

January / February 2014

Phoenix

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NEWS FOR THE RESIDENTS OF PHOENIX



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Year in Review: 2013 was an outstanding year for city

Without question, 2013 was an outstanding year for the city of Phoenix.

As the city continued to reduce costs and become more efficient, “doing more with less” became “Do better with less” in 2013. Even the values that had guided the city as an organization for two decades evolved to reflect the city’s current ideals and principles, leading with “We are committed to excellence through exceptional customer service.”



uninterrupted AAA bond rating, the best in the industry. The bond rating has allowed the city to save more than \$164 million through refinancing since 2008-09.

One of the highlights of the year was the results of the latest community opinion survey, in which more than nine out of 10 residents, or 93 percent, said Phoenix is a good place to live. The rating was the highest in the history of the survey, which is conducted by a

The city continued to recover slowly but steadily from the Great Recession, even earning the label “turnaround town” by CNBC: “To right itself and thrive going forward, the city has built on the gains in health-care jobs the city continued to experience even through the recession by investing in its biosciences sector and higher education . . . Arizona’s statewide business tax cuts and other policies favoring business have helped make it one of the states with highest projected job growth; many new jobs will be centered in the Phoenix area. And green tech plays an increasingly important role in the area’s economy, with Phoenix ranking fourth in the U.S. for tech salary growth.”

The city’s commitment to financial excellence was further evidenced by its

private research company every two years.

As you review 2013, we think you’ll agree it was a successful year for the city, and we are confident 2014 will bring even more progress.

City manager departs; acting city manager appointed

After 27 years of service with the city, City Manager David Cavazos retired in October to become city manager of Santa Ana, Calif. Before departing, the City Council named Ed Zuercher acting city manager while they conduct a national search for a permanent city manager. Before his appointment Zuercher was assistant city manager.

More women serve on City Council

City Council elections were held in Districts 2, 4, 6 and 8. Councilman Tom Simplot did not seek re-election in District 4, and Councilman Michael Johnson was limited by term limits from seeking re-election in District 8.

During the general election in August, incumbents Jim Waring, District 2, and Sal DiCiccio, District 6, were re-elected. In the November runoff election, Laura Pastor was elected to District 4 and Kate Gallego was the winner in District 8. Three women, including District 1 Councilwoman Thelda Williams, now serve on the City Council. The Council members were sworn in Jan. 2 at a ceremony at the historic Orpheum Theatre.

Half of the food tax eliminated

Following a series of public meetings, the City Council voted in October to repeal half of the sales tax on food earlier than scheduled. The reduction took effect Jan. 1, 2014. The plan eliminates half of the 2 percent tax without requiring cuts to police, fire and other services. The city has identified savings and other revenues like the sale of excess property to offset the food tax reduction. The tax will expire entirely in March 2015 as planned.

City finances remain strong

Sales-tax revenue, construction permits and other economic indicators continued a pattern of moderate growth, and city leaders remain cautiously optimistic about the budget. In June, the City Council adopted a 2013-14 General Fund budget of \$1.13 billion. The contingency fund, or rainy-day reserve, reached a new high of \$43.6 million, which contributed to the city maintaining its AAA bond rating. The budget restored and enhanced some services, including hiring 11 police officers for patrol and specialty units; hiring three additional fire paramedics and four firefighters; restoring five after-school programs; and \$6.5 million for enhanced street maintenance and improvements.

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Greg Stanton
Mayor



Thelda Williams
District 1



Jim Waring
District 2



Bill Gates
District 3



Laura Pastor
District 4



Daniel Valenzuela
District 5



Sal DiCiccio
District 6



Michael Nowakowski
District 7



Kate Gallego
District 8

City achieved many accomplishments in 2013

The city achieved many major accomplishments in 2013, from Aviation's newest mode of transportation to Water Services harnessing the power of the sun. Here are some highlights:

Aviation Department – The opening of the PHX Sky Train™ last year provided a faster and more efficient way for customers to travel between the 44th Street Light Rail Station, East Economy Lot and Terminal 4. More than 2 million passengers and airport employees have used the service to date.



The PHX Sky Train™ arrives at stations every three minutes and passengers are delivered to their destinations within minutes of boarding.

Budget and Research Department – The 2013-14 budget, which was approved by City Council, increased the contingency (or "rainy day") fund; addressed critical public safety and infrastructure needs; included \$11 million in administrative efficiencies; and added some important community services. The department also presented a five-year General Fund forecast - a financial best practice that allows the Mayor, City Council, city management and residents to conduct long-term budget planning.

