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#### **CALL TO ORDER**

[Time: 00:00:06]

Mayor Lane: Okay. Good afternoon, everyone. I would like to call to order the July 1<sup>st</sup>, 2014 City Council meeting. We will start with the roll call, please.

#### **ROLL CALL**

[Time: 00:00:10]

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Guy Phillips.

Vice Mayor Phillips: Here.

Carolyn Jagger: Councilmembers Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Bob Littlefield. Absent. Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Dennis Robbins.

Councilman Robbins: Here.

Carolyn Jagger: City Manager Fritz Behring.

Fritz Behring: Here.

Carolyn Jagger: City Attorney Bruce Washburn.

Bruce Washburn: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

Mayor Lane: Thank you very much. This is a meeting, a Special Meeting specifically to fulfill our obligation to the public and to our Charter Officers for their evaluation which is an annual evaluation, consideration for their contract going forward. And we have scheduled this time to do all of the Charter Officers at one time with the exception of our Presiding Judge, who has been evaluated and contract renewed some months ago now.

[Time: 00:01:10]

So who we have with us today that we'll be reviewing and we will, this meeting is agendaized for an Executive Session to consider those contract negotiations and that would be our City Manager, our City Attorney, our City Auditor, our City Clerk, and our City Treasurer. All of whom are, make up our Executive Team, the City Manager in the lead, and administratively in control. So it's with great pleasure, really, that we have this group with us today, and the only thing that I will mention at the outset here is that we have two Charter Officers, our City Manager and our City Treasurer who will be undergoing their first evaluations since they began with the city.

The City Manager started with us in May 22<sup>nd</sup> of 2013, and the City Treasurer started with us 9/17 of

2013. So he's certainly shy of a year but we will go through that process with him in any case. They have all submitted to all of the Councilmembers a self-evaluation, which we have reviewed prior to this meeting, and it will be part and parcel to our conversations with them, with regard to their contracts individually. And so we will, I would accept a motion, unless there are any questions or any comments that any of the members of the Council would like to make in the open dais, we will be coming back likely today to vote on these contracts, if not for all of them, for part of them and the rest will be scheduled for tomorrow afternoon, if, in fact, we need that time. But unless there are any questions, I will accept a motion to adjourn into Executive Session.

Councilmember Korte: So moved.

Councilman Robbins: Second.

Mayor Lane: Moved and seconded. With that indicated, no comment, so we are ready to vote. All those in favor, please indicate by aye. Those opposed with a nay. And I think we did note that we do have one absent. Councilman Littlefield is not with us. It's unanimous to move into Executive Session. It's 6-0. Thank you very much. We will do that and we will be back for our Regular Meeting.

**RECESS SPECIAL MEETING (TO EXECUTIVE SESSION)**

[Time: 00:03:26]

**RECONVENE SPECIAL MEETING (FOLLOWING EXECUTIVE SESSION)**

Mayor Lane: We're going to reconvene our Special Meeting for just one moment. Our Special Meeting, which we just ended, well, not ended but we are going to interrupt for this Regular Meeting. I would ask from the Council for a motion to continue this to the end of our Regular Meeting, continue the Special Meeting.

Vice Mayor Phillips: So moved.

Councilwoman Klapp: Second.

Mayor Lane: Moved and second to move our Special Meeting and reconvene it at the end of this meeting. We are all then ready to vote. No further comment on that. All those in favor, aye. Nay if you oppose. Okay. It's unanimous. We will then reconvene our Special Meeting at the end of our Regular Meeting which we are about to initiate here. I will accept the motion to adjourn the Special Meeting.

Councilwoman Klapp: Move to adjourn.

Mayor Lane: All those in favor of adjournment, aye.

**RECESS SPECIAL MEETING (TO REGULAR MEETING)**

**RECONVENE SPECIAL MEETING (FOLLOWING REGULAR MEETING)**

[Time: 00:00:02]

Mayor Lane: What we need to do is reconvene our Executive Session. To tell you the truth, do you want to hang around for a little bit? This shouldn't take too long. But in any case, so I will take a motion to reconvene our Special Meeting.

Councilman Robbins: Move to reconvene our Special Meeting.

Mayor Lane: Moved and seconded. And all of those in favor of reconvening. I don't know if we need to do that. We have done it and we are reconvened. Now, we will, we have already made the motion and voted. Ms. Jagger, that would be correct, as far as our Executive Session is concerned? Just for the record, I will accept a motion to move to Executive Session.

