CITY OF OAKLAND
COUNCIL AGENDA REPORT

TO: Office of the City Manager
ATTN: Robert C. Bobb
FROM: Financial Services Agency
DATE: February 18, 2003
RE: INFORMATIONAL REPORT ON THE CITY'S FINANCIAL POLICIES

SUMMARY

This informational report discusses the status of financial policies for the City of Oakland. This report also contains the findings of Moving Oakland Forward, which were presented to the City Manager's Office in September 2002.

Team #4A of Moving Oakland Forward, chaired by the City Treasury Manager, was charged with the goal to "Adopt and consolidate a comprehensive set of financial policies and establish a regular process for reporting to the City Council on whether City operations are in compliance with adopted financial policies."

The general recommendations of Team #4A are that the City should formally adopt a full set of financial policies, with a regular process for monitoring, reporting on compliance, and updating each of these policies. The recommendations further suggest that the various financial policies should be compiled together, and be maintained and made available at a minimum at the City Clerk's Office and the Financial Services Agency. Finally, it was recommended that all policies be posted on the City's web site.

FISCAL IMPACTS

This is an informational report only; there are no fiscal impacts.

BACKGROUND

The Finance and Management Committee has requested an informational report regarding the City's financial policies. In September 2002, Team #4A of Moving Oakland Forward presented a report recommending steps that the City should take in order to adopt and consolidate a comprehensive set of financial policies and establish a regular process for reporting to the City Council on whether City operations are in compliance with adopted financial policies.

These recommendations were based in part upon the Team's internal research, which found that the City's financial policies are scattered among a variety of sources: some are Council-adopted (such as the Investment Policy or the Linked Banking Ordinance); some are reflected in the City's Administrative Instructions; and others are followed in practice, but not formally adopted. The Team's external research findings - based on comparing the financial policies of some "best practice" cities - revealed no consistent model or pattern. The Government Finance Officers Association (GFOA) has published "Recommended Practices for State and Local Governments," which describes a wide variety of recommended types of policies and which includes key considerations to be included in such policies. These Recommended Practices are acknowledged and closely followed by many "best practice" cities, as well as those striving to become such.

KEY ISSUES AND IMPACTS

The following are general and specific recommendations of the Financial Services Agency on the drafting, implementation and use of financial policies for the City. Currently, only the Investment Policy is formally and regularly reviewed and approved by City Council. Attached to this report for the Council's review are the recommendations, along with the current Investment Policy and drafts of a Debt Management Policy and a Policy on Debt Affordability The following is a summary of the recommendations:

<u>General Recommendations</u>:

- **Adopt policies:** The City should formally adopt a full set of financial policies (identified below), with a regular process for monitoring, reporting on compliance, and updating each of these policies.
- **Compile and publish policies:** The various financial policies should be brought together, and be maintained and made available at a minimum at the City Clerk's Office and the Financial Services Agency. All policies should also be posted on the City's web site.

<u>Specific Recommendations:</u>

- **Investment Policy:** Continue the process of annually adopting an Investment Policy – governing where and how funds may be invested – for the City and the Redevelopment Agency, in compliance with state law.
- **Debt Management Policy:** Adopt a debt management policy, which would provide guidance to the City Council and to City staff by identifying the parameters for issuing debt and for managing the City's debt portfolio.
- **Policy on debt affordability (or debt capacity):** Annually adopt a debt capacity study, identifying limits for total annual debt service payments with relation to the City's budget, so as to ensure that any new debt issued is affordable and cost-effective.
- **Policy on stabilization funds, contingency planning and reserve levels:** Develop a formal policy setting reserve targets and contingency reserve amounts for the City's General, Capital, Internal Service and Enterprise Funds; adopt during the FY 2003-05 budget process.
- **Policy on fees and charges:** Translate existing Administrative Instructions on fees and charges (such as the Master Fee Schedule) into a formal policy; adopt during the FY 2003-05 budget adoption process.
- **Policy on the use of one-time or unpredictable revenues:** Develop a formal policy on the use of one-time and unpredictable revenues; adopt during the FY 2003-05 budget adoption process.
- **Policy on balancing the operating budget:** Translate an existing Council directive on developing a balanced budget into a formal policy document; adopt during the FY 2003-05 budget adoption process.
- **Policy on revenue diversification:** Develop a formal policy on revenue diversification; adopt during the FY 2003-05 budget adoption process.
- **Policy on long-term financial planning:** Translate the existing Council directive on the development of the Five-Year Financial Plan into a formal policy on long-term planning; adopt during the FY 2003-05 budget adoption process.

- **Policy on negative fund balances:** The Financial Services Agency should create a strict and enforceable policy to minimize the existence of any negative fund balances.

SUSTAINABLE OPPORTUNITIES

Adoption of this report on financial policies would not impact economic, environmental, or social equity opportunities.

DISABILITY AND SENIOR CITIZEN ACCESS

There is no impact to disability or senior citizen access resulting from this informational report.

RECOMMENDATIONS AND RATIONALE

The Financial Services Agency recommends that the City Council should formally adopt a full set of financial policies as suggested by Team #4A of Moving Oakland Forward, and the resulting City Manager Summit Recommendations, with a regular process for monitoring, reporting on compliance, and updating each of these policies. Furthermore, we recommend that the various financial policies should be compiled together, and be maintained and made available at a minimum at the City Clerk's Office and the Financial Services Agency. Finally, it is recommended that all adopted financial policies be posted on the City's web site.

ACTION REQUESTED OF THE CITY COUNCIL

It is requested that the Council accept this information report.

Respectfully submitted,

Deborah Edgerly

DEBORAH EDGERLY
Director, Financial Services Agency

Prepared by:
Joseph T. Yew, Jr.
Treasury Manager

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE

George P. Munger

OFFICE OF THE CITY MANAGER

C

FINANCE & MANAGEMENT CMTE.
FEB 18 2003

RECOMMENDATION #1: Formally adopt a full range of financial policies, along with a regular monitoring/updating/reporting process; compile all financial policies together, and make them available on the City's web site.

1. Background

The City's financial practices are governed by a variety of formal policies, Administrative Instructions, and "policies" that are followed in practice, although they have not been officially adopted. Other cities exhibit no specific pattern in the number or nature of their financial policies. Adoption of some policies could positively impact the perception of the City by debt-rating agencies; others could improve the City's internal functions.

2. Conclusion

- Recommendation
  Adopt the specific types of financial policies described in the recommendations which follow, each of which includes a process of reviewing, reporting compliance, and updating; consolidate these policies in hard copy versions (in binders in, say, the City Clerk's Office and the Financial Service Agency) and in a set of web pages on the City's web site.

- Anticipated savings/efficiencies/other benefits
  Compiling the City's policies and placing them on the City's web site increases awareness and access by the public, by City staff, and by the City Council. Regular reviews of these policies will ensure that they are up to date. Some of the policies will contribute to internal fiscal efficiencies; others may contribute to higher bond ratings and therefore lower interest costs.

- City Council action needed
  The Council will need to adopt the respective policies, and review monitoring and compliance reports.

3. Implementation steps and timeline

The Financial Services Agency, Treasury Division, and the City Manager's Budget Office have prepared draft policies as indicated in the following recommendations; these are proposed to be approved by the City Council in conjunction with the FY 2003-2005 budget development process. The Financial Services Agency will compile all adopted financial policies in a single binder, and will provide copies to the City Clerk, the City Council, the City Manager's Office, and the office of the Director of Finance by June 30, 2003. On an ongoing basis, the Financial Services Agency and/or the City Manager's Budget Office, as appropriate, will review compliance with each policy, and will propose updates as needed, including the annual preparation of a draft investment policy for City Council and Agency review and adoption each June.

C

FINANCE & MANAGEMENT CMTE.

FEB 1 8 2003

RECOMMENDATION #2: Continue the annual adoption of an Investment Policy, which will be compiled with other financial policies

1. Background

In accordance with the California Government Code, the City Council and the Agency review and adopt an investment policy each year. The City Council delegates to the Director of Financial Services Agency/Treasurer the authority to invest the City's and the Agency's operating fund within the guidelines of Section 53600 of the Government Code of the State of California.

In addition, the Treasurer is required by law to report quarterly to the City Council/Agency regarding the composition and performance of the portfolios of the City of Oakland and Oakland Redevelopment Agency.

2. Conclusion

- Recommendation
  Continue to carry out the annual review and adoption of an investment policy; consolidate the Investment Policy with other recommended financial policies.
- Who should implement?
  The Financial Services Agency, Treasury Division should continue to annually update the Policy for City Council review and approval, and should consolidate the Policy with the City's other financial policies.
- City Council action needed
  Per the California Government Code, the City Council and Redevelopment Agency must annually review and accept the Policy.

3. Implementation steps and timeline

The Financial Services Agency, Treasury Division will annually prepare a draft investment policy for City Council and Agency review and adoption each June. Also, by June 2003, the Treasury Division will compile all of the City's financial policies in a single binder, to be available at the City Clerk's Office, the City Manager's Office, and the Treasury Division.

RECOMMENDATION #3: Adopt a comprehensive debt management policy, setting forth the parameters for issuing debt and managing the debt portfolio

1. Background

The foundation of any well-managed debt program is a comprehensive debt policy. A debt policy sets forth the parameters for issuing debt and managing the debt portfolio and provides guidance to the City Council. The debt policy should recognize a long-term commitment to full and timely repayment of all debt as key to the successful entry into the capital markets.

2. Conclusion

- Recommendation

  It is recommended that the City develop and adopt a comprehensive debt policy. The debt policy should be balanced, establishing limits on the debt program while providing sufficient flexibility to respond to unforeseen circumstances and new opportunities. The policy would have the following elements:

  Approach to Debt Management – The City's approach to its financings is to ensure continued market access at the lowest cost of borrowing. As such, the Debt Policy outlines debt capacity guidelines or targets which are consistent with ranges established by the rating agencies:

  - The City's debt burden is currently 13.17%. This figure represents gross debt service as a percentage of total general fund expenditures. The rating agencies consider a debt burden to be high when that percentage is above 15%.

  Standards for Use of Debt Financing – Debt financing will be promoted when public policy, equity and economic efficiency favor debt over pay-as-you-go financing.

  Financing Criteria – Whether issuing long- or short-term debt, the City will determine the most appropriate structure, the mode (fixed or variable), and the use of synthetic fixed or floating rate debt. These decisions will be made within the context of already existing obligations.

  Terms and Conditions of Bonds – In the issuance of its bonds, the City shall carefully consider and evaluate the term of the financing, use of capitalized interest, call provisions, original issue discount and the use of deep discount bonds.

  Credit Enhancement – The use of credit enhancement is to be considered on a case-by-case basis and will be purchased only when debt service savings can clearly be demonstrated.

  Refinancing Outstanding Debt – A minimum savings threshold of 3% or $500,000 in present value savings is established except when there are legal reasons for defeasance.

  Methods of Issuance – The preferred sale method (negotiated or competitive) will be determined for each issuance of bonds.

  Underwriter Selection – Both senior managers and co-managers will be selected on the basis of firm and staff qualifications, and experience with structures similar to the proposed issuance.

  Market Relationships – The City will actively manage its relationships with the various rating agencies and analysts through frequent and open communication. The City will also maintain compliance with Rule 15c2-12 by the timely filing of its annual financial statements and other financial and operating data for the benefit of its bondholders.

  Consultants – Consultants, including financial advisors and bond counsel, will be on a solicited basis that is based upon firm and staff qualifications, and experience with structures similar to what is being proposed.

- <u>Who should implement?</u>
  The Financial Services Agency, Treasury Division should draft the debt policy.

- <u>City Council action needed</u>
  The debt affordability policy should be formally reviewed and adopted by the City Council, and the City's debt should be monitored annually to ensure that it is in compliance with the debt policy, and to consider possible changes to the debt affordability policy.

3. <u>Implementation steps and timeline</u>

With the assistance of the City's financial advisor, Public Financial Management, a debt policy has already been drafted (attached). It is recommended that on an annual basis, the debt policy be reviewed by the Treasury Division and updated and presented for Council's review and approval.

RECOMMENDATION #4: A debt affordability study should be presented annually to the City Council for its review and approval

1. Background

When the City of Oakland issues bonds, it is entering into a long-term agreement that requires the City to make timely principal and interest payments over the life of the bonds. It is necessary that the City ensure that future debt service payments to bondholders can be made in full and on time, without jeopardizing the provision of essential services; that outstanding debt obligations will not threaten long-term stability; and that the amount of outstanding debt will not place undue burden on community residents and businesses. A comprehensive and routine analysis of debt capacity (or "debt affordability") provides assurance that the amount of debt issued by the City is affordable and cost-effective. By analyzing debt capacity and establishing appropriate limits on debt issuance, the City will be better able to keep debt at affordable levels.

Data were collected from the three major rating agencies – Moody's Investor Service, Standard & Poors, and Fitch – and from the Government Finance Officers Association's *Recommended Practices for State and Local Governments*. According to the rating agencies, debt burden is defined as debt service principal and interest as a percentage of operating expenditures. Offsetting revenues may be taken into account in this calculation. In general, debt burden falls within the following categories:

Low Debt Burden	<5 percent
Moderate Debt Burden	5-15 percent
High Debt Burden	>15 percent

Currently, the City's net debt burden is 13.17 percent.

It is difficult to arrive at an ideal debt burden as ratios are only a portion of data that the rating agencies use in their analysis. Economic, administrative, structural, or subjective factors may outweigh any impact of the debt burden ratio when a rating is assigned. In general, a low or moderate debt burden is preferable to a high debt burden as a factor toward minimizing the City's financing costs.

2. Conclusion

- Recommendation
  It is recommended that the City undertake an analysis of its debt capacity on a annual basis or prior to each issuance of bonds. The analysis of debt capacity should cover a broad range of factors such as:

  - Statutory or constitutional limitations affecting the amount that can be issued, such as legally authorized debt limits, and tax or expenditure ceilings
  - Other legal limitations, such as coverage requirements or additional bonds tests imposed by bond covenants
  - Evaluation of trends relating to the City's financial performance, such as revenues and expenditures, and unreserved fund balance levels
  - Debt service obligations, such as existing debt service requirements, and debt service as a percentage of expenditures
  - Measures of debt burden on the community, such as debt per capita, debt as a percentage of assessed property value, and overlapping debt
  - Tax-exempt market factors affecting interest costs, such as interest rates, market receptivity, and credit rating

- Who should implement?
  It is recommended that the Financial Services Agency, Treasury Division conduct the debt capacity study annually and/or before each bond issuance.

- <u>City Council action needed</u>
  Since the debt capacity study provides formal guidance to policy makers when making decisions on the amount of debt to issue, it is recommended that the study be annually presented to the City Council for its review. For a debt capacity analysis to be effective, debt-planning activities should also be integrated with the capital-improvement planning process. This ensures that an appropriate balance is struck between the City's capital needs and its ability to pay for them.

3. Implementation steps and timeline

With the assistance of the City's financial advisor, Public Financial Management, a debt affordability study has already been drafted (see attached). It is recommended that on an annual basis, the debt affordability study be reviewed by the Treasury Division and updated and presented for Council review.

RECOMMENDATION #5: The City should establish and formally adopt a policy on stabilization funds, contingency planning and reserve levels.

1. Background

The Government Finance Officers Association (GFOA) recommends that local governments develop, formally adopt, and implement policies on reserves, contingency set-asides, and stabilization funds. GFOA refers to the fund balance as one measure of a reserve. Reserved fund balance is distinguished from unreserved fund balance. Typically, only the latter is available for spending. It is recommended that a designated portion of unreserved fund balance be used, to indicate that the governing body or management has tentative plans concerning the use of all or a portion of unreserved fund balance. GFOA further recommends that governments establish a formal policy on the level of unreserved fund balance that should be maintained in the general fund. GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unreserved fund balance in their general fund of 5 percent of regular general fund operating revenues. GFOA also encourages the adoption of similar policies for other types of governmental funds.

Most of the "best practice" cities reviewed by the team have policies on stabilization funds and reserves. For example, in the City of Phoenix, the Contingency Fund is maintained at 3 percent of operating expenditures.

The City does not have a formal policy on stabilization funds, contingency planning and reserve levels. The Council did adopt a policy on the General Fund reserve level of 5 percent, which was later increased to 7.5 percent, but has never been presented in a formal policy document nor regularly monitored as to compliance. The City also has a reserve for Self-Insurance in light of the City being self-insured for liability. This reserve, again, is not governed by a formal policy; moreover, as a result of financial constraints over the past decade, this aspect of the reserve policy has not been met. The City's FY 2001-03 budget, however, provided an appropriation for projected payouts. Similarly, there is an annual contingency set-aside in the City's General Fund budget; however, while constantly maintained, this set-aside is not governed by a formal City policy.

2. Conclusion

- Recommendation
  While Council policies for General Fund Reserves and Contingency Reserves exist and are generally being implemented, they are not formally described. It is recommended that these policies be written down in formal policy documents and adopted by the Council as part of the next budget adoption. It is recommended that the General Fund reserve target be left at 7.5 percent, while the General Fund contingency set-asides be re-evaluated to determine appropriate set-aside levels. It is further recommended that reserve levels be established for the City's Capital Funds, Internal Service Funds, and Enterprise Funds. Designated and undesignated reserves governed by the recommended policy will address the fund stabilization issue.

- Who should implement?
  The Financial Services Agency, along with the City Manager's Budget Office, should develop the policies and prepare regular monitoring and compliance reports for City Council review and approval; OIT should post the policies on the City's web site.

- City Council action needed
  The Council will need to adopt the respective policies, review monitoring and compliance reports, and take actions as necessary.

3. Implementation steps and timeline

The Financial Services Agency and the City Manager's Budget Office will prepare a draft policy as indicated in the above recommendations. The policy will need to be approved by the City Council during the FY 2003-05 budget adoption. On an ongoing basis, the Financial Services Agency and the City Manager's Budget Office will review compliance with each policy, and propose policy revisions as needed. Twice a year (in the middle and at the end of each fiscal year), reports on policy compliance will be issued to the Council by the Financial Services Agency and the Budget Office.

RECOMMENDATION #6: The Council should formally adopt an existing policy on fees and charges.

1. Background

The City does have a policy on fees and charges. However, it is not reflected in a formal policy document (but rather in Administrative Instructions). The Government Finance Officers Association (GFOA) recommends that jurisdictions adopt policies that identify the manner in which fees and charges are set and the extent to which they cover the cost of the service provided. Most cities, "best practice" or not, have formal policies on fees and charges.

2. Recommendation

- Recommendation Details
  A formal policy statement on charges and fees should be adopted by the Council during the FY 2003-05 budget adoption. This policy should be placed on the City's web site, with a search feature. As changes to fees and charges are authorized by the Council during the year, these should be reflected in an online document. The Budget Office should also report to the Council on compliance with the policy on an annual basis, in tandem with the annual Master Fee Schedule adoption.

