



## **Minutes City Council's Community Sustainability Economic Sustainability Sub-Committee March 11, 2009**

Minutes of the meeting of the City Council's Community Sustainability – Economic Sustainability Sub-Committee held on Wednesday, March 11, 2009, 8:00 a.m., in the 3<sup>rd</sup> Floor Conference Room, Tempe City Hall, 31 E. 5<sup>th</sup> Street, Tempe, Arizona.

### **Sub-Committee Members Present:**

Councilmember Onnie Shekerjian

### **City Staff Present:**

Lisa Collins, Deputy Development Services Manager and Committee Liaison

Karen Fillmore, City Clerk's Office

Mary Helen Giustizia, Solid Waste Svcs Dir

Lisa Lathrop, Administrative Asst. II/City of Tempe

Gretchen Maynard, Organizational Dev Admin

Charlie Meyer, City Manager

John Osgood, Dep Pub Wrks Mgr

Chris Salomone, Comm Dev Mgr

Alex Smith, Technology Dev Spec

Mark Vinson, Principal Architect/City of Tempe

Sheri Wakefield-Saenz, Econ Dev Admin

### **Guests Present:**

Bonny Bentzin, ASU

Ben Montclair, CarbonFree Technology

Gregory Piraino, Applied Engineering

Catherine Scott, Student

Councilmember Shekerjian called the meeting to order at 8:00 a.m.

### **Agenda Item 1 – Approval of Minutes – 2/11/09**

The minutes from 2/11/09 were approved with no changes.

### **Agenda Item 2 – Public Appearances/Call to the Public**

None.

### **Agenda Item 3 – Organizational Sustainability – Charlie Meyer**

Councilmember Shekerjian summarized that this is a subcommittee of the Community Sustainability Committee, of which she, Vice Mayor Ellis, Councilmember Woods, and the Mayor are a part. The Mayor assigned each councilmember a subcommittee and this is one of three subcommittees that feeds into the larger committee.

City Manager Charlie Meyer summarized that this is simply articulating what has been in the works for most of his career and which has been in the works for the City for some time. He asked Gretchen Maynard to attend as a representative of the Tempe Learning Center (Organizational Development). Organizational sustainability is how to make all the parts into systems that work together to achieve that which the City is trying to achieve. It ties into both the work of the larger committee as well as the subcommittee. There are components of financial, environmental and cultural sustainability. One example is uncontained waste pickup and the question is how that relates to the larger world.

- At some level, there are individual employees picking up the uncontained waste. It is important that they understand how the work they do every day ties into the larger goals of the City and they need to receive meaningful feedback that tells them how they are performing. It doesn't tell them about their attitude towards their work, but it tells them how they are performing in terms of established goals that the City has established.
- One of the bigger goals is cultural sustainability. Part of that is what is the expectation of the community in terms of services and how do we deliver on their services. There must be a system in place to measure that.
- One system in place is the Community Attitude Survey which talks specifically about many community services.
- The desired community outcome is that the community feels as though it is getting the services it really wants. A city-wide goal can be established around the satisfaction of the community with the services delivered, satisfaction of the community with the appearance of the community, etc. They are very broad-reaching goals.
- How does that relate to the people who work in the uncontained waste group? They can do a better job or a worse job of what they do.
- TLC is implementing the Leadership Development Program, a system to track all of the goals in the City. The process of setting these goals is that every individual in the City is responsible for setting some goals. Those goals would be measured against indicators. Those indicators are called "leads" and "lags."
- A "lead" indicator for uncontained waste pickup might be that the Public Works staff designate that all uncontained pickup will be picked up within four days of the date that the pickup is started.
- A "lag" indicator for uncontained waste pickup would be the number of complaints from people who are unhappy with the pickup. It might be that everything will be picked up in four days, but it might be working against another goal which is customer satisfaction. If the complaints start to go up, we have a way to measure complaints and we can look at the crews. Then we can then set another goal regarding customer satisfaction.
- The system of goals can get more complex in the organization. One goal might be environmental sustainability. In uncontained waste pickup, everything imaginable gets put out for pickup. The City picks it up, it goes away, and everyone is happy. From an environmental sustainability standpoint, that may not be the best end because we have accomplished one thing well by making the community happy (cultural sustainability), but we haven't done a good job with environmental sustainability.
- The idea is to separate out the things that are biodegradable, largely the yard waste, and an objective for the City to accomplish environmental sustainability is to take that to a facility to be composted and reused. This now starts to accomplish the environmental sustainability goal.
- Unfortunately, separating out the yard waste material from the other items is a capital and labor-intensive operation. It is convenient currently to put it all together and take it to the landfill. If we separate it out, we have become less efficient. From a financial sustainability standpoint, it may be more costly to do this than it was with a single operation. We have made a compromise. We have served another goal, which is the environmental sustainability, but we have compromised the economic sustainability because it is costing us more.

