

***DRAFT Action/Summary Minutes***  
**Budget Oversight Selection Committee**  
**Vultee Conference Room**  
**Monday, Sept. 20, 2010**  
**8:00 a.m.**

1. **Call to Order:** Mayor Adams called the meeting to order at 8:05 a.m.
2. **Roll Call:** Mayor Adams and Councilor Mike Ward
3. **Commission Interview:**
  - a. **8:00 a.m. Herb Schock**

**Herb arrived at 8:00 a.m.**

Mayor Adams explained the history of the Mayor's Budget Steering Committee. He wants citizens to get involved to understand the real budget issues. The committee's mission will be to look at all options. It makes the process more transparent. It takes a lot of the politics out. It's a real eye-opener how well the budget is getting managed.

Councilor Ward asked for background on Herb.

Herb stated he was born and raised in Michigan. He still has his father's farm. He went to college in Detroit. He moved to Key West in 1972. He was there 28 years. He was a general contractor there. He had a small company. He managed his own finances.

Councilor Ward stated there's a lot of misunderstanding about the financial health of the city. Do you have any thoughts on how we can better educate the community on the real financial situation of the city?

Herb stated the more information that's published would help. The more visibility and openness there is would be good. He doesn't know what method is best.

Mayor Adams asked if there's anything that'd be off the table for Herb as far as generating revenue or cutting expenditures.

Herb stated not really. He just wants to make sure that people can stay here. One thing he likes is that taxes are reasonable and he hopes it stays that way. He's very open-minded. He's open to additions and subtractions.

Councilor Ward stated we have a number of non-profit and art organizations that are dependent on the city's tax revenue, do you have any opinions on that?

Herb stated he'd be on the plus side of that because it makes for a diverse community but money shouldn't just be thrown out the window at the expense of other things. Money going to them with the retiree who's paying needs to be balanced.

Councilor Ward asked if he's aware of what percent of the budget is involved with the wastewater facility.

Herb stated it must be immense.

Councilor Ward stated it's about 50%.

Mayor Adams stated after the first budget committee, he formed a Mayor appointed budget committee. It was formed with the same idea as the first but we had a couple of people that clearly had agendas and were disruptive in the committee. Regarding any agendas that you might have, like you being strongly against any form of taxes, or in favor of a group getting money. We don't want anyone pushing their own agendas. The objective is to help the city manage the budget the best way possible. Do you bring any agendas to the table.

Herb stated no.

Mayor Adams stated our revenue options are very limited in the city. The city has been reliant on tourism. Other than the tourist industry, what other sort of revenue ideas might there be for Sedona?

Herb stated he's never thought about it. There are probably more things you could do to bring people in for specific areas.

Mayor Adams stated when you start thinking about it you really start to realize how limited it is. That's one of the big challenges we have.

Herb stated you are limited. You're not going to be getting any big industries here.

Councilor Ward asked if he feels he might feel intimidated by people who have a long professional background in finance and accounting.

Herb stated no. He likes to discuss things.

Councilor Ward asked if he's familiar with the city's budget.

Herb stated not really. He's been busy. He works 7 days a week in real estate and he's remodeling a second home he just bought. That would be a negative.

Mayor Adams stated this is an important position. He'd expect him to come in having at least reviewed the budget.

Herb stated he has two houses in town. One he had to prepare to rent. That's done. The bees are done. It's been busy the past two months but that's a little bit not normal.

Mayor Adams stated there's a huge amount of information you'd need to digest to be prepared. On the plus side, the majority of people have financial backgrounds, so whenever he's interviewing for a commission position he's looking for a broad base from the community. He looks for people who just represent the community. He wants to hear him commit to reviewing the budget and getting caught up. You'll need to spend time with staff in order to get yourself up to speed.

Mayor Adams stated he spent hours and hours reviewing the budget.

Councilor Ward stated the financial statements are almost impossible to deal with particularly without help from Alison Zelms and Barbara Ashley. It does take some time. Do you have any thoughts of how you expand your base of the community?

Herb stated he gets feedback from all the people he sells houses to and he knows a lot of the contractors.

Mayor Adams asked what are you bringing to the table.

Herb stated he's not a specialist in finances. He ran his own little company with a balanced budget. He's doing well himself, so he's been able to manage that. He does get out in the community through real estate. He's been here 9 years. He's an open-minded guy. He doesn't have an agenda, but he does have some strong opinions. He was attracted to this commission because of a desire to learn. Things need to be approached from basic common sense. If you don't do that you can get to the position where you have problems.

