



News from: Office of the City Administrator

## FOR IMMEDIATE RELEASE

January 27, 2012

### Clarification of News Reports about the Release Today of a Revised Budget

*Oakland, CA* — A local news report today inaccurately stated that the City of Oakland would be releasing a revised budget proposal today. By the close of business, the City Administrator's Office will release responses to questions raised by City Councilmembers following presentation of the budget-balancing proposal at Wednesday's special City Council meeting. The report will be posted on the City's [web site](#). It will clarify questions raised by City Councilmembers to assist them with the evaluation and decision-making process now underway. The report is not a revised budget proposal.

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In addition, the headline of the news report inaccurately stated that the City will get an extra \$7.5 million that may save jobs; there is not the sudden discovery of an extra \$7.5 million.

In the Enforceable Obligations Payment Schedule (EOPS) adopted by the City Council Wednesday night, the City included an additional \$7.5 million to account for the City's legal obligations associated with the elimination of the Redevelopment Agency and resulting layoffs. These costs had been previously identified in the EOPS, but the value of the obligations had not been quantified until the budget proposal was finalized. During adoption of the EOPS Wednesday night, the Council recognized the value of these costs and modified the EOPS accordingly, based on the final budget proposal.

The EOPS defines the payments (contractual obligations and debt) required to wind down the Redevelopment Agency and its associated projects. It also allows for administrative and project staffing costs. The \$7.5 million noted above would fund the City's obligations to pay leave balances, unemployment, and costs associated with layoffs. It represents costs the City may be legally required to pay as part of the dissolution of the Redevelopment Agency. It would not buy back jobs, as inaccurately reported in the local news media.

It should be noted that the EOPS is subject to review and approval by the State Department of Finance and State Controller, as well as the Oversight Board consisting of representatives from local public entities (City, County, school districts, labor, special districts).

The City Council is expected to vote on the proposed budget at its regular meeting on Tuesday, January 31 at 5:30 pm in order to balance the budget in accordance with the February 1 deadline to dissolve Redevelopment Agencies statewide.

**Potential Layoffs:** The Proposed Budget represents a net reduction of 109 actual positions, 81 of which are filled and the rest are vacant. It is important to note that

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the City Council will make the final determination on which positions are eliminated as part of their adoption of the Amended Budget, and the final mix may be different from the list in the Proposed Budget. In addition, staff cannot yet determine how the elimination of these positions will impact all employees, as that will be part of the dynamic analysis that the Department of Human Resources Management will perform based on seniority lists, vacant positions, and other factors, as is performed with every budget reduction.

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