



Phoenix

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NEWS FOR THE RESIDENTS OF PHOENIX



/cityofphoenix

Phoenix lived up to its namesake in 2012

Rising from the worst recession since the Great Depression, Phoenix lived up to its mythical namesake in 2012 while reinforcing its reputation for innovation and achievement.

The city weathered two years of budget woes to reach financial stability last year, ending the 2011-12 fiscal year with a General Fund surplus of \$8.2 million.

It was a tough row to hoe, one that required the city to manage through a more than \$330 million deficit over the past two years. In fiscal 2010-11, the deficit was \$277 million and \$59 million in 2011-12.

"We continue to show great fiscal strength," City Manager David Cavazos said. "With the leadership of the Mayor and City Council, Phoenix's sound financial management brought the city from a \$277 million deficit in 2010 to a structurally balanced budget in 2012-13. That turnaround allowed for the addition and restoration of services to the community."

Many factors contributed to the turnaround, including:

- Innovation and efficiency savings of \$59.7 million in less than three years, which was achieved through many measures, including streamlining the organization and reducing the workforce by 2,500 positions. As a result, the city boasts the smallest number of employees per capita in 40 years (10.3 employees per 1,000 residents).



- Maintaining the city's AAA bond rating despite the economic downturn, allowing the city to use its good credit to refinance debt, saving more than \$44 million in General Fund debt service payments.
- Increasing the contingency fund to the highest level in the city's history. Almost \$36 million, or 3.4 percent of the city's General Fund operating budget, sits in the "rainy day" fund.
- Reducing twice as many managers as general staff positions: Management positions have been reduced by 22 percent, all other employees reduced by 11 percent.
- Reducing management layers and increasing the span of control ratio from 1 manager for every 5.3 employees to 1 for every 8 employees.

Phoenix's innovation and efficiency efforts, in particular, are garnering attention. The Alliance for Innovation, a nonprofit organization that promotes innovation among local governments, recognized the city in April with an Outstanding Achievement in Innovation

Award. The Alliance recognized Phoenix for its Innovation and Efficiency Task Force, which consists of members of the public and city staff.

The city manager established the Task Force in December 2009, with private-sector members and city executives serving together. Ideas flow through the group to a City Council Subcommittee created after the Task Force was formed.

In the fall, the city reached \$59.7 million in innovation and efficiency savings and celebrated by setting a new goal of \$100 million by December 2015.



Mayor Greg Stanton, City Manager David Cavazos and Councilman Bill Gates celebrated \$59.7 million in innovation savings with cupcakes.

"Working with our private sector volunteers, we have come up with dozens of strategic ways to save taxpayer dollars," said Councilman Bill Gates, who chairs the City Council Finance, Efficiency, Innovation and Sustainability Subcommittee. "This is how government should work – with employees using resources in the best way possible, and the private sector helping us develop new ideas and strategies."

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Greg Stanton
Mayor



Thelda Williams
District 1



Jim Waring
District 2



Bill Gates
District 3



Tom Simplot
District 4



Daniel Valenzuela
District 5



Sal DiCiccio
District 6



Michael Nowakowski
District 7



Michael Johnson
District 8

Bloomberg Philanthropies' Mayors Challenge caps city accomplishments



Phoenix is a finalist for the Bloomberg Philanthropies' Mayors Challenge, a competition created to inspire American cities to generate innovative ideas that solve major challenges and improve city life – and that ultimately can be shared with other cities across the nation.

Phoenix was selected based on its innovative idea to transform Phoenix into the Smartest Energy City in the World by creating community-driven "smart-energy districts" that improve neighborhoods, reduce the urban heat island and maximize energy diversity. Phoenix will now compete against 19 other cities across the country for the \$5 million grand prize as well as one of four additional prizes of \$1 million each.

In November, a team from Phoenix attended Bloomberg Ideas Camp, a two-day gathering in New York City where city teams worked collaboratively with each other and experts to further refine their ideas.

The competition received more than 300 submissions. Winners will be announced in spring 2013, with a total of \$9 million going to five cities to jumpstart implementation of their ideas.

To learn more about the Mayors Challenge, visit bloomberg.org/mayorschallenge.

The Mayor's Challenge capped a year of achievements. The city also saw major accomplishments in the following areas:

- **Innovation and Efficiency** – An extensive review of the city's compensation program found that overall, city employees are paid commensurate with other public- and private-sector employers surveyed. The vast majority of city jobs are paid comparable to other employers; however, some jobs are paid either above or below the competitive range. Some components of the city's pay and benefits structure that were found to be above market were addressed during labor negotiations.



Community attitude surveys consistently rate city employees high for customer service.

- **Financial excellence** – The Real Estate Division completed the public solicitation, sealed bid and transactional documents necessary for the sale of approximately 13,000 acres of city-owned agricultural property in La Paz County. The \$30 million purchase price was above the \$23 million appraised value and the proceeds of the sale, after retiring the bonded indebtedness, provide additional revenue to mitigate future water rate increases.