- Who should implement?
  The City Manager's Budget Office should translate the existing policy on fees and charges into a formal policy statement, for Council approval during the FY 2003-05 budget adoption. The Budget Office should also be responsible for regular updates to the policy document and the Master Fee Schedule itself. The OIT should post the policy on the City's web site.

- City Council action needed
  The Council will need to adopt the policy, review monitoring and compliance reports, and take appropriate corrective actions as necessary.

3. Implementation steps and timeline

The City Manager's Budget Office will translate the existing policy on fees and charges into a formal policy statement. This policy will need to be approved by the City Council during the FY 2003-05 budget adoption. On an annual basis, the Budget Office will review compliance with the policy, and propose policy revisions as needed. Annual reports on policy compliance will be issued to the Council by the Budget Office, at the time of the Master Fee Schedule adoption.

RECOMMENDATION #7: The City should establish and formally adopt a policy on the use of one-time or unpredictable revenues.

1. Background

The Government Finance Officers Association (GFOA) recommends that 1) "a jurisdiction should adopt a policy discouraging the use of one-time revenues for ongoing expenditures"; and 2) "a jurisdiction should adopt a policy on the collection and use of major revenue sources it considers unpredictable." Many of the "best practice" cities have policies on the use of one-time or unpredictable revenues.

The City does not have formal policy on the use of one-time or unpredictable revenues. Decisions regarding the use of such revenues are made by the Council during the course of the year. Normally, unanticipated revenues in the General Fund are used to fund over-expenditures.

2. Conclusion

- Recommendation Details
  The City should have a formal policy discouraging the use of one-time revenues for ongoing expenditures, and governing the collection and use of major revenue sources considered unpredictable. The Financial Services Agency and the City Manager's Budget Office should develop a policy on the use of such revenues. The policy proposal should be based on the GFOA recommendations and lessons learned from the "best practice" cities. The proposed policy statement should be presented to the Council during the FY 2003-05 budget adoption for consideration. Upon making necessary changes to the proposed policy, the Council should adopt it by June 30, 2003.

- Who should implement?
  The Financial Services Agency and the Budget Office should develop the policy and prepare regular monitoring and compliance reports for City Council review and approval. OIT should post the policy on the City's web site.

- City Council action needed
  The Council will need to adopt the policy recommended by the Financial Services Agency and the Budget Office, review monitoring and compliance reports, and take corrective actions as necessary.

3. Implementation steps and timeline

The Financial Services Agency and the City Manager's Budget Office will prepare a draft policy as indicated in the above recommendations. The policy will need to be approved by the City Council during the FY 2003-05 budget adoption. The Budget Office should incorporate the proposed policy into the Budget document. On an ongoing basis, the Financial Services Agency and City Manager's Budget Office will review compliance with the policy, and propose policy revisions as needed. Twice a year (in the middle and at the end of each fiscal year), reports on policy compliance will be issued to the Council by the Financial Services Agency and the Budget Office.

RECOMMENDATION #8: The City should adopt a formal policy on balancing the operating budget.

1. Background

The Government Finance Officers Association (GFOA) recommends that jurisdictions should adopt policies that define a balanced operating budget, encourage commitment to a balanced budget under normal circumstances, and provide for disclosure when a deviation from a balanced operating budget is planned or when it occurs. Most "best practice" cities have policies that encourage a balanced budget. The City currently does not have a formal policy that encourages a balanced budget. However, it has been an ongoing practice in the City to develop and adopt a budget that is balanced, i.e., where anticipated revenues approximate budgeted expenditures.

2. Conclusion

- Recommendation
  The City Manager's Budget Office should develop a policy encouraging a balanced budget. The policy proposal should be based on the GFOA recommendations and lessons learned from the "best practice" cities. The proposed policy statement should be presented to the Council during the FY 2003-05 budget adoption. The Budget Office should incorporate the proposed policy into the Proposed Budget document.

- Who should implement?
  The Budget Office should develop the policy and prepare regular monitoring and compliance reports for City Council review and approval. OIT should post the policy on the City's web site.

- City Council action needed
  The Council will need to adopt the policy recommended by the Budget Office, review monitoring and compliance reports, and take corrective actions as necessary.

3. Implementation steps and timeline

The City Manager's Budget Office will prepare a draft policy as indicated in the above recommendations. The policy will need to be approved by the City Council during the FY 2003-05 budget adoption. During the year, as changes to appropriations are made, the Budget Office will review the City's compliance with the policy. In subsequent budget development cycles, the Budget Office will incorporate the policy into the City's budget documents.

RECOMMENDATION #10: The City should establish and formally adopt a policy on long-term financial planning.

1. Background

The Government Finance Officers Association (GFOA) recommends that "a jurisdiction should adopt a policy that supports a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, budget policies, cash management and investment policies, programs and assumptions." GFOA recommends that governments at all levels forecast major revenues and expenditures. The forecast should extend at least three to five years beyond the budget period and should be regularly monitored and periodically updated. The forecast, along with its underlying assumptions and methodology, should be clearly stated and made available to participants in the budget process. It also should be referenced in the final budget document. To improve future forecasting, the variances between previous forecast and actual amounts should be analyzed. The variance analysis should identify the factors that influence revenue collections, expenditure levels, and forecast assumptions. Most "best practice" cities have policies on the long-term financial planning.

The City currently does not have a formal policy on long-term financial planning. However, a Five-Year Financial Forecast is required to be provided to the Council in conjunction with biannual budget development. The City Manager's Budget Office develops the Five-Year Financial Plan to provide a longer-term planning horizon including estimate of the City's revenues and expenditures over a five-year period. The financial forecasts presented in the Five-Year Financial Plan take into account the economic uncertainties underlying the revenue and expenditure outlook during the next five fiscal years and reflect the Budget Office's best assessment of the City's projected financial situation. The Plan is presented annually to the Mayor and the City Council, and is used in goal setting and in assessing the financial impact of major policy alternatives facing the Mayor and the Council (e.g., economic development projects, tax policy and labor negotiations).

2. Conclusion

- Recommendation
  The City should have a formal policy encouraging long-term planning and the use of long-term forecasts in budgeting. The policy should guide the development of the City's operating and capital budgets, budget policies, and cash management and investment policies, based on long-term projections. Requirements for forecasting major revenues and expenditures must be included. The policy should encourage long-term, at least five-year, forecast, and require regular monitoring and reporting. The policy should also address other GFOA-recommended aspects, such as availability to City departments, the Council, and the public. The proposed policy should be presented to the Council for consideration during the FY 2003-05 budget adoption, and monitored annually.

- Who should implement?
  The Budget Office should develop the policy and prepare annual monitoring and compliance reports for City Council review and approval. OIT should post the policy on the City's web site.

- City Council action needed
  The Council will need to adopt the policy recommended by the Budget Office, review monitoring and compliance reports, and take corrective actions as necessary.

3. Implementation steps and timeline

The City Manager's Budget Office will prepare a draft policy as indicated in the above recommendations. The policy will need to be approved by the City Council during the FY 2003-05 budget adoption. On an annual basis, the Budget Office will review compliance with the policy, and propose policy revisions as needed. Annual reports on policy compliance will be issued to the Council by the Budget Office. The Budget Office will also continue to be responsible for the development and annual update of the City's Five-Year Plan.

RECOMMENDATION #11: Policy on negative balances

1. Background

The City has a significant number of funds with negative fund balances. Any negative fund balances are assessed a monthly interest expense, thus increasing their negative balances. Many funds are unable to cover the interest expense because of funding or grant restrictions. The current City practice is to leave any unrecoverable cost within the fund balance. If no other funding source is identified and available, these unrecoverable costs are eventually offset against the General Fund.

In general, negative fund balances are the result of one or a combination of the following factors:

- Unrealized revenues
- Overexpenditures
- Delayed drawdowns
- Structural budget issue
- Erroneous expenditures

To address these issues, a policy on negative balances should call for:

- analyzing the reasons for unrealized revenue (e.g., whether it is based on an over-optimistic expectation or because of infrequent, delayed, or non-existent draw down requests).
- controlling overexpenditures through aggressive budget controls.
- closely monitoring grant and trustee activities to ensure timely draw down of funds.
- ensuring that estimated expenditures are balanced against the estimated revenue source(s).
- correcting any erroneous accounting entries, once identified.

2. Conclusion

- Recommendation
  The City should create a strict and enforceable policy to eliminate the existence of any negative fund balances, other than those resulting from the required time delays between grant-financed expenditures and their respective, timely grant/trustee drawdowns. The policy needs to address timeliness of grant and trustee drawdown requests, and in the event that a cost for using grant or trustee funds is identified, the cost (interest expense) will need to be moved to another eligible funding source.

- Who should implement?
  The policy on negative balances will be drafted by the Financial Services Agency and the City Manager's Budget Office. Implementation of the policy will involve staff in all City departments.

- City Council action needed
  The policy should be approved by the City Council, and its practice should be readily enforceable without the need for Council approval of individual cases.

3. Implementation steps and timeline

Upon approval of the policy (during the FY 2003-2005 budget process), implementation should be immediate. The timetable for the minimization of negative balances will be determined by the amount of General Fund reserves the City will need to put aside to offset the existing negative balances.

Debt Management Policy

Fiscal Year 2002 – 2003

City of Oakland

ITEM C

FINANCE & MANAGEMENT CMTE.

FEB 1 8 2003

CITY OF OAKLAND

Executive Summary of Debt Management Policy

I. Goals and Objectives. In implementing a formal debt management policy, the City's goal is to maintain long-term financial flexibility while ensuring that the City's capital needs are adequately supported.

II. Approach to Debt Management. The City's approach to its financings is to ensure continued market access at the lowest cost of borrowing. As such, the Debt Policy designates affordability or capacity targets which are established by the rating agencies (Moody's Investor Service, Standard & Poor's, and Fitch). Debt capacity is defined as annual debt service payments as a percentage of operating expenditures and debt service payments. Below are the debt capacity ranges:

- Low debt capacity <5%
- Moderate debt capacity 5% - 15%
- High debt capacity >15%

The City's debt capacity for the Fiscal Year ended June 30, 2002 was 12.93%. The debt capacity ratio must be calculated each year.

The additional issuance of $180M in debt would increase the City's debt capacity to 15%.

III. Standards for Use of Debt Financing. Debt financing will be utilized when public policy, equity and economic efficiency favor debt over pay-as-you-go financing.

- Debt will be used to finance long-term capital projects, and the respective maturities will not exceed the respective projects' useful lives.
- The City will seek to use the most economical financing alternative.
- The City will ensure good record-keeping and compliance with all debt covenants and State and Federal laws.

IV. Financing Criteria. Whether issuing long- or short-term debt, the City will determine the most appropriate structure, the mode (fixed or variable), and the possible use of synthetic fixed or floating rate debt. These decisions will be made within the context of already existing obligations.

V. Terms and Conditions of Bonds. In the issuance of its bonds, the City shall carefully consider and evaluate the term of the financing, use of capitalized interest, call provisions, original issue discount and the use of deep discount bonds.

VI. Credit Enhancement. The use of credit enhancement is to be considered on a case-by-case basis and will be purchased only when debt service savings can clearly be demonstrated.

VII. Refinancing Outstanding Debt. A minimum savings threshold of 3% or $500,000 in present value savings is utilized except when there are legal reasons for defeasance.

VIII. Methods of Issuance. The preferred sale method (negotiated or competitive) will be determined for each issuance of bonds.

IX. Underwriter Selection. Both senior managers and co-managers will be selected on the basis of firm and staff qualifications, and experience with structures similar to the proposed issuance. Selling groups may be considered for certain transactions. All parties are subject to post-evaluation of performance.

X. Market Relationships. The City will actively manage its relationships with the various rating agencies and analysts through frequent and open communication. The City will also maintain compliance with Rule 15c2-12 by the timely filing of its annual financial statements and other financial and operating data for the benefit of its bondholders.

XI. Consultants. Consultants, including financial advisors and bond counsel, will be on a solicited basis that is based upon firm and staff qualifications, and experience with debt structures similar to what is being proposed. Consultants will be required to provide complete disclosure regarding any agreements with other financing team members and outside parties.

City of Oakland
Debt Policy

Table of Contents

II. Approach to Debt Management

In managing its debt, the City's greatest priorities are to:

- achieve the lowest cost of capital
- ensure high credit quality
- assure access to credit markets, and
- preserve financial flexibility

A. **Capital Plan Integration.** A sound debt management program begins with a well-devised capital plan. Therefore, a multi-year capital plan, which integrates pay-as-you-go projects and the projects to be financed, is critical. The multi-year capital plan (the "Capital Plan") shall be for a minimum of a 5-year period and shall be updated at least once annually. In addition to capital project costs, the Capital Plan shall include the following elements:

1. Qualified capital projects
2. Description of all sources of funds
3. Availability of current revenues (non-debt sources) which are reflected in the City's multi-year forecast
4. Timing of capital projects
5. A financing plan or methodology and debt service requirements

B. **Review of Capital Plan.** It is anticipated that the Capital Plan will be modified from time to time. Modifications to the Capital Plan shall be accompanied by a report from the City's Director of the Financial Services Agency and Budget Director that discusses the impact of the proposed borrowing on the Capital Plan. The Capital Plan is reviewed and presented to the City Council at least once annually.

C. **Qualified Capital Projects.** Generally, the City will not issue bonds for capital improvements with a cost less than $250,000. The City shall not construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility throughout its life.

D. **Cash Financing of Capital Outlays.** To demonstrate the City's commitment to a continued capital program, ensure careful consideration of capital expenditure levels, and enhance the City's overall credit worthiness, the City shall seek to fund at least between two and five percent of the overall capital program from current resources, depending upon the specific projects and annual budgetary constraints.

E. **Authorization for Issuance.** Debt issuance for capital projects shall not be considered unless such issuance has been incorporated into the Capital Plan.

F. **Affordability Targets.** The ratios, standards, and limits identified below are primarily intended to restrict the use of debt financing in order to facilitate long-term access to capital while ensuring that financial leveraging decisions do not negatively impact the City's annual operations.

1. **Debt Capacity** - The City's approach to its financings is to ensure continued market access at the lowest cost of borrowing. As such, the Debt Policy suggests affordability or capacity targets which are established by the rating agencies (Moody's Investor Service, Standard & Poor's, and Fitch). Debt capacity is defined as debt service payments as a percentage of operating expenditures and debt service payments. Below are the debt capacity ranges:

   - Low debt capacity <5%
   - Moderate debt capacity 5% - 15%
   - High debt capacity >15%

   The City's debt capacity for the Fiscal Year ended June 30, 2002 was 12.93%. The debt capacity ratio must be calculated each year. The additional issuance of $180M in debt will increase the City's capacity to 15%.

2. **Self-supporting Debt.** In some cases, the City will issue debt for which there is an identified repayment source. For debt to be characterized as self-supporting, the repayment source must support the issue through its maturity. Bond issues where interest has been capitalized are not considered to be self-supporting.

3. **Overlapping Debt** (including debt from all other jurisdictions, which tax City taxpayers) will be taken into consideration in planning debt issuance.

G. **Credit Quality.** All City debt management activities will be conducted to receive the highest credit ratings possible for each issue, consistent with the City's financing objectives, and to maintain the current credit ratings assigned to the City's debt by the major credit rating agencies.

III. Standards for Use of Debt Financing

The City's debt management program will promote the use of debt only in those cases where public policy, equity, and economic efficiency favor debt over cash (pay-as-you-go) financing. Whenever possible, the debt shall be self-supporting.

A. **Long-Term Capital Projects.** Debt will be used primarily to finance long-term capital projects — paying for the facilities or equipment over some or all of their useful life and concurrent with the stream of benefits from these facilities.

B. **Special Circumstances for Non-Capital-Project Debt Issuance.** Debt may be used in special circumstances for projects other than long-term capital projects such as pension obligations, only after careful policy evaluation by the City.

C. **Debt Financing Mechanisms.** The City will evaluate the use of all financial alternatives available, including, but not limited to: long-term debt, pay-as-you-go, joint financing, reserve fund releases, lease-purchase, authority sponsored debt, special districts, community facility districts, special assessments, Mello Roos bonds, state and federal aid, certificates of participation, tax increment, private placement, master lease programs, and interfund borrowing. The City will utilize the most cost advantageous financing alternative available while limiting the General Fund's risk exposure.

D. **Record-Keeping.** All debt related records shall be maintained within the Treasury Division. At a minimum, this repository will include all official statements, bid documents, ordinances, indentures, trustee reports, leases, etc., for all City debt. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice (transcripts may be in hard copy or stored on CD-ROM). The Treasury Division will maintain all available documentation for outstanding debt and will develop a standard procedure for archiving transcripts for any new debt.

E. **Rebate Policy and System**. The City will accurately account for all interest earnings in debt-related funds. These records will be designed to ensure that the City is in compliance with all debt covenants, and with State and Federal laws. The City will maximize the interest earnings on all funds within the investment parameters set forth each respective indenture. The City will calculate and report interest earnings that relate to Internal Revenue Code rebate, yield limits, and arbitrage.

IV. Financing Criteria

***A.* Types of Debt.** When the City determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

1. ***Long-Term Debt.*** The City may issue long-term debt (e.g., general obligation bonds, revenue bonds, tax increment bonds, lease obligations, or variable rate bonds) when required capital improvements cannot be financed from current revenues. The proceeds derived from long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that the obligations do not exceed the expected useful life of the respective projects.

2. ***Short-Term Debt.*** Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues (defined as an assured source with the anticipated amount based on conservative estimates). The City will determine and utilize the least costly method for short-term borrowing. The City may issue short-term debt when there is a defined repayment source or amortization of principal, subject to the following policies:

   a) ***Bond Anticipation Notes (BANs)*** may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project or facility. The BANs shall mature not more than 3 years from the date of issuance. BANs shall mature within 6 months after substantial completion of the financed facility.

   b) ***Tax and Revenue Anticipation Notes (TRANs)*** shall be issued only to meet projected cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to Federal IRS requirements and limitations.

   c) ***Lines of Credit*** shall be considered as an alternative to other short-term borrowing options. The lines of credit shall be structured to limit concerns as to the Internal Revenue Code.

   d) ***Other Short-Term Debt,*** including commercial paper notes, may be used.

3. ***Lease-Purchase Debt.*** Lease-purchase debt, including certificates of participation, shall be considered as an alternative to long-term vendor leases. Such debt shall be subject to annual appropriation. In order to reduce the cost of lease borrowing and to improve control over leases, the City may adopt a master lease program.

4. ***Variable Rate Debt.*** To maintain a predictable debt service burden, the City may give preference to debt that carries a fixed interest rate. Variable rate debt, which is synthetically fixed, shall be considered fixed rate debt through the maturity of the swap. The City, however, may consider variable rate debt in certain instances, such as:

   a) ***High Interest Rate Environment.*** Current interest rates are above historic average trends.

   b) ***Variable Revenue Stream.*** The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.

   c) ***Adequate Safeguards Against Risk.*** Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate swaps, interest rate caps and the matching of assets and liabilities.

   d) ***Treasury Division Analysis.*** A report from the Treasury Division has been provided to the Finance Committee evaluating and quantifying the risks and returns involved in the variable rate financing and recommending variable rate as the lowest cost option.

   e) ***As a Component to Synthetic Fixed Rate Debt.*** Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt. Prior to using synthetic fixed rate debt, the City shall certify that the interest rate cost is at least 10 basis points lower than traditional fixed rate debt.

   f) ***Variable Rate Debt Capacity.*** Consistent with rating agency guidelines, the percentage of variable rate debt outstanding (not including debt which has been converted to synthetic fixed rate debt) shall not exceed 20% of the City's total outstanding debt.

