy that ensures the fiscal sustainability of the City
3. Budgeting – prioritize discretionary spending

The Councilmembers broke into three working groups, with each group working on a different goal based on the Council's top three priorities. Each group was asked to:

1. Define the end state (what does success look like)
2. Create SMART (specific, measurable, attainable, relevant and time-based) goals
3. Identify milestones and objectives
4. Identify roles and responsibilities
5. Determine how they would like to receive progress reports

Vice Mayor Klapp and Councilmember Korte worked on *Priority 1: Finalize a Capital Improvement/Infrastructure Plan (including transportation – define policy, identify technology involved)*. Councilmember Korte presented a summary of their discussions.

Goals:

- When the subcommittee is complete with their review and recommendations, the council will determine the next steps and course of action
- Develop a Capital Improvement Plan (CIP) budget that citizens understand
- May include a bond measure, with the goal of a 7-0 vote
- Relevancy is important and cannot be overstated
- If bond measure is necessary, may look at 2018

Milestones and responsibilities:

- Establish criteria (Mayor and City Council)
- Robust communication plan, with external communication and community outreach (staff)
- Simple descriptions for projects (staff)
- Determine size and scope of the bond proposal (Mayor and City Council)
- Identify “must have” and “vision” projects (Mayor, City Council, and staff)
- Look to geographical balance (Mayor, City Council, and staff)
- Identify when there are significant matching funds (staff)
- Packaging of questions (Mayor, City Council, and staff)
- Good citizen survey, with open-ended questions, is important prior to embarking on bond measure (outside contract)
- Draft project list for submission to Council (CIP Subcommittee)
- Advocacy and support of the bond package (Council)

Timeline:

- CIP Subcommittee to provide draft project list by end of November
- Consider options for funding
- Survey citizens in February
- Schedule several work study sessions between February and May (more time that can be given the better)
- Call for election by end of June at the latest

Updates:

- At minimum, monthly updates through 2017
- More frequently in 2018

Additional thoughts:

- Bond may not be the right way to pay – consider that not a foregone conclusion.
- Consider other operating or funding sources.
- Some Councilmembers did not support holding a bond election in an off-election year.

Councilmembers Littlefield and Smith worked on *Priority 2: Fiscal sustainability – adopt a strategy that ensures fiscal sustainability of the City*. Councilwoman Littlefield presented a summary of their discussions.

Goals:

- Recognize all liabilities, including:
 - Pension
 - Infrastructure
- Ensure income stream matches liabilities
- Balance the budget without cutting services
- Growth in revenue should equal the growth in expenses - e.g., 80 percent of budget is personnel wages and benefits - the City cannot continue to provide three percent annual increases without a three percent corresponding increase in revenues
- Look at revenues necessary to meet infrastructure needs
 - Bond
 - Special sales taxes
 - MPC bonds
- Don't jeopardize citizen spending power or tourism
- Be open to tax increases
- Contract cost control responsibility shared between the City Manager and the Treasurer
 - Contract management overages – regular reports and training in contract administration
 - Consider a position to oversee contract obligations, revenue and payments
 - Reporting cycle annually to Treasurer and City Manager for long-term contracts
- Start recommendations with FY17/18 budget
- Focus on both revenues and expenses
- Determine policies to support the focus (compensation levels, bed tax allocation)
- Long-term discussion needed regarding trends

Mayor Lane and Councilmembers Milhaven and Phillips worked on *Priority 3: Budgeting – prioritize discretionary spending*. Mayor Lane presented a summary of their discussions.

Goals:

- Have sufficient data to evaluate the efficiency and effectiveness of services the City provides in comparison to other cities or year over year within the City; for example, providing services to non-residents, libraries, dog parks, and pools (does it impact utilization); County library contribution vs. use by non-residents; should fees for nonresidents be raised?
 - Have information available prior to budget decision-making
- Important for City Manager, Auditor, and Treasurer to put together this program and how things are working
- How do we compare to what other cities do?
- Generate matrix used to evaluate each department at the end of each year
- Cost/benefit analysis of automatic aid for fire
- Updates preferred quarterly and no less than annually once recommendations are put into place

The Council recessed at 11:24 a.m.

The Council reconvened at 11:40 a.m.

Several items that the Mayor and City Council wanted to discuss came up throughout the morning, and were placed in the “parking lot” for later discussion. As everyone was eating lunch, an informal discussion occurred regarding the following “parking lot” items:

1. Are we relying on our past cachet and past success?
2. How do we evolve in a changing environment?
3. Airpark/Airport – How do we protect and preserve? What are our options?
4. What long-term tax structures do we need? Currently low tax and high service.
5. How do we adjust as tourism evolves in our community?
6. Do we want to be involved in the flight path issues? To what degree?

