

2012 ANNUAL REPORT



MAYOR'S MESSAGE

What a year! Centennial has accomplished so much and, as we do each year, we should take a moment to review our achievements and celebrate!

Our most notable (and fun) accomplishment in 2012 was the opening of our award winning Centennial Center Park April 27. Within the first nine months, thousands visited our Park. Families, businesses and organizations hosted more than 200 events, from reunions to corporate picnics, from graduation and birthday parties to school field trips taking advantage of the Park's educational features.

The City hosted our annual Celebrate Centennial Under the Stars event and our first Tree Lighting Ceremony with children's choirs providing the entertainment. And, while the City can't take credit for a certain Olympic swimmer living in our City, we were honored to host a statewide Olympic Celebration in Centennial Center Park, which brought Colorado's Summer Olympians, the Governor,

legislators, citizens, and lots of positive press coverage to our community.

Many have returned to spend more time in the Park while shopping and dining at our local businesses. None of this would have been possible without the help of our project partners and the award of grant funds from Arapahoe County and Great Outdoors Colorado. People from across the front range continue to visit and enjoy our Park, making Centennial a destination.

It's no secret that Centennial is a fantastic place to live. For the eighth consecutive year, Centennial was recognized as the safest City in Colorado. In addition, Centennial was listed the 47th Best Place to Live by Money Magazine. I must say, we can be proud of Centennial's quality of life.

Last year, Centennial hired John Danielson as Centennial's City Manager. He is a strong leader with valuable experience. John shares Council's vision of taking Centennial to the next level while remaining true to the principles by which Centennial was founded.

Contracting for services continues to give us the best value for our tax dollars.

Our Public Works contract has been extended for five years at a savings of \$1 million while increasing service levels. For example, through efficiencies and the use of cutting-edge technology, our citizens will see an additional 93 miles of snow plowed on Centennial's streets during each storm.

The City of Centennial continues to attract and retain a strong business base, generating healthy revenue and encouraging ongoing revitalization through thoughtful and responsible development. Centennial is a fiscally responsible, business-friendly City that balances business, residential and cultural community interests.

All of this is possible through leadership and commitment from the City Council, the City Manager, Centennial staff, our contractors, and our governmental and business community partners.

It continues to be a privilege to serve you and make Centennial the best it can be. I look forward to working with you and finding ways to make Centennial a model for twenty-first century city government.



MAYOR'S MESSAGE
Centennial Mayor Cathy Noon

QUALITY OF LIFE

COMMUNITY EVENTS

The City hosted a number of community events in partnership with many businesses and non-profit organizations. Two movie nights took place, one at the Trails Recreation Center and one at deKoevend Park. The 7th Annual Celebrate Centennial Under the Stars celebrated the opening of the Centennial Center Park and was another success, including a movie and live music. Thousands of people were in attendance.

The City continued the partnership with South Suburban Parks and Recreation on the family-oriented Centennial Spring Fling in May.

Centennial also hosted a breakfast station at Centennial Center Park as part of Bike to Work Day.

SENIOR COMMISSION

The Senior Commission hosted two forums this year to gain input from Centennial seniors regarding their needs and desires in the area of services for senior citizens.

In addition to the forums, the Senior Commission provided representatives at the Arapahoe County Council on Aging's 12th Annual Senior Resource Day and promoted Older Americans' Month during the Spring Fling event.



BATTLE OF THE BANDS

CENTENNIAL YOUTH COMMISSION

The City of Centennial's Youth Commission and Youth Corps hosted the 4th Annual Centennial Battle of the Bands in partnership with the Arapahoe Parks and Recreation District. Six bands competed and a professional band headlined the event. The event was a success with more than 400 people attending this all-ages event throughout the day.

The Youth Commission presented two Centennial high school students with the Youth Achievement Award, which is intended to recognize youth who have made a significant impact on Centennial's community. The \$1,000 scholarship and the \$500 scholarship were awarded to two Cherry Creek High School students. The City's building services provider, SafeBUILT, donated the \$1,000 scholarship and the Youth Commission provided the \$500 scholarship. In addition to the scholarships, Hollywood Theaters donated a gift card and movie passes as part of the awards.

