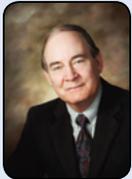


2012 Annual Report

A Report to Our Citizens
Fiscal Year Ended June 30, 2012

Casa Grande City Council



Mayor Pro Temp
Dick Powell



Council Member
Mary Kortsen



Council Member
Karl Montoya



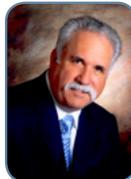
Council Member
Matt Herman



Council Member
Lisa Fitzgibbons



Council Member
Ralph Varela



Robert M.
Jackson

Mayor's Message

Casa Grande continues to move forward despite the current economic times. Our strategy has been to focus on marketing our community as a perfect site for new industries. Economic Development is a long term strategy and will continue to be the focus of the Council. At the same time we need to assure our residents that the City is safe and offers a variety of activities to enhance our quality of life.

Looking back on 2012 the City has completed multiple projects that have improved the efficiency of our operations. In early spring we completed the first Strategic Plan for the Police Department. The Plan is being implemented and we are already seeing the benefit of updating our approach to police services.

The year has also seen the completion of re-surfacing Florence Blvd. by the Arizona Department of Transportation in preparation of the City taking over maintenance of the road. Our Historic Downtown has also seen a major makeover and we have seen major improvements at the Municipal Airport. Moving forward we are planning improvements to the downtown Library, redeveloping the former Police Station to better serve as our 911/Dispatch Center, making more improvements at the Airport and the initial planning for a Community Recreation Center.

Our Economic Development efforts are starting to show positive signs. A new Sam's Club is scheduled to break ground, two new industries will locate food processing companies here and we continue to work on the Phoenix Mart project that is expected to create up to 3000 jobs in the local community.

In summary we seem to have turned the corner of the worst economic downturn since the Depression and have managed our resources well. We have money in the rainy day fund and continue to retain good bond ratings. I do think that 2013 will be a year of successes in our community.

2012 Awards & Recognitions

Government Finance Officers Association (GFOA) Awards:

Distinguished Budget Presentation Award - 15 Years Award for Excellence in Financial Reporting - 21 Years
Award for Outstanding Achievement in Popular Annual Financial Reporting - 1st Year

National Arbor Day Foundation Award: Tree City USA (4th Year)
Playful City USA Designation by Kaboom! (3rd Year)



TREE CITY USA



Arizona Parks & Recreation Association Awards:

- Outstanding Facility award (population 25,000-100,000) for the Len Colla Recreation Center
- Outstanding Program award (Cultural Awareness Program) for the Unity March and Celebration

Employee Richard Wilkie Named "Economic Developer of the Year" (Small Community) by Arizona Association for Economic Development (AAED)

Casa Grande Police K-9 Unit competed in the Desert Dog Police K-9 Trials:

- Corporal Scott Tracy and police service dog "Clint" got 5th place in Area/Patrol Search and 6th place in Narcotics Search.
- Officer Scott Reed and police service dog "Wyatt" placed 1st in Building Search, 5th in Narcotics Search and 5th in Tactical Obedience



Rated "AA" by Fitch Ratings, one of the big three rating agencies.

The City's general credit was rated "AA" by Fitch Ratings. The agency based their ranking on a sound financial performance and position; and strong financial and management policies. This rating means that the City can secure financing at lower interest rates, as there is much less risk that the money will not be repaid.

Fitch Ratings
"AA" Grade

CASA GRANDE FACTS

Founded in 1879

Incorporated in 1915

Named after the Hohokam Indian Ruins 20 miles to the northeast

Population 49,804 (2010)

Between Phoenix & Tucson

Largest city in Pinal County

Retail center for western Pinal County's 91,000 consumers

City Employees: 417

Median Household Income: \$41,214

2012 Major Accomplishments

Police

The Police Department completed a 5 year strategic plan to guide the department toward the future it plans to pursue in its continuing commitment to deliver superior performance, effective allocation of resources, and excellence in law enforcement services to the Casa Grande community. The strategic planning process involved the participation of 40 department personnel representing command personnel, sergeants, corporals, detectives, officers, civilian staff members, and members of the Police Advisory Board. The strategic plan includes a mission statement, a vision, core values, strategic focus areas, goals and objectives.