Councilor Ward asked what percent of property tax goes to the city?

Herb stated he knows 60% of the taxes go to the fire district, which he knows we can't do anything about.

Mayor Adams stated none of the property taxes you pay go to the city. The only thing that goes to the city is 3% of the sales tax. We pay less than \$1,000 a year toward the city and that's if you do a lot of shopping here in Sedona. It's true that tourism supplies 60% of the revenue that comes to the city through sale and bed tax. How do we expand that with sustainable revenue? We really need to put in a conference center. Sedona lends itself to boutique conferences. We need to invest in an outdoor event center. He's always pushed for more events in town.

Herb stated that's a great idea. His wife works at Mi Amo spa and he's seen how busy Enchantment has been with events. They're using the idea and it's developing their bottom line. We are subsidizing the wastewater plant with sales tax dollars. We looked at that and realized we hadn't raised the sewer fees for 12 years, so it made sense to do that to try to make the wastewater plant a self-sustaining operation. Four years ago, he realized Council had authorized \$1.8 million to increase subsidies to the library, Sedona RoadRunner, there were expenditures that were ongoing and there was no reconciling that in the budget. Those are the types of things you need to search out in the budget.

Herb stated he would look at the sewer treatment plant to see how we can cut costs. Why is it so cheaper to run one in Cottonwood than here? Are there parts of the city that are too big? One he'd look at is the police department. Do we need two motorcycle cops writing tickets? Do we need all the vehicles?

Mayor Adams stated those are good ideas. We have looked that. We looked at the hours and the number of people we've had there. When you start looking at it, you discover it makes sense. He thinks Herb's participation would be beneficial. His point on common sense is well taken.

Herb stated he considers himself an intelligent, rational, open-minded person. That's how he'd approach this commission. He'd like to see Sedona become a better place, with more

events. He loved the Cultural Park, it was just totally mismanaged. We had a world class arena. He thinks he can manage studying the budget, time wise.

**Herb left at 8:53 p.m.**

**b. 9:00 a.m. John Martinez, Jr.**

**John arrived at 8:56 a.m. Interviews resumed at 9:01 a.m.**

Councilor Ward asked John to elaborate on his background.

John stated he put himself through college. He worked during the day in financial positions and went to school at night. After he got his agree he worked as a financial analyst. He then worked as a controller, then a finance manager then a director of accounting. He has 43 years of financial experience.

Councilor Ward asked if he looked at the city's budget.

John stated he saw in the paper a dramatic reduction in expenses. He knows we're not going to have deficit spending but we have a debt we have to attend to. He understands we have the reserve. When he looks at the numbers none of them seem to match up.

Mayor Adams stated he's still trying to figure out the budget.

John stated he looked at the budget for several days preparing for the interview.

Mayor Adams stated the first budget oversight committee was set up 3 years ago at his request. Staff is saddled by decisions Council makes and their reluctance to wave a red flag when Council goes the wrong direction. From a political standpoint it's unpopular to raise taxes. Hopefully we'd have the guts to do what we need to do. The committee needs to be willing to put all things on the table and make that recommendation to Council. Is there anything that is off the table for you. Are you against tax increases of any type? Are there sacred cows for you?

John stated he's not dramatically opposed to tax increases but depending where they're at. He came from California, Orange County, where Disney Land is. They have three layers of taxes. He thinks our taxes for the visitors aren't in line for services that they're getting. He wouldn't have a problem with increasing bed taxes. He'd have a problem taxing the residents for things like that. There are no sacred cows. If we need to increase taxes he'll question what area it's happening.

Councilor Ward stated public finances is dramatically different than in the private sector, partly due to mandates and restrictions the city has.

John stated yes, he's familiar with regulatory things you have to comply with. Private industry also has regulatory things they have to go by as well. The revenue is different but having to live within the budget is the same.

Councilor Ward stated the public varies on how they think our finances are going. How would you get the message out to the public.

John stated the Mayor's Lunch will help get the word out. We need to put it out one on one, throwing it out and thinking they can understand, isn't working.

Mayor Adams asked if there are any sacred cows.

John stated no.

Mayor Adams asked if he's open minded to look at everything?

John stated yes.

Councilor Ward stated over the yeas non profits have become dependant on the city for their operation. What are your views?