City Auditor Department – City Auditor recommendations resulted in \$1.85 million of revenue recoveries and cost savings during fiscal 2012-13.

City Clerk Department – Several improvements were implemented for the city's three elections last year, including an online campaign finance database system. The department's official records staff, meanwhile, worked to improve the Public Records Search webpage at phoenix.gov/publicrecords.

Community and Economic Development Department – The Phoenix Business and Workforce Development Center officially opened its doors in 2013. Conveniently located downtown, the new business center helps employers recruit and train employees and perform other critical functions.

Equal Opportunity Department – With \$385,000 in HUD and Community Development Block Grant funding, the department increased enforcement of federal fair housing laws and educated

the public about fair housing. Staff conducted 25 fair housing workshops, reaching more than 25,600 city residents.

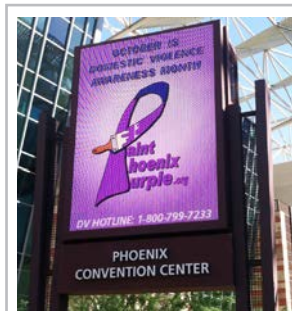
Finance Department – The department reduced debt-service payments by \$73 million through the refinancing of Aviation and Transit Revenue bonds.

Fire Department – Battalion 7, which includes five fire engines, one ladder truck and two full-time ambulances, was restored to Fire Station 43, 4110 E. Chandler Blvd. The restored service expands firefighters' and paramedics' presence and response times in the heavily populated area south of South Mountain.

Housing Department – The Family Self Sufficiency program provided case management to 2,819 households and training and education to 42 participants. One participant was even able to purchase a home. The department also celebrated the opening of Aeroterra Senior Village, which serves low-income seniors and people with disabilities.

Human Resources Department – The citywide organizational review process resulted in \$2.9 million in savings last year through the elimination of more than 50 positions, position reallocations and other cost-savings measures. The organizational review process has saved \$12.8 million since 2010.

Human Services Department – The City Council in 2012 approved an additional \$200,000 for domestic violence assistance and directed the City Manager to develop a comprehensive plan to address domestic violence. In October 2013, the department coordinated the Paint Phoenix Purple campaign to raise awareness about domestic violence during National Domestic Violence Prevention Month.



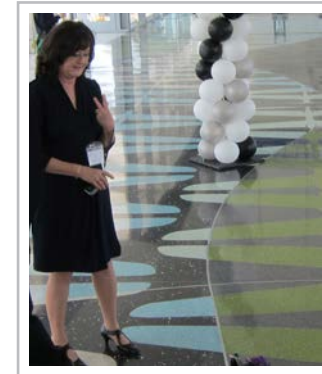
The Phoenix Convention Center marquee proclaimed the Paint Phoenix Purple campaign.

Information Technology Services – After considerable study, the department replaced the city switchboard with the Interactive Voice Response system to accept and route calls. Replacing the switchboard with the new system will result in \$250,000 in savings per year.

Municipal Court – Phoenix Municipal Court continued its leadership of the Maricopa County Regional Homeless Court, which has helped hundreds of homeless individuals and provided thousands of hours of community service. The court also continued to serve military veterans through Veterans Court by providing long-term solutions to such issues as post-traumatic stress, traumatic brain injury, and drug and alcohol abuse.

Neighborhood Services Department – The department's customer service team assisted 82,033 customers; the abatement team resolved 1,872 cases; and the inspection staff completed 196,653 inspections and resolved a record 68,194 cases (6,422 more than the prior fiscal year). In addition, the department started Neighborhood College, a series of instructor-led, participatory workshops designed to increase residents' knowledge of the city.

Office of Arts and Culture – The office coordinated major capital projects



A visitor admires PHX Sky Train's™ terrazzo flooring which was commissioned by the Office of Arts and Culture.

for Arizona Opera, Black Theatre Troupe, Ballet Arizona and Phoenix Theatre. It also managed 11 large public art projects, including award-winning projects for the PHX Sky Train.

Parks and Recreation Department – The department completed more than \$38 million in park renovation and improvement projects; reduced water use by 224 million gallons; and offered more than 6,828 recreational programs and classes that were enjoyed by thousands of residents.

