

**For Immediate Release**

**Mayor Dellums Announces:  
Standard and Poor's Upgrades City Credit Ratings**

*Credit Agencies Laud Oakland's Financial Performance,  
Putting Oakland in Better Position to Serve Residents*

**Oakland, CA — April 7, 2008** – National credit rating agency, Standard & Poor's, has raised the city of Oakland's credit rating. Standard & Poor's raised its rating from "A+" to "AA-" on the city's general obligation bonds and from "A" to "A+" on Oakland's existing pension obligation debt. According to their ratings report, "Standard & Poor's ratings and rating actions reflect the culmination of a consistent track record of strong financial performance by the city that is buttressed by a variety of excellent practices, including an emphasis on the maintenance of healthy general fund reserves. Moreover, cash flows and liquidity levels, the latter of which has followed an increasing trend in recent years, are closely monitored and managed throughout the fiscal year."

"This acknowledgement on the part of this national credit agency is more evidence of the city of Oakland's commitment to putting ourselves in the best position to serve our citizens," said Mayor Ron Dellums. "Both our present and future economic success is dependant on city staff and department heads making responsible financial decisions that are consistent with the needs and limited budget of our city."

According to Standard & Poor's Financial Management Assessment, Oakland's management practices were rated "strong," indicating practices that are "strong, well embedded and likely sustainable". In their assessment, Standard & Poor's found that "despite grappling with a revenue shortfall in the current fiscal year, city finances are fundamentally sound with good reserve and liquidity levels, due, in large part, to good management practices and policies."

"We are pleased that our sound financial practices and solid performance have earned Oakland these important credit rating increases," said city Administrator Deborah Edgerly. "Achieving upgraded credit ratings is particularly significant given the tight credit climate nationwide."

Two other major, national credit rating agencies, FitchRatings and Moody's Investor Service affirmed their ratings on the city's debt. FitchRatings affirmed an "A" rating to the city's refunding revenue bonds and pension obligation bonds and "A+" rating to the city's general obligation bonds. Fitch cited the city's "consistently strong financial position, with above-average unreserved general fund balances, and its good fiscal management, including adherence to many conservative financial management policies".

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Moody's affirmed its rating of A1 on the city's general obligation bonds and A2 on its revenue refunding bonds. Moody's noted that "Oakland's \$36 billion tax base is exceptionally large for the rating level and continues to undergo sound growth rates despite a notable slowing in the housing market." Moody's further noted that despite softness in the real estate market and potential State budget cuts, "... the city is preparing to manage through upcoming challenges and is taking action to promote fiscal stability."

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