V. Terms and Conditions of Bonds

The City shall establish all terms and conditions relating to the issuance of bonds, and will control, manage, and invest all bond proceeds. Unless otherwise authorized by the City, the following shall serve as bond requirements:

A. **Term.** All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, but in no event greater than thirty years.

B. **Capitalized Interest.** Certain types of financings such as certificates of participation and lease-secured financings will require the use of capitalized interest from the issuance date until the City has beneficial use and occupancy of the financed project. Interest shall not be funded (capitalized) beyond a period of three years, or a shorter period if further restricted by statute. The City may require that capitalized interest on the initial series of bonds be funded from the proceeds of the bonds. Interest earnings may, at the City's discretion, be applied to extend the term of capitalized interest but in no event beyond the term statutorily authorized.

C. **Debt Service Structure.** Debt issuance shall be planned to achieve relatively rapid repayment of debt while still matching debt service to the useful life of facilities. The City shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to levelize existing debt service.

D. **Call Provisions.** In general, the City's securities will include a call feature, which is no later than 10 years from the date of delivery of the bonds. The City will avoid the sale of non-callable bonds absent careful evaluation by the City of the value of the call option.

E. **Original Issue Discount.** An original issue discount will be permitted only if the City determines that such discount results in a lower true interest cost on the bonds and that the use of an original issue discount will not adversely affect the project identified by the bond documents.

F. **Deep Discount Bonds.** Deep discount bonds may provide a lower cost of borrowing in certain markets. The City will carefully consider their value and effect on any future refinancings as a result of the lower-than-market coupon.

G. **Derivative Structures.** The City will consider the use of derivative structures as a hedge against future interest rate risk when appropriate. The City will avoid the use of derivative structures for speculative purposes. The City will consider the use of derivative structures when it is able to gain a comparative borrowing advantage of 10 or more basis points, and is able to reasonably quantify and understand potential risks.

H. **Multiple Series.** In instances where multiple series of bonds are to be issued, the City shall make a final determination as to which facilities are of the highest priority and those facilities which will be financed first, pursuant to funding availability and the proposed timing of facilities development, and which will generally be subject to the earliest or most senior lien.

VI. Credit Enhancements

The City will consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings can be shown shall enhancement be considered. The City will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancement.

A. **Bond Insurance.** The City shall have the authority to purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds.

1. **Provider Selection.** The Treasury Manager will solicit quotes for bond insurance from interested providers, or in the case of a competitive sale submit an application for pre-qualification on insurance. In a negotiated sale, the Treasury Manager shall have the authority to select a provider whose bid is most cost effective and whose terms and conditions governing the guarantee are satisfactory to the City. The winning bidder in a competitive sale will determine whether it chooses to purchase bond insurance for the issue.

B. **Debt Service Reserves.** When required, a reserve fund equal to the least of ten percent (10%) of the original principal amount of the bonds, one hundred percent (100%) of the maximum annual debt service, and one hundred and twenty five percent (125%) of average annual debt service, or, if permitted, 10 percent (10%) of par value of bonds outstanding (the "Reserve Requirement") shall be funded from the proceeds of each series of bonds, subject to federal tax regulations and in accordance with the requirements of credit enhancement providers and/or rating agencies.

The City may purchase reserve equivalents (i.e., the use of a reserve fund surety) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis.

C. **Letters of Credit.** The City may enter into a letter-of-credit ("LOC") agreement when such an agreement is deemed prudent and advantageous. The Treasury Manager shall prepare (or cause to be prepared) and distribute to qualified financial institutions as described in paragraph 2 below, a request for qualifications which includes terms and conditions that are acceptable to the City.

1. **Provider Selection.** Only those financial institutions with long-term ratings greater than or equal to that of the City, and short-term ratings of VMIG 1/A-1 F1, by

Moody's Investors Service, Standard & Poor's and Fitch IBCA, respectively, may be solicited.

2. **Selection Criteria.** The selection of LOC providers will be based on responses to a City-issued request for qualifications; criteria will include, but not be limited to, the following:

   a) Ratings at least equal to or better than the City's

   b) Evidence of ratings (including "Outlook")

   c) Trading value relative to other financial institutions

   d) Terms and conditions acceptable to the City; the City may provide a term sheet along with the request for qualifications to which the financial institution may make modifications

   e) Representative list of clients for whom the bank has provided liquidity facilities

   f) Fees, specifically, cost of LOC, draws, financial institution counsel and other administrative charges

VII. Refinancing Outstanding Debt

The Treasury Manager shall have the responsibility to analyze outstanding bond issues for refunding opportunities that may be presented by underwriting and/or financial advisory firms. The Treasury Manager will consider the following issues when analyzing possible refunding opportunities:

A. **Debt Service Savings.** The City establishes a minimum savings threshold goal of three percent of the refunded bond principal amount or at least $500,000 in present value savings (including foregone interest earnings) unless there are legal reasons for defeasance. The present value savings will be net of all costs related to the refinancing. The decision to take savings on an upfront or deferred basis must be explicitly approved by the City Manager and Director of the Financial Services Agency.

B. **Restructuring.** The City will refund debt when in its best interest to do so. Refundings will include restructuring to meet unanticipated revenue expectations, terminate swaps, achieve cost savings, mitigate irregular debt service payments, release reserve funds, or remove unduly restrictive bond covenants.

C. **Term of Refunding Issues.** The City may refund bonds within the term of the originally issued debt. However, the City may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The City may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

D. **Escrow Structuring.** The City shall utilize the least costly securities available in structuring refunding escrows. The City will examine the viability of an economic versus legal defeasance on a net present value basis. A certificate will be required from a third party agent who is not a broker-dealer, stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the City from its own account.

E. **Arbitrage.** The City shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refundings. Any resulting positive arbitrage will be rebated as necessary according to Federal guidelines.

VIII. Methods of Issuance

The City will determine, on a case by case basis, whether to sell its bonds competitively or through negotiation.

A. **Competitive Sale.** In a competitive sale, the City's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.

B. **Negotiated Sale.** The City recognizes that some securities are best sold through negotiation. In its consideration of a negotiated sale, the City shall assess the following circumstances:

1. Bonds issued as variable rate demand obligations

2. A complex structure which may require a strong pre-marketing effort

3. Size of the issue which may limit the number of potential bidders

4. Market volatility is such that the City would be better served by flexibility in timing its sale in changing interest rate environments

C. **Private Placement.** From time to time the City may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the City relative to other methods of debt issuance.

D. **Issuance Method Analysis.** The City shall evaluate each method of issuance on a net present value basis, using the City's investment rate as the appropriate measure of the discount rate.

E. **Feasibility Analysis.** Issuance of self-supporting revenue bonds will be accompanied by a finding that demonstrates the projected revenue stream's ability to meet future debt service payments.

IX. Underwriter Selection

A. **Senior Manager Selection.** The Director of the Financial Services Agency and/or the Treasury Manager shall have the right to select a senior manager for a proposed negotiated sale. The criteria shall include but not be limited to the following:

1. The firm's ability and experience in managing complex transactions

2. Prior knowledge and experience with the City

3. The firm's willingness to risk capital and demonstration of such risk

4. The firm's ability to sell bonds

5. Quality and experience of personnel assigned to the City's engagement

6. Financing plan presented

B. **Co-Manager Selection.** Co-managers will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the City's bonds.

C. **Selling Groups.** The City may establish selling groups in certain transactions. To the extent that selling groups are used, the Director of Financial Services Agency and/or the Treasury Manager at his or her discretion, may make appointments to selling groups from within the pool of underwriters or from outside the pool, as the transaction dictates.

D. **Underwriter's Counsel.** In any negotiated sale of City debt in which legal counsel is required to represent the underwriter, the appointment will be made by the lead underwriter.

E. **Disclosure Counsel.** In any negotiated sale of City debt in which legal counsel is required to represent the City, the appointment will be made by the City.

F. **Underwriter's Discount.**

a) The Treasury Manager will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Treasury Manager will determine the allocation of fees with respect to the management fee. The determination will be based upon participation in the structuring phase of the transaction.

b) All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Treasury Manager. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

G. **Evaluation of Financing Team Performance.** The City will evaluate each bond sale after its completion to assess the following: costs of issuance including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Following each sale, the Treasury Manager shall provide a post-sale evaluation to the Director of the Financial Services Agency on the results of the sale.

H. **Syndicate Policies.** For each negotiated transaction, the Treasury Manager will prepare syndicate policies that will describe the designation policies governing the upcoming sale. The Treasury Manager shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

I. **Designation Policies.** To encourage the pre-marketing efforts of each member of the underwriting team, orders for the City's bonds will be net designated, unless otherwise expressly stated. The City shall require the senior manager to:

1. Equitably allocate bonds to other managers and the selling group

2. Comply with MSRB regulations governing the priority of orders and allocations

3. Within 10 working days after the sale date, submit to the Treasury Manager a detail of orders, allocations and other relevant information pertaining to the City's sale

X. Market Relationships

A. **Rating Agencies and Investors.** The City Manager, the Director of the Financial Services Agency, and the Treasury Manager shall be responsible for maintaining the City's relationships with Moody's Investors Service, Standard & Poor's and Fitch IBCA. The City may, from time to time, choose to deal with only one or two of these agencies as circumstances dictate. In addition to general communication, the City Manager, the Director of the Financial Services Agency and the Treasury Manager shall: (1) meet with credit analysts at least once each fiscal year, and (2) prior to each competitive or negotiated sale, offer conference calls with agency analysts in connection with the planned sale.

B. **City Council Communication.** The City Manager shall include in the mid-year report to the City Council feedback from rating agencies and/or investors regarding the City's financial strengths and weaknesses and recommendations for addressing any weaknesses.

C. **Continuing Disclosure.** The City shall remain in compliance with Rule 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bondholders within 240 days of the close of the fiscal year. The inability to make timely filings must be disclosed and would be a negative reflection on the City. While also relying on timely audit and preparation of the City's annual report, the Treasury Manager will ensure the City's timely filing with each Nationally Recognized Municipal Securities Information Repository and State Repository.

D. **Rebate Reporting.** The use of bond proceeds and their investments must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate annual rebates, if any, related to each bond issue, with rebate, if due, paid every five years. Therefore, the Treasury Manager shall ensure that proceeds and investments are tracked in a manner which facilitates accurate calculation, that calculations are completed, and rebates, if any, are made in a timely manner.

E. **Other Jurisdictions.** From time to time, the City will issue bonds on behalf of other public or private entities ("conduit" issues). While the City will make every effort to facilitate the desires of these entities, the Director of the Financial Services Agency and the Treasury Manager will ensure that the highest quality financings are done and that the City is insulated from all risks. The City shall require that all conduit financings achieve a rating at least equal to the City's ratings or that credit enhancement is obtained.

F. **Fees.** The City will charge an administrative fee equal to direct costs plus indirect costs as calculated by the City's OMB A87 model to reimburse its administrative costs incurred in debt issuance on behalf of other governmental entities.

XI. Consultants

The City shall select its primary consultant(s) by competitive process through a Request for Proposals (RFP).

A. **Selection of Financing Team Members.** The Director of the Financial Services Agency and/or Treasury Manager will make recommendations for financial advisors and underwriters. Final approval will be provided by the City Council.

The City Attorney will make recommendations for bond and tax counsel. Final approval will be provided by the City Council.

B. **Financial Advisor.** The City may select a financial advisor to assist in its debt issuance and debt administration processes. Selection of the City's financial advisor(s) shall be based on, but not limited to, the following criteria:

1. Experience in providing consulting services to complex issuers
2. Knowledge and experience in structuring and analyzing complex issues
3. Experience and reputation of assigned personnel
4. Fees and expenses

C. **Financial Advisory Services.** Financial advisory services provided to the City shall include, but shall not be limited to the following:

1. Evaluation of risks and opportunities associated with debt issuance

2. Monitoring marketing opportunities

3. Evaluation of proposals submitted to the City by investment banking firms

4. Structuring and pricing

5. Preparation of request for proposals for other financial services (trustee and paying agent services, printing, credit facilities, remarketing agent services, etc.)

6. Advice, assistance and preparation for presentations with rating agencies and investors

D. **Conflicts of Interest.** The City also expects that its financial advisor will provide the City with objective advice and analysis, maintain the confidentiality of City financial plans, and be free from any conflicts of interest.

E. **Bond Counsel.** City debt will include a written opinion by legal counsel affirming that the City is authorized to issue the proposed debt, that the City has met all constitution and statutory requirements necessary for issuance, and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by counsel with extensive experience in public finance and tax issues. The counsel will be selected by the City Attorney's Office. Compensation will be based on a fixed fee schedule and will vary based on the complexity of the transaction.

F. **Disclosure by Financing Team Members.** All financing team members will be required to provide full and complete disclosure, relative to agreements with other financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements shall be permitted which could compromise the firm's ability to provide independent advice which is solely in the City's best interests or which could reasonably be perceived as a conflict of interest.

Glossary

Arbitrage. The difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage on the proceeds from issuance of municipal securities.

Balloon Maturity. A later maturity within an issue of bonds which contains a disproportionately large percentage of the principal amount of the original issue.

Bond Anticipation Notes (BANs). Notes issued by the government unit, usually for capital projects, which are paid from the proceeds of the issuance of long term bonds.

Bullet Maturity. A maturity for which there are no sinking fund payments prior to the stated maturity date.

Call Provisions. The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

Capitalized Interest. A portion of the proceeds of an issue which is set aside to pay interest on the securities for a specific period of time. Interest is commonly capitalized for the construction period of the project.

Certificates of Participation (COP). A bond from an issue, which is secured by lease payments made by the party leasing the facilities, financed by the issue. Typically certificates of participation ("COPs") are used to finance construction of facilities (i.e., schools of office buildings) used by a state or municipality, which leases the facilities from a financing authority. Often the leasing municipality is legally obligated to appropriate moneys from its general tax revenues to make lease payments.

Commercial Paper. Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank.

Competitive Sale. A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.

Continuing Disclosure. The principle that accurate and complete information material to the transaction which potential investors would be likely to consider material in making investment decisions with respect to the securities be made available on an ongoing basis.

Credit Enhancement. Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

Debt Service Reserve Fund. The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Deep Discount Bonds. Bonds which are priced for sale at a substantial discount from their face or par value.

Derivatives. A financial product whose value is derived from some underlying asset value.

Designation Policies. Outline how an investor's order is filled when a maturity is oversubscribed when there is an underwriting syndicate. The senior managing underwriter and issuer decide how the bonds will be allocated among the syndicate. There are three primary classifications of orders, which form the designation policy.

The highest priority is given to Group Net orders; the next priority is given to Net Designated orders and Member orders are given the lowest priority.

Escrow. A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

Expenses. Compensates senior managers for out-of-pocket expenses including: underwriters counsel, DTC charges, travel, syndicate expenses, dealer fees, overtime expenses, communication expenses, computer time and postage.

Lease-Purchase. A financing lease which may be sold publicly to finance capital equipment, real property acquisition or construction. The lease may be resold as certificates of participation or lease revenue bonds.

Letters of Credit. A bank credit facility wherein the bank agrees to lend a specified amount of funds for a limited term.

Management Fee. The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Members. Underwriters in a syndicate other than the senior underwriter.

Moody's Median. Key financial, debt, economic and tax base statistics with median values for each statistic presented. Moody's uses audits for both rated and unrated cities to ensure that the medians presented are representative of all cities.

Negotiated Sale. A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

Original Issue Discount. The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

Overlapping Debt. That portion of the debt of other governmental units for which residents of a particular municipality are responsible.

Pay-As-You-Go. An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Present Value. The current value of a future cash flow.

Private Placement. The original placement of an issue with one or more investors as opposed to being publicly offered or sold.

Rebate. A requirement imposed by Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to its profit earned from investment of bond proceeds at a yield above the bond yield calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment.

Selling Groups. The group of securities dealers who participate in an offering not as underwriters but rather who receive securities less the selling concession from the managing underwriter for distribution at the public offering price.

Special Assessments. Fees imposed against properties, which have received a special benefit by the construction of public improvements such as water, sewer and irrigation.

Syndicate Policies. The contractual obligations placed on the underwriting group relating to distribution, price limitations and market transactions.

Tax Increment. A portion of property tax revenue received by a redevelopment agency, which is attributable to the increase in assessed valuation since adoption of the project area plan.

Underwriter. A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.

Underwriter's Discount. The difference between the price at which bonds are bought by the Underwriter from the Issuer and the price at which they are reoffered to investors.

Variable Rate Debt. An interest rate on a security, which changes at intervals according to an index or a formula or other standard of measurement, as stated in the bond contract.

ITEM C

FINANCE & MANAGEMENT CMTE.

FEB 18 2003

Draft Debt Affordability Analysis
City of Oakland

ITEM C

FINANCE & MANAGEMENT CMTE.