Phoenix Convention Center – In March, the Phoenix Convention Center welcomed its one millionth convention delegate – a Colorado veterinarian – since the \$600 million expansion was completed four years ago. One million convention delegates visiting downtown Phoenix equates to nearly \$1.5 billion in estimated spending for Phoenix's economy.

Phoenix Public Library – Attendance at College Depot workshops increased by 17 percent, and the number of people

who visited College Depot for assistance increased by 7 percent. The college-access service is based at Burton Barr Central Library.

Planning & Development

Department – Planning staff exceeded their goal to reduce the turnaround time for 90 percent of all site-plan reviews to five days or less. The department also launched Electronic Plan Review, an online building plan submittal, review and payment program that streamlines the building plan review process.

Police Department – Twenty-six new officers were hired ahead of schedule through efficiencies and a grant from the U.S. Department of Justice Office of Community Oriented Policing Services (COPS). The department used the grant to enhance its mission of community-based policing. Meanwhile, Phoenix experienced record-low property crime rates in 2013, the lowest in 30 years.

Public Information Office – The Public Information Office worked with the Mayor and City Council to improve public-transparency efforts, including transforming the City Hall assembly rooms into the new City Council subcommittee rooms, which can accommodate larger audiences. Council subcommittee, policy and formal meetings now can be viewed live on PHX11, phoenix.gov and Facebook and are replayed on the city's website and TV channel.

Public Transit Department – The Northwest Extension, a 3.2-mile project to extend light rail on 19th Avenue from Bethany Home Road to Dunlap Avenue, resumed following a recession-caused delay. The project is expected to be operational by 2016.

Public Works Department – The Green Organics pilot program, a green-waste curbside collection service, was implemented last year. The voluntary service allows residents to dispose green organic items, such as vegetation and lawn clippings, as part of their regularly scheduled trash service.



The Green Organics program is expected to save the city \$180,000 in landfill transportation fees by diverting 15,000 tons of green waste.

Street Transportation Department – The Sonoran Boulevard project was completed last year, culminating a process that began in 1987.

The roadway (now named Dove Valley Road) provides a vital east-west connection through north Phoenix, adjacent to the Sonoran Preserve.

Water Services Department – A high-efficiency solar power system was installed at the city's Lake Pleasant Water

Treatment Plant, which generates 70 percent of the plant's electrical power needs. A total of 22,936 solar panels are being used to save approximately 15 million kilowatt-hours (kWh) each year. The solar project is largest such installation on city property.

Year in Review: 2013 was an outstanding year

(continued from page 1)

Community Opinion Survey satisfaction rates

In addition to rating the livability of Phoenix at its highest ever, 93%, the survey also analyzed satisfaction rates for top city services, comparing survey results from 2002 to 2012. Satisfaction rates increased over the last 10 years for 20 out of 26 services studied, including police and fire protection, parks and recreation, safe drinking water, services for the poor and homeless, and garbage and recycling service.

City on track to surpass efficiency goals

In September, the city announced it expects to surpass its Innovation and Efficiency savings goal of \$100 million by 2015, well ahead of schedule. The current savings total is \$91 million. The city's Innovation and Efficiency efforts are nationally recognized, and the Innovation and Efficiency Task Force, created in 2010, continues to find ways to enhance savings and present recommendations to the Mayor and City Council.



Planning & Development can now review building plans online, eliminating the need for paper plans.

Progress toward pension reform

In March, Phoenix voters approved changes to the City of Phoenix Employee Retirement System that are expected to save approximately \$600 million over 25 years. Under the voter-approved reforms, new employees are required to split pension contributions 50/50 with the city and the minimum retirement age will increase on average by 3.5 years.

Additionally, in October the City Council voted to expand pension reform efforts. Early estimates indicate these efforts are expected to save at least \$130 million over the next 25 years.