Special Enforcement Unit Detectives, in partnership with the U. S. Marshals' Service, arrested over 370 criminal offenders.

Partnered with the Casa Grande Alliance to fight prescription drug abuse by installing drop boxes for unused prescription drugs in the lobby at 373 E. Val Vista Blvd. & 520 N. Marshall.

Received grant funding from the Department of Justice COPS program to replace 4 School Resource Officers at Casa Grande Union High School, Vista Grande High School, Villago Middle School and Casa Grande Middle School.



Adopted new ordinance to help combat graffiti. The new ordinance requires all retailers to place aerosol spray paint containers in an area visible by the public, but not accessible without employee assistance and requires that the retailer post signs stating that graffiti is a crime and that the sale of spray paint to minors is against the law. The ordinance also makes violators punishable by at least \$1,000 for each offense and makes parents civilly liable for their children's actions.

Fire

The Fire Department, with the help of 350 volunteers, installed over 1800 smoke detectors and replaced over 800 batteries in homes as part of the annual Smoke Detector Installation Program. The department also continued its ongoing K-6 fire safety education program within the Elementary School District, secured grant funding from the Arizona Department of Homeland Security (ADHS) for equipment to go on the Haz Mat response vehicle and from FEMA Assistance to Firefighters Grant for two training props.

Public Works

Completed the Waste Water Master Plan that was developed in 2006. Divided into three phases over the years, the Waste Water Master Plan implemented several new stations and processing technologies at the Water Reclamation Facility that have doubled wastewater capacity from 6 million gallons a day to 12 million gallons a day. New technologies have also enabled us to discharge A+ quality effluent.

Installed traffic signals at Trell & McCartney and Peart & Kortsens and 3 video detection systems for traffic signals on McMurray Blvd.

City Court

Completed construction and opened the new Municipal Courthouse located at 375 E. 9th Street. The new 10,000 square foot facility has two courtrooms, a sally-port for prisoner transfer and a detention area to seat people waiting for arraignment or trial. Some of the modern security features installed include metal detectors, security cameras and an x-ray machine for screening bags. One of the two courtrooms has a jury box and a deliberation room. In FY12, Court staff implemented a home detention program to hold offenders accountable and further reduce jail expenses.

Housing

Completed 51 housing rehab projects and 6 self-help new construction homes, which provided a safe home for families in Casa Grande. The City's Housing Division administers these programs with federal grants.

Community Services

With the help of over 950 local and Americorps volunteers, completed over 15 miles of trails on Casa Grande Mountain Park. Casa Grande Mountain Park provides users with a variety of choices including long or short looped trails, short and long range circuits and picturesque views of the city. The trailheads include kiosks which provide maps and safety information to educate users about the potential dangers of recreating in a desert environment. Other trailhead amenities include trash containers, benches and directional signage. Visitors can access the trails via the Peart trailhead (1086 S. Peart Rd.) or the Arica trailhead (2090 E. Arica Rd.)

Community Development

Improved flood insurance rating to 8 on a scale of 1-10 with 10 being the highest risk level, affording residents a 10% discount on their flood insurance premium.

Economic Development

Obtained more than \$200K in grants for economic development and redevelopment efforts. These funds were used to extend the rail line inside the Central Arizona Commerce Park to help serve existing and future businesses. Grant money was also used to pay for building assessments for the Historic Casa Grande Hotel (a potential site for a small business incubator) and the Shonessy House.

Company officials from AZ Sourcing, LLC announced that they would build an international commerce center in Casa Grande. The 1.75 million square foot project, called PhoenixMart, is scheduled to break ground in 2013 and is expected to create in excess of 3,000 direct jobs in Casa Grande.

