City of Salinas

200 Lincoln Ave., Salinas, CA 93901
www.cityofsalinas.org

Meeting Agenda - Final

Tuesday, February 24, 2026

4:00 PM

SALINAS ROTUNDA

City Council

Mayor Dennis Donohue
Councilmembers:
Jose Luis Barajas, District 1 - Tony Barrera, District 2
Margaret D'Arrigo, District 3 - Gloria De La Rosa, District 4
Andrew Sandoval, District 5 - Aurelio Salazar, District 6

Rene Mendez, City Manager
Christopher A. Callihan, City Attorney
City Clerk's Office: (831) 758-7381

ZOOM WEBINAR PARTICIPATION

JOIN THE ZOOM WEBINAR TO PARTICIPATE LIVE AT:

https://cityofsalinas.zoom.us/j/82990133700

To participate telephonically, call any number below:
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Webinar ID: 829 9013 3700
If prompted to enter a participant ID, press #.

PLEDGE OF ALLEGIANCE

ROLL CALL

CLOSED SESSION

Receive public communications from the audience on Closed session items.
The City Council will recess to closed session pursuant to:

ID#26-064

a. Labor Negotiations - California Government Code Section §54957.6 with its designated labor representatives Rene Mendez, City Manager; Lisa G. Murphy, Assistant City Manager; Christopher A. Callihan, City Attorney; Katherine Hogan, Assistant City Attorney; Selina Andrews, Finance Director; Marina Horta-Gallegos, Human Resources Director; Sylvia Enriquez, Human Resources Manager; and Che Johnson, Liebert Cassidy Whitmore, regarding labor relations with Service Employees International Union (SEIU), SEIU Supervisors, Salinas Municipal Employees Association/SEIU, Association of Management Personnel, Police Officers Association, Police Management Association, International Association of Firefighters, Fire Supervisors Association, Confidential Non-Management Employees, Confidential Management Employees, and Department Directors.

THE CITY COUNCIL WILL RECONVENE IN THE ROTUNDA AT 4:30 P.M.

PROCLAMATION

National Engineers Week, February 22-28, 2026

CITY OF CHAMPIONS

Merele Quintero

PUBLIC COMMENT PROCEDURES

If you wish to make a general public comment or comment on a specific agenda item, you are encouraged to attend the City Council meeting in person. Public comment may also be submitted via email at PublicComment@ci.salinas.ca.us and will be entered into the record. Public comments generally are limited to two minutes per speaker; the Mayor may further limit the time for public comments depending on the agenda schedule.

GENERAL PUBLIC COMMENTS

Receive public communications on items that are not on the agenda and that are in the City of Salinas' subject matter jurisdiction. Comments on Consideration, Public Hearing items, and the Consent Agenda should be held until the items are reached.

PRESENTATION

Councilmember comments on presentations are generally limited to three minutes.

ID#25-527 **Salinas Youth Council Updates and Comments**

Recommendation: No action required. The City of Salinas Youth Council will provide an administrative update to the City Council.

ID#26-063 **Hartnell College Foundation - Salinas Valley Promise**

Receive presentation from Dr. Jackie Cruz and Dr. Gabriela Lopez.

CALIFORNIA GOVERNMENT CODE §84308 - LEVINE ACT

Government Code § 84308. Parties to any proceeding involving a license, permit or other entitlement for use pending before the City Council must disclose any campaign contributions over $500 (aggregated) within the preceding 12 months made by the party, their agent, and those required to be aggregated with their contributions under Government Code § 82015.5. The disclosure must include the amount contributed and the name(s) of the contributor(s).

CONSIDERATION

ID#26-038 **2026 Legislative Platform**

Recommendation: Receive and adopt the City of Salinas 2026 Legislative Platform.

ADMINISTRATIVE REPORTS

ID#26-034 **Update On Predevelopment Activities for 34, 36, 38, 40, 37-39, and 45 Soledad Street in Chinatown**

Recommendation: No action required. Receive an update on predevelopment activities for 34, 36, 38, 40, 37-39, and 45 Soledad Street in Chinatown.

ID#26-054 **Rental Registration and Rent Stabilization 2025 Final Program Data and 2026 Implementation Activities**

Recommendation: No action required. Receive an administrative report on Rental Registration and Rent Stabilization Program (Program) 2025 final Program data and 2026 Program implementation strategy.

ID#26-050 **2025 Permit Center Annual Report**

Recommendation: No action required. Receive the 2025 Permit Center Annual Report.

CONSENT AGENDA

Matters listed under the Consent Agenda may be enacted by one motion unless a member of the Council requests a separate vote or discuss. Members of the public may comment on the Consent Agenda items collectively during their public comment.

ID#26-001 **Minutes**

Recommendation: Approve minutes of January 13, 2026.

ID#26-065 **Minutes**

Recommendation: Approve minutes of February 3, 2026.

ID#26-019 **2025 Annual Comprehensive Financial Report**

Recommendation: Approve a Resolution accepting the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2025.

ID#26-030 **Amendment No. 3 to the On-Call Streetlight Agreement with St. Francis Electric, LLC.**

Recommendation: Approve a Resolution authorizing the City Manager to execute Amendment No. 3 to the On-Call Streetlight Service Agreement with St. Francis Electric, LLC to increase the annual amount by $136,595 for a revised annual not-to exceed amount of $386,595; de-appropriating $137,000 from CIP 9163, Traffic Calming Improvements; and appropriating $137,000 to the Public Works Operating Budget.

ID#26-032 **Appropriation of $1,190,337 of HOME-American Rescue Plan Funds to the Housing Authority of Monterey County**

Recommendation: Approve a Resolution authorizing the appropriation of $1,190,337 of HOME-American Rescue Plan (HOME-ARP) Funds to the Housing Authority of Monterey County to provide supportive services through rental assistance for qualifying HOME-ARP populations at the Fairview Homekey permanent supportive housing site located at 1030 Fairview Avenue.

ID#26-049 **All-Way STOP at California Street and East San Luis Street**

Recommendation: Approve a Resolution establishing an All-Way STOP at California Street and East San Luis Street.

ID#26-051 **All-Way STOP Request for North Madeira Avenue and Roosevelt Street**

Recommendation: Approve a Resolution establishing an All-Way STOP at North Madeira Avenue and Roosevelt Street.

ID#25-507 **City-Wide Parking Enforcement Agreement**

Recommendation: Approve a Resolution authorizing the City Manager to execute a services agreement with LAZ Parking California, LLC for City-Wide Parking Enforcement Services in an amount not to exceed $1,949,175 through January 1, 2029 with and an option to extend the term for two (2) additional one-year periods.

ID#25-539 **Zoning Code Amendment 2025-001; Rescind Section 37-50.250 (Accessory Dwelling Units) of Chapter 37 of the Salinas Municipal Code (Zoning Code), remove and modify applicable Zoning Code Accessory Dwelling Unit (ADU) definitions and development regulations and apply applicable State ADU law for the processing of ADU applications**

Recommendation: Consider finding Zoning Code Amendment 2025-001 categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15305; and adopt an Ordinance to comply amending Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify the ADU development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State ADU Law to process ADU applications.

2ND READING

ID#26-022 **Ordinance amending Articles XIV and XIII of Chapter 16 of the Salinas Municipal Code**

Recommendation: Adopt an Ordinance amending Article XIV of Chapter 16 of the Salinas Municipal Code to update regulations prohibiting camping on public property; adopt an Ordinance Amending Article XIII of Chapter 16 of the Salinas Municipal Code related to the storage of personal property on public property.

2ND READING

COUNCILMEMBERS' REPORTS, APPOINTMENTS AND FUTURE AGENDA ITEMS

Receive communication from Councilmembers on reports, appointments and future agenda items. Councilmember comments are generally limited to three minutes.

ADJOURNMENT

Patricia M. Soratos, City Clerk

AGENDA MATERIAL / ADDENDUM

Any addendums will be posted within 72 hours of regular meetings or 24 hours of special meetings and in accordance with Californian Government Code Section 54954.2 and 54956. City Council agenda reports and other writings distributed to the legislative body may be viewed at the Salinas City Clerk's Office, 200 Lincoln Avenue, Salinas, and are posted on the City's website at www.cityofsalinas.org in accordance with California Government Code section 54597.5. The City Council may take action that is different than the proposed action reflected on the agenda.

Disability-related modification or accommodation, including auxiliary aids or services, may be requested by any person with a disability who requires a modification or accommodation in order to participate in the meeting. Language interpretation may be requested as soon as possible but by no later than 5 p.m. of the last business day prior to the meeting. Requests should be referred to the City Clerk's Office At 200 Lincoln

Avenue, Salinas, 758-7381, as soon as possible but by no later than 5 p.m. of the last business day prior to the meeting. Hearing impaired or TTY/TDD text telephone users may contact the city by dialing 711 for the California Relay Service (CRS) or by telephoning any other service providers' CRS telephone number.

PUBLIC NOTIFICATION

This agenda was posted on February 20, 2026 in the Salinas Rotunda and City's website.

Meetings are streamed live at https://salinas.legistar.com/Calendar.aspx, televised live on Comcast Channel 25 and on http://www.youtube.com/thesalinaschannel at 4:00 p.m. on the date of the regularly scheduled meeting and will be broadcast throughout the day on Friday, Saturday, Monday and Wednesday following the meeting. For the most up-to-date Broadcast Schedule for The Salinas Channel on Comcast 25, please visit or subscribe to our Google Calendar located at http://tinyurl.com/SalinasChannel25. All past City Council meetings may also be viewed on the Salinas Channel on YouTube at http://www.youtube.com/thesalinaschannel.

File #: ID#26-064, **Version:** 1

..Title
a. Labor Negotiations - California Government Code Section ⁄54957.6 with its designated labor representatives Rene Mendez, City Manager; Lisa G. Murphy, Assistant City Manager; Christopher A. Callihan, City Attorney; Katherine Hogan, Assistant City Attorney; Selina Andrews, Finance Director; Marina Horta-Gallegos, Human Resources Director; Sylvia Enriquez, Human Resources Manager; and Che Johnson, Liebert Cassidy Whitmore, regarding labor relations with Service Employees International Union (SEIU), SEIU Supervisors, Salinas Municipal Employees Association/SEIU, Association of Management Personnel, Police Officers Association, Police Management Association, International Association of Firefighters, Fire Supervisors Association, Confidential Non-Management Employees, Confidential Management Employees, and Department Directors.

File #: ID#25-527, **Version:** 1

..Title
Salinas Youth Council Updates and Comments
..Recommended Action
No action required. The City of Salinas Youth Council will provide an administrative update to the City Council.

CITY OF SALINAS
COUNCIL STAFF REPORT

DATE: **FEBRUARY 24, 2026**

DEPARTMENT: **ADMINISTRATION**

FROM: **RENÉ MENDEZ, CITY MANAGER**
SOPHIA ROME, COMMUNITY RELATIONS MANAGER
SALINAS YOUTH COUNCIL

TITLE: **SALINAS YOUTH COUNCIL UPDATES AND COMMENTS**

RECOMMENDED MOTION:

No action required. The City of Salinas Youth Council will provide an administrative update to the City Council.

EXECUTIVE SUMMARY:

The Council approved the establishment of a Youth Council Pilot Program through July 31, 2027. As Youth Councilmembers, they work on community projects and serve as liaisons between the school district, schools, and the City. This Administrative Report is to provide updates on Youth Council activities and provide the Council with comments on agendized items.

BACKGROUND:

On October 22, 2024, the Council approved the establishment of a Youth Council Pilot Program through July 31, 2025. The Pilot Program was extended through July 31, 2027, by Council Resolution on June 17, 2025.

The Youth Council participates in activities like:

- Youth Council representation and participation at City Council meetings
- Regular administrative updates to the SUHSD Board
- Serve as liaisons between the each SUHSD high schools' Associated Student Body (ASB) youth leadership and principals to increase civic engagement and outreach
- Leadership and skill development
- Community service projects

The purpose of the Youth Council is to increase youth representation in civic engagement, provide professional and leadership development opportunities for Salinas youth, and to serve as community connectors representing youth, their school sites, and school district.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

Youth and Seniors

- Improve, expand and develop youth and senior facilities and programs

Public Safety

- Increase collaboration with partner agencies to address public safety public health issues

City Services

- Promote equitable access to City services and foster inclusive development
- Engage residents and improve communication with the community

DEPARTMENTAL COORDINATION:

The Youth Council is supported through the City Manager's Office.

FISCAL AND SUSTAINABILITY IMPACT:

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:

None.

File #: ID#26-063, **Version:** 1

..Title
Hartnell College Foundation - Salinas Valley Promise

HARTNELL COLLEGE

Salinas Valley Promise Program

Data and Outcomes

Presentation for: Salinas City Council and Leadership
February 24, 2026

Presented by: Dr. Jackie Cruz and Dr. Gabriela Lopez

NOTE

85% of Hartnell students come from low-income families

AND

Low-income FAFSA completers are 127% more likely to enroll in college[1]

[1]Survey Data Strengthen Association Between FAFSA Completion and Enrollment
https://www.ncan.org/news/news.asp?id=456025

HARTNELL COLLEGE

Eligibility Requirements

- Be a graduate of a high school or adult school in the state of California*
- First-time college student (inclusive of dual enrollment students)
- Enroll full-time (at least 12 units or more)
- Submit the FAFSA or the California Dream Act Application**
- Participate in the student success seminar course or enroll in a cohort based partner program
- Participate in professional development workshops and mentorship
- Maintain at least a 2.0 semester GPA

SALINAS VALLEY PROMISE GOALS

✔ COLLEGE AND VOCATIONAL TRAINING ACCESS AND COMPLETION
✔ ECONOMIC RECOVERY
✔ WORKFORCE & ECONOMIC MOBILITY

Program Benefits

- 2 years of free in-state tuition, regardless of household income
- A free laptop **OR** textbook voucher
- Participation in a student success seminar
- Quarterly professional development workshops with fellow Promise students
- Faculty Champions advocating for students in each cohort
- Peer Mentoring in First Year of Program

Promise Peer Mentors, 2024-2025

PROGRAM BENEFITS

2 Years Free In-State Tuition

Regardless of household income.

Free Laptop OR Textbook Voucher

Essential tools for success.

Student Success Seminar Participation

Foundational support.

Quarterly Professional Development Workshops

Skill-building with fellow students.

Dedicated Faculty Champions

Advocating for your success.

Peer Mentoring in First Year

Guidance from experienced students.

Salinas Valley Promise is creating more accessibility & opportunity

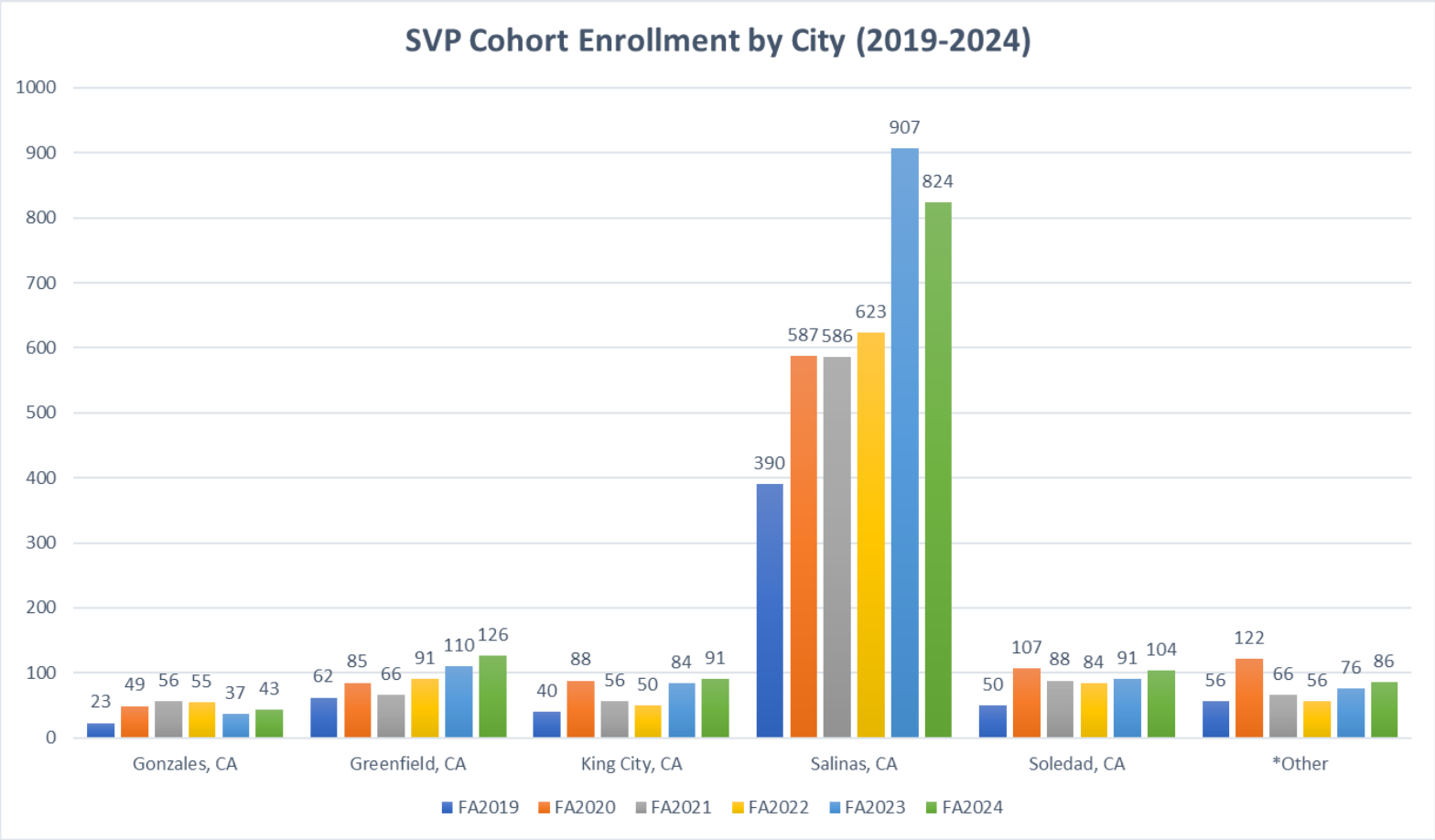
College Type	Cost of Attendance	Net Price ($1-30k Income)	Net Price ($30-48k Income)	Net Price ($48k-75k Income)
Community College	$6,418	$5,059	$6,040	$8,517
CSU	$11,226	$6,819	$7,708	$10,411
UC	$12,953	$7,354	$8,294	$11,273
CSU Monterey Bay	$14,487	$9,654	$11,487	$13,868
Monterey Peninsula College	$13,498	$12,241	$13,519	$15,221
Hartnell College	$2,895	$1,360	$1,477	$5,267