Councilwoman Klapp: So moved.

Councilwoman Milhaven: Second.

Mayor Lane: All of those in favor of moving to Executive Session, those in favor aye, opposed nay. It's a slow machine. We have done something to it. So we are moving to Executive Session. Thank you all very much.

**RECESS SPECIAL MEETING (TO EXECUTIVE SESSION)**

[Time: 00:01:26]

**RECONVENE SPECIAL MEETING (FOLLOWING EXECUTIVE SESSION)**

[Time: 00:02:51]

Mayor Lane: I would accept a motion on some of the contract language and issues that we have considered.

[Time: 00:03:08]

Councilwoman Klapp: Mayor, I will make the motion and.....

Councilman Littlefield: Now we are about to give raises to the most highly paid people in the city, both of whom make very comfortable salaries. I think it sends the wrong message.

Mayor Lane: Thank you, Councilman. Any further comments?

Councilwoman Klapp: As the motion maker, I would like to say that we do recognize the comments that were made, but there was, I believe, an understanding at the time that the budget was approved, that all city employees, including charter members would be receiving a merit increase this year, not just pick and choose among the Charter Officers.

Mayor Lane: Thank you, Councilwoman. Councilwoman Korte.

Councilmember Korte: Thank you, Mayor. I will be supporting this motion. I believe if we want to be a world-class city and a world-class community that we must attract the world-class talent to help us run and administer this great city. So I will be supporting it. 3% is a minimal increase and it barely keeps up with inflation.

Mayor Lane: Thank you, Councilwoman. I too will be supporting the motion and frankly it goes beyond some of those issues in the fact that certainly, 3% is entirely consistent with what we have in the budget for the entire staff. There's no denigration. The City Attorney is doing an excellent job, and it does not warrant any denigration of his pay because of inflation. As Councilwoman Korte just mentioned, it barely keeps up with that and it's entirely consistent with what we built into the budget. I think to do anything less would be certainly just, it's unwarranted to do anything less than that. I support the motion as well. And the motion that is on the table has been seconded. All those in favor, aye. Those opposed with a no. The motion is 6-1, with, a little slow on the tally, but nevertheless it's 6-1 and Councilman Littlefield opposed. Thank you very much. And if I can accept another motion.

[Time: 00:06:23]

Councilwoman Klapp: This motion is to continue the City Auditor's employment contract at a 3% increase to the amount of \$142,140 total compensation effective July 1, 2014.

Mayor Lane: The motion has been made and seconded. Is this any request to speak on this item? Seeing none, then, I think we are ready to vote. Those in favor, please indicate by aye and those opposed with a nay. The tally is 7-0 and it's unanimous on this particular vote. So.....

[Time: 00:06:59]

Councilwoman Klapp: The next motion is to continue the City Clerk's employment contract at a 3% increase, to the amount of \$141,625 total compensation effective July 1, 2014.

Councilman Robbins: Second.

Mayor Lane: A motion has been made and seconded. Any request to speak on this item? We are ready then to vote. All those in favor, indicate by an aye and those opposed with a nay. The tally is unanimous at 7-0.

[Time: 00:07:30]

Councilwoman Klapp: The next motion is to continue the City Manager's employment contract at a 3% increase to the amount of \$211,150 total compensation, effective July 1, 2014.

Councilman Robbins: Second.

Mayor Lane: A motion has been made and seconded. Would the second like to speak toward it?  
Councilman Littlefield?

Councilman Littlefield: Same objection.

Mayor Lane: I think we recorded that. So that covers that. I will say the same thing but I will go ahead and announce the fact that I think in the short period of time that the City Manager has been with us, he's done an outstanding job as was determined, I think by most if not all the Councilmembers in the evaluation, presented with us a self-evaluation and goal setting to go into the future that I think really speaks to all of our combined and collective concerns of how we operate as a city. And so to do anything less, I think would be, again, unwarranted and probably unfair. So I totally support the motion. Councilmember Korte?

Councilmember Korte: Thank you, Mayor. I will be supporting this motion too, and I just want to express my appreciation for our City Manager Mr. Fritz Behring. I think you have brought a lot of trust and transparency to the city, not only with the Council, working with the Council, but also working with our community. I know you have a great deal of respect out there in the community, and I can speak for myself, that I have a great deal of respect for you. So thank you.

Mayor Lane: Thank you, Councilwoman. No further comments indicated. So we are now ready to vote. All those in favor of the motion, as presented, please indicate by aye, and those opposed with a no. The tally is 6-1 with Councilman Littlefield opposing.