The Youth Commission also partnered with the Endeavor Academy for the 25th Annual Thanksgiving SHARE Basket Project. The project collected enough food to feed more than 200 families for Thanksgiving.

QUALITY OF LIFE



OLYMPIC CELEBRATION

The City of Centennial hosted a welcome home ceremony August 18 at Centennial Center Park to celebrate and honor Colorado's Olympic athletes returning from the 2012 Summer Olympics. Centennial resident and world record holder, Missy Franklin and five other Colorado Olympians attended the event, where they were recognized and celebrated by Governor John Hickenlooper, Mayor Cathy Noon and other local dignitaries. Thousands of fans attended the event including local TV networks – one even streaming the event live online.



2012 Olympians in attendance were: Missy Franklin, bronze medalist and four-time gold medalist in swimming; discus thrower Lance Brooks; David Herman, who competed in the BMX cyclist; Georgia Gould, who received a bronze medal in mountain biking; Kara Lynn Joyce, freestyle swimming; and women's rowing gold medalist Taylor Ritzel.



OLYMPIC CELEBRATION

The City honored Colorado Olympians returning from the 2012 Summer games in a welcome home ceremony August 18 at Centennial Center Park.



CENTENNIAL CENTER PARK

The 11-acre Centennial Center Park opened April 27, 2012. Designed for year-round enjoyment, the park features playgrounds, water play areas, outdoor amphitheatre, a plaza, picnic shelters, restrooms, mountain view overlooks and more. Centennial Center Park has proven to be a destination for many. Within the first nine months of operation, more than 200 events were scheduled at the Park.

Centennial Center Park was awarded the 2012 Colorado Lottery's Starburst Community Award, (pictured below)

recognizing excellence in projects that enhance a community's environment. Winning projects are selected based on the creativity of the project, economic and social impact to the community and whether the project achieved its goal.

Funding and support for the \$5.3 million Centennial Center Park came from a variety of sources, including Great Outdoors Colorado, DORA, CenCON, the Centennial Rotary Club and numerous other business and community partners.



HOLIDAY LIGHTING CELEBRATION

The City's first Holiday Lighting Celebration in Centennial Center Park drew more than 1,000 attendees. The event featured a tree lighting ceremony and performances by six choirs and 325 students representing numerous schools from the Centennial area.

ECONOMIC HEALTH



BEST OF CENTENNIAL

The 5th Annual Best of Centennial Business Awards recognized the following businesses:

- Pearson eCollege, Company of the Year (large business)
- ConMed Electrosurgery, Company of the Year (small business)
- John Brackney, Mayor's Award of Excellence
- Tagawa Gardens, Youth Commission's Award for Environmental Stewardship
- AlloSource, Project of the Year
- Nourish Family Center, Citizen's Choice Award
- Design & Manufacturing, Entrepreneur of the Year

NEW BUSINESSES

- The annexation of the remaining lots of the Centennial Promenade was completed in 2012, placing J. Alexander, REI and Rock Bottom Restaurant and Brewery within the City.
- Centennial Gun Store & Range
- Connexions
- Dyson
- Latysis "DEN2" Data Center
- Walmart Neighborhood Market
- New Tenants at The Streets at SouthGlenn: Old Navy and Charming Charlies



LASER TECHNOLOGY INC.

Due to growth and the addition of new products, Laser Technology, Inc. moved their headquarters to a newly renovated 47,000 foot building in Centennial.



ALLOSOURCE EXPANSION

AlloSource, a large Centennial based business, expanded its offices by 90,000 square feet, almost doubling the previous size. The construction of the new headquarters employed more than 500 local skilled workers, and close to \$20 million was injected into the local economy as a result of the project.