Source: Dept of Ed College Scorecard, 2024-25

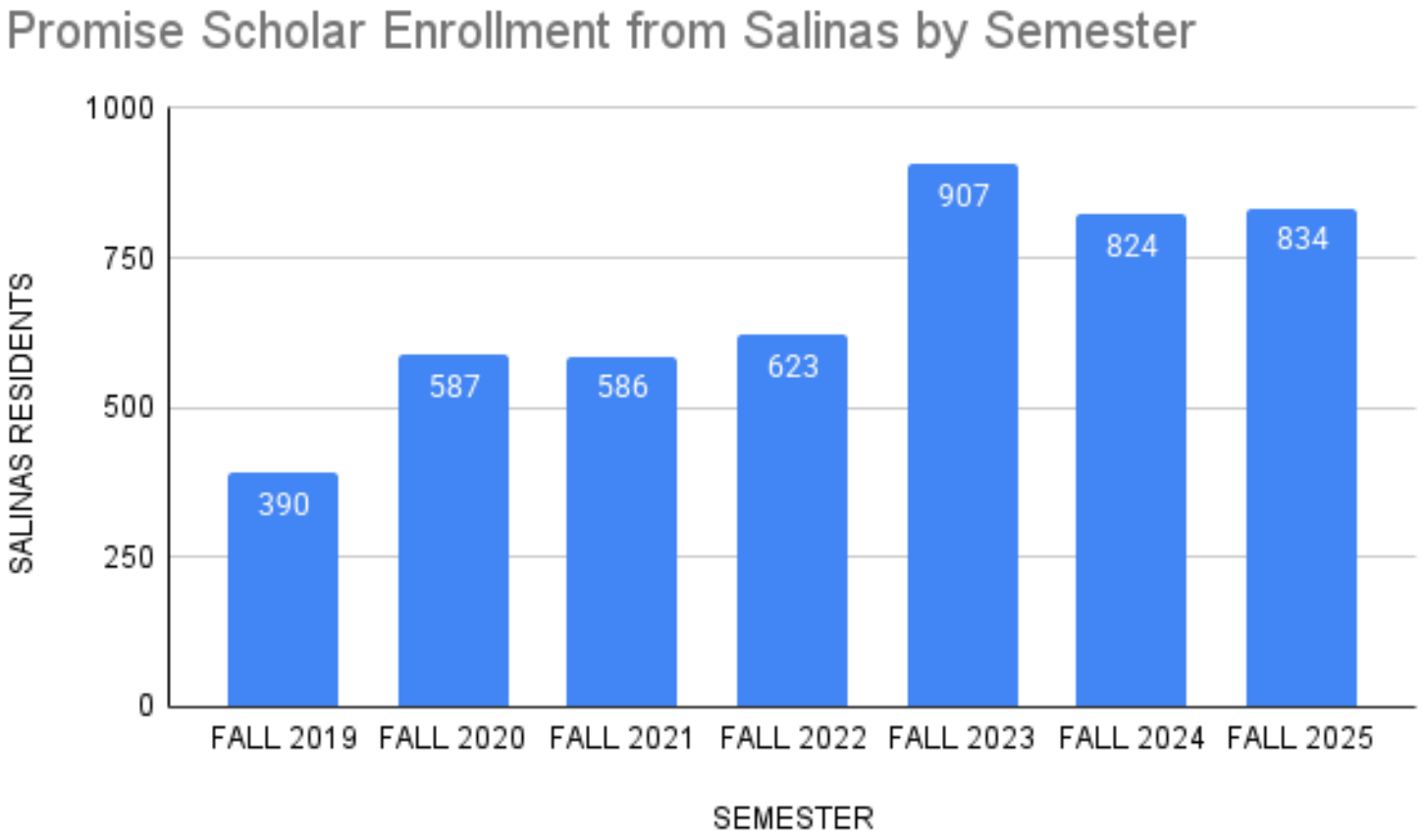
Growth by Year

Almost at scale: Fall 2024 cohort represented **62%** of first-time, full-time incoming class of students.

Enrollment Breakdown by City: 2019-2024

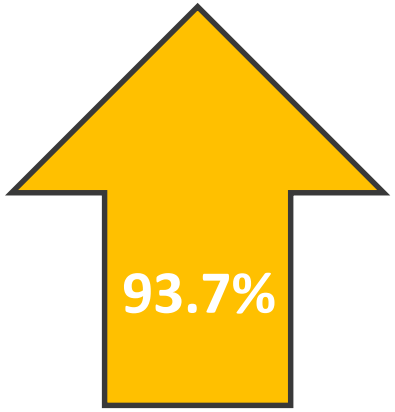


Salinas SVP Enrollment: 2019-2025



Impact of the Promise on Full-time Enrollment for First Time College Students

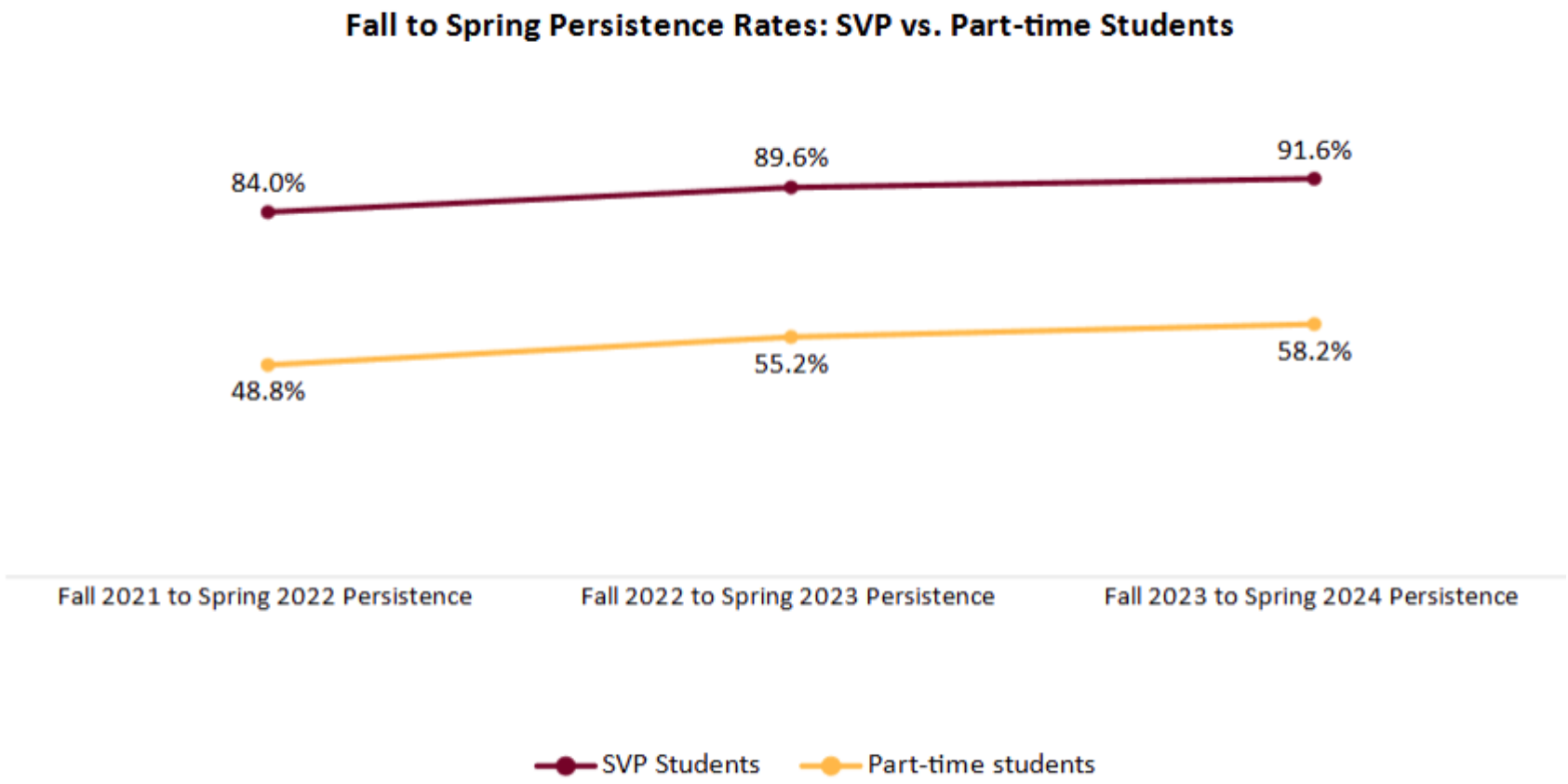
Full-Time Enrollment Growth Since the Start of the Promise Program



- Prior to the start of Promise program, in Fall 2017, 552 entering students were enrolled full-time, compared to Fall 2024 enrollment of 1,069 students attending full-time, an increase of **93.7%**.

*** The increase of full-time students is particularly important because full-time students complete a certificate, a degree or transfer to a university at a higher rate than part-time students.**

Salinas Valley Promise vs. First Time Part-Time Students



Note: Data was accessed from Hartnell Production Database on 1/21/25. Dual enrollment, JPA, and non-first time students are excluded from the cohort.

Data Results and Outcomes - Mentoring

Hartnell College was the first community college to partner with Mentor Collective.
Since, the following community colleges have become partners:

"My mentor has been an amazing help in my life,

he makes me realize and see things more clearly.

Sometimes it's in front of your face but can't see

until someone puts it into words for you."

Impact to Date (F19-SP25): Mentor Collective

2,258

Number of Students Matched with a Relevant Peer Mentor

195

Number of Trained Mentors

5,994

Communications Hours Saved

452

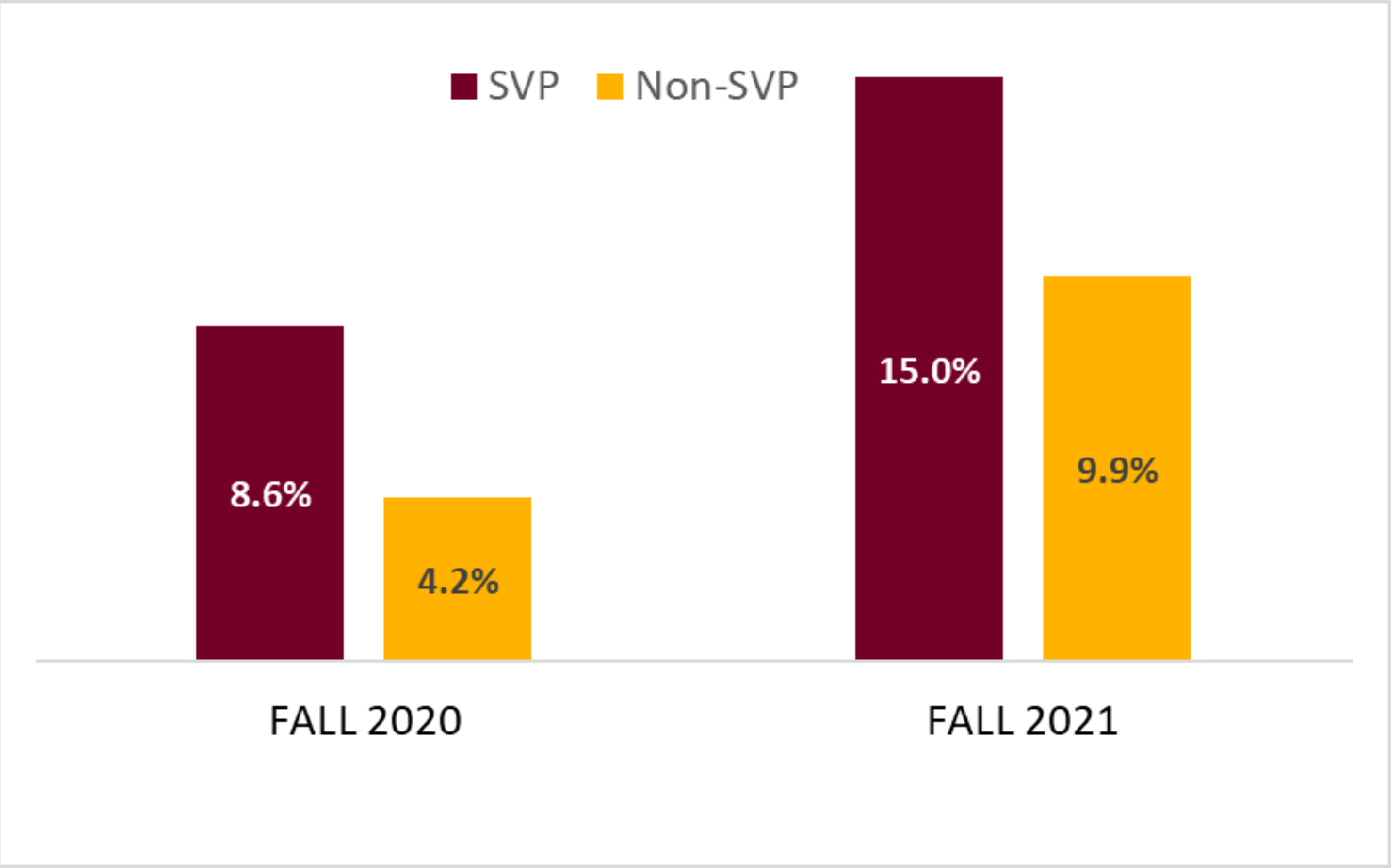
Hours Saved Matching

Peer Mentors

I feel very supported by Hartnell College! When I ask for help, I always receive good advice. As a member of the Salinas Valley Promise program, I'm grateful for all the help I've received since the beginning of the semester. As a member of Mentor Collective, being a mentee was the right decision to make because I feel very supported by my mentor. She is very helpful and checks in with me as well. I appreciate all her help. Overall, Salinas Valley Promise has made me feel guided.

- First Year Scholar, October 2024

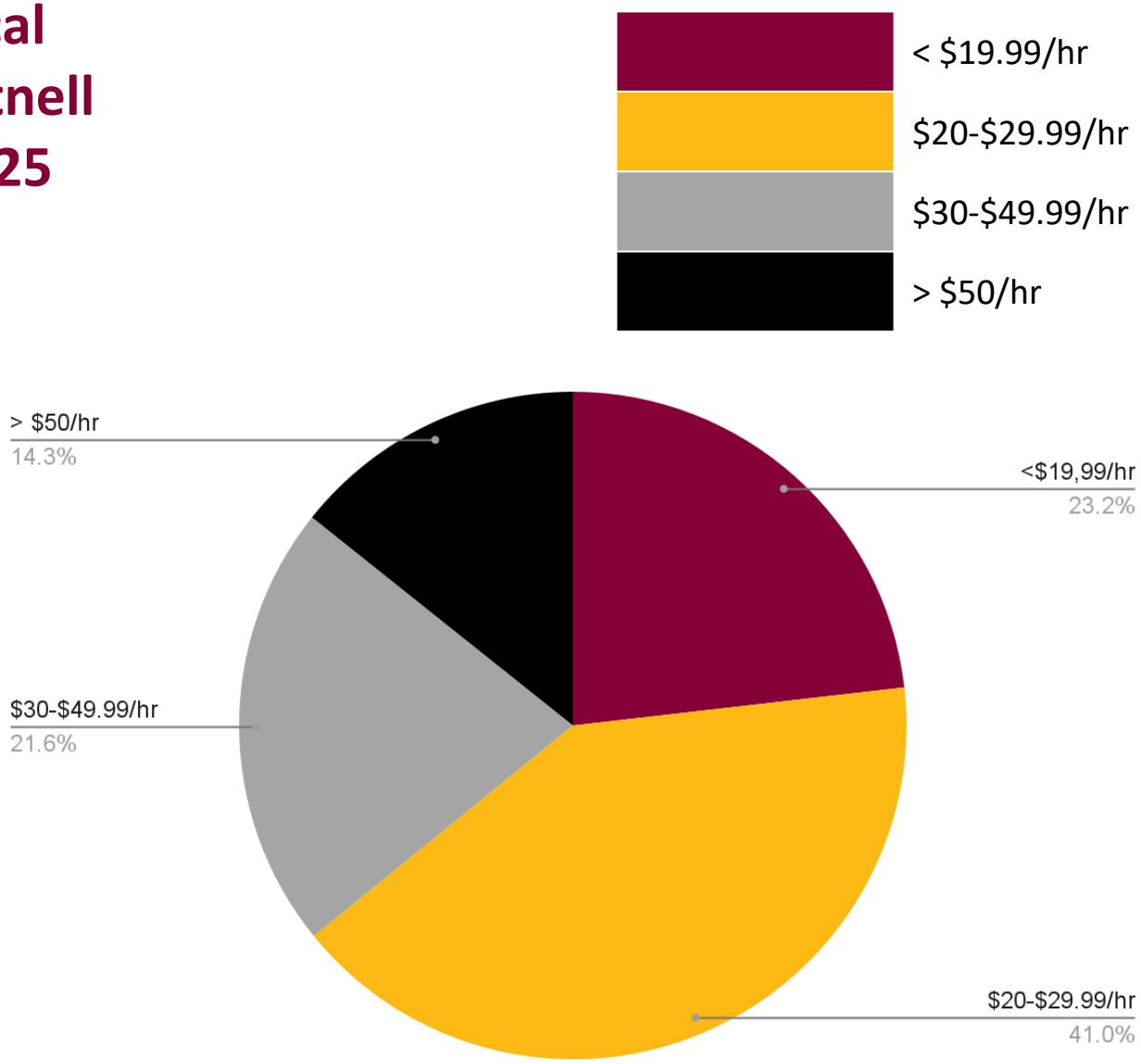
2020 and 2021 Cohort Data Results and Outcomes – Graduation Rates (2-Year)



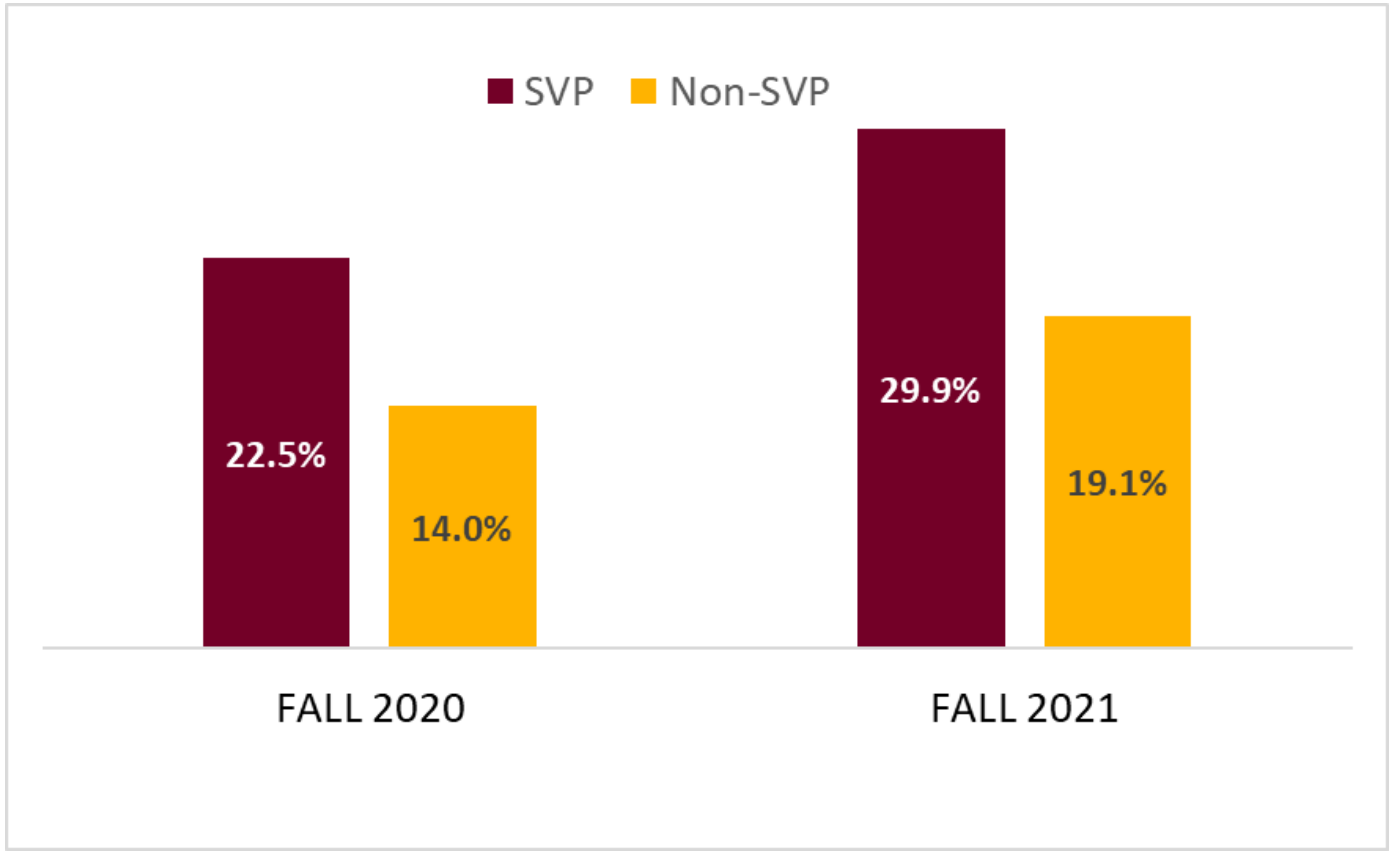
Note: Hartnell College are measured by 6-year graduation data, but we are seeking to push ourselves to with ambitious goals.

