

**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 2011-2012 Amended Capital Budget or are included in the proposed 2012-2013 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.