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*January 27, 2009*

Honorable Mayor, Councilmembers and Citizens of Manhattan Beach  
Manhattan Beach City Hall  
Manhattan Beach, California 90266

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Manhattan Beach for the Fiscal Year ended June 30, 2008. This report has been prepared in accordance with generally accepted accounting principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB).

The City's financial policies require an independent audit be performed annually, and that the auditor's opinions be included in the Comprehensive Annual Financial Report. Further, it states that the results be reviewed with the Finance Subcommittee, and presented to the City Council no later than February 1<sup>st</sup> of the following year. The Finance Subcommittee met with the auditors and discussed the results in December 2008.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All material, statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included.

The City's financial statements have been audited by Lance, Soll & Lunghard, CPAs, an accounting firm selected by the City Council, based on a recommendation from the Finance Subcommittee. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Manhattan Beach's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP.

The independent auditors' report is presented as the first component of the financial section of this report. The City was not required to conduct a single-audit, an audit of Federal Grant Funding, and, as such, no separate single audit opinion and report is included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City of Manhattan Beach was incorporated in 1912 under the general laws of the State of California. The city operates under the Council-Manager form of government. The City Council is comprised of five members elected at-large for overlapping four-year terms. Each member serves as Mayor for a nine month period once during his or her four year term in office. The City Treasurer is also elected to a four year term, and serves as the chairperson for the Finance Subcommittee. City Councilmembers are limited to two terms.

The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and appointing the City Manager and City Attorney. The City Council members also serve as the governing body of the Manhattan Beach Capital Improvements Corporation (please see Note 1 in the CAFR for more information).

In addition, the City Council appoints the members of the following advisory Boards and Commissions:

Planning Commission	Parking and Public Improvements Commission
Parks & Recreation Commission	Cultural Arts Commission
Library Commission	Board of Building Appeals
Environmental Task Force	

### **Service Efforts**

The city provides a variety of services to the community, including:

- Police
- Fire and paramedic services
- Parks and recreation
- Building and safety
- Solid waste and recycling
- Water and waste water utilities
- Storm water management
- Parking facilities
- Street and landscape maintenance
- General government

In FY 2008, the City of Manhattan Beach continued to provide a high level of service to the community. In fact, our most recent biennial resident satisfaction survey, conducted in November 2006, indicated continued, very high levels of satisfaction with City services.

The City adhered to its financial policies and adopted financial plan. \$73.2 million was originally budgeted to support the City's many services and programs. Additionally, \$2.85 million in capital equipment and projects was budgeted for the year. Budgetary limits were adhered to on a citywide basis. All funds performed as expected in line with the City's financial policy guidelines and reserves have been maintained.

Some of the key capital improvement and equipment expenditures in FY 2007-2008 include the following:

- \$1.7 million for street and sidewalk maintenance and repairs
- \$1.1 million in Water and Wastewater system improvements mainly related water tower maintenance, line replacements and valve and control upgrades.
- \$1.09 million to construct pervious pavement parking lots, which was primarily grant funded
- \$739,899 in vehicle and equipment purchases
- \$700,500 for synthetic turf at the Manhattan Village Soccer Field
- \$185,350 for Strand Improvements
- \$196,600 for the Facilities Strategic Plan project
- \$162,400 for the Council Chambers remodeling project
- \$127,600 towards Polliwog Park playground equipment

## **Major Initiatives**

In FY 2008, the City of Manhattan Beach made significant progress on many of the key work plan items identified in the operating budget. A recap of these accomplishments follows:

***Environmental Programs:*** In FY 2007-2008, the Council focused on ways for the City to reduce carbon emissions, water and air pollution, and, in general, become more "green." An assessment of the City's carbon footprint was developed, which will help guide the desired 7% reduction from 1990 levels of greenhouse gas emissions by 2012 – in line with the Kyoto Protocol. Other areas include development of green building standards, reduction of storm water runoff, and reductions in water waste. Subsequently, in FY 2008-2009, the Council established the Environmental Task Force to address the myriad issues to protecting the environment.