- **Public safety** – Phoenix Police received a \$500,000 federal grant to purchase on-officer video camera systems, enhancing safety for officers and residents alike. Meanwhile, the response time for the first Fire Department unit to arrive on-scene in Phoenix was 4 minutes and 38 seconds. This is three seconds less, on average, than the previous year.

- **Neighborhoods and livability** – Almost 81,000 graffiti sites were removed from Phoenix neighborhoods, an increase of approximately 12,800 sites, or 9%, from the 2010-11.

- **Economic development and education** – Economic development staff assisted in the attraction of 16 businesses to Phoenix, including two international firms. These companies represent 1,395 new jobs with average annual salaries of approximately \$42,000. In addition, 30 companies received expansion assistance, resulting in an estimated 4,418 new jobs at an average salary of \$35,773. On the education front, Phoenix Public Library's early literacy team funded through First Things First held more than 2,900 early literacy events in

libraries and in the community, serving more than 28,000 adults and 59,000 children.

- **Infrastructure** – The city worked closely with the FAA, airline partners and contractors to complete a 21-day construction project that required closure of north runway. More than 250 people worked around the clock to minimize delays and ensure that the \$10.6 million project was completed on time and in accordance with the FAA's regulations and safety guidelines.

- **Sustainability** – The Same Day Collection project was the largest re-routing project ever undertaken. The change in residential garbage and recycling collection days impacted 395,000 Phoenix households. The more efficient routing of collections corresponds to estimated annual savings of \$2.3 million to the Solid Waste Fund.

- **Social services delivery** – Since 2003, volunteers and city staff completed 54,000 Earned Income Tax Credit applications, resulting in \$59 million in federal refunds to low and moderate-income families. During the 2012 tax season, 5,200 households received \$7.3 million in tax refunds at 23 free tax preparation sites.



The city's Head Start program provides a solid educational foundation for this boy and other children.

- **Technology** – Access to public records was enhanced with the launch of a new website, phoenix.gov/publicrecords. The site's features include links to some of the most commonly requested records maintained by the city and other government entities.
- **Phoenix Team** (supporting employees, volunteers and

community partners in service of residents) – The My Phoenix, My Park volunteer program continues to attract individuals willing to give their time parks and recreation. In fiscal year 2011-12, program volunteers contributed close to 57,000 service hours by engaging with park users, cleaning parks and planting trees.

We've changed our name! The city services bill insert, formerly known as "Notes," is now the "Phoenix @ Your Service" newsletter.

The publication had been called Notes for at least 25 years, and it was time for a name that reflected the city's commitment to customer service. The newsletter's masthead also has been redesigned to reflect the new title and highlight top stories.

We welcome your feedback. Please send your ideas and suggestions for future articles to contactus@phoenix.gov.

City recognition



Free blood pressure checks and other health screenings are offered as part of the city's health and wellness program.

- The city of Phoenix received an award from The Phoenix Business Journal for being one of the Valley's healthiest employers.
- Phoenix received a \$100,000 grant from Cities of Service to implement two major impact volunteering initiatives that address high energy usage in city buildings and lack of access to healthy foods for residents in three public housing communities. Phoenix is one of 18 U.S. cities to be awarded a grant to support mayors who are harnessing the power of volunteers in a strategic way to address priority problems in their communities.
- The Valley of the Sun United Way presented three awards to the city for its 2011 Community Service Fund Drive, including a "Million Dollar Club" award for raising more than \$1 million during the city campaign. Since 2000, city employees have raised almost \$17 million for United Way and other charities.

To read about additional city awards and honors, visit phoenix.gov/awards.

Want to learn more?

Visit phoenix.gov for an expanded version of the Year in Review, which includes more photos, highlights, awards and recognition, plus messages from the mayor, City Council, and the city manager.

Phoenix lived up to its namesake in 2012

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Innovation and Efficiency Task Force accomplishments include:

- Organizational review – the third year of city departments looking closely at organizational structure and operations has resulted in removal of supervisory layers, increased span of control and the elimination of management positions at twice the rate of positions overall; in the first two reviews, the city saved \$9.9 million.
- Rightsourcing – citywide outsourcing levels last fiscal year totaled about \$477 million, a 38 percent increase from five years earlier.
- Introduction of same-day collection of garbage and recycling, saving \$2.3 million.
- Water efficiencies – \$9 million in annual savings.
- Employee Suggestion Program – millions of dollars in savings from employee ideas, including Water Services staff saving \$3.4 million by spending only \$15,000 to comply with a new Environmental Protection Agency rule.
- Marketing Partnership Program – The new program to establish mutually beneficial business partnerships has generated more than \$369,000 to support city programs and services.

With the worst part of the recession over, Phoenix began laying the groundwork for future economic growth. In February, the City Council approved an Economic Development Strategic Plan to position Phoenix as a globally competitive and sustainable city.

The plan's targeted sectors will concentrate on the following key industries: bio-life sciences; advanced business services; manufacturing; world business, including trade and foreign direct investment; sustainable industries and enterprises, including "clean tech;" and established emerging enterprises,

which are young firms that start small and have a high propensity to grow.