John stated the big issue he has with Sedona was we kept trying to build the arts face to the public so people would come visit us. He has an issue with the city funding all that. That should be more self-sustaining. We should be able to provide assistance but it shouldn't be two legs on a three legged chair to survive. If you're not good enough you're going to fail and we have to let you fail. You have to see what the numbers are. How much is in the ballot. You have to start prioritizing the different organizations.

Mayor Adams stated that's what Council struggles with. How do you prioritize first from last. Event funding is coming up on the agenda. We fund the community events simply because we feel there's a community benefit for that, but how do you prioritize those and when do you cross the line of it being a gift. Maybe that's something the budget committee could get involved with. About 60% of the revenue we use is generated from sales tax and the tourists. How do you make that decision in term of what that percent should be?

John stated he'd love to see 70% of the revenue generated by the tourists. A lot of people say if you raise the bed tax the people won't come. That's a myth. Disney Land was charging \$25 per ticket. Then they raised the ticket price to \$40 in one year. People still showed up. Then they raised it again and again. Right now it's \$86 per ticket. People are still coming.

Councilor Ward stated our wastewater treatment process here is a real conundrum. Are you familiar with the percentage of subsidy?

John stated no. He didn't agree with the rate increase. He doesn't think the hotels were paying what they should. If we're going to continue to grow we have to increase the capacity, but at who's expense.

Councilor Ward stated are you willing to invest the time to study the problem?

John stated he wouldn't have any problems reviewing things like that.

Councilor Ward asked if he's familiar with open meeting laws?

John stated he doesn't know all the rules but he sees it come up.

Mayor Adams stated our revenue generating opportunities are limited here. We have ordinances and codes in place that restrict the types of businesses we allow here. He doesn't have major revenue generators. We're dependent on the tourist dollar. We're going to ask the commission for ideas on sustainable revenue generation. Any thoughts on that?

John stated not really. He thought once the commission was formed, the brainstorming would start. He's not a marketing person. He thinks festivals are good, like the Film Festival. It seems like we have a lot of police officers compared to residents.

Councilor Ward asked how much time John has to commit.

John stated he's retired. He could do something once a week. He has time available. He's going on a two week vacation the second week of October.

Mayor Adams asked if he has any idea the average resident pays into the city.

John guessed \$10,000 from sales tax.

Mayor Adams stated his point is to highlight how little the residents pay to the city. Your average contribution to Sedona is probably a few hundred dollars.

Councilor Ward stated the people without a financial background are clueless. We need to give people a better understanding of how it really is.

Mayor Adams stated he's not a big one for raising taxes or fees in a bad economy. You said you were opposed to raising the sewer rates.

John stated no, he knew there had to be an increase, but the hotels should have paid more.

Mayor Adams stated there was a higher increase for commercial users.

Councilor Ward stated we're not financial analysts. So when issues of running the wastewater plant in a more financially rational way, those are the things we need vetted with some financial background before Council makes decisions on it.

Mayor Adams stated 46% of the sales tax goes toward subsidizing the wastewater fund. It should be self-sustainable. When that concept was come up with, Council at that time said the tourists should pay for this out of sales tax. It is more expensive here because we're digging through rock and pumping waste 9 miles, uphill. He thinks the wastewater plant should be to a large part self-sustaining. We have voted to decrease the amount of subsidy going to the wastewater plant. So that's why your rates went up as a user.

John agrees that it has to be self-sustaining he just thought hotels should have gone up more.

Councilor Ward stated we need recommendations on things we haven't done right or need to be better.

Mayor Adams stated this Council is focused on being transparent and empowering the citizens to be a part of the decision-making process. You need to step up and make some

tough recommendations. We'll end up taking the hit. We're in a great financial situation. So you're not walking into a situation where you're trying to fix a train wreck. The question now is how we can create more sustainable revenue.

John stated he thinks creating this commission is a good idea.

Mayor Adams stated in the past two years we've met no less than once a quarter, and the result of that is a balanced budget, so we've done a lot of good, but we haven't done everything we can.

John stated although he's lived here 3 years, he's been following the happenings of Sedona for 15 years.

**John left at 9:48 a.m.**

**Mayor Adams called a break at 9:48 a.m.**

**c. 10:00 a.m. Peter Fagan**

**Peter Fagan arrived at 9:57 a.m.**

**Mayor Adams resumed at 10:00 a.m.**

Mayor Adams stated we've interviewed you in the past. You know what this is about. What did you learn from the last committee and what might we want to avoid with this one?