***City Newsletter:*** Past resident satisfaction surveys indicated an opportunity to improve communications with residents, which has long been a goal of the City Council. To that end, a new stand-alone newsletter was created (previously, city news was incorporated with the Parks & Recreation class guide). The new format works in conjunction with the City's redesigned website to provide residents with up-to-date information on city events.

***Downtown Parking:*** Substantial progress was made during the fiscal year on this project, the objective of which is to ensure that the parking supply is used efficiently and effectively in this

important commercial zone. Tasks included time-of-day and seasonal utilization surveys, as well as future demand evaluation of parking code requirements. Final implementation from the study recommendations subsequently occurred in FY 2008-2009.

### ***Community Facility Strategic Plan***

During FY 2006-2007, we commenced the Community Facility Strategic Plan. This effort continued into FY 2007-2008, and involved many community meetings, as well as surveys of our residents. The ultimate goal of the plan was to identify our needs for new and replacement facilities with which to serve our residents well into the future. With that objective accomplished during FY 2007-2008, the near term focus is on a new library in the civic center. The City is in discussions with the County of Los Angeles, which owns and operates the current library facility, on ways in which to fund and construct a new, larger and more appropriate facility for our community.

### ***Older Adult Transportation and Programming***

The Council recognized the need to enhance and improve services to this group by hiring a dedicated full time position to support older adult services. Dial-a-Ride bus service hours were expanded and a taxicab backup program was developed to meet the needs of those with scheduled appointments that conflict with Dial-A-Ride schedules. Additional programs were also developed that include exercise, health, painting and cultural arts activities.

## **Financial Controls and Procedures**

***Financial Policies:*** Throughout the years, the City of Manhattan Beach has followed a fiscally conservative philosophy of building and maintaining healthy financial reserves. This practice has allowed the City to continue providing quality services to its residents in a time when many local agencies were being forced to cut back due to fiscal constraints. In 1997-1998, the City Council approved the City's first set of financial policies, designed to promote sound financial management and ensure that the City's fiscal integrity remains intact as staff and Councilmembers change. This Comprehensive Annual Financial Report reflects these financial guidelines and presents all fund reserves and designations in an effort to define fund balance commitments and obligations as of the financial report date.

***Internal Control Structure:*** City management is responsible for establishing and maintaining fiscal internal controls designed to safeguard the assets of the government from loss, theft or misuse, and to ensure that accounting data is accurately compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived, and the valuation of costs and benefits require estimates and judgments by management.

***Budgetary Controls and Changes:*** The City of Manhattan Beach maintains strong budget controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Budget control is primarily maintained at the fund level in the governmental fund types. The City maintains a centralized purchasing function as one method of accomplishing budgetary controls. All purchase orders are reviewed by Finance management to assure adequate budget funding before binding commitments are finalized. Additionally, all machinery and equipment purchases are processed through centralized warehouse receiving to further strengthen

internal controls. The City's financial software includes a full encumbrance purchasing-accounting system with real time approval and budget checking capabilities. Full encumbrance accounting allows for the rapid identification of fund obligations at the time of requisition, providing tremendous budgetary control. The Comprehensive Annual Financial Report isolates all encumbrance obligations existing at June 30, 2008, related to governmental funds, and presents them as fund balance reserves on the respective balance sheets.

**Cash Management:** It is the City's policy to invest all temporarily idle short-term funds and longer-term reserves in a manner that will maximize return without sacrificing security and jeopardizing liquidity requirements. Idle funds are invested in accordance with the State's Government Code and a formal City investment policy which is adopted annually by the City Council. The policy allows investments in a variety of specific instruments such as Certificates of Deposit, Bankers Acceptances, U.S. Government and Agency securities, Repurchase Agreements, Commercial Paper, and the State's Local Agency Investment Fund.

**Risk Management.** The City is a member of the Independent Cities Risk Management Authority (ICRMA), a joint powers authority consisting of twenty-two medium-sized California municipalities, for the purpose of pooling the City of Manhattan Beach's risk for general liability losses with those of other member cities. The City's self-insured retention is \$500,000 per occurrence for Liability and \$750,000 for Worker's Compensation. Under ICRMA, Worker's Compensation and liability insurance coverage in excess of the self-insured amount is provided up to a limit of \$100 million and \$20 million respectively. Premiums for excess insurance coverage are set annually based upon actual claims experience, actuarial projections and payroll factors.