Source: Graduation Data was accessed from Hartnell databases on 7/15/25.

Workforce Outcomes-Career Technical Education (CTE) Graduates from Hartnell Increase Their Employee Wages – 2025



2020 and 2021 Cohort Data Results and Outcomes – Graduation Rates (3-Year)



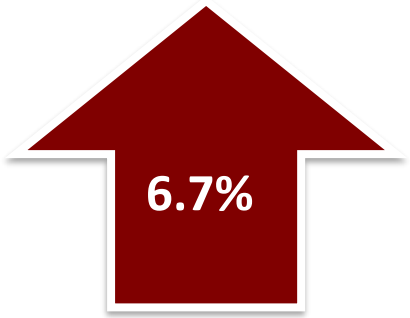
Note: Hartnell College are measured by 6-year graduation data, but we are seeking to push ourselves with ambitious goals.
Source: Graduation Data was accessed from Hartnell databases on 07/15/2025.

2024 Data Results and Outcomes – Persistence and Course Success

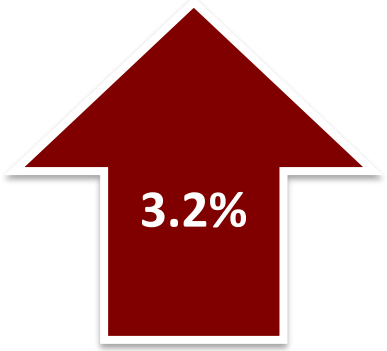
Persistence
In the Fall 2024, Promise participants had a very high (88.2%) persistence rate from Fall to Spring compared to 77.9% persistence in other first time, full time students not participating in the Promise, a 10.3% higher average.

Course Success Rate
In the Fall 2024, First-time, full-time Promise participants had a 3.2% higher course success rate than other first time, full time students who did not participate in the Promise
AND
In Spring 2024, Promise participants had a 6.7% higher success rate than other first time, full time students who did not participate in the Promise

Persistence Rate
Fall 2024 to Spring 2025
Promise Students versus non-Promise first-time, full time students



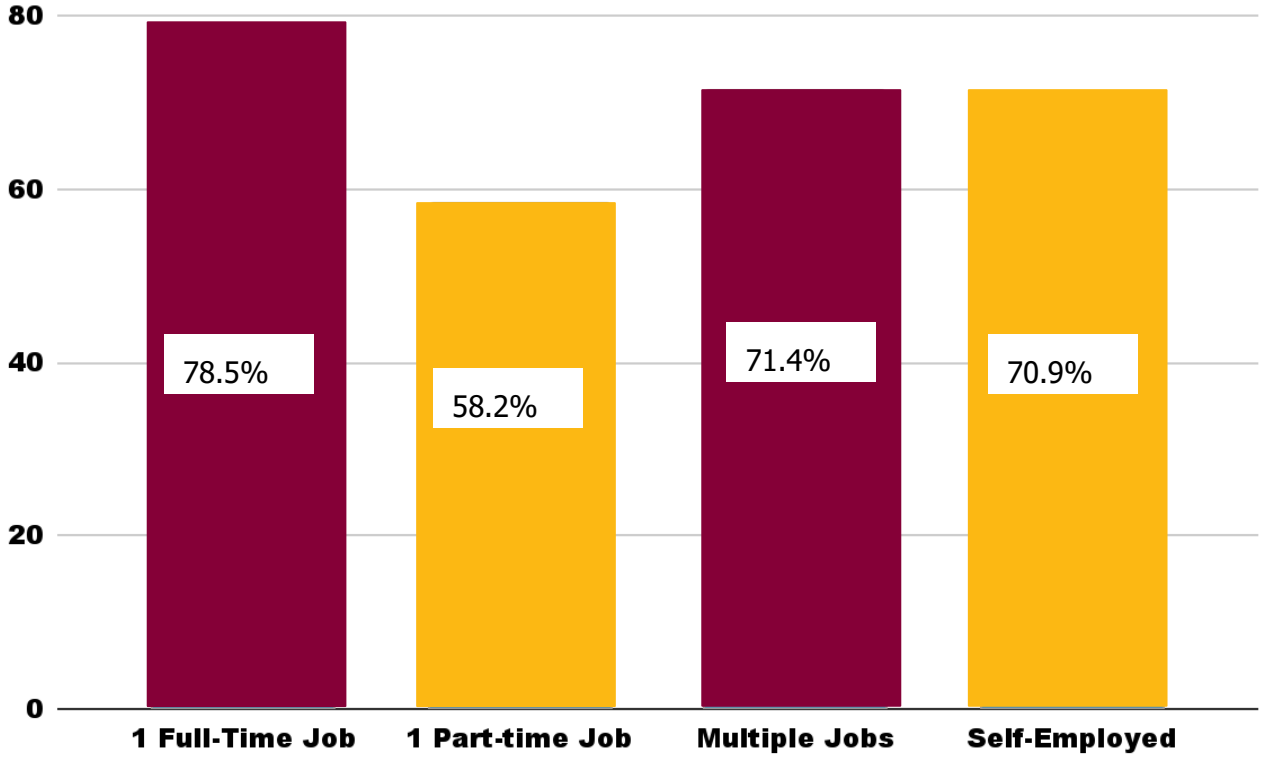
Course Success Rate
Spring 2024
Compared to non-Promise first time, full time

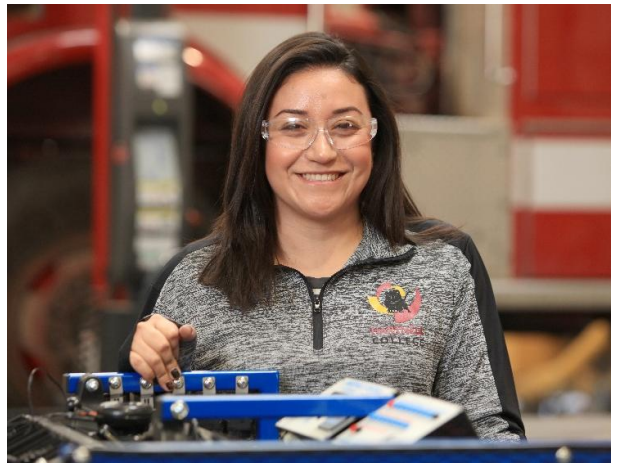


Course Success Rate
Fall 2024
Compared to non-Promise First time, full time

Workforce Outcomes- Graduates Improve Employment Status – Employment Status Outcomes 2025

Percent of respondents who report employment close or very close to field of study by employment status.





Workforce Development – STEM
Computer Science in 3 Years Program Outcomes

In collaboration with CSUMB, 230 students served in 8 cohorts.
Last graduating cohort June 2020.

	A.S. %	Transfer %	Internship %	B.S. %	Employment at Graduation
2013 Cohort	84%	84%	65%	75%	65%
2014 Cohort	88%	88%	60%	78%	47%
2015 Cohort	82%	82%	76%	76%	33%
2016 Cohort	90%	90%	43%	65%	30%
2017 Cohort	85%	85%	86%	81.5%	--
2018 Cohort	77%	75%	31%	54%	25%
2019 Cohort	79%	79%	42%	66%	53%
2020 Cohort	61%	67%	n/a	n/a	n/a

Note: AS%: Percentage of students who started in CSin3 in 2018FA and received AS.CISCS within 2 years
Source: AS% 2018-2020 from Hartnell Database and other metric provided by Mindy Sanchez-Ryan

Workforce Development – Nursing and Health Science

Field of Study	Survey Year	Total Response*	% Transfer
HEALTH	2017	28	29%
	2018	29	41%
	2019	34	53%
	2020	45	44%
	2021	37	51%

Note: * **Respondents** are Completers and Skill-building students who meet one of the following Criteria 1) Earned a certificate of 6 or more units, 2) Earned a vocational degree ,OR 3) Earned 9+ CTE units."

% Transfer: Percentage of respondents who transferred to 4-year colleges/universities

Source: CTE Employment Outcomes Survey (CTEOS)

Note: Number in blue has completers/leavers less than 10.

"Employment"" is ""the percentage of CTE program leavers and completers who did not transfer to a two or four year institution and were found during one of the four quarters following the cohort year in an apprenticeship program, Unemployment Insurance (UI) covered employment, the federal Government, or the military."""

Source: Career Technical Education (Perkins V), https://misweb.cccco.edu/perkins/Core_Indicator_Reports/Summ_CoreIndi_TOPCode.aspx, accessed on 7/28/22

	% Employed 2018-19	% Employed 2019-20	% Employed 2020-21
HEALTH (Overall)	92%	96%	97%
Respiratory Care Practitioner	*100%*	*100%*	95%
Registered Nursing	96%	94%	95%
Vocational Nursing	86%	96%	100%

Field of Study	Survey Year	Average Wage Before	Average Wage After	% Change in Wage
HEALTH	2017	18.57	38.46	107%
	2018	19.35	38.05	97%
	2019	22.69	42.98	89%
	2020	22.79	39.22	72%
	2021	17.33	39.63	129%

Source: CTE Employment Outcomes Survey

Workforce Development – Agriculture

Field of Study	Survey Year	Total Response	% Transfer
AGRICULTURE	2020	21	57%
	2021	25	68%
	2022	20	60%
	2023	10	80%
	2024	37	59%

Note: *__Respondents__ are Completers and Skill-building students who meet one of the following Criteria 1) Earned a certificate of 6 or more units, 2) Earned a vocational degree ,OR 3) Earned 9+ CTE units.“
% Transfer : Percentage of respondents who transferred to 4 year colleges/universities
Source: CTE Employment Outcomes Survey (CTEOS)

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"Employment"" is ""the percentage of CTE program leavers and completers who did not transfer to a two or four year institution and were found during one of the four quarters following the cohort year in an apprenticeship program, Unemployment Insurance (UI) covered employment, the federal Government, or the military."""
Source: Career Technical Education (Perkins V), https://misweb.cccco.edu/perkins/Core_Indicator_Reports/Summ_CoreIndi_TOPCode.aspx, accessed on 7/28/22

	% Employed 2021-2022	% Employed 2022-2023	% Employed 2023-2024
AGRICULTURE (OVERALL)	90%	50%	100%
Agriculture - Production	*67%*	NA	*100%*
Agriculture - Business	*100%*	*67%*	NA
Agriculture - Food Safety	*100%*	NA	NA
	2021-22	**2022-23**	**2023-24**
Advanced Automotive Technology	*100%*	*71%*	*100%*

Source: CTE Employment Outcomes Survey

Funding & Budget Projections 2025-2026 (with all income sources)

Budget Item	Projected 2025-2026
Marketing and Promotional Materials	$17,000
Supplies and materials	$20,000
Mileage	$250.00
Professional Development	$10,000
Mentorship Management Platform and Scholarship Platform	$30,000
Enrollment Tuition Waivers	$125,000
Scholarships (Includes textbooks/laptop) 1400 Students @ $500.00 each	$700,000
Total Programmatic Expenses	**$902,250**
Faculty Stipends for Faculty Mentors with fringe benefits	$30,000
Promise Program Coordinator with Benefits	$180,000
Promise Program Specialist with Benefits	$135,000
Peer Mentor Stipends	$65,000
Promise & First Year Success Director with Benefits	$202,000
Total Personnel Expenses with Salaries and Benefits	**$612,000**
Subtotal	**$1,514,250**
AB19 Funding	**$368,000**
College Funds (Director Salary)	**$202,000**
Lottery Funds	**$475,000**
Other Grant Sources (Mentoring Platform)	**$30,000**

Total Delta between existing college funding sources and the Salinas Valley Promise Program Funding Costs **$439,250**

OG Salinas Valley Promise Program Champions

Adrienne Laurent	Pres. Michael Gutierrez	
Dr. Jackie Cruz	Ruth Rodriguez	
Ana Valles	Dr. Willard Lewallen	
Andrea Bailey	Margaret D'Arrigo	
Aurelio Salazar, Jr.	Michele Peregrin	
Dr. Gabriela Lopez	Mike Briley	
Chelsy Pham	Monica Tovar	
Chris Lopez	Olegario Gomez	
Elliot Robinson	Dr. Pablo Romero	
Esther Rubio	Rene Mendez	

Funding Supporters

HARTNELLCOLLEGE

Salinas Valley Promise Program Funders – Thank you for your support!

Here for Good
Community Foundation for Monterey County

Bud and Rebecca Colligan

Thank You!

File #: ID#26-038, **Version:** 1

..Title
2026 Legislative Platform
..Recommended Action
Receive and adopt the City of Salinas 2026 Legislative Platform.

CITY OF SALINAS
COUNCIL STAFF REPORT

DATE: **FEBRUARY 24, 2026**

DEPARTMENT: **CITY ADMINISTRATION**

FROM: **LISA MURPHY, ASSISTANT CITY MANAGER**

TITLE: **2026 LEGISLATIVE PLATFORM**

RECOMMENDED MOTION:

Motion to adopt the 2026 Legislative Platform.

EXECUTIVE SUMMARY:
The Legislative Platform (Platform) establishes the principles that will guide the City's policy and legislative advocacy efforts at the regional, state, and federal level. The Platform focuses on the key areas that will enable the City of Salinas to deliver projects and programs to meet the needs of our community. Adopted annually, the City's Platform serves as a reference to guide the development of positions on legislative proposals and provides guidance for the City Council and staff throughout the year.

BACKGROUND:
Each year the Platform will be updated to highlight legislative and funding priorities for consideration and adoption by the City Council. The following key areas have been identified as the City's priorities, each with detailed policy positions:

1. Agriculture & Ag Tech
2. Healthcare
3. Housing & Homelessness
4. Transportation & Infrastructure
5. Economic & Community Development
6. Public Safety
7. Environmental Quality & Water Resources
8. Future Growth and Innovation

By adopting this Platform, the City Council authorizes the City's participation in state and federal advocacy efforts that are aligned with municipal interests. Based on the adopted Platform, the City will evaluate and take formal positions on specific bills, budget proposals, and regulatory matters.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No, Government Code §84308/Levine Act does not apply to this item.

STRATEGIC PLAN INITIATIVE:

Adopting the 2026 Legislative Platform is consistent with the 2025-2028 Strategic Plan's goals for Economic Development, Infrastructure, and Public Safety by turning the Strategic Plan's priorities into advocacy. The advocacy includes seeking funding for projects as well as policy changes needed to achieve the goals.

DEPARTMENTAL COORDINATION:

City administration coordinated with all of the departments to gather input on their priorities.

FISCAL AND SUSTAINABILITY IMPACT:

There is no fiscal impact to adopting the Platform

ATTACHMENTS:

1. 2026 City of Salinas Legislative Platform

Legislative Platform

SALINAS
RICH IN LAND | RICH IN VALUES

City of Salinas State and Federal Legislative Platform

Prepared by:
JEA & Associates

February 2026

About Us
City of Salinas

The City of Salinas, known as the "Salad Bowl of the World," is the largest city in Monterey County and a global leader in agriculture, Ag Tech, and innovation. With a population of over 160,000 residents, Salinas serves as a vibrant economic and cultural hub for the Central Coast. The city's economy is anchored by a multi-billion-dollar agriculture industry, world-renowned produce production, and a rapidly growing technology sector focused on sustainable farming and automation. Salinas is also home to a diverse and resilient community, a rich cultural heritage, and a strategic location near major transportation corridors. Committed to inclusive growth, public safety, and environmental stewardship, the City of Salinas continues to invest in its infrastructure, workforce, and future—serving as a model for smart, sustainable development in California.

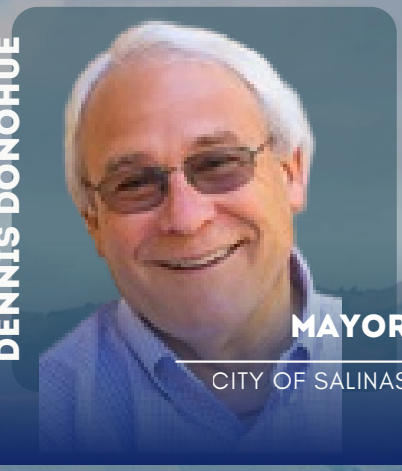
Contact

+831-758-7381
renem@ci.salinas.ca.us
www.cityofsalinas.gov

SALINAS

RICH IN LAND | RICH IN VALUES

CITY COUNCIL



DENNIS DONOHUE

MAYOR

CITY OF SALINAS

JOSE LUIS BARAJAS

COUNCILMEMBER

D1, CITY OF SALINAS

TONY BARRERA

COUNCILMEMBER

D2, CITY OF SALINAS

MARGARET D'ARRIGO

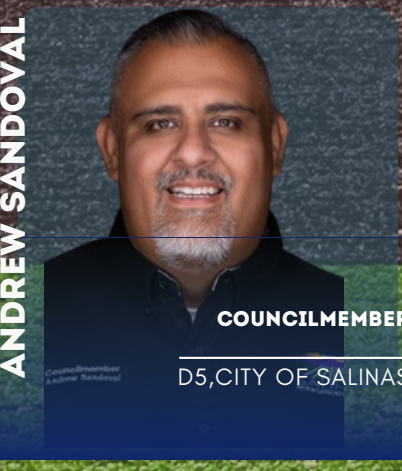
COUNCILMEMBER

D3, CITY OF SALINAS

GLORIA DE LA ROSA

COUNCILMEMBER

D4,CITY OF SALINAS



ANDREW SANDOVAL

COUNCILMEMBER

D5,CITY OF SALINAS

AURELIO SALAZAR

COUNCILMEMBER

D6, CITY OF SALINAS

LEGISLATIVE PLATFORM: *PURPOSE AND AUTHORITY*

The policy positions outlined in the City of Salinas State and Federal Legislative Platform reflect the City Council's strategic goals and priorities, as well as its stance on key legislative and regulatory issues currently under consideration or anticipated at the state and federal levels. This platform provides the foundation for the City's active engagement in shaping state legislation, administrative regulations, and funding decisions that directly impact Salinas' residents, economy, and infrastructure.

By adopting this platform, the City Council authorizes the City's participation in state advocacy efforts, including support for judicial action aligned with municipal interests. Guided by the principles in this document, the City will evaluate and take formal positions on specific bills, budget proposals, and regulatory matters.

