



City of
OAKLAND
California

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Reports find the City of Oakland is in its best financial condition in a decade

Oakland, CA — The City of Oakland released two major financial reports Monday. The first looks at the last fiscal year and finds that the City is in its most solid financial condition in years. The second looks to the future and paints a conservative, cautiously optimistic picture of the challenges that still lie ahead.

“Oakland is in the best financial shape we’ve seen in a decade,” Mayor Jean Quan said. “I’m happy to report that unemployment is down, and jobs and city revenues are both up. When I became mayor almost two years ago, I said that stabilizing the budget was my top priority. Today, my administration has achieved a strong level of fiscal stability and sufficient reserves to avoid cutting City services despite potential economic bumps.”

“Looking forward, I’ve prioritized public safety and economic development,” Quan continued. “By holding two police academies every year, and investing in job creation, we can grow the Oakland economy for everyone.”

Quan highlighted several fiscal indicators showing Oakland on the rise:

- Property tax is up by \$13.6 million, and in August *Realtor.com* ranked Oakland the top city for fastest selling homes in the nation.
- Sales tax revenues grew by \$2.2 million, or about 4.5%, from FY10-11 to FY11-12.
- Business license tax is \$7.7 million higher than expected, reflecting the growth in new businesses opening in Oakland and new medical and transportation construction projects.
- Unemployment is at 13.1%, down from 16.6% in January 2011, when Quan took office.
- Oakland added more than 5,200 net jobs between September 2011 and September 2012, reflecting about 3% job growth.

“Of course, we wouldn’t be here without the contributions we get from every City employee, and I want to thank our hardworking employees who gave back nearly 10 percent of their pay to preserve services and jobs in the City,” Quan added. Under contracts negotiated in 2011, every City union is making contributions back to the City’s budget. That includes police officers paying into their own pensions for the first time in Oakland history.

City Administrator Deanna J. Santana highlighted the City’s prudent response to the state’s dissolution of Redevelopment, a major financial blow to cities across California.

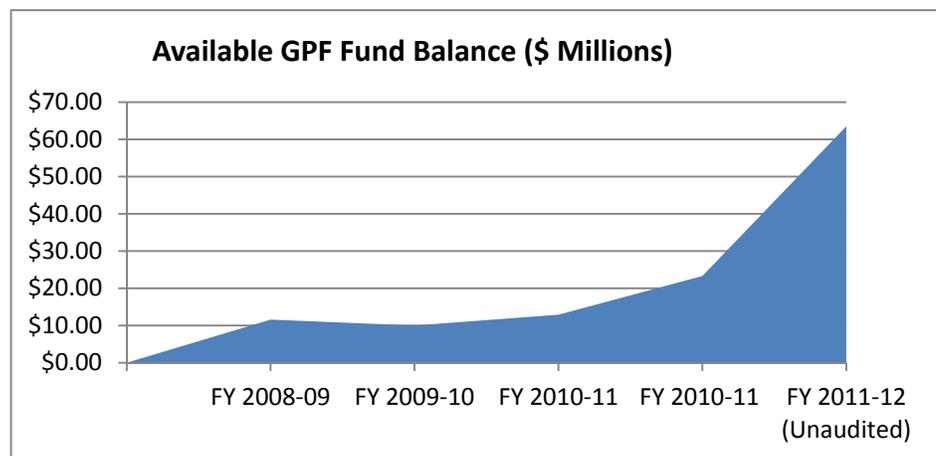
“Over the past several years, the City has made significant strides in exercising prudent financial management,” Santana said. “Our goal has been to stabilize the City’s finances, plan for the future, and make strategic decisions based on transparent data. For uncertainties that the future holds, we now have a financial plan in place. As we look ahead, we are cautiously optimistic.”

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Oakland is on the rise, seeing steady growth and improvement in its finances. For the first time in many years, the City of Oakland is seeing concrete signs of stabilization and even some uplift to its budget.

- For FY12/13, the City adopted a balanced budget that did not include any layoffs. That's the first time that's happened in more than four years.
- Over the past several years, the City has made significant strides in exercising prudent financial management, working with labor unions for employee contributions and paying down unfunded liabilities and negative fund balances to chip away at the structural deficit.
- Overall revenues for FY11/12 exceeded budget expectations by almost \$35 million. Much of that was due to one-time payments to the City from the Redevelopment Successor Agency and planned revenue that was simply received early. About \$10.4 million is directly attributable to economic growth and is projected to be ongoing.
- Adding to the City's financial stability, we have also been working hard to grow the General Fund reserve, which has increased from \$10 million in FY 2008-09 to \$83 million. Of that \$83 million about \$30.5 million is available, exceeding the City Council's \$30 million mandated reserve for the first time in five years.

Historical Available GPF Balance



The reports are both available online in Adobe Acrobat format:

FY11-12 Q4 Revenue & Expenditure Report: <http://www.oaklandnet.com/w/OAK038274>

Five-Year Financial Plan: <http://www.oaklandnet.com/w/OAK038273>

For more information, contact Sean Maher at Mayor Quan's office or Karen Boyd at the City Administrator's office.

Members of The Oakland Metropolitan Chamber of Commerce or the City's Budget Advisory Committee, which is made up entirely of Oakland residents, might also be valuable sources of perspective and information to reporters.

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