## **Executive Financial Overview**

This top level overview is presented as a supplement to the more detailed and comprehensive analysis presented in the Management Discussion and Analysis (MD&A). As such, it serves to highlight key financial performance indicators for our major funds. We encourage readers to review the MD&A for a further analysis of the City's financial condition.

### **General Fund**

The General fund is the primary operating fund of the City of Manhattan Beach. In comparing year end 2008 to 2007, the total fund balance decreased by \$2.54 million. This decrease is the direct result of the use of \$4.7 million in General Fund reserves to pre-pay employee retirement healthcare benefits provided through the collective bargaining process, or by law. At the end of fiscal year 2008, the total General Fund balance equaled \$18.4 million after \$207,984 of net transfers out, primarily to the Street Lighting and Landscape Fund. The unreserved fund balance is \$16.6 million. Within the unreserved fund balance, City Council has established designations for financial policy and economic uncertainties of \$13.7 million leaving an unreserved and undesignated fund balance of \$2.9 million, which is available for use at City Council's discretion.

General Fund expenditures exceeded revenues by \$2.36 million. The cause of the imbalance was the result of the prepayment of \$5,704,981 covering accrued liability and current year expenditure for retiree medical benefits, technically referred to as "Other Post Employment Benefits, " or OPEB. OPEB refers to those retiree benefits that are in addition to pension and, in accordance with Governmental Accounting Standards Board pronouncement 45 (GASB 45), must be recognized and

actuarially determined. The prepayment was made from a combination of reserves and existing funds set aside for the benefits. The funds were deposited with the California Public Employees Retirement System medical trust plan, and are invested in the same manner that public pension funds are invested. The proper accounting for this transaction treats the \$1.1 million transferred from the City's Pension Fund to the General Fund (which was then deposited with CalPERS) as a General Fund revenue (included in Miscellaneous revenue in the chart below), while the funds deposited with CalPERS were treated as an expenditure. When considering this transaction, the year-end results in the General Fund decreased fund balance by \$2,358,950 before transfers.

General Fund transfers included:

- \$189,967 to the Street Lighting and Landscape Fund to relieve a deficit fund balance
- \$18,017 to the Insurance Reserve Fund to maintain policy reserve levels
- \$25,079 of excess reserves from the County Lot Fund was transferred to the General Fund in line with the contract with the County of Los Angeles

With the exception of property tax revenue, and interest and rent income, the City's General Fund showed signs of the slowing economy in a number of areas, particularly sales tax and construction related fees such as building permits and plan check fees. This can be noted by the following trends:

Revenue Category	2007 Actual	2008 Actual	Increase (Decrease)	%
Property Tax	\$ 17,116,975	\$ 18,567,451	\$ 1,450,476	8.5%
Other Taxes (Sales, Hotel, Business License)	\$ 15,993,673	\$ 16,278,198	\$ 284,525	1.8%
Licenses and Permits (Building, Construction, Film Permits)	\$ 1,639,680	\$ 1,408,697	\$ (230,983)	-14.1%
Fines (Parking Citations, Vehicle Code Fines)	\$ 2,025,694	\$ 2,047,187	\$ 21,493	1.1%
Interest and Rents (Including Ground Leases)	\$ 3,655,099	\$ 3,897,287	\$ 242,188	6.6%
Received From Other Agencies (Vehicle License Fees, Grants)	\$ 775,941	\$ 571,403	\$ (204,538)	-26.4%
Service Charges (Plan Check Fees, P&R Class, Ambulance Fees)	\$ 4,542,896	\$ 4,638,335	\$ 95,439	2.1%
Interfund Charges (Admin. Svc. Charges)	\$ 2,706,096	\$ 2,829,644	\$ 123,548	4.6%
Miscellaneous	\$ 384,166	\$ 1,672,904	\$ 1,288,738	335.5%
<b>Totals</b>	<b>\$ 48,840,220</b>	<b>\$ 51,911,106</b>	<b>\$ 3,070,886</b>	<b>6.3%</b>

