OFFICE OF THE CITY MANAGER

December 31, 2014

Dear Mayor, City Council and City Employees,

In the closing hours of 2014, I simply want to thank you for your leadership and dedication in making Pasadena one of the premier cities in the country. Your efforts are noticed every day and you are the reason why Pasadena is consistently recognized as one of the great places to live, work, learn, visit and do business.

Despite our successes, we have great challenges, none more evident tonight as the arrest of a former city employee on embezzlement charges yesterday. Our reputation is challenged; our values and professionalism are questioned. As you know, we have set up a special webpage that includes the news release, the audit report, a link to a video of the press conference, and other information, which can be found at www.cityofpasadena.net/invoiceinvestigation. The report's notations about the failures in our system are uncomfortable and disappointing to read, but, ultimately, the changes we must make will ensure we are a stronger organization in the future. I am confident that the city will rebound and that we will earn back the public trust.

The residents of Pasadena are who we work for each and every day. As I look back on 2014, we have worked hard to improve our city and our organization.

Thanks to the leadership of the City Council and the approximately 2,000 hard-working employees for the very difficult decisions that were made over the last six years to right-size our organization and restructure our finances. We ended a second consecutive fiscal year with a small, but positive balance and the current fiscal year budget is on track to allow us to modestly contribute to rebuilding the reserves.

The foresight of City Council over the past several years is now paying dividends with a strong local economy. The private sector's growing confidence is reflected in increased private investment throughout the City, including new hotels, restaurants, residential projects and commercial buildings under construction or preparing for construction in 2015.

We continue to move forward with significant investments in the City's infrastructure and key assets such as streets, the new electrical generating equipment at our Glenarm Power Facility and improvements to our parks, community centers, the Rose Bowl Stadium and the Civic Auditorium-Convention Center. We also launched the transition to our new enterprise-wide financial and personnel system that will provide for greater financial management and accountability.

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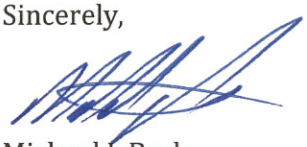
We continue to work with the Pasadena Unified School District and other local organizations to strengthen learning opportunities and ensure quality neighborhoods; while our partnerships with local business leaders and the Innovate Pasadena group continues to attract new, high-tech entrepreneurs and innovation companies.

In 2014, the brave men and women of our police and fire departments responded to thousands of calls for help at all hours of the day and night, when residents and visitors were in danger and needed our help the most. Our new Fire Chief Bertral Washington will ensure the legacy of excellent community service.

As you gather with family and friends to celebrate the New Year, please also remember that we have much work still to do. I look forward to working with you in 2015 to continue to make Pasadena one of the best communities in America.

Sincerely,



Michael J. Beck
City Manager