Public Information

Televised Council meetings LIVE on Cox Channel 11, providing residents with the most current information related to city government and produced monthly City Scene program to showcase and explain city services to residents.

Administrative Services

Graduated 13 participants as part of the 2012 Leadership Academy. The Academy is a focused, in-depth look at the city and its operations in eight sessions.



The total budget for the City of Casa Grande including transfers for FY 2012 was \$147,392,830. Of that total, 26% or \$38,086,890 was for General Fund use. Other governmental funds are created to account for specific activities.

Revenues & Expenses

General Fund Expense - \$36,673,334 FY 12 \$37,603,955 FY 11

The General Fund is the primary operating fund of the City. It exists to account for the resources used to pay for the services traditionally associated with local government, such as police and fire protection, parks & recreation, planning and community development and general administration of the City. The decrease from last year is attributed to a reduction in operational costs.

Where Did the Money Come From?

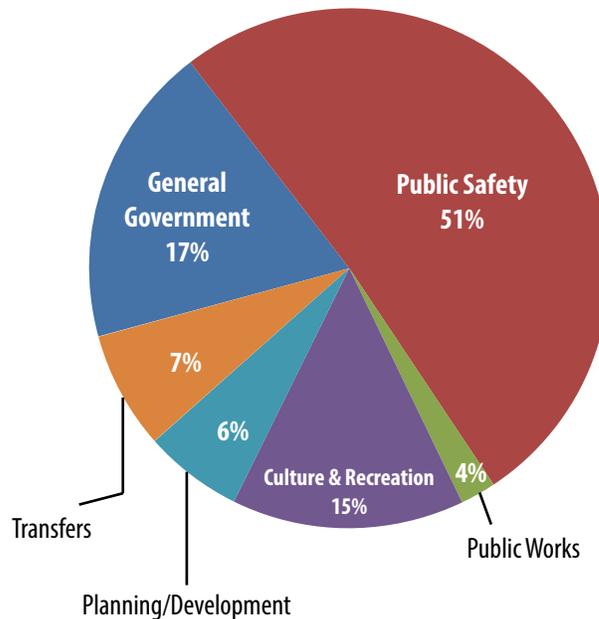
(General Fund FY 2012)

Local Sales Taxes	\$16,671,701
Intergovernmental	\$10,120,808
Property Taxes	\$3,414,526
Franchise Taxes	\$2,201,312
Fees & Fines	\$1,366,173
Transfers	\$1,333,780
Licenses & Permits	\$481,037
Sales/Rentals	\$219,399
Misc. Income	\$152,721
Interest/Contribution	\$42,538
GRAND TOTAL	\$36,004,545

The \$668,789 difference between expenses & revenues reflects a planned reduction in General Fund balance.

How was the Money Spent?

(General Fund FY 2012)



General Government

Includes:

- Information Systems
- Mayor/Council
- Finance
- City Manager
- City Attorney
- Administrative Services
- City Clerk
- Public Works Administration
- Public Information
- Elections

Other Governmental Funds

Special Revenue Funds - \$24,931,428 FY 12 \$16,884,683 FY 11

These funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by City ordinance, federal or state statutes. The increase from last year is due to system development transfers to the capital project funds.

Debt Service Funds - \$4,882,076 FY 12 \$4,159,603 FY 11

These funds are used to account for the accumulation of resources for and the payment of general obligation long-term debt principal, interest and related costs. The increase was a result of bond defeasance. Voter approved General Obligation Bonds provided funding for the Public Safety Facility, Joint Use Library, and Fire Station 504.

Capital Project Funds - \$6,908,887 FY 12 \$22,572,442 FY 11

These funds are used to account for financial resources used for the acquisition or construction of major capital facilities. These funds also included budgeted expenditures for construction sales tax, capital replacement and recreation construction. There were no major capital projects in FY 12.