Sales tax was down approximately 1% from the prior year's actual receipts, and came in below budgetary estimates by 1.3%. On the other hand, Transient Occupancy Tax showed another tremendous gain of 5.9% compared to 2007, and outpaced our budget projections by 5.4%. Interest income exceeded budget estimates by 11.1%. On an overall basis, General Fund revenues increased by 6.3% over 2007 results, and came in 6.7% over our budget estimates. However, \$1.1 million of General Fund revenue was the result of a transfer of funds from the Pension Fund to the General Fund in order to pre-fund retiree medical liabilities with CalPERS. Discounting that one time revenue/transfer, FY 2008 revenues outpaced FY 2007 by 4%.

It is clear that our Property Tax revenues reflect the peak values and growth of the real estate market before the down turn which commenced in earnest in late 2007, well after the 2007-2008 property tax assessments had been established. While FY 2008-2009 property tax collections are estimated to grow between 6-7%, FY 2009-2010 revenues will reflect the effects of the housing market declines.

Despite the revenue growth of 6.3%, fund balance decreased by \$2.54 million mainly due to the use of \$4.7 million to pre-fund the General Fund portion of our post employment medical benefits. Other expenditure increases were as follows:

- Salaries and wages increased by \$1.3 million, or 5.9%
- Group medical insurance rose by \$170,000, up 7.5 %
- Pension costs went up by \$316,000, or 6.8%
- Materials and services went up by \$660,000 (8%)

Overall, expenditures came in 2% below final budget appropriations, but increased over the prior year by 2.9%. Fewer staff vacancies this past year is a major reason for the year-over-year increase. Clearly, rising costs is an area of concern that needs to be addressed.

## **Other Funds**

### ***Capital Improvement Fund***

The Capital Improvement Projects Fund (CIP) is designed to manage general governmental capital projects. In FY 2008, the CIP Fund had revenues of \$1.49 million, and capital expenditures of \$2.72 million. A transfer-out of \$55,850 to the Parking Fund was made for the installation of security surveillance cameras in the Metlox parking structure. At June 30, 2008 the total balance in the CIP Fund was \$6.26 million. Of this balance, \$2.63 million has been specifically earmarked for planned infrastructure projects and restricted bond cash. \$1 million has also been designated for the City's Underground Assessment District Loan Program. Unreserved fund balance totals \$3.63 million, with \$2.6 million of that amount remaining unreserved and undesignated. Project reserves at year end include:

- \$940,580 for Playground equipment
- \$280,000 for Live Oak and Manhattan Heights park fencing
- \$106,220 for City entryway signage
- \$75,000 for Live Oak Park retaining wall and landscaping
- \$40,000 for Creative Arts Center sound baffling

### ***Special Revenue, Internal, and Enterprise Funds***

All other Governmental and Business Type funds performed within budget. However, several under-performing funds deserve our attention.

The Water Fund had negative net income from operations of \$498,873 in FY 2008. This is a dramatic decline from FY 2006, when net operating income was \$598,000, and FY 2007 when it totaled \$80,000. This is the result of operating expenses (labor, materials, services, etc.) rising by 2.8% in FY 2008, while revenues actually declined by 5%. City Council has already taken steps to address this issue. At the beginning of FY 2008-2009, the Council implemented a 15% across the board increase in water rates to help mitigate the rising cost of imported water from our main supplier, Metropolitan Water District. Additionally, the FY 2008-2009 budget includes a rate study for both Water and Waste Water utilities. As the drought continues and water resources dwindle, and conservation becomes increasingly important, further rate hikes that consider reduced consumption in the context of capital needs will be necessary.

A similar situation exists in the Waste Water Fund, which had \$244,530 in net operating income in FY 2006, \$141,940 in 2007, and now \$70,115 in 2008. While operating expenses rose slightly by 1.2%, revenues declined by 4.4%. The aforementioned rate study will help us design fees that address our longer term capital needs with today's market dynamics.

The Storm Water Fund net operating income in FY 2008 was a negative \$79,880. This was the result of operating expenses increasing by 30% over 2007 levels to \$418,088, while revenues dropped 4.4% to \$338,208 from the prior year. Storm Water revenues are based upon assessments, which in order to increase, requires property owner approval through an assessment ballot. Additionally, increased regulation of storm water will serve to drive up the costs associated with this activity. Until revenues can be adjusted, the Storm Water Fund will remain subject to funding limitations, and when necessary, General Fund subsidies.

As has been the trend in recent years, Workers Compensation claims and reserves continue to remain at high levels and have resulted in increased departmental charge outs in the Insurance Reserve Fund to match these claims. The increasing trend of paid claims continues to be an area of concern for us.

### ***Trust and Agency Funds***

In several cases, the City acts as a custodian of funds held for the benefit of others which mostly relates to the administration of employee pension and 401(a) deferred compensation plans. All such plans funding requirements have been maintained. City Plans include the supplemental retirement and single highest year programs - dormant plans which were previously offered by the City. It is significant to note that this financial report does not include the value of trust holdings in the employees' 457 deferred compensation plan totaling \$15.6 million at June 30, 2008. This recognizes enacted legislation establishing the City as a plan trustee and protecting these employee-owned assets from external creditors.

The trust and agency fund group also includes debt service funds held in trust on behalf of the under-grounding assessment districts. This fund accounts for assessment collections and the related debt service payments. The cash held as of June 30, 2008, will be used to pay bondholders in FY 2008-2009.

## **Post Retirement Pension and Medical Plans**

***Defined Benefit Pension Plan:*** The City contracts with the California Public Employees Retirement System (CalPERS) for certain retirement, disability, death and survivor benefits for qualified employees. The annual actuarial valuation by CalPERS changes from year to year, and the City's contribution rates are modified accordingly.

In FY 2005-2006, the City's Police and Fire plans were moved into the CalPERS pools, a mandatory change for cities of our size. The Financial notes reflect the impact of this change which is intended to smooth rates for all member cities over time. In FY 2007, the City issued pension obligation bonds (POB's) in the amount of \$6.8 million to liquidate the City's unfunded liabilities within these plans. The savings are derived from issuing bonds at a lower interest rate than applied by CalPERS. The present value savings realized from this sale was approximately \$430,000.

***Retiree Medical Plan:*** During FY 2007-2008, the City contracted with CalPERS to participate in the California Employers' Retirement Benefit Trust (CERBT). This plan allows participating agencies to pre-fund retiree medical benefit liabilities while taking advantage of CalPERS' investment expertise at a low cost. Funds are invested in the same manner in which public pension funds are invested, and are actuarially assumed to earn 7.75% annually, although actual earnings will fluctuate with market conditions. The City hired an independent actuary to determine the City's liabilities for the various retiree medical benefits provided. The liability across all funds totaled \$6.15 million. The City funded this liability in its entirety through the use of existing pension reserves set aside specifically for this purpose, as well as through the use of other reserves. GASB 45, which provides guidance on "other post employment benefits" (OPEB) requires us to perform an actuarial study every two years. As such, our next valuation will be dated July 1, 2009.

***Retirement Plan for Part-Time Employees:*** From 1990 to 1997, the City of Manhattan Beach provided its own retirement plan for part-time, seasonal and temporary employees not eligible for participation in the California Public Employees Retirement System. This plan was eliminated in June 1997, as the City opted to provide the Public Agency Retirement System (PARS) program instead.

## **Significance of GASB 34 on Capital Asset Presentation**

GASB 34 requires state and local governments to report financial information in two distinct presentations:

***Government wide statements*** - These are consolidated financial statements for Citywide operations based on full accrual accounting. They are not presented on a fund basis, but on a fiscal operations basis. There are two major categories – governmental and business type. The focus is on the flow of economic resources versus flow of funds (working capital). Business type activities include the Enterprise Funds which have always been reported on a full accrual flow of economic resources basis. The governmental activities include General Fund, Capital Improvement Funds, Special Revenue Funds, Internal Service Funds and all current and non current assets and liabilities associated with these funds. Governmental activities account for all capital assets such as land, buildings, facilities, infrastructure (roads, sidewalks), vehicles, machinery, and equipment. Capital assets of governmental activities are expensed via depreciation. Capital expenditures and payment

on debt service principal are excluded since those transactions involve flow of funds and not economic resources.

