



City of
OAKLAND
California

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News from: The Office of Mayor Jean Quan

FOR IMMEDIATE RELEASE

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OAKLAND MOVES FORWARD WITH NEW BUDGET

OAKLAND, CA—Oakland's Fair Share Budget for FY 2011-2013 passed last week by the City Council relied on critical employee contributions from every bargaining unit and every employee. This week, all five of the city's bargaining units did exactly that, contributing \$23 million towards a \$58 million budget gap.

"I want to thank every City employee and bargaining unit for their cooperation and sacrifice during this difficult transition as we implement the new budget. Last year, almost all employees gave up what amounted to 9% of their income—in pension payments and contributions, furloughs or other give backs—to keep our budget balanced," said Mayor Jean Quan.

"Both Police and Firefighters came to the table even though their contract was not open yet. The significant contributions from all of our employees allow us to preserve City services, help us prepare Oakland for better days and move forward as a city."

Some of the highlights of the contracts include:

- Police paying into their pension for the first time at 9%.
- All unions agreed to two-tiered lower pension for all new employees.
- All unions gave approximately 9% back in total.
- Police agreed to lower starting salaries for trainees and first step officers.

Now that the contracts have been ratified, the City is implementing the budget, which calls for 214 positions to be cut. Many positions are already vacant, due to a hiring freeze enacted last fall. As of today, layoff notices are being delivered to 68 individuals, with another 54 employees moving to new positions due to bumping rights or reverting to lower paying positions, and 13 employees working reduced hours.

"These employees will be notified in person today and will receive information and support over the next two weeks as we make these painful but necessary reductions," said the Mayor.

In a letter to employees this morning, Mayor Quan and Interim City Administrator P. Lamont Ewell wrote: "This is a sad day for all of us—for those who will be leaving, and for those who are left behind. We want to take the time to acknowledge all of you for your commitment to the City of Oakland and to providing good customer service with shrinking resources. It will not be easy for any of us. Working together as employees or citizens, we can prepare Oakland for better days and continue to move forward."

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The next step for the Mayor is to put a parcel tax measure on a special election ballot for \$80/ year per home (varying amounts for apartments and commercial property) for five years. "The City and its employees have stepped up with cuts to make this a Fair Share Budget. I am asking residents to pay less than a quarter a day to help me restore cuts to senior centers, park and street maintenance, youth violence programs, and to help me maintain police staffing levels with more police academies." The Council will vote on the ballot measures on July 19th.

**OPOA & City of Oakland
MOU Economic Agreement
Effective July 1, 2011-June 30, 2015**

Contract year	2011-2012	2012-2013	2013-2014	2014-2015
<u>9 %Pers Contribution</u>	\$7.9 M	\$7.1 M	\$6.2 M	\$6.2 M
<u>4% COLA delay *</u>	0	\$2.3 M	\$4.6 M	\$2.4
<u>2 additional holidays FY13-15</u>	0	\$0.5 M	\$0.3 M	0
<u>Two-tiered Retirement</u> 3% @ 55 PERS Plan for New Hires based on highest 3-year average	\$0 M	tbd	tbd	tbd
<u>Step 1 and Trainee Pay Reduction</u>	0	\$0.4 M	\$0.9 M	\$1.4 M
Total GPF Savings	\$7.9M	\$10.3 M	\$12.0 M	\$10.0 M
Total All Funds Savings	\$9.5M	\$12.9 M	\$15.6 M	\$12.5 M
4 Year GPF Savings: \$40.2 Million				
4 Year All Funds Savings: \$50.5 Million				

- Previously awarded in 2008, postponed until 2015

**IAFF Local 55 & City of Oakland
MOU Economic Agreement
Effective July 1, 2011-June 30, 2014**

Contract year	2011-2012	2012-2013	2013-2014
<u>Salary Reduction</u> 8.85% salary reduction FY 12-FY14	\$8.2 M	\$8.6 M	\$9.0 M
<u>Vacation</u> Reduce by 2 shifts	\$.9 M	\$.9 M	\$.9 M
<u>Brown out Two Companies</u> Rotating closures of two companies for FY13, FY14	0	\$4.0 M	\$4.0 M
<u>Two-tiered Retirement</u> 3% @ 55 PERS Plan for New Hires based on highest 3-year average	\$0 M	tbd	tbd
Sub-Total Savings	\$9.1M	\$13.5 M	\$13.9 M

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