City of Oakland
Fiscal Year 2001-2002

Direct Debt Outstanding
(in thousands)

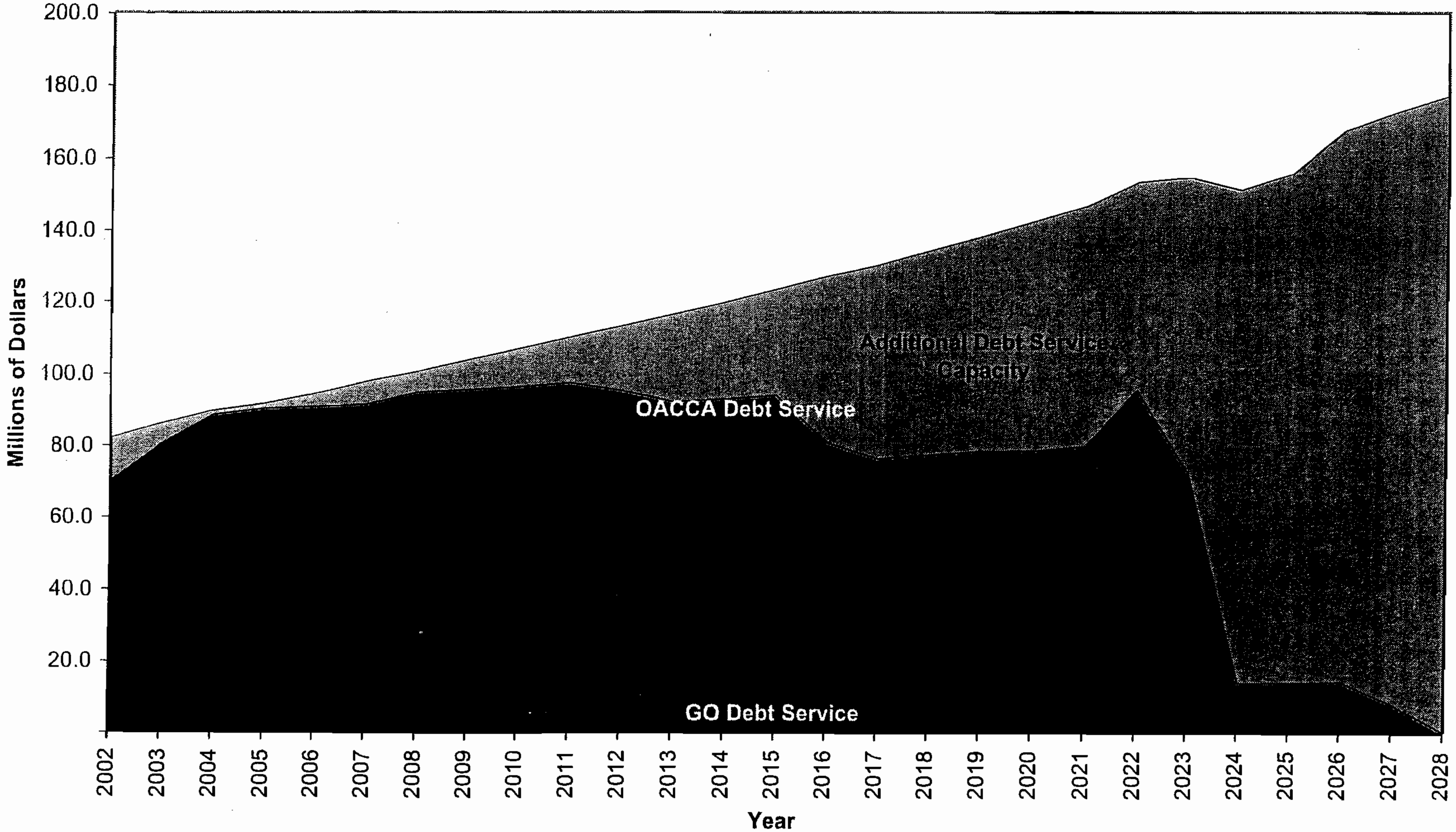
City of Oakland Debt

		Principal Outstanding	***FY 01-02 Debt Service***
General Obligation Debt			
1991A	General Obligation Bonds, Series 1991A	800	385
1992	General Obligation Bonds, Series 1992	39,960	3,664
1995B	General Obligation Bonds, Series 1995B	13,235	821
1997	General Obligation Bonds, Series 1997	42,460	3,375
1997C	General Obligation Bonds, Series 1997C	20,875	1,657
2000D	General Obligation Bonds, Series 2000D	10,750	768
2000E	General Obligation Bonds, Series 2000E	9,000	439
Subtotal		137,080	11,108
Pension Obligation Bonds			
1997A&B	Taxable Pension Obligation Bonds, Series 1997 A & B	249,175	14,306
2001	Taxable Pension Obligation Bonds, Series 2001	195,636	-
Subtotal		444,811	14,306
Lease Revenue Bonds and Certificates of Participation			
1985	Civic Improvement Corporation Variable Rate Demand COP, 1985	41,100	3,111
1996	Oakland Joint Powers Financing Authority Lease Revenue Bonds, Series 1996	102,190	7,550
1998A-1 & A-2	Oakland Joint Powers Financing Auth. Lease Rev. Refunding, 1998 Series A-1 & A-2	180,700	16,605
2001	Oakland Joint Powers Financing Auth. Lease Rev. Refunding Bonds, Series 2001	134,890	12,377
2002	City of Oakland, Refunding COP (Oakland Museum), 2002 Series A	16,295	-
Subtotal		475,175	39,643
Oakland-Alameda County Colisieum Authority (50% City share)			
1995A	Fixed Rate Refunding Lease Revenue Bonds, Oakland Coliseum Project	1,825	669
1996A1/A2	Variable Rate Lease Revenue Bonds (Taxable), Oakland Coliseum Arena Project	66,350	3,921
2000C1/C2	Variable Rate Lease Revenue Bonds Oakland Coliseum Project	75,400	2,616
2000D	Variable Rate Lease Revenue Bonds (Taxable), Oakland Coliseum Project	24,150	3,305
Subtotal		167,725	10,512
Total Direct Debt		**$ 1,224,791**	**$ 75,569**
Existing Direct Debt as a % of FY 01-02 General Fund Revenues			**12.93%**

Debt Burden, Affordability and Capacity

- *Debt burden is defined as debt service payments as a percentage of expenditures.*
- *The City's current debt burden is 12.93% net of offsetting revenues. Not all revenue sources are sufficient to fully support their associated obligations through maturity.*
- *With the issuance of the 2002 General Obligation Bonds, Series A (Museum/Zoo/Science Center), the City's net debt burden will increase to 13.17%. Series B will be issued in 2005.*
- *While the City has no formal debt policy, there are general guidelines that may be considered. Standard & Poor's states that "in general, a debt burden is considered high when debt service payments represent 15% - 20% of combined operating and debt service expenditures." The concern is that when combined with other fixed general fund obligations such as payroll costs, the effect on the City's general fund is limited flexibility.*
- *Information on the the City's current debt burden gives stakeholders information on the affordability and the capacity of future debt issuances.*

City of Oakland
Total Debt Service and Additonal Capacity



City of Oakland
Fiscal Year 2001-2002
Debt Capacity to All Revenues
(in 000's)

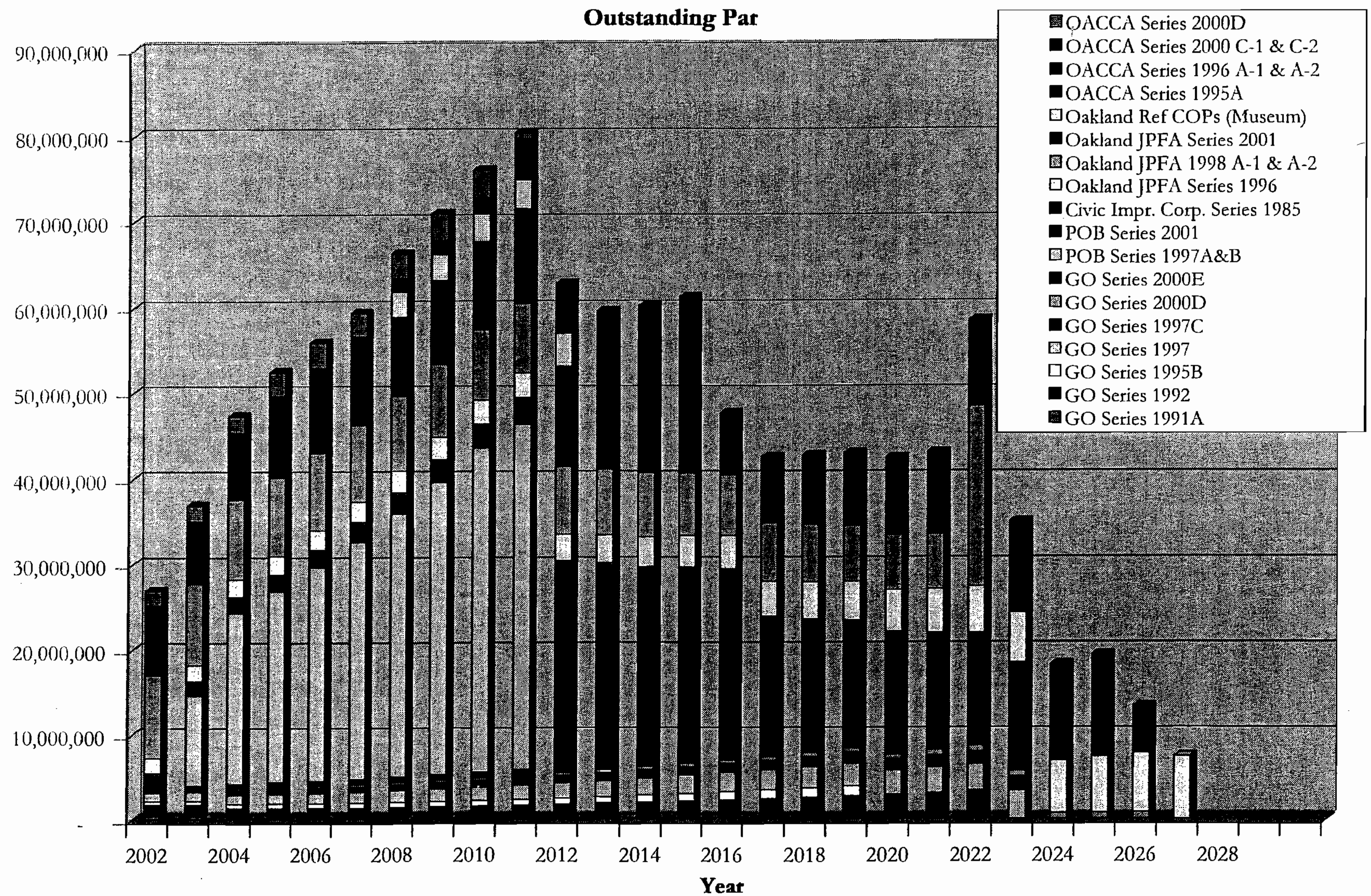
GF Revenue Growth Rate	3.0%
Target Maximum D/S	15.0%

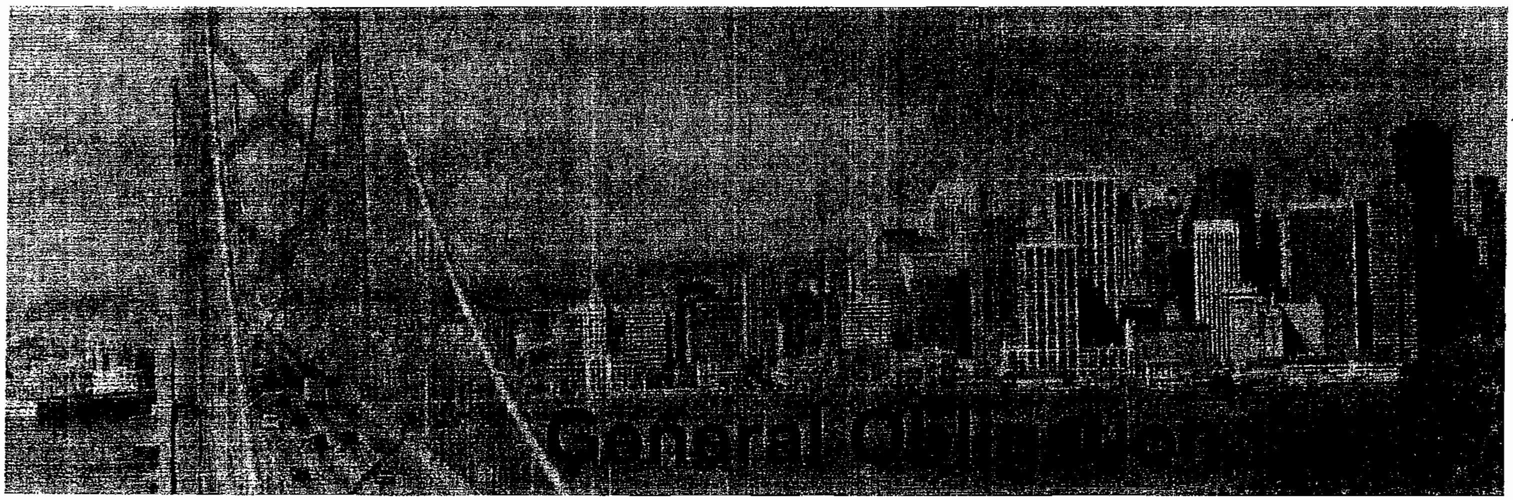
Fiscal Year Ending	General Fund	Reimbursement [2] Revenue to GF	Pension [3] Override Tax	Total Available Revenues	GO Debt Service	Pension Oblig Debt Service	Lease & COP Debt Service	OACCA Debt Service	Total Debt Service	GO Debt Svc as % of Rev	Pension Debt Svc as % of Rev	Lease Debt Svc as % of Rev	OACCA Debt Svc as % of Rev	Total Debt Svc as % of Rev	Additional Debt Service Capacity		Possible Issuance Par [4]
2002	546,784 [1]	23,466	14,306	584,556	11,108	14,306	39,643	10,512	75,569	1.90%	2.45%	6.78%	1.80%	12.93%	2.07%	12,118	180,000
2003	563,188	23,049	24,488	610,725	11,416	24,488	39,618	10,384	85,906	1.67%	4.01%	6.49%	1.70%	14.07%	0.93%	5,704	85,000
2004	580,083	22,704	31,965	634,772	11,398	32,979	39,248	10,480	94,106	1.80%	5.20%	6.18%	1.85%	14.83%	0.16%	1,111	15,000
2005	597,486	22,159	32,945	652,589	11,350	33,954	40,726	10,490	96,520	1.74%	5.20%	6.24%	1.61%	14.79%	0.21%	1,370	20,000
2006	615,410	21,618	33,933	670,961	11,281	34,948	40,178	10,622	97,029	1.68%	5.21%	5.99%	1.58%	14.46%	0.54%	3,618	50,000
2007	633,873	21 277	34,951	690,101	11,212	35,968	39,825	10,236	97,240	1.62%	5.21%	5.77%	1.48%	14.09%	0.91%	6,273	90,000
2008	652,889	20,737	35,999	709,625	11,207	37,011	42,160	10,210	100,589	1.58%	5.22%	5.94%	1.44%	14.18%	0.83%	5,854	85,000
2009	672,475	20,300	37,079	729,854	11,222	38,083	41,717	10,274	101,295	1.54%	5.22%	5.72%	1.41%	13.88%	1.12%	8,182	120,000
2010	692,650	19,862	38,192	750,704	11,259	39,181	41,256	10,422	102,119	1.50%	5.22%	5.50%	1.39%	13.60%	1.40%	10,487	155,000
2011	713,429	19,524	39,338	772,290	11,269	40,305	41,154	10,498	103,226	1.46%	5.22%	5.33%	1.36%	13.37%	1.63%	12,619	185,000
2012	734,832	18,986	38,375	792,192	11,291	38,375	41,019	10,576	101,261	1.43%	4.84%	5.18%	1.34%	12.78%	2.22%	17,571	260,000
2013	756,877	18,648	39,555	815,080	11,310	39,555	36,569	10,707	98,141	1.39%	4.85%	4.49%	1.31%	12.04%	2.96%	24,116	360,000
2014	779,583	18,209	40,785	838,557	11,330	40,765	36,107	10,824	99,026	1.35%	4.86%	4.31%	1.29%	11.81%	3.19%	28,758	395,000
2015	802,971	17,869	42,010	862,849	11,364	42,010	35,738	10,978	100,090	1.32%	4.87%	4.14%	1.27%	11.60%	3.40%	29,337	435,000
2016	827,060	17,427	43,285	887,772	11,401	43,285	21,227	11,016	86,929	1.28%	4.88%	2.39%	1.24%	9.79%	5.21%	46,235	690,000
2017	851,872	12,570	44,590	909,032	10,444	44,590	18,369	11,192	82,595	1.15%	4.91%	1.80%	1.23%	9.09%	5.91%	53,760	800,000
2018	877,428	12,200	45,925	935,553	10,465	45,925	16,001	11,301	83,693	1.12%	4.91%	1.71%	1.21%	8.95%	6.05%	56,638	845,000
2019	903,751	11,736	47,295	962,782	10,495	47,295	15,533	11,395	84,718	1.09%	4.91%	1.61%	1.18%	8.80%	6.20%	59,702	890,000
2020	930,863	11,476	48,700	991,039	9,308	48,700	15,274	11,572	84,855	0.94%	4.91%	1.54%	1.17%	8.56%	8.44%	83,803	950,000
2021	958,789	11,118	50,140	1,020,047	9,335	50,140	14,916	11,781	86,172	0.92%	4.92%	1.46%	1.15%	8.45%	6.55%	66,833	995,000
2022	987,553	25,170	51,620	1,064,343	9,352	51,620	28,970	12,018	101,960	0.88%	4.85%	2.72%	1.13%	9.58%	5.42%	57,687	860,000
2023	1,017,179	3,750	53,130	1,074,059	5,869	53,130	7,549	12,231	78,780	0.55%	4.95%	0.70%	1.14%	7.34%	7.67%	82,327	1,230,000
2024	1,047,695	3,750	0	1,051,445	797	0	7,549	12,321	20,668	0.08%		0.72%	1.17%	1.97%	13.03%	137,045	2,045,000
2025	1,079,126	3,750	0	1,082,876	798	0	7,549	12,592	20,938	0.07%		0.70%	1.16%	1.93%	13.07%	141,489	2,110,000
2026	1,111,499	3,750	0	1,115,249	801	0	7,551	5,635	13,988	0.07%		0.68%	0 51%	1.25%	13.75%	153,302	2,290,000
2027	1,144,844	3,750	0	1,148,594	0	0	7,551	0	7,551			0.66%		0.66%	14.34%	164,743	2,460,000
Total	21,080,187	408,853	868,606	22,357,646	237,086	876,613	720,997	270,266	2,104,962	1.06%	3.92%	3.22%	1.21%	9.42%	5.59%	1,425,563	20,777,100

Estimated Additional Capacity Table

Issue Name	Issue Date	First Interest Date	Term	Average Interest Rate (%)	Construction Fund Deposit	Reserve Fund (% of Par)	Selling Costs (% of Par)	Par [5]	Estimated Annual Debt Service	DSRF
All Revenues	06/01/02	12/01/02	30	5.250%	$159,300	10 000%	1.500%	$180,000	(121 347)	$161,000

(1) Taken from General Fund Projection for 2001-2002 Fiscal Year (page 6, 2001-2002 TRANs)
(2) Offsetting revenues to the General Fund for 1985 Civic Improvement Corp, 1998 JPA A-1& A-2, and a portion of Arena debt
(3) 0.1575% of Estimated Assessed Valuation (growth rate = 3%)
(4) Par is based on the minimum amount available for debt service from FY2002 to FY2014.
(5) Issuance Par only represents the par amount the City could issue on June 1 of the given fiscal year, assuming no prior or future debt issuance.


