

CITY OF OAKLAND



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June, 17, 2008

City Councilmembers
Oakland City Council
Oakland, CA

Re: **Resolution Amending Resolution No. 77923 C.M.S. Regarding The City Of
Oakland Long-Term Financial Planning Policy To Add A Specific Date
When The Five-Year Financial Plan Is To Be Provided To The City Council**

FILED
OFFICE OF THE CITY CLERK
OAKLAND
08 JUN 12 PM 3:41

Dear President De La Fuente and Members of the City Council:

Attached is an amended resolution, as recommended June 10, 2008 by the Finance and Management Committee. The Committee recommended that the Five-Year Financial Plan be produced biennially in conjunction with the two-year budget, instead of on an annual basis as previously required.

Accordingly, the changes recommended by the Committee have been made to the originally submitted resolution with added language in underline and deletions are indicated by strikethrough on page 2.

Respectfully Submitted,

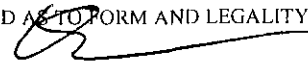
Jean Quan

INTRODUCED BY COUNCILMEMBER _____

FILED
OFFICE OF THE CITY CLERK
OAKLAND

08 JUN 12 PM 3:41

APPROVED AS TO FORM AND LEGALITY



CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C. M. S.

RESOLUTION AMENDING RESOLUTION NO. 77923 C.M.S. REGARDING THE CITY OF OAKLAND LONG-TERM FINANCIAL PLANNING POLICY TO ADD A SPECIFIC DATE WHEN THE FIVE-YEAR FINANCIAL PLAN IS TO BE PROVIDED TO THE CITY COUNCIL

WHEREAS, the City of Oakland's Five-Year Financial Plan is the City Administrator's best assessment of future revenues, expenditures and operating results over a five year forecast period; and

WHEREAS, the Five-Year Financial Plan includes analysis of economic and demographic data at the national, local and state level, and analyzes revenue and expenditure trends for the General Purpose Fund and other major funds such as the Landscape and Lighting Assessment District and the Oakland Redevelopment Agency; and

WHEREAS, the Five-Year Financial Plan forecasts major revenue and expenditure components of the aforementioned funds; and

WHEREAS, a long-term financial planning policy is intended to help the City make prudent and informed financial decisions on matters such as economic development, tax policy and labor negotiations; and

WHEREAS, the implementation of a long-term financial planning policy will help the City attain a favorable rating from credit rating agencies; and

WHEREAS, the implementation of a long-term financial planning policy should not result in significant increases in staff costs; now, therefore, be it

RESOLVED, that the City Council of the City of Oakland hereby finds, determines, declares and resolves as follows:

Section 1. All of the recitals set forth above are true and correct.

Section 2. In order to insure that City of Oakland decision makers have the information to allow them to prudently manage the City's fiscal resources, the City Council hereby adopts the financial policy, as set forth below:

CITY OF OAKLAND LONG-TERM FINANCIAL PLANNING POLICY

I. Purpose/Definition

The Five-Year Financial Plan ("Plan") forecasts the City's revenues and expenditures over a five-year period. The Plan focuses on the General Purpose Fund, and other major funds such as the Landscape and Lighting Assessment District and the Oakland Redevelopment Agency. The intent of the Plan is to allow the City Council and the City Administrator to put current funding decisions in the context of forecasted economic conditions. Specifically, long-term financial planning improves the City's ability to make informed decisions regarding labor negotiations, economic development projects and tax policy. The Plan shall incorporate economic and demographic data at the national, local and state level, as well as other data that aids in forecasting.

Credit rating agencies are likely to favor the City's intention to plan ahead because such planning provides for greater financial stability, and signals a prudent approach to financial management. Five-Year planning also brings the City into compliance with current "best practices" of other governmental entities.

II. General Responsibilities

Budget Office

The City Administrator, shall be responsible for producing an updated Five-Year Financial Plan on ~~an annual~~ a biennial basis. The Plan shall be produced and distributed by October 1 of ~~each~~ every other year, prior to the beginning of any ~~annual~~ budget deliberations by the Council.

Other Departments

Other departments shall be responsible for providing such information as the City Administrator requires to produce the Plan in a timely manner.

The City Council and the City Administrator

The City Council and City Administrator shall make use of the information contained in the Plan as they consider any action that would have a significant impact on the City's revenue or expenditures over a five-year period.

FURTHER RESOLVED, that this Resolution shall take effect immediately upon its passage.

In Council, Oakland, California, _____, 2008

PASSED BY THE FOLLOWING VOTE:

Ayes- **BRUNNER, KERNIGHAN, NADEL, QUAN, BROOKS, REID, CHANG, AND
PRESIDENT DE LA FUENTE**

Noes-

Absent-

Abstention-

Attest:

LATONDA SIMMONS
City Clerk and Clerk of the
Council of the City of
Oakland, California