- In the end, if another part of the City comes in on that goal and does a great job of communicating to the residents about why we are doing this, the residents may understand that it might take a little longer before their trash gets picked up, however, that serves another goal as a resident for environmental sustainability. The satisfaction factor may increase as a result of that, while it is decreasing because of a slower pickup.
- All the factors have to be pulled together. We have a basis upon which we can evaluate the cultural sustainability of the community, which is our community attitude survey, and we have a system we are building where we can establish goals.
- We also have to have the individuals in the system, or the Performance Management System. If we had multiple crews and some crews were getting their work done and meeting their goals, and other crews were not, we would have an immediate signal within this system that the goals are not being met.
- In a Performance Management System, we establish goals with the employees and the work groups, and those goals have mutual agreement. The Employee Performance Management System involves meeting with employees on a regular basis to discuss the goals and potentially tweak them. The employees now have a realistic goal and they can accomplish that goal.
- The Performance Management System, which has actually been in place in the Development Services Department for over a year, is a very simple and organic system for individual performance issues. Goals are set with the employees, they are regularly evaluated against those goals, and adjustments are made. New tasks and goals are set if they are not quite meeting their expectations. Individual issues are also organic. It is a simple form filled out and the form is noted in the employee's work file. If, on the other hand, something blows up, there is an opportunity for a supervisor to fill out a worksheet that specifies the details of the problem. If at some point an employee is not cutting it, there is now a system in place that is not based on an annual or semi-annual performance evaluation, but a system of goals, measurements of those goals, and as behavior occurred, you have enforce positive behavior and corrected inappropriate behavior. It happens instantaneously. That system can integrate with this system.
- We still have to return to the idea of the financial sustainability and there are systems in place for external evaluations. One of those forms of external evaluation is "Comparative Performance Measurements System" in which cities would measure outputs. For example, what is the cost per uncontained waste pickup per household in the community? What is the turnaround time against other parts of the country?
- Currently, there are systems in place, but the information is not used for any particular purpose. The concept would be to take these forms of data and use them in establishing the goals for work groups, for departments, and for the City. We would have efficiency levels of goals and effectiveness levels of goals, and those get tied back to the Performance Management System for employees.
- There is a huge amount of work that needs to be done in order to make all of that fit together. We do have components of the system in place and we can use that to address the objective of the Community Sustainability Committee and this subcommittee in terms of the economic issues.

Councilmember Shekerjian added that a lot of things are done well in silos or on an ad hoc basis, and many things are based upon the excellence of the people in positions, but we don't necessarily have a system in place that supports those kinds of things. The Community Attitude Survey is a good accountability piece, but the question is how that ties back into the goals of the City. The City Council has never done an actual goal-setting process for the City. It is especially important during these financial strains. What kinds of things does Mr. Meyer need from the subcommittee to help advance that?