Peter stated last one Alison Zelms ran it and we had some very strong personalities. We got into heated discussions revolving around were the figures accurate or not. That was at the time of the transition that was happening with the city manager. We had two gadflies at every meeting. The major lesson was where the numbers come from are very important. He knows the numbers still come from the same place, so that's one of the questions he has, is where the numbers come from. Roberto Ancis volunteered to show staff how to do some budgeting forecasting, then that all got shut down.

Councilor Ward stated we have gadflies who have a perception of the city's finances, but the general public isn't well informed on the city's finances. Do you see a better way of informing the public.

Peter stated there's a general misconception of where the money gets its money from. We have very high sales tax in Sedona and the city only gets 3% of that but most people don't realize the city doesn't get all that. He knows Council has gone forward trying to straighten out the wastewater plant. People need to understand how you reserve for that. He thought sales tax to support the sewers was a crazy way. He was subsidizing for the people who have the sewer system, because he has his own sewer system. There's never been that type of explanation going out to people that anyone can understand or take the time to read it.

Mayor Adams stated there's kind of a credibility gap between the public and staff. There are a number of people in the public who always suspect the motives of the city. What about giving the public the opportunity to address the committee members.

John stated that's a good idea, if the committee members have a good idea of what they're talking about. He hasn't spent as much time as the gadflies. When they have a particular subject they can embarrass you with the questions because you don't know the answers.

Councilor Ward asked if he sees more macro than micro?

Peter stated it's predominately a macro issue. He has no desire to get into the minutia of the budget.

Councilor Ward stated we have a lot of community service, art and non-profit organizations that are dependent on our support. How do you feel about that?

Peter stated there is a role for tax money to support different types of things that enhance the public. The problem that Arizona has is the gift clause issue. When whoever comes for money you have to be able to differentiate in the minds of the public why you'd give money to one but not the other. Somebody has to really simply explain the Gift Clause.

Mayor Adams stated we're going to be looking at organizations that are now line items in the budget, the arts grants and the event funding. We need to evaluate to see if they're self-sustaining. We need to come up with a clear criteria for how we make our decisions. Would the budget committee play a role in that?

Peter stated he thinks it should. A topic like this could come up in a public forum with the committee. The committee would need to have a good idea of how it started and how it got out of hand. The city should be able to talk about it.

Mayor Adams asked what Peter thinks the committee's primary role should be?

Peter stated it's an oversight role. It's just looking at making sure the numbers make sense and the numbers can be defended. He questions that. He questions the numbers, especially with the fact that everyone's broke in the state. That's got to affect state revenue sharing. We will have to ask is that really the number we can expect to get from the state and what are you going to do if it's not.

Mayor Adams stated you can question the numbers but the outcome is demonstrated that the city is heading down the right path. We have come up with a surplus in the budget at year's end. That was significant. So clearly we've done some good things. We've also addressed sustainable revenue issues. He doesn't know what the outcome of collecting our own sales tax will be. There may be still room to look at sacred cows. All the applicants think we have too many police officers, maybe, maybe not. From expenditure cutting standpoint, we've done what we can do; he's focusing on the revenue generating ideas.

Peter stated he doesn't want to come on a committee where the staff has already come up with a full blown conclusion and they want the committee to endorse it. Those are subjects that you look for different sources of revenue. He doesn't understand why the cities that have a lot of timeshares, that aren't paying any bed tax, why don't they get together with a lobbyist and fight to get revenue from that. Things like that before you get into a property tax.

Mayor Adams stated there isn't an agenda from Council or staff that he's aware of. He's simply asking what he thought the primary objective of the committee should be.

Peter stated it's more of a macro type of thing. It's not getting into the depth of all the line items on the budget.

Councilor Ward asked do you think a specific charge with a scope of work would be useful for the committee.

Peter stated yes, otherwise you run all over the place. If you have six strong personalities, it's difficult to control. The scope of work should be looking at the overall budget in a macro kind of way, making sure it makes sense. If we're going to spend money, we know where it's going to come from. And all that stuff needs to be explained to people.

Councilor Ward asked if he thinks it'd be appropriate for the committee to vet financial issues for Council. We're dependent on the consultant. Do you see that as a role?

Peter stated yes, that'd be a good role. Historically, the city has spent a tremendous amount on consultants.

Councilor Ward stated he thinks Council is serious about having financial advice from people who understand finances to help guide us in our decision.