Staff recommends this Legislative Platform be reviewed and updated annually to reflect shifts in the legislative landscape, emerging challenges, and priorities specific to Salinas and the greater Monterey County region—while remaining consistent with broader policy goals shared by municipalities throughout California.

CITY OF SALINAS LEGISLATIVE PLATFORM:

GOALS, PRIORITIES, & GUIDING PRINCIPLES

Strategic Goals and Priorities

- Strengthen Salinas' position as a global leader in agriculture and innovation by expanding its Ag Tech sector and promoting regional, national, and international partnerships.
- Enhance the quality of life for residents by ensuring equitable access to affordable housing, comprehensive healthcare, public safety services, and recreational amenities.
- Foster sustainable economic and environmental growth through smart land use, green infrastructure investments, and a commitment to renewable resources.
- Advocate for fiscal stability, disaster resilience, and modern infrastructure that supports thriving neighborhoods and future development.

Guiding Principles for Legislative Platform

- Advocate for fair, direct, and consistent state and federal investment in Salinas and its priority sectors, including agriculture, health, and infrastructure.
- Oppose any policy or legislation that restricts local government authority or imposes mandates without adequate funding.
- Support budgetary and legislative measures that reflect Salinas' long-term vision for economic growth, innovation, and equity across all communities.

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CITY OF SALINAS LEGISLATIVE PLATFORM

Agriculture & Ag Tech

- Support legislation and funding that affirms Salinas' global brand as the "Salad Bowl of the World," reinforcing its agricultural leadership and economic significance.
- Seek targeted state funding for Ag Tech initiatives that enhance food safety, crop yield, and automation, while creating career pathways for local workers.
- Promote international agricultural exchange and trade agreements that strengthen cross-border economic development, particularly with Mexico.
- Secure increased water allocations—specifically 1,000,000 gallons/day—to support critical agricultural operations, industry growth, and climate resiliency.
- Support state and federal legislation that provides grants and incentives that support Ag Tech programs including pilot demonstrations and field trials.

Healthcare

- Pursue ongoing funding streams for Salinas Valley Health and Natividad Medical Center to address regional service demands and public health disparities.
- Advocate for loan forgiveness, scholarships, and other recruitment tools to attract high-quality medical professionals to underserved areas.

- Expand the availability and integration of mental health, behavioral health, and rehabilitation services, especially for vulnerable populations and the regional workforce.

Housing & Homelessness

- Support affordable housing programs for farmworkers, educators, and emergency personnel essential to the local economy.
- Pursue state investment in transitional and supportive housing units to reduce chronic homelessness and improve community stability.
- Back policy changes that reduce regulatory barriers to housing development while protecting the City's local land-use control.
- Support legislation and programmatic funding for homeless services and encampment abatement.

Transportation & Infrastructure

- Support infrastructure investments that enhance freight corridors and accommodate commercial growth, including logistics expansions like Amazon's Salinas hub.
- Expand and modernize regional transit systems to improve access to jobs, reduce emissions, and improve connectivity across the Monterey Bay area.
- Secure continued Measure G and other state funding sources to improve roads, address traffic congestion, and upgrade pedestrian and bike infrastructure.
- Support advancement and funding for air mobility programs, innovation, and infrastructure.

Economic & Community Development

- Encourage business attraction and retention through policies that support industrial innovation, tax incentives, and streamlined permitting processes.
- Invest in quality-of-life infrastructure such as parks, libraries, and community centers to support both urban neighborhoods and agricultural communities.
- Rehabilitate outdated public infrastructure, aligning capital improvement plans with the needs of a growing and diverse population.

Public Safety

- Seek sustainable funding to increase police staffing, training, and community policing strategies that build trust and safety.
- Fund the design and construction of a new firehouse to meet growing service demand and reduce emergency response times.
- Invest in comprehensive emergency preparedness, including wildfire resilience, urban flooding mitigation, and rural response capabilities.
- Monitor and evaluate legislation related to loitering with intent to purchase commercial sex; ensure any new crime definitions do not disproportionately impact vulnerable populations, including sex trafficking victims, and advocate for survivor-centered approaches that improve public safety while protecting civil rights.

Environmental Quality & Water Resources

- Promote water conservation, stormwater capture, and groundwater recharge projects that serve both agricultural and residential users.
- Balance environmental regulation with practical economic development goals to sustain Salinas' agricultural base and green space planning.
- Secure state investment in water recycling, desalination exploration, and drought-proof technologies to future-proof Salinas' water supply.

Future Growth & Innovation

- Support Ag Tech expansion as a foundational component of Salinas' 21st-century economy, connecting education, startups, and industry.
- Plan for and invest in future housing and infrastructure to support projected job growth and demographic expansion.
- Modernize the City's welcome center as a hub for tourism, business support, and cultural engagement.
- Advocate for policies and funding that position Salinas as a leader in smart city planning, technological innovation, and inclusive economic development.

File #: ID#26-034, **Version:** 1

..Title
Update On Predevelopment Activities for 34, 36, 38, 40, 37-39, and 45 Soledad Street in Chinatown
..Recommended Action
No action required. Receive an update on predevelopment activities for 34, 36, 38, 40, 37-39, and 45 Soledad Street in Chinatown.

CITY OF SALINAS
COUNCIL STAFF REPORT

DATE: **FEBRUARY 24, 2026**

DEPARTMENT: **COMMUNITY DEVELOPMENT**

FROM: **LISA BRINTON, DIRECTOR**

BY: **GRANT LEONARD, PLANNING MANAGER**

TITLE: **UPDATE ON PREDEVELOPMENT ACTIVITIES FOR 34, 36, 38, 40, 37-39, AND 45 SOLEDAD STREET IN CHINATOWN**

RECOMMENDED MOTION:

Receive an update on predevelopment activities for 34, 36, 38, 40, 37-39, and 45 Soledad Street in Chinatown. No action required.

EXECUTIVE SUMMARY:

The City is currently in the process of developing site plans and architectural renderings for mixed-use affordable housing developments to be located on City-owned property at 34, 36, 38, and 40, 37-39, and 45 Soledad Street.

BACKGROUND:

As part of the on-going efforts to implement the Chinatown Revitalization Plan (2019), the City purchased 34, 36, 38, and 40 Soledad Street, 37-39 Soledad Street (Republic Café), and 45 Soledad Street. In 2023 the City applied for and received $1,555,000 in Regional Early Action Planning Grant (REAP 2.0) funding from the Association of Monterey Bay Area Governments (AMBAG) to complete predevelopment activities for the development of mixed-use affordable housing in the Chinatown neighborhood.

In February 2024, the City entered into a professional services agreement with TEF Architecture and Interior Design, Inc. (TEF) to develop conceptual site plans and architectural renderings for a mixed-use affordable housing development to be located at 34-38 Soledad Street, with the intent of obtaining planning entitlements prior to issuing a Request for Proposals to developers to then develop the sites. The agreement with TEF was later amended to include design and entitlement work for 37-39 and 45 Soledad Street, as well as preparation of construction documents for emergency stabilization and subsequent rehabilitation of 37-39 Soledad Street (Republic Café).

To date, TEF has prepared conceptual site plans and architectural renderings for 34, 36, 38, 40 and 45 Soledad Street that have been informed by site visits, the historic context of the property and

neighborhood, multiple stakeholder meetings, and consultation with affordable and market rate housing developers. Concepts for 37 and 39 Soledad are currently being finalized along with the construction documents for the emergency stabilization and future rehabilitation.

An important aspect of the predevelopment process has been the close and continued engagement with the Chinatown community stakeholders. Since 2024, the City and TEF have regularly consulted with the Chinatown Collaboration, Salinas Downtown Community Board, neighboring property owners such as Dorothy's Place and Victory Mission, and the general public on the design and use of future buildings located on 34, 36, 38, 40, 37-39, and 45 Soledad Street. The result is a mixed-use, multi-site development that includes multiple ground-floor commercial spaces, approximately 85 affordable housing units comprised of studios, 1-bedroom, 2-bedroom, 3-bedroom, and senior units, and space within the Republic Café (37 Soledad Street) for the Asian Cultural Experience of Salinas to develop a cultural museum dedicated the history of Chinatown. The exterior designs of the buildings also include elements of the historic architecture of Chinatown, thereby contributing to the unique look and feel of Chinatown.

In December 2025, the City and TEF submitted an entitlement application 34, 36, 38, 40 Soledad Street, are currently responding to comments received through the departmental review and intend to submit a revised application in March 2026. Simultaneously, the City and TEF are preparing to submit an entitlement application for 45 Soledad Street in March 2026. Following approval of the entitlement applications, the City will prepare and issue a Request for Proposals soliciting proposals from housing developers to construct the projects.

Finally, the City and TEF are preparing construction documents for the emergency stabilization of 37-39 Soledad Street to submit a building permit application in the Spring of 2026, followed by construction documents for the complete rehabilitation of 37-39 Soledad Street (Republic Café) to submit a building permit application in the Summer of 2026. A detailed cost estimate is being prepared with the construction documents, but the preliminary estimate is approximately $2 million for the emergency stabilization and $3 million for the rehabilitation. Construction of the stabilization and rehabilitation of the Republic Café (37-39 Soledad Street) are currently planned to be undertaken by the City, subject to funding availability.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

Development of City-owned properties in Chinatown advances the City Council's 2025-2028 Housing and Economic Development initiatives by supporting the development of mixed-use affordable housing and the revitalization of the Chinatown neighborhood.

DEPARTMENTAL COORDINATION:

The Community Development Department is leading this effort with close coordination with Public Works and Finance Departments.

FISCAL AND SUSTAINABILITY IMPACT:

There is no fiscal impact for the report. Funding for this project comes from the Regional Early Action Planning Grant (REAP 2.0) funds from the Association of Monterey Bay Area Governments (AMBAG) and the City's Chinatown Revitalization CIP (9070).

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:

1. Presentation

Update on Predevelopment for 34, 36, 38 ,40, 37-39, and 45 Soledad Street in Chinatown

2/24/2026
City Council

SALINAS
RICH IN LAND | RICH IN VALUES

TEF

Agenda

00 Background

01 Design Precedents

02 34-40 Soledad St.

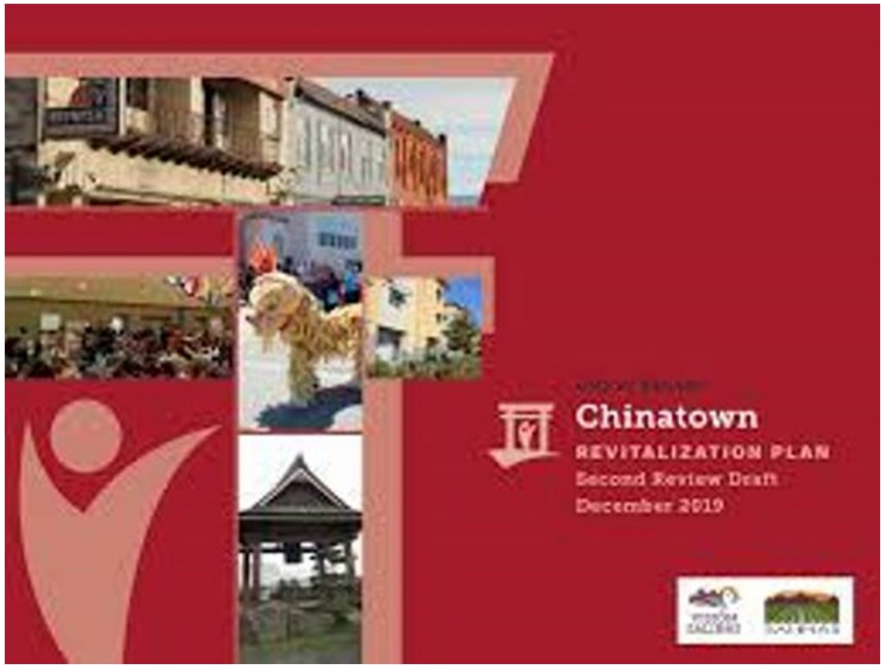
03 45 Soledad St.

04 37- 39 Soledad St.

05 Schedule and Next steps

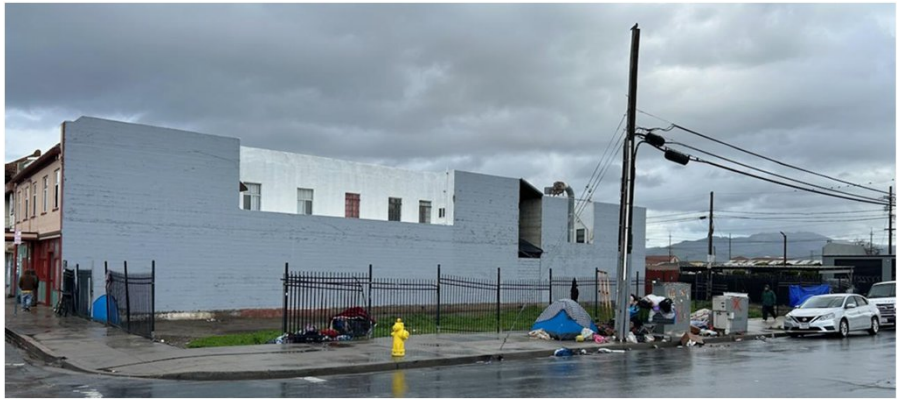
Chinatown Revitalization

- Continued implementation of 2019 Chinatown Revitalization Plan
  - Safety and Homelessness
  - Infrastructure Improvements
  - Economic Development
  - Housing Development

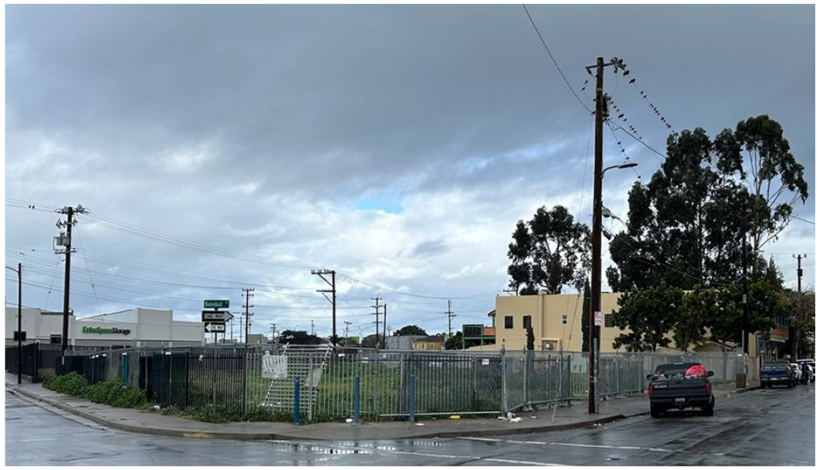


Project Background

- City purchase of vacant properties
  - 45 Soledad Street
  - 34, 36, 38, 40 Soledad Street (one property)
  - 37-39 Soledad Street (Republic Cafe)
- Grant funding for predevelopment work in 2024
  - $1.5 million Regional Early Action Planning Grant
  - TEF Design selected for design and entitlement work



45 Soledad Street



34, 36, 38, 40 Soledad Street

Project Map

34 & 36 Soledad: 1-story buildings, formerly commercial/ restaurant use - demolished in 2025 after fire

38 Soledad: 2-story building, formerly Arre's Pool Hall + apartments, eligible Historic Resource - demolished in 2025 after fire

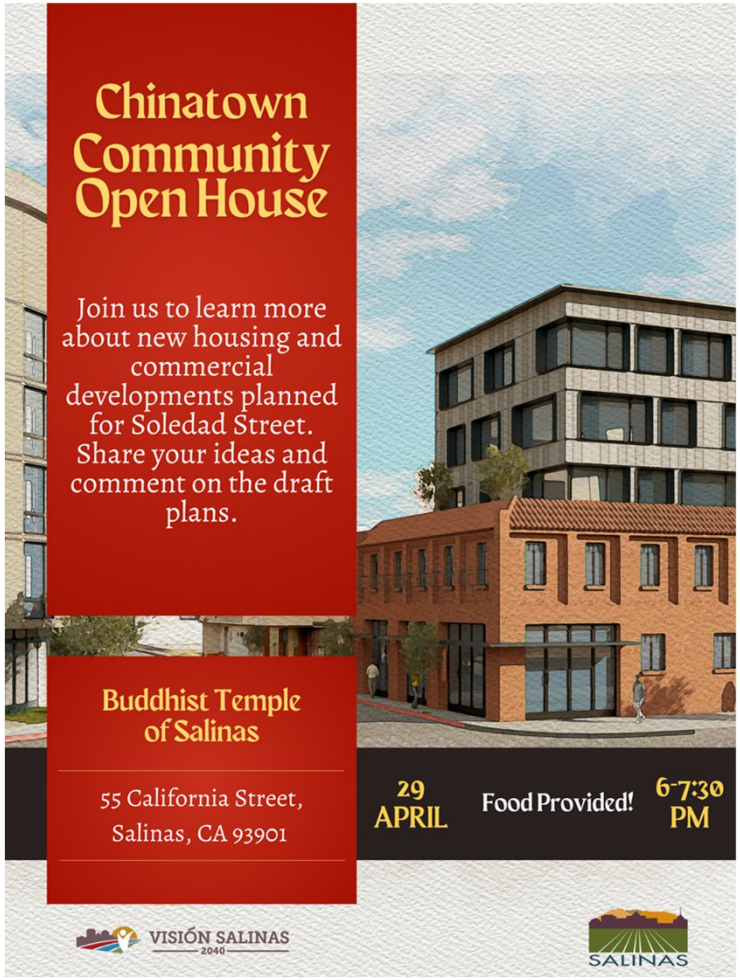
40 Soledad: Empty lot

37-39 Soledad: Republic Cafe, NRHP listed property + Lotus Inn

45 Soledad: 2-story building, formerly mixed use - demolished in 2017 after fire

Goals for Predevelopment

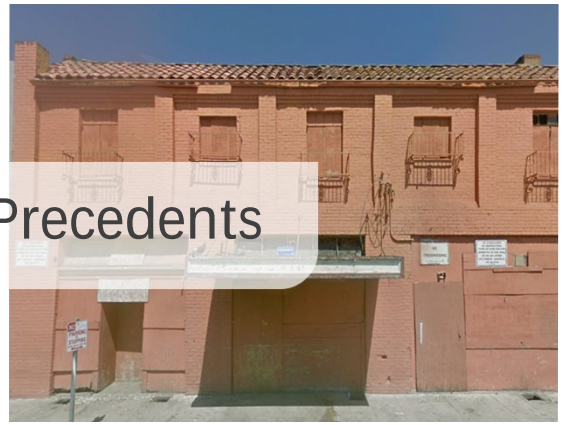
- Complete all required predevelopment tasks before a developer is selected
  - Planning entitlements
- Ensure community engagement
  - Design that reflects the rich history and architecture of Chinatown
- 100% affordable mixed use development
  - Varied income levels
  - Mix of unit types - studio, family, senior
  - Commercial spaces designed for success



