



CITY OF OAKLAND

## *MEMORANDUM*

**TO:** HONORABLE MAYOR &  
CITY COUNCIL

**FROM:** Deanna J. Santana  
City Administrator

**SUBJECT:** Five-Year Financial Plan and  
FY 2011-12 Q4 Revenue & Expenditure  
Report

**DATE:** October 29, 2012

### **INFORMATION**

The City Administrator's Office has prepared the FY 2011-12 Q4 Revenue & Expenditure Report and the Five-Year Financial Plan, Fiscal Year (FY) 2013-14 – FY 2017-18. The two reports together provide a snapshot of the City's recent financial performance and a forecast of future financial conditions.

The FY 2011-12 Q4 Revenue & Expenditure Report contains the unaudited fiscal year-end results of the City's revenues and expenditures. In brief, the report shows that actual (unaudited) expenditures exceeded the adopted budget, but that revenues exceeded the adopted budget by more. The report can be viewed at the following location:

<http://www.oaklandnet.com/w/OAK038274>

The main purpose of a long-term financial forecast is to inform decision makers of whether revenues and expenditures will generally be in balance in future years, or whether significant interventions are necessary to help ensure balance. The Five-Year Financial Plan covers all major City funds and generally assumes that service levels and revenue mechanisms will remain constant at base year (FY 2012-13) levels for all of the future forecast years, with a few key exceptions. The forecast assumes that employee contributions will sunset at the end of the current contracts, that local measures Y and the wildfire prevention assessment will expire, and that the City will fund two police academies per year.

The forecast predicts a modest General Purpose Fund (GPF) budget shortfall in FY 2013-14 for recommended expenditures, growing over the subsequent years. The plan identifies future uncertainties and lists possible budget balancing measures, but does not propose specific balancing strategies. The report can be viewed at the following location:

<http://www.oaklandnet.com/w/OAK038273>

As follow up to the plan, the City will publish, in spring 2013, a Five-Year Financial Plan – Service Levels and Budget Strategies report. The report will include specific recommendations of service levels and revenue mechanisms that will provide sustainable, long-term balance, and will feed directly into the creation of the FY 2013-15 Biennial Proposed Budget.

Respectfully submitted,

/s/

---

Deanna J. Santana  
City Administrator

For questions, please contact Donna Hom, Interim Budget Director, at 510-238-2038.