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City Administrator's Office

## MEMORANDUM

**TO:** HONORABLE MAYOR &  
CITY COUNCIL

**FROM:** Karen Boyd

**SUBJECT:** Corrections to Article in  
San Francisco Business Times

**DATE:** December 1, 2011

City Administrator  
Approval

*Deanne Santana*

Date

*12/1/11*

### INFORMATION

On Friday, November 25, the San Francisco Business Times published a special insert called Structures, an annual publication focusing on Oakland's economic future. The theme of this year's edition is "The Dream Team: New City Administrator and Her Deputies Look to a Brighter Future." The story on page 4 called "City Administrator to revamp budget process: Santana vows to make progress on stalled plans," contained several inaccuracies which we are correcting with the Business Times and which we wanted the Mayor and Council to be aware of.

The story mentions that one of the City Administrator's top priorities is to implement "a five-year budgeting plan instead of the two-year budget." It appears that the reporter misunderstood "five-year forecast" for a five-year budget. During the interview, the City Administrator discussed the importance of developing a five-year *forecast* to take a longer view of revenue and expenditure trends, which will help the City stabilize its financial situation and plan ahead for large capital expenditures. This is a common practice for local governments and a matter of good governance.

The article also states that, "The city faces a projected deficit of almost \$60 million for the 2012-13 fiscal year and more than \$65 million the year after that." In fact, in passing the two-year budget in June 2011, the City closed a \$58 million deficit for this fiscal year and eliminated what would have been a \$76 million deficit for next year (2012-13). There are no projections for a \$65 million deficit for 2013-14.

Finally, the article stated that the City Administration "suggested that the city's Community and Economic Development Agency. . . is ripe for a shake-up." What the City Administrator said was that the CEDA organization was created in its current configuration nearly 17 years ago, and since that time the city and the world economy have changed dramatically, necessitating a fresh look at the organization and how it meets current needs and demands for service. She said that it is important for organizations to be willing to reinvent themselves by looking for ways to streamline systems and processes, looking at best practices, and striving for continuous

improvement. She said that the Administration is looking at the entire City organization with respect to how current structures are serving the City's needs, especially in light of downsized staffing in recent years. There is concern that the term "shake-up" bears a negative connotation that is not reflective of the need to engage all stakeholders, including employees, throughout the process.

The publication features an editorial about the need for Oakland to return its focus on fixing the City budget and growing jobs, as well as stories on: Oakland's increasing demand in the housing rental market but lack of new housing development; slow and steady office leasing market; \$370 million in projects at the Oakland Airport; interactive map of major development projects in Oakland; \$2 billion in hospital rebuild projects underway; Oakland's sizzling food scene; grocers moving in to address the "food desert" in Oakland; the improving industrial market; plans to transform Auto Row; waterfront projects; nine flourishing business improvement districts.

Tomorrow the Business Times is hosting its annual Oakland Structures breakfast meeting at 7:30 am at the Oakland Marriott. Topics include development, housing, retail and jobs. Mayor Quan will give the welcome, City Administrator Deanna Santana will talk about:

- Her management vision: For the City of Oakland to be an innovative, well-managed big city, highly valued by its residents and businesses and a fabulous place for employees to make a difference.
- Her three service principles: the importance of good governance; making Oakland a great place to live, work and play; and helping to grow and attract businesses
- Her three management core services: oversight of day-to-day operations; effective policy support to the Mayor and City Council; and strategic planning and leadership.

Following the City Administrator's remarks there will be a panel discussion featuring Fred Blackwell, Assistant City Administrator; Danny Kennedy, Founder, Sungevity; John Protopappas, President & CEO, Madison Park Financial Corporation; and Phil Tagami, Managing General Partner, California Capital & Investment Group.

Respectfully submitted,



KAREN L. BOYD

Citywide Communications Director  
City Administrator's Office

For questions please contact me at (510) 238-6365.