The Economic Development Strategic Plan is part of the city's overall Strategic Plan, which focuses on the following 10 areas:

- Economic Development and Education
- Financial Excellence
- Infrastructure
- Innovation and Efficiency
- Neighborhoods and Livability
- Phoenix Team
- Public Safety
- Social Services Delivery
- Sustainability
- Technology

In 2012, the city also welcomed a new mayor and police chief.

Sworn in as the city's 52nd mayor in January 2012, Greg Stanton pledged to diversify the city's economy and make government more transparent and accountable. Council members Thelda Williams (District 1), Jim Waring (District 2), Bill Gates (District 3), Daniel T. Valenzuela (District 5), and Michael Nowakowski (District 7), also were sworn in during a ceremony at the historic Orpheum Theatre.

Immediately after taking office, Stanton announced a major new job-creating collaboration with Mayo Clinic in North Phoenix and the formation of a "Mayors' Futures Forum" with Tempe, Mesa and Flagstaff, to champion schools and education.

A few weeks later, Stanton announced plans to increase transparency by making City Council meetings more convenient for the public. Under the Council-approved schedule, formal meetings start two hours later, at 5 p.m., making it easier for working residents to attend.

Daniel V. Garcia was sworn in as Police chief in May, vowing that Phoenix police will treat residents with dignity and respect while "policing with a purpose."

In September, the city took a major step toward increasing accountability with the creation of the Ethics Review Ad Hoc Task Force, chaired by former Maricopa County Attorney Rick Romley.

Stop illegal dumping!

Steps can be taken by residents to stop illegal dumping. If you see it in progress, call Crime Stop at 602-262-6151. To report illegal dumping that is not in progress, call Solid Waste Customer Service at 602-262-7251 or visit phoenix.gov/publicworks, search word "illegal dumping."

Transfer station changes coming soon

Beginning Friday, March 1, 2013, any time residents visit the transfer station, they must bring a current city of Phoenix city services bill showing solid waste fees and a matching photo I.D. with same name or address. Residents also will be limited to one small free load per month. For more information, visit phoenix.gov/publicworks or call 602-262-7251.

Phoenix

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City of Phoenix

City sets special election in March

On Tuesday, March 12, Phoenix voters will decide ballot measures relating to pension reform for municipal employees and security for public transit vehicles.

The special election is open to Phoenix residents who are registered voters and reside within the city limits at least 29 days prior to the election.

Phoenix will use voting centers instead of traditional polling places. Voters may cast their ballot at any of the 27 voting center locations instead of one assigned polling place, making it more convenient to vote closer to work, school, home or along your daily commute.

Voters will have three days to cast their vote, allowing for greater

flexibility and accessibility. Voting centers will be open:

- Saturday, March 9, from 10 a.m. to 4 p.m.
- Monday, March 11, from 9 a.m. to 6 p.m.
- Tuesday, March 12, (Election Day) from 6 a.m. to 7 p.m.

A Sample Ballot and Publicity Pamphlet (SBPP) will be mailed to registered voter households the week of Feb. 4. Early ballots are mailed the week of Feb. 11. Request forms to vote by mail are available online and at city public service counters and libraries. The deadline for requests is 5 p.m. Friday, March 1.

For locations and hours to vote an early ballot, refer to the SBPP or online.

Accessible voting devices are available at all voting sites. **Early ballots must be received by 7 p.m. Election Day.**

For more information, visit phoenix.gov/elections or call 602-261-VOTE (8683) or TTY 602-534-2737.



Expect no increases in water/sewer rates

Phoenix residents can expect to see no increases in water and sewer rates for the 2013-14 fiscal year, thanks to significant savings and efficiencies within the city's Water Services Department.

This marks the first time in 20 years that there will be no increases in both water and wastewater rates. The city will continue to provide efficient, safe and reliable water and sewer services while providing residents with the fifth-lowest water and sewer bill among the nation's 20 largest cities.

Water Services completed an innovation and efficiency study this year that led to \$20.8 million in savings from

such measures as reduced chemical costs, eliminating additional positions, energy conservation, reduced debt service, sewer-operating efficiencies and revenue increases due to the improved economy.

The proposal for no increases will go to the full City Council for review later this year.

The City Council approved implementing a combined rate adjustment for the 2012-13 fiscal year, with no net increase for single-family residential customers. Sewer rates dropped by 7.5 percent and water rates increased by 4.5 percent.

PHX Sky Train™ to debut in 2013

Phoenix Sky Harbor Airport will debut the much-anticipated PHX Sky Train™ early this year. The free Sky Train will transport travelers between the METRO light rail at 44th and Washington streets, East Economy Parking and Terminal 4.

Running seven days a week, the Sky Train will offer passengers the opportunity to check their bags before boarding. Stations at 44th and Washington streets and East Economy Parking will offer this convenient service for customers of Southwest Airlines and US Airways at no additional cost (airline fees for checked bags apply). Other station amenities include boarding-pass kiosks and pet parks.

For more information, visit skyharbor.com/phxskytrain.