Discussion on *Parking Lot Issue 1: Are we relying on our cachet of past success?*

- Councilmember Korte suggested the Council have a future discussion on this issue. She noted City officials have talked about cachet for the past 15 to 20 years, rather than coming forward with big ideas to move forward. Councilmember Korte mentioned one of the ideas to lift Downtown is the implementation of a trolley commuter system. Mayor Lane added that there are opportunities for autonomous shuttle busses on the last mile of the bus system.
- Councilman Smith observed that all cities rely on their pasts, noting that one of Scottsdale’s successes is its recognition as an arts and culture community. Councilman Smith noted that during previous transportation discussions, he was dissatisfied that the discussion focused on congestion problems today, rather than planning for the future.

- Councilman Phillips would like to see arts and culture as a mainstay cachet to the City and noted the art museum and performing center are too small to accommodate larger events.

Discussion on *Parking Lot Issue 2: How do we evolve in a changing environment?*

- There was consensus that this issue is directly related to Parking Lot Question One. City Manager Jim Thompson said Council policy decisions may affect other areas. He listed examples of Uber and Lyft affecting transportation projects, and commented on work force housing.
- Vice Mayor Klapp acknowledged the change in transportation habits. She added that another important factor to consider is how an aging population affects entertainment, housing, and retail activities.

Discussion on *Parking Lot Issue 3: Airpark/Airport – How do we protect/preserve? What are the options?*

- Mayor Lane noted the City's strict development requirements for the Airpark/Airport and said the biggest challenge is the proximity of development in Phoenix. The Airpark is a major work center, with 80 percent of workers commuting into work. He pointed out that an advanced shuttle system around the Airpark is being contemplated and noted that tourists are less likely than workers to use public transportation.
- Councilwoman Milhaven referenced the Airpark Character Area Plan and Part 150, which is stricter than FAA requirements.
- Councilman Phillips said the Airpark should remain a business park, and should not be developed into a housing area. He believes a park and ride shuttle system would mitigate traffic issues.
- Councilmember Korte said the Airport Advisory Commission is vocal regarding zoning changes. She believes there is good oversight in the area.
- Councilman Smith suggested conducting a survey of one of the area's multi-unit structures to see whether they are a live, work, and play solution.

Discussion on *Parking Lot Issue 4: What long-term tax structures do we need? (Currently low tax/high service).*

Council noted that this was covered in discussion previously.

Discussion on *Parking Lot Issue 5: How do we adjust as tourism evolves in our community?*

Council noted that this was covered in discussion previously.

Discussion on *Parking Lot Issue 6: Do we want to be involved in flight path issues? To what degree?*

- Mayor Lane said the City is involved in the flight path discussions, although not participating in the lawsuit.
- Councilman Phillips stated that military institutions are asserting that flight space must be reserved for emergencies, which will affect flight patterns. He believes some of the complaints stem from the fact that there are simply more people flying.
- Councilwoman Littlefield commented that complaints have increased since the FAA changed the flight patterns and elevations.

Dr. Church reviewed next steps. She reported that she will prepare a report on all the information captured and include the final version of the survey results (attached).

4. PROVIDE FEEDBACK REGARDING THE SESSION

Dr. Church asked Councilmembers to recap the activities and processes from the day. Councilwoman Milhaven said it is a great start. Councilmember Korte stated that the objectives are all related in terms of money flowing in and out, including a restatement of previous objectives more specifically as it relates to budgeting. Councilmember Korte commented that she enjoyed the opportunity to identify the 12 issues.

ADJOURNMENT

With no further business to discuss, the Strategic Planning Workshop adjourned at 12:33 p.m.

SUBMITTED BY:



Carolyn Jagger
City Clerk

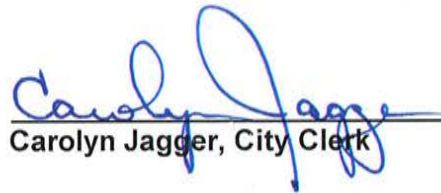
Officially approved by the City Council on May 23, 2017

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Retreat of the City Council of Scottsdale, Arizona held on the 17th day of April 2017.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 23rd day of May 2017.



Carolyn Jagger, City Clerk



City of Scottsdale
Mayor and City Council Retreat
Monday, April 17, 2017
SkySong, Building 1, Global Conference Room
1475 N. Scottsdale Road, Suite 201, Scottsdale, AZ 85257
Facilitated by Dr. Maria Church, CEO Government Leadership Solutions

Pre-Retreat Interviews

Prior to the retreat, Dr. Maria Church conducted personal interviews with the Mayor and each of the City Councilmembers to determine their top two to three priorities for the next two years. Knowing that most, if not all of the priorities have long-term implications, their task was to focus on the priorities that would be accomplished during this two-year timeframe.

A cumulative list of those priorities were formed. The top 12 items included:

- Finalize General Plan 2035 with vote going to citizens.
- Finalize Preserve Plan (including the Desert Discovery Center).
- Budgeting - prioritize discretionary spending.
- Finalize a Capital Improvement/Infrastructure Plan (including transportation – define policy, identify the technology involved).
- Fiscal sustainability - adopt a strategy that ensures fiscal sustainability of the City.
- Address flood control issues.
- Tourism - determine what needs to be done to bring in more tourism.
- Address why the Council is voting for judges.
- Determine clear vision for Downtown.
- Complete an Infrastructure plan (including transportation, define, and identify technology).
- Address neighborhood issues (i.e.: commercial use in residential such as ranches).
- Articulate and agree on a vision for the City to be used as the guide by which to measure all decisions (litmus test).
- Economic Development - determine what more can be done with the Economic Development Plan (i.e.: define and articulate Business Friendliness).

