



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: MARCH 24, 2026

DEPARTMENT: ADMINISTRATION

FROM: RENÉ MENDEZ, CITY MANAGER
LISA MURPHY, ASSISTANT CITY MANAGER

BY: PATRICIA M. SORATOS, CITY CLERK

TITLE: MEASURE G EXTENSION AND BALLOT MEASURE POLLING RESULTS

RECOMMENDED MOTION:

A motion directing staff to prepare a resolution calling an election to ask the voters of the City of Salinas to approve an extension of an existing one-cent general transactions and use tax (Measure G) and authorizing the Monterey County Board of Supervisors to consolidate the election with the established general election to be held on November 3, 2026.

EXECUTIVE SUMMARY:

In an initial discussion with the City's Finance Committee on October 14, 2025, staff discussed the ballot measure polling and public outreach process and possibility of placing the extension of Measure G on the ballot in November 2026. Starting in 2024, staff discussed the importance of Measure G with the Council on several occasions, in particular, the challenge to reduce the City budget by \$47 million (or 21%). Additionally, anticipated budget deficit concerns have been emphasized across several budget updates to Council and the community, including through the adoption of the FY 25/26 operating budget. Staff also indicated that a potential extension of Measure G would be brought forward for Council action and to receive direction pertaining to engage with the community in advance of the November 2026 General Election. A progress report was also presented to the Measure G Oversight Committee on January 16, 2026. This report examines the ballot measure feasibility, including the results of the scientific ballot polling survey of likely November 2026 voters.

Should the City Council choose to move forward as recommended in this Report, calling the election to place this measure on the November ballot, will be presented to the City Council on June 30, 2026, for consideration.

BACKGROUND:

In 2014, Salinas residents approved a one-cent transactions and use tax measure establishing the tax for a period of fifteen (15) years (“Measure G”). Measure G generates over \$30 million in revenue per year. Since its inception, Measure G funding has provided for ongoing capital project needs and staffing, including 106.5 City staff positions within the City’s operating budget. The City continues to allocate Measure G funding to citywide operational and capital project needs while sustaining staffing levels and services. Measure G will expire in 2029.

The City’s five-year budget forecast assumes a structural budget deficit as identified in the Salinas Plan and the sunset of Measure G in FY 2029. The Salinas Plan document also recommended the City request the voters extend Measure G as soon as possible. Although there is still the possibility for future election year ballot placement (2028, for example), the Measure G survey results are being brought forward for consideration and placement of the extension before the voters in November 2026. If the Council elects not to place the extension on the November 2026 ballot, or if the measure does not pass, there would be another opportunity in 2028. However, sound fiscal management would warrant that the City begin moderating expenditures and avoid incurring new ongoing costs without generating new revenue. While such actions would be challenging, and likely affect services, a phased approach over the years would help mitigate financial impacts.

Based on the current budget and assumptions for future growth, the City should expect positive net revenue through 2029. However, in FY 2030, there would be a drop in net revenue as a result of the expiration of Measure G. If Measure G is not extended, the City will face a budget shortfall of approximately \$47.8 million or (21%), thereby significantly impacting funding operations at current levels.

As shown below, the Measure G impact on the general fund forecast illustrates the projected revenue shortfall:

City of Salinas
5 - Year Financial Forecast

	Amended Budget	Projected				with Measure G	without Measure G
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2030-31
Revenues:							
Sales Tax	\$91,015,000	\$93,845,567	\$96,764,164	\$99,773,529	\$102,876,486	\$106,075,945	\$65,887,946
Property Taxes	41,531,000	42,880,758	44,231,501	45,624,794	47,066,537	48,553,840	48,553,840
Utility Users Tax	14,003,000	14,493,105	15,000,364	15,525,376	16,068,765	16,631,171	16,631,171
Franchise Fees	10,181,000	10,384,620	10,592,312	10,804,159	11,020,242	11,240,647	11,240,647
Licenses & Permits	7,552,500	7,665,788	7,780,774	7,897,486	8,015,948	8,136,187	8,136,187
Charges for Services	6,342,260	6,532,528	6,728,504	6,930,359	7,138,270	7,352,418	7,352,418
Transient Occupancy Tax	3,119,000	3,181,380	3,245,008	3,309,908	3,376,106	3,443,628	3,443,628
Other Revenue	10,808,200	10,826,790	10,845,752	10,865,093	10,884,821	10,904,943	10,904,943
Total Revenues:	\$184,551,960	\$189,810,534	\$195,188,378	\$200,730,703	\$206,447,174	\$212,338,778	\$172,150,780
Potential Revenues:							
Amazon Revenue	\$0	\$4,000,000	\$6,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$4,976,000
Total Potential Revenues:	\$0	\$4,000,000	\$6,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$4,976,000
Total Revenues:	\$184,551,960	\$193,810,534	\$201,188,378	\$208,730,703	\$214,447,174	\$220,338,778	\$177,126,780
Expenditures:							
Salaries	\$65,955,085	\$70,084,398	\$73,411,731	\$76,602,124	\$79,647,026	\$82,810,795	\$82,810,795
Benefits	60,400,488	63,921,727	66,326,160	69,869,959	71,736,754	73,688,741	73,688,741
Services and Supplies	30,743,334	31,022,449	31,949,192	32,903,564	33,886,386	34,898,502	34,898,502
Other Operating	4,281,603	5,281,603	5,281,603	5,281,603	5,281,603	5,281,603	5,281,603
Internal Service Funds	2,668,559	2,701,931	2,735,969	2,770,689	2,806,102	2,842,224	2,842,224
Debt Service	10,562,900	8,735,828	8,104,826	7,757,036	7,835,972	7,885,105	7,885,105
Transfers Out	11,855,500	14,445,775	15,168,064	15,926,467	16,722,790	17,558,930	17,558,930
Total Expenditures:	\$186,467,470	\$196,193,711	\$202,977,546	\$211,111,443	\$217,916,634	\$224,965,902	\$224,965,902
[Rev - Exp] Over / (Under):	(\$1,915,510)	(\$2,383,176)	(\$1,789,168)	(\$2,380,740)	(\$3,469,461)	(\$4,627,123)	(\$47,839,122)

In November of 2025, the City retained Pobolsky Research and Willam Berry Campaigns to conduct a community poll to gauge the feasibility of continuing the existing one-cent sales tax.

The poll ran in February 2026 and found the following:

- Overall, 81% of those polled rate the quality of life in Salinas as good or fair.
- The community’s top concerns are maintaining streets and sidewalks, responding to homelessness, and planning for housing availability and affordability.

Overall, the polling results demonstrate support from the community to extend Measure G. Should the City Council elect to proceed with placing the measure on the November 2026 General Election ballot, City staff will proceed with public communications outreach.

It is important to note that the proposed measure is an **extension** of the existing one-cent sale tax, and not an increase to or a new sales tax.

A suggested timeline is attached hereto and briefly outlined below.

March 24, 2026 Presentation to City Council

March 25, 2026 Commence Educational Communication and Outreach

- March 26, 2026 Presentation to Joint Measure G and Measure E Oversight Committee
- May 19, 2026 Public Hearing: Draft Ballot Measure Extension Ordinance and Fiscal Impact Analysis
- June 30, 2026 Call for Consolidation of Election to place Measure G Extension on November 2026 ballot.
- September 30, 2026 End Educational Communication and Outreach
- November 3, 2026 Election Day

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

This report meets all the City Council goals, City Services, Public Safety, Infrastructure, Youth and Senior, Housing, and Economic Development as Measure G funds support services, projects and operations city-wide across all departments.

DEPARTMENTAL COORDINATION:

City Administration coordinated with the Finance Department and the City Attorney’s Office on this report in consultation with William Berry Campaigns and Probolsky Research.

FISCAL AND SUSTAINABILITY IMPACT:

There is no cost associated with this report. Should the Measure G Extension be placed on the November 2026 General Election ballot, cost associated with the consolidation of the election will be presented to the city Council as part of the FY 2026-27 Annual Operating budget.

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
N/A	N/A	N/A	N/A	N/A

ATTACHMENTS:

- Presentation
- Timeline