Mayor Adams stated as far as objectives: have the committee participate in public forums to dialogue about the budget, have the city participate in how Council should distribute grant/event funding, they would participate in creating a format we could put on the city web site that would explain the budget in layman terms. We could update that quarterly, and finally serve in an advisory capacity in its financial decisions. Alison Zelms is going to be the point person for staff. He wants the committee to get to work right off the bat.

Peter stated that sounds good but you have to leave it open enough for the committee to explore some things that may be helpful. Municipal budgets are a whole different ball game. Most of the people coming in won't have an understanding of that.

Councilor Ward asked if he thought it'd be helpful to have a little workshop at first about spending caps, etc.

Peter agreed. You have so many entities you're answering to.

Mayor Adams asked if there's anything else, from the last committee, he thinks this committee should be doing?

Peter stated it's important that the staff relationship be well established and last time it wasn't.

Mayor Adams stated he saw this suspicion come in, where Alison Zelms felt like she was being attacked. Do you think there were commission members creating that?

Peter stated part of the problem with the relationship with Alison was Alison. She was defending what Eric Levitt had done. 90% of the commission was saying it doesn't make any sense. She got defensive at times and these guys would press it. She was the one defending Eric's budget and she knew it wasn't right. Then at Council meetings she would pander to former council members.

Mayor Adams stated it was a difficult situation. The budget has changed. The contingency budget that Eric had has gone away. And that was a big concern to people. Now we have a supportive Council. It should be a better environment.

Councilor Ward asked if it'd be useful to have Tim Ernster talk about his budgeting philosophy.

Peter agreed.

Mayor Adams stated we're really working more toward public outreach and transparency. One problem we have is the newspaper inaccurately reporting what's going on.

**Mayor Adams called a recess at 10:43 a.m.**

**d. 11:00 a.m. Ronald Budnick**

**Ronald arrived at 11:02 a.m.**

**Mayor Adams reconvened at 11:02 a.m.**

Mayor Adams asked Ron what motivated him to apply?

Ron stated they moved here 3 years ago and a realtor friend got him interested in the affordable housing discussion. The meeting got quite contentious. There wasn't a willingness to listen to what the community had to say. That got him started in following what was going on.

Councilor Ward asked if he has the opportunity to look at the city's budget.

Ron stated he printed it out. He skimmed it. He assumes the fire district and school district are completely different. He saw 1/3 of taxes go to fire and 1/4 goes to school and the rest goes to the state.

Councilor Ward stated nothing from property tax goes to the city.

Ron stated this is the last place we're going to live.

Mayor Adams stated he formed a mayor's budget committee in his last term and we got a couple people on there that clearly had agendas. It was extremely disruptive to the process, so he asks every applicant, do you have an agenda, is there a sacred cow, whether you're after or totally supportive of something?

Ron stated no.

Councilor Ward stated we have a big arts community, a lot of service groups and non-profits that are dependent on the city funds; do you have any thoughts on that?

Ron stated now he hears they're stopping a lot of art and music in the schools, so we lose something if we don't bring those to the children in some ways. He doesn't have a problem with the city funding but they can't become solely dependent on it.

Councilor Ward asked if he's familiar with the cost to run the wastewater plant and our conundrum.

Councilor Ward stated it's almost 50% of the budget.

Ron stated there's got to be efficiencies somewhere or you're expanding it to allow more building to come in which will bring in development fees.

Mayor Adams asked what do you see as the biggest challenge to the city.

Ron stated you guys have done a good job in getting the expenditures in line with the expected revenues. The challenge will come from whether tourism will stay up. He and his wife have cut back their travels a lot. He saw the average age here is 50.

Councilor Ward stated do you have any ideas about the scope of work for the committee?

Ron asked if the staff is involved in the committee. He thinks it's to get people to understand what the challenges are for the city and are there any other ideas. He's always tended to speak his mind. He seems himself as a team player. He could be a leader.

Mayor Adams stated the committee will select its own chair, would you be interested in that position?

Ron stated he would. He led a pretty large staff.

Mayor Adams stated the city manager is on board of this and Council unanimously supported the formation of this as a standing commission. All commissions serve at the will of Council. Alison Zelms will be your main contact. One of the mistakes he made with the Mayor's committee, his initial thought was the committees would debate what the goals and objectives should be. He found that process created more disruption than not, so Council will give the committee direction.

Ron stated he assumes it will be a small number of objectives.

Mayor Adams stated everyone needs to understand the budget and it's very different than the private sector. This city manager has brought a much more understandable budget approach than the previous city manager. You're not walking into a train wreck. Council and staff have done a good job addressing the downturn in the economy. We've cut 30% in expenditures in the budget overall. Last year, we came up with a surplus.