Each City Council member and the Mayor commented during the interviews how refreshing it is for them to have respectful conversations with each other, honoring both consensus and civil discourse in times when they disagree. All reiterated how important the City of Scottsdale is to them and are committed to keeping Scottsdale a great place to live, work, and play.



Pre-Retreat Survey

The Mayor and City Council were then asked to complete a pre-retreat survey with a few follow-up questions and to rank in order of most essential to least essential the twelve identified priorities. Their **Question #1** ranking follows:

1. Finalize a Capital Improvement/Infrastructure Plan (including transportation – define policy, identify the technology involved).
2. Fiscal sustainability - adopt a strategy that ensures fiscal sustainability of the City.
3. Budgeting - prioritize discretionary spending.
4. Finalize Preserve Plan (including the Desert Discovery Center).
5. Determine clear vision for Downtown.
6. Economic Development - determine what more can be done with the Economic Development Plan (i.e.: define and articulate Business Friendliness).
7. Finalize General Plan 2035 with vote going to citizens.
8. Articulate and agree on a vision for the City to be used as the guide by which to measure all decisions (litmus test).
9. Tourism - determine what needs to be done to bring in more tourism.
10. Address flood control issues.
11. Address neighborhood issues (i.e.: commercial use in residential such as ranches).
12. Address why the Council is voting for judges.

Detail of the numerical ranking may be found in the Appendix. Six additional questions were asked in the pre-retreat survey. The questions and responses follow.

Question #2: Based on the Citizen Survey (<http://www.scottsdaleaz.gov/performance/citizen-survey>) completed in Nov/Dec 2016, did any particular topic/item stand out to you? If so, what and why?

- none
- Water quality we have the highest standards so I don't understand the negative connotations unless people are wanting purified tap water.
- Why is water quality perceived to be low and actually lower in the assessment from the previous year?
- They are happy with the direction that Scottsdale is heading and are very happy to live here.
- Scottsdale residents feel Safety, Economy and Natural Environment are priority areas for the future.
- Low citizen engagement

- The city continues to meet our residents' expectations. The only "lower" rating was drinking water. Perhaps this should be investigated.
- Why is the survey so positive? We deal with some very negative feelings on some issues.

Question #3: What made Scottsdale successful in the past?

- Courage and vision
- An active citizenry that held the government accountable.
- A positive, engaged and a growth oriented citizenry. A recognition of what it takes to attract, tourists, residents and business (jobs) to Scottsdale.
- Its beauty, its strong business community. Its committed leadership. Its tourism base.
- Good city management
- High standards for development design and code enforcement. High quality of life in neighborhoods; adhering to area characters and protection of our natural land.
- Citizen-centric vision focused on livability; foundation in the arts; innovation in government; attraction to tourists.
- Citizens coming together willing to have a respectful conversation that leads to a community vision. Shared values. Political leaders and city staff willing to take risks, looking to the future.

Question #4: What makes Scottsdale successful today?

- Financial strength, living on past decisions/successes
- Who says it is? Although I'm encouraged by this current council we need a comprehensive plan towards buildout if we want to claim success in the future.
- A "can do" attitude to continue to create the environment, an opportunity economy and a quality of life that is attractive to people who want to invest and work with us to make Scottsdale better.
- Its beauty. Its strong business community. Its committed leadership. Its tourism base.
- Good city management.
- Keeping and building on what we have: natural beauty, location, weather, high tech availability, our great tourism events, high-quality art galleries and our Western feel, as displayed in the Museum of the West.
- Reputation (i.e. the achievements of the past)
- Riding on our cachet. The completion of the Preserve. A vibrant 24/7 downtown.
Tourism.

Question #5: What differences do you see in Scottsdale today versus 10 years ago? How do you feel about those changes?

- More vibrant south Scottsdale, SkySong catalyzing McDowell.
- The smaller population and elections in March made the people a stronger force 10 years ago. Now a higher population and local elections coinciding with national elections have diluted the vote which allows big money to rule. Look at Phoenix where just 11% of the voting population approved a 3-billion-dollar tax on their city. We are heading in that direction.
- Ten years ago, we were in the middle of an artificial economy that was a "house of cards"... with the appearance of good time but completely unsustainable. The change from that condition to today is a solid positive and sustainable recovery of neighborhoods, businesses and economic value for all our citizens.
- Citizens are older and less likely to commit to paying more taxes.
- Greater distrust of Council by residents as the quality of life in neighborhoods is lowered due to nearby development -- congestion, traffic, lack of privacy, bar district, noise to name just a few.
- Now guided by business-centric goals (recruit and build offices for more jobs; build taller and denser housing; promote a bar district) Accomplishments are not in the best interest of current citizens' standards of livability and will not be an attraction to tourists.
- The inability for our community to come together for a respectful community conversation. The personal attacks towards those trying to make a difference; the misinformation used to support a position -- these behaviors are much more prevalent today. This trend of disrespect makes me very sad and disappointed in our community. Political leadership unwilling to take risks; unable to make decisions based on future needs. Shared values are hard to find.