Enterprise Funds - \$22,552,523 FY 12 \$39,191,789 FY 11

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The costs of providing services to the public are financed or recovered primarily through user charges. Casa Grande has separate enterprise funds for Water, Wastewater, Wastewater Development Fees, Sanitation and Golf Course. The decrease from last year is due to the completion of the Water Reclamation Facility expansion during FY 12.

Sanitation Services

Trash collection is funded solely by user fees collected from residents and commercial customers. The City's sanitation division is operated as an enterprise fund, which means that all fee revenue is deposited in a designated fund that serves as the sole source of funding for collection operations. The total cost for all residential and commercial trash and recycle collection in FY 2012 was \$3.5 million.

All homeowners, regardless of occupancy, pay for the service because trash collection costs are fixed costs which would have to be subsidized by other residents if not paid by all homeowners. The residential trash collection fee was \$19 a month in FY 2012.





A Performance Report on Key Services

SERVICE	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12
Number of participants in recreation activities	295,545	329,105	335,517	316,146
Number of library visits (Main & Vista)	287,638	318,009	364,760	374,693
Number of public nuisance violations abated	390	434	677	1,035
Responses by the Fire Department to calls for emergency services	5,998	6,193	6,397	6,515
Homes serviced by residential refuse collection	13,990	14,200	14,122	14,300
Total crimes per thousand (Casa Grande Uniform Crime Report, Part 1)	64	68	66	59
Average response time by the Police Department to emergency calls (in minutes)	5.1	5.1	5.2	5.4
Business licenses issued (new & renewals)	2,655	2,847	2,627	2,440
Number of animals adopted	97	204	263	284
Building permits issued (new construction)	287	237	175	143

Additional performance measures are available in the FY 2012/13 Budget and the FY 2011/12 Comprehensive Annual Financial Report.

Local Sales Taxes

In 2012, sales tax collections totaled \$19,163,329, slightly above the \$19,002,210 in 2011. The top five industries generating sales tax for the City are retail, utilities/telecommunications, rental/leasing properties, construction, and food service.

Property Taxes

The primary property tax rate increased in FY 2012 to \$0.8988 per \$100 of assessed valuation from \$0.8110. The increase was required to maintain the existing revenue based on valuation decreases.

The secondary property tax, approved by voters in 2007 as a General Obligation Debt, remained unchanged at \$0.6308 based on \$100 of assessed valuation.

Primary Property Tax Breakdown



For every \$1 that a resident pays in primary property tax the city only receives 12 cents.

CONTACT US

If you have comments or suggestions on how we can lower costs or improve services, please let us know. Also, let us know if you like this report or if there is any other information you would like to see included next year.

City Manager's Office

City of Casa Grande
510 E. Florence Blvd.
Casa Grande, AZ 85122
(520) 421-8600 Phone
(520) 421-8604 Fax
aavalos@casagrandeaz.gov

Budget Process & Timeline

The City's budget is an ongoing process combining citizen input, Council desires and direction, and staff recommendations to meet community needs.

Citizens are always encouraged to participate.

If you would like more information on the budget process or a copy of the budget document contact the Finance Department at (520) 421-8601.



- December** Budget Guidelines & Instructions issued to each Department. Departments prepare budget requests.
- January** City Manager reviews budget requests.
- February** Finance Department prepares preliminary budget.
- March** Budget work sessions are held.
- April** Proposed budget presented to City Council.
- May** Public Hearing on Tentative Budget is held. City Council adopts Tentative Budget.
- June** Public Hearing on budget and property tax levy is held. City Council adopts Final Budget.
- July** Final Budget & new fees take immediate effect on July 1.

This report is a summary of the financial activities of the City's funds reported in the Comprehensive Annual Financial Report (CAFR). It contains information only from selected funds. The CAFR outlines the City's financial position and operating activities each year. The CAFR, Annual Budget and Annual Report are available at City Hall, 510 E. Florence Blvd., Casa Grande, AZ 85122 and the City's website,

www.casagrandeaz.gov