Awards & Recognition

The city received many awards and recognitions in 2013, including:

- The American Association of Retired Persons (AARP) recently included Phoenix in an online travel article as one of "Six Places to Experience Big City Wilderness." The online article listed Phoenix as one of the few large metropolitan areas "lucky enough to have undeveloped tracts of nature so large."
- Phoenix earned a perfect score of 100 in the latest municipal equality index for efforts to ensure equal treatment of members of the gay and lesbian community. Phoenix is one of only 25 cities in the country to earn a top score.
- Phoenix received an Award of Excellence from the Alliance for Innovation for its organizational review, which has resulted in a leaner work force and more efficient delivery of services.
- The Phoenix Business Journal named the city one of the Valley's healthiest employers for the second year in a row, and the Wellness Council of Arizona presented the Benefits Office with a Process, Progress and Leadership in Worksite Health Promotion award.
- The Water Services Department won a 2013 Outstanding Groundwater Project Award from the National Ground Water Association. The city received the award for a new technology in aquifer restoration, which reduced annual operations and maintenance costs by \$150,000.
- Individual city employees also received prestigious awards including: Wylie Bearup, Street Transportation director, named one of the nation's top 10 public works leaders by the American Public Works Association; City Clerk Cris Meyer, chosen Clerk of the Year by Arizona Municipal Clerks' Association; and Phoenix Municipal Court Chief Presiding Judge Roxanne K. Song Ong, selected Judge of the Year by the Arizona Supreme Court and inducted into the Maricopa County Bar Hall of Fame.



Presiding Judge Roxanne K. Song Ong



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Free prescription drug card saves residents \$11 million

Thousands of Phoenix residents are saving big on prescription drugs, thanks to the free Prescription Drug Discount Card from Coast 2 Coast Rx.

Since the city of Phoenix first partnered with the company in 2010, residents have saved more than \$11 million.

The card, which gives an average discount of 65 percent off retail and can be used at almost any pharmacy, has been most beneficial for people who don't have insurance or have high deductibles/co-pays. It also can

be used for pet prescriptions, veterinary services, dental, vision, hearing, diabetic equipment and supplies, and lab and imaging tests.

The program operates at no cost to the city and generates revenue for the city's General Fund. Cut out the card and start using it today!

For more information, call 1-800-931-8872 or visit coast2coastrx.com/phoenix.

Phoenix

@YOUR SERVICE

Phoenix City Council

Mayor Greg Stanton 602-262-7111
mayor.stanton@phoenix.gov
Bill Gates, Vice Mayor
District 3 602-262-7441
council.district.3@phoenix.gov
Thelda Williams, District 1 602-262-7444
council.district.1@phoenix.gov
Jim Waring, District 2 602-262-7445
council.district.2@phoenix.gov
Laura Pastor, District 4 602-262-7447
council.district.4@phoenix.gov
Daniel Valenzuela, District 5 602-262-7446
council.district.5@phoenix.gov
Sal DiCiccio, District 6 602-262-7491
council.district.6@phoenix.gov
Michael Nowakowski,
District 7 602-262-7492
council.district.7@phoenix.gov
Kate Gallego, District 8 602-262-7493
council.district.8@phoenix.gov
Garbage/Trash Service 602-262-7251
Landfill/Disposal Information 602-262-7251
Recycling 602-262-7251
Water/Wastewater 602-262-6251

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Public Information Office
200 W. Washington St.
Phoenix, AZ 85003
602-262-7176
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City of Phoenix

Resident: Service line protection program provides 'peace of mind'

Andy Fischer of Ahwatukee noticed that his water bills had suddenly spiked by nearly half. He soon discovered that the underground pipes in front of his home were leaking, and that he would be responsible for repair costs.

"The average homeowner doesn't know they are responsible for those repairs. They find out when an event happens," said Fischer. Fortunately, he had some peace of mind because he was already enrolled in Service Line Warranties of America (SLWA), a partner of the city of Phoenix that offers water and sewer line protection. Nearly 200 cities nationwide now participate in the program.

"I made the call, got a person who knew what they were doing, he had a great attitude and showed up within 24 hours. It cost me nothing out of pocket." SLWA confirms that had Fischer not had the service line protection, the repair would've cost him \$850.

Since the program launched in fall of 2012, more than 32,400 Phoenix homeowners have enrolled and have saved more than \$410,000. The company



Andy Fischer points to where his water pipes leaked, six feet below ground.

offers residents protection on their sewer and water lines that run from the private property line to the connection at the home.

Phoenix homeowners will receive letters in February, explaining how they can enroll in the program. For more information, call SLWA at 1-866-922-9008 or visit slwofa.com.

Phoenix does not spend any taxpayer dollars on this program, which actually generates revenue for city programs and services. For more information, visit phoenix.gov/bizpartners.

Location change for Chinese Week festival

The Chinese Week Cultural and Food Festival will be Feb. 7 – 9 at a new location, Margaret T. Hance Park, 1202 N Third St. For more information, visit phoenixchineseweek.org or call 480-406-7470.