Question #6: How do you see Scottsdale 10 years from now? How do you feel about those changes?

- Hope to see more people living and working downtown and in the Airpark and hope to see a few new tourist draws
- If we continue to allow rezoning to higher densities we will reach a tipping point where Scottsdale will lose its charm and higher taxes will have to replace tourism loss.
- A continued evolution to a better Scottsdale.

- A good number of the current majority of older citizens will have passed on and younger citizens will move into leadership positions. This change will be positive.
- The quality of life of our citizens will decline due to increased density, traffic, noise, etc. The folks who come here for the gracious living and open desert will start to go elsewhere.
- Unless we return to a citizen-centric model of growth and development, the city will become urbanized and indistinguishable from hundreds of other communities. Livability will be compromised; appeal as a tourist destination will be lessened; and taxes will increase.
- A diverse community with a vibrant downtown where one can live, work, learn and play; a northern sector primarily rural and a tourism draw that supports our economy and values.

Question #7: Additional Comments

- N/A
- All things in moderation and let's not kill the golden goose.
- There are always things to be done or improved. It is important to continue to listen and to have civil dialogue in developing those answers for our city.
- The Council needs to let the new City Manager do his job and provide input into any objectives.
- It all depends on what the overall vision for Scottsdale's future will be.
- none
- no

Retreat Day

Agenda

1. Review the agenda and process for the day
2. Review and discuss pre-retreat research including interviews and surveys
3. Determine two to three goals for the next two years and identify for each of the goals:
 - o Success (both end state and engagement)
 - o Milestones
 - o Roles and responsibilities
4. Provide feedback regarding the session

To set the tone, we started the day by sharing quotes that inspire and motivate us. Quotes included:

"If the doors of perception were cleansed everything would appear to man as it is, infinite." – Aldous Huxley

"Leadership is the capacity to translate vision into reality." – Warren Bennis

"Be the change you want to see." – Gandhi (paraphrased)

"Planning for the future without consideration of the past, is like trying to plant cut flowers." — David Boorstin (paraphrased)

"Be true to yourself and what you believe in." – Unknown

"The speed of the boss is the speed of the gang." - Lee Iacocca (paraphrased)

"To thine own self be true." – Shakespeare

"If you don't know where you're going, any road will take you there." – George Harrison

Rules of engagement were established, which included:

- Cell phone off
- Informal – first names
- Allow people to talk without interruption
- Conversations will be respectful

Expressed expectations of the day included:

- Consensus of direction
- Once decide on priorities, set a plan in place with more detail
- Learn how to have a productive conversation
- Articulate a greater sense of purpose
- Recognize that we work better together
- Set tone and direction, without getting into the weeds
- Set litmus test to measure against
- Understand each other's point of view better

Survey results (indicated above) were reviewed and discussed. Additional ideas sprouted from the survey results and were placed in the "parking lot" to discuss later in the day. All agreed to focus on the top three rated priorities as goals for the Mayor and Council to focus upon, with the understanding that as those goals are met, the next highest ranked priorities would be the focus. The Mayor and Council also acknowledged that some of the priorities were already in motion.

The top three priorities for the retreat focus included:

1. Finalize a Capital Improvement/Infrastructure Plan (including transportation – define policy, identify the technology involved).
2. Fiscal sustainability - adopt a strategy that ensures fiscal sustainability of the City.
3. Budgeting - prioritize discretionary spending.

A discussion about what success in each of these areas would look like spawned a discussion on identifying and defining *success*, which included the following:

- Sustainable on all accounts to create high quality of life (including economy and tax base)
- Tourism
- Great place to visit
- Keep a connection and trust with citizens, making sure to represent citizens
- Citizen desires:
 - Low density, open feeling
 - Escaping urban environment
 - Arts and culture
- Citizen survey measures success



- A place to grow and learn
- Diversity of housing options
- Resources and support of senior centers, parks and recreation

Breakout Groups

The Mayor and Council broke into three groups to each work on a different goal based on the top three priorities. With each priority, the groups would determine the following:

1. Define the end state. What does success look like?
2. Create a SMART goal
 - a. Specific
 - b. Measurable
 - c. Attainable
 - d. Relevant
 - e. Time-based
3. Identify milestone/objectives
4. Identify roles and responsibilities
5. Determine how they would like to be updated

Councilmember Virginia Korte and Vice Mayor Suzanne Klapp worked on **Priority #1, Finalize a Capital Improvement/Infrastructure Plan (including transportation – define policy, identify the technology involved)** and determined the following:

- When the subcommittee is complete with their review and recommendations, the council will determine the next steps and course of action
- Develop a Capital Improvement Plan (CIP) budget that citizens understand
- May include a bond measure
- If bond measure is necessary, work to attain 7-0 vote
- Relevancy is important and cannot be overstated
- If bond measure is necessary, may look at 2018

