

MEASURE G

With the passage of Measure G in November 2014, the City is in a position to make strategic investments to restore services and make strategic investments into public facilities and infrastructure. Each of the department's plans are focused on delivering services and projects that are aligned with Council goals and objectives, ranked in the highest priority based budget quartiles A and B, and reflect the main interests of the community, as determined by extensive community outreach, surveys and engagement.

The public have consistently expressed a desire for more services to achieve a better, safer Salinas. Crime prevention, public safety, economic development, and street and sidewalk repair all contribute to safe, clean neighborhoods. These and other critical public services have all suffer from inadequate funding. Increased funding for public safety has been identified through the community outreach process as the highest priority, but not the only priority. While residents have consistently stressed the importance of public safety, they have also recognized that safe communities require investments in violence prevention and community-building programs such as after-school programs, recreational activities, life-long learning opportunities and special events/cultural arts programming.

On March 25, 2014, the City Council reviewed the results of the community outreach, received further public comment, and directed staff to prepare a resolution calling for an election to ask voters of the City of Salinas to increase the general transactions and use tax by one cent, with a fifteen-year sunset, and with citizens' oversight.

On June 24, 2014, the City Council held a noticed public hearing to consider calling a municipal election to seek voter approval of a proposed general transactions and use tax (or "sales tax"). At the conclusion of that hearing, the City Council decided to call an election to ask voters of the City to approve a local transactions and use tax for 15 years, the revenue from which would be used to support general municipal services.

On November 4, 2014, the voters of Salinas approved Measure G, an ordinance imposing a one-cent general transactions and use tax. Measure G has a fifteen-year term and requires the City Council to establish an Oversight Committee.

Measure G was premised upon and was presented to the voters as an opportunity to restore services to the community; to provide for a "safer, better Salinas." Consistent with that purpose, the following question was presented to the voters:

"To improve our quality of life, maintain and enhance city services and facilities, including: crime and gang prevention; neighborhood policing and school safety; safety inspections; police, fire and paramedic response; fixing potholes, streets, and sidewalks; recreation and programs for youth and seniors; and other city services, shall the City of Salinas enact a one cent sales tax, that can't be taken by the State, with citizens' oversight, annual independent audits, with all funds dedicated to Salinas?"

As set forth in Section 32-94 of the Measure G ordinance, the "Measure G Oversight Committee" has the following attributes and responsibilities:

1. The Committee consists of no fewer than seven members of the public (one member selected by each Council member with the initial Committee appointed by the Council by March 31, 2015);
2. The Committee members shall be either city residents or representatives of businesses located in Salinas;
3. The Committee receives and by May 30 of each year is responsible for reviewing the City auditor's report and based on their review of the auditor's report is responsible for issuing a public report to the City Council on the receipt of revenue and expenditure of Measure G funds and such other matters the City Council may assign.

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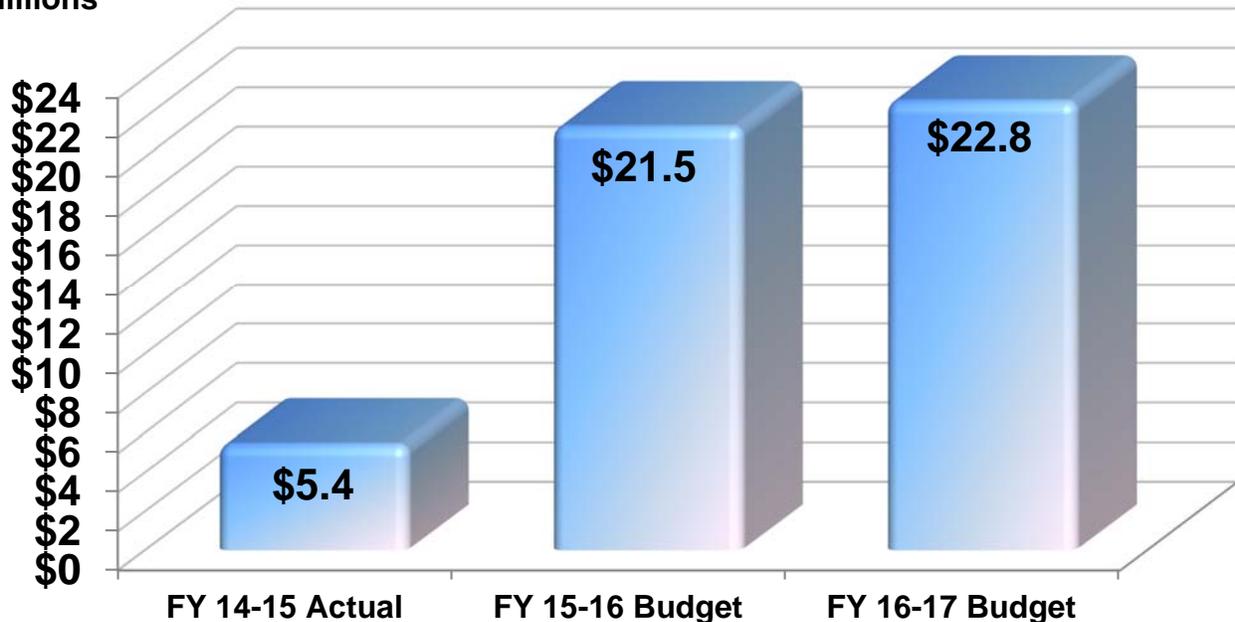
As approved by the City Council on March 31, 2015 and Adopted by Resolution on April 14, 2015, the Committee shall meet three times per year:

1. As set forth in Section 32-94 of the Ordinance, before May 30 of each year to “review the auditors’ report, for each year in which the auditors prepare such a report, [for the purpose of issuing] a report to the City Council regarding the use of revenue [from Measure G] and such other matters as the City Council may assign.”
2. Following the City Council’s adoption of the annual budgets (Operating, Capital, Measure V, and Measure G) for the purpose of understanding how the City Council directed the expenditure of Measure G revenues.
3. Prior to the City Council’s adoption of the annual budgets so that City staff can present information to the Committee on Measure G revenues and the Measure G expenditures proposed in the annual Measure G Budget.

The Committee may have additional meetings beyond these three, provided a majority of the Committee requests an additional meeting(s) and the Committee’s request is approved by the Mayor.

In order to assure full compliance with the intent of the ordinance, the tax proceeds from this ordinance are separately received and accounted for in the City’s financial reporting system (Fund 1200).

Millions

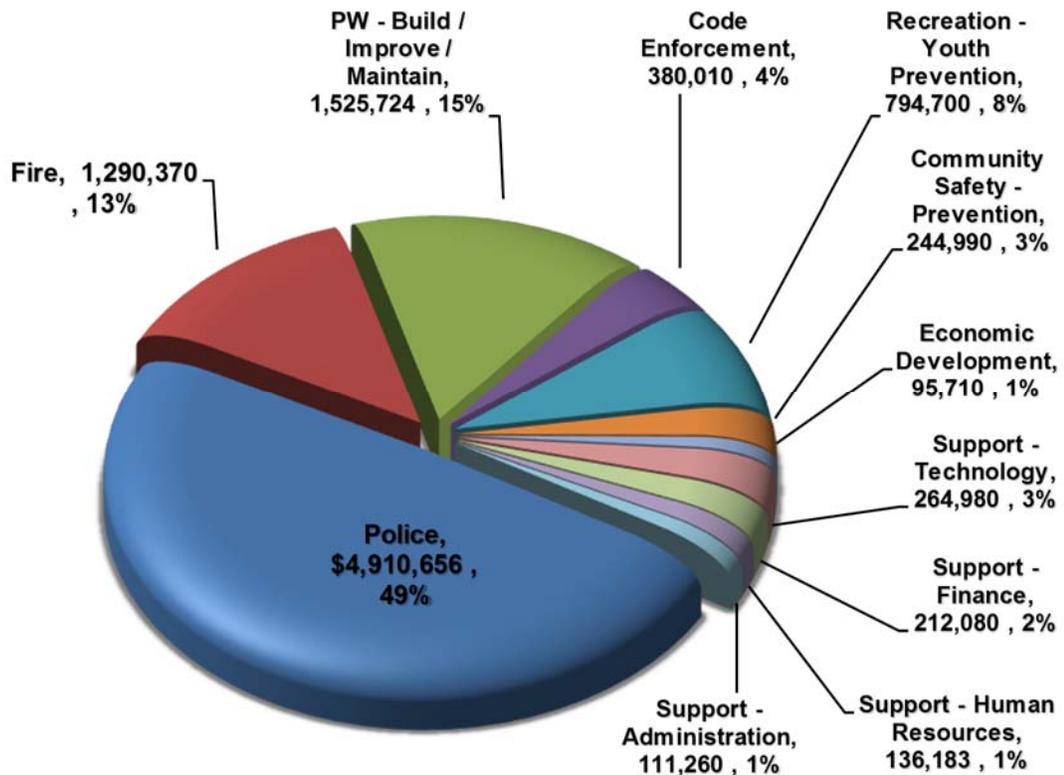


The City received \$5.4 million for the first quarter FY 2014-15. For FY 2015-16 and FY 2016-17, the City is expecting \$21.5 and \$22.8 million, respectively. The FY 2016-17 budget includes \$10,531,300 in capital improvement projects (CIP), a \$2,361,100 transfer out to mainly cover restoring services on Friday (furlough), and a \$9,966,663 operating budget. The CIP includes such projects as the new public safety facility, street improvements, sidewalk improvement, and park improvements. The detail of the proposed capital projects are located in the capital improvement budget document for FY 2016-17.

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As mentioned, each of the department's plans are focused on delivering services and projects that are aligned with Council goals and objectives, ranked in the highest priority based budget (PBB) quartiles A and B, and reflect the main interests of the community, as determined by extensive community outreach, surveys and engagement. The Department plans were presented to the City Manager, who made the final determination on the proposal to the City Council. In addition to PBB, community funding themes, and City Council goals, the City Manager's proposed budget allocating Measure G funds factors in city wide operations, all funding sources, all department requests, a sustainable level of staffing, and the full 15-year horizon. The second year of Measure G operating costs for FY 2016-17 is shown below:

	<u>Amount</u>	<u>Percent</u>
Police	\$4,910,656	49.27%
Fire	1,290,370	12.95%
PW - Build / Improve / Maintain	1,525,724	15.31%
Code Enforcement	380,010	3.81%
Recreation - Youth Prevention	794,700	7.97%
Community Safety - Prevention	244,990	2.46%
Economic Development	95,710	0.96%
Support - Technology	264,980	2.66%
Support - Finance	212,080	2.13%
Support - Human Resources	136,183	1.37%
Support - Administration	111,260	1.12%
Total 2016-17 Measure V Appropriations	<u>\$9,966,663</u>	<u>100.00%</u>



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Staffing represents 88% of the operating budget. Aside from staffing, the FY 2016-17 operating budget includes \$525,000 for contract tree maintenance and park maintenance services and \$150,000 for police and fire training.

As mentioned above, the Measure G Capital Improvement Program (CIP) budget totals \$10,531,300 and consist of 46 projects. As mentioned, for a complete list of projects, see the Proposed Measure G CIP Projects Budget for FY 2016-17:

<u>Category</u>	<u>Budget</u>
Public Safety - Police	\$ 4,660,000
Public Safety - Fire	1,613,400
Built Environment	2,184,000
Community Development	505,000
Equipment	451,900
Maintenance	735,000
Technology	382,000
Total	<u>\$10,531,300</u>

The number of positions funded by Measure G during FY 2016-17 is summarized as follows:

	<u>FY 15/16</u>	<u>FY 16/17</u>	<u>FY 17/18</u>
Police - Sworn	17.0	27.0	37.0
Police - Non-Sworn Support	12.0	12.0	12.0
Fire - Sworn	-	12.0	14.0
Fire - Non-Sworn Support	1.0	1.0	1.0
Code Enforcement	4.0	4.0	4.0
Public Works - Clean-up	1.0	1.0	1.0
Public Works - Park Maint.	1.0	1.0	1.0
Public Works - Streets	6.0	6.0	6.0
Recreation - Youth Prevention	6.0	6.0	6.0
Community Safety - Prevention	1.0	3.0	3.0
Support - Technology	2.0	2.0	2.0
Support - Finance	2.0	2.0	2.0
Support - Human Resources	1.0	1.0	1.0
Support - Administration	1.0	1.0	1.0
Total Positions	<u>55.0</u>	<u>79.0</u>	<u>91.0</u>

A total of 55 positions were funded with Measure G funds in the first year, FY 2015-16, as shown above. In FY 2016-17, 79 positions are proposed. The increases between the fiscal years are for 10 police officers, 12 existing grant funded fire fighters that are transitioned to this funding, as the grant funding expires, and lastly, 2 Street Outreach Specialist staff as part of the Community Safety program. In year 3, FY 2017-18, 10 more police officers are added (8 for the SRO grant plus two new) and 2 more fire fighters will transition from the SAFER grant to Measure G.