

1                   So that is whatever it is. If that's a series of evaluations,  
2                   then fine. If it is not, then Mr. Kirshman can make whatever arguments he  
3                   wants to make at an appropriate time in the future.

4                   I was made aware, over the past month, that as much as it  
5                   would have been, in my view, it in the interest of everyone for there to be a  
6                   meeting before last Thursday, Mr. Kirshman was unwilling to conduct a  
7                   negotiation session, a meeting among the lawyers prior to the election.  
8                   He wanted to wait until after the election had been conducted.

9                   So the election then occurred and Thursday following the  
10                  election, there was a meeting where the one million nearly two hundred  
11                  thousand dollar demand for a settlement was communicated to the  
12                  representatives of the City. I received a copy of that today as a part of my  
13                  briefing on this matter. Or maybe it was yesterday afternoon. In any  
14                  case, in the last day or so.

15                  Now I think it appropriate for us to be as careful as we can.  
16                  One of the serious implications of a statute that requires an evaluation of  
17                  an appointed official in a setting like this is that it's awkward for everybody,  
18                  potentially damaging for some. But none the less, we have this contract in  
19                  front of us and we have an agendaed item that is there at the request of a  
20                  member of this Council.

21                  I might say that in the 12 years that I've been on the Council,  
22                  when on occasion members of the Council have asked that matters be  
23                  placed on the agenda, I have never felt it my responsibility to attempt to  
24                  dissuade them. Rather, I have simply passed the request along, if it has  
25                  come to me, and the item has been agendaed. This is one of those times.

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obligation here to determine what it is we're going to do. That requires  
that there be a full and candid discussion among us of the items that are  
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13          question of her management and her management style.

14                   COUNCILMEMBER ANDY HAFEN: Well, Mayor, I - - it's  
15          come to my attention that over time - - and, of course, this has just come  
16          to light recently because I have had some discussions with members of  
17          staff, that the management style has been somewhat divisive (sic). And I  
18          think because of that, it's been a great concern to me as to whether that  
19          type of management style would still be a benefit to number one, the  
20          employees that staff the City; and then, of course, number two, to the  
21          residents of the city.

22                   COUNCILMEMBER JACK CLARK: Mayor, when I first  
23          became aware of what I will describe, because I have the floor, as a  
24          culture of fear, I went to Ms. Peck and discussed this with her. She told  
25          me that she would investigate it. She was unaware of any such condition.

1           Subsequent to that, I've had a couple more meetings with her. All of those  
2           meetings, a denial that that culture existed.

3                         However, we've had previous employees who have left the  
4           City who have stated that they left for fear of being terminated. They  
5           didn't want to wait until they got fired. And these were employees who  
6           had been long-term, loyal employees. Current employees who have been  
7           embarrassed in public meetings and in meetings with other staff, who  
8           have been threatened, both publicly and privately with their jobs. After  
9           several meetings and several discussions, I wasn't seeing any  
10          improvement. In fact, about three days after my last meeting, there was  
11          yet another incident where an employee was embarrassed and felt as if  
12          their job were in jeopardy.

13                        So I agree with Mr. Hafen that - - this is probably, in my 16  
14          years on the Council, this is my saddest day. And this is my saddest day  
15          because I really don't feel that there is a bad guy, so to speak, in any of  
16          this. I have great respect for Ms. Peck. But we simply cannot have a  
17          culture in our City where people are afraid. We've never had that before in  
18          the 16 years that I've been here. And that culture has dramatically  
19          increased over the past six or eight months.

20                        COUNCILMEMBER GERRI SCHRODER: Well, Mayor, for  
21          a long time I didn't know that there was a problem because I don't work for  
22          Ms. Peck. She worked for us. I had my bi-weekly meetings with her. And  
23          I like Mary Kay Peck; a very nice person. But then it had come to my  
24          attention that there were some things that were happening that I wasn't

1           aware of. I had heard from a couple of staff people and I had decided  
2           maybe I should investigate this a little bit more to find out what's really  
3           happening.

4                         Just as Councilman Clark had said, there were some staff  
5           members that told me that they were afraid to come to us to tell us some  
6           vital information. And I just don't think that for staff to be afraid to disclose  
7           information to us is in the best interest of the people of the City of  
8           Henderson. So that was a concern that I did bring up to Ms. Peck. She  
9           had asked, how do I rectify this? And I said, well, it doesn't matter to me  
10          who gives information to us, as long as we get our information.

11                        While I like Ms. Peck, it had come to my attention that her  
12          leadership skills were very threatening to the staff. I feel that I was in the  
13          dark. I was oblivious to some of the things that were really happening,  
14          and I don't think that any staff member should have the fear to come to us.  
15          I don't feel that someone who is reporting directly to us on issues that are  
16          important to the City of Henderson should not give us that information.

17                        COUNCILMEMBER KIRK: You know, Mayor, I appreciate  
18          the opportunity to talk about this. I feel like Councilman Clark, though, it's  
19          not something we look forward to. I wish things could be different. It's  
20          very difficult for those of us that are elected to get inside the tent, if you  
21          will, of the staff. Staff has - - and I've noticed that since the very first day I  
22          was elected. I've never really felt part of the communication network, if  
23          you will, at the City staff level. There is this communication level at the  
24          Council level, and then there's the real communication level that happens,

1 I think, within the staff membership that we don't - - we're not always privy  
2 to that.

3 And when I started to feel that there were some issues and I  
4 could see them, I had a meeting with Mary Kay and we sat down and we  
5 talked about some things that I thought were wrong in her management  
6 style. I pointed them out. And she was very, very, very defensive of her  
7 position and what was right. And indicated to me that she thought that I  
8 was stepping outside my authority as a member of the Council and was  
9 trying to tell her how to manage as opposed to just setting policy. So I  
10 backed off that.

11 So I felt, for quite some time, now that her management style  
12 has been divisive and that the employee morale was affected by that. It  
13 was obvious to me; especially the employee morale was affected by the  
14 way she managed. So I knew that there were some serious issues that  
15 needed further examination.

16 MAYOR GIBSON: The thing that has come out of my  
17 individual inquiry, in line with the things that we're talking about now, has  
18 been an indication by several people on the staff that they were directed - -  
19 when they became aware of sensitive information, particularly budget  
20 information - - they were directed not to share that information. In my  
21 estimation, that's a breach of the manager's responsibility to the elected  
22 officials. There isn't a single aspect of the City finances that should not be  
23 within the purview and the knowledge of the elected officials. That is, in my  
24 estimation, a very serious, serious thing for consideration.

1                    Now there's been some discussion about the adverse affect  
2                    on morale. I don't if anyone wants to have any further discussion on that  
3                    matter. If not, I want to move on because I have determined, from my visits  
4                    with people - - I had actually informed Mary Kay that there were a number  
5                    of department heads who were feeling like they had been completely left  
6                    out of the discussion.

7                    I have learned since that there is one important member of  
8                    the staff who sought for a long time, maybe even months, to sit down and  
9                    meet with the manager and was not allowed a meeting. I don't know how  
10                   we can expect the City to be managed if department heads are excluded  
11                   from the discussion. Either they are department heads because they have  
12                   the capacity to lead and contribute, or they, obviously, should be removed  
13                   because their input is not valued.

14                   I am not aware of a lot of detail. I know of several, I think I  
15                   know of three cases where people who I would expect would be a part of  
16                   the greater management team of the City were excluded from important  
17                   meetings. I think there are others - - and there's one other person who is  
18                   an assistant city manager that was not involved in much of the budget and  
19                   policy-related meetings. And I think that's inexcusable. When it comes to  
20                   the involvement of the staff, are there any things - - I mean, Gerri, you have  
21                   had an opportunity to do your own investigation. Are you aware of  
22                   anything of that nature?

23                   COUNCILMEMBER SCHRODER: I am aware of - - there are  
24                   some times when I had heard from staff members that they were supposed  
25                   to go to one meeting and then had another meeting at the same time. And

1           then when they went to report back over to the City Manager, that she  
2           admonished them for trying to be in two places at one time.

3                       I know of situations where a staff member was kind of thrown  
4           under the bus in a meeting. I know of a situation where a staff member  
5           had given us information at the same time that she had received  
6           information and then later on, the staff person was admonished for giving  
7           us that information prior to her getting the information.

8                       I know of situations where a staff member has gone to the  
9           City Attorney's Office to confirm whether or not information could be - -  
10          what kind of information could be given to the press, the media. That  
11          person was also admonished for going to the City Attorney's Office prior to  
12          going to her. So I do know of different instances where several staff  
13          members had come to me and told me about their experiences of trying to  
14          do their job. And while trying to do their job, they get admonished for that,  
15          yelled at.

16                      It's just something that I don't - - I don't believe that a City  
17          Manager should conduct themselves in that manner. I believe that you  
18          don't get anywhere by yelling and screaming at people when they're trying  
19          to do their jobs. I believe that if you try to work together and look for  
20          solutions to problems, that's a better way to conduct business. Those are  
21          some of the things that I have been told.

22                      MAYOR GIBSON: Any other thoughts in this?

23                      COUNCILMEMBER CLARK: More direct information,  
24          Mayor. As we got closer in our research of the science center, I had  
25          specifically requested an employee join us on a fact-finding mission to

1 Dallas. That employee agreed to go, and when we got to Dallas, I found  
2 that that employee was not there.

3 When I asked Ms. Peck why that employee didn't come to  
4 Dallas, I was told that the employee had questioned why they were going,  
5 didn't feel that it was important that they go, and didn't want to go. That  
6 was not the information that I got directly from the employee. I felt it was  
7 important, as we moved forward in our investigation into the science  
8 center, that that particular employee participate because of their expertise  
9 in specific areas.

10 I would like to address the budget issue.

11 MAYOR GIBSON: Could I just ask you, as follow on, did  
12 you ever have occasion to square up the conversation that you had with  
13 the employee - -

14 COUNCILMEMBER CLARK: Yes, I did.

15 MAYOR GIBSON: - - with Ms. Peck?

16 COUNCILMEMBER CLARK: I spoke to the employee  
17 afterwards, who explained that they were specifically directed not to go. In  
18 fact, that employee had already obtained plane tickets to go at the time  
19 that they were directed, specifically, by Ms. Peck not to go on that trip.  
20 Again, I had expressed repeatedly for weeks, prior to the trip, what I felt  
21 was the significance of this particular employee's participation because of  
22 their expertise, particularly as it pertained to financing, what is going to be  
23 a very complicated financing package for the project.