Milestones and responsibility:

- Establish criteria (Mayor and City Council)
- Robust communication plan including public education, how to do this, and what technology and questions to use (staff)
- Simple descriptions for projects (staff)

- How big should “it” be? (Mayor and City Council)
- Identify “must have” and “vision” projects importance (Mayor, City Council, and staff)
- Look to geographical balance (Mayor, City Council, and staff)
- Identify when there are significant matching funds (staff)
- Packaging (Mayor, City Council, and staff)
- Good survey is important at very beginning (outside contract)

Timelines:

- Consider options in subcommittee
- List of needs
- Draft project list
- Options for funding
- Survey, possibly in February
- Work study session between Feb and May (More time we can give ourselves, the better)
- Call for election by end of June at the latest
- All City Council members responsible for advocacy on individual basis
- Keep moving, but be careful not to rush
- Updates on a monthly basis are preferred

Additional thoughts:

- Add open-ended questions to gain more information on survey
- Bond may not be the right way to pay – don’t consider that a foregone conclusion
- Consider use of operating or other sources
- Ask citizens if they want these projects or not?

Initial thoughts were built upon by all the councilmembers.

Councilwoman Kathy Littlefield and Councilman David Smith worked on **Priority #2, Fiscal sustainability - adopt a strategy that ensures fiscal sustainability of the City** and determined the following:

- Recognize all liabilities, including pension and infrastructure
- Ensure that income stream matches liabilities
- Balance the budget without cutting services
- Operating consideration – Growth in expenses should = growth in revenue
For example: 80% is personnel (wages/benefits) and can’t give 3% increase if revenue is not growing by 3% or more

- Don't jeopardize citizen spending power or tourism
- Open to tax increases? (sales tax, can't keep taking out of reserves)
- Cost control – shared between City Manager and Treasurer if contracts go over, need regular reports, perhaps trained up-front contract administrator
- Position to oversee contract obligations (revenues, payments, etc.)
- Have a reporting cycle at least annually for long-term contracts
- If drifting out, make it known for corrections right away and City Council should know if
- 75% or exceed budget.
- Start recommendations FY 2017/2018
- Strategy focus on both revenues and expenses (i.e. Business community, evaluations, tourism)
- Determine policies to support above (i.e. compensation levels leading to spiking, bed tax allocation, event subsidy)
- Long-term discussion needed regarding trends

Initial thoughts were built upon by all the council members.

Mayor W.J. "Jim" Lane, Councilwoman Linda Milhaven, and Councilman Guy Phillips worked on **Priority #3, Budgeting - prioritize discretionary spending** and determined the following:

- Have sufficient data necessary to evaluate the quality of services provided and compared to others
- Take information and evaluate the efficiency and effectiveness of departments and quality. For example – providing services to non-residents, libraries, dog parks, and pools; does it impact utilization?
- County library contribution vs. use by non-residents
- Have information available prior to budget decision-making
- Important for City Manager, Auditor, and Treasurer to put together this program and how things are working
- Updates preferred quarterly and no less than annual basis once recommendations are put into place
- How do we compare to what other cities do?
- Generate matrix used to evaluate each department at the end of each year
- Cost/benefit analysis of automatic aid for fire

As with the previous two priority presentations, initial thoughts were built upon by all the council members.

Several items that the Mayor and City Council wanted to discuss came up throughout the morning, and were placed in the “parking lot” for later discussion. As everyone was eating lunch, an informal discussion occurred regarding the following items:

1. Are we relying on our past cachet and past success?
2. How do we evolve in a changing environment?
3. Airpark/Airport – How do we protect and preserve? What are our options?
4. What long-term tax structures do we need? Currently low tax and high service.
5. How do we adjust as tourism evolves in our community?
6. Do we want to be involved in the flight path issues? To what degree?

At the conclusion of the retreat, the Mayor and City Council were asked to evaluate the day on a scale of 1 – 5, with #1 indicating the retreat was extremely worthwhile, #3, the retreat was OK, and #5 indicating it was not valuable. They were also asked to answer the following questions:

1. What was the best part of the retreat?
2. What were your top 2 takeaways?
3. What would you like to have seen more of?
4. Comments?

