

Award for Excellence in Honor of Mark E. Keane



FRANK FAIRBANKS

Established in honor of former ICMA Executive Director Mark E. Keane, the Award for Excellence recognizes an outstanding local government administrator who has fostered representative democracy by enhancing the effectiveness of local government officials and by consistently initiating creative and successful programs. This year, ICMA presents the Mark E. Keane Award to Frank Fairbanks, city manager of Phoenix, Arizona.

When Frank Fairbanks was named manager of the city of Phoenix (pop. 1.2 million) 11 years ago, he inherited a city government that was already very good. Under the guidance of City Manager Marvin Andrews, ICMA's first recipient of the Mark E. Keane Award, Phoenix had established a national reputation for excellence. However, financial projections in 1991 revealed that Phoenix was heading into a recession, and that the budget was in need of radical surgery. But how

could one of the nation's fastest-growing cities reduce its annual budget without cutting essential services and laying off hundreds of employees?

Working closely with the city council, Mr. Fairbanks found a way. He implemented a city-wide hiring freeze and reprogrammed a \$1 billion bond program. To set an example for Phoenix's employees, he asked the council to reduce his paycheck. He also asked department managers to devise innovative methods to expand service levels with fewer dollars and laid out the bleak revenue projections to the city's five employee unions, asking for their help in getting Phoenix through the crisis.

As a result of this groundwork, when the crunch came, everyone marched together—elected officials, the management team, employees, the community, and even the unions, who had agreed to forego wage increases. Mr. Fairbanks and his team eliminated 500 positions without a single layoff and sliced \$45 million from the budget without compromising the city's high levels of service.

If Mr. Fairbanks is good in a crisis, he is great in the day-to-day management of Phoenix. Believing that the best ideas come from front-line employees, Mr. Fairbanks exercises "a steadying hand from behind the curtain," as described by *Governing* magazine. In the city of Phoenix, ideas percolate *up* from shop floors and cubicles, through focus groups and partnership circles. Employees submit an average of 400 improvement suggestions a year, saving the city millions of dollars. One recent idea alone, which involved the replacement of air filters at the airport, saved \$166,719.

Consistently Mr. Fairbanks has been credited with fostering a risk-taking city environment that measures and rewards results. In 1998,

Phoenix became the first major U.S. city to implement the Systems Applications Procedures in Data Processing (SAP) financial management system, placing the power of purchasing, fixed-asset management, cost accounting, and accounts payable and receivable in the hands of more than 1,400 Phoenix employees. Through a unique labor-management partnership, the city re-engineered its water services and reduced operating costs by more than \$12 million annually, while improving water quality, the environment, and customer service.

Through all of the city's efforts to reduce costs, Mr. Fairbanks has maintained his commitment to the citizens he serves, constantly looking for better ways to provide the services they need. Under the city's new "Seamless Service Program," employees are trained to "own" a telephone call, staying on the line until the caller gets the right answer. Field workers are armed with pamphlets about the government so they will be able to answer common questions and direct citizens to the correct place for service. And, where it once took three to four weeks for the city to complete a plan review process, a new team permit process reduced that time to just two to four days.

The result is a satisfied workforce and content citizenry. In recent surveys administered by an outside research firm, 97 percent of Phoenix's employees called the city a good place to work, and 86 percent of residents said they are pleased with the city's performance—the highest rating Phoenix has ever received. Thanks to Mr. Fairbanks's leadership, employees of the city of Phoenix continue to live by the common values of the mission statement they developed in 1995: a dedication to customer service, team work, continuous improvement, integrity, and results. ♣