Background on Process to Date

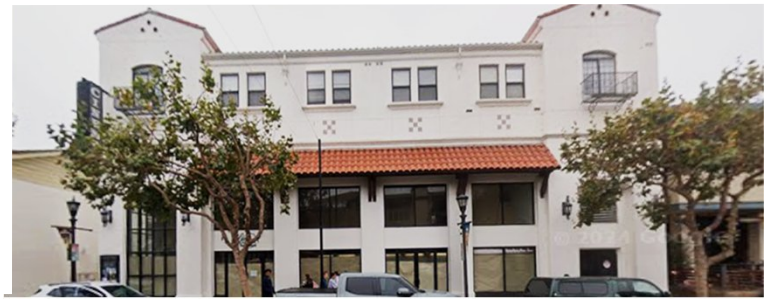
May 2024:	Project Kick-Off (34-40 Soledad)
June 2024:	Community Visioning Community
July 2024:	Meeting with Historic Resources Board (34-40 Soledad)
Aug. 2024:	Developer Consultations (34-40 Soledad)
Jan. 2025:	Project Kick-Off (45 Soledad)
Feb 2025:	Meeting with Historic Resources Board (45 Soledad)
March 2025:	Market Study (34-40 & 45 Soledad)
April 2025:	Community Visioning Workshop (45 Soledad)
June 2025:	Costing Package (34-40 & 45 Soledad)
In Progress:	CEQA Exemption is being prepared 34-40 Soledad Site Plan Review submitted to City Dec 22nd 2025

01 Design Precedents

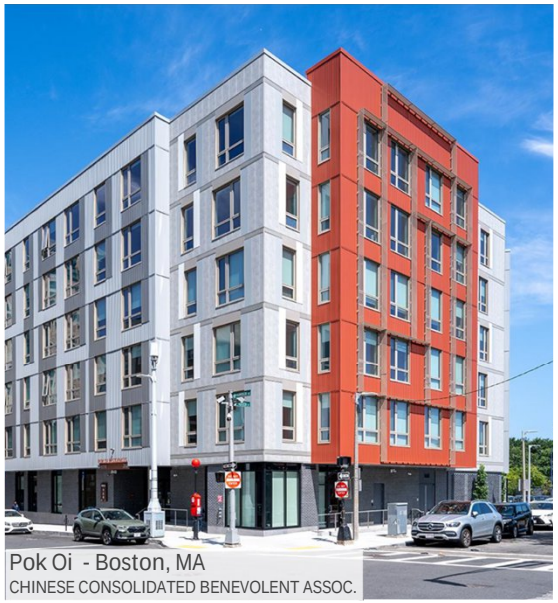


Mural by BiP Apollo

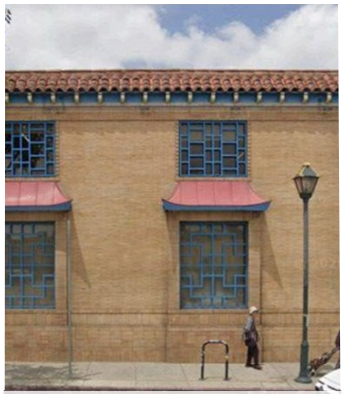
Mural by Josh Wigger



Casa de la Mision, The Mission, SF
MERCY HOUSING

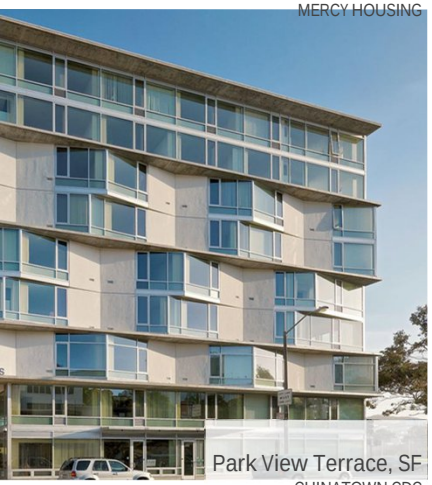


Pok Oi - Boston, MA
CHINESE CONSOLIDATED BENEVOLENT ASSOC.



951 N Broadway - Los Angeles

Maceo May - Treasure Island
CHINATOWN CDC



Park View Terrace, SF
CHINATOWN CDC

Tahanan - SOMA Pilipinas, SF
MERCY HOUSING

Gum Moon
Chinatown, SF

Morning Star
Japantown, SF

900 Pacific - SF
CHINATOWN CDC

Spanish Revival Influence

Historic Design Context - Early Settlement of the Salinas Valley

- Barrel clay tile awnings
- Small decorative tile wall accents
- Stucco finish with warm earth tone colors

330 Alvarado Street - Monterey, CA

186 Lighthouse Ave - Monterey, CA

439 Soledad Street - Salinas, CA

Chinese Influence

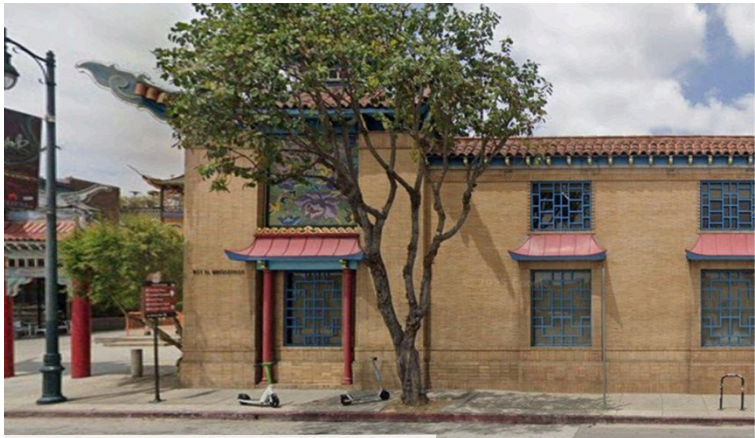
Historic Design Context - Establishment of Salina's Chinatown

- Chinese Red color - Good fortune, joy and celebration
- Moongate - symbolizes a passage into serenity, renewal and good fortune in connection to lunar deities.

946 Mei Ling Way - Los Angeles, CA

Moongate Lounge, SF

E.A. Library, UC Berkeley



951 N Broadway - Los Angeles, CA

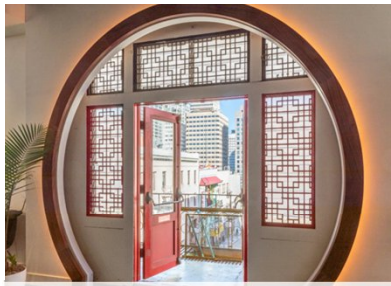
Moon Gate

Design Concepts

- A welcoming and secure entry
- Easy wayfinding
- Inspired by Chinese motif

Blue Oak Landing, SF - Eden Housing

Dr. Sun Yat-Sen, Vancouver



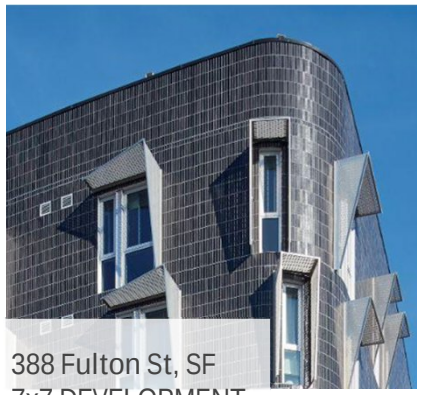
Moongate Lounge, SF

Hortus Haren Botanical Garden, Netherlands

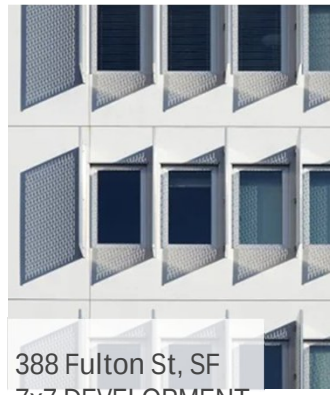
Solar Shades

Design Concepts

- Japanese joinery techniques
- Perforated metal to match moongate entry
- Visually connect 34-40 and 45 Soledad with a similar design element



388 Fulton St, SF
7x7 DEVELOPMENT



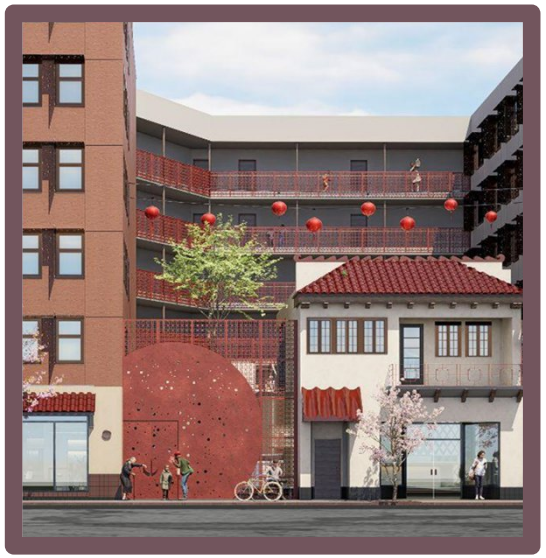
388 Fulton St, SF
7x7 DEVELOPMENT

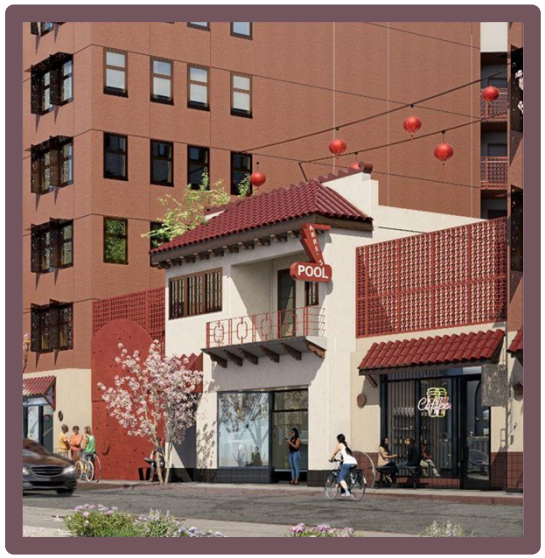
Casa de la Mision, SF
MERCY HOUSING

String of Lanterns

Design Concepts

- Inspired by Asian cultural relevance
- Connecting the two taller volumes of 34-40
- Celebrating the historic replica in the center and its presence on the site





Stainless Steel Lantern

Chinatown, SF

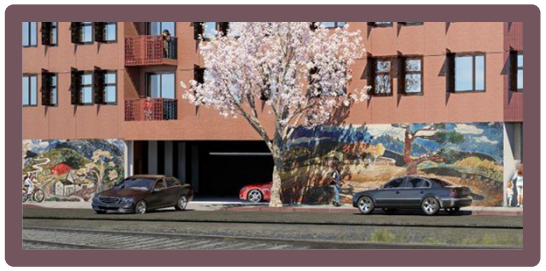
Lantern Festival

SOMA Pilipinas Patrol Lantern Festival + Parade, SF

Mural Opportunities

Design Concepts

- Breaking up large expanse of wall in an economical way
- Celebrates local artists and ideas, giving voice to the community



Lotus in Rain

Odello Artichoke Field #2

The murals shown at 34–40 and 45 Soledad showcase a selection of Belle Yang's art and are used with her permission.

ABOUT BELLE YANG:
"Born in Taiwan, Belle Yang is author and illustrator of adult nonfiction books, children's books and a graphic memoir. She spent part of her childhood in Japan. At age seven she emigrated to the United States with her mother and father. She attended Stirling University in Scotland, graduated from the University of California, Santa Cruz in biology but went on to study art at Pasadena Art Center College of Design and the Beijing Institute of Traditional Chinese Painting."

After Brueghel

Conceptual Soledad Gateway

Conceptual Neighborhood Square

Artwork Credit: Belle Yang
Mural Art Work Potential

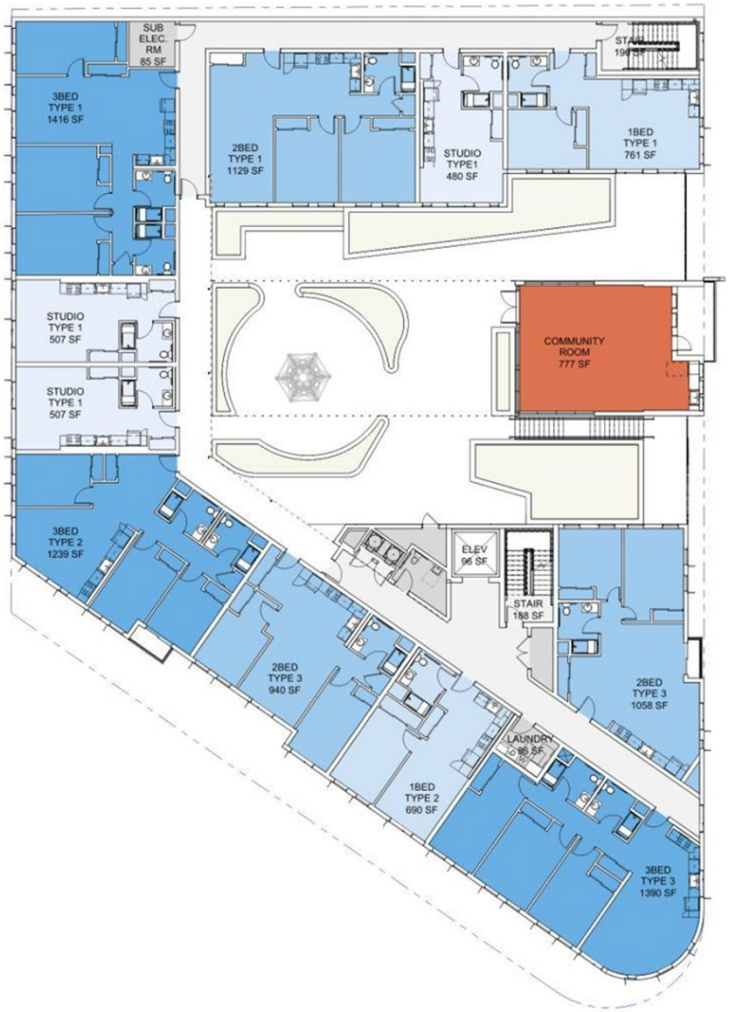
02 34-40 Soledad

34-40 Soledad
Ground Floor Plan

- Retail
- Lobby/Resident Services
- Back of House/Mechanical
- Parking/Circulation

34-40 Soledad

Floor Plan - Level 2



- Community
- Studio
- 1 Bedroom
- 2 Bedroom
- 3 Bedroom

34-40 Soledad
Floor Plan - Level 3-6

- Community
- Studio
- 1 Bedroom
- 2 Bedroom
- 3 Bedroom

34-40 Soledad

Mixed Use
Commercial + Multi-Family Affordable Housing

Level 1		
Commercial Space		5,876 SF
Resident Lobby/Service		1,155 SF
Car Parking Spaces		11 spaces
Bike Long Term Storage		18 spaces
Bike Short Term Storage		4 spaces

Level 2		
Shared Open Space		2,897 SF
Community Room		777 SF

Levels 2-6: 55 Residential Units		
Studios	15	27%
1 Bed	10	18%
2 Bed	15	27%
3 Bed	15	27%

Artwork Credit: Belle Yang
Mural Art Work Potential

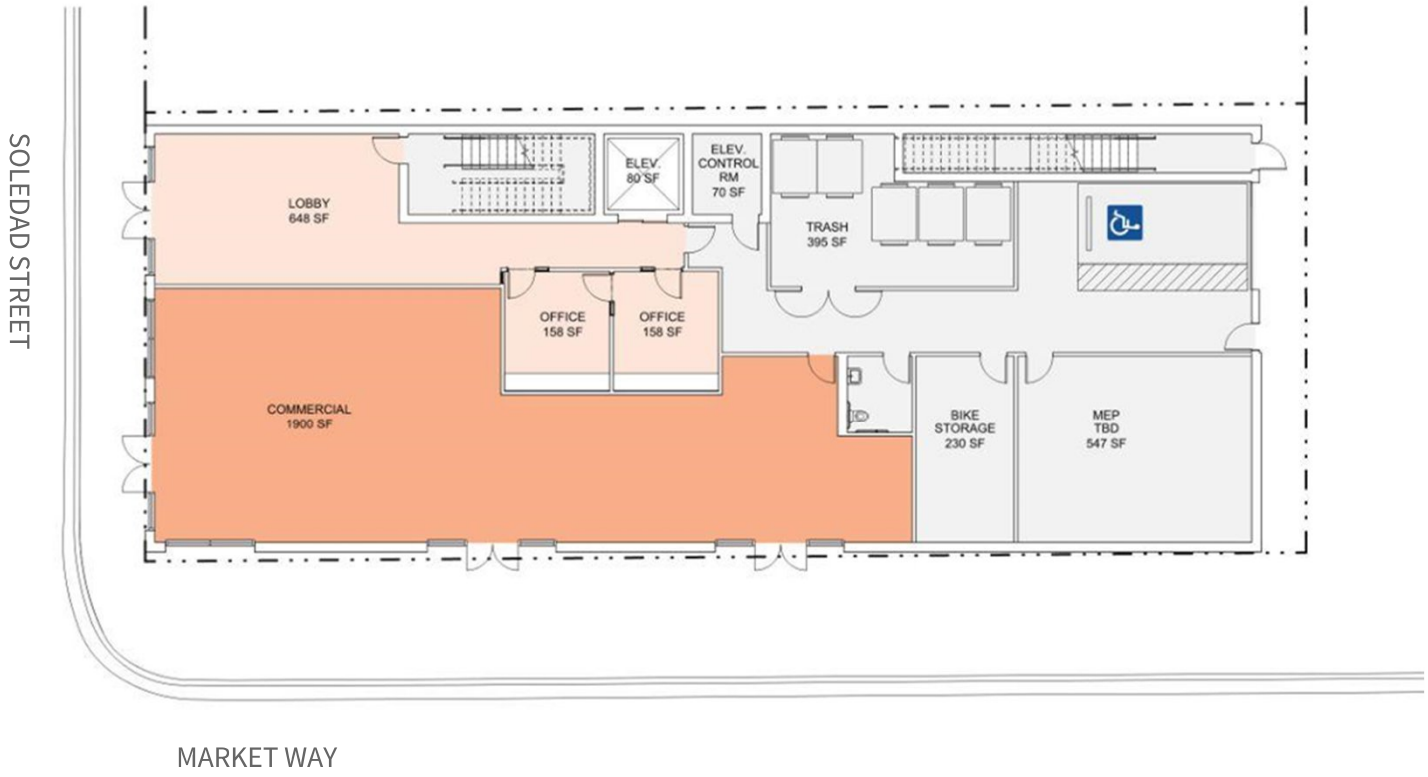
34-40 Soledad

Soledad Street Elevation

34-40 Soledad
Market Way Elevation
24
Artwork Credit: Belle Y
Mural Art Work Poter