Their responses follow:

Participant 1 – Evaluation Rating of 1

1. *Sharing ideas*
2. *All agree that fiscal health is important and we have divergent ideas on how to get there.*
3. *More agreement or consensus*
4. *Thanks. A great exercise.*

Participant 2 – Evaluation Rating of 2

1. *Capital improvements*
2. *All the issues are inter-related and prioritization is necessary for all aspects*
3. *Other issues than just financial*

Participant 3 – Evaluation Rating not indicated

1. *Best part – candid discussion*
2. *Top 2 takeaways – we as a council need more discussion to direct staff*
3. *More staff involvement*
4. *Hopefully staff got some direction out of this retreat, but personally I did not learn anything new*



Participant 4 – Evaluation Rating of 1

- 1. Identifying our top issues before arriving...*
- 2. Talking about evolving issues and the changing environment, more data and info on this would make for better council leaders*
- 3. Fiscal sustainability discussion fell flat*
- 4. Well done – it is difficult to herd cats*

Participant 5 – Evaluation Rating of 4

- 1. Best part – focus on issues of sustainability*
- 2. Top 2 takeaways – group is sincerely trying to better the city*
- 3. Like to see more of – discussion of the fiscal impact of current strategies we are following...will they lead to unexpected consequences for the city?*
- 4. Comments – still not convinced that we (as a council) are fully considering all the future impacts of our current decisions*

Participant 6 – Evaluation Rating of 2

- 1. Best part – larger group discussion, conversational format*
 - 2. Top 2 takeaways – plan for capital discussion and plan for performance metrics*
 - 3. Like to see more of – discussion of other priorities – OK as next step*
 - 4. Comments – Thank you!*
- Signed – Linda Milhaven*

Participant 7 – Evaluation Rating of 1

- 1. Thoughts expressed on tax and funding mechanisms to be considered and the value of business to our economic engine*
 - 2. Discussion on development and evolution/growth of Scottsdale*
 - 3. What big city projects we might favor or thought of*
 - 4. Nice job and good discussion provoked by moderator/facilitator*
- Signed – Jim Lane*

The retreat concluded at approximately 12:45 pm.

Impressions:

The Mayor, City Council, and Charter Officers are all fully committed to the continued success of Scottsdale and the possibilities of a great future. Nearly everyone interviewed is eager, hopeful, and excited to have the new City Manager in place and fully support the transition.

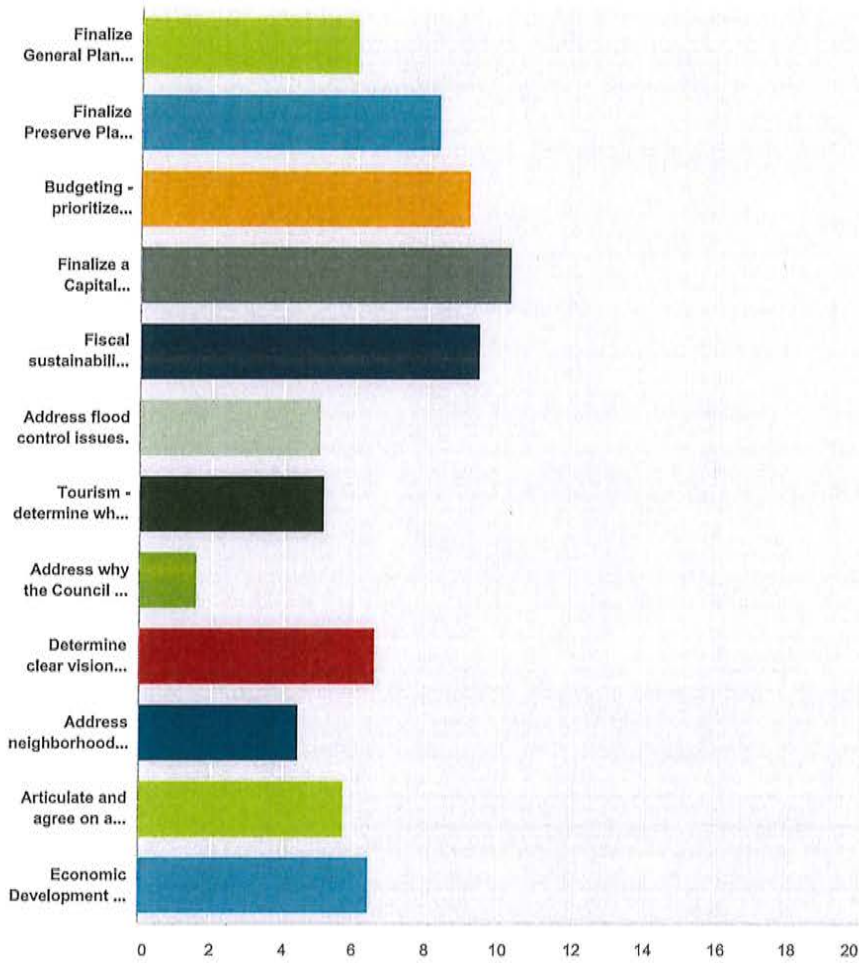
Respectfully submitted, Dr. Maria Church, CEO Government Leadership Solutions

Appendix A

Scottsdale Mayor and Council Pre-Retreat Survey

Q1 Based on the interviews with Dr. Church, the following is a collection of 12 priorities. Please rank in order with #1 as the highest/most essential and #12 as least essential. There are two ways to answer the question: drag and drop answer choices in order of preference, or use the dropdown menus to select a numerical rank for each answer choice.