CENTENNIAL'S PRIVATE SECTOR TOP 10 EMPLOYERS

- *Oppenheimer Funds*
- *United Launch Alliance*
- *Pearson eCollege*
- *Comcast & Comcast Media Center*
- *IKEA Centennial*
- *US Foodservice*
- *Jones International University*
- *United Healthcare Services*
- *King Soopers*
- *Saunders Construction*

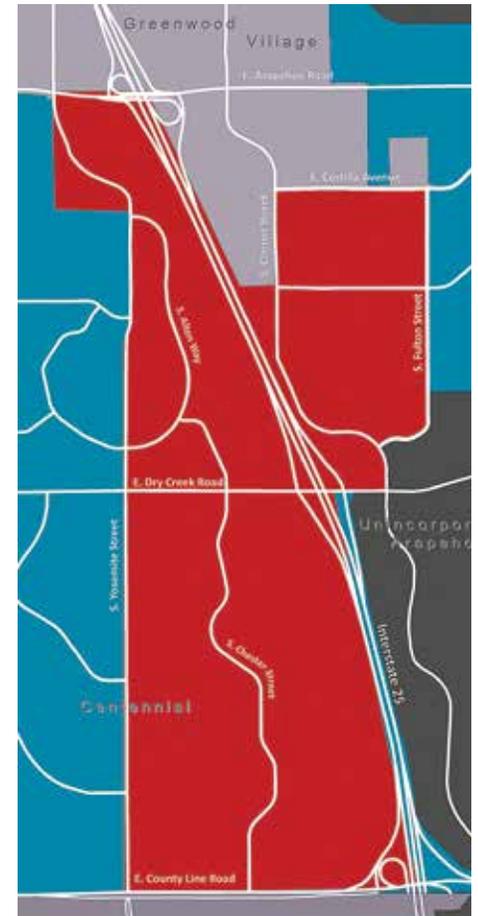
I-25 CORRIDOR PLAN

In 2012, the City initiated a public outreach process to develop policies and solutions to make Centennial a more attractive place to do business and, through easy accessibility to Light Rail, ensure that viable areas of employment are conveniently located near our City's neighborhoods.

Conveniently located employment, among other factors, helps ensure long-term viability of our neighborhoods.

The I-25 Corridor Plan seeks to accomplish the following objectives:

- Gain understanding of future market demand within the City, its impacts, and the amount of growth the City is willing to accommodate.
- Solve access and connectivity issues to Light Rail stations.
- Develop and evaluate future development/redevelopment scenarios.
- Involve property owners and the community in helping identify issues, opportunities, and the appropriateness of future development



CENTENNIAL NAMED AMONG BEST PLACES TO LIVE

Centennial was ranked 47th on Money Magazine's 100 Best Places to Live in 2012. Among the reasons cited are the Centennial Link Trail and Centennial Center Park. Also mentioned were the numerous job opportunities in the City, with Cisco Systems, Oppenheimer Funds and Comcast being specifically named. Overall scoring criteria is based on strong job opportunities, great schools, low crime, quality health care, a sense of community and plenty to do.

PUBLIC WORKS



PUBLIC WORKS CONTRACT EXTENSION

Centennial extended its contract with CH2M HILL to continue providing public works services for its residents in one of the largest public-private partnerships of its kind in the U.S. The new agreement, valued at just more than \$51 million, runs from Jan. 1, 2013 through June 30, 2018. It includes expanded service delivery such as plowing an additional 93 miles of street network; additional asphalt, concrete and street-sweeping maintenance; replacing all street name signs with distinctive blue signs; and increased performance standards for responding to citizen work requests – all while reducing the City's overall cost.



SNOW PLOW ROUTE OPTIMIZATION

In 2012 the City in partnership with CH2M HILL developed an award-winning, innovative approach to snow removal that integrates route optimization with the use of consumer-grade global positioning system (GPS) devices.

Snow plowing operations experienced an increase in efficiency of 28 percent on the first implementation and more than 40 percent increase on subsequent events. As a result, Centennial significantly reduced the amount of time required for a single snow truck to complete its route with the added benefits of clearer streets and increased public safety for the community.

