

October 11, 2010
1444 East Mountain Street
Pasadena, California 91104

Honorable Mayor Bill Bogaard
100. North Garfield Avenue - Room S 228
Pasadena, California 91109-7215

RE: Recommendations for City Council Meeting - 10-11-10 – item 4 and 5

I recommend that the City Council not approve item 4 to issue up to \$200 million dollars in bonds and item 5 the Rose Bowl renovation project.

1. UCLA has a contract to play in the Rose Bowl until 2023.
Pasadena can not afford this Rose Bowl renovation project at this time.
 - a. Pasadena debt- 6-30-10 \$696 million dollars
 - b. Proposed Rose Bowl bonds- 10-11-10 \$200 million dollarsTotal: \$896 million dollars
2. Total funds 6-30-10- \$445 million dollars including \$297 million dollars (PIP) earning less than 2% interest that could be used to pay off any of the \$694 million in bond debt which has interest rates of 5% or above under the Debt Management Plan.
3. \$217 Million dollars is spend on the 2011 budget and includes \$35 million dollars for debt services(16%) and \$127 million dollars (58%) for personnel services.
4. The federal government is in debt for trillion of dollars while California is in debt for billions of dollars and Pasadena is in debt for over \$800 million dollars after issuing bonds. There are many articles about a municipal bond bubble, office building bubble and high unemployment for many years. Many firms are leaving California for other states and nations because of the high taxes and costly regulations. The new federal taxes starting in January 2011 is projected to cause many firms to close their business and encourage large corporations to move their assets and jobs to other nations.
5. A vote no on these bonds and the unneeded Rose Bowl project is a vote for fiscal responsibility that will benefit the 150,000 residents and employers and avoid a large scale layoff of City employees in the future.

Sincerely yours,


Floyd Folven

cc: Council Members: Jacque Robinson, Margaret McAustin, Chris Holden, Steve Haderlein.
Vice Mayor Victor M Gordo, Esq., Steve Madison, and Terry Tornek

10/11/2010
Items 4 & 5