Ron stated apparently no one has gotten an increase in the past few years and that's tough to deal with.

Councilor Ward stated we get a lot of reaction from the public, there doesn't seem to be much factual information for the public to get a feel of the real financial situation. Do you have any ideas on how to get the public informed?

Ron stated he printed out the whole budget, and it is different than the private sector. It'd be helpful to try to simplify it for the city. If you can get a simple summary of the city's finances that you can give the paper to publish.

Councilor Ward stated we're trying to figure out ways to get more people on the web site.

Ron stated he always looked at summarizing things. Between the combinations of using the web site and the red rock news, but keep it simple.

Mayor Adams stated some of things we've come up with in terms of objectives is for the commission to participate in public forums where the commission would answer questions. There always seems to be a suspicion that the city's covering something up. We want to address that issue and have citizens like yourself come in, review the budget, and say yes, it all makes sense and is being managed in a prudent way or it's not.

Ron stated with projectors we could do a PowerPoint and keep it simple.

Mayor Adams stated you'll be in an advisory role to Council for the budget. Council also needs to look at the way we fund things like event funding, arts grants. We need to review those and address why we fund that much and whether that needs to be changed. We also need to be able to justify the reasons for funding the arts organizations the way we do. We need to be sure we're not stepping over the line of the Gift Clause.

Ron stated that's how he got to be CFO. The company he worked for was fat, sloppy and not making any money. He had to go around the company in 3 months and figure out what we need and don't need. They got rid of 20% of employees in one day.

Mayor Adams stated we doubled our impact fees since we hadn't adjusted those for years. The same thing with our sewer fees. We need to look at the budget and make sure those types of situations don't exist. Any levied fees need to be adjusted according to cost of living fees.

Ron stated that's a perception issue. When we moved here he was paying half for sewer. The water company ran the sewer, so they charged you for sewer for how much water you use.

Mayor Adams stated the problem is we don't own the water company and that would have to be metered.

Ron stated the fees don't see exuberate.

Councilor Ward stated the community reacts emotionally. They don't bother with the facts. They might trust a citizens' group, perhaps. Many issues Council deals with are incredibly complex. When you get into financial decisions you have a lot of technical expertise that you have that we don't. If we could get some guidance it would be really helpful.

Mayor Adams stated we have a great staff here, but staff comes from a municipal perspective, but it'd help to have a broader perspective. He could see the budget committee looking at if the city should look for a private operator for the wastewater plant.

Mayor Adams stated we had a reserve in the last fiscal year, so now our reserve to our operating budget is over 100%. Is that necessary and if it isn't what should that reserve ratio be?

Ron stated you always have to have something in reserve, but 100% is a big reserve.

Councilor Ward stated and we also have a high debt and a questionable economy.

Ron stated you could use some of it to pay down some of the debt. We could do scenarios on how bad could it be. As the revenue comes back from the tourism, you're going to have a pretty good year.

Councilor Ward stated it'll take people to crunch numbers to figure out what the advantages are.

Ron stated you could have a year where nothing happens and you could still operate.

Mayor Adams stated he sees that task as something the budget commission will look at. We will have Alison Zelms do workshops with you so she can explain the budget to you and you can get clear as quickly as possible.

Councilor Ward asked if he's given thought to the time committee.

Ron stated he doesn't think it'll take too long to get educated on the budget. It might be a week or so at the beginning. We stopped building houses 2 years ago so he has a lot of free time.

4. **Upon a public majority vote of the members constituting a quorum, the Selection Committee may hold an Executive Session, which is not open to the public for the following purposes:**
  - a. **Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, discipline, or resignation of any public officer, appointee or employee of the city per A.R.S. § 38-431.03(A)(1). Such discussion on this occasion will be related to the following appointee(s): specifically appointment of members to the Budget Oversight Commission.**
5. **Discussion/possible action on appointment of members to the Budget Oversight Commission.**
6. **Discussion/possible action on future meeting/agenda items.**
7. **Adjournment:** Mayor Adams adjourned the meeting without objection at 11:41 a.m.

I certify that the above is a true and complete summary of the Budget Oversight Commission Selection Interviews on Sept. 20, 2010.

\_\_\_\_\_  
Alison E. Carney, Deputy City Clerk

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Date

Budget Oversight Selection Committee  
Monday, Sept. 20, 2010, 8:00 a.m.  
Vultee Conference Room