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CALL TO ORDER

[Time: 00:00:04]

Mayor Lane: Good afternoon, everyone. Welcome to our special meeting of June 16th, 2016, and it's approximately 4:00. I would like to call this meeting to order. And with the consideration that we may have a possible executive session.

So I would like to first start with a roll call, please.

ROLL CALL

[Time: 00:00:25]

City Clerk City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Kathy Littlefield.

Vice Mayor Littlefield: Here.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Present.

City Clerk Carolyn Jagger: Acting City Manager Brian Biesemeyer.

Acting City Manager Brian Biesemeyer: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols. Absent. He will be here momentarily.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

ITEM 1 – CITY MANAGER CANDIDATE PRESENTATIONS, INTERVIEWS, AND APPINMENT

[Time: 00:00:53]

Mayor Lane: This is a special meeting and we have one order of business and that's for city manager candidate presentation, interviews and appointment. And so we will start with tonight's meeting, specifically for the introduction and interview of the three finalists from our city manager's -- for our city manager vacancy. I would like to thank the human resources manager Donna Brown, very good.

In working with Jim Mercer of the Mercer Consultants who are forwarding these three city manager candidates to us. These presentations and interviews are of the following city manager candidates: Jim Colson, Jeffery Nichols, and Orlando Sanchez.

And with that being said, I would ask Donna to provide some additional information, if you could go to the podium, please, Donna.

[Time: 00:01:50]

Human Resources Director Donna Brown: Thank you. Mayor, members of the city council, good evening. The recruitment process for our next city manager began in March with an executive search done by Jim Mercer of the Mercer Group. You have before you the final three candidates.

Tonight, each candidate will provide up to a ten minute introduction presentation, followed by answering questions of the city council. Once you call the first candidate, the other candidates will exit until they are called. Mayor, you may call first candidate.

Mayor Lane: Thank you, Ms. Brown. So I now will ask Mr. Nichols and Mr. Sanchez to wait in another area. And Mr. Jim Colson, please to come to the podium. And we are looking for and I'm not sure that we have set a clock on it. We are looking for about a ten minute presentation. You don't have to necessarily use all of it if you don't need to and in any case, we will look to 10 to 15 minutes of questions if they are needed.

[Time: 00:03:02]

Candidate Jim Colson: Thank you, Mr. Mayor and Council. I appreciate the opportunity to go through this process and I certainly appreciated the hospitality that was shown over the last couple of days. It was very informative and it was actually quite tiring also. So I look forward to this opportunity right now.

We live in a time that there's a lack of trust in leadership, and that there's a lack of confidence in information that is presented by leadership. What makes this process difficult today is that not too long ago, you had a city manager in place who fulfilled the needs of this body, where you had trust and you had confidence in him, and it's unfortunate that Mr. Behring suffered the medical condition that he did and makes this necessary. I can only say that I feel for this organization and if I am selected, I hope that I can live up to the same standards that were established by Mr. Behring and enjoy the same type of relationship that he had with you.

By way of introduction, I had a economic development and city management of 26 years. I would like to think that I'm a battle tested veteran of many wars. I think through those 26 plus years, I have progressively demonstrated an ability to take on more responsibility and have demonstrated capacity to address the challenges that come forward. From a reputation perspective, I think I enjoy a good reputation of doing quality work and getting the job done. As I consider my candidacy for this position as the city manager of Scottsdale, I have developed a couple of thoughts.

Number one, Scottsdale is an extremely unique and special community and everybody here knows that. Quality of life and business friendly environment is the envy of most other communities. I think when many economic development organizations and cities sit around and talk about what they want to achieve from a quality of life perspective, those things already exist in this community, and I think that's something that this community should be very proud of but it sets a challenge to protect that.

Many of the decisions that are currently facing this community and this organization now and long into the future, are extremely complex. And they will continue to become more complex. I believe that I have the skills necessary to work with this body and to work with this staff to help navigate the challenges and the complexities that need to support this organization in such a way to proceed and protect what they have and making does decisions pertaining to decisions going forward.

I do have some observations that I think the foundation of the heritage that exists in Scottsdale needs to be protected. It's what makes this community great. It's what makes this community special. It's what drives much of the tourism that comes to this community and it's what makes the people who live here and have invested their lives and times into this community appreciate about this place. I think decisions need to be viewed from the perspective of what's in the long-term best interest of this community going forward, not only what is good for today, which is obviously important but what is also good for future generations, and the decisions that are made are difficult and very challenging. It is a matter of quality. It is not a matter of quantity. As this community grows, it needs to make sure that every decision that is made is made consistent with what makes this a better place.

The city manager can and should play a very critical role in establishing that trust and that confidence for specifically one purpose, so that it provides you the governing body the ability to make the most informed decision possible so that you can do what is right for this community. My job as the city manager will be to work very closely with the mayor and council, to create the type of relationship wherein I can hear what you need and what you say and I can without filtering it unduly, I can work with the staff to help them understand what the informational needs are of this body and bring information back that you can have confidence in and that you can make your decisions.