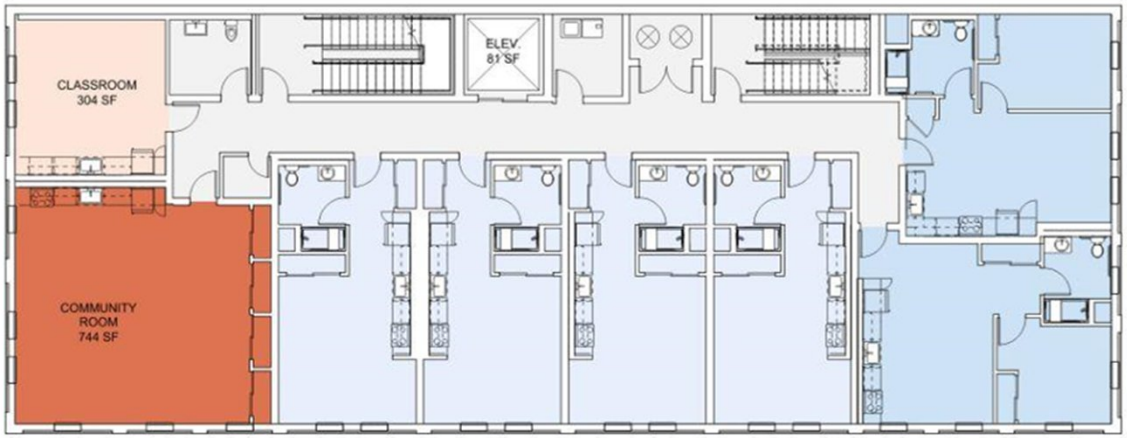
03 45 Soledad

45 Soledad
Ground Floor Plan



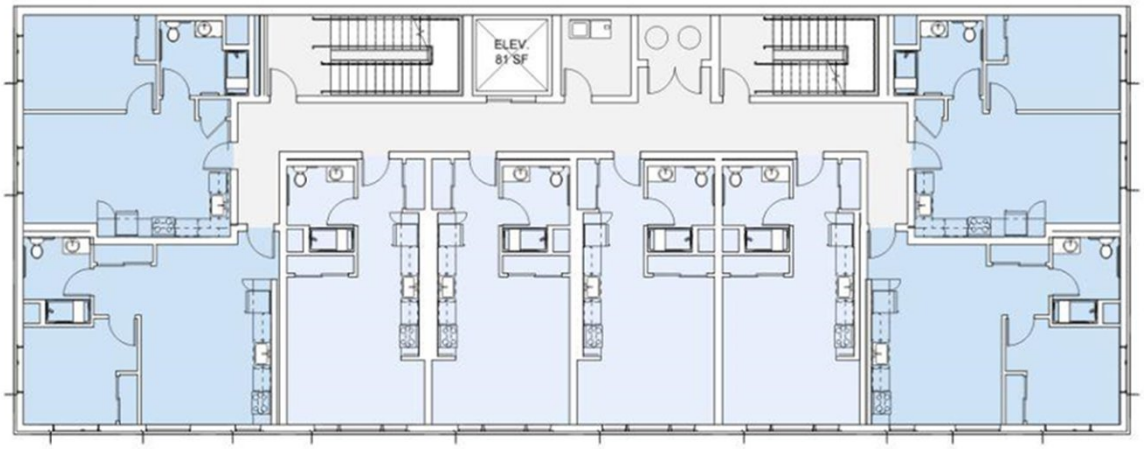
- Retail
- Lobby/Resident Services
- Back of House/Mechanical
- Parking/Circulation

45 Soledad
Floor Plan - Level 2



- Community
- Resident Services
- Studio
- 1 Bedroom

45 Soledad
Floor Plan - Level 3-6



Studio

1 Bedroom

45 Soledad

Mixed Use - Commercial + Affordable Senior Housing

5-Stories: 30 Units

Level 1

Commercial Space	+/- 1,900 SF*
Resident Lobby/Service	+/- 650 SF
Car Parking Spaces	1 space

Levels 2-5: 30 Units

Classroom	+/- 300 SF
Community Room	+/- 460 SF
Studios	16
1 Bed	14

*AREA EXPECTED TO DECREASE WITH FURTHER MEP DEVELOPMENT

Artwork Credit: Belle Yang
Mural Art Work Potential

45 Soledad

Soledad Street Elevation

45 Soledad
Market Way Elevation

Artwork Credit: Belle Yang
Mural Art Work Potential

04 37-39 Historic Structures Report, Stabilization & Rehab Design

Historic Structures Report Findings

Republic Cafe

37 Soledad Street

Historical Significance:

- Listed *Salinas Historic Resource:* 1989
- Designated in *National Register of Historic Places*: 2011

Historic Structures Report Findings:
Eligible for National Register of Historic Places under the following:

- *Criterion A:* Associated with cultural heritage as prominent ethnic minority business
- *Criterion B:* Association with Wallace Ahtye Sr. & Lily Ahtye
- *Criterion C:* Architecturally distinctive example of Chinese-inspired architecture

Lotus Inn

39 Soledad Street

Historical Significance:

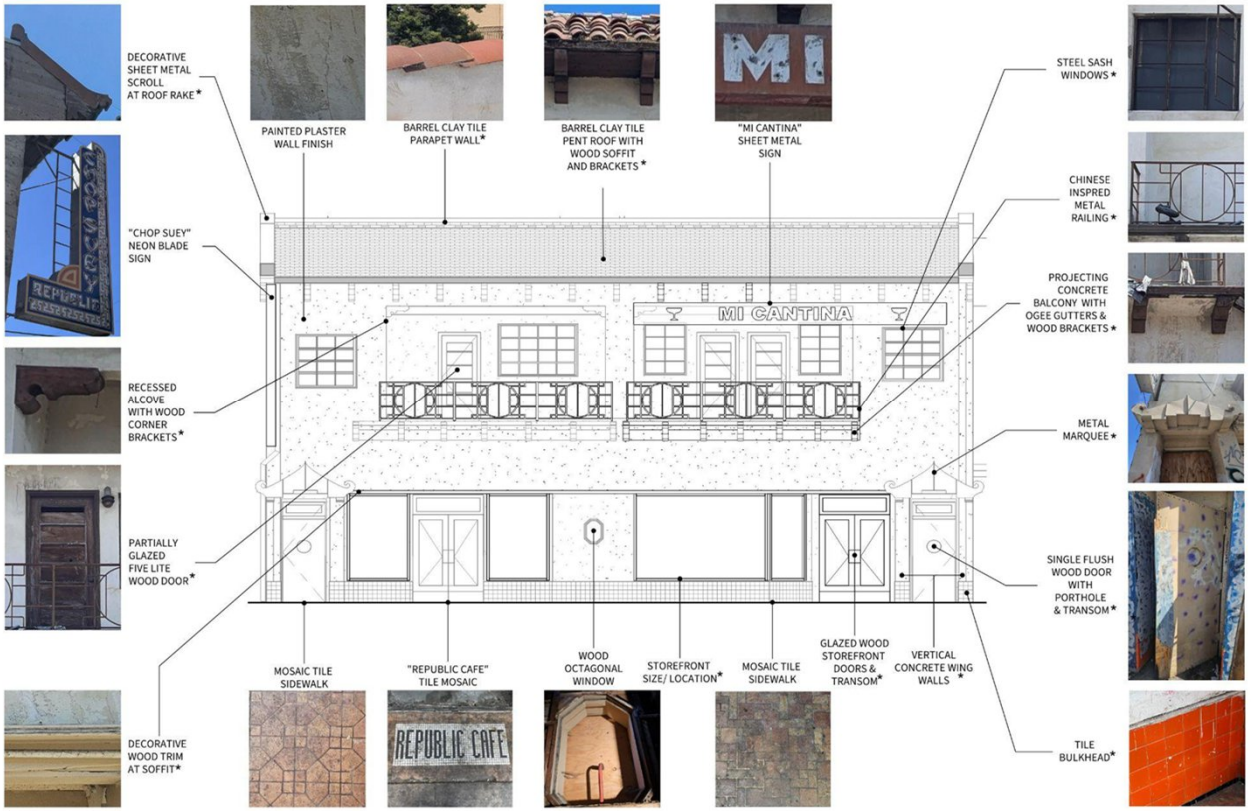
- Listed *Salinas Historic Resource:* 1989
- Eligible for *National Register of Historic Places*

Historic Structures Report Findings:
Eligible for National Register of Historic Places under the following:

- *Criterion A:* Associated with cultural heritage as prominent ethnic minority business
- *Criterion C:* Architecturally distinctive example of Chinese-inspired architecture

TEF

West Facade Character Defining Features



* feature is present on both 37 & 39 Soledad Street

37-39 Soledad Street

Emergency Stabilization Scope of Work

- Stabilize front facade
- Repair fire damaged components
- Install Fire Sprinkler System
- Stabilize building structure
- Make watertight (roof replacement) and vandal resistant

