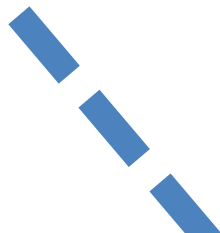




Savvy

Phoenix received the 2005 3CMA “Savvy” Award of Excellence in the one-time special programming category for the Matthew Henson documentary. The award-winning documentary produced by PHX 11, the city’s cable television station, captured the essence of life at the Matthew Henson Projects through a series of interviews with current and former residents, footage from community events and coverage of the demolition and construction process.



Phoenix's Commitment to Excellence



We have faced some challenging budget times over the past several years, but all employees have continued to deliver quality services to our community and make Phoenix better in everything we do.

Employees practice continuous improvement as part of their daily business. Customer service is a critical focus. As a large organization, our customers span across a wide spectrum of people in our community. Our customers are residents seeking information and assistance, companies looking to relocate to Phoenix, neighborhoods working to improve their areas, city departments receiving internal services and people who are visiting or driving through our city.

Phoenix employees work as individuals and on teams to deliver better services with fewer dollars. They use numerous innovative ways to improve service delivery without increasing costs, while working with the community as a partner to make Phoenix a better place to live, work and play. Phoenix employees are proud to be among the very best in service delivery and they serve the community with pride.

In addition to being recognized by the community for a job well done, the city and its employees continue to be recognized by professional organizations and external evaluators for their hard work and dedication to safety and customer service. The following is a summary of just a few of the awards and recognitions received by the city and its staff during the course of the fiscal year:

- The National League of Cities selected Phoenix as a “Model City” for its commitment to improving the lives of low-to-moderate-income families by developing initiatives to foster asset building and financial literacy.
- The Neighborhood Services and Housing departments each received an Agency Award of Excellence from the National Association of Housing and Redevelopment Officials (NAHRO). Neighborhood Services was recognized for its South Mountain Area Revitalization Strategy, and Housing was recognized for a program designed to help seniors and people with disabilities combat feelings of isolation.
- The United Latino Business Coalition honored the Phoenix Community and Economic Development Department Small Business Division with the Service Provider of the Year Award for its small business assistance programs. The award recognized the city for several innovative programs including the Management Technical Assistance Program, the EXPAND equity gap lending program and the Mind Your Business educational seminar.
- For the sixth consecutive year, Phoenix was honored with the CIO-100 award, which recognizes companies and organizations around the world that exemplify the highest level of operational and strategic excellence in the use of technology.
- The International City/County Management Association (ICMA) presented the city with a Certificate of Distinction for its exceptional commitment toward integrating performance measurement into management practices.
- The Office of Arts and Culture received the Partner 2005 Award from Arizona State University for their outstanding contributions to the arts, education and community.
- Phoenix received the 2005 3CMA Award of Excellence in the one-time special programming category for the Matthew Henson documentary. The award-winning documentary produced by PHX 11, the city's cable television station, captured the essence of life at the Matthew Henson Projects through a series of interviews with current and former residents, footage from community events and coverage of the demolition and construction process.
- The Government Finance Officers Association (GFOA) presented the city with two awards, the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award. The Certificate of Achievement for Excellence in Financial Reporting was awarded in recognition of the work performed by the Accounts Division of the Finance Department in preparing the Comprehensive Annual Financial Report (CAFR). The Distinguished Budget Presentation Award was awarded for publishing a budget document that satisfied the program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.





- *Entrepreneur* magazine named Phoenix the best city in the country for starting a new business. According to the magazine, "Phoenix dominated on the strength of robust growth in new businesses."
- The American Disaster Preparedness Foundation (ADPF) named Phoenix number one in the country when it comes to emergency preparedness. ADPF, a Chicago-based nonprofit public advocacy organization, studied the country's 30 largest metropolitan areas and judged nine categories in emergency preparedness: technology, management, infrastructure, internal training, equity, public education,

general awareness and external support. The purpose of the study was to inform the public on how prepared local governments are for emergency situations following the aftermath of Hurricanes Rita and Katrina.

- The city of Phoenix received the National Community Recycling Leadership Award from the Rechargeable Battery Recycling Corporation (RBRC), a nonprofit public service organization dedicated to recycling rechargeable batteries and cell phones. The Office of Environmental Programs in conjunction with other city departments was recognized for maintaining an efficient rechargeable battery collection program, resulting

in the collection of more than 8,200 pounds of rechargeable batteries and cell phones since 2003.

- Phoenix was the only city in the country to receive three awards from Sister Cities International in recognition of its long-term and comprehensive Sister City programs. The Phoenix Sister Cities Commission earned the Best Overall Program Award for a city with a population greater than 500,000; the Innovation Award for Sustainable Development; and the National Organization for Disability Advocacy Award.



A team of electricians and building maintenance workers from Phoenix Sky Harbor International Airport traveled to Louisiana in September 2005 to make major repairs to the Lake Charles Regional Airport following Hurricane Rita. The crew repaired the airport's water system, replaced broken windows in the air traffic control tower, rebuilt perimeter fencing and repaired airfield lighting. Because of their efforts, relief flights were able to bring vital supplies and equipment into the area.

We are Committed to Making Phoenix Better

The city's Vision and Values statements continue to serve as a common source of motivation for city of Phoenix employees to do all that they can to make Phoenix better.

- We are dedicated to serving our customers
- We value and respect diversity
- We work as a team
- We each do all we can
- We learn, change and improve
- We focus on results
- We work with integrity
- We make Phoenix better!

The following are a few examples of how city employees have demonstrated their commitment to our Visions and Values statements by going above and beyond to improve the quality of life for Phoenix residents.

- City employees donated more than \$1,388,600 to the Community Service Fund Drive. The Community Service Fund Drive provides resources to hundreds of agencies that provide health and social services to our community.
- In mid-January, Solid Waste Field Services and Disposal Management staff responded to a frantic call from a resident who had mistakenly tossed three red envelopes containing more

than \$1,000 in cash and checks into her blue recycling barrel. From the first notice to the call center, staff worked to isolate the envelopes. After rooting through mounds of trash, two of the envelopes were found containing all but about \$50 of the lost money.

- In February 2006, the city held its fourth annual diversity celebration for city employees. The diversity celebration helps create a vision where all people's rights are respected and where every person can live and work as a valued member of the community. The event not only endorses and promotes the city's Vision and Value statement "We value and respect diversity" by working together and serving our community; we show how we live it.



The Desert Broom Library Project Team coordinated the design and construction of the new branch library that serves north Phoenix. This team explored the latest in energy conservation, sustainable materials, and alternate heating, ventilation and cooling systems. This "green" building will result in long-term savings for the city – and the taxpayers.





Commitment to Humanity

In 2005, a record number of tropical storms and hurricanes hit the Southeast and Gulf Coast regions of the United States. The following are examples of how the city and its employees answered the call to assist and aid the displaced victims.

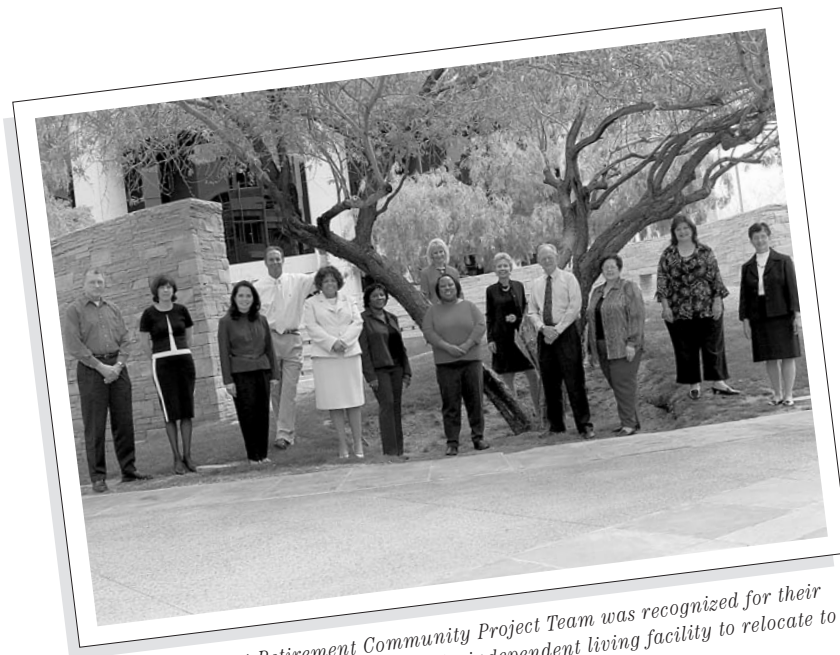
- Phoenix sent recovery and technical teams to the Gulf Coast in September following hurricanes Rita and Katrina, garnering praise from officials and residents in the region. During this time, staff helped repair equipment at Lake Charles Regional Airport and members of the Urban Search and Rescue Team helped conduct more than 400 rescue missions.

- Due to the extraordinary need created by the hurricanes, Public Works staff worked to identify three vehicles which could be donated to the town of Bay St. Louis, Mississippi.
- The city of Phoenix Human Services Department played a major role during Operation Good Neighbor at the Veteran's Coliseum and at the Katrina Assistance Center which followed the closing of the coliseum. Caseworkers assisted hundreds of households through various stabilization efforts ranging from job search, transportation, utilities and housing.

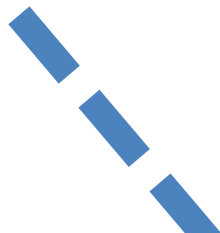
City of Phoenix Excellence Awards

Every year, the city honors individual employees and employee teams who go beyond their normal duties to provide excellent customer service, assist the community or make Phoenix a better place for all its residents. The following teams and individuals were recognized with Excellence Awards this year:

- The Desert Broom Library Project Team coordinated the design and construction of the new branch library that serves north Phoenix. Staff from Public Works, Engineering and Architectural Services, and Phoenix Library departments worked to create a model facility that would meet stringent environmental standards. In short, they wanted a "green" building. The team explored the latest



The Desert Crest Retirement Community Project Team was recognized for their efforts in working with residents of the independent living facility to relocate to other housing after the property was sold.



in energy conservation, sustainable materials, and alternate heating, ventilation and cooling systems. They knew that, in the short term, it would be less expensive and a lot easier to construct a standard facility with minimum requirements. The team showed, however, that a “green building” would result in long-term savings for the city – and the taxpayers. Dedicated last year, the building has won numerous environmental and architectural awards, including a prestigious Valley Forward Award.

- The Desert Crest Retirement Community Project Team was recognized for their efforts while working with residents of the Desert

Crest Retirement Community. Desert Crest was an independent living facility located on 16 acres next to the 24th Street Water Treatment Plant. Unfortunately for the residents, the owner of the complex filed for bankruptcy several years ago. The city eventually purchased the property, not for the sole benefit of the residents, but because it was necessary in case the water treatment plant was expanded. The city treated Desert Crest’s elderly residents with sensitivity and respect while they transitioned to other housing. City officials gave them ample time to relocate while offering rental and housekeeping assistance, meal delivery, transportation and case management. Residents who required a higher level of care were immediately placed in other facilities. The

relocation of the residents was completed in 2005, and the site has been prepared for possible expansion of the water treatment plant. As for the neighborhood, residents are pleased because property values were not impacted. It was a “win-win” resolution for all the parties, thanks to the team’s efforts.

- It is not uncommon for Phoenix firefighters to dig into their own pockets to assist families in emergency situations. Though glad to help, Fire Captain Paul Knobbe explored a more efficient way to aid families in the wake of a tragedy, such as a house fire. Captain Knobbe’s idea was an emergency assistance fund that received seed money from the Stardust Foundation. He also worked with J.P. Morgan Chase Bank to set up a secure Internet account for the fund.



Beth Van Kirk, an outreach librarian with the Phoenix Public Library, is the guiding force behind Book Blast, a reading program that puts books in the hands of more than 5,000 Phoenix children each year.





His brainchild, the FireStar Emergency Assistance Fund, was launched in 2005. If a fire company determines there is an immediate need for emergency assistance, a call is placed to an on-duty program manager who can load up to \$250 onto a debit card using the Internet. Emergency victims are issued the debit card, which can be used only for food, clothing, shelter or transportation. During the 2005 Community Service Fund Drive, Phoenix firefighters contributed generously to the FireStar fund.

- Beth Van Kirk, an outreach librarian with the Phoenix Public Library, is the guiding force behind Book Blast, a reading program that puts books in the hands of more than 5,000 Phoenix children each year. Book Blast is a critical part of Phoenix Activity City, the city-sponsored after-school and summer recreation program offered at more than 100 sites in Phoenix. Book Blast targets students in grades 1 through 3, but older children also may take part. Beth makes sure that the PAC sites have plenty of books and that librarians visit the sites on a regular basis. The program's budget is limited, but the resourceful librarian has a knack for turning \$10 in funding into \$100 in books. Book Blast has

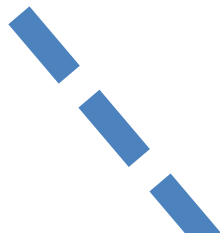
become more important in recent years because of stricter academic standards. Because of her work with PAC, many Phoenix children are better prepared for standardized testing. Even more important than test scores, Book Blast has instilled a passion for reading in young children.

Employee Suggestions Streamline Operations and Cut Costs

The Employee Suggestion Program, which began in the mid-1950s, provides the city of Phoenix and its employees with a way to highlight and inspire a focus of continuous improvement. The financial awards and attention given to the program demonstrate to employees that city management values their input. As a result, employee suggestions submitted over the year have saved millions of dollars



Fire Captain Paul Knobbe created the FireStar Emergency Assistance Program, which provides immediate financial assistance to families following a tragedy, such as a house fire.



through direct cost savings and other productivity and cost-avoidance improvements. Employees can make improvement suggestions for any city operation, not just for their own department. Some examples of employee suggestions implemented in the 2005-06 fiscal year are described in the following:

- Albert Barajas was recognized for his suggestion to reduce the amount of energy and lighting being used for area lighting at Margaret T. Hance Park. Mr. Barajas identified measures including reprogramming the time clock and converting high energy lights to more efficient fluorescent lights. His suggestion not only saves the city money on energy costs, but also will extend the life of the lamps and ballasts. The annual cost savings is \$16,000.
- John Deagle was recognized for his idea to refinish the damaged stainless steel panels along the exterior sides of the moving walkways in Terminal 4 of Sky Harbor International Airport. Prior to Mr. Deagle's suggestion, these panels would have been replaced at a cost of approximately \$163,000. His suggestion to refinish the panels created less waste and resulted in a cost savings of approximately \$125,000.
- Jerald Templeton was recognized for improving the way Water Services staff change the bearings on a climber screen assembly. In the past, four staff were required to complete this operation. With Jerald's suggestion implemented, the task which once took four staff to complete now takes one, saves the city money and improves productivity.
- John Meacham of Neighborhood Services was recognized for his idea to equip staff members involved in direct customer contact such as client intake services with a portable copier. Prior to this suggestion, multiple appointments with customers could be required to gather and collect all of the documentation necessary for intake. Mr. Meacham's suggestion improves staff productivity and provides an unprecedented level of customer service to clients and customers of city services.

As you can see, Phoenix works hard to earn our reputation as a well-run city. Our employees are and will continue to be leaders in their professions with commitment, passion and a strong work ethic. Each day, the core values of our organization – what we call our “Vision and Values” – are at the root of everything we do.