[Time: 00:09:22]

Councilwoman Klapp: Okay the final motion is to continue the City Treasurer's employment contract at a 3% increase to the amount of \$144,200 total compensation, effective July 1, 2014.

Councilmember Korte: Second.

Mayor Lane: A motion has been made and seconded. Any comments by the second? Vice Mayor Phillips?

Vice Mayor Phillips: Thank you, Mayor, and I just want to make the comment that I have been voting yes on all of these. I originally had stated that I didn't think any Charter Officers should get a 3% raise increase this year. We are stewards of the public's taxpayer money and while the economy has gotten better, I don't think it's gotten good enough. And I don't know if that sends a good message

or not, but we did see in our budget that we would be giving 3% raise to compensation to all the employees and they are the employees. So I would say looking forward maybe we have to separate charter members from the regular staff so that they won't be included in this next time. Thank you.

Mayor Lane: Thank you, Councilman. I support this motion and for very much the same reasons that I have indicated before, that is the fact that in a short period of time, that Mr. Nichols has been in this position, there's been quite a transition, and certainly some changes of personnel that he's been able to deal with. And frankly, to keep us online and to keep our financial position in good standing. So I think that it's warranted and it's certainly, again, it's entirely consistent with what we are doing for the overall staff. So I would say that it's fair. So with that, unless there's any further comment, I think we are ready to vote. All those in favor, indicate by an aye and those opposed nay. The tally is 7-0.

[Time: 00:11:19]

Councilwoman Klapp: Can I make a comment?

Mayor Lane: Yes, in any case, it is 7-0. And Councilwoman Klapp.

Councilwoman Klapp: This is for everybody, and so I won't single anybody out. I really believe that we have a great set of Charter Officers now. I appreciate the work that you are doing. We set the tone with the City Manager but the way that you are working together collaboratively is very, very important for this city. It sets a good example for the entire city employee workforce and so I appreciate that, and I just hope that we continue to see that kind of collaboration in the future. I expect that we will, but I personally want you to know that I find each and every one of you very valuable and look forward to working with you in the next year. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilman Littlefield.

Councilman Littlefield: I doubt anybody is listening now. There's nobody in the audience, and I don't know if anybody is listening on Channel 11. Whenever you hear from this dais, the phrase "world class." Hold on to your wallet because it means we are going to spend more of your money. What don't people up here get about the results of the last couple of elections wasn't, and what you have heard the last couple of years. The people think we spend too much and we are not good stewards of the money. This sends the wrong message. That's what this is about. That's why we shouldn't be doing it.

Mayor Lane: Thank you, Councilman. To that point, being good stewards of the taxpayers' money doesn't necessarily imply not spending it on the things that are worthy of being spent on, whether it's infrastructure or whether it's talented people who save us millions of dollars in the process of doing their job. It's incredible to consider the fact that of being a good steward to always potentially undermine the operations that is working very well. And I would like to echo a little bit of what Councilwoman Klapp said as well. Frankly, on the overall, even though we didn't speak to each one of these issues, we have one of the finest Executive Teams as it is right now, and certainly with the City

Manager at the head of line with this, as I have ever experienced with this city. They are doing a wonderful job and they are saving the taxpayers money each and every day that they do their job because they do it well. They are professionals from top to bottom, and I very much appreciate what you are all doing and working together as well as you do. So thank you very much. Councilwoman Korte.

Councilmember Korte: Thank you, Mayor, and echoing my accolades go to all of our Charter Officers. It is really heartening to see that there's good team work and that everyone is really working towards the same goal of continuing to make Scottsdale a very special place. And I really am looking forward to the future, because I think this coming fiscal year, and next year, are going to be great years for Scottsdale. We've got some great strategic plans in place for tourism and economic development, and our McDowell Road is coming back. We know that. It's just all good stuff and it's just this framework and this foundation that has been worked on for so many years and now we are seeing the fruits. So thank you.

#### **ADJOURNMENT**

[Time: 00:14:56]

Mayor Lane: Thank you, Councilwoman. With that I think we completed our business for the Special Meeting. Thank you all for participating as you did and I think it was a great result. So with that, I would accept a motion to adjourn. Moved.

Councilwoman Klapp: Seconded.

Mayor Lane: Seconded. All those in favor of adjournment, please indicate by aye. We are adjourned. Thank you again.