Answered: 7 Skipped: 0



	1	2	3	4	5	6	7	8	9	10	11	12	Total	Score
Finalize General Plan 2035 with vote going to citizens.	0.00% 0	0.00% 0	14.29% 1	14.29% 1	14.29% 1	0.00% 0	14.29% 1	14.29% 1	0.00% 0	0.00% 0	28.57% 2	0.00% 0	7	6.00
Finalize Preserve Plan (including the Desert Discovery Center).	0.00% 0	14.29% 1	0.00% 0	42.86% 3	14.29% 1	0.00% 0	28.57% 2	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	7	8.29
Budgeting - prioritize discretionary spending.	28.57% 2	28.57% 2	14.29% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	14.29% 1	0.00% 0	14.29% 1	0.00% 0	0.00% 0	7	9.14

Scottsdale Mayor and Council Pre-Retreat Survey

Finalize a Capital Improvement/Infrastructure Plan (including transportation - define policy, identify technology involved).	28.57% 2	28.57% 2	0.00% 0	28.57% 2	14.29% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	7	10.29
Fiscal sustainability - adopt a strategy that ensures fiscal sustainability of the City.	28.57% 2	14.29% 1	28.57% 2	0.00% 0	14.29% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	14.29% 1	0.00% 0	0.00% 0	7	9.43
Address flood control issues.	0.00% 0	0.00% 0	14.29% 1	0.00% 0	0.00% 0	14.29% 1	0.00% 0	28.57% 2	14.29% 1	0.00% 0	28.57% 2	0.00% 0	7	5.00
Tourism - determine what needs to be done to bring in more tourism.	0.00% 0	0.00% 0	0.00% 0	0.00% 0	14.29% 1	14.29% 1	28.57% 2	0.00% 0	14.29% 1	14.29% 1	14.29% 1	0.00% 0	7	5.14
Address why the Council is voting for judges.	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	14.29% 1	0.00% 0	14.29% 1	71.43% 5	7	1.57
Determine clear vision for Downtown.	0.00% 0	14.29% 1	0.00% 0	0.00% 0	0.00% 0	42.86% 3	0.00% 0	28.57% 2	14.29% 1	0.00% 0	0.00% 0	0.00% 0	7	6.57
Address neighborhood issues (i.e.: commercial use in residential, such as ranches).	0.00% 0	0.00% 0	0.00% 0	0.00% 0	0.00% 0	14.29% 1	14.29% 1	14.29% 1	28.57% 2	14.29% 1	14.29% 1	0.00% 0	7	4.43
Articulate and agree on a vision for the City to be used as the guide by which to measure all decisions (litmus test).	14.29% 1	0.00% 0	14.29% 1	0.00% 0	14.29% 1	0.00% 0	0.00% 0	0.00% 0	0.00% 0	42.86% 3	0.00% 0	14.29% 1	7	5.71
Economic Development - determine what more can be done with the Economic Development Plan (i.e.: define and articulate Business Friendliness).	0.00% 0	0.00% 0	14.29% 1	14.29% 1	14.29% 1	14.29% 1	14.29% 1	0.00% 0	14.29% 1	0.00% 0	0.00% 0	14.29% 1	7	6.43

Scottsdale Mayor and Council Pre-Retreat Survey

**Q2 Based on the Citizens Survey
(<http://www.scottsdaleaz.gov/performance/citizen-survey>) completed in Nov/Dec 2016,
did any particular topic/item stand out to
you? If so, what and why?**

Answered: 7 Skipped: 0

#	Responses	Date
1	none	4/16/2017 4:28 PM
2	Water quality we have the highest standards so I don't understand the negative connotations unless people are wanting purified tap water.	4/15/2017 8:45 PM
3	Why is water quality perceived to be low and actually lower in the assessment from the previous year?	4/14/2017 6:37 PM
4	They are happy with the direction that Scottsdale is heading and are very happy to live here.	4/14/2017 2:42 PM
5	Scottsdale residents feel Safety, Economy and Natural Environment are priority areas for the future.	4/12/2017 10:03 AM
6	Low citizen engagement	4/12/2017 9:39 AM
7	The city continues to meet our residents' expectations. The only "lower" rating was drinking water. Perhaps this should be investigated. Why is the survey so positive? We deal with some very negative feelings on some issues.	4/11/2017 5:42 PM

Scottsdale Mayor and Council Pre-Retreat Survey

Q3 What made Scottsdale successful in the past?

Answered: 7 Skipped: 0

#	Responses	Date
1	Courage and vision	4/16/2017 4:28 PM
2	An active citizenry that held the govt accountable.	4/15/2017 8:45 PM
3	A positive, engaged and a growth oriented citizenry. A recognition of what it takes to attract, tourists, residents and business (jobs) to Scottsdale.	4/14/2017 6:37 PM
4	It's beauty, It's strong business community. It's committed leadership. It's tourism base. Good city management	4/14/2017 2:42 PM
5	High standards for development design and code enforcement. High quality of life in neighborhoods; adhering to area character's and protection of our natural land.	4/12/2017 10:03 AM
6	Citizen-centric vision focused on livability; foundation in the arts; innovation in government; attraction to tourists.	4/12/2017 9:39 AM
7	Citizens coming together willing to have a respectful conversation that leads to a community vision. Shared values. Political leaders and city staff willing to take risks, looking to the future.	4/11/2017 5:42 PM

Scottsdale Mayor and Council Pre-Retreat Survey

Q4 What makes Scottsdale successful today?