Mr. Meyer responded that it might be useful to have some discussion on some of the various components and some feedback from the committee as to whether there are components that are missing and whether there is support to move forward.

Councilmember Shekerjian asked if ASU has information that would be helpful in establishing a plan of action to tie all of this together.

Mr. Meyer responded that there is not at this point, but it would make sense to articulate what he said so that others could understand how it works. That is a significant undertaking. An additional component is that the TLC has gotten the City involved in a group called the Alliance for Innovation. As an international organization, they maintain best practices. In laying out a plan on how to support this whole organizational sustainability package, however, we could use some assistance from the academic side and perhaps the Alliance would have some resources as well.

Councilmember Shekerjian suggested developing a phasing type of plan of investigation on what is out there. The purpose is to make sure we are all working on the same agenda and the same goals toward moving the City forward in whatever areas the Council ultimately establishes. She suggested starting with investigating what is out there for cities. The ASU School of Sustainability, in terms of public policy sustainability, is also another piece of it.

Bonny Bentzin added that ASU doesn't segment out pieces because sustainability is the convergence of all of these areas. There are separate study groups and research groups, however, and it is possible a studio could be put together through the school to look at this.

Councilmember Shekerjian added that for their cities network, this would be information that would be very helpful. If we're talking about being more economically sustainable by making our organizations stronger and more focused, we could possibly be used as a living laboratory for putting something together that can later be shared with other cities.

Ms. Bentzin added that the City of Phoenix just announced their seventeen goals for sustainability. If each department or committee within a city government issues its own goals, there is a lot of redundancy as well as the possibility of this person's goal negatively affecting another department's goal. That's why larger envisioning sessions where you bring together all of the groups and getting everyone on the same page are helpful. It is amazing what can be accomplished by looking at it from the big picture.

Gregory Piraino stated that the U. S. Green Building Council (USGBC) has a policymakers' forum, as well as training for policymakers on sustainable community issues. The link is [www.globallearningsystems.com/USGBC](http://www.globallearningsystems.com/USGBC). They are offering three programs for city and community policymakers and study the communities that have attempted to go in more sustainable directions. It could be a great resource for the city.

Councilmember Shekerjian clarified that we are interested in the environmental issues, but organizational sustainability is not focused strictly on sustainable green environmental issues. She suggested providing that information to all of the subcommittees so we can better understand the environmental piece. This subcommittee is focused on the bigger picture and the overall operations of the City.

Mr. Piraino added that USGBC's main focus is on environmental sustainability policies that are basically more green and more efficient, and how to incorporate more green buildings into the community, etc. This branch is really focused on policy for cities as opposed to the specifics of code and mechanics of how things go together.

Lisa Collins added that it would be good for the Community Sustainability Committee as a whole. She had talked to Mr. Piraino specifically about getting together with the Code Subcommittee. For the overall Community Sustainability Committee meeting on March 18<sup>th</sup>, a presentation will be added on the green build that is going on in Phoenix with a discussion about the overview and broader issues to determine if any need to go to the individual subcommittees.

Councilmember Shekerjian explained that the Technology Subcommittee, chaired by Vice Mayor Ellis, is looking at the different types of technologies that the City may want to be able to bring forward or support. Councilmember Woods chairs the Code Subcommittee and they will explore the bigger picture. This subcommittee will explore organizational sustainability. The issues that they decide to push forward will come to this subcommittee, and this committee will then do a cost/benefit analysis of those ideas for the City before it goes to the Community Sustainability Committee. While they are working on those issues, this subcommittee will study the whole issue of organizational sustainability.

Mr. Meyer added that the important point is that oftentimes green initiatives get segregated within the organization. While there may be commitment in certain segments of the organization, the rest of the organization feels that someone is working on that. He suggested finding a way to integrate environmental sustainability into the entire organization so that everyone has a piece of it, including the people who do the uncontained waste pickup. The opportunity this subcommittee has is to figure out how to integrate those environmental issues into the larger organization in a way that serves promoting that goal as well as creating a more efficient organization.