The innovative use of route-optimization has allowed for an additional 93 miles of streets to be plowed during a storm, totaling 563 miles, at no additional cost to the City and resulting in all citizens now being within one-quarter mile of a plowed street.

The City of Centennial and CH2M HILL are among the first in the nation to use optimized snow plow routing solutions to enhance operational efficiencies.



NEW PROPERTY PURCHASED FOR PUBLIC WORKS DEPARTMENT

The City of Centennial purchased property located at 7272 S. Eagle Street to house the City's Public Works department with room for future expansion. Three buildings exist on this 9.1 acre site totaling slightly more than 38,000 square feet.



PEORIA AND PEAKVIEW RECONSTRUCTION

Reconstruction and intersection improvements at Peoria St. and Peakview Ave. were completed in 2012. The project involved:

- installing new concrete pavement from Arapahoe Rd. north through the intersection of Peoria St. and Peakview Ave.
- constructing of the City's first roundabout at the intersection of Peoria St. and Peakview Ave.
- repaving Peakview Ave.

The project began in September and was completed in two phases that involved the closure of various portions of the area. Throughout the project, the City ensured that access to local businesses was available at all times.

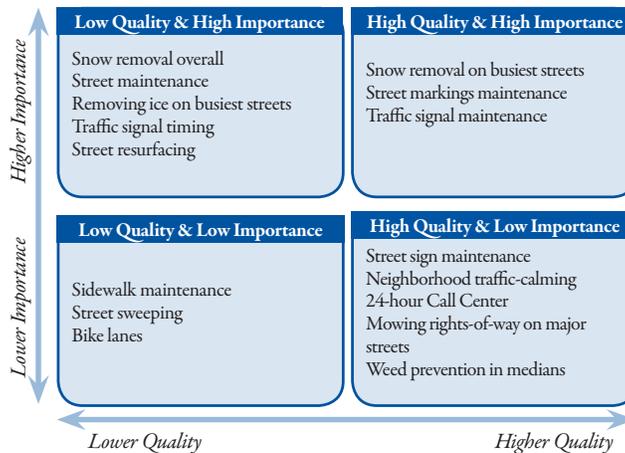
PUBLIC WORKS SURVEY

Centennial surveyed 3,000 households to evaluate the quality of service and the level of importance citizens place on the public works program.

QUALITY OF SERVICE PROVIDED VS. IMPORTANCE OF SERVICE PROVIDED

This four quadrant model indicates items in the upper left quadrant as areas where the greatest focus for improvement can benefit citizens. The services located in the bottom

right quadrant could potentially be adjusted downward to allow greater focus on the upper left quadrant.



OVERALL QUALITY OF PUBLIC WORKS



QUALITY OF LIFE

Ninety-four percent of Public Works survey respondents ranked the overall quality of life in Centennial "good" or "excellent." Ninety-four percent also ranked their neighborhoods as a "good" or "excellent" place to live. The survey was mailed to 3,000 households in Centennial. More than thirty-four percent of that sample responded to the survey.

CITY SERVICES



ANIMAL SERVICES

Centennial Animal Services saved 97 percent of impounded animals by returning them to their homes whenever possible and found forever homes for the animals not returned to their owners. In 2012, 22.74 percent of the estimated canine population in Centennial was licensed, compared to 19.62 percent in 2011.

BUILDING SERVICES

Building Services completed all 15,454 of their site inspections the day after each inspection was requested.



CODE COMPLIANCE

Ninety-seven percent of the year's total code violation cases were closed, with 100 percent of the closed cases corrected by voluntary compliance.

PASSPORTS

In 2012 the City processed 1,955 passport applications and took 1,000 passport photos. Centennial became a Passport Acceptance Facility in 2010 and expanded its hours for passport services in 2012.