Answered: 7 Skipped: 0

#	Responses	Date
1	Financial strength, living on past decisions/successes	4/16/2017 4:28 PM
2	Who says it is? Although I'm encouraged by this current council we need a comprehensive plan towards buildout if we want to claim success in the future.	4/15/2017 8:45 PM
3	A "can do" attitude to continue to create the environment, an opportunity economy and a quality of life that is attractive to people who want to invest and work with us to make Scottsdale better.	4/14/2017 6:37 PM
4	It's beauty. It's strong business community. It's committed leadership. It's tourism base. Good city management.	4/14/2017 2:42 PM
5	Keeping and building on what we have: natural beauty, location, weather, high tech availability, our great tourism events, high-quality art galleries and our Western feel, as displayed in the Museum of the West.	4/12/2017 10:03 AM
6	Reputation (i.e. the achievements of the past)	4/12/2017 9:39 AM
7	Riding on our cache. The completion of the Preserve. a vibrant 24/7 downtown Tourism	4/11/2017 5:42 PM

Scottsdale Mayor and Council Pre-Retreat Survey

Q5 What differences do you see in Scottsdale today versus 10 years ago? How do you feel about those changes?

Answered: 7 Skipped: 0

#	Responses	Date
1	More vibrant south Scottsdale, Skysong catalyzing McDowell	4/16/2017 4:28 PM
2	The smaller population and elections in March made the people a stronger force 10 years ago. Now a higher population and local elections coinciding with national elections have diluted the vote which allows big money to rule. Look at Phoenix where just 11% of the voting population approved a 3 billion dollar tax on their city. We are heading in that direction.	4/15/2017 8:45 PM
3	Ten years ago we were in the middle of an artificial economy that was a "house of cards"... with the appearance of good time but completely unsustainable. The change from that condition to today is a solid positive and sustainable recovery of neighborhoods, businesses and economic value for all our citizens.	4/14/2017 6:37 PM
4	Citizens are older and less likely to commit to paying more taxes.	4/14/2017 2:42 PM
5	Greater distrust of Council by residents as the quality of life in neighborhoods is lowered due to nearby development -- congestion, traffic, lack of privacy, bar district, noise to name just a few.	4/12/2017 10:03 AM
6	Now guided by business-centric goals (recruit and build offices for more jobs; build taller and denser housing; promote a bar district) Accomplishments are not in the best interest of current citizens standards of livability and will not be an attraction to tourists.	4/12/2017 9:39 AM
7	the inability for our community to come together for a respectful community conversation. The personal attacks towards those trying to make a difference; the misinformation used to support a position -- these behaviors are much more prevalent today. This trend of disrespect makes me very sad and disappointed in our community. Political leadership unwilling to take risks; unable to make decisions based on future needs. Shared values are hard to find.	4/11/2017 5:42 PM

Scottsdale Mayor and Council Pre-Retreat Survey

Q6 How do you see Scottsdale 10 years from now? How do you feel about those changes?

Answered: 7 Skipped: 0

#	Responses	Date
1	Hope to see more people living and working downtown and in the Airpark and hope to see a few new tourist draws	4/16/2017 4:28 PM
2	If we continue to allow rezoning to higher densities we will reach a tipping point where Scottsdale will lose its charm and higher taxes will have to replace tourism loss.	4/15/2017 8:45 PM
3	A continued evolution to a better Scottsdale	4/14/2017 6:37 PM
4	A good number of the current majority of older citizens will have passed on and younger citizens will move into leadership positions. This change will be positive.	4/14/2017 2:42 PM
5	The quality of life of our citizens will decline due to increased density, traffic, noise, etc. The folks who come here for the gracious living and open desert will start to go elsewhere.	4/12/2017 10:03 AM
6	Unless we return to a citizen-centric model of growth and development, the city will become urbanized and indistinguishable from hundreds of other communities. Livability will be compromised; appeal as a tourist destination will be lessened; and taxes will increase.	4/12/2017 9:39 AM
7	A diverse community with a vibrant downtown where one can live, work, learn and play; a northern sector primarily rural and a tourism draw that supports our economy and values.	4/11/2017 5:42 PM

Scottsdale Mayor and Council Pre-Retreat Survey

Q7 Additional Comments:

Answered: 7 Skipped: 0

#	Responses	Date
1	na	4/16/2017 4:28 PM
2	All things in moderation and let's not kill the golden goose.	4/15/2017 8:45 PM
3	There are always things to be done or improved. It is important to continue to listen and to have civil dialogue in developing those answers for our city.	4/14/2017 6:37 PM
4	The Council needs to let the new City Manager do his job and provide input into any objectives.	4/14/2017 2:42 PM
5	It all depends on what the overall vision for Scottsdale's future will be.	4/12/2017 10:03 AM
6	none	4/12/2017 9:39 AM
7	no	4/11/2017 5:42 PM