Ms. Bentzin explained the three spheres of sustainability and how they overlap. Sustainability is recognizing that you can't have a healthy economy in the long term without a healthy environment. We can't have a healthy environment in the long term without a healthy society and the three work together. When we segregate these out, we are pulling out from the idea of sustainability. If something doesn't make good economic sense, it really isn't sustainability; if it doesn't make good environmental sense, it really isn't sustainability; if it doesn't make sense for the community, it really isn't sustainability. Emphasizing any one of those things won't get you where you want to go. Her goal is always to bring in a project that has direct return, indirect return, and "it's the right thing to do." Sometimes the right thing to do is using 100% recycled paper in brochures. You won't see a direct return from that, but it produces a lot of PR return, and if enough people do it, we will bring that market down and there will be some indirect return.

Councilmember Shekerjian added that the overall Community Sustainability Committee is doing that. The Mayor has structured this subcommittee to look at a variety of different aspects and bring all those together at the Committee level. Ultimately, once they come to Council for a policy decision, they can't be separated.

Ms. Collins agreed that there is overlap, it does have a degree of subjectivity and there are degrees of sustainability. Having the overall committee is helpful.

Councilmember Shekerjian added that community members bring forward ideas, too. We want to make sure we vet out as much as we can before bringing them forward. On some of the technology issues, Vice Mayor Ellis's subcommittee will be looking at the benefit to the community and this subcommittee will report on the cost/benefit when we present to the Community Sustainability Committee. She suggested that Mr. Meyer bring forward a plan on how to move forward in phases.

Mr. Meyer responded that it may be an opportunity to have some real assistance from ASU because he has discovered that there really aren't lots of these kinds of complete systems in place. ASU might have an opportunity to put something out there. It could have an academic purpose but could also have a very tangible organizational purpose for the City.

Councilmember Shekerjian stated that she has yet to see anything like that out there.

Mr. Meyer added that Charlotte, North Carolina's, application of balance score cards system is one of the better that he has seen in this country. There are some examples out there.

Councilmember Shekerjian added that the things measured in the Community Attitude Survey are great but she didn't see where it would be tied to the goals set for the city. It doesn't tie back to specific goals we have set.

Mr. Meyer added that this is very important information, but it is not integrated into a system where we can deliver that to all those who work for the city.

Ms. Bentzin asked if the City has looked at Physical Strategies, a company that works with cities doing this type of thing. She isn't considering them for the University since the back end isn't as robust as she is looking for, but it might meet some of the City's goals. She will provide the information to Mr. Meyer.

Ben Montclair added that Key Performance Indicators (KPIs) can be added. Part of the challenge he sees is the compensation structure because one thing in management of people, which is the point of KPIs and balanced score cards, is to get them on board and to incentivize and to connect that with either the carrot or the stick. Do you have a way to take it from the actual goal setting to incentives and are you considering how to draw in the individual employees in that way?

Mr. Meyer responded that the City does not have that currently. That would be a piece we would want to look at as part of the Performance Management System regarding how both positive and negative incentives work in terms of helping to accomplish those goals.

Mr. Montclair added that profitability in the private sector is a question of sustainability balanced by the other considerations of the organization in terms of environment and contribution to society. The operational sustainability of the city and of the city organization is the starting place for sustainability in terms of technology applications.

Councilmember Shekerjian added that there is a fine line between pushing to be lean and efficient and taking away from someone's emotional bank account. A lot of times people leave jobs not because they are not well compensated, but because they don't feel they were effective. If the expectations are very clear, then you get a sense of enjoyment and accomplishment and that builds morale and teamwork.

Mary Helen Giustizia added that last year staff went through the exercise of developing sustainable programs that the City already had or would like to achieve over time. This performance measurement system is a good way to integrate everything and make sure that we standardize our approach to achieving those and try to get from where we are today to future programs we see as making Tempe a better organization.

John Osgood added that several months ago, the Neighborhood Office organized an interdepartmental work group that is working on a data-focused effort which came out of the Svob Park swarming concept. As we get specific data on calls for service in a neighborhood, the concept would be to integrate other issues from the Community Attitude Survey, and place it geographically on a GIS map to identify hot spots. This was brought up in the first meeting of the Quality of Life Committee. This is a work effort that is going on that meets a lot of what has been discussed here.

Councilmember Shekerjian added that as data is collected from different sources, it will need to be integrated into what we are talking about here. We would want to have everyone on the same wave length. The swarm technique worked well for Svob Park. Again, that was an ad hoc thing and everyone got together and said it was a good thing. It was reactive. That would also be a part of this. An action item could be to put together SWAT teams cross-departmentally to meet the needs of those hot spots that we identify up front, as opposed to a group of citizens from Svob Park coming to Council to complain about graffiti and asking for help and then a team is assembled. That was a good exercise, but we need to develop a way to incorporate something like that

into a system so it isn't dependent upon Jon Osgood, but rather that it is what we do in Tempe no matter who is in those positions.

Gretchen Maynard added that TLC is working in tandem with the City Manager on his goals. We are on the right track. This City does a tremendous job of getting a lot accomplished, but in silos. We are in the midst of a tremendous paradigm change whereby we have to use the highest, best talents of every single employee in an innovative way to sustain ourselves. One of the biggest issues TLC had to deal with was defining their purpose. We are finding that organizations and companies may have lofty goals but they don't know how to execute those goals. The more goals you have over three, the less you will be able to effectively execute them. It is an activity where they are working to align each person in the organization to what job needs to be done. What is our purpose as an organization? How do I fit into that bigger picture? They have created a Leadership Integration Team composed of four cross-departmental teams. These folks have agreed to pilot the academic piece of the City Manager's leadership initiative to create a proactive organization that uses the highest and best abilities of everyone. These teams are working well. In this environment where there are so many unknowns and people are unsure about whether they will have a job or not, these small groups are able to re-focus. When they lose sight of the purpose, then we are not moving forward. They are able to re-engage themselves and re-engage each other to look once again at the purpose. If we can devise a system of being able to measure and identify clarity of purpose from the top all the way down, we could clearly link individual tasks and goals to the bigger picture. Then we will be able to see this organization move forward in all three models (economic, technology and code).

Councilmember Shekerjian added that the important thing isn't just setting the goals, but a way in which they can be measured. Accountability is always uncomfortable.

Mr. Montclair added that one of the things that came up in the technology discussion last time was that a lot of this seems to be trying to move both the City government and the society it governs toward a culture of sustainability and to introduce the systems, methods, technologies and mindset to create not just a group of people who are dictating how it will work, but to create positive feedback. Then another group comes along and executes it and comes up with ways to improve upon it. It is a culture of sustainability where everyone is contributing to it. One of the things that seems critically important in this is to have highly visible and engaging symbols that represent the validity of the effort and that are everywhere, more than just a sign. One of the discussions he has with clients is whether they want solar on their rooftop or on the parking lot. If it is on their parking lot, they don't have to do marketing. It's highly visible and people see it and they have a different idea where that energy is coming from. Insofar as it is visible, it represents that organization's investment to sustainability.

#### **Agenda Item 4 – Future Agenda Items**

- Update on organizational sustainability.
- Update from Technology and Code Subcommittees.

#### **Agenda Item 5 – Future Meeting Dates**

Future meetings will be on Friday mornings.

#### **Agenda Item 6 - Announcements**

None.

*Meeting adjourned at 9:10 a.m.*

Community Sustainability Committee  
Minutes – March 11, 2009

8

Prepared by: Connie Krosschell  
Reviewed by: Lisa Collins

---

Jan Hort, City Clerk