C-470 CORRIDOR COALITION

The City of Centennial participates in the C-470 Corridor Coalition, which has approved an express lane option for making improvements to a 13-mile stretch of C-470 between I-25 South and Kipling Ave. After two years of study and public outreach, the coalition decided to move forward with a plan to widen the highway and use tolling to fund the construction of the extra lane. Next steps include refining the design and cost estimates, re-evaluating the environmental assessment, and pursuing additional funding opportunities. Construction is anticipated to begin in approximately two years.

SAFEST CITY

For the 8th consecutive year, Centennial is named the "Safest City" in Colorado with a population of more than 75,000. Centennial ranked 41st out of 432 cities. The report is issued by CQ Press in its annual publication City Crime Rankings 2012-2013: Crime in Metropolitan America.

PUBLIC SAFETY

The Arapahoe County Sheriff's Office continues to provide a full range of public safety services and programs that include patrol services, investigations, school resource officers, traffic enforcement, crime prevention and emergency management.

IN 2012, THE SHERIFF'S OFFICE:

Responded to 46,086 calls

Arrested 2,090 adults

Issued 17,857 traffic citations

Made 29,006 traffic stops





ARAPAHOE COUNTY SHERIFF'S OFFICE

In August 2012, the Sheriff's Office pursued an accreditation process through the Commission on Accreditation for Law Enforcement Agencies (CALEA). The CALEA process is a comprehensive process that measures 480 different standards and includes all law enforcement and administrative functions. The Sheriff's Office also successfully achieved the new "Gold Standard" assessment in 2012, which involves more hands-on interaction with staff than the traditional assessment.

In addition, the Sheriff's Office was awarded the "Accreditation with Excellence" designation, which indicates they not only meet the required CALEA standards, but embody the spirit of accreditation by serving as a model agency and a resource for others.

CUNNINGHAM FIRE PROTECTION DISTRICT ACCREDITATION

On August 3, 2012, the Cunningham Fire Protection District achieved accreditation by the Commission on Fire Accreditation International and joined an esteemed group of approximately 160 fire departments worldwide.

This accreditation was awarded in part due to a high level of transparency, efficient processes, and the adoption of the Standards of Response Coverage in July 2010. The latter serves as the District's integrated risk management plan and provides standards of coverage.

SOUTH METRO FIRE AUTHORITY

In 2012, the South Metro Fire Authority received a \$1.6 million grant from FEMA called the SAFER grant which provides salaries for newly hired firefighters for the first two years of their employment. The Authority ran a firefighter academy and hired 14 new firefighters at the completion of their training.

LITTLETON FIRE RESCUE

Littleton Fire Rescue signed a service contract for the City of Littleton to provide fire and emergency medical services to the Littleton Fire Protection District, which covers a portion of the City of Centennial. The contract establishes the staffing of Advance Life Support paramedic capabilities on all front line units and a response time standard of nine minutes thirty seconds 90 percent of the time. The actual response time has been nine minutes twenty-six seconds 90 percent of the time.



CITIZEN RESPONSE CENTER

In 2012 the City of Centennial's Citizen Response Center received its 100,000th phone call since being established July 2008. In 2012 a total of 19,221 calls were received. Ninety-two percent of these calls were answered within the standard of 120 seconds. The Citizen Response Center handled a total of 756 web requests through the City website in 2012. The 24-hour, seven-day-a week Citizen Response Center serves as a single point of contact for all residents' questions and work requests.

ENVIRONMENT



GREENFIELD CROSSING AT PINEY CREEK TRAIL

The construction of the Greenfield Crossing at the Piney Creek Trail was completed in 2012 as part of the City's ongoing effort to provide safe and easily accessible trails that enhance recreation and transportation opportunities.

The project involved completing a segment of trail along Piney Creek, extending its previous ending point. Improvements included a concrete trail surface and installing a wide concrete culvert crossing of the drainage with railings.