*Fund statements* – This section includes information on the City’s major governmental and enterprise funds. Governmental funds (General, Capital Improvement, and Special Revenue Funds) are prepared using the flow of funds measurement focus. Balance sheets for the governmental funds include only current assets and current liabilities; therefore the fund balance is the working capital. There is a budget-to-actual comparison for the General Fund (original, final budget, actual amounts and variance). Budgetary comparisons for other governmental funds are shown in the Combining Financial Statements & Schedules which follows the footnotes. Proprietary fund statements are presented using full accrual accounting and the focus is flow of economic resources.

Please refer to Management Discussion and Analysis (MD&A) in the Financial Section that follows.

## **CURRENT TRENDS AND EVENTS**

Since the close of FY 2007-2008, the economy has turned dramatically. The country’s financial system is seemingly in disrepair, major financial institutions have failed, while others have sought mergers to remain viable. Home foreclosures are at record highs, brought on by questionable lending practices, further exacerbating a weak housing market. Unemployment is growing rapidly. The Federal Government has taken action to support the auto industry. Huge governmental bailouts have occurred, with more expected. These are historic times to say the least.

While Manhattan Beach is often envied for our fiscal stability, and abilities to weather the storms, there is no doubt that we are, and will be, affected by the economic problems. We can expect revenues tied to retail sales, such as our gross receipts-based business license tax and sales tax, to decline. Our building related fees such as building permits and plan check fees, which have already declined, will be further impacted. Our hospitality industry will also feel the effects of recession as business and leisure travel drop off, which in turn will reduce our transient occupancy tax and sales tax.

Safeguarding the City’s assets is a top priority for us. Recently, steps were taken to reduce the City’s portfolio exposure to corporate debt, particularly in the financial sector. While cities around us are sustaining losses on investments that once were considered among the safest, we have thus far successfully navigated these currents. We remain cautious and monitor developments daily. Unfortunately, investment opportunities for the City will yield extremely low rates, reducing revenues further.

The City’s biggest General Fund revenue source, property tax, has grown rapidly over the past several years. But even this revenue source is beginning to show signs of deterioration. As home values drop, properties sold in the last 2-3 years now have assessed values in excess of market value. As a result, an increasing number of property owners will apply for a reduction in the assessed value in an effort to lower their property taxes. Additionally, sales volume has dropped dramatically, and with that, so have prices. In 2007, sales volume for single family residential properties was 391 units, with a median price of \$1,628,500. Our most recent report shows we are on a pace for calendar year 2008 for 300 units sold (a decrease of 23%), with a median price of \$1,540,000 (a 5.4% decrease). While we still have approximately 25% of pre-Proposition 13 properties with very low assessed values, it is likely that our property tax growth will be in the 2%-3% range for the next couple of years, until the housing market recovers.

Couple these revenue challenges with an expenditure structure that is 70% labor based, with salary and benefit costs pre-determined through labor agreements, and it becomes self evident that we face significant fiscal challenges which will need to be addressed in the coming year.

The good news is that Manhattan Beach has been preparing for times like these for many years. We have reserves established and funded. We run a lean operation. We don't "buy" what we can't afford. And we issue debt prudently. The dividend will be our ability to weather this storm and continue providing outstanding services. And when the economy improves, we will take that opportunity once again to prepare for the next rainy day.

## **OTHER INFORMATION**

**Acknowledgments:** Preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Department staff. We would like to express our appreciation to all members of the department, particularly Henry Mitzner, Sharon Koike, Sande Johnson, Eugene Wee, Luisa Camba, and Helga Foushanes who assisted and contributed to its preparation. A special thanks to Lance, Soll & Lunghard, LLP our independent auditors, for their professionalism and diligence in preparing this year end financial report. We would also like to thank the Mayor, members of the City Council, and the City Treasurer for their leadership and support, without which the preparation of this report would not have been possible.



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Geoff Dolan, City Manager

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Bruce Moe, Finance Director