Outstanding Par
90,000,000
80,000,000
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
-
2002
2004
2006
2008
2010
2012
2014
2016
2018
2020
2022
2024
2026
2028
Year
OACCA Series 2000D
OACCA Series 2000 C-1 & C-2
OACCA Series 1996 A-1 & A-2
OACCA Series 1995A
Oakland Ref COPs (Museum)
Oakland JPFA Series 2001
Oakland JPFA 1998 A-1 & A-2
Oakland JPFA Series 1996
Civic Impr. Corp. Series 1985
POB Series 2001
POB Series 1997A&B
GO Series 2000E
GO Series 2000D
GO Series 1997C
GO Series 1997
GO Series 1995B
GO Series 1992
GO Series 1991A


General

City of Oakland, California

Series-by-Series Analysis

Series 1991A — *Underwriter:* *Merrill Lynch* — *Bond Counsel: Lofton, De Lancie & Nelson* — *Financial Advisor: Rauscher Pierce Refsnes*

Bond			Bond Price				Bond Insurance		Redemption		Optional		Outstanding Fiscal Year Debt Service as of 7/1/01				
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price	Year	Principal	Int./Accr.	Fees	Debt Service
9/1/91													6/30/91				
9/1/92													6/30/92				
9/1/93	Serial	225,000	8.500%	4.750%	108.704				Matured				6/30/93				
9/1/94	Serial	240,000	8.500%	5.000%	111.077				Matured				6/30/94				
9/1/95	Serial	255,000	8.500%	5.200%	113.060				Matured				6/30/95				
9/1/96	Serial	275,000	8.500%	5.400%	114.556				Matured				6/30/96				
9/1/97	Serial	295,000	8.500%	5.600%	115.596				Matured				6/30/97				
9/1/98	Serial	315,000	8.500%	5.800%	116.212				Matured				6/30/98				
9/1/99	Serial	335,000	8.500%	6.035%	116.188				Matured				6/30/99				
9/1/00	Serial	360,000	8.500%	6.301%	115.530				Matured				6/30/00				
9/1/01	Serial	385,000	8.500%	6.519%	114.878				Currently Callable		7/1/01	101%	6/30/01				
9/1/02	Serial	415,000	6.200%	6.200%	100.000				Currently Callable		7/1/01	101%	6/30/02	385,000	42,093		427,093
[redacted]																	
													6/30/16				

Issuance Par: 12,000,000
Average Life: 16.36 years

Outstanding Par: 800,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue	*Dates*		*Sources of Funds*		*Uses of Funds*	
			Par Amount:	12,000,000.00		
Acquisition, rehabilitation, development, expansion of park and recreational facilities	Dated Date:	2/1/91	Plus: OIP/(OID):	91,719.55		
	Delivery Date:	3/5/91	Accrued Interest:	77,343.39		
1988 Series A, Special Refunding Revenue Bonds	Sale Date:	2/19/91	Total Proceeds:	12,169,062.94		
	First Interest Payment:	3/1/92				
	First Maturity Date:	9/1/93				
					Accrued Interest:	77,343.39
			Total Sources	$12,169,062.94	Total Uses	$77,343.39

City of Oakland, California

Series-by-Series Analysis

Series 1992

Bond Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Redemption Status	Redemption Date	Optional Date	Optional Price
6/15/93												
6/15/94	Serial	1,255,000	11.000%	3.500%	113.410		FGIC		Matured			
6/15/95	Serial	1,255,000	11.000%	4.250%	118.010		FGIC		Matured			
6/15/96	Serial	1,255,000	4.250%	4.250%	100.000		FGIC		Matured			
6/15/97	Serial	1,255,000	4.500%	4.500%	100.000		FGIC		Matured			
6/15/98	Serial	1,255,000	4.700%	4.700%	100.000		FGIC		Matured			
6/15/99	Serial	1,255,000	5.000%	5.000%	100.000		FGIC		Matured			
6/15/00	Serial	1,255,000	5.100%	5.150%	99.673		FGIC		Matured			
6/15/01	Serial	1,255,000	5.300%	5.300%	100.000		FGIC		Matured			
6/15/02	Serial	1,255,000	9.500%	5.650%	128.797		FGIC		Non-Callable			
6/15/03	Serial	1,255,000	5.500%	5.500%	100.000		FGIC		Advance Refundable		6/15/02	102%
6/15/04	Serial	1,255,000	5.500%	5.600%	99.134		FGIC		Advance Refundable		6/15/02	102%
6/15/05	Serial	1,255,000	5.600%	5.700%	99.089		FGIC		Advance Refundable		6/15/02	102%
6/15/06	Serial	1,255,000	5.700%	5.750%	99.518		FGIC		Advance Refundable		6/15/02	102%
6/15/07	Serial	1,255,000	5.750%	5.800%	99.498		FGIC		Advance Refundable		6/15/02	102%
6/15/08	Serial	1,320,000	5.800%	5.850%	99.479		FGIC		Advance Refundable		6/15/02	102%
6/15/09	Serial	1,405,000	5.800%	5.900%	98.932		FGIC		Advance Refundable		6/15/02	102%
6/15/10	Serial	1,500,000	5.800%	5.900%	98.896		FGIC		Advance Refundable		6/15/02	102%
6/15/11	Serial	1,600,000	6.000%	5.950%	100.553		FGIC		Advance Refundable		6/15/02	102%
6/15/12	Serial	1,710,000	6.000%	5.950%	100.569		FGIC		Advance Refundable		6/15/02	102%
6/15/13	Term17	1,825,000	6.000%	6.000%	100.000		FGIC		Advance Refundable		6/15/02	102%
6/15/14	Term17	1,945,000	6.000%	6.000%	100.000		FGIC		Advance Refundable		6/15/02	102%
6/15/15	Term17	2,075,000	6.000%	6.000%	100.000		FGIC		Advance Refundable		6/15/02	102%
6/15/16	Term17	2,220,000	6.000%	6.000%	100.000		FGIC		Advance Refundable		6/15/02	102%
6/15/17	Term17	2,370,000	6.000%	6.000%	100.000		FGIC		Advance Refundable		6/15/02	102%
6/15/18	Term22	2,525,000	6.000%	6.050%	99.304		FGIC		Advance Refundable		6/15/02	102%
6/15/19	Term22	2,700,000	6.000%	6.050%	99.304		FGIC		Advance Refundable		6/15/02	102%
6/15/20	Term22	2,880,000	6.000%	6.050%	99.304		FGIC		Advance Refundable		6/15/02	102%
6/15/21	Term22	3,075,000	6.000%	6.050%	99.304		FGIC		Advance Refundable		6/15/02	102%
6/15/22	Term22	3,280,000	6.000%	6.050%	99.304		FGIC		Advance Refundable		6/15/02	102%

Outstanding Fiscal Year Debt Service as of 7/1/01

Year	Principal	Int./Accr.	Fees	Debt Service
6/30/93				
6/30/93				
6/30/94				
6/30/95				
6/30/96				
6/30/97				
6/30/98				
6/30/99				
6/30/00				
6/30/01				
6/30/02	1,255,000	2,408,603		3,663,603
6/30/03	1,255,000	2,289,378		3,544,378
6/30/04	1,255,000	2,220,353		3,475,353
6/30/05	1,255,000	2,151,328		3,406,328
6/30/06	1,255,000	2,081,048		3,336,048
6/30/07	1,255,000	2,009,513		3,264,513
6/30/08	1,320,000	1,937,350		3,257,350
6/30/09	1,405,000	1,860,790		3,265,790
6/30/10	1,500,000	1,779,300		3,279,300
6/30/11	1,600,000	1,692,300		3,292,300
6/30/12	1,710,000	1,596,300		3,306,300
6/30/13	1,825,000	1,493,700		3,318,700
6/30/14	1,945,000	1,384,200		3,329,200
6/30/15	2,075,000	1,267,500		3,342,500
6/30/16	2,220,000	1,143,000		3,363,000
6/30/17	2,370,000	1,009,800		3,379,800
6/30/18	2,525,000	867,600		3,392,600
6/30/19	2,700,000	716,100		3,416,100
6/30/20	2,880,000	554,100		3,434,100
6/30/21	3,075,000	381,300		3,456,300
6/30/22	3,280,000	196,800		3,476,800

Issuance Par: 50,000,000
Average Life: 18.55 years

Outstanding Par: 39,960,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

To provide funds for emergency response capabilities and seismic reinforcement

1988 Series A, Special Refunding Revenue Bonds

Dates

Dated Date:	7/15/92
Delivery Date:	8/4/92
Sale Date:	7/15/92
First Interest Payment:	12/15/92
First Maturity Date:	6/15/94

Sources of Funds

Par Amount:	50,000,000.00
Plus: OIP/(OID):	596,462.65
Accrued Interest:	160,801.75
Total Proceeds:	50,757,264.40
Total Sources	$50,757,264.40

Uses of Funds

Accrued Interest:	160,801.75
Total Uses	$160,801.75

City of Oakland, California

Series-by-Series Analysis

Series 1995B — *Underwriter: Merrill Lynch* — *Bond Counsel: Lofton, De Lancie & Nelson* — *Financial Advisor: Rauscher Pierce Refsnes*

Bond			Bond Price				Bond Insurance		Redemption		Optional		Outstanding Fiscal Year Debt Service as of 7/1/01				
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price	Year	Principal	Int./Accr.	Fees	Debt Service
6/15/95													6/30/95				
6/15/96	Serial	50,000	8.250%	4.750%	104.178		CapGrty		Matured				6/30/95				
6/15/97	Serial	290,000	8.250%	4.900%	107.034		CapGrty		Matured				6/30/96				
6/15/98	Serial	315,000	8.250%	5.000%	109.618		CapGrty		Matured				6/30/97				
6/15/99	Serial	340,000	8.250%	5.100%	111.880		CapGrty		Matured				6/30/98				
6/15/00	Serial	370,000	8.250%	5.200%	113.837		CapGrty		Matured				6/30/99				
6/15/01	Serial	400,000	8.250%	5.300%	115.502		CapGrty		Matured				6/30/00				
6/15/02	Serial	435,000	8.250%	5.400%	116.893		CapGrty		Non-Callable				6/30/01				
6/15/03	Serial	470,000	5.300%	5.300%	100.000		CapGrty		Non-Callable				6/30/02	435,000	771,083		1,206,083
6/15/04	Serial	495,000	5.350%	5.350%	100.000		CapGrty		Non-Callable				6/30/03	470,000	735,195		1,205,195
6/15/05	Serial	520,000	5.400%	5.400%	100.000		CapGrty		Non-Callable				6/30/04	495,000	710,285		1,205,285
6/15/06	Serial	550,000	5.500%	5.500%	100.000		CapGrty		Advance Refundable		6/15/05	102%	6/30/05	520,000	683,803		1,203,803
6/15/07	Serial	580,000	5.600%	5.600%	100.000		CapGrty		Advance Refundable		6/15/05	102%	6/30/06	550,000	655,723		1,205,723
6/15/08	Serial	610,000	5.650%	5.650%	100.000		CapGrty		Advance Refundable		6/15/05	102%	6/30/07	580,000	625,473		1,205,473
6/15/09	Serial	645,000	5.700%	5.700%	100.000		CapGrty		Advance Refundable		6/15/05	102%	6/30/08	610,000	592,993		1,202,993
6/15/10	Serial	685,000	5.700%	5.750%	99.486		CapGrty		Advance Refundable		6/15/05	102%	6/30/09	645,000	558,528		1,203,528
6/15/11	Serial	720,000	5.750%	5.800%	99.468		CapGrty		Advance Refundable		6/15/05	102%	6/30/10	685,000	521,763		1,206,763
6/15/12	Serial	765,000	5.800%	5.850%	99.451		CapGrty		Advance Refundable		6/15/05	102%	6/30/11	720,000	482,718		1,202,718
6/15/13	Serial	810,000	5.850%	5.900%	99.435		CapGrty		Advance Refundable		6/15/05	102%	6/30/12	765,000	441,318		1,206,318
6/15/14	Term	855,000	5.875%	6.000%	98.535		CapGrty		Advance Refundable		6/15/05	102%	6/30/13	810,000	396,948		1,206,948
6/15/15	Term	905,000	5.875%	6.000%	98.535		CapGrty		Advance Refundable		6/15/05	102%	6/30/14	855,000	349,563		1,204,563
6/15/16	Term	960,000	5.875%	6.000%	98.402		CapGrty		Advance Refundable		6/15/05	102%	6/30/15	905,000	299,331		1,204,331
6/15/17	Term	1,015,000	5.875%	6.000%	98.402		CapGrty		Advance Refundable		6/15/05	102%	6/30/16	960,000	246,163		1,206,163
6/15/18	Term	1,075,000	5.875%	6.000%	98.402		CapGrty		Advance Refundable		6/15/05	102%	6/30/17	1,015,000	189,763		1,204,763
6/15/19	Term	1,140,000	5.875%	6.000%	98.402		CapGrty		Advance Refundable		6/15/05	102%	6/30/18	1,075,000	130,131		1,205,131
													6/30/19	1,140,000	66,975		1,206,975

Issuance Par: 15,000,000
Average Life: 15.71 years

Outstanding Par: 13,235,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

Acquisition, rehabilitation, development, expansion of park and recreational facilities

1988 Series A, Special Refunding Revenue Bonds

Dates

Dated Date:	3/1/95
Delivery Date:	3/16/95
Sale Date:	3/1/95
First Interest Payment:	12/15/95
First Maturity Date:	6/15/96

Sources of Funds

Par Amount:	15,000,000.00
Plus: OIP/(OID):	170,997.90
Accrued Interest:	38,195.63
Total Proceeds:	15,209,193.53
Total Sources	$15,209,193.53

Uses of Funds

Accrued Interest:	38,195.63
Total Uses	$38,195.63

City of Oakland, California

Series-by-Series Analysis

Series 1997 Measure I — *Underwriter:* *BancAmerica Securities* — *Bond Counsel:* *Brown & Wood* — *Financial Advisor:* *Public Financial Mgmt*

Bond			Bond Price				Bond Insurance		Redemption		Optional		Outstanding Fiscal Year Debt Service as of 7/1/01				
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price	Year	Principal	Int./Accr.	Fees	Debt Service
12/15/97	Serial	205,000	5.250%	3.700%	101.030		FGIC		Matured				6/30/97				
12/15/98	Serial	870,000	5.250%	3.900%	102.173		FGIC		Matured				6/30/98				
12/15/99	Serial	915,000	5.250%	4.150%	102.759		FGIC		Matured				6/30/99				
12/15/00	Serial	970,000	5.250%	4.400%	102.854		FGIC		Matured				6/30/00				
12/15/01	Serial	1,020,000	5.250%	4.500%	103.128		FGIC		Non-Callable				6/30/01				
12/15/02	Serial	1,075,000	5.300%	4.600%	103.459		FGIC		Non-Callable				6/30/02	1,020,000	2,354,894		3,374,894
12/15/03	Serial	1,135,000	5.300%	4.700%	103.400		FGIC		Non-Callable				6/30/03	1,075,000	2,299,631		3,374,631
12/15/04	Serial	1,200,000	5.300%	4.800%	103.174		FGIC		Non-Callable				6/30/04	1,135,000	2,241,066		3,376,066
12/15/05	Serial	1,265,000	5.300%	4.900%	102.794		FGIC		Non-Callable				6/30/05	1,200,000	2,179,189		3,379,189
12/15/06	Serial	1,335,000	5.300%	5.000%	102.273		FGIC		Non-Callable				6/30/06	1,265,000	2,113,866		3,378,866
12/15/07	Serial	1,405,000	5.300%	5.100%	101.623		FGIC		Advance Refundable		12/15/06	102%	6/30/07	1,335,000	2,044,966		3,379,966
12/15/08	Serial	1,485,000	5.375%	5.200%	101.509		FGIC		Advance Refundable		12/15/06	102%	6/30/08	1,405,000	1,972,356		3,377,356
12/15/09	Serial	1,570,000	5.375%	5.375%	100.000		FGIC		Advance Refundable		12/15/06	102%	6/30/09	1,485,000	1,895,214		3,380,214
12/15/10	Serial	1,655,000	5.400%	5.400%	100.000		FGIC		Advance Refundable		12/15/06	102%	6/30/10	1,570,000	1,813,111		3,383,111
12/15/11	Serial	1,750,000	5.500%	5.500%	100.000		FGIC		Advance Refundable		12/15/06	102%	6/30/11	1,655,000	1,726,233		3,381,233
12/15/12	Serial	1,850,000	5.500%	5.500%	100.000		FGIC		Advance Refundable		12/15/06	102%	6/30/12	1,750,000	1,633,423		3,383,423
12/15/13	Serial	1,960,000	5.600%	5.600%	100.000		FGIC		Advance Refundable		12/15/06	102%	6/30/13	1,850,000	1,534,423		3,384,423
12/15/14	Serial	2,075,000	5.600%	5.600%	100.000		FGIC		Advance Refundable		12/15/06	102%	6/30/14	1,960,000	1,428,668		3,388,668
12/15/15	Serial	2,195,000	5.700%	5.700%	100.000		FGIC		Advance Refundable		12/15/06	102%	6/30/15	2,075,000	1,315,688		3,390,688
12/15/16	Term17	2,325,000	5.750%	5.750%	100.000		FGIC		Advance Refundable		12/15/06	102%	6/30/16	2,195,000	1,195,030		3,390,030
12/15/17	Term17	2,465,000	5.750%	5.750%	100.000		FGIC		Advance Refundable		12/15/06	102%	6/30/17	2,325,000	1,065,629		3,390,629
12/15/18	Term22	2,610,000	5.750%	5.750%	100.000		FGIC		Advance Refundable		12/15/06	102%	6/30/18	2,465,000	927,916		3,392,916
12/15/19	Term22	2,765,000	5.850%	5.868%	99.750		FGIC		Advance Refundable		12/15/06	102%	6/30/19	2,610,000	782,010		3,392,010
12/15/20	Term22	2,930,000	5.850%	5.868%	99.750		FGIC		Advance Refundable		12/15/06	102%	6/30/20	2,765,000	626,096		3,391,096
12/15/21	Term22	3,105,000	5.850%	5.868%	99.750		FGIC		Advance Refundable		12/15/06	102%	6/30/21	2,930,000	459,518		3,389,518
12/15/22	Term22	3,285,000	5.850%	5.868%	99.750		FGIC		Advance Refundable		12/15/06	102%	6/30/22	3,105,000	282,994		3,387,994
													6/30/23	3,285,000	96,086		3,381,086

Issuance Par: 45,420,000
Average Life: 16.42 years

Outstanding Par: 42,460,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

Repair, construction, acquisition, improvement of cultural and recreational facilities

1988 Series A, Special Refunding Revenue Bonds

Dates

Dated Date:	3/15/97
Delivery Date:	4/9/97
Sale Date:	4/3/97
First Interest Payment:	12/15/97
First Maturity Date:	12/15/97

Sources of Funds

Par Amount:	45,420,000.00
Plus: OIP/(OID):	300,401.05
Accrued Interest:	169,137.92
Total Proceeds:	45,889,538.97
Total Sources	$45,889,538.97

Uses of Funds

Project Fund:	45,260,000.00
Underwriters' Discount:	288,871.20
Costs of Issuance:	160,075.45
Accrued Interest:	169,137.92
Total Uses	$45,878,084.57

City of Oakland, California
Series-by-Series Analysis

Series 1997C Measure K — *Underwriter: BancAmerica Securities* — *Bond Counsel: Brown & Wood* — *Financial Advisor: Public Financial Manageme*