I believe that we should be focused on continuing to build this community and continuing to ensure that we maintain the quality that has made this community the great community that it is. I work diligently to be a good communicator and an effective communicator. And communication and leadership is a matter of listening. And it is absolutely imperative that I am able to listen to this body so that I can understand what the needs and the direction of this body is, and that I can work with staff that we can also take that information and implement policies that are directed by this body or understand the information needs of this body and bring it back so that you can make the decisions necessary. I believe that it is absolutely imperative that there's no filtering of information that you see information as it needs to be, and that bad news is brought forward as quickly as possible. So that can be addressed in the most effective manner possible.

My style of management is to be an engaged and supportive leader. I'm very proud of the work that

I have done throughout my career and especially in my current position in Topeka that we have worked to create an environment where employees are valued, employees are encouraged to participate in the process, and people are continued to take on additional responsibility as they are able to do so. I believe in setting performance targets. I believe in continuing communication. I believe in working with people to help them become the best type of employee they can be. I'm engaged. I'm not a micromanager. I believe that my greatest skill is building teams and managing teams and helping organizations achieve goals that are far greater than what they have ever achieved in the past.

My number one focus is the financial health of the city. That means a lot more than just looking at the numbers. I work closely with the departments to make sure that we understand what the budget priorities of this council are and that each of the resources allocated by the city are consistent with what the direction of the council was, and that we understand that the money that we are spending is the money that's coming out of our neighbors and our friends' pockets. This is a very imperative task of city to understand that they need to deliver a high level of customer service to the community but at the same time, they need to continue to seek ways to contain costs and deliver those services in the most effective manner possible.

One of the traits of my most recent work in toe peek, what -- Topeka was a real focus on innovation. We challenged people how to make the city's activities more visible. We've implemented an open portal process, which not only has the open checkbook but really gets into the capital improvement projects and it gives you all the details of where they stand, what it was approved and a lot of information that the people are very much interested in so that they understand how the city is spending the money.

One of the fun things that we do, we do coffee on the corner where we'll bring city leaders, cops, firefighters, city management, other folks out into the community so that they can build a better relationship with community. We have initiated a neighborhood program, which I think is absolutely vital, because it builds that trust between the citizens of the community and the city itself.

I believe that in final comments, I'm prepared to hit the ground running. I have extensive experience both from a living and working perspective in the valley of the sun. I have had long-term familiarity with certain issues that impact the region and -- and the city of Scottsdale. I work very well with a diverse group of people. I believe that I am very engaged in the community and I believe that I have enough of an understanding of the challenges that face this body today that if I am so honored by being selected, that I can have a very fast learning curve and serve this community effectively right out of the gate.

Thank you very much.

[Time: 00:12:54]

Mayor Lane: Thank you Mr. Colson and disciplined too with almost 20 seconds to spare. Thank you very much for that presentation.

We have reserved some time for questions, if the council has any. I should probably share with the audience and frankly to our television audience as well that the council has had an occasion to speak and interview with the candidates prior to that, but this is an opportunity for us to maybe ask questions if they are needed from the presentation, for the public to understand a little bit further if there are further questions they may have.

I may just start off with just one. And I think I'm very interested in the idea of something you -- I think you were just mentioning just now, that you had implemented some type of disclosure on capital expenditures. I didn't know whether or not that was something that was publicly processed on a website or displayed on a website or the process that you employed there and whether it was to communicate to the general public some of the workings on the capital budget side of things.

Candidate Jim Colson: Thank you, very much, Mr. Mayor. So what we did is we initiated an open data initiative a couple of years ago, and conceptually, we started out where most people do with the open checkbook so people can see where the money is spent.

What we thought was very important because the capital budget is such a significant part of the city's expenditures, we went back and we identified all of the projects that were included in the capital -- the capital budget and we created a portal that allows you to search within each of the projects. It is on the city's website. It is prominently featured on the front page with a banner that it can be identified and it really provides all of the information that one would want to know in terms of the description of the project, certain pictures and other things, gives the budget and gives the source of funds and gives the status of completion on the project and even gets down into the name of the project engineer who is managing project. So that if they have some questions about the project, they are able to contact them directly.

Mayor Lane: Very good. Thank you very much on that response and I will go to next councilperson, Councilman Smith has a question or a comment.

[Time: 00:15:28]

Councilman Smith: Thank you, Mayor. Jim, you mentioned economic development. In fairness, I will tell you I will ask you this question and I will ask the other candidates this question. Talk how you keep economic development in context to the community. Scottsdale centric, if you will. Obviously, we protect the livability and protect the tourism industry that are here and the things that attract it but at the same time, we all want to see economic development, growth and prosperity in the city. So if that was your mission, talk about how you would achieve that.

Candidate Jim Colson: Thank you, Mr. Mayor and Councilmember Smith. I think the answer to that question is not every project is for every community and certainly not every community is for every project. And I think that if you set as the -- the filter from which you should run every economic development project, you need to make a determination that that project when you consider it both in terms of its individual impact and its long-term impact on the comprehensive city, you would need to

make a determination as to whether it is in your best interest or not.

Certain, I think, for Scottsdale that list of things that you would be interested in would be more limited to only those of the highest quality nature and you have to make a determination as to whether it really is part of that longer term plan that you need.

Certainly you have a lot of very positive economic impacts within the community today, and the community is very strong, but I think it's important that you never take your eye off the ball and you continue to look at each opportunity and make a determination as to whether it will benefit the community both now and for the long-term future, especially as you take a look at the changing natures of technologies and the way the businesses are run, I think you need to continue to fine tune yourself.

Councilman Smith: Thank you Mr. Colson. Thank you, Mayor.

[Time: 00:17:39]

Mayor Lane: Thank you, Councilman. Councilmember Korte.

Councilmember Korte: Thank you, Mayor. Thank you, Mr. Colson. You began your talk tonight about trust in the community. And that is the primary issue the trust in the government and the community and the respect. I would like for you to expand on this a little bit in the nature of perhaps some strategies to build trust in the community.

Candidate Jim Colson: Thank you, Mayor, Councilmember Korte. So trust is the thing that is the primary challenge of -- it's not just government. I think it's all organizations. People don't trust leaders and people don't have the confidence in the information that is provided by those leaders. I think the only way to combat it is to earn it and the problem with earning trust is you are starting from a negative position where there's so much built up lack of trust in the community. We all take it personally, but you shouldn't. There are a lot of examples of people who have violated that trust and we are not given the benefit of the doubt and you shouldn't be expected that you will be given the benefit of the doubt.

So the simple answer is to do the right thing every time. The way in which you do that is when you do the work of the city, you make sure that the information that you provide is information that is the same for everybody and that you don't make people search for that information, but you provide it in a manner that people can intuitively access it and you push out as much as you can.

On the second side of that, I think it's important that you look for medium -- mediums to get that out there. And we use -- as do many people, aggressively use social media platforms to get information out there. We do a couple of cool things. I mentioned the coffee on the corner. Create that relationship between the people that work for the city and the people -- the citizens of the community and a manner in which they don't normally see it and sometimes they are surprised when they happen to run into somebody and have that interaction.

We also do a thing that's called a tweet along and we embed a city employee who does tweets along with various organizations -- various activities within the city. Driving one of the public works trucks, being involved in some types of meetings and it's become a lot of fun for people and it also becomes learning and their understanding of the city is really involved in their lives in a lot of ways that they don't see. A lot of people's inaction with the city is -- interaction with the city is what they see happening on the dais during a council meeting. I think it's important to expand that view so that people see it in a different and varied light.

[Time: 00:21:11]

Mayor Lane: Thank you, Councilwoman. Councilman Phillips. Councilmember Phillips: Thank you, Mayor. Thank you, Mr. Colson. I was wonder if you have met with our public safety personnel yet and also do you consider public safety our top priority?

Candidate Jim Colson: I believe that public safety is the top priority of most citizens if you did a survey, that's what they would come back. That's what cities will provide for them. I do have some familiarity with the fire chief and with the police chief, and to answer the question, the most direct form, I absolutely believe that public safety is something that you need to ensure within the community.

Councilmember Phillips: Were you able to meet with them?

Candidate Jim Colson: Yes.

Councilmember Phillips: Can you expand on that?

Candidate Jim Colson: I had some meetings to understand the organizational structure, what their challenges were and what they saw as the future of the city and what they needed out of the city manager.

Councilmember Phillips: Okay. And you said that you -- if you were selected, would you like to hit the ground running. So what would your first priorities be?

Candidate Jim Colson: The first is to listen and meet with each member of this body and meet with staff and get out in the community understanding what the -- what this body and what the organization believes is needed and then from that listening start to formulate an appropriate response based on those particular needs. I think it's absolutely vital that I become familiar with people, more familiar with the issues but I think to address some of the issues that the department heads bring forward, make sure that we bring those bodies -- those items to this body for consideration and action, that would be my plan initially.

Councilmember Phillips: Thank you.

Mayor Lane: Thank you, Councilman Phillips. I see no further questions for you Mr. Colson. So you have been very thorough and I appreciate the presentation and the response to questions. If you want to take a seat, we'll go ahead and invite Mr. Jeff Nichols to come to the podium.

Do we have someone who can retrieve him? Welcome back Mr. Nichols.

[Time: 00:24:03]

Candidate Jeffery Nichols: Thank you, Mr. Mayor. Everyone got quiet on me.

Mayor Lane: Great anticipation. We were looking -- if you didn't hear before, it's ten minutes in the presentation and we'll have some Q&A for you.

Candidate Jeffery Nichols: Okay. And then I will go ahead and begin. First of all, I was here about two and a half years ago. So some of this may sound familiar to you all. It may not be familiar to all the other people to hear me say it.

As far as my background, I started out after graduation from high school, I joined the Marine Corps for two reasons. One, I felt a sense of duty to country; and the other was that my family couldn't afford to send me to college. So I found a way to pay for it and that transition from 18 to 22 was great, but that's where I really learned the art of leadership. And one of my last jobs in the Marine Corps was with commander chief of the Pacific. That's a joint command. So you have the navy, the Air Force, the Marine Corps and the Army all working together and that's when I first realized as a marine -- because, of course, I always thought we were the premier military institution, that you could actually work with the other three branches the military and get things accomplished. I learned a lot through that process.

As I said, I earned the G. I. bill at that time. I got out and went on to college. I graduated from central Michigan with a B.S./B.A. major in accountancy. And I got a job with Barret Cotter in Michigan. That's when I learned the value of a degree and you never, ever take your hours worked per week and divide your salary into that, because you find out that hourly you would have probably been better off not going to college for four years and just working in a McDonald's flipping hamburgers. But nonetheless, good lessons learned and good experience.

I was married at the time and my wife said, I'm getting tired the winters. I have a sister in Arizona. What do you think? I said, well, let's go let's check in out. If we are going to do, it we don't have children now.

We moved out to Arizona and I got a temporary full-time job with the city of Tempe, still looking for employment within the C.P.A. industry when I realized you could make a difference with the municipality. That turned into a 14-year career with Tempe. I was started in accounting, but after a couple of years in accounting, I went out to field services in Tempe.

And during the field services job, it was an area where we had municipal refuse. So both commercial

and residential refuse. It was an area where we did street maintenance. We had facilities and park maintenance and golf course maintenance. And it was the first opportunity to visit with the constituents who visited the city. And it was a great learning experience. When I moved out, there I found out that someone was sent down from the ivory tower to outsource all the refuse service and they learned that was not the case when I was assigned and preparing a bid, a response to an RFP for residential recycling service and we competed with the likes of waste management and B.F.I. and we were successful in that process. And with that, I found that, you know, you can get a lot of people on your side real quickly when they know you are on their side.

That experience was very valuable and I came to Scottsdale working in budget. A big part of this job as city manager is a proposed budget every year to council. And so I have a lot of experience in putting budgets together. I worked from 2001 to 2004 in Scottsdale doing that.

When an opportunity came available down in Pima County that I thought I could do. I read the job announcement. It's different and it's Tucson and we all know that Tucson is a little bit different than the Phoenix area and they think Tucson is better. We think Phoenix is better and I think it's the same. I think they are both right.

So I was successful in that and I went into another industry, the water and wastewater industry. And I was a deputy director over administrative services. And the reason I point this out is because then I was in charge of human resources. And procurement and risk management and the financials. When they assigned me, they came to me and said, look you are not like any accountant we ever met and we are going to put the human resource function under you. I thought of that as a very high compliment.

So with that we had a very, very good team down in Pima County. We did what was called the regional optimization master plan. We were under a consent decree from the EPA to clean up the effluent we were charging into the Santa Cruz river and we worked during great recession. We came up with a fix, if you will, which was almost a \$700 million capital plan and the worst time in our country's history economically besides The Great Depression, and we knew that this plan was going to bring the rates from an average of \$12.71 per household to over \$40 per household. And we knew that was a tough sell with the board of supervisors and we through it was a tough sell with the residents. We got together as a team and we went out into the community and we went to every meeting at any time that anyone would have us, and we made our presentations and we made our pitch and we ended up getting the approval from the board of supervisors and we found a way to finance it creatively.

That project, I'm still in touch with these people, it's been implemented. It's totally built and it's a successful capital project. If you visit Tucson and if you no longer smell that smell when you get to the Rogers road area, that's because of that project. We took care of that smell and the people in Flowing Wells were appreciative because they were living with that for decades. We took care of that.

Then I came back up here to Scottsdale again. A friend reached out and said, hey, we've got a new

form of governance and we have a new person in this chair and the accounting director position is open. Are you interested? And I said, you know, as a matter of fact, I am. So I came back up here as accounting director, working for the chief financial officer who now didn't report to the city manager, he reported to the council.

And I saw that form of governance and the advantages that I believe it provided to council to get accurate, complete information that was factual in nature. And when I say complete, staff always brings forward factual information. It just needs to be complete information to the best of their ability.

After that, a position came open just across the way at the Scottsdale mall. It was the next level of a career that I was looking for and that was the chief financial officer for the Scottsdale cultural council. Arts organization, and just like I hadn't been in wastewater before, I was never really a fan of the arts. I'm more of a sports person. So you can talk to me about golf and football and baseball and basketball and I can answer questions related to that but not the arts.

And, again, when I started that position, I was successful in getting that position. I met with staff and they let me know really quick that you don't know anything about arts and I said, you're right. I don't but from what I can see, you all don't know a whole lot about finance and accounting. So I think we are on the same terms here, okay? And we had a good relationship. I learned a lot from them. I think they learned a lot from me.

But the boss that I had worked for, that was the first C.F.O. here at the city that reported to the city council had told me was going to go up the hill and sit in the rocking chair that he always talked about and you might want to consider putting my name in the hat and two and a half years ago I did that and I was successful and I have been in that chair ever since.

Now, this journey that I have taken, I think what I take away from this is the fact that I have worked for a lot of different organizations. We know that Tempe is a lot different than Scottsdale. It's the same form of governance. However, the majority of the d's. Scottsdale is the majority of the r's. Pima county, it's just another world. That's all I can say.

But I managed to be successful in each one of those areas, whether I had experience or not, I went into the organization and I went with an attitude that I asked questions. I asked why when I don't understand something. And if I get an answer, I can be like a 3-year-old sometimes. They answer and then I say, why? Why? Why? Until I get to where I want to be. And so I think that's the way I would approach this job if I was given the opportunity.

A lot of people that report to the city manager would probably -- would probably get tired of me asking why but I will ask why until I understand why we are doing something. And, you know what, this is a very well run city. Structurally from a financial standpoint, it's very sound. One of the best in the nation. But improvements can always be made.

I have got ideas but I have never been sitting in that chair. So I don't expect to come in and say, all

right, I will make wholesale changes because I understand everything because I don't. Not from that position. So it's going to take me a little while to learn but I will learn by asking questions and I know I will build a team that will feel comfortable with me being their leader if given the opportunity. Thank you.

Mayor Lane: Thank you, Mr. Nichols. Very much appreciate that presentation. We'll try to then follow with some questions and hope that we'll give a little bit of time for those answers on that if we have some here from the council. And I will start with Councilman Smith.

[Time: 00:34:46]

Councilman Smith: Thank you, Mayor. Jeff, in is a question that I have asked of Mr. Colson and I will ask it of you and the next candidate as well. It has to do with economic development in our community and the importance that that is to our community as it is to any community. But economic development here, whatever is done must be Scottsdale centric. It must be sensitive to the uniqueness of our city, protecting the livability and protecting the tourism industry. And so I would like to hear some thoughts on you on economic development as you see what it should be in your opinion in the city and how we achieve these goals.

Candidate Jeffery Nichols: Mr. Mayor, Councilman Smith, members of council, as you know, within Scottsdale one of our largest industries is tourism. I mean, so anything that aligns with that would certainly be welcomed. However, we have -- you know, I think the ability to just offer a level playing field from any business that's looking to either expand in Scottsdale or to locate in Scottsdale. So I think we do have a certain cache.

As a charter office, I live in this city. It's a special city. And I think we need to take those things into consideration as we are looking at the businesses that are moving into this city. We shouldn't just open our door to everyone that wants to come and have a business here. Some businesses we actually may not want in Scottsdale. I'm not going to name them but there are businesses I think in my mind that just don't add to that cache or that value. There are other businesses I believe we should target and we should do it selectively.

We have a great opportunity along the northern 101 corridor from basically Scottsdale Road over to the Hayden Greenway loop area. We have a lot of state land and a lot of opportunities and we should be very selective that we bring in high-end businesses with well-paying jobs that have a small impact on the need for services within this community. If we can grow our revenues without growing the expenses related to having those businesses here that to me is the optimal solution as far as looks for businesses to bring into Scottsdale.

Councilman Smith: Thank you, Mr. Nichols. Thank you, Mayor.

[Time: 00:37:23]

Mayor Lane: Thank you, Councilman Smith. Councilwoman Korte.

Councilmember Korte: Thank you, Mayor. Talk about trust in community, Jeff. It seems to be a primary concern or challenge within communities, whether it's lack of trust in the leaders or the organization or decisions made or the vision. And I would like you to talk a little bit about some strategies to address that issue.

Candidate Jeffery Nichols: Okay. Mr. Mayor, Councilmember Korte, members of council, when I first came here in 2001, it was very apparent to me that there was a high level of trust in this community and I say that because I say in my job and budget, it was managing a bond program had just been approved by voters that totaled \$357.8 million. As a matter of fact, one question got passed that we really didn't as a city want to get passed and it passed any way. And it was bifurcated from another larger public safety question, just for that reason, because there was concern it wouldn't, but there was a lot of trust in the community and that had followed on a 1989 bond program, where the citizens trusted us with the growth of this city and providing the facilities, if you will, that make us a special city. So I think for whatever reason, the community has lost trust with the governance in Scottsdale. I think the former city manager, Fritz Behring was working on rebuilding that trust.

The only way that I see you do that, personally in my opinion, is us providing you all with all the information you need, the best information possible, correct information to make decisions and then my job as city manager is to get out into the community. The business community, the citizen community, go to as many events as I can. I also need to do that -- I need to do that externally and I need to do it internally with staff. And the reason being, we all know staff talk. And they are a part of this community. Not all of them, but several of them are members of this community. If I reach down internally to staff and build up the trust internally, that will flow out into the community as well.

If I go to events and people get to know me, they know that I'm ethical, I'm honest, I'm a straight shooter. If anything, I think people will say, you know, be careful what you ask Jeff because you really should be ready for his answer because it's going to be open and honest. But through that process, and over a period of time, I think we build up that trust within the community, where they know what they are telling them as far as we know, it's complete and it's factual. And that's critical and we need to work on that, continue to work on that.

[Time: 00:40:39]

Mayor Lane: Thank you, Councilwoman. Councilman Phillips.

Councilmember Phillips: Thank you, Mayor. Thank you, Mr. Nichols. So again, I will ask the same question because obviously you met with public safety. I would like to ask you if you think public safety is the top priority and what your relationship is with the public safety here in Scottsdale.

Candidate Jeffery Nichols: Mr. Mayor, Councilman Phillips, member of council, I do believe public safety is the number one priority. As a matter of fact, I think all you have to do is look at our budget and in excess of 50% of our budget is spent on public safety. So that shows -- I mean, the money

speaks for itself, when we are spending that amount of our general fund dollars on public safety, it shows that we think it is a critical part of the services that we provide our citizens.

That being said, we have an issue right now between the operating and the capital budgets, and during the great recession, decisions were made and I'm not questioning those decisions. They were just made to affect citizens least and last so that the transfers we used to do from the operating side to the capital to keep up the infrastructure, that dwindled and dwindled and dwindled over time until it was almost negligible.

I think we need to look at all of our operations, not just public safety but if I'm looking at my household budget and I'm looking for areas where I can save money, I'm not going to look where I spend the least a.m. of money. I'm -- least amount of money. I will look where I spend the most.

And in that regard, I think my relationship with public safety is good. I think the people that I normal come in contact with on a daily basis, as a matter of fact, there's a lieutenant. I won't name him but I meet with him every so often because he gets my emails. When I started here, I found out I couldn't be jnichols@scottsdaleaz.gov. He constantly forwards the emails to me that don't realize my address.

I talk to these people. It's not always the command ranks that I talk to. Again, you reach down. You reach down into the ranks. Every time I come into this meeting room, we have security up here and I sit and recognize those people and talk to Mark and Larry. And I ask them what's going on. And you would be surprised at how much you can learn by just talking to people like that.

So I think overall, my relationship with public safety is good. I also believe if given the opportunity to have this position, that I will improve upon that and as I said, I will build trust because I will be open and honest and I will tell people exactly what they think. They don't have to worry with me. They don't have to think is he telling me one thing and doing another. That's not going to happen.

Councilmember Phillips: Okay. Well, now I know where my emails are going. Thank you.

[Time: 00:43:37]

Mayor Lane: Thank you, Councilman. Vice Mayor Littlefield.

Vice Mayor Littlefield: Thank you. And you wonder who is answering them. Well, your why, why, why, why, hit a mark with me, Jeff. My son still asks me that and he's 40. So maybe it's just something with C.P.A.s. I don't know. But it seems to be an ongoing question in my life.

I have a question for you, and I'm not sure how to word it. Okay? I have tried and tried over the last day or two, to figure out a really nice way because I don't want to be offensive and I don't mean this to be offensive. I just want to know the answer. You have in the course of your time here and by the way, I think you are a great city treasurer. You built up relationships with a number of people that work here in the city, with council, certain councilmembers, with other charter officers, staff, with

other management and with other layers of staff and with individual people and citizens outside of the city. And this is good.

But I want to know if you think those relationships will interfere in any way or become a positive/negative -- or a possible negative when you are dealing with all of us as city manager? Can you be impartial and can you put aside previous relationships and deal in this new position without conflict? Thank you.

Candidate Jeffery Nichols: Mr. Mayor, Vice Mayor Littlefield, members of council, two things. Number one, I'm not offended by the question.

Second thing is, yes. You know, everyone, every position I have been in, I built relationships in. So when I was a senior budget analyst at the city of Scottsdale, I had relationships with all of these people and all of these positions as a senior budget analyst. Then when I became accounting director in Scottsdale, that was a different position, different responsibilities, higher responsibilities. The relationships morphed if you will. They changed, based on what I have to accomplish, my task and my duties and so as C.F.O., they morphed again. Now, I'm a charter officer and I'm dealing more with council and my fellow charter officers. So, yes, again, those relationships morphed in the way that we dealt with one another, but what didn't change was me.

I'm just a good person. As I said, I'm honest, ethical, up front. If people are willing to work with me. So on day one, let's say if I'm afforded the opportunity and I meet with our executive team, I will let them know, you don't really know Jeff Nichols the city manager because you are just meeting him. And oh, by the way, I don't know you, say Alan Rodbell, the chief of police because we never had this relationship before. This is a new relationship for both of us. So let's start clean. Anything in the past is in the past and we go forward and we work in a positive manner with one another for the betterment of the community. That's all I'm asking. No more, no less.

Vice Mayor Littlefield: Thank you.

Candidate Jeffery Nichols: You're welcome.

Mayor Lane: Thank you, Vice Mayor and thank you, again, Mr. Nichols for the presentation and for your answers to the question. And if you wouldn't mind, just go ahead and take a seat, and we would ask Mr. Sanchez then to come to the podium.

Candidate Jeffery Nichols: Thank you very much.

[Time: 00:48:14]

Candidate Orlando Sanchez: Okay. There's my PowerPoint.

Mayor Lane: Welcome Mr. Sanchez. You have probably been advised but we set a comment at 10 minutes and hopefully we can get the presentation in on that and then we will have some time for

some questions and some answers if need be.

Candidate Orlando Sanchez: Thank you, Mayor. Good afternoon, Mayor, City Council, citizens of the great citizens of Scottsdale. I'm Orlando Sanchez. It's an honor to be considered.

I will give you some personal information about myself and who I am. I will also discuss the first 100 days as your city manager. A little bit about myself. I have been married for 21 years. I have a 14-year-old daughter. They are in the audience. My daughter is looking forward to attending high school here in the great city.

I was born and raised in -- I was born in Albuquerque and raised in a small city 32 miles south by the name of Belen. It's a small city, a population of 7,000. My dad worked for the railroad. He -- after serving in World War II. My mom was a stay-at-home mother, raising seven children, two boys and five girls. I attended New Mexico State University, where I earned my degree in business administration and economics. After graduation I started working as a bank and started as a teller and worked my way up to branch manager.

