

MINUTES OF THE SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD APRIL 9, 2009, AT 6:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

CALL TO ORDER AND ROLL CALL

Mayor Joens called the regular meeting to order at 6:00 p.m. Roll call was taken as follows:

COUNCIL MEMBERS PRESENT

Diane Joens, Mayor
Karen Pfeifer, Vice Mayor
Tim Elinski, Council Member
Duane Kirby, Council Member
Linda Norman, Council Member
Terence Pratt, Council Member

COUNCIL MEMBER ABSENT

James Chapman, Council Member

STAFF MEMBERS PRESENT

Doug Bartosh, City Manager
Iris Dobler, Human Resources Manager
Steve Horton, City Attorney (via teleconference)
Richard Faust, Parks & Recreation Director
Mike Casson, Fire Chief

Marianne Jimenez, City Clerk
Dan Lueder, Utilities Director
Rudy Rodriguez, Finance Director
Jody Fanning, Police Chief

UNFINISHED BUSINESS

APPROVAL OF THE STATEMENT OF QUALIFICATIONS FOR ARCHITECTURAL SERVICES RELATING TO THE NEW UTILITY DEPARTMENT COMPLEX DESIGN PROJECT

Mr. Bartosh stated that at the last Council meeting, this item had been tabled in order to determine whether it was possible to request prices from multiple firms who had submitted Statements of Qualification (SOQ) for a city project, in this case, architectural services for the new Utilities Department complex. This was not permitted under City Code or State Statute. Price could not be considered until a single top applicant has been selected.

Mr. Lueder stated there were two legal options regarding the selection process. One was City Code Section 2.88.020 which allowed for interested professional service firms to file letters of interest with the City Clerk, updated annually in January. No such letters were on file. The second option was A.R.S. § 34-103. and § 34-601. through § 34-611. Within the SOQ specifications preference was given for experience in the local area. Every architect in the Verde Valley was contacted about this project. Staff requested approval of the ranking and to begin negotiating the scope with the top firm. If a satisfactory result could not be reached, negotiations would be conducted with each next ranked firm until it was felt that a satisfactory result had been reached which could be presented to the Council for consideration and approval.

Council Member Kirby stated he still did not understand how you can tell whether you are making a good deal with somebody unless you know what the others were thinking. He did not understand negotiating in the blind.

Council Member Elinski stated it was a better way to go than with the lowest bidder where you got the lowest quality. It was incumbent on the Council to do its homework and try to get the best, based on qualifications.

Council Member Pratt stated he agreed with Council Member Elinski. State statute prevented the Council from asking for prices beforehand. However, any negotiated price had to be presented to the Council for approval.

Council Member Elinski stated statute allowed the creation of criteria which favored applicants with local knowledge. Statute also permitted allowing extra weight to be given to such criteria. He asked if it was possible to apply that concept here to encourage more local participants.

Mr. Horton stated so long as it was qualification based rather than geography based. The standard for a court for overturning an award was whether the decision was arbitrary, capricious, or unreasonable. If the decision was based on knowledge, skills, and experience, rather than a physical presence in the community, the selection would probably be considered lawful.

Mayor Joens asked if such weighing was permissible.

Mr. Bartosh stated the downside of such a decision was that a less qualified firm might be awarded the work, simply because they were local. Consideration needed to be given to the special requirements of the evidence building and work given to someone with related experience with that type of structure.

Discussion ensued regarding the historical nature of the SOQ process and the uniqueness of each project.

Vice Mayor Pfeifer asked if we had a concept of approximately what this would cost. She did not like the blank checks.

Mr. Lueder stated preliminary plans were still being drawn up involving 3 different agencies. His estimate for the utilities portion of the project would be about \$50,000. If the scope came back higher than the Council wanted, it could be modified. His main concern was security for the utilities billing staff. Mr. Mangarpan and police personnel would oversee what was needed for other portions of the project.

Vice Mayor Pfeifer asked if a breakout of the price would be presented to the Council.

Mr. Lueder stated it would be presented by line item. Some elements were time sensitive so

different portions might be presented at different times.

Vice Mayor Pfeifer again stated her dissatisfaction with the blank check concept. While the qualifications presented were great, they did not tell her or the citizens of Cottonwood how much we would write a check for.

Mayor Joens stated when it came back, if the Council did not want to do it, it could say no.

Council Member Pratt stated it was not a blank check, since they had to come back with a price. We had to trust that Mr. Mangarpan would be able to compare the cost of some of these services based on his experience. There was still the stopgap that no one would sign off on a price until it had come back to the Council.

Mr. Lueder stated the reason the Council was being asked to approve the ranking was because the committee felt that would allow us to break off negotiations, if necessary, and go to another firm. The fact that four were selected gave us leverage to help ensure we received the best value possible.

Mayor Joens stated that statute prevented consideration of any costs or fees at any point in the selection process. While she agreed with the Vice Mayor, the law did not favor that position.

Mayor Joens moved to approve the architectural statement of qualification ranking as determined by the selection committee and authorize the Utility Director to negotiate a scope of work for design services with the highest rated firm, which would be presented to Council for consideration at a subsequent Council meeting. The motion was seconded by Council Member Pratt and carried 4-2, with Vice Mayor Pfeifer and Council Member Kirby dissenting.

EMPLOYMENT AGREEMENT WITH A. DOUGLAS LASOTA TO SERVE AS THE CITY'S PRESIDING MAGISTRATE

Ms. Dobler stated the requested action was for Council consideration to appoint A. Douglas LaSota as presiding magistrate for the Cottonwood Municipal Court for the two-year term of April 13, 2009 through April 13, 2011. The City Council appointed a Judicial Review and Appointments Advisory Board (JRAAB) on January 20, 2009, to recommend to the City Council the best qualified persons to become full time or part time city magistrates. The JRAAB presented the four top candidates to City Council for consideration. The City Council interviewed the candidates and selected A. Douglas LaSota as the individual to negotiate with to become the next presiding magistrate. At the direction of the City Council, the Mayor and the Human Resources Manager entered into contract negotiations with Mr. LaSota. The salary range for a Range 62 position was \$68,558 minimum, with a maximum annual pay of \$99,409. The team noted the mid-point salary of \$83,983 and began negotiations at \$80,000. Mr. LaSota countered with \$85,000 and also asked for an extra week's vacation and more sick days. The Finance Director recommended that additional sick leave not be

considered because it was not a mandatory benefit, had never been altered, and would set a precedent. The Council would determine whether it wished to offer the extra week of vacation. Department heads received 3 weeks of vacation during their first 5 years, after which they received 4 weeks of vacation. Mr. LaSota had requested he start with 4 weeks.

Council Member Kirby stated Mr. LaSota could resign at any time, with or without cause, with 30 days notice but the City had to have cause to terminate. The contract should be equally binding on both parties.

Mr. Horton stated that the constraint on the city to terminate only for cause was due to Supreme Court precedent to preserve the separation of powers. There was no way to include liquidative damages for early departure.

Mayor Joens stated she had received an e-mail question concerning discussion on "other terms and conditions of employment" regarding outside employment. Mr. LaSota agreed to remain in the exclusive employment of the City and neither to accept other employment nor to become employed by any other employer during his service as presiding magistrate.

Mr. LaSota stated that Mr. Horton believed the intent was to limit employment in the legal profession. The way it was written was over-broad. On his off days he judged horses and did business with horses. If the Council approved, the language could be modified without delaying his swearing in at tonight's meeting. His other concern was whether during vacation days he could accept *pro tem* work in the Phoenix area.

Mayor Joens stated she supported horse judging, but she had an issue with taking another legal job.

Council Member Pratt stated horse judging presented no difficulty as far as he was concerned.

Council Member Kirby stated that the contract should be amended to only limit other judicial and legal employment.

Mayor Joens stated the Council wanted to be sure that his focus was on this court and that there was nothing pulling him away from the needs they knew were there.

Mr. LaSota stated the reason he suggested that was because the salary range was up to \$99,000 and he was used to making more than that, but was aware of the existing budgetary constraints. He had proposed that amount of vacation time and sick leave as a way of not having the city pay extra salary. This would be compensation that would not cost the city extra money. Most of the time, he took off on Fridays when he judged horses. Court days were Tuesdays, Wednesdays, and Thursdays, as far as scheduled things. A *pro tem* would not be necessary and there would be no extra cost.

Mayor Joens stated she was personally in favor of this.

Council Member Pratt stated he thought it made good sense.

Council Member Elinski stated he did not support making an exception because new hires were receiving benefits that longer term employees were not. It was a matter of fairness.

Vice Mayor Pfeifer and Council Member Kirby expressed their agreement with Council member Elinski.

Council Member Pratt stated 3 weeks was archaic. The request should be approved since we were not losing any money and he really wanted Mr. LaSota.

Vice Mayor Pfeifer said she did not wish to change her mind. It was unfair to the employees who had worked 5 years before receiving 4 weeks vacation. A future compensation study might make adjustments.

Mr. Pratt stated he would agree if there was extra compensation. Others should rethink this. It was not a slap in the face to long term employees. It was coming up with the times, was not costing us money, and fit in, and was pretty comparable with many other municipalities. He did not see where anyone would get upset. It would not cause animosity whatsoever. It was the right and fair thing to do and it didn't cost the citizens of Cottonwood any money.

Mayor Joens stated when we recruited, we were trying to get the best candidate that we could and offer a hiring package that would convince the best candidate to come to Cottonwood. Asking for an extra week's time seemed totally in line with something that's very reasonable when you were trying to recruit the best candidate that you could for the job.

Mr. LaSota stated that in other courts, simple hearing officers were paid \$90,000 to \$100,000, while chief presiding judges in smaller towns were making \$120,000 - \$140,000. He thought his offer was fair.

Council Member Norman asked when the magistrate went on vacation would there would be a need to have a *pro tem* in replacement which we would have to pay.

Mr. LaSota stated regular court days were Tuesdays, Wednesdays, and Thursdays. He would take his vacation on Mondays and Fridays, so there would be no need to hire a *pro tem*.

Mr. Bob Oliphant, a member of the JRAAB, stated his hope was that Mr. LaSota would establish a model court for the State of Arizona.

Mr. LaSota stated it was his intent and desire to work with Mr. Horton and find ways to save the court money.

The Council agreed that no discussion was needed regarding salary and Council Member Kirby stated he found the vacation request alright.

Mr. Bartosh stated department heads and executives negotiate additional vacation because they were exempt employees who did not get overtime but were expected to put in the number of hours required to get the job done which, many times, was over 40 hours. This was a way to recognize that inequity.

Council Member Pratt moved that A. Douglas LaSota be appointed as the presiding magistrate of the municipal court for a two-year term beginning April 13, 2009 and ending April 13, 2011, subject to a proposed employment agreement in which his salary be set at \$85,000 a year and he accrue vacation leave at the rate of 4 weeks per year. Mayor Joens seconded the motion, which carried with Vice Mayor Pfeifer and Council Member Elinski dissenting.

Mr. LaSota asked if a motion was needed for the language about horse activities.

Council Member Pratt moved to amend his previous motion to adjust the employment agreement to include employment which was outside of magistrate work or legal work. Mayor Joens seconded the motion which carried 4-2, with Vice Mayor Pfeifer and Council Member Elinski dissenting.

RESOLUTION NUMBER 2435—APPOINTING THE PRESIDING MAGISTRATE FOR THE CITY'S MUNICIPAL COURT

Council Member Kirby moved to adopt Resolution Number 2435. Council Member Pratt seconded the motion. The motion carried unanimously.

Mayor Joens asked the City Clerk to read Resolution Number 2435 by title only.

RESOLUTION NUMBER 2435

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, APPOINTING A. DOUGLAS LASOTA AS CITY MAGISTRATE AND ESTABLISHING HIS TERM OF OFFICE.

ADMINISTRATION OF OATH OF OFFICE TO THE APPOINTED PRESIDING MAGISTRATE

Discussion occurred to ensure that it was agreed that Mr. LaSota could be sworn in prior to his signing the amended employment contract after review by the City Attorney as agreed upon.

The City Clerk then administered the Oath of Office to Mr. LaSota.

DIRECTION TO STAFF REGARDING THE CITY'S ORGANIZATIONAL/DEPARTMENTAL STRUCTURE

Council Member Elinski stated the proposal for restructuring the city departments and

employees was a matter that the Council should consider in order to have it provide input. He was concerned enough that more information would be required before he could be on board with it.

Council Member Pratt stated he was hesitant to commit to an opinion without further information. Meetings with affected employees would be desirable as well as with the public.

Mayor Joens asked how Yavapai College handled these things.

Council Member Pratt stated at the college there was a sense of shared governance where the faculty association and staff association had some input with the administration when they made changes. It had not done any shakeups like this.

Mayor Joens stated the City Code gave the City Manager rights to direct staff as he saw fit. The Code read "The City Manager shall be the head of the administrative branch of the city government under the specific direction and control of the Council. He shall be responsible to the Council for the proper administration of all affairs of the city. In addition to his general powers as the head of the administrative branch of the city government and not as a limitation thereon, it shall be his responsibility and duty, and he shall have the power to control and order and give directions to all heads of departments and subordinate officers and employees of the city, except elected officers and their staffs".

Vice Mayor Pfeifer stated we have had reorganizations such as when maintenance was put under Parks and Recreation instead of being contracted out. Waste water and sewer used to be under Public Works before a Utilities Department was created.

Mr. Bartosh stated he had considered a departmental reorganization for some time but had been concerned about any possible cost aspects it might entail. This was what a good executive or manager did. He would come in, look at the organization and make changes based on weaknesses and strengths that were seen, and he would try to create efficiencies, particularly in this economy, where we had to find new and better ways to do things because we were not going to have as much money as we saw even two or three years ago. This was what he did. This was what his master's degree is in - organizational management. This was supposed to be part of a budget presentation but had been pushed forward, even though costs figures were not available at this time. Nothing was cut in stone. The current organizational structure was dysfunctional, didn't work, and wasn't how we were organized. We needed something that more clearly identified how we operated today and how we should operate in the future. There was duplication of duties and equipment. There were opportunities where we could use our most important resource, our staff, better and cheaper. Better accountability was needed. There were issues with some employees. If someone was paid for 40 hours of work, there should be 40 hours of work given. There needed to be a structure to ensure that accountability. The reporting relationship was dysfunctional. He had 16 direct reports. At most there should be only 10 while the standard was between 5 and 10. This current structure would cut it down to 9. He did not meet with

some of the department heads simply because he did not have the time. He needed more time; he needed help managing the organization. This would reduce costs initially and in the future. Figures were not yet available but reductions would be in at least 6 figures. We were looking at coordinating inspection services. We had 4 inspectors in the city. Did we need that many, and if we did, could they be cross-trained so that they could inspect buildings, utilities, and public works programs? This would create a backup system where if someone left or retired, the city would still have trained personnel. Seven day a week services could be considered if there was demand. The same applied to enforcement. We had 2 code enforcement officers; one for code enforcement and one for animal control. We did not have enough staff to do animal enforcement 7 days a week or code enforcement 7 days a week but we needed to. The demand didn't stop when we went home Friday afternoon. It was proposed to combine those resources under the police department, which was not an uncommon assignment, and cross-train those people, so we could have 7 day coverage for both of those services. There were coordination problems, particularly as related to development and infrastructure projects. We have had roads approved and ready to be put in when we were going to put a water line in under that road. There hadn't been cross-information on that, which was a critical issue. Departments with like interests should be working together and talking together under a central manager who could coordinate those activities. There should be stronger management of projects and tasks. This went along with coordination of tasks: making sure that when we did something, we did it right. One of the major concerns in the employee survey was the lack of advancement. This was usually the case in a small organization like the city, but this would provide a little more opportunity. Those were the benefits. The downside was the challenge to employees to potentially make changes. It could be scary, but sometimes you couldn't make all the people happy all the time. Sometime you had to make hard choices in the best interest of the organization because it should be service over self.

Mr. Bartosh then explained the organization chart shown on the projection screens. At the top of the organizational structure Bob Hardy and Casey Rooney were doing their own things and would continue to report to the City Manager. Administrative Service would be under Rudy Rodriguez including budget, accounting, payroll, human resources, risk management, and I.T., saving the city \$40,000. Development Services was the most controversial area, but was so important because of the need to coordinate services. Public Safety would give him an opportunity to meet more often with Chief Casson. Richard Faust had talked about moving Parks & Recreation and building maintenance to Public Works. Richard would retain Parks and Recreation, all programs and sports, and would have a big task coming up with the opening of the recreation center. Other community services to be combined with Parks would be the library and C.A.T.

The more detailed organization chart showed the positions which would fall under "other" were those just discussed at the top of the chart. More information and numbers would be forthcoming in the future. The savings would far exceed any expenditures involved.

Council Member Elinski asked how he had arrived at the chart and how much buy-in at the bottom level was there.

Mr. Bartosh stated he did not go to each department and talk to every employee. He did talk to every department head, particularly those who were impacted to get their input. He encouraged staff to communicate their thoughts to him. A couple had done that. He realized there was some dissention which he would love to address, if he could, but to a certain extent if people were unwilling to come to him to talk about it, it was hard for him to deal with.

Council Member Elinski stated Mr. Bartosh had previously stated he was not a planner and did not have a lot of experience in planning. Had he gone to the department head and said "I'm interested in trying to find cost savings here, what would you suggest?", or did he, with his own research, come up with ways that showed savings.

Mr. Bartosh stated he drew together a core of top people including Bob Hardy, Rudy Rodriguez, and Dave Puzas, and began to talk about the problems and issues and how they could be fixed. Then we expanded out to the department heads to get their feedback. It had been a process going on over the past 6 months.

Council Member Pratt stated he assumed this was a typical structure for a community our size. The proposed structure showed he was empowering some people he had identified as leaders he could depend on to get certain jobs done.

Mr. Bartosh stated he had had the opportunity to assess who was a good manager and leader and he was trying to take advantage of those talents while at the same time improve those who needed more training and mentoring to improve their leadership and management skills. This was a typical pyramid management structure.

Mayor Joens asked what he meant when he said "represents action operation."

Mr. Bartosh stated, in other words, was the way we operated today, based on our organizational structure, consistent with how did we actually did business? He submitted, no, it was not. What he was trying to do was create an organization that more clearly represented how the organization functioned.

Mayor Joens asked what evidence was used to demonstrate his statement that the reorganization would "reduce duplication of duties and equipment."

Mr. Bartosh stated a simple example would be how many backhoes did we have? We had 2 or 3. Did we need 2 or 3? We had 20 shovels. Did we need 20 shovels? The other thing we talked about the organization in the meetings with the employees was there were actually 3 impediments to our efficiency: 1) the organizational structure; 2) our facilities being spread all over the place; and 3) technology. We were still dealing with a lot of paper. We needed technology that any employee in the city could access if they had the need to do that.

Mayor Joens stated enterprises funds could not be comingled. If equipment was purchased with enterprise funds, could it legally be used for these other departments?

Mr. Bartosh stated, yes, they just had to be paid back. Enterprise funds were still city money. Where there was more of a challenge was with HURF funds.

Mr. Rodriguez stated this was already done with inter-fund transfers and indirect costing.

Mayor Joens asked how this might make things less efficient. The way employees felt about their jobs and workplace determined how motivated they were and there was a clear link between job satisfaction and productivity. Would this reorganization bolster employee job satisfaction or would it make them afraid, insecure, worried, and actually depress production and service to the citizens of Cottonwood.

Mr. Bartosh stated in answer to what he perceived as the first question, which he thought related to processes, some of the detail he was still looking at, whether the changes would improve processes or hurt processes. This was also why this thing would not be set in stone because we needed that flexibility to be able to move and change based on what the process was that worked best. Again, in terms of technology, as we got in more technology, we may need to shift again depending on how we needed to work with that technology in terms of process. The same with a new building. We may need to be able to shift and move. It was incumbent upon any enterprise, nowadays, to be able to shift and move a little more quickly to stay competitive in the market. It shouldn't be any less so in government as well. The question about morale: again, we've done an employee survey. We could do another employee survey on this particular issue. We have an employee survey group that provides regular feedback on a regular basis. We did the employee meetings where we had questions and we responded to those questions. He had met with people. He was trying desperately to deal with those issues. However, he could not guarantee that everybody in the organization was going to be happy with this. If this made sense to the majority of the people in the organization, it probably made sense to do it. He had heard concern about it and a lot of support for it from others.

Council Member Elinski stated his concern that the conversation was going on as if this was already done and there was a chart we were going to apply. There had not been enough buy-in from the beginning. The cart had been put before the horse. There was a better way to handle this from the beginning as far as getting input from department heads and their employees. That was when the rumors started to fly and they are still out there and not going to go away. There was not enough transparency with this. We were now discussing it as if it were bound to happen. He did not disagree with the concept of restructuring, but the Council did not look at that concept nor was it the council's purview to do so, but it was not brought to the Council on even a conceptual level. You were going to bring it to us at a budget session meeting, that again says to me that you had sort of decided this was how it needed to be and you were just going to talk the numbers over and move forward. He had concerns about that.

Mr. Bartosh stated this had to do with change. People did not accept change readily. It was easy to say it would be nice to make this more transparent. Tell him how to do that. Give him direction. Again, his plan was to continue to work on this and continue to interact with

employees and find out what their input was, and then come forward and bring it to the Council and talk about the details. His impression was he had been hired to operate the organization; to manage it, to prepare detail, and bring it to the Council and get its approval. This was what he was recommending, conceptually, at this point. Obviously, the Council was his boss, and if it said it didn't want him to do it, then he wouldn't do it. Based on his experience, this was a direction that made a lot of sense in terms of the weaknesses and the strengths of the organization. It was not always necessarily a completely democratic, participatory exercise. Sometimes it took management discretion to make these decisions.

Council Member Elinski stated it was bad timing considering the economic situation when people were already concerned about their jobs. He did not see there was any effort to counter that.

Mr. Bartosh stated he disagreed. There was effort. As soon as rumors got out that was why we had the all employee meetings. That was first on the list; no one was losing their jobs, no one was being demoted.

Council Member Elinski stated what he meant was that it was not planned with the employees in mind. If employees had had more say in the beginning of the conceptual idea, they might not have been as concerned.

Vice Mayor Pfeifer stated we were talking about our employees as if they were little statues standing all over the city with no regard to respect and loyalty. She had not seen a whole lot of that in some of this. Maybe not from him but there was a group under the Development Services general manager, Mr. Lueder, who had only been here a short time. We had employees she wasn't sure were shown the respect or loyalty, who had a lot of history and a lot to offer, and who could give Mr. Lueder information he didn't know about our community. She was not real comfortable with the attitude. Some employees may not be strong leaders, but they were strong employees. They should be valued more than what she saw on the chart.

Mr. Bartosh stated he would be open to any recommendations as to how we could value them more. One of the ways we were trying to value them the most was to train them and build them so they could be better leaders and managers. As Council Member Elinski had stated, he was one of the ones pushing for a compensation study, big time, but we just hadn't been able to do it. He realized our employees had not been financially appreciated for many years.

Vice Mayor Pfeifer stated they had put up with it and had been loyal. We needed to show them some loyalty. Our employees deserved that respect and loyalty from us as much as we expected it from them. They needed to see that we were working for them. To save money and reorganize, she did not think the time had come to do this. It was not a bad idea but we should take the ones you consider weaker leaders but were stronger employees. We needed to honor their history and service in Cottonwood. Dan could learn an awful lot from some of our "weaker" employees. They all needed to work together but there was a lack of

respect and loyalty. She did not like it.

Mr. Bartosh stated he agreed that there were a lot of people with a lot of history here. Just because they did their job well did not necessarily mean they would be a good manager or a good leader.

Vice Mayor Pfeifer stated a lot had to do with how people were asked and presented with a situation and how employees were treated by the people at the top. People needed to be shown respect for the knowledge they had.

Mr. Bartosh stated that was why we had created values for the organization. The first value was to treat everyone with dignity and respect. Everyone was held to that value. If he found anyone in the organization that didn't uphold that value then they needed to be counseled to know what the expectation was.

Council Member Kirby stated he agreed with the Vice Mayor. He needed more time. He had a problem with some of the assignments and his phone hadn't stopped ringing since this thing leaked out. There were valid concerns.

Mr. Bartosh stated he did not know that they were valid. There was a lightning rod component to them. Whether they were valid or not still had not been determined.

Council Member Pratt stated he had heard things but he wanted to get all sides first. He needed more information and numbers. The public and employees should have some input. Let's get more information and give the City Manager time to get the numbers for a future meeting. Change was not always bad.

Council Member Elinski stated you said there was a lightning rod element to this. Whether or not it's valid was another question but public perception was a valid point. Whether or not there was any truth to the rumors was not beside the point. There was a lot of public education that needed to go along with that because public perception was definitely a very strong element here. That was something that would have to be overcome. If this chart was implemented, everyone would be watching it like a hawk.

Mr. Bartosh asked, when you state "there is a very strong element", did that mean you had heard from hundreds of people, half a dozen people, or what.

Council Member Elinski stated, dozens. He knew there were two sides to every story. He would like further education from the bottom up to get more people on board.

Mr. Bartosh stated the other way to deal with perception was with action; to get there and prove their perception wrong.

Council Member Elinski stated if this went through and was implemented as it was now he hoped it was flawless, because at this point it had to be spic and span, 100 percent clean.

Mr. Bartosh said he could not guarantee that. If that was what the Council was looking for, he would as soon not pursue it because he was destined to fail then.

Council Member Elinski stated it was what the public was looking for and something the Council had to deal with. His phone had been ringing off the hook. Had this been brought to him on a conceptual level at the beginning, before the grapevine got to him, he'd feel much differently about it. Employees probably felt the same way. If we were going to pull this off, we were going to have to make it a seamless operation.

Mr. Bartosh stated, again, maybe it's not the right time to do this, because of the economy.

Council Member Elinski stated you had mentioned it was important to do it because of the economy. It made sense. If there were cost savings, we needed to save money. That was important.

Mr. Bartosh stated if the Council felt uncomfortable with this then he thought he was hearing expectations that he would not be able to deliver.

Council Member Elinski stated his discomfort only lay in the fact that he learned about it only after all the employees had learned about it and the Council did not give any real direction to pursue it and it wasn't brought to us as a body on a conceptual level.

Mr. Bartosh stated he apologized. He wished he had gotten to them sooner. He had no expectation it would blow up like this and it had been very well orchestrated.

Council Member Pratt stated he thought there ought to be another meeting to invite the public and get their input. He wanted to hear more. If there was a more efficient and cost effective way of doing things we would be deficient and delinquent if we didn't look at it.

Mr. Rodriguez stated we had a meeting. This was all a concept and we brought it to the employees. He was at both sessions and Doug asked the questions. It was very, very unfair that we were chastising the City Manger at this point when the employees asked just a few questions. You talk about fairness and respect, he thought there was a lot of unfairness and disrespect to supervisors, department heads, and the City Manager by not giving those questions first to supervisors and department heads and giving our City Manager the opportunity to talk to those employees rather than going straight to our Council. We talk about communication. That was one of the big problems we were having with the current organization. There was a big lack of communication. It was really difficult, from his point of view, if his staff was going around him to the City Manager every single time, he'd have a hard time managing his department. He had an open door policy as did the City Manager. Employees needed to give him the due respect that was appropriate. They needed to bring issues to him so he could try to iron them out before they got out of proportion. You probably got some complaints about which he had no clue. He needed an opportunity to have a fair shake and be able to defend himself.

Council Member Pratt stated he hoped he had not given the impression that he had been chastising, because he hadn't been at all. A public meeting would be a good thing to get more information.

Mr. Bartosh stated he could go out and get many employees in the city to give you guys a call in support of this, but it would not be a good use of your time or his time.

Council Member Norman stated a lot of the employees at the lower level had a hard time speaking at public meetings. If they had a problem they were sometimes afraid to voice it. Would it be possible to encourage to employees who had questions about the restructuring to submit their concerns without their names?

Mr. Rodriguez stated there was a suggestion box available to employees. E-mails were directed to the committee group. They could evaluate them and we could set up some sort of chart to be used as a survey.

Mr. Bartosh stated employees today were better informed than they had ever been in this city. He did a city manager's article in the *Communiqué* almost every month. For the first time, we are doing all employee meetings and sharing budget information. He went around and talked to employees. They knew more about the city and the way it is operated than they ever have. He understood that employees might not feel comfortable talking to him. What he had encouraged them to do was to talk to others so they would know he was approachable. We had done a tremendous amount of work to open up those lines of communications. That was the key in any organization.

Mayor Joens stated she appreciated Council Member Pratt's comments. She would like to see the employees have every opportunity to comment. She was not sure, according to Code, that holding a meeting for them was appropriate. It should come through the City Manager to the Council. We still might not agree with certain choices that he made from the outside looking in. She had obvious concerns about the ability of people to take on what you were asking them to do and then having other people take cuts after 20 years of dedication to the city. We did not want to cross the line of us interfacing directly with employees. That was not really appropriate though the Council could disagree because they directed you.

Mr. Bartosh stated this was very discouraging and he felt a little disrespected. Granted, he was a new city manager but he'd managed organizations for over 30 years. He'd been educated on how to do this. He would just hope the Council would have a little more faith in him; that they didn't feel they needed to micro-manage everything he did. He'd be continually looking over his shoulder. He thought he knew how to run an organization. If he didn't, tell him, and he would leave. That was the way he felt.

Mr. Faust stated one of the things department heads were charged and challenged to do was to directly communicate with their employees. He hoped our department heads managed to find time to get with a majority of their employees, even before the employee meeting that was held for all employees. One of the things he did was he held a staff

meeting before the all employee meeting in order to find out information and questions at that level to bring on to the City Manager. There were a lot of questions but there was only one individual who identified some concern. There were at least six people that identified that this did make sense. Cross-training was one excellent advantage of this. Our responsibility was that while change happens we had to ask employees to step up to the plate. It was the department head's responsibility to get the word out there. Other individuals have called the public and asked them to call you which he thought was a very negative thing. Those department heads should have talked to their employees and nipped that in the bud, which they didn't do.

Ms. Dobler asked if the majority of the concerns being expressed to Council Members were coming from employees or from community members.

Council Members indicated they were from community members.

Ms. Dobler stated she was having a real hard time accepting why community members would be concerned more than the employees.

Council Member Pratt stated it was his sense that what Mr. Faust just said was exactly right and that there were some employees who had inspired community members to contact Council and that was really, probably, not a good way to go about doing things.

Ms. Dobler stated from an employee standpoint and a human resource standpoint, she felt community members sometimes stirred up things that employees didn't even care about or matter to them.

Mayor Joens stated perhaps Mr. Backus would like to say a few words since some of the calls received were from contractors concerned about the rumors going around about the reorganization and how that might impact people in his profession.

Mr. Bob Backus stated he had heard rumors. He didn't know what was going to happen. He felt that maybe some of the concern was because of the individual who was going to be in that position you were making and some of the things that had happened. He had no problem with that person at all but he had rubbed some people in the wrong places. He had been contacted by another contractor and told to come because they thought this would be a worry. He did not see it that way. He had never had any problems with anyone in the city, despite understandable differences that arose from time to time.

Chief Fanning stated, as police chief, the changes had little affect on him other than he would be getting another enforcement officer, enabling him to run 7 days a week. The thing he saw most in this was accountability. Mr. Bartosh was very strong on accountability and that is what this is all about. Mr. Lueder also held people very accountable and some people didn't like that. He had seen that on a contractor level and felt that was perhaps why some contractors were complaining. If the city was going to run correctly, we had to have some sort of accountability, and right now it was probably extremely tough to do.

Chief Casson stated Mr. Bartosh had been city manager for a year and had studied how the organization was working and had processed a formula for how he could be successful in managing the city. We were a transitional city going from a small town to a community that would be impacted by growth and development. We were trying to set the stage for what this community was going to be, not 3 years from now, but 20 years from now. He's got to build an organization that will accomplish those goals. He has already said that if it didn't work, he would go back to the drawing board. The issues that you two have brought up about employees and their loyalties and sensitivities – that this had to be a sensitive process: he had never heard this man say a bad word about anybody in the 5 years he'd known him. This had to be a courageous and sensitive process. We had to prepare ourselves for what's to come down the road. We couldn't continue to do it the way we've always done it. It was just not going to work. We were in a kind of lull now and were having a hard time keeping up. We've got to have a program that's going to work. We've got to have productive results the way things are going to hit us. What were we going to do when we went to that next level and the economy did turn around and we're off to the races again? We'd better be positioned for it.

Vice Mayor Pfeifer stated Mr. Bartosh had stated he felt disrespected. She had always contacted him about every phone call she had received. It worked both ways though. Try sitting in our chairs and taking late phone calls, almost to midnight, through the weekend, and hearing about all of this from everybody else. You had given us a copy of the chart but before we could digest it, it hit the fan. It would have been nice to have had this meeting before the public got a hold of it. And it was not the first time that the public heard before we did. It worked both ways. Being caught off guard like this did not mean disrespect, but she did have concerns and felt disrespected herself. If there had been more transparency, it probably wouldn't have blown up the way it had.

Mayor Joens stated she frequently felt disrespected.

Mr. Bartosh stated the disruption was very carefully orchestrated by a couple of employees in the organization. That's something the Council should be extremely concerned about, particularly from the standpoint that one of the people we knew was doing this was the same person that was supposed to be checking what the contractors and developers were doing. What's the payback for this now? That's extremely concerning to him; the ethics of our organization. He apologized for any disrespect. It was certainly unintended.

Council Member Kirby stated he had not intend any disrespect. He had not digested the information and could not make a valid decision whether to go ahead or not. There were a couple of things affecting him as a member of the Council which he would discuss privately. He had been given the chart and started receiving calls before it came up at a Council meeting. And the calls he got were not from people associated with the city in any way that he knew of, and were truly from private citizens. Although the complaints seemed to come from a small group, they were people that lived in the city and did business here and they had obvious concerns they felt at heart. He was not ready to say he liked this or not.

Mr. Bartosh stated there was never any intent to spring this on the Council. That was why he met with each member individually. The idea was to progress into a more detailed format. Where he was shy of experience was dealing with the politics of a small town. He had been caught by surprise.

Council Member Elinski stated he too meant no disrespect. He appreciated the work and effort that had gone into it. The reason he wanted it on the agenda was to get it out in the public as it needed to be. He too felt disrespected because he was the last to be consulted.

Mr. Bartosh apologized.

Council Member Elinski stated his intention was not to micro-manage. He did not want to have any say in how it was structured, but he did want to know that the department heads and employees had had a say and given their input.

Council Member Kirby stated what his hesitation about a restructuring of this kind was if we were going to base our concept of savings on a reduction in force or a reduction in responsibilities for some people.

Mr. Bartosh stated, no. In fact, there were a couple of new positions.

Mayor Joens stated the Council had been adamant during these challenging, tough times that it would do everything it could to retain employees and not have layoffs.

Council Member Elinski asked if the Council had given direction to activate the suggestion box.

Mayor Joens stated it had already been implemented.

Mr. Bartosh stated he encouraged anyone to come to his office and discuss their concerns.

Mayor Joens said it was the contractors who seemed to have issues with some of the projected decisions. It would be nice if you could sit down and have a discussion with the contractors the way you do with us.

Mr. Bartosh stated he had done some of that already but not on this issue. Some of it was just personalities and requirements to do things differently from the way they had been done previously.

Mr. Bartosh stated this was a value driven organization. If one of the employees was not living up to those values, he would like to know about that. If he had facts to pursue it, and deal with it, then he could more successfully change behavior. If all he ever heard was rumor and innuendo then it was kind of hard to take someone to task over that.

ADJOURNMENT

Mayor Joens moved to adjourn. Council Member Pratt seconded the motion, which carried unanimously. The special meeting adjourned at 8:20 p.m.

Diane Joens, Mayor

ATTEST:

Marianne Jiménez, City Clerk

CERTIFICATION OF MINUTES

I hereby certify that the attached is a true and correct copy of the minutes of a special meeting of the City Council of the City of Cottonwood held on April 9, 2009. I further certify that the meeting was duly called, and that a quorum was present.

Marianne Jiménez, City Clerk

Date