Bond			Bond Price				Bond Insurance		Redemption		Optional		Outstanding Fiscal Year Debt Service as of 7/1/01				
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price	Year	Principal	Int./Accr.	Fees	Debt Service
12/15/97	Serial	110,000	6.000%	6.000%	100.000		MBIA		Matured				6/30/97				
12/15/98	Serial	395,000	6.000%	6.000%	100.000		MBIA		Matured				6/30/98				
12/15/99	Serial	420,000	6.000%	6.000%	100.000		MBIA		Matured				6/30/99				
12/15/00	Serial	450,000	6.000%	6.000%	100.000		MBIA		Matured				6/30/00				
12/15/01	Serial	475,000	6.000%	6.000%	100.000		MBIA		Non-Callable				6/30/01				
12/15/02	Serial	505,000	6.000%	6.000%	100.000		MBIA		Non-Callable				6/30/02	475,000	1,182,393		1,657,393
12/15/03	Serial	535,000	5.500%	5.500%	100.000		MBIA		Non-Callable				6/30/03	505,000	1,152,993		1,657,993
12/15/04	Serial	570,000	5.500%	5.500%	100.000		MBIA		Non-Callable				6/30/04	535,000	1,123,130		1,658,130
12/15/05	Serial	605,000	5.500%	5.500%	100.000		MBIA		Non-Callable				6/30/05	570,000	1,092,743		1,662,743
12/15/06	Serial	640,000	5.500%	5.500%	100.000		MBIA		Non-Callable				6/30/06	605,000	1,060,430		1,665,430
12/15/07	Serial	680,000	5.500%	5.500%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/07	640,000	1,026,193		1,666,193
12/15/08	Serial	720,000	5.500%	5.500%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/08	680,000	989,893		1,669,893
12/15/09	Serial	765,000	5.500%	5.500%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/09	720,000	951,393		1,671,393
12/15/10	Serial	810,000	5.600%	5.600%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/10	765,000	910,555		1,675,555
12/15/11	Serial	860,000	5.600%	5.600%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/11	810,000	866,838		1,676,838
12/15/12	Serial	910,000	5.600%	5.600%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/12	860,000	820,078		1,680,078
12/15/13	Serial	965,000	5.700%	5.700%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/13	910,000	770,518		1,680,518
12/15/14	Serial	1,025,000	5.750%	5.750%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/14	965,000	717,535		1,682,535
12/15/15	Serial	1,090,000	5.750%	5.750%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/15	1,025,000	660,564		1,685,564
12/15/16	Serial	1,155,000	5.800%	5.800%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/16	1,090,000	599,758		1,689,758
12/15/17	Serial	1,225,000	5.800%	5.800%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/17	1,155,000	534,925		1,689,925
12/15/18	Serial	1,300,000	5.800%	5.800%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/18	1,225,000	465,905		1,690,905
12/15/19	Serial	1,380,000	5.800%	5.800%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/19	1,300,000	392,680		1,692,680
12/15/20	Term22	1,465,000	5.900%	5.900%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/20	1,380,000	314,960		1,694,960
12/15/21	Term22	1,550,000	5.900%	5.900%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/21	1,465,000	231,723		1,696,723
12/15/22	Term22	1,645,000	5.900%	5.900%	100.000		MBIA		Advance Refundable		12/15/06	102%	6/30/22	1,550,000	142,780		1,692,780
													6/30/23	1,645,000	48,528		1,693,528

Issuance Par: 22,250,000
Average Life: 16.51 years

Outstanding Par: 20,875,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

Acquisition, rehabilitation, development, expansion of park and recreational facilities

1988 Series A, Special Refunding Revenue Bonds

Dates

Dated Date:	4/1/97
Delivery Date:	4/30/97
Sale Date:	4/16/97
First Interest Payment:	12/15/97
First Maturity Date:	12/15/97

Sources of Funds

Par Amount:	22,250,000.00
Plus: OIP/(OID):	
Accrued Interest:	103,042.03
Total Proceeds:	22,353,042.03
Total Sources	$22,353,042.03

Uses of Funds

Project Fund:	22,015,000.00
Underwriters' Discount:	180,670.00
Costs of Issuance:	238,546.40
Accrued Interest:	103,042.03
Total Uses	$22,537,258.43

City of Oakland, California

Series-by-Series Analysis

Series 2000D (Measure K) | *Underwriter:* *Prudential Securities* | *Bond Counsel:* *Lofton de Lancie* | *Financial Advisor:* *Public Financial Manageme*

Bond			Bond Price				Bond Insurance		Redemption		Optional		Outstanding Fiscal Year Debt Service as of 7/1/01				
Date	**Comp**	**Par Amount**	**Coupon**	**Yield**	**Price**	**Delphis**	**Insurer**	**Prem**	**Status**	**Date**	**Date**	**Price**	**Year**	**Principal**	**Int./Accr.**	**Fees**	**Debt Service**
9/1/00													6/30/01				
9/1/01	Serial	215,000	4.750%	4.000%	100.795		AMBAC		Non-Callable				6/30/01				
9/1/02	Serial	225,000	4.750%	4.100%	101.291		AMBAC		Non-Callable				6/30/02	215,000	552,589		767,589
9/1/03	Serial	235,000	4.750%	4.125%	101.797		AMBAC		Non-Callable				6/30/03	225,000	542,139		767,139
9/1/04	Serial	250,000	4.750%	4.150%	102.236		AMBAC		Non-Callable				6/30/04	235,000	531,214		766,214
9/1/05	Serial	260,000	4.750%	4.200%	102.497		AMBAC		Non-Callable				6/30/05	250,000	519,695		769,695
9/1/06	Serial	275,000	4.750%	4.250%	102.658		AMBAC		Non-Callable				6/30/06	260,000	507,583		767,583
9/1/07	Serial	285,000	4.750%	4.400%	102.110		AMBAC		Non-Callable				6/30/07	275,000	494,876		769,876
9/1/08	Serial	300,000	4.750%	4.500%	101.677		AMBAC		Non-Callable				6/30/08	285,000	481,576		766,576
9/1/09	Serial	320,000	4.750%	4.600%	101.100		AMBAC		Non-Callable				6/30/09	300,000	467,683		767,683
9/1/10	Serial	335,000	4.750%	4.650%	100.794		AMBAC		Non-Callable				6/30/10	320,000	452,958		772,958
9/1/11	Serial	350,000	4.750%	4.700%	100.424		AMBAC		Non-Callable				6/30/11	335,000	437,401		772,401
9/1/12	Serial	370,000	5.000%	4.850%	101.356		AMBAC		Non-Callable				6/30/12	350,000	421,133		771,133
9/1/13	Serial	390,000	5.000%	4.950%	101.446		AMBAC		Advance Refundable		9/1/12	101%	6/30/13	370,000	403,570		773,570
9/1/14	Serial	415,000	5.100%	5.100%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/14	390,000	384,570		774,570
9/1/15	Serial	435,000	5.200%	5.200%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/15	415,000	364,238		779,238
9/1/16	Serial	460,000	5.250%	5.250%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/16	435,000	342,345		777,345
9/1/17	Serial	490,000	5.300%	5.300%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/17	460,000	318,960		778,960
9/1/18	Serial	520,000	5.375%	5.375%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/18	490,000	293,900		783,900
9/1/19	Serial	550,000	5.400%	5.400%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/19	520,000	266,940		786,940
9/1/20	Serial	585,000	5.400%	5.400%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/20	550,000	238,115		788,115
9/1/21	Serial	620,000	5.500%	5.500%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/21	585,000	207,470		792,470
9/1/22	Serial	655,000	5.500%	5.500%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/22	620,000	174,625		794,625
9/1/23	Serial	695,000	5.500%	5.500%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/23	655,000	139,563		794,563
9/1/24	Serial	735,000	5.500%	5.500%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/24	695,000	102,438		797,438
9/1/25	Serial	780,000	5.500%	5.500%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/25	735,000	63,113		798,113
													6/30/26	780,000	21,450		801,450

Issuance Par: 10,750,000
Average Life: 15.86 years

Outstanding Par: 10,750,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

Parks and Rec New Money

1988 Series A, Special Refunding Revenue Bonds

Share S&U with 2000E

Dates

Dated Date:	7/25/00
Delivery Date:	7/25/00
Sale Date:	7/11/00
First Interest Payment:	9/1/00
First Maturity Date:	9/1/01

Sources of Funds

Par Amount:	10,750,000.00
Plus: OIP/(OID):	57,593.65
Total Proceeds:	10,807,593.65
Total Sources	$10,807,593.65

Uses of Funds

Project Fund:	10,651,880.39
Underwriters' Discount:	43,412.94
Costs of Issuance:	81,675.00
Insurance Premium:	26,725.32
Accrued Interest:	
Total Uses	$10,803,693.65

City of Oakland, California
Series-by-Series Analysis

Series 2000E (Measure K) Underwriter: Prudential Securities Bond Counsel: Lofton de Lancie Financial Advisor: Public Financial Manageme

Bond			Bond Price				Bond Insurance		Redemption		Optional		Outstanding Fiscal Year Debt Service as of 7/1/01				
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price	Year	Principal	Int./Accr.	Fees	Debt Service
9/1/00													6/30/01				
9/1/01													6/30/01				
9/1/02													6/30/02		438,953		438,953
9/1/03	Serial	490,000	4.750%	4.125%	101.797		AMBAC		Non-Callable				6/30/03		438,953		438,953
9/1/04	Serial	525,000	4.750%	4.150%	102.236		AMBAC		Non-Callable				6/30/04	490,000	427,315		917,315
9/1/05	Serial	550,000	4.750%	4.200%	102.497		AMBAC		Non-Callable				6/30/05	525,000	403,209		928,209
9/1/06	Serial	575,000	4.750%	4.250%	102.658		AMBAC		Non-Callable				6/30/06	550,000	377,678		927,678
9/1/07	Serial	610,000	4.750%	4.400%	102.110		AMBAC		Non-Callable				6/30/07	575,000	350,959		925,959
9/1/08	Serial	640,000	4.750%	4.500%	101.677		AMBAC		Non-Callable				6/30/08	610,000	322,815		932,815
9/1/09	Serial	680,000	4.750%	4.600%	101.100		AMBAC		Non-Callable				6/30/09	640,000	293,128		933,128
9/1/10	Serial	715,000	4.750%	4.650%	100.794		AMBAC		Non-Callable				6/30/10	680,000	261,778		941,778
9/1/11	Serial	750,000	4.750%	4.700%	100.424		AMBAC		Non-Callable				6/30/11	715,000	228,646		943,646
9/1/12	Serial	790,000	5.000%	4.850%	101.356		AMBAC		Non-Callable				6/30/12	750,000	193,853		943,853
9/1/13	Serial	835,000	5.000%	4.950%	100.446		AMBAC		Advance Refundable		9/1/12	101%	6/30/13	790,000	156,290		946,290
9/1/14	Serial	890,000	5.100%	5.100%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/14	835,000	115,665		950,665
9/1/15	Serial	950,000	5.200%	5.200%	100.000		AMBAC		Advance Refundable		9/1/12	101%	6/30/15	890,000	72,095		962,095
													6/30/16	950,000	24,700		974,700

Issuance Par: 9,000,000
Average Life: 9.85 years

Outstanding Par: 9,000,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

Refund 2003-2015 of 1991A

1988 Series A, Special Refunding Revenue Bonds

Current Refunding, Share S&U with 2000D

Dates

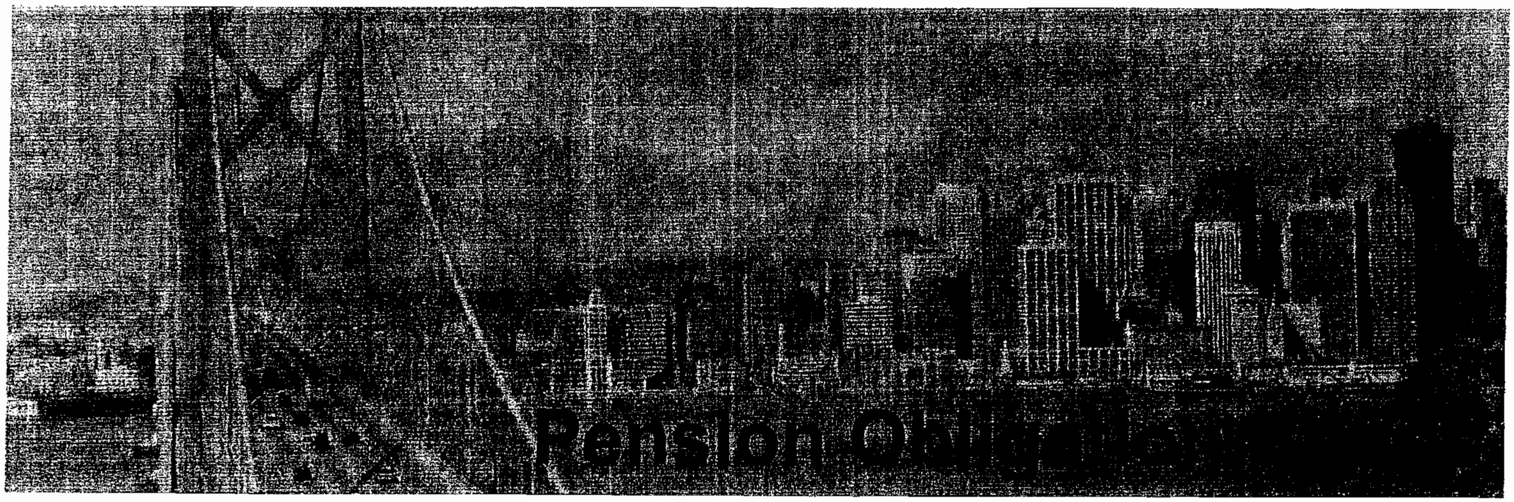
Dated Date:	7/25/00
Delivery Date:	7/25/00
Sale Date:	7/11/00
First Interest Payment:	9/1/00
First Maturity Date:	9/1/03
Escrow Maturity:	9/1/00

Sources of Funds

Par Amount:	9,000,000.00
Plus: OIP/(OID):	103,938.70
Total Proceeds:	9,103,938.70
Liquidated BF:	282,487.50
Total Sources	$9,386,426.20

Uses of Funds

SLGS Escrow:	9,215,552.00
Underwriters' Discount:	65,119.41
Costs of Issuance:	83,325.00
Insurance Premium:	22,374.68
Other Uses:	0.89
Accrued Interest:	
Total Uses	$9,386,371.98


Pension Obl

City of Oakland, California
Series-by-Series Analysis

Series 2001 POBs — Underwriter: Morgan Stanley — Bond Counsel: Webster & Anderson — Financial Advisor: PFM

Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Redemption Status	Redemption Date	Optional Date	Optional Price
12/15/01												
12/15/02												
12/15/03												
12/15/04												
12/15/05												
12/15/06												
12/15/07												
12/15/08												
12/15/09												
12/15/10												
12/15/11	CAB	20,859,882		6.090%	54.358		MBIA		Non-Callable			
12/15/12	CAB	19,923,062		6.240%	50.368		MBIA		Non-Callable			
12/15/13	CAB	18,881,125		6.430%	46.317		MBIA		Non-Callable			
12/15/14	CAB	18,079,003		6.510%	43.035		MBIA		Non-Callable			
12/15/15	CAB	17,210,116		6.620%	39.760		MBIA		Non-Callable			
12/15/16	CAB	16,369,435		6.720%	36.711		MBIA		Non-Callable			
12/15/17	CAB	15,609,448		6.790%	33.989		MBIA		Non-Callable			
12/15/18	CAB	14,887,520		6.850%	31.478		MBIA		Non-Callable			
12/15/19	CAB	14,281,275		6.870%	29.325		MBIA		Non-Callable			
12/15/20	CAB	13,692,231		6.890%	27.308		MBIA		Non-Callable			
12/15/21	CAB	13,172,908		6.890%	25.519		MBIA		Non-Callable			
12/15/22	CAB	12,670,442		6.890%	23.848		MBIA		Non-Callable			

Issuance Par: 195,636,449
Average Life: 15.11 years

Outstanding Fiscal Year Debt Service as of 7/1/01

Year	Principal	Int./Accr.	Fees	Debt Service
6/30/02				
6/30/02				
6/30/03				
6/30/04				
6/30/05				
6/30/06				
6/30/07				
6/30/08				
6/30/09				
6/30/10				
6/30/11				
6/30/12	20,859,882	17,515,118		38,375,000
6/30/13	19,923,062	19,631,938		39,555,000
6/30/14	18,881,125	21,883,875		40,765,000
6/30/15	18,079,003	23,930,997		42,010,000
6/30/16	17,210,116	26,074,884		43,285,000
6/30/17	16,369,435	28,220,565		44,590,000
6/30/18	15,609,448	30,315,552		45,925,000
6/30/19	14,887,520	32,407,480		47,295,000
6/30/20	14,281,275	34,418,725		48,700,000
6/30/21	13,692,231	36,447,769		50,140,000
6/30/22	13,172,908	38,447,092		51,620,000
6/30/23	12,670,442	40,459,558		53,130,000

Outstanding Par: 195,636,449
Average Life: n.a. w/ fiscal dates

Purpose of Issue

Restructuring of 1997 POBs

1988 Series A, Special Refunding Revenue Bonds

Dates

Dated Date: 10/17/01
Delivery Date: 10/17/01
Sale Date: 10/17/01

First Interest Payment: 12/15/01
First Maturity Date: 12/15/11

Sources of Funds

Par Amount: 195,636,449.10
Plus: OIP/(OID):
Total Proceeds: 195,636,449.10

Total Sources $195,636,449.10

Uses of Funds

Underwriters' Discount: 1,076,000.48
Costs of Issuance: 884,000.00
Insurance Premium: 971,000.00

Other Uses: 334,789.80
Accrued Interest:

Total Uses $3,265,790.28

City of Oakland, California
Series-by-Series Analysis

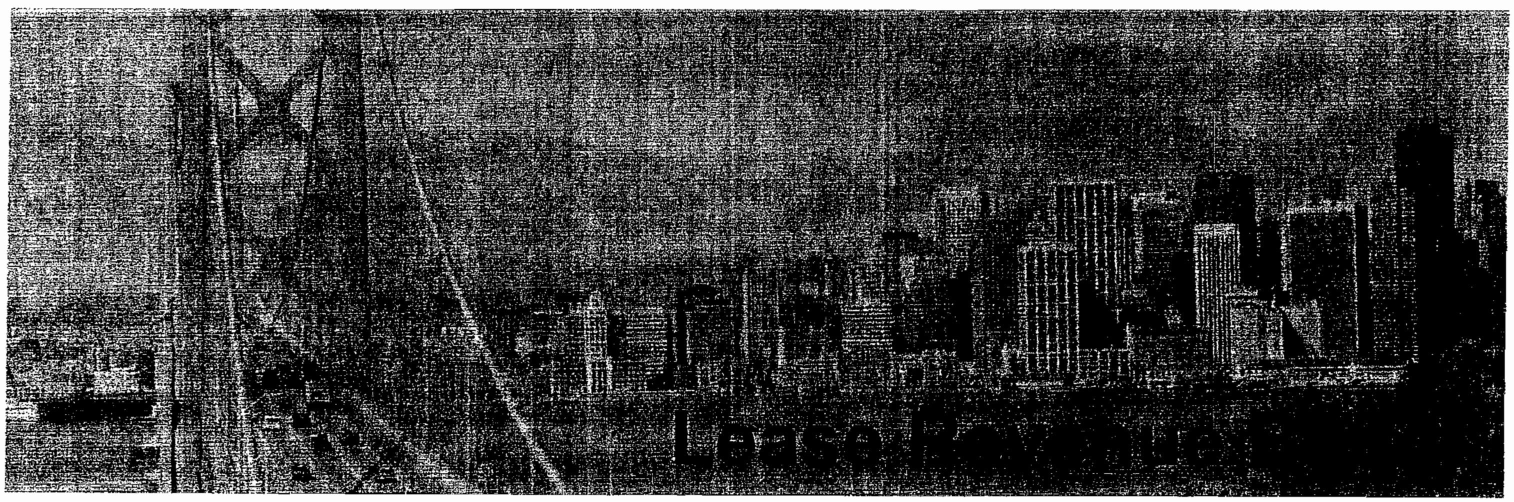
Sub Series 1997A Pension Obligation Bonds — *Underwriter: PaineWebber* — *Bond Counsel: Preston Gates & Ellis LLP* — *Financial Advisor: Public Financial Mgmt/PG C*

Bond			Bond Price				Bond Insurance		Redemption		Optional		Outstanding Fiscal Year Debt Service as of 7/1/01				
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price	Year	Principal	Int./Accr.	Fees	Debt Service
12/15/97													6/30/97				
12/15/98													6/30/98				
12/15/99	Taxable	13,215,000	6.200%	6.200%	100.000		MBIA		Matured				6/30/99				
12/15/00	Taxable	16,745,000	6.380%	6.380%	100.000		MBIA		Matured				6/30/00				
12/15/01	Taxable	20,250,000	6.480%	6.480%	100.000		MBIA		Series 2001 POBs	12/15/01			6/30/01				
12/15/02	Taxable	24,140,000	6.520%	6.520%	100.000		MBIA		Non-Callable / Series 2001 POBs	12/15/02			6/30/02		14,306,276		14,306,276
12/15/03	Taxable	28,450,000	6.650%	6.650%	100.000		MBIA		Non-Callable / Series 2001 POBs	12/15/03			6/30/03	10,525,000	13,963,161		24,488,161
12/15/04	Taxable	33,235,000	6.730%	6.730%	100.000		MBIA		Non-Callable / Series 2001 POBs	12/15/04			6/30/04	20,025,000	12,954,214		32,979,214
12/15/05	Taxable	38,535,000	6.810%	6.810%	100.000		MBIA		Non-Callable / Series 2001 POBs	12/15/05			6/30/05	22,420,000	11,533,950		33,953,950
12/15/06	Taxable	44,405,000	6.880%	6.880%	100.000		MBIA		Non-Callable / Series 2001 POBs	12/15/06			6/30/06	25,020,000	9,927,586		34,947,586
12/15/07	Taxable	50,885,000	6.910%	6.910%	100.000		MBIA		Non-Callable / Series 2001 POBs	12/15/07			6/30/07	27,850,000	8,117,615		35,967,615
12/15/08	Taxable	58,030,000	6.950%	6.950%	100.000		MBIA		Non-Callable / Series 2001 POBs	12/15/08			6/30/08	30,920,000	6,091,289		37,011,289
12/15/09	Taxable	65,900,000	6.980%	6.980%	100.000		MBIA		Non-Callable / Series 2001 POBs	12/15/09			6/30/09	34,250,000	3,832,816		38,082,816
12/15/10	CAB	26,704,659		7.310%	37.113		MBIA		Non-Callable / Series 2001 POBs	12/15/10			6/30/10	37,860,000	1,321,314		39,181,314
													6/30/11	14,958,395	25,346,605		40,305,000

Issuance Par: 420,494,659
Average Life: 9.54 years

Outstanding Par: 223,828,395
Average Life: n.a. w/ fiscal dates

Purpose of Issue	Dates		Sources of Funds		Uses of Funds	
To fund the City's unfunded actuarial accrued liability for retirement benefits	Dated Date:	2/1/97	Par Amount:	420,494,659.15		
	Delivery Date:	2/25/97	Plus: OIP/(OID):			
1988 Series A, Special Refunding Revenue Bonds	Sale Date:	2/13/97	Accrued Interest:	1,782,052.37	Project Fund:	432,867,300.00
			Total Proceeds:	422,276,711.52		
	First Interest Payment:	6/15/97			Underwriters' Discount:	1,963,303.57
	First Maturity Date:	12/15/99			Costs of Issuance:	1,459,055.58
					Accrued Interest:	1,782,052.37
Sources and Uses only shown on Sub-series A			Total Sources	$422,276,711.52	Total Uses	$438,071,711.52


Lease Revenue

City of Oakland, California

Series-by-Series Analysis

Series 1985 Civic Improvement Corporation COPs *Underwriter: EF Hutton & Company* *Bond Counsel: Orrick, Herrington & Sutcliffe* *Financial Advisor: Ted Short & Associates*

Bond			Bond Price				Bond Insurance		Redemption		Optional		Outstanding Fiscal Year Debt Service as of 7/1/01				
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price	Year	Principal	Int./Accr.	Fees	Debt Service
12/1/86													6/30/86				
12/1/87													6/30/87				
12/1/88													6/30/88				
12/1/89													6/30/89				
12/1/90													6/30/90				
12/1/91	Serial	800,000	3.750%	3.750%	100.000				Matured				6/30/91				
12/1/92	Serial	900,000	3.750%	3.750%	100.000				Matured				6/30/92				
12/1/93	Serial	900,000	3.750%	3.750%	100.000				Matured				6/30/93				
12/1/94	Serial	1,000,000	3.750%	3.750%	100.000				Matured				6/30/94				
12/1/95	Serial	1,100,000	3.750%	3.750%	100.000				Matured				6/30/95				
12/1/96	Serial	1,100,000	3.750%	3.750%	100.000				Matured				6/30/96				
12/1/97	Serial	1,200,000	3.750%	3.750%	100.000				Matured				6/30/97				
12/1/98	Serial	1,300,000	3.750%	3.750%	100.000				Matured				6/30/98				
12/1/99	Serial	1,400,000	3.750%	3.750%	100.000				Matured				6/30/99				
12/1/00	Serial	1,500,000	3.750%	3.750%	100.000				Matured				6/30/00				
12/1/01	Serial	1,600,000	3.750%	3.750%	100.000				Non-Callable				6/30/01				
12/1/02	Serial	1,700,000	3.750%	3.750%	100.000				Non-Callable				6/30/02	1,600,000	1,511,250		3,111,250
12/1/03	Serial	1,900,000	3.750%	3.750%	100.000				Non-Callable				6/30/03	1,700,000	1,449,375		3,149,375
12/1/04	Serial	2,000,000	3.750%	3.750%	100.000				Non-Callable				6/30/04	1,900,000	1,381,875		3,281,875
12/1/05	Serial	2,100,000	3.750%	3.750%	100.000				Non-Callable				6/30/05	2,000,000	1,308,750		3,308,750
12/1/06	Serial	2,300,000	3.750%	3.750%	100.000				Non-Callable				6/30/06	2,100,000	1,231,875		3,331,875
12/1/07	Serial	2,400,000	3.750%	3.750%	100.000				Non-Callable				6/30/07	2,300,000	1,149,375		3,449,375
12/1/08	Serial	2,600,000	3.750%	3.750%	100.000				Non-Callable				6/30/08	2,400,000	1,061,250		3,461,250
12/1/09	Serial	2,800,000	3.750%	3.750%	100.000				Non-Callable				6/30/09	2,600,000	967,500		3,567,500
12/1/10	Serial	3,100,000	3.750%	3.750%	100.000				Non-Callable				6/30/10	2,800,000	866,250		3,666,250
12/1/11	Serial	3,200,000	3.750%	3.750%	100.000				Non-Callable				6/30/11	3,100,000	755,625		3,855,625
12/1/12	Serial	3,500,000	3.750%	3.750%	100.000				Non-Callable				6/30/12	3,200,000	637,500		3,837,500
12/1/13	Serial	3,700,000	3.750%	3.750%	100.000				Non-Callable				6/30/13	3,500,000	511,875		4,011,875
12/1/14	Serial	4,000,000	3.750%	3.750%	100.000				Non-Callable				6/30/14	3,700,000	376,875		4,076,875
12/1/15	Serial	4,200,000	3.750%	3.750%	100.000				Non-Callable				6/30/15	4,000,000	232,500		4,232,500
													6/30/16	4,200,000	78,750		4,278,750

Issuance Par: 52,300,000
Average Life: 21.36 years

Outstanding Par: 41,100,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

To finance the acquisition and construction of certain capital improvements

1988 Series A, Special Refunding Revenue Bonds

Variable Rate /Callable after 7 years once in fixed rate mode

Dates

Dated Date:	12/31/85
Delivery Date:	12/31/85
Sale Date:	12/31/85
First Interest Payment:	6/1/86
First Maturity Date:	12/1/91

Sources of Funds

Par Amount:	52,300,000.00
Plus: OIP/(OID):	
Total Proceeds:	52,300,000.00
Total Sources	$52,300,000.00

Uses of Funds

Project Fund:	35,000,000.00
Capitalized Interest:	9,759,700.00
Underwriters' Discount:	431,475.00
Costs of Issuance:	1,784,358.00
DSRF:	5,324,467.00
Accrued Interest:	
Total Uses	$52,300,000.00

City of Oakland, California

Series-by-Series Analysis

Series 1996 (Admin. Buildings) | Underwriter: PaineWebber | Bond Counsel: Brown&Wood | Financial Advisor: Public Financial Mgmt

Bond			Bond Price				Bond Insurance		Redemption		Optional	
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price
8/1/96												
8/1/97												
8/1/98												
8/1/99												
8/1/00	Serial	1,755,000	4.600%	4.600%	100.000		AMBAC		Matured			
8/1/01	Serial	1,840,000	4.700%	4.700%	100.000		AMBAC		Non-Callable			
8/1/02	Serial	1,930,000	4.750%	4.850%	99.454		AMBAC		Non-Callable			
8/1/03	Serial	2,025,000	4.900%	4.950%	99.689		AMBAC		Non-Callable			
8/1/04	Serial	2,125,000	5.000%	5.050%	99.656		AMBAC		Non-Callable			
8/1/05	Serial	2,235,000	5.100%	5.150%	99.626		AMBAC		Non-Callable			
8/1/06	Serial	2,355,000	5.125%	5.250%	99.005		AMBAC		Non-Callable			
8/1/07	Serial	2,480,000	5.300%	5.350%	99.571		AMBAC		Advance Refundable		8/1/06	102%
8/1/08	Serial	2,615,000	5.400%	5.500%	99.104		AMBAC		Advance Refundable		8/1/06	102%
8/1/09	Serial	2,765,000	5.500%	5.600%	99.061		AMBAC		Advance Refundable		8/1/06	102%
8/1/10	Serial	2,920,000	5.375%	5.700%	96.838		AMBAC		Advance Refundable		8/1/06	102%
8/1/11	Serial	3,080,000	5.375%	5.750%	96.204		AMBAC		Advance Refundable		8/1/06	102%
8/1/12	Term16	3,260,000	5.900%	5.950%	99.405		AMBAC		Advance Refundable		8/1/06	102%
8/1/13	Term16	3,455,000	5.900%	5.950%	99.405		AMBAC		Advance Refundable		8/1/06	102%
8/1/14	Term16	3,665,000	5.900%	5.950%	99.405		AMBAC		Advance Refundable		8/1/06	102%
8/1/15	Term16	3,890,000	5.900%	5.950%	99.405		AMBAC		Advance Refundable		8/1/06	102%
8/1/16	Term16	4,125,000	5.900%	5.950%	99.405		AMBAC		Advance Refundable		8/1/06	102%
8/1/17	Term21	4,375,000	5.750%	6.000%	96.755		AMBAC		Advance Refundable		8/1/06	102%
8/1/18	Term21	4,630,000	5.750%	6.000%	96.755		AMBAC		Advance Refundable		8/1/06	102%
8/1/19	Term21	4,905,000	5.750%	6.000%	96.755		AMBAC		Advance Refundable		8/1/06	102%
8/1/20	Term21	5,195,000	5.750%	6.000%	96.755		AMBAC		Advance Refundable		8/1/06	102%
8/1/21	Term21	5,505,000	5.750%	6.000%	96.755		AMBAC		Advance Refundable		8/1/06	102%
8/1/22	Term26	5,830,000	5.750%	6.050%	95.845		AMBAC		Advance Refundable		8/1/06	102%
8/1/23	Term26	6,175,000	5.750%	6.050%	95.845		AMBAC		Advance Refundable		8/1/06	102%
8/1/24	Term26	6,540,000	5.750%	6.050%	95.845		AMBAC		Advance Refundable		8/1/06	102%
8/1/25	Term26	6,930,000	5.750%	6.050%	95.845		AMBAC		Advance Refundable		8/1/06	102%
8/1/26	Term26	7,340,000	5.750%	6.050%	95.845		AMBAC		Advance Refundable		8/1/06	102%

Issuance Par: 103,945,000
Average Life: 20.62 years

Outstanding Fiscal Year Debt Service as of 7/1/01				
Year	Principal	Int./Accr.	Fees	Debt Service
6/30/96				
6/30/97				
6/30/98				
6/30/99				
6/30/00				
6/30/01				
6/30/02	1,840,000	5,709,536		7,549,536
6/30/03	1,930,000	5,620,459		7,550,459
6/30/04	2,025,000	5,525,009		7,550,009
6/30/05	2,125,000	5,422,271		7,547,271
6/30/06	2,235,000	5,312,154		7,547,154
6/30/07	2,355,000	5,194,814		7,549,814
6/30/08	2,480,000	5,068,748		7,548,748
6/30/09	2,615,000	4,932,423		7,547,423
6/30/10	2,765,000	4,785,780		7,550,780
6/30/11	2,920,000	4,631,268		7,551,268
6/30/12	3,080,000	4,470,018		7,550,018
6/30/13	3,260,000	4,291,073		7,551,073
6/30/14	3,455,000	4,092,980		7,547,980
6/30/15	3,665,000	3,882,940		7,547,940
6/30/16	3,890,000	3,660,068		7,550,068
6/30/17	4,125,000	3,423,625		7,548,625
6/30/18	4,375,000	3,176,156		7,551,156
6/30/19	4,630,000	2,917,263		7,547,263
6/30/20	4,905,000	2,643,131		7,548,131
6/30/21	5,195,000	2,352,756		7,547,756
6/30/22	5,505,000	2,045,131		7,550,131
6/30/23	5,830,000	1,719,250		7,549,250
6/30/24	6,175,000	1,374,106		7,549,106
6/30/25	6,540,000	1,008,550		7,548,550
6/30/26	6,930,000	621,288		7,551,288
6/30/27	7,340,000	211,025		7,551,025

Outstanding Par: 102,190,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

Oakland Administration Buildings design, construction, rehabilitation, equipping

1988 Series A, Special Refunding Revenue Bonds

Dates

Dated Date:	3/15/96
Delivery Date:	4/3/96
Sale Date:	5/20/96
First Interest Payment:	8/1/96
First Maturity Date:	8/1/00

Sources of Funds

Par Amount:	103,945,000.00
Plus: OIP/(OID):	(2,596,724.85)
Accrued Interest:	291,675.31
Total Proceeds:	101,639,950.46
Equity:	13,000,000.00
Total Sources	$114,639,950.46

Uses of Funds

Project Fund:	90,590,197.90
Capitalized Interest:	13,579,106.24
Underwriters' Discount:	595,604.85
Costs of Issuance:	2,032,078.66
DSRF:	7,551,287.50
Accrued Interest:	291,675.31
Total Uses	$114,639,950.46

City of Oakland, California

Series-by-Series Analysis

Series 1998 A1 — Underwriter: Goldman Sachs — Bond Counsel: Orrick, Herrington & Sutcliffe — Financial Advisor: Public Financial Mgmt

Bond			Bond Price				Bond Insurance		Redemption		Optional	
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price
8/1/98												
8/1/99												
8/1/00	Term21	4,800,000	4.000%	4.000%	100.000		FSA		Matured			
8/1/01	Term21	6,800,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/02	Term21	6,700,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/03	Term21	6,600,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/04	Term21	6,400,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/05	Term21	6,300,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/06	Term21	6,200,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/07	Term21	6,100,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/08	Term21	6,000,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/09	Term21	5,800,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/10	Term21	5,700,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/11	Term21	5,500,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/12	Term21	5,400,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/13	Term21	5,300,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/14	Term21	5,100,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/15	Term21	5,000,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/16	Term21	4,800,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/17	Term21	4,700,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/18	Term21	4,600,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/19	Term21	4,600,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/20	Term21	4,500,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/21	Term21	14,600,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%

Issuance Par: 131,500,000
Average Life: 12.68 years

Outstanding Fiscal Year Debt Service as of 7/1/01				
Year	Principal	Int./Accr.	Fees	Debt Service
6/30/99				
6/30/99				
6/30/00				
6/30/01				
6/30/02	6,800,000	4,932,000		11,732,000
6/30/03	6,700,000	4,662,000		11,362,000
6/30/04	6,600,000	4,396,000		10,996,000
6/30/05	6,400,000	4,136,000		10,536,000
6/30/06	6,300,000	3,882,000		10,182,000
6/30/07	6,200,000	3,632,000		9,832,000
6/30/08	6,100,000	3,386,000		9,486,000
6/30/09	6,000,000	3,144,000		9,144,000
6/30/10	5,800,000	2,908,000		8,708,000
6/30/11	5,700,000	2,678,000		8,378,000
6/30/12	5,500,000	2,454,000		7,954,000
6/30/13	5,400,000	2,236,000		7,636,000
6/30/14	5,300,000	2,022,000		7,322,000
6/30/15	5,100,000	1,814,000		6,914,000
6/30/16	5,000,000	1,612,000		6,612,000
6/30/17	4,800,000	1,416,000		6,216,000
6/30/18	4,700,000	1,226,000		5,926,000
6/30/19	4,600,000	1,040,000		5,640,000
6/30/20	4,600,000	856,000		5,456,000
6/30/21	4,500,000	674,000		5,174,000
6/30/22	14,600,000	292,000		14,892,000

Outstanding Par: 126,700,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

To refund all of the 1988 Series A Pension Financing

1988 Series A, Special Refunding Revenue Bonds

Dates

Dated Date:	7/16/98
Delivery Date:	7/16/98
Sale Date:	7/8/98
First Interest Payment:	8/1/98
First Maturity Date:	8/1/00