Areas of Temporary Reconstruction

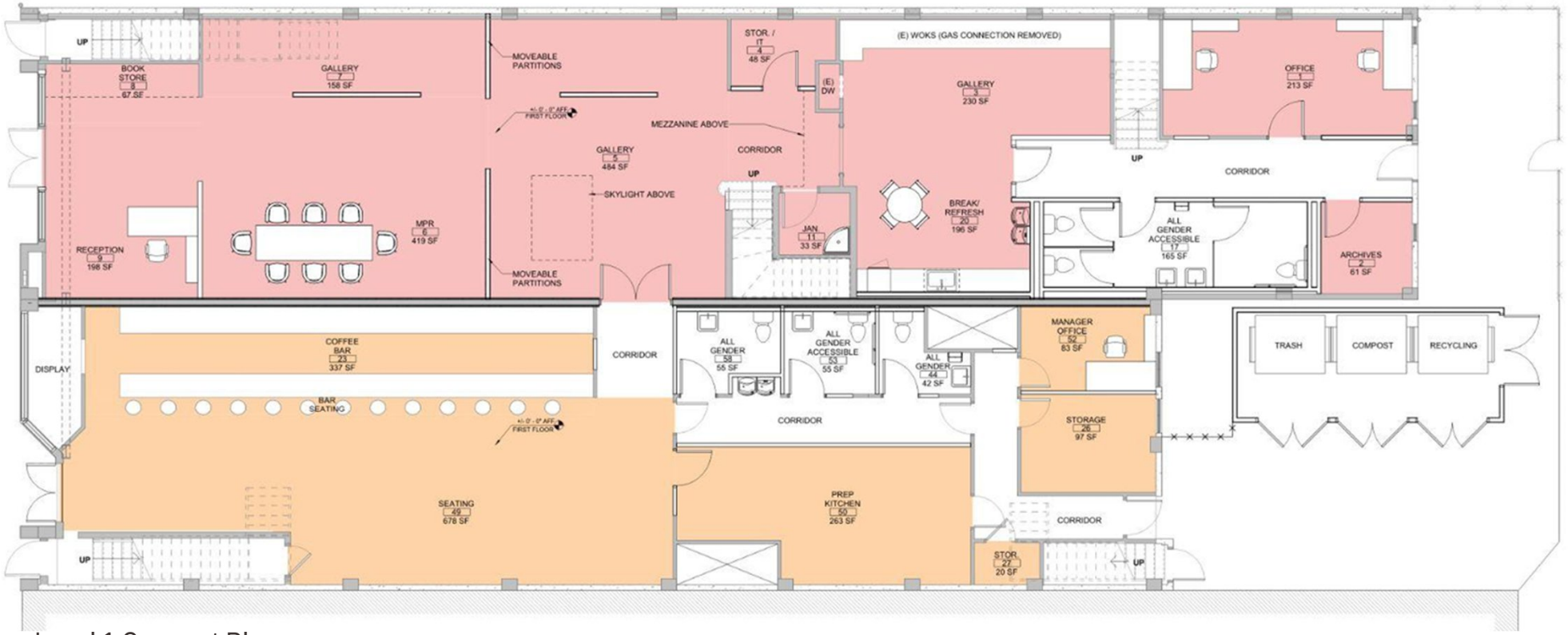
37-39 Soledad

Soledad Street Elevation

37-39 Soledad Street

Museum Area

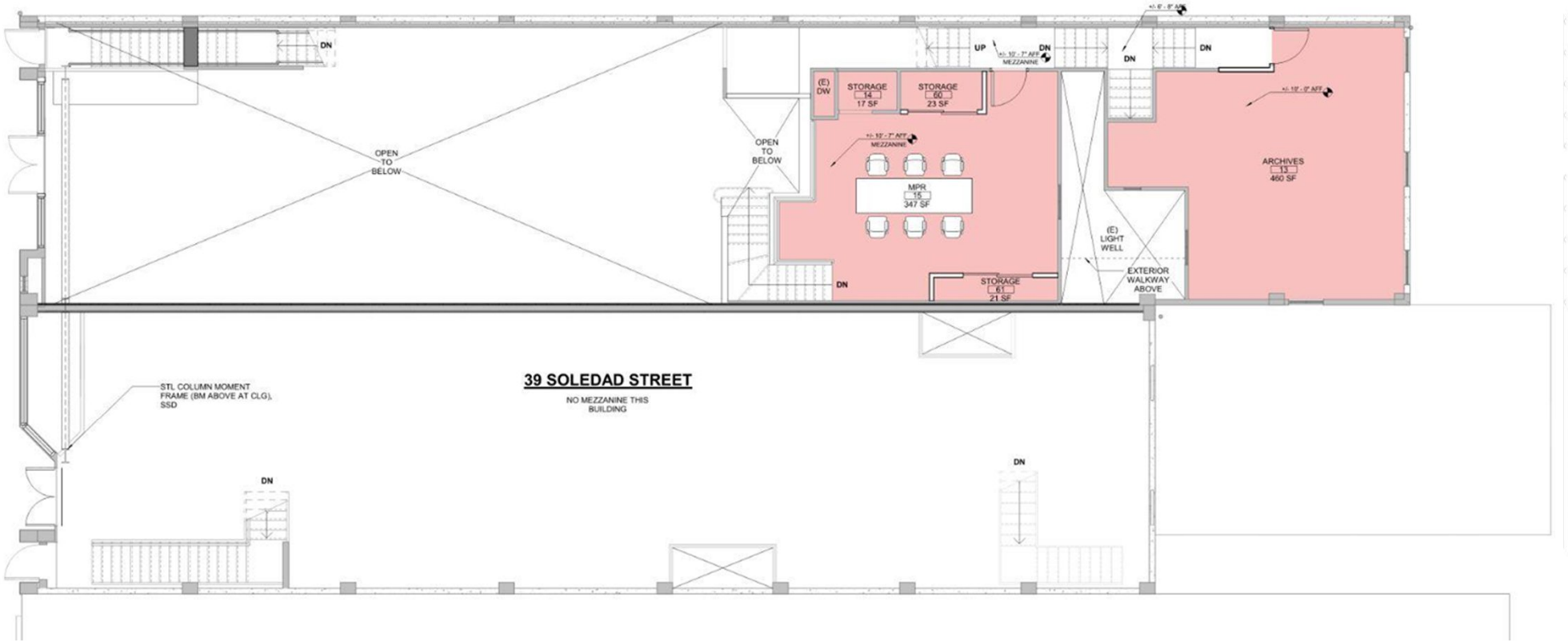
Commercial Area



Level 1 Concept Plan

37-39 Soledad Street

Museum Area

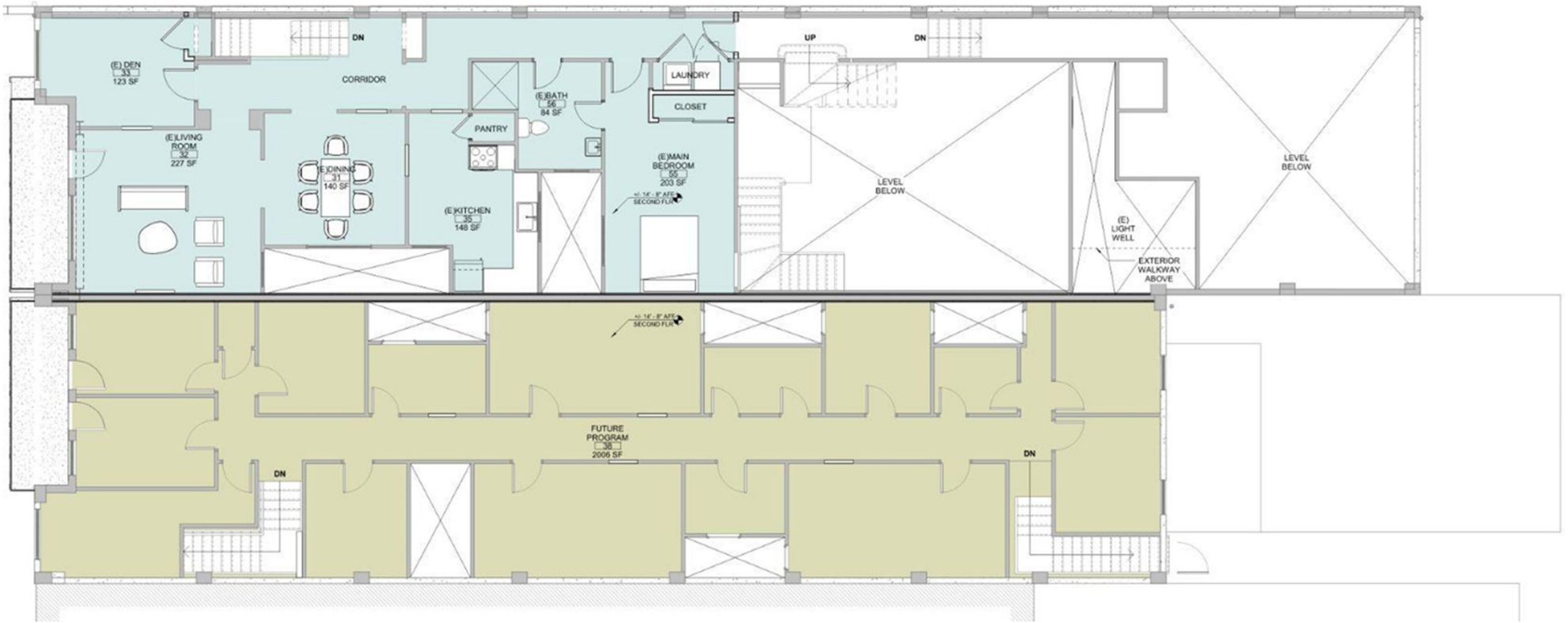


Mezzanine Concept Plan

37-39 Soledad Street

Residential Area

Future Program

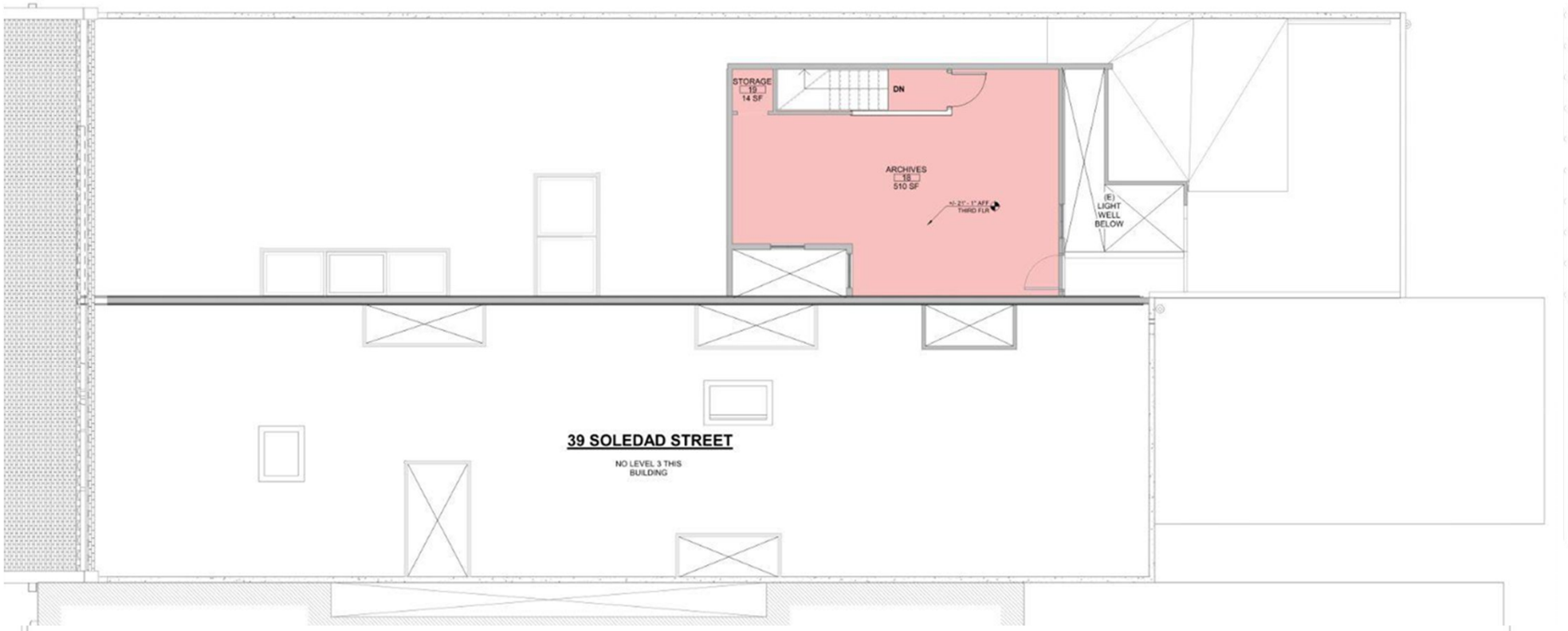


Level 2 Concept Plan

TEF

37-39 Soledad Street

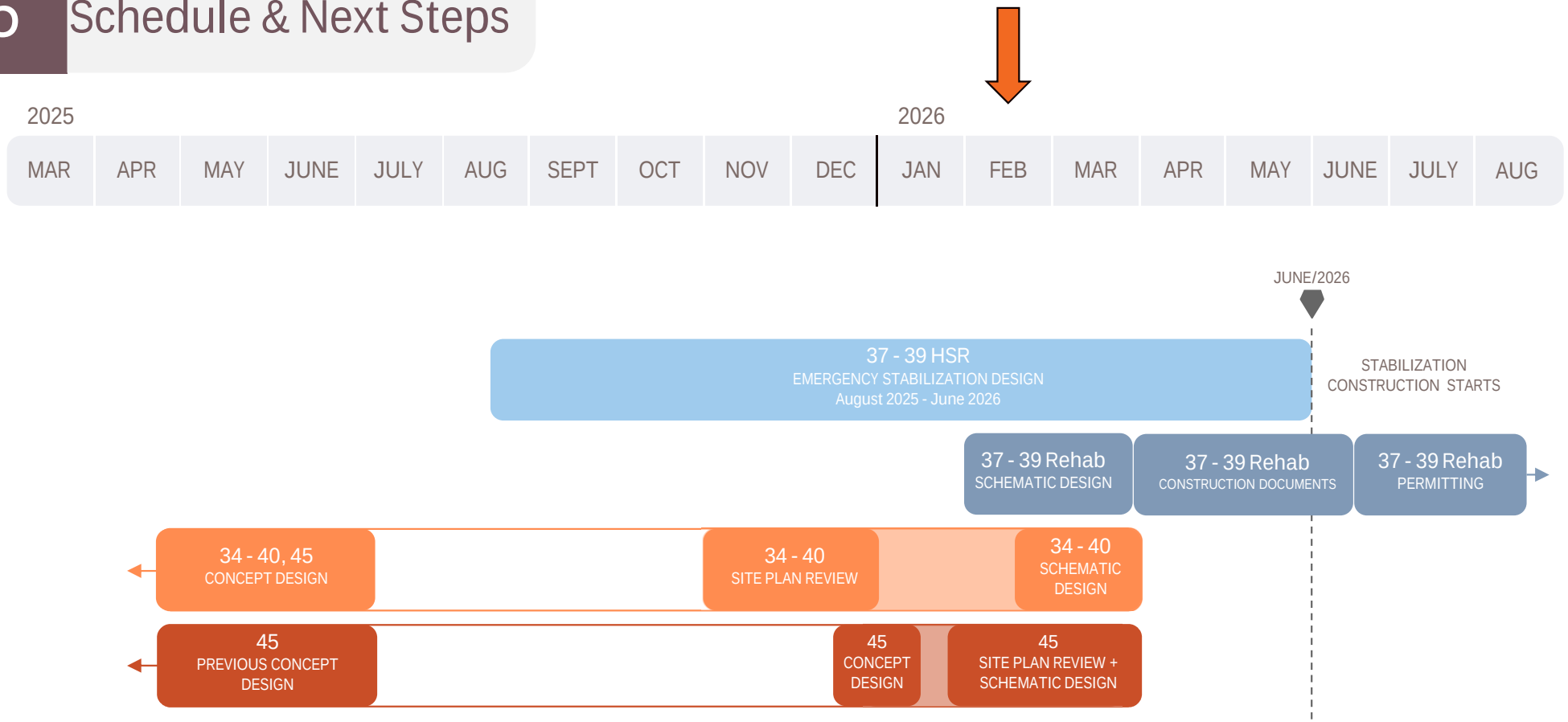
Museum Area



Level 3 Concept Plan

TEF

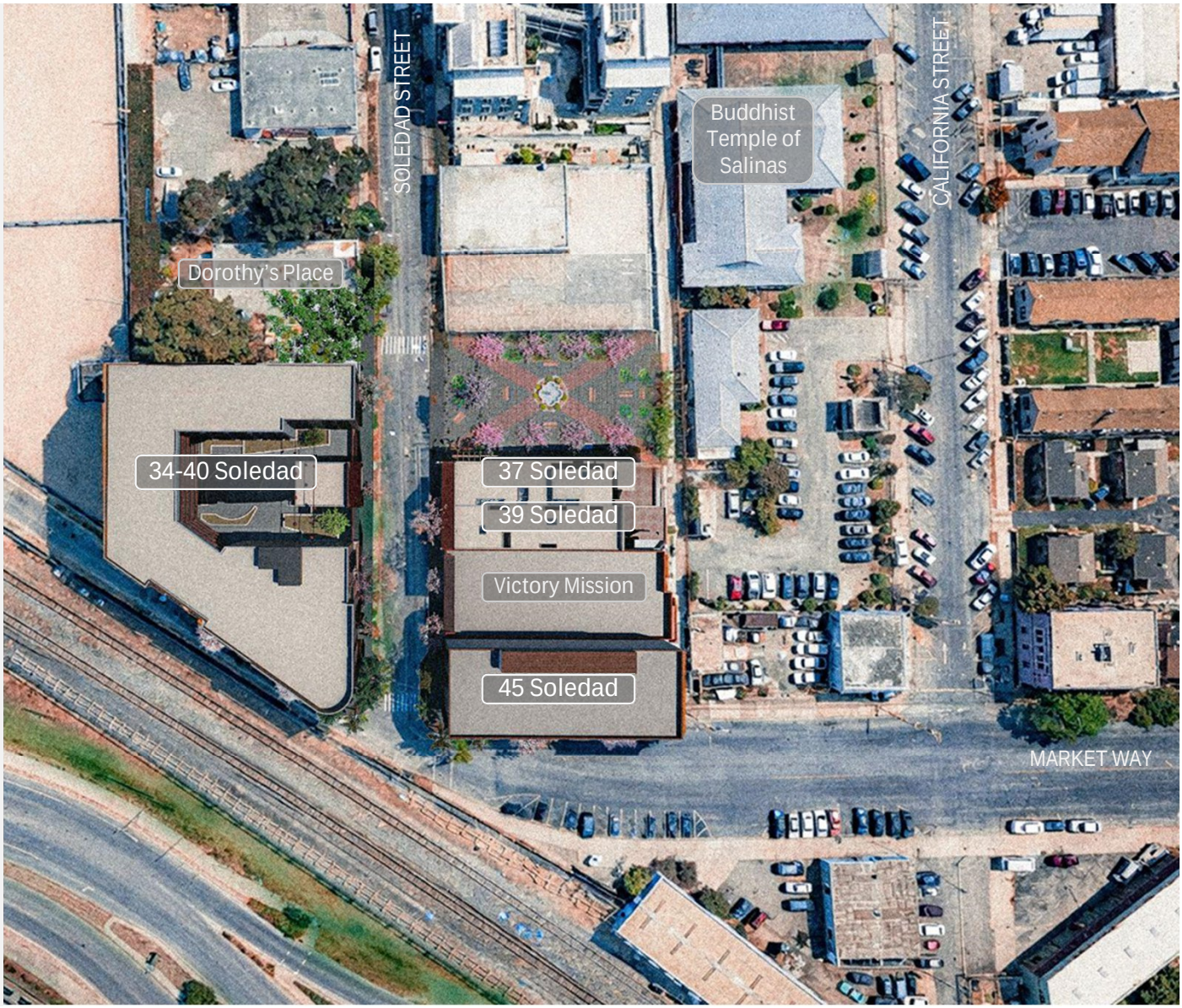
05 Schedule & Next Steps



TEF

Next Steps

- Submit 45 Soledad Site Plan Review
- Respond to 34-40 City Planning Comments
- Finalize designs for 34-40 and 45 Soledad Street
- Prepare construction documents for 37-39 Soledad Street
- Prepare Developer Request for Proposals



Conceptual Project Aerial

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Questions?

For more information, contact Grant Leonard
(831) 758-7579
https://www.cityofsalinas.org/Your-Government/Departments/Community-Development

File #: ID#26-054, **Version:** 1

..Title
Rental Registration and Rent Stabilization 2025 Final Program Data and 2026 Implementation Activities
..Recommended Action
No action required. Receive an administrative report on Rental Registration and Rent Stabilization Program (Program) 2025 final Program data and 2026 Program implementation strategy.

CITY OF SALINAS
COUNCIL STAFF REPORT

DATE: **FEBRUARY 24, 2026**

DEPARTMENT: **COMMUNITY DEVELOPMENT**

FROM: **LISA BRINTON, DIRECTOR**

THROUGH: **ORLANDO REYES, ASSISTANT DIRECTOR**

BY: **VINCENT MONTGOMERY, PLANNING MANAGER**
LAURA GAMA, ADMINISTRATIVE ANALYST
AQUONTIS GARLINGTON, ADMINISTRATIVE AIDE

TITLE: **RENTAL REGISTRATION AND RENT STABILIZATION 2025 FINAL PROGRAM DATA AND 2026 IMPLEMENTATION ACTIVITIES**

RECOMMENDED MOTION:

Receive an administrative report on Rental Registration and Rent Stabilization Program (Program) 2025 final Program data and 2026 Program implementation strategy. No action required.

EXECUTIVE SUMMARY:

This administrative report provides final 2025 Program data, including excess fee revenue reimbursement methodology, process, and timing. It also outlines next steps for ongoing 2026 Program administration, including expanding community outreach with community partners, property owners and managers, and tenants to increase participation and system improvements to streamline registration with the community's feedback.

DISCUSSION:

2025 Final RR/RSO Program Data

The 2025 Rental Registration and Rent Stabilization Program completed its first full implementation cycle, with strong participation occurring in the first quarter of the calendar year. Between January 1, 2025, and March 31, 2025, a total of 7,806 registered units were received, of which 3,199 units registered under the Rental Registry Program and 4,607 units registered under the Rent Stabilization Ordinance. Beginning in the second quarter of the 2025 calendar year,

registration volume declined sharply as the Program entered delinquency and late-fee assessment and City Council discussed and considered repealing the four ordinances. By calendar year end, 12,938 units were registered representing an estimated 45% participation rate. Total 2025 Program Fees Paid of $1,700,710 exceeded 2025 Program expenditures of $602,922 for an excess revenue balance of $1,097,788, less late fees, adjustments, and refunds. Tables 1 and 2 below provide a breakdown of revenues, expenditures, and remaining 2025 Program balance.

Table 1: 2025 Program Revenue
January 1 to December 31, 2025

Program	Fee Amount	Units Registered	Fees Paid	Late Fees	Total
Rental Registration	$45	3,990	$179,550	$7,242	$186,792
Rent Stabilization	$170	8,948	$1,521,160	$30,927	$1,552,087
Adjustments & Refunds				($2,068)	($2,068)
Total Revenue		**12,938**	**$1,700,710**	**$36,101**	**$1,736,811**

Table 2: 2025 Program Expenditures & Balance Summary
January 1 to December 31, 2025

Program Expenditures	$520,040
Loan Repayment to General Fund	$205,203
Grant Funding	($122,321)
Total Program Expenditures	**$602,922**
Total Fees Paid	$1,700,710
Revenue Surplus for Refund	**$1,097,788**

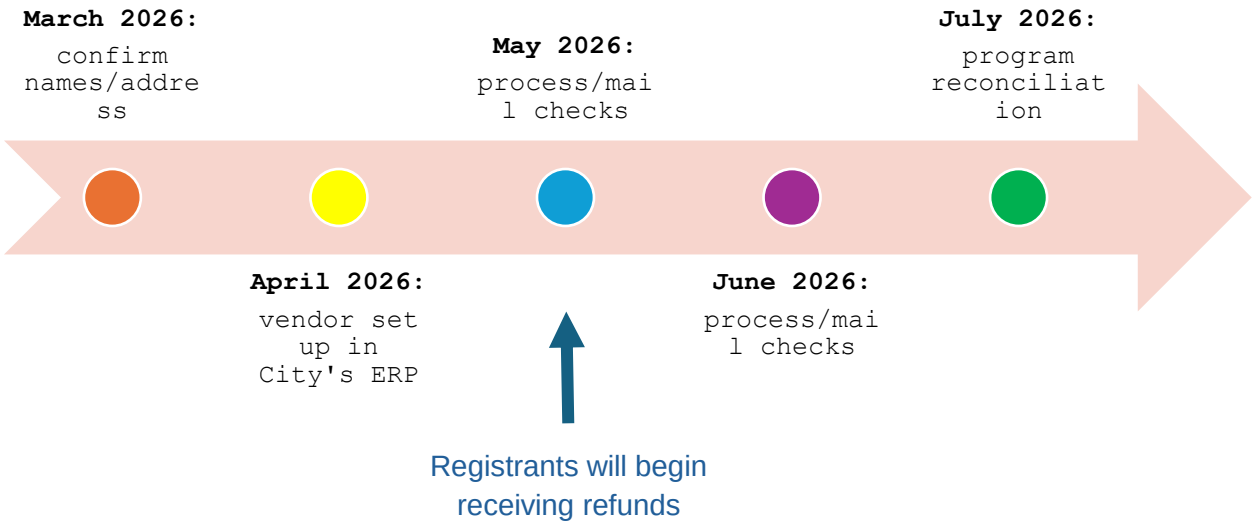
2025 Program Refund Methodology, Process and Timing

Program staff worked with Finance, the City Attorney and Economic & Planning Systems (EPS) to establish a methodology for calculating the proportional refund of fees paid. The percentage of the overcharge, the surplus divided by total fees paid, would be used to determine the proportional amount of refund per unit. Late fees will not be refunded. As shown in the table below, the percentage of overcharge is sixty-five percent (65%). In other words, the Rental Registry Program fee of $45 and the Rent Stabilization fee of $170 were established 65% higher than needed to cover expenses. To calculate the proportional refund amount per unit, 2025 Program fees were multiplied by 65%. Paid registrants will receive refund of $29.05 for each Rental Registry unit and $109.73 for each Rent Stabilization unit.

Table 3: Refund Calculation

Percentage of Overcharge			Fee Charged	Overcharge %	Refund per unit
Expenditures/Revenue Surplus		Rental Registry	$45	65%	$29.05
$1,095,788/$1,700,710 = 65%		RSO	$170	65%	$109.73

Refund checks will be processed beginning March and issued on a rolling basis per the timeline below. Program staff is working to verify payee names and mailing addresses of 3,236 registrants.



2026 Program Implementation Strategy

On December 9, 2025, the City Council established a 2026 Rental Registration fee of $29 and a Rent Stabilization fee of $112, reducing fees in comparison to 2025 Program, however sized to together support the administration, compliance monitoring, and ongoing operations of the City's rental housing programs. The 2026 registration cycle began on January 1st. An email notification was sent via Tolemi's Slate platform to all registrants informing them that their rental registration license(s) was expiring and provided an opportunity to renew.

Delinquency notices were mailed on February 17, 2026, establishing a final registration deadline of April 3, 2026, before late penalties apply. Beginning April 4, 2026, late fees will accrue at 10% and increase every 45 days until 2026 registration and payment is completed. If a unit remains unregistered 180 days after the delinquency notice, the City is authorized to take enforcement action (including the issuance of citations or action to recover any unpaid amounts) in accordance with the Municipal Code. This schedule establishes a structured annual process to support timely compliance and effective program administration.

In 2026, staff will continue to advance Program implementation and improvements including, but not limited to:

- Updating the City's rental registration and rent stabilization webpages to ensure that program information is clear, accessible, and easy for both landlords and tenants to navigate. Updates will focus on reorganizing content, simplifying instructions, and improving the visibility of key resources.
- Expanding targeted outreach and education through renewal notices, delinquency mailers, district-based workshops, and landlord and tenant workshops in partnership with community organizations, landlords, and property managers.
- Providing direct customer support through open office hours aligned with the Permit Center schedule, offering in-person assistance from 8:00 a.m. to 5:00 p.m. with Qless appointments between 9:00–11:00 a.m. and 1:30–4:00 p.m., and walk-in availability as time permits.
- Improving the petition process and reducing petition cost through uniform guidance for landlords and tenants that outlines petition workflows, documentation requirements, system functionality, and processing time frames.
- Continuing to work with Tolemi to address user feedback and pursue enhancements that improve usability, accuracy, and overall platform and program efficiency.
- Building internal infrastructure for outcome tracking, standardizing inquiry triage protocols, and expanding training for frontline staff on common registration and petition scenarios to streamline processing and response times.
- Recruiting and hiring of the Limited-Term Community Development Analyst position to sustain operational capacity.

Next Steps

Next steps for the Program implementation include providing quarterly updates to the City Council to enhance transparency, track participation rates, and monitor key performance indicators such as registration completion, petition volume, and inquiry response times. Quarterly reports will also include status updates on the implementation activities listed above.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

The Residential Rental Registration and Rent Stabilization Program does not directly align with objectives under the City Council's 2025-2028 Strategic Plan Goal of Housing. Examination of a Rent Stabilization Program was an identified objective under the 2022-2025 Goal of promoting Housing/Affordable Housing.

DEPARTMENTAL COORDINATION:

The Program is administered by the City's Community Development Department in coordination with the City Attorney and Finance Department. These three departments worked collaboratively to prepare this report.

FISCAL AND SUSTAINABILITY IMPACT:

The Rental Registration and Rent Stabilization Program is to be cost neutral, with no impact on the General Fund. The 2025 Program Year concluded with total revenues of $1,736,811 and total expenditures of $602,922, resulting in a remaining balance of $1,133,889. This balance reflects the first-year ramp-up period, during which participation levels, system development, and operational needs were still stabilizing. Excess revenue (remaining balance less late fees) of $1,097,788 will be returned following the methodology and process described above.

