ATTACHMENT A

FINANCIAL POLICIES

POLICY

1. It is the City's priority to fund capital expenditures with cash or voter approved debt. However, non-voter approved debt may be used for capital expenditures as an alternative to lease/purchase or other financing options if capital expenditure is:

   * Urgent,
   * Unanticipated,
   * Necessary to prevent an economic loss to the City,
   * Revenue generating, resulting in an economic gain to the City within a reasonable time, or
   * Approved and budgeted for financing in the annual budget, and
   * Non-voter approved debt is the most cost effective option available.

STATUS

The projects were included in the 2007-2008 Amended Capital Budget or are included in the proposed 2008-2009 Capital Budget. Certificates of Obligation provide the most cost-effective option available.

POLICY

2. The average maturity of non-voter approved debt shall not exceed the average life of the capital items financed.

STATUS

It is anticipated that this issue of Certificates of Obligation will have an average maturity of less than thirteen years. The minimum life of the projects is in excess of thirteen years.

POLICY

3. Capital items financed with non-voter approved debt shall have a value of at least $10,000 and life of at least four years.

STATUS

All items are in compliance.