In 1988, I started working for the city of Las Vegas. I started off as a management analyst. My responsibilities there were to monitor community development block grant plans, making sure they are in compliance with federal regulations and rules. Shortly thereafter, I was promoted to development project officer for economic and urban development. There I was responsible and worked in the team to develop three employment parks one was the technology center, the centrum park. To date, they are still very active employment centers.

I was then promoted to code enforcement manager. There I was responsible for protecting the integrity of our neighborhoods. I did this by creating homeowners associations and working with the homeowners to bring ride and ownership back into the neighborhood.

I did a lateral transfer to facilities management so I could get more management experience, working with more employees. My responsibility there was managing over 1.7 million square feet of city facilities. I also tried to do efficiencies. One of the low hanging fruits, we had about a \$12 million a year utility bill. So one of the low hanging fruit was changing out our lighting system. By the time I left, we saved about \$900,000 in utilities. I was sustainable before sustainable was cool. So it was a good asset.

From there, I was promoted to director of neighborhood services. That was overseeing code enforcement, rapid response, and all federal funds for the city of Las Vegas that we received to make sure that they are in compliance with federal guidelines.

In 2006, I went back for -- I started my MBA and in that same year, I was promoted to deputy city manager. I have overseen every single department in the city starting from animal control to zoning. Some of the special projects I did, as the city manager was first, building a new city hall. And it was -- we built the new city hall as an economic development plan. Our old city hall sat on 12-acres on Las Vegas boulevard and U.S. 95.

In our eyes it was waterfront property. So what we did is we moved our city hall to a distressed part of the city and brought economic development to that area and as fate would have it, Zappos moved into our new city hall, bringing their headquarters 1500 employs and investing \$300 million into the downtown area.

In 2012, my city manager was getting a little frustrated with our social media. We are lacking on our advancement and she had me lead that. I didn't do the work. I gathered a team to make sure that the right people were involved. All credit goes to them. Right now we have 98,000 Twitter followers with impressions of over 1 million which is very successful.

I think our biggest accomplishment as a deputy city manager is going through great recession. In 2007, we read the tea leaves and we were able to be proactive and start making our plan and implementing our plan in 2008. Can I flip over to the -- I don't have a clicker. Thank you. Okay. So that's who I am personally. That's who I am and who made me where I am today.

Building relationships. I want to earn the trust and respect of each and every one of you, the leadership team, the city staff, charter officers, citizens, chamber of commerce, convention and visitors authority, the business community and the media. I think it's important that your city manager is one of integrity and one that you can trust and rely on and I will be that city manager for you.

I want to fully understand your priorities. My job is to carry out your priorities and goals. I will give you advice. I will give you the best advice unfiltered, the good, the bad and the ugly and that you make an educated decision. I would also like to do an assessment of our financial, our operational our organizational structure, economic revitalization development strategy, to Ma I can sure we are meeting the key priorities that you have for me. I also want to work on tourism and the five-year strategic plan to see if you have a downtown master plan.

Next, please. Understanding the organizational climate and culture. This is a big one. Our employees, they are the number one asset. They can make or break us. We have all of these lovely facilities, beautiful parks, but without our employees they are nothing. They are the ones that go out there and do the impressions with our citizens. They are our ambassadors. So it's important that they are fully engaged, they understand that they are valued. They understand their role. Their role is to keeps an iconic city. Their role is very important.

I also want to keep our customer service levels up. That's what we are in business for. We are public servants, and our service levels must exceed all other services that we provide. I also want to do performance measurements. We have to make sure that we measure our objectives and our goals and we can report out our successes.

Develop the leadership team. My management style is simple. It's just basically come to work and work. Bring your brain, get engaged and take calculated risks and keep the city moving forward. My expectations are what I expect of myself, work hard.

We're working for the taxpayers. They deserve the best from us all the time that we are at work. How will I do this by clarity and focus. We have to make sure that our employees know where we are going as a city and what we will do so they can gather around it and harness that energy.

I also want to look at our strengths and weaknesses. I know we are not perfect but no one is perfect. I want to look for gaps in services. If there's gaps that we are missing, it's important that we fix that gap. And I will look into that.

Summary, I want to build relationships. I want to fully understand and earn your trust and respect and also understand your priorities and your goals. The organizational climate, I want to make sure our employees are happy, engaged and feel valued. My leadership team, the charter officers, I want to work with them for the best of this community. And bottom line, service excellence. We are here like I said before is to provide excellent customer service and that's what we will do.

Thank you. I'm Orlando Sanchez and I'm ready to be your next city manager. Thank you.

Mayor Lane: Thank you, Mr. Sanchez. Thank you very much. We have -- we may have some questions here from councilmembers. We'll start with Councilman Smith.

[Time: 00:57:10]

Councilman Smith: Thank you, Mayor. And thank you, Mr. Sanchez for your interest in this position. I know coming from Las Vegas, you share many of the same -- your community shares many of the same goals of tourism and whatever and economic development. The question I want to ask you and I asked the other candidates as well as we pursue economic development and that's a big part of your portfolio, as well as ours. We have to do it in a way that is sensitive to the uniqueness of Scottsdale, a unique and high quality livability that we want to preserve and protect for future and a major industry of tourism that we want to preserve and protect. So as you pursue economic development, obviously, it's not one size fits all but how do you see the unique challenges of pursuing good growth in our city?