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:

PowerPoint Presentation

Rental Registration and Rent Stabilization Program 2025 Data and 2026 Implementation Activities

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February 24, 2026

City Council

Orlando Reyes-Rodas

2025 Rental Registration and Rent Stabilization Program Detailed Program Revenue

2025 Program Revenue January 1 to December 31, 2025					
Program	Fee Amount	Units Registered	Fees Paid	Late Fees	Total
Rental Registration	$45	3,990	$179,550	$7,242	$186,792
Rent Stabilization	$170	8,948	$1,521,160	$30,927	$1,552,087
Adjustments & Refunds				($2,068)	($2,068)
Total Revenue		12,938	$1,700,710	$36,101	$1,736,811

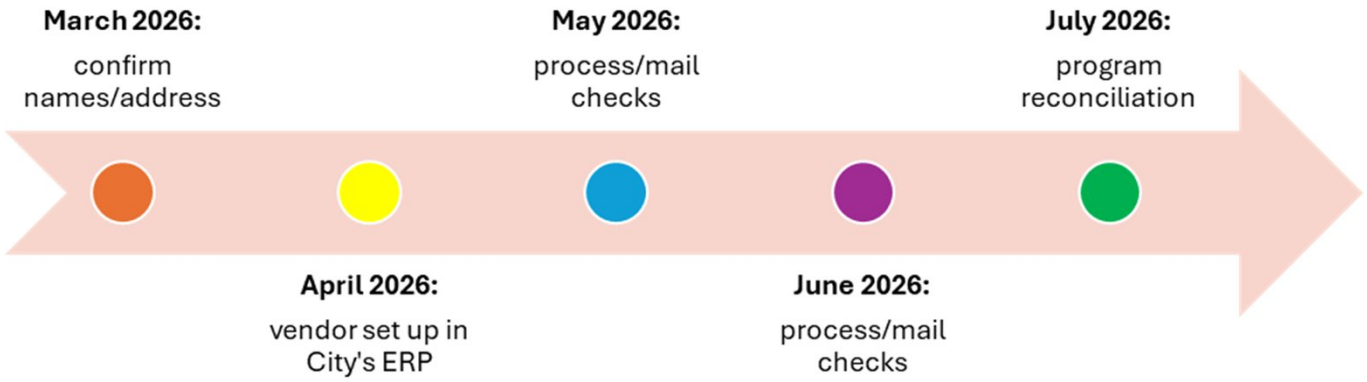
2025 Rental Registration and Rent Stabilization Program Summary

2025 Program Summary January 1 to December 31, 2025	
Program Expenditures	$520,040
Loan Repayment to General Fund	$205,203
Grant Funding	($122,321)
Total Program Expenditures	$602,922
Total Fees Paid	$1,700,710
Revenue Surplus for Refund	$1,097,788

2025 Rental Registration and Rent Stabilization Program Refund Methodology

Percentage of Overcharge	Units Registered	Fees Charged	Overcharge %	Refund per Unit
Expenditures/Revenue Surplus $1,095,788/$1,700,710 = 65%	Rental Registry	$45	65%	$29.05
	Rent Stabilization	$170	65%	$109.73

2025 Rental Registration and Rent Stabilization Program Refund Process and Timeline



2026 Program Implementation Strategy

- Reduced RR and RSO fees from $45 and $170 to $29 and $112, respectively
- Expand outreach through notices, workshops, and community partnerships
- Update webpages for clarity, accessibility and navigation
- Continue in-person support and scheduled office hours
- Continue working with Tolemi to incorporate user feedback on system
- Streamline the petitions process with clear guidance, processing timelines, and requirements for documentation
- Strengthen internal tracking, training, and staffing capacity

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Questions?

For more information, contact the Housing and Community Development Division
(831) 758-7334
https://www.cityofsalinas.org/Your-Government/Departments/Community-Development

File #: ID#26-050, **Version:** 1

..Title
2025 Permit Center Annual Report
..Recommended Action
No action required. Receive the 2025 Permit Center Annual Report.

CITY OF SALINAS

COUNCIL STAFF REPORT

DATE: **FEBRUARY 24, 2026**

DEPARTMENT: **COMMUNITY DEVELOPMENT**

FROM: **LISA BRINTON, DIRECTOR**

BY: **ANGELINE ANZINI, CHIEF BUILDING OFFICIAL**
ODED ZALMANOVITCH, MANAGEMENT ANALYST
KAREN ZAPATA, ADMINISTRATIVE ANALYST
CRISTINA SIFUENTES, PERMIT ANALYST

TITLE: **2025 PERMIT CENTER ANNUAL REPORT**

RECOMMENDED MOTION:

No action required. Receive the 2025 Permit Center Annual Report.

EXECUTIVE SUMMARY:

The 2025 Annual Report covers the past calendar year and consists of this staff report, the attached 2025 Permit Center Annual Report Dashboard, the 2025 Permit Center Key Actions Taken, the 2025 Finance Committee Presentation and the 2026 Draft Values in Action Plan. The staff report analyzes performance measure data, summarizes the actions taken to address the barriers presented to the Finance Committee regarding the Future Growth Area and permit processing, and introduces a Draft Values in Action Plan for improvements in 2026. The Dashboard presents performance measure data visually and shows year-over-year (2023-2025) comparisons for Permit Services, other Community Development divisions and City departments (Current Planning, Code Enforcement, Development Engineering, Fire and Small Business Support), which are integral to Permit Center activities and processes. The 2025 Key Actions Taken and the 2026 Draft Values in Action Plan attachments present the changes made to improve staffing, workflow, communication, and training in more detail and include recommended actions for 2026.

BACKGROUND:

In May 2025, the Finance Committee received a presentation on Future Growth Area and Housing Permit processing. The report identified length of time, lack of clarity and the interpretation of conflicting regulations as common applicant complaints. To address these barriers, staff identified opportunities for improvement through increased staffing, establishment of clear decision-making processes, strengthening compliance with legislation, codes, and regulations and identifying opportunities for streamlining processes through the Zoning Code Update, currently underway.

The Permit Center's efforts in 2025 focused on preparing for the Future Growth Area (FGA) applications and continuing to meet steady permit demand, especially related to ADU permit coordination. The following sections highlight key accomplishments in increased staffing, efficiencies and coordination and the regulatory environment and the overall outcomes in 2025.

Staffing Resources

The FY 2025/2026 Operating Budget included several new positions to support processing subdivision maps for the FGA and prioritizing quality reviews of ADUs by increasing staff capacity to keep these reviews in house. Added full-time positions included Senior Planner, Associate Planner, Permit Technician, Permit Clerk, and Plan Checker I to focus on FGA and ADU application processing. As shown in the table below, in 2025, working collaboratively with Human Resources, the department was able to fill several of these new positions and vacancies.

Division	Vacant	Added in the FY 25/26 Budget	Filled
Permit Services	Permit Tech Permit Clerk Plan Checker I Management Analyst Supervising Plan Checker Combo Building Inspector I Combo Building Inspector II	Permit Tech Permit Clerk Plan Checker I	(2) Permit Tech (2) Permit Clerk (2) Plan Checker I Management Analyst Supervising Plan Checker Combo Building Inspector I Combo Building Inspector II
Current Planning	Senior Planner Administrative Aide	Senior Planner: later swapped for a Management Analyst Associate Planner	(1) Senior Planner Administrative Aide Associate Planner
Code Enforcement	(2) Code Enforcement Officer I/II		(2) Code Enforcement Officer I

/a Recruiting for the 2nd Senior Planner

The added full-time Permit Clerk and two vacancies were filled to support customer service and simple permit processing. The added Permit Technician and two vacancies were filled to process building permit applications. In addition, Building Combination Inspector I and Building Combination Inspector II vacancies were filled. The Management Analyst position was filled to aid in processing improvements, organization, budgeting, data analysis and reporting, and to provide permitting technology support. The key position of Supervising Plan Checker was filled through an internal promotion after an extensive recruitment process and a two-year vacancy with much creative collaboration by Human Resources and Permit Services. Two Plan Checker I positions were filled at a lower level with a commitment to train up to the desired level of Plan Checker II. Current Planning filled a full-time Senior Planner position, and the new Associate Planner position was filled through internal promotion. One Administrative Aide vacancy was filled. Code Enforcement filled two full-time Code Enforcement Officer I vacancies.

Remaining vacancies include two Plan Checker II, backfilling the Assistant Planner position now vacant due to promotion. When recruitment for the second Senior Planner position was unsuccessful, a position swap for a Management Analyst was requested and approved. Recruitment is currently in process for a new Management Analyst position. Staffing up Plan Checkers and Inspectors will continue to be top priority in 2026 as the residential subdivisions in

the Future Growth Area (FGA) begin to submit applications for building permits. Plan review contracts with five consultants continue to be maintained to leverage staff workload for timely delivery of permits and to fill the void of higher-level Plan Checkers to review commercial work.

Communication and Training

Due to a limited availability of technically experienced and certified candidates in the labor market, the recruitment strategy for Permit Services was adjusted to hire entry-level staff with strong potential and a demonstrated commitment to public service. The department has prioritized investing in all employees through structured training, mentorship, and professional development to build the technical expertise and certifications needed to support operations. Mornings on the first Friday of the month, the Community Development Department continued to conduct training and team-building activities throughout 2025. Most of these sessions had an emphasis on interpersonal communication and the values of the Community Development Department and City. Staff were provided with additional training opportunities through Regional Government Services (RGS), DiSC Assessments, Sustainovation, and other technical training and certifications. Through these trainings a shift in the culture of our organization is occurring, which is strengthening leadership and communication, to improve collaboration, workflows, and responsiveness.

Division managers from the Community Development Department attended three all-day training sessions through the RGS Leadership Academy. The in-person training, exclusively for public sector managers, focused on practical leadership skills needed in local government. Key areas of learning include equipping managers to effectively lead and motivate staff by strengthening communication, influence, accountability, and performance management, while navigating supervisory and leadership responsibilities.

To improve communication, all Community Development staff completed a DiSC assessment to learn more about individual communication styles. The four main behavioral styles are Dominance, Influence, Conscientiousness and Steadiness. Next the department attended a half-day training session where staff were grouped by behavioral style and learned about all of the DiSC behaviors. Finally, each division met separately to focus on how to use DiSC to aid internal and external communication and how we can improve to better meet our City and Department values.

The City launched the first Sustainovation cohort and five Community Development Department staff members were selected to attend. There were four full-day sessions which focused on effective teams, productivity, mission, vision, values and communication, goals, priorities, accountability and ownership. These trainings largely shaped the way we plan to focus on improvements in 2026.

Technical training continued to be a priority in 2025. The American Planning Association held its convention in Monterey, and six of the seven Current Planning staff members were able to attend. The updates to the California Building Standards went into effect on January 1, 2026. All Permit Services Plan Checkers, Inspectors, their supervisors, and the Chief Building Official were able to attend training to better understand the updates to building codes. As of January 2025, all Plan Checkers have obtained their certification as Residential Plans Examiners through the International

Code Council.

Based on the training management staff attended, Community Development has shifted methods for developing and implementing improvements. While the assessments provided by MRG in 2023 and 2024 were the catalyst for many needed improvements, a Draft Values in Action plan was created to align Department functions with City values (See attachment). These methods strengthen the connection of staff's daily work to City values, add a qualitative element that numbers alone do not address, create a benchmark for future annual reports and support continuous improvement.

Workflows Improvements

Several of the solutions to the problems identified in the May 2025 Finance Committee report require the refinement or creation of new workflows for processing tentative maps in the Future Growth Area and accessory dwelling units.

Future Growth Area. Improvements for the workflows for the FGA included designating a project manager to facilitate decision making and regularly scheduled FGA coordination meetings. The primary internal stakeholders currently meet twice monthly with meeting frequency increasing to weekly when more subdivisions get further along in the entitlement process. Individual planners have been assigned to projects to be the designated point of contact. This provides accountability and makes it easier for applicants to navigate the complex processes. The designated planner also serves as lead on tracking and ensuring compliance with regulatory steps in the discretionary process.

Tentative map processing under SB330 presents unique challenges. Specifically, SB330 tentative map processing will include requests for waivers, incentives and or concessions or any combination thereof. At which point, relief from zoning and/or specific plan regulations is expected to be requested. Recent review letters regarding tentative maps include a template table where the applicant can formally request the waivers and other requests for relief from development standards. This newly implemented staff process allows applicants and reviewers to communicate and collaborate better to move through the process more quickly.

The Future Growth Area GIS Dashboard is currently being developed to provide a comprehensive overview of the status of subdivision tentative maps and related development applications. The Dashboard serves as both a communication tool and a milestone-tracking system, enabling departments to monitor project progress, help troubleshoot issues which arise, and better forecast staffing and resource needs. To support compliance with the State's subdivision processing timeline requirements, the Public Works GIS team is leading the development of the dashboard within the City's GIS software system. Through collaboration among the Community Development, Public Works, and Fire Prevention Departments, a coordinated tracking platform is being created to improve communication and facilitate subdivision project management. While the City monitors statutory timelines, project schedules are also influenced by applicant decisions and external market conditions, including labor availability, material costs, and interest rates. Overall, the Future Growth Area GIS Dashboard strengthens interdepartmental coordination, improves transparency in subdivision tracking, and supports more effective long-term planning for staff resources and development activity.

Accessory Dwelling Units. Data shows most of Permit Services staff time is spent on Building Permits for ADUs. Homeowners are often unfamiliar with preparing plans and constructing an entire home, which leads to more staff time being spent by Plan Checkers and Inspectors supporting ADU construction. Permit Services has begun training Plan Checkers with the goal of creating an ADU team to keep the majority of ADU plan reviews in house because the community often expresses the preference of working with City staff over outside consultants. The Plan Checkers and Inspectors began meeting monthly to analyze issues that are frequently coming up, apply regulations consistently, and find solutions to help the public. A common issue for owner-builders constructing ADUs is understanding the timing and type of inspection to request. Permit Services Inspectors created a visual aid to help homeowners connect the name of an inspection to the part of the building constructed and it is currently being used. Owner-Designer-City meetings are a goal which is still in development. These meetings will minimize resubmissions through early communication and education. Without a Senior Planner to schedule and facilitate these meetings, expanded discussion occurs during Design Review C and Permit Coordination meetings. The pivot to a management analyst should help facilitate the scheduling and coordination of these meetings in 2026.

Legislation, Codes, and Regulations

The City started a comprehensive Zoning Code Update (ZCU) in 2025, which also provides an opportunity to streamline regulations, standards, and processes, all of which expedite permit processing. The primary goal of the ZCU is to create a user-friendly, clear, and concise Zoning Code that will simplify the entitlement process for all stakeholders through objective development and design standards. This is an opportunity to improve how entitlement applications are processed, providing greater clarity regarding project requirements. Streamlining the Zoning Code will establish more straightforward pathways for project approvals, potentially accelerating timelines for hearings and determinations, and enhancing the overall experience for those seeking to develop in Salinas. In 2025, the City selected PlaceWorks Inc. as the consultant to support this three-phase effort and drafted an engagement plan to ensure stakeholders including professionals, designers, contractors, business associations, business and property owners, and residents will be actively engaged in the ZCU process.

The ZCU is split into three phases to address compliance and priority needs, ensure consistency with the General Plan Update once adopted, and ultimately develop a new code. Phase One will address amendments to the current Zoning Code to bring it into compliance with State Housing Law prior to completion of the General Plan Update and will consider opportunities for streamlining and clarification that do not need to wait for the full comprehensive update. Completion of Phase One is anticipated by mid-2026. Phase Two includes bridge amendments to bring the current Zoning Code into consistency with the General Plan Update once the latter is adopted. Phase Two will include map and text amendments to the current Zoning Code to ensure consistency with the proposed Place Types and Land Use Element. By drafting these amendments concurrently with the completion of the General Plan Update, the City will avoid a long period of inconsistency. Completion of Phase Two is anticipated by early-2027 but exact timing will depend on adoption of the General Plan Update. Phase Three is the completion of a new and revised Zoning Code. Objectives of the new Zoning Code include a code that is easier for the public and staff to understand and use, visually rich with easily shareable graphics, and streamlined with

objective development standards that are consistent with development needs and community vision. This also includes full implementation of relevant portions of the General Plan Update. Completion of Phase 3 is anticipated by the end of 2027, early 2028.

The City adopted the 2025 California Building Standards, which went into effect January 1, 2026. In addition, the state legislature continues to create large quantities of new laws which impact development, construction, and permitting requirements. Many of these laws require the creation of new processes, the development and purchase of technology, and education of the public, in addition to the regular triennial California Building Standards. During 2025, measures were developed and implemented to gain compliance with the following laws that impact permit processing:

- AB 42 Tiny homes: temporary sleeping cabins: fire sprinkler requirements
- AB 306 Freeze on Local Residential Code Amendments
- AB 1132 Solar energy systems: permit fees.
- AB 1332 Accessory dwelling units: preapproved plans.
    - A process has been developed and will be implemented in the first quarter of 2026.
- AB 1738 Building standards: installation of electric vehicle charging stations: existing buildings.
- AB 253 Residential Private Permitting Review Act
- SB 379 The Solar Access Act
    - A process has been developed and will be implemented in the first quarter of 2026.
- AB 2579 Exterior Elevated Elements Inspection Update

Compliance with the following laws will be a focus in 2026:

- SB 79 Abundant and Affordable Homes Near Transit Act
- AB 130 California Environmental Quality Act (CEQA): housing development: environmental review exemptions.
- SB 131 CEQA streamlining and procedural reforms for qualifying housing projects.
- SB 808 Housing Entitlement and Permitting Dispute Resolution
- AB 2114 (2025) - Expand Inspector Qualifications
- AB1046 Alquist-Priolo Earthquake Fault Zoning Act: exemptions.
- AB 2234 Planning and zoning: housing: post-entitlement phase permits.
    - Currently in compliance, but data collection for tracking will be improved in 2026.
- SB 897 Accessory dwelling units: junior accessory dwelling units.
- SB 9 California Housing Opportunity and More Efficiency Act

Planning Entitlement and Construction Permitting Processes

Current Planning, at the Permit Center, processes and reviews development applications to ensure compliance with the City's General Plan and Zoning Ordinance and other applicable plans, regulations and standards. A project within the City's jurisdiction will require either a permit or a land use entitlement. Land use entitlements are legal rights granted to property owners or developers to use land for specific purposes, such as residential, commercial, or industrial development. During the entitlement review process, the City planner acts as a project manager

and coordinates with various City divisions/departments such as Engineering, Fire, Housing, Building, Parks and Police for inputs. Land use entitlements projects would involve a discretionary action which would require CEQA (California Environmental Quality Act) review and would also be subject to the Permit Streamlining Act.

Many projects in the City qualify for Categorical Exemptions such as Section 15332 (Class 32) of the CEQA Guidelines. Therefore, no hearing is required, the project would be approved by the City Planner unless a protest is received from the public. If a project requires a public hearing due to the requirements outlined in the Zoning Code, the decision maker, such as the Planning Commission and/or City Council would take action. If a project is not exempt under CEQA, additional environmental analysis would be required under CEQA. This would involve the preparation of an Initial Study (IS) and/or Environmental Impact Report (EIR). The lead agency has 6 months to prepare an IS and 12 months to prepare an EIR. This environmental analysis would result in a Negative Declaration or Mitigation measures to reduce environmental impacts to less than significant impacts. Once the planning entitlement is approved by the appropriate hearing body, the project goes into the building permit phase submittal. Depending on the complexity of each project, it could take an additional 6 to 12 months for review prior to the issuance of the building permit and includes coordination with the designer or architect. A flowchart of the process for the Mortensen Subdivision is provided on slide 25 of Attachment 1, the 2025 Permit Center Annual Report Dashboard.

The construction permit process is structured to ensure projects comply with applicable codes and development standards while providing an efficient path to approval. Permits are divided into two categories: simple permits and building permits, each designed to address different levels of project complexity.

Simple permits apply to very small construction projects, such as re-roofs with no change in roofing material, residential electrical panel upgrades, and residential water heater replacements. These permits are approved administratively and do not require plan review. Once an application is received, staff verify the scope of work and applicable requirements, the permit is approved, and typically ready to be issued within one to two business days. This process is shown as a flow chart on slide 15 of Attachment 4, the 2025 Permit Center Annual Report PowerPoint Presentation.

Building permits are required for more complex construction projects, ranging from residential remodels to new commercial construction. Applicants typically begin by consulting with planning staff to confirