

PRESCOTT CITY COUNCIL
SPECIAL MEETING
TUESDAY, MARCH 28, 2016
PRESCOTT, ARIZONA

MINUTES OF THE SPECIAL MEETING OF THE PRESCOTT CITY COUNCIL HELD ON MARCH 28, 2016, in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Oberg called the meeting to order at 1:30 p.m.

◆ **ROLL CALL:**

Present:

Mayor Oberg
Mayor Pro Tem Lamerson
Councilman Blair
Councilwoman Orr
Councilman Sischka
Councilwoman Wilcox, attended telephonically

Absent:

Councilman Lazzell - excused

I. DISCUSSION ITEMS

- A. Presentation by Patrick Ibarra, The Mejorando Group, re facilitation of a new strategic process for the City

Mayor Oberg said the meeting was to give the public and the Council an opportunity to be introduced to strategic planning. He said if the Council decided to move forward with a strategic plan that the process would lay out a pathway on how to handle the issues facing the City.

Patrick Ibarra of the Mejorando Group addressed the Council. He said he was there to talk about an approach around strategic planning. He emphasized the notion of planning as a process not as an event. He said the focus would be on implementation, and creating cohesion between the Council and the challenges they had in building a stronger community. Strategic planning was a device intended to help them focus their time and attention to the resources. He said the budget and the general plan were other devices.

Mr. Ibarra showed a PowerPoint presentation entitled Strategic Planning Services.

- Background of the Mejorando Group
- Issues of Today & Tomorrow

Mr. Ibarra talked about the challenges that the City faced, to include: fiscal uncertainty; economic development; shifting priorities; growth pressures; increasing service demands; environmental stewardship; role of government; and social currency with community.

- Budget Goals

Mr. Ibarra talked about the budget goals that had been identified in the current year budget. He said the budget goals would be part of the strategic planning discussion, and they would use the goals and put emphasis on which ones would happen sooner than later. He said strategic planning was not just about how the money would be spent, but also about how time would be spent. One of the outcomes would be a shared understanding between the Council, and the City Manager and his staff. He said this was not just a dollar and cents issue, but rather about where the City Manager and his staff would devote their time in order to bring back policy issues or growth related issues to the Council.

- Strategic Plan

Mr. Ibarra talked about the components of the strategic planning process to include: situation analysis; values; vision; mission statement; goals, objectives & tactics; and performance measures.

Mr. Ibarra said the process required patience. He said one thing that came out of 911 and the recession was that there was not any 20 year planning anymore. This was due to volatility and uncertainty. He said three to five years, or even the next one to two years, was what they were looking at. He thought in some cases the Council would need to look further because some of the work took deliberation and decisions in order to deal with issues further down the road.

Mr. Ibarra talked about performance measures and a way to know if they were making progress on the goals. He suggested that the City Manager provide quarterly updates that were discussed with the Council. He said the challenge was to manage expectations.

- Work Plan

Mr. Ibarra presented how the plan was tailored for the City. He said the approval of the process was the first step, and he worked with the City Manager to customize the process. He said if the work plan was approved the first step would be individual pre-planning sessions with Council members. Mr. Ibarra would meet with each Councilmember and find out what each member hoped to gain out of the process. He wanted to gain content on what they wanted out of the process.

Mr. Ibarra would then summarize the interviews and prepare an agenda in consultation with the City Manager. The next step would be to facilitate a half day advance with the Executive Leadership Team. That meeting would take place before the advance meeting with the Council. Mr. Ibarra said the reason was because department directors had a point of view of what they see on the horizon, and a sense of what was going on in the community and in the industry. From the department directors a substantial list of preferred topics on what they would like to see the Council discuss would be compiled.

Mr. Ibarra said the next segment would be to facilitate an advance meeting with the Council. It would be a one day gathering with the Council to look at the mission, vision and values, and spend time on the topics that related to the strategic plan. They would also spend time to determine what the Council wanted to do about the issues.

Mr. Ibarra said from the information gathered at the meeting he and the City Manager would put together a strategic plan. He thought for this first time it would be a working document, and the outcome would be a shared understanding between the Council and the City Manager on where he and his staff would spend their time on particular areas in the plan. The outcome was to make sure the Council was addressing, with time, attention, and resources, the areas they thought were most critical for building a stronger Prescott community.

- Milestones of the Strategic Planning Process and City's FY 17 Budget Process

Craig McConnell, City Manager, said it would be useful to display the time frame relationship between the strategic planning process and the budget process. He talked about the strategic planning process and the dates associated with each step in the process. He then mentioned the dates associated with the City budget process.

Mr. McConnell thought they would be able to work on both the strategic planning process and the budget process during the same timeframe. He said along the way they would have an idea of what the Council was thinking and would be able to implement or consider those ideas in the budget materials that were developed. Mr. McConnell said the strategic planning process could have been done months ago and then used for the purpose of compiling the budget, but it did not work out that way due to the elections, the new Council being seated, and the orientation period. He thought they were now in a much better position to have a discussion about what was done in the City, what the priorities were, and how to best go about identifying and measuring the outcomes.

Councilwoman Orr thanked the Mayor and the City Manager for bringing this forward. She said that one of the things they heard a lot about last year was that the Council seemed to be more reactive in the process as opposed to pro-active. She hoped that one of the things they get out of the process, if they decided to move forward, was that they do become more pro-active and that they look forward. She talked about the general plan that was approved by the citizens, and that that it provided a great basis to

begin. She thought without a strategic plan the general plan would go on the shelf. She hoped with a strategic plan they could identify priorities because there was a lot that needed to get done. She said she supported the strategic plan process.

Councilman Blair asked about the process. He thought what was crippling the community was the Public Safety Personnel Retirement System (PSPRS) debt and what the City owes. He said they have to figure out a positive strategic way to bring back to the citizens a sales tax increase, or the community will suffer no matter what they do as far as a strategic plan. He thought that should be foremost on anyone's list.

Mayor Pro Tem Lamerson said he agreed with the process of a strategic plan. He thought it was critical for the community that the Council, who were the policy makers, should address the priorities. He said for several years they had kicked the issue down the road with regards to a permanent funding source for police and fire. Every year they wrestle with a thought process of how to provide \$34-\$35 million worth of something as basic as police and fire when they only take in \$26 million. He said there needed to be a strategy to convey the Council's thought process. He said the sooner the Council addressed the issues the better off they would be. They needed to know where the money was coming from.

Councilman Sischka thought one of the problems that Government in general had was there was a huge distrust in the whole decision making process, and not knowing what government officials accomplished. He thought that the Council could get things accomplished through the strategic planning process and figure out what they needed to do to get it done in the timeframe that they have laid out. He said he wanted this to be good and clear to the Council and the public. He thought it could be very powerful.

Mr. Ibarra said that the process did have a lot of benefit. He thought it was important to remember that this would be their first time, and they would have to go back repeatedly to make it stronger and build on the decision making process.

Mayor Oberg said his concern was that he saw this as a three to five year plan, and he saw the budget as an operational plan to carry out the first year of the strategic plan. He thought that they were a little out of sync by adopting the strategic plan on June 21st and then adopting the final budget on June 21st. He said they should have had the strategic plan done several months ago and now they would be building the budget to make the first year of the strategic plan work. He asked how they would reconcile the fact that they are completing the strategic plan and the budget at the same time. He wanted to know how they would make sure that the budget would start to address the first year's goals and objectives.

Mr. Ibarra said that there was an overlap between those two topics or processes. He said ideally it might have been more effective to have the strategic planning session ahead of the budget process, but he thought they would still see a benefit. He said the strategic planning was not simply about how to allocate dollars and cents. It was also

about policy issues and where the Council wanted to focus time and attention for the City. Mr. Ibarra thought it would work well together.

Mayor Pro Tem Lamerson thought there was a total disconnect. He said it was difficult to support a budget when the budget does not support the issues that were asked to be addressed year after year. He said in the last thirteen years they had not had been able to come in with a funding mechanism to assure police and fire that they would not be pitted against every other operation in the City. It still had not been addressed on how they were going to take care of the debts.

Councilwoman Wilcox said it was essential that they all read the general plan. She said it was the community's vision of the future, and was the plan that was adopted by an overwhelming majority of the voters. She thought it should be the foundation of the strategic plan. The strategic plan was the next step forward, it was how they would accomplish and implement the general plan.

Councilwoman Wilcox said they needed a stronger emphasis on financial planning for the City, how they would pay for the priorities, and when do they go back to the voters for a sales tax if that was the only tool they had. She said she disagreed that they needed to give up long term planning. She said if five years was long-term it was not enough. She thought they needed to look further into the future, even if things changed and they had to modify it as they went along.

Councilman Blair said he was excited about this moving forward. He said when he first sat on the Council in 1998 it was a very different time then it was today. In those days things were good, money was coming in, and there was a strategic planning company that set out mission statements for the first five years. Then it became too expensive. He said the last several years they had just been going from year-to-year knowing that they had financial implications coming. He said it was time that they went back to a strategic focus of what to get accomplished for the community.

Mr. Ibarra agreed with Councilwoman Wilcox that the general plan provided a great deal of substance to help in the strategic planning process. He thought the land use plan was a blueprint to do things around the community, and it was a matter of what and when. He said there would not be a shortage of ideas on how to address the issues.

Councilman Blair talked about the process of land use planning and thought it was unique that the state government could dictate to a chartered community that they could no longer charge impact fees for public safety, library, and parks and recreation. He said there were amenities in the community that the citizens deserved when they decided to relocate here. He asked Mr. Ibarra how he would suggest that be addressed with the state legislature.

Mr. Ibarra said the state issue was challenging, and communities throughout the state were confronted with the problem. He did not have a simple answer for the question and felt it was complicated because of the politics of the subject. He thought the strategic planning process would allow the Council to identify what they really wanted to do as an organization to build quality of life.

Mayor Oberg asked if the general plan was a 10 year plan. Mr. McConnell said, yes. Mayor Oberg said the general plan was the long-range plan, and he saw the strategic plan as away to put some goals, objectives, and milestones to that plan. He talked about the work plan and said he could see how the planning sessions with the Council and eventually working with the City Manager and his staff, would start to facilitate a lot of ideas of the strategic plan into the final budget. He thought the work plan would be workable for the Council.

Mr. McConnell said that the presentation slide did depict a side by side process instead of a sequential process, which would be more typical. He said on the other hand, they had been doing the base work for this for a number of years. Through the budget processes and the presentations they had identified the most important dimensions of what they were dealing with. He thought that with the process that was being suggested they would be able to address the services that were provided, which were linked to quality of life, the financial and personnel resources it took to do that, and to the relationships they had with the state legislature, county government, or other municipalities. He said some of the relationships came with money, and some of them would cost money. He thought they had a well-prepared background to draw from and make this an effective process to create a strategic plan.

Daniel Matteson, citizen, addressed the Council. He talked about the preparation of the general plan. He said the intention of the general plan was not to have it all done right away, but to show how they wanted to do it if it would be done.

Mayor Oberg thought there was general consensus on the Council to move forward and bring this up for a vote of the Council.

Mr. McConnell said an item would be submitted on the April 5th Council voting meeting for approval of the contract, and that would then set the process in motion.

II. ADJOURNMENT

There being no further business to be discussed, the Special Meeting of March 28, 2016, adjourned at 2:18 p.m.

HARRY B. OBERG, Mayor

ATTEST:

DANA R. DeLONG