Sources of Funds

Par Amount:	131,500,000.00
Plus: OIP/(OID):	
Total Proceeds:	131,500,000.00
Liquidated BF:	15,326,714.00
Other Sources 1:	617,174.18
Total Sources	$147,443,888.18

Uses of Funds

SLGS Escrow:	183,481,743.75
Capitalized Interest:	328,767.12
Underwriters' Discount:	1,923,489.14
DSRF:	17,709,888.17
Accrued Interest:	
Total Uses	$203,443,888.18

City of Oakland, California

Series-by-Series Analysis

Series 1998 A2 — *Underwriter:* *Goldman Sachs* — *Bond Counsel:* *Orrick, Herrington & Sutcliffe* — *Financial Advisor:* *Public Financial Mgmt*

Bond			Bond Price				Bond Insurance		Redemption		Optional	
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price
8/1/98												
8/1/99												
8/1/00	Term21	2,000,000	4.000%	4.000%	100.000		FSA		Matured			
8/1/01	Term21	2,900,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/02	Term21	2,800,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/03	Term21	2,800,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/04	Term21	2,800,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/05	Term21	2,700,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/06	Term21	2,700,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/07	Term21	2,600,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/08	Term21	2,500,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/09	Term21	2,500,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/10	Term21	2,400,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/11	Term21	2,400,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/12	Term21	2,300,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/13	Term21	2,200,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/14	Term21	2,200,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/15	Term21	2,100,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/16	Term21	2,000,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/17	Term21	2,000,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/18	Term21	1,900,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/19	Term21	1,900,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/20	Term21	1,900,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%
8/1/21	Term21	6,400,000	4.000%	4.000%	100.000		FSA		Currently Callable		7/1/01	100%

Outstanding Fiscal Year Debt Service as of 7/1/01				
Year	Principal	Int./Accr.	Fees	Debt Service
6/30/99				
6/30/99				
6/30/00				
6/30/01				
6/30/02	2,900,000	2,102,000		5,002,000
6/30/03	2,800,000	1,988,000		4,788,000
6/30/04	2,800,000	1,876,000		4,676,000
6/30/05	2,800,000	1,764,000		4,564,000
6/30/06	2,700,000	1,654,000		4,354,000
6/30/07	2,700,000	1,546,000		4,246,000
6/30/08	2,600,000	1,440,000		4,040,000
6/30/09	2,500,000	1,338,000		3,838,000
6/30/10	2,500,000	1,238,000		3,738,000
6/30/11	2,400,000	1,140,000		3,540,000
6/30/12	2,400,000	1,044,000		3,444,000
6/30/13	2,300,000	950,000		3,250,000
6/30/14	2,200,000	860,000		3,060,000
6/30/15	2,200,000	772,000		2,972,000
6/30/16	2,100,000	686,000		2,786,000
6/30/17	2,000,000	604,000		2,604,000
6/30/18	2,000,000	524,000		2,524,000
6/30/19	1,900,000	446,000		2,346,000
6/30/20	1,900,000	370,000		2,270,000
6/30/21	1,900,000	294,000		2,194,000
6/30/22	6,400,000	128,000		6,528,000

Issuance Par: 56,000,000
Average Life: 12.69 years

Outstanding Par: 54,000,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

To refund all of the 1988 Series A Pension Financing

1988 Series A, Special Refunding Revenue Bonds

Dates

Dated Date:	7/16/98
Delivery Date:	7/16/98
Sale Date:	7/8/98
First Interest Payment:	8/1/98
First Maturity Date:	8/1/00

Sources of Funds

Par Amount:	56,000,000.00
Plus: OIP/(OID):	
Total Proceeds:	56,000,000.00
Liquidated BF:	15,326,714.00
Other Sources 1:	617,174.18
Total Sources	$71,943,888.18

Uses of Funds

SLGS Escrow:	183,481,743.75
Capitalized Interest:	328,767.12
Underwriters' Discount:	1,923,489.14
DSRF:	17,709,888.17
Accrued Interest:	
Total Uses	$203,443,888.18

City of Oakland, California

Series-by-Series Analysis

Series 2001 (Conv Ctr Ref) — Underwriter: UBS PaineWebber (lead) — Bond Counsel: OHS, Webster & Anderson — Financial Advisor: PFM

Bond			Bond Price				Bond Insurance		Redemption		Optional	
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price
10/1/01	Serial	6,565,000	5.000%	2.620%	100.694		None		Non-Callable			
10/1/02	Serial	3,600,000	4.500%	2.900%	102.018		None		Non-Callable			
10/1/02	Serial	2,000,000	3.000%	2.900%	100.123		None		Non-Callable			
10/1/03	Serial	3,825,000	4.500%	3.200%	102.852		None		Non-Callable			
10/1/03	Serial	2,000,000	3.000%	3.200%	99.557		None		Non-Callable			
10/1/04	Serial	6,155,000	5.000%	3.450%	104.786		None		Non-Callable			
10/1/04	Serial	2,000,000	3.400%	3.450%	99.841		None		Non-Callable			
10/1/05	Serial	6,535,000	5.000%	3.640%	105.359		None		Non-Callable			
10/1/05	Serial	2,000,000	3.600%	3.640%	99.838		None		Non-Callable			
10/1/06	Serial	6,930,000	5.000%	3.800%	105.703		None		Non-Callable			
10/1/06	Serial	2,000,000	3.750%	3.800%	99.757		None		Non-Callable			
10/1/07	Serial	7,350,000	5.250%	3.950%	107.179		None		Non-Callable			
10/1/07	Serial	2,000,000	4.000%	3.950%	100.271		None		Non-Callable			
10/1/08	Serial	7,820,000	5.250%	4.100%	107.183		None		Non-Callable			
10/1/08	Serial	2,000,000	4.000%	4.100%	99.369		None		Non-Callable			
10/1/09	Serial	8,305,000	5.250%	4.250%	106.924		None		Non-Callable			
10/1/09	Serial	2,000,000	4.250%	4.250%	100.000		None		Non-Callable			
10/1/10	Serial	10,100,000	5.500%	4.350%	108.710		None		Non-Callable			
10/1/10	Serial	1,000,000	4.300%	4.350%	99.615		None		Non-Callable			
10/1/11	Serial	9,700,000	5.500%	4.450%	108.591		None		Non-Callable			
10/1/11	Serial	2,000,000	4.400%	4.450%	99.584		None		Non-Callable			
10/1/12	Serial	11,045,000	5.500%	4.560%	108.220		None		Non-Callable			
10/1/12	Serial	1,275,000	4.500%	4.560%	99.468		None		Non-Callable			
10/1/13	Serial	12,990,000	5.500%	4.650%	107.885		None		Non-Callable			
10/1/14	Serial	13,695,000	5.500%	4.750%	107.323		None		Non-Callable			

Issuance Par: 134,890,000
Average Life: 7.82 years

Outstanding Fiscal Year Debt Service as of 7/1/01

Year	Principal	Int./Accr.	Fees	Debt Service
6/30/01				
6/30/02	6,565,000	5,812,082		12,377,082
6/30/03	5,600,000	6,369,088		11,969,088
6/30/03				
6/30/04	5,825,000	6,142,025		11,967,025
6/30/04				
6/30/05	8,155,000	5,838,088		13,993,088
6/30/05				
6/30/06	8,535,000	5,450,838		13,985,838
6/30/06				
6/30/07	8,930,000	5,040,713		13,970,713
6/30/07				
6/30/08	9,350,000	4,597,025		13,947,025
6/30/08				
6/30/09	9,820,000	4,118,813		13,938,813
6/30/09				
6/30/10	10,305,000	3,613,031		13,918,031
6/30/10				
6/30/11	11,100,000	3,053,275		14,153,275
6/30/11				
6/30/12	11,700,000	2,443,275		14,143,275
6/30/12				
6/30/13	12,320,000	1,800,100		14,120,100
6/30/13				
6/30/14	12,990,000	1,110,450		14,100,450
6/30/15	13,695,000	376,613		14,071,613

Outstanding Par: 134,890,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

Refunding of Oakland Convention Center Bonds

1988 Series A, Special Refunding Revenue Bonds

Dates

Dated Date:	5/15/01
Delivery Date:	6/14/01
Sale Date:	5/23/01
First Interest Payment:	10/1/01
First Maturity Date:	10/1/01

Sources of Funds

Par Amount:	134,890,000.00
Plus: OIP/(OID):	7,535,959.60
Accrued Interest:	548,449.41
Total Proceeds:	142,974,409.01
Equity:	151,314,409.01
Total Sources	$294,288,818.02

Uses of Funds

Project Fund:	140,094,351.46
Costs of Issuance:	1,682,608.14
DSRF:	8,989,000.00
Other Uses:	548,449.41
Accrued Interest:	548,449.41
Total Uses	$151,862,858.42

City of Oakland, California

Series-by-Series Analysis

Series 2002 (Oakland Museum)

Bond			Bond Price				Bond Insurance		Redemption		Optional		Outstanding Fiscal Year Debt Service as of 7/1/01				
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price	Year	Principal	Int./Accr.	Fees	Debt Service
4/1/02													6/30/02				
4/1/03													6/30/02				
4/1/04													6/30/03		798,712		798,712
4/1/05													6/30/04		777,125		777,125
4/1/06													6/30/05		777,125		777,125
4/1/07													6/30/06		777,125		777,125
4/1/08	Serial	2,900,000	4.000%	3.750%	101.336		None		Non-Callable				6/30/07		777,125		777,125
4/1/09	Serial	3,020,000	5.000%	3.940%	106.450		None		Non-Callable				6/30/08	2,900,000	777,125		3,677,125
4/1/10	Serial	1,150,000	4.250%	4.090%	101.084		None		Non-Callable				6/30/09	3,020,000	661,125		3,681,125
4/1/10	Serial	2,015,000	5.000%	4.090%	106.172		None		Non-Callable				6/30/10	3,165,000	510,125		3,675,125
4/1/11	Serial	3,315,000	5.000%	4.200%	105.958		None		Non-Callable				6/30/10				
4/1/12	Serial	3,895,000	5.000%	4.300%	105.652		None		Non-Callable				6/30/11	3,315,000	360,500		3,675,500
													6/30/12	3,895,000	194,750		4,089,750

Issuance Par: 16,295,000
Average Life: 8.17 years

Outstanding Par: 16,295,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

Refunding of Term Bond of Museum Bond

1988 Series A, Special Refunding Revenue Bonds

Dates

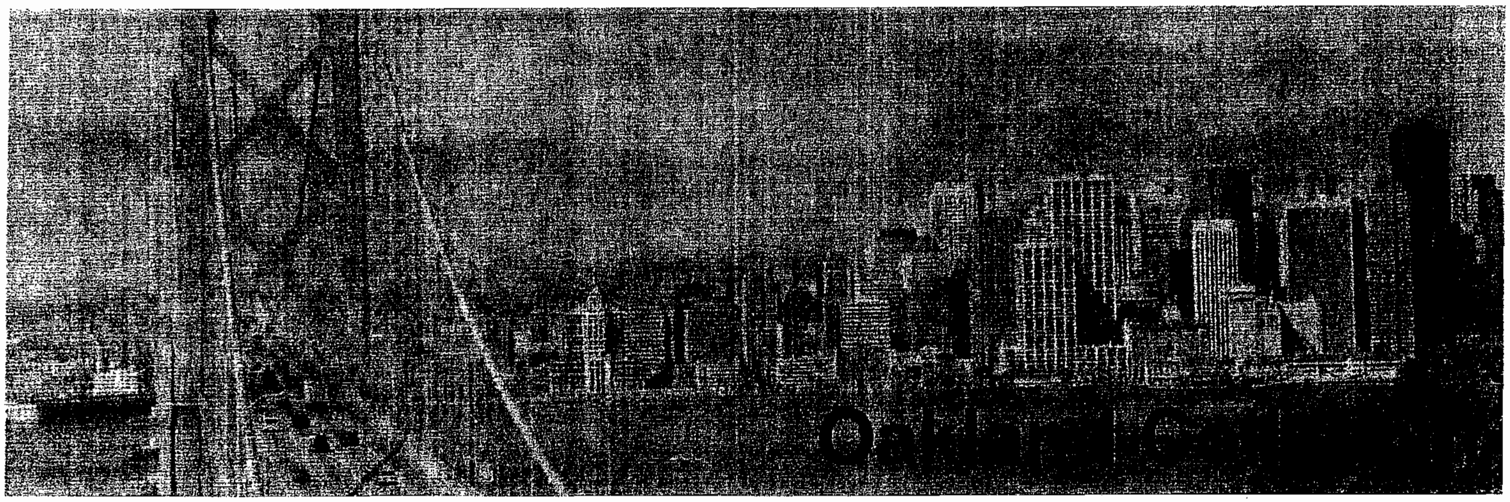
Dated Date:	3/21/02
Delivery Date:	3/21/02
Sale Date:	3/12/02
First Interest Payment:	10/1/02
First Maturity Date:	4/1/08

Sources of Funds

Par Amount:	16,295,000.00
Plus: OIP/(OID):	788,018.90
Total Proceeds:	17,083,018.90
Total Sources	$17,083,018.90

Uses of Funds

Project Fund:	16,536,000.00
Underwriters' Discount:	74,631.10
Costs of Issuance:	472,387.80
Accrued Interest:	
Total Uses	$17,083,018.90


Oakland

City of Oakland, California

Series-by-Series Analysis

OACCA 1995 Series A — *Underwriter:* Goldman, Sachs & Co. — *Bond Counsel:* Orrick/Webster & Anderson

Bond			Bond Price				Bond Insurance		Redemption		Optional		Outstanding Fiscal Year Debt Service as of 7/1/01				
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price	Year	Principal	Int./Accr.	Fees	Debt Service
2/1/96	Term00	500,000	4.400%	4.550%	99.405				Matured				6/30/96				
2/1/97	Term00	925,000	4.400%	4.550%	99.405				Matured				6/30/96				
2/1/98	Term00	965,000	4.400%	4.550%	99.405				Matured				6/30/97				
2/1/99	Term00	1,010,000	4.400%	4.550%	99.405				Matured				6/30/98				
2/1/00	Term00	1,055,000	4.400%	4.550%	99.405				Matured				6/30/99				
2/1/01	Term02	1,095,000	5.000%	5.106%	99.500				Matured				6/30/00				
2/1/02	Term02	1,155,000	5.000%	5.092%	99.500				Non-Callable				6/30/01				
2/1/03	Term04	1,215,000	5.000%	5.164%	99.000				Non-Callable				6/30/02	1,155,000	182,500		1,337,500
2/1/04	Term04	1,280,000	5.000%	5.148%	99.000				Non-Callable				6/30/03	1,215,000	124,750		1,339,750
													6/30/04	1,280,000	64,000		1,344,000

Issuance Par:	9,200,000	Outstanding Par:	3,650,000
Average Life:	4.87 years	Average Life:	n.a. w/ fiscal dates

Purpose of Issue	Dates		Sources of Funds		Uses of Funds	
			Par Amount:	9,200,000.00	SLGS Escrow:	10,710,698.12
Refunding of outstanding Coliseum bonds (1964 indenture)	Dated Date:	8/1/95	Plus: OIP/(OID):	(62,707.25)		
	Delivery Date:	9/12/95	Accrued Interest:	49,344.64		
1988 Series A, Special Refunding Revenue Bonds	Sale Date:	9/7/95	Total Proceeds:	9,186,637.39		
	First Interest Payment:	2/1/96			Costs of Issuance:	183,966.22
	First Maturity Date:	2/1/96	Liquidated DSRF:	2,508,118.58		
					DSRF:	750,746.99
					Accrued Interest:	49,344.64
100% of Debt Shown. City responsible for 50% share for OACCA			Total Sources	$11,694,755.97	Total Uses	$11,694,755.97

City of Oakland, California
Series-by-Series Analysis

OACCA 2000 Series D — *Bond Counsel: Orrick/Webster & Anderson* — *Financial Advisor: Public Financial Manageme[nt]*

Bond			Bond Price				Bond Insurance		Redemption		Optional	
Date	Comp	Par Amount	Coupon	Yield	Price	Delphis	Insurer	Prem	Status	Date	Date	Price
2/1/01	Serial	2,200,000	5.825%	5.825%	100.000				Matured			
2/1/02	Serial	3,500,000	5.825%	5.825%	100.000				Non-Callable			
2/1/03	Serial	3,700,000	5.825%	5.825%	100.000				Non-Callable			
2/1/04	Serial	4,000,000	5.825%	5.825%	100.000				Non-Callable			
2/1/05	Serial	5,600,000	5.825%	5.825%	100.000				Non-Callable			
2/1/06	Serial	6,100,000	5.825%	5.825%	100.000				Non-Callable			
2/1/07	Serial	5,500,000	5.825%	5.825%	100.000				Non-Callable			
2/1/08	Serial	5,800,000	5.825%	5.825%	100.000				Non-Callable			
2/1/09	Serial	6,200,000	5.825%	5.825%	100.000				Non-Callable			
2/1/10	Serial	6,700,000	5.825%	5.825%	100.000				Non-Callable			
2/1/11	Serial	1,200,000	5.825%	5.825%	100.000				Non-Callable			

Outstanding Fiscal Year Debt Service as of 7/1/01				
Year	Principal	Int./Accr.	Fees	Debt Service
6/30/00				
6/30/01				
6/30/02	3,500,000	2,813,475		6,313,475
6/30/03	3,700,000	2,609,600		6,309,600
6/30/04	4,000,000	2,394,075		6,394,075
6/30/05	5,600,000	2,161,075		7,761,075
6/30/06	6,100,000	1,834,875		7,934,875
6/30/07	5,500,000	1,479,550		6,979,550
6/30/08	5,800,000	1,159,175		6,959,175
6/30/09	6,200,000	821,325		7,021,325
6/30/10	6,700,000	460,175		7,160,175
6/30/11	1,200,000	69,900		1,269,900

Issu[illegible] Pa[illegible] 50,500,000
Ave[illegible] Lif[illegible] 6.06 years

Outstanding Par: 48,300,000
Average Life: n.a. w/ fiscal dates

Purpose of Issue

Refund Series 19[illegible]&2 Taxable VRDBs

1988 Se[illegible] A, Spec[illegible]l Refunding Revenue Bonds

Taxable VRDBs; share S&U with Series C; 50% Liability

Dates

Dated Date:	5/25/00
Delivery Date:	5/25/00
Sale Date:	5/24/00
First Interest Payment:	8/1/00
First Maturity Date:	2/1/01
Escrow Maturity:	5/25/00

Sources of Funds

Par Amount:	50,500,000.00
Plus: OIP/(OID):	
Total Proceeds:	50,500,000.00
Liquidated DSRF:	748,349.43
Total Sources	$51,248,349.43

Uses of Funds

SLGS Escrow:	181,900,000.00
Underwriters' Discount:	412,020.00
Costs of Issuance:	734,500.00
DSRF:	17,946,799.98
Other Uses:	733,239.41
Accrued Interest:	
Total Uses	$201,726,559.39

ITEM C

FINANCE & MANAGEMENT CMTE.

FEB 1 8 2003