PARKER JORDAN CENTENNIAL OPEN SPACE

August 4, 2012 the City of Centennial and the Parker Jordan Metropolitan District (PJMD) celebrated the completion of the first phase of improvements to the Parker Jordan Centennial Open Space. The event marked the completion of picnic areas, several fitness stations, secondary running/bike trails, a 5-K loop, educational gathering areas and an onsite educational kiosk that allows visitors to learn more about the history of the land and the ecological make up of the area.

The Parker Jordan Centennial Open Space is comprised of more than 107 acres of formerly private space along Cherry Creek in Centennial. That acreage is now open to the public for the first time since 1864. The space provides a permanent regional trail that spans 42 miles from Confluence Park in lower downtown Denver to Castlewood Canyon State Park in Douglas County. The space is also a natural habitat that is home to numerous types of vegetation and wildlife.



PINEY CREEK TRAIL NOW SPANS 11.58 MILES

The Piney Creek Trail is the primary trail serving the east side of Centennial. Residents are now able to bike or walk from Cherry Creek State Park and Regional Trail east to trails that extend to E-470.

2012 REVIEW

The City's budget is the long-range plan by which financial policy is implemented and controlled. City Council's goals, Citywide objectives, ordinances, and resolutions provide policy direction that respond to the needs and desires of the community. The budget process is a continuous cycle that begins with City Council's strategic planning each January, continues through the planning and development stages of the budget, and finishes with final adoption of the budget by Council in November/December.

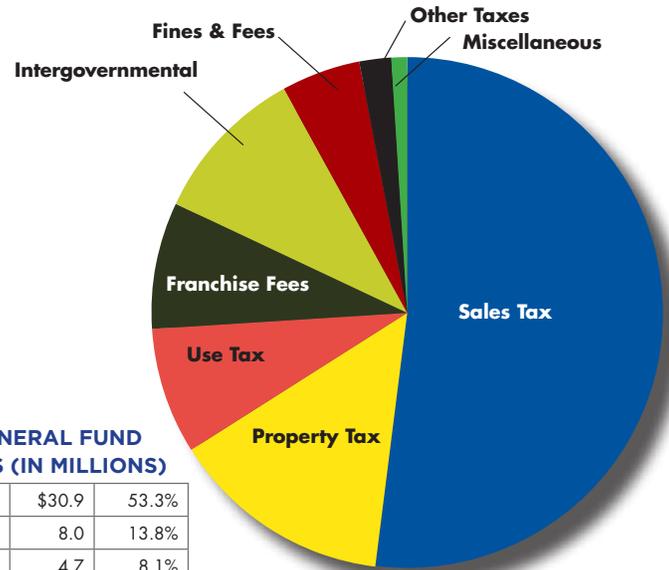
During 2012, budgeted revenues for all funds were revised from \$61.8 million to \$75.7 million. This increase was due to several factors, including sales tax collections at The Streets at SouthGlenn, the Centennial Promenade Retail Center and IKEA. The City realized an increase in the number of Retail Sales Tax Licenses issued to retailers in and outside of the City and an increase in the collection of delinquent sales taxes. In addition, the City received significant sales tax audit revenues during 2012. There was also an increase of one-time state and federal grants. Also, the Highway Users Tax Fund (HUTF) increased. Collected by the state, this oil and gas tax fund is distributed locally.

2012 budgeted expenditures were revised from \$63.9 million to \$84.6 million, excluding other financing sources/uses. The increase in expenditures is primarily due to Council's commitment to capital projects and the carry forward of funding for capital projects that were in progress but incomplete at the end of 2011. Additionally, there was an increase in building services revenues that is tied directly to an increase in building services activity during the year.

GENERAL FUND REVENUES

The General Fund is the primary operating fund of the City. From a revenue perspective, the General Fund represents 82.8 percent of the City's total revenue sources. General Fund budgeted revenues for 2013 are expected to be \$58 million, an increase from the 2012 Adopted Budget by \$7.4 million (14.6 percent). The increase is partially due to a projected increase in sales tax, HUTF and automobile use tax revenues, and is partially offset by a decline in court fines and gas franchise fee revenues.

The major revenue sources for the General Fund are: retail sales tax, property tax, use tax, franchise fees and intergovernmental revenues.



2013 GENERAL FUND REVENUES (IN MILLIONS)

Sales Tax	\$30.9	53.3%
Property Tax	8.0	13.8%
Use Tax	4.7	8.1%
Franchise Fees	4.7	8.1%
Intergovernmental	5.5	9.5%
Fines and Fees	3.1	5.3%
Other Taxes	0.8	1.4%
Miscellaneous	0.3	0.5%
Total Revenues	\$58.0	100%

FINANCIALS



GENERAL FUND EXPENDITURES

The City's total General Fund budgeted expenditures for 2013 is \$56.9 million, including fund transfers. The City's 2013 Operating Budget represents a 9 percent increase from the Adopted 2012 Budget. This increase is primarily due to the City's contractual obligation with the public works service provider, in addition to revenue sharing agreements as a result of retail developments. Without the increases for these contractual obligations, the City's total 2013 Budget would have remained relatively (less than one percent) consistent with the 2012 Adopted Budget.

2013 GENERAL FUND EXPENDITURES (IN MILLIONS)
(including transfers)

Public Safety	\$ 21.7	38.1%
Public Works	21.6	38.0%
Administrative	1.7	3.0%
Financial	8.1	14.2%
Legislative	1.5	2.6%
City Management	1.4	2.5%
Community Development	0.9	1.6%
Total Expenditures	\$56.9	100%
Total Revenues	\$58.0	100%

EXPENDITURE CATEGORIES

Public Safety includes Law Enforcement, Animal Services and Municipal Court.

Public Works includes Public Works and Facilities and Fleet.

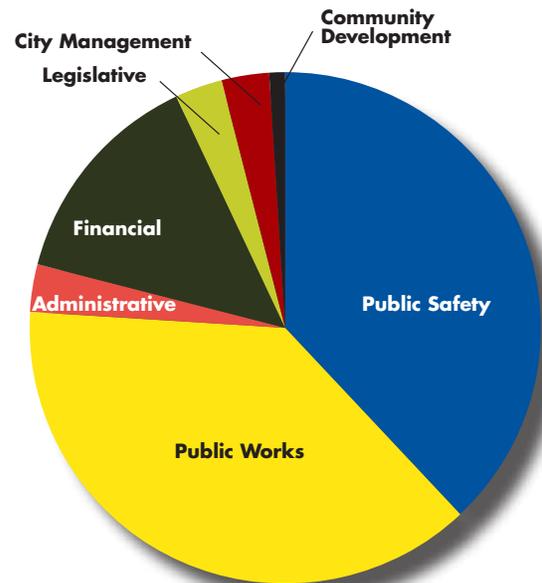
Administrative includes Human Resources, Information Technology, and Communications.

Financial includes Finance, Nondepartmental, and Central Services.

Legislative includes Elected Officials, City Attorney's Office, and City Clerk's Office.

City Management includes City Manager's Office and Economic Development.

Community Development includes Community Development Administration and Code Compliance.



FINANCIAL VISIBILITY

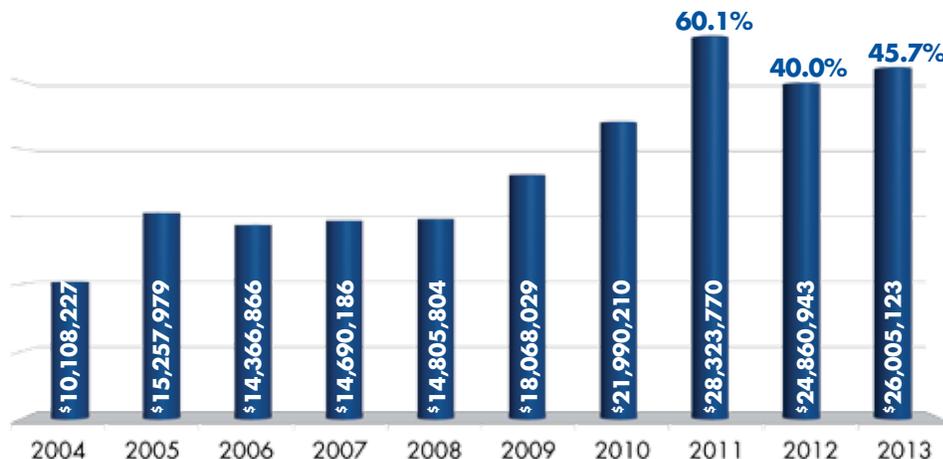
Centennial received the Distinguished Budget Presentation Award for budgets including fiscal period 2012 from the Government Finance Officers Association. The award represents outstanding achievement in budgeting practices and effective budget presentation from a governmental entity.



GENERAL FUND BALANCE

A healthy fund balance is important to the fiscal strength of the City. It is the City's policy to maintain a fund balance for the General Fund equal to at least 25 percent of General Fund expenditures and other financing uses. The City anticipates the 2013 ending fund balance for the General Fund to be \$26 million or 45.7 percent of expenditures and other financing uses.

FUND BALANCES BY YEAR



GRANTS RECEIVED IN 2012

Organization	Grant Program/Project	State or Federal Funds	Amount*
U.S. Department of Energy (DOE)	Energy Efficiency and Conservation Block Grant (EECBG)	Federal	\$308,589
U.S. Department of Transportation (Passed through CDOT)	Highway Planning & Construction (Arapahoe Road - Holly to Krameria)	Federal	931,950
U.S. Department of Transportation (Passed through CDOT)	Highway Planning & Construction (Weather Stations)	Federal	94,819
U.S. Department of Transportation (Passed through DRCOG)	Highway Planning & Construction (Signal Communication Improvements)	Federal	61,830
U.S. Dept. of Housing & Urban Development (Passed through Arapahoe County)	Community Development Block Grant (Vista Verde Neighborhood Improvements)	Federal	159,334
Great Outdoors of Colorado (GOCO) Trust Fund	Centennial Link Trail	State	188,350
Great Outdoors of Colorado (GOCO) Trust Fund	Centennial Center Park	State	198,750
Arapahoe County Open Space Grant Program	Centennial Center Park	State	100,000
		Total	\$2,043,621

*Unaudited

FINANCIAL DIVERSITY

The City strives to maintain a strong, diverse, and balanced revenue structure, recognizing that a dependence on any individual revenue source may cause revenue yields to be vulnerable to economic cycles. Major revenue sources are sales/use tax, property tax, Highway Users Tax, franchise fees, and licenses/permits.

CITY OFFICIALS

City of Centennial

HISTORY

Centennial was incorporated on February 7, 2001. The vote to incorporate on September 12, 2000 was approved by 77 percent of the voters. At the time, it was the largest incorporation in U.S. history.

LAND AREA

Centennial is a city of 29 square miles, or 18,572.5 acres. The City lies wholly within Arapahoe County.

POPULATION

With 100,377 residents, Centennial is the seventh largest city in the Denver Metro Area and tenth in the state.

HOUSEHOLDS

Centennial has 37,449 households and a median household income of \$88,474.

EDUCATION

Approximately 50 percent of the population age 21 and older have at least a Bachelor's Degree.



2012 ELECTED OFFICIALS

Back Row, L to R: Sue Bosier, District 2; Vorry Moon District 1; Mayor Cathy Noon; Ron Weidmann, District 4; Stephanie Piko, District 4.
Front Row, L to R: Ken Lucas, District 3; Rebecca McClellan, District 3; Rick Dindinger, District 1; Keith Gardner, District 2.

CITY OFFICERS

John Danielson, City Manager
Robert Widner, City Attorney



CENTENNIAL CIVIC CENTER

13133 East Arapahoe Road, Centennial, Colorado 80112
www.centennialcolorado.com
24-hour Citizen Response Center
303.325.8000