Candidate Orlando Sanchez: Mayor, Councilman Smith, economic development, it's a two-edged sword and you have to balance the needs of the citizen that you serve and also the community -- the business community. I think the best thing too is if we have a plan, especially if we are concentrating in the downtown area, that we have a downtown master plan that's succinct and everyone understands it. It has to be a partnership and a collaboration between the business community, the city and the citizens. Like you say, in Las Vegas, we have tourists of about 21 million. I believe your tourism is about 9 million. I love your downtown. I had a chance to visit it. It was vibrant and active.

We have to honor our past and that has to be our number one theme is honoring our past. We do not want to be like any other large city. We have to be unique which you are and keep true to our roots. Councilman Smith, I hope that answers your question.

Councilman Smith: It does. Thank you very much, Mr. Sanchez.

[Time: 00:59:18]

Mayor Lane: Thank you, Councilman. Councilwoman Korte.

Councilmember Korte: Thank you, Mayor. I would like to talk a little bit about trust. It seems that trust is a pervasive challenge across many communities, all communities today. Trust in leadership, trust in the organization, trust in the decisions or trust in the decision, and where a community is going. I would like for you to address strategies to build trust within a community.

Candidate Orlando Sanchez: Okay. Mayor through you, Councilwoman Korte, I think trust is based on communication. A lot of it has to be communication and when you communicate and you are making commitments, you have to live up to those commitments. The citizens, they rely on your word, on our word as a city, and trust is built on our commitments and our communication.

I think the number one -- the number one way to get there is to go out there and meet with the citizens I'm sure you have community meetings and I would love to attend the community meetings with you. Get to know what is important to our city and start establishing that trust. I know this is a great city. You have done a lot of great things and I think you will do a lot of great things in the future.

I think the one thing, is not to stay on the status quo. We need to look he is services that we provide the citizens and what is best for the city, growth and smart growth, and making sure the development and neighborhoods coexist. I hope that answers your question, Ms. Korte.

Councilmember Korte: Thank you.

[Time: 01:01:01]

Mayor Lane: Thank you, Councilwoman, Korte. Councilman Phillips.

Councilmember Phillips: Thank you, Mayor. So I have asked this question of the other two also. It's a two-part question. Is one, do you consider public safety a top priority for the city and also have you met with our public safety officials and what is your impression?

Candidate Orlando Sanchez: Mayor through you, Councilman Phillips, public safety is a priority for any city, but I believe the services we provide throughout the city -- I don't think any one department is more important than the other. Without our parks, without our street sweeping, our street rehab, our sewer plants our water purveyor, we are nothing. I believe the public safety is very important but so are the other departments. I think they are equally weighted and I believe the services with we provide to the citizens they expect nothing but the best from all avenues.

I have met with the fire chief and the police chief, I have not had a lot of dialogue with them, but they seem like they are very responsive and good gentlemen. I look forward to building a good relationship with them and see how we can improve the services we provide our services.

Councilmember Phillips: Thank you.

Candidate Orlando Sanchez: Thank you, Councilman.

Mayor Lane: Thank you Councilman. Thank you, Mr. Sanchez for your presentation and the answers to the questions that have been presented. We have nothing further. If you would like to take a seat.

Candidate Orlando Sanchez: Thank you, Mayor.

[Time: 01:02:43]

Mayor Lane: So at this point, I would want to reiterate that this is for public consumption and this was an opportunity to show the candidates that this council is considering for replacement -- well, for our city manager's position.

And we will now -- I will accept or ask for a motion to move to executive session to consider the evidence that we -- or I should say the presentations and the individuals we have before us for selection. I will ask for that motion, please.

Councilmember Klapp: Move to go to executive session.

Councilmember Korte: Second.

Mayor Lane: The motion has been made and seconded. I think we are then ready for a vote. All of those in favor, please indicate by aye. Those opposed with a nay. Aye. Okay. That's unanimous.

We will be moving to executive session. We will be coming back to -- if we have an action item and to adjourn. Thank you very much.

RECESS TO EXECUTIVE SESSION

RECONVENE SPECIAL MEETING

[Time: 01:04:01]

Mayor Lane: Good evening, everyone. We are here to reconvene. We have adjourned our executive session after sometime, and we apologize for the wait for those of you who have been out here. In any case, we are reconvening our special meeting.

We do have a motion for conclusion of action. And I look to Councilman Phillips.

Councilmember Phillips: Thank you, Mayor. I move that staff be directed to conduct a second recruitment process for city manager.

Councilmember Korte: Second.

Mayor Lane: The motion has been made and seconded. Seeing no further comment on it, I think we are then ready to vote. All of those in favor please indicate by aye and those opposed with a nay. Aye. 6-1, Councilwoman Klapp opposing.

ADJOURN

Mayor Lane: So that does complete our work for this evening. I don't know that we have any other -- no public comment. So I will accept a motion to adjourn our special meeting.

Councilmember Klapp: So moved.

Mayor Lane: Moved and seconded. All of those in favor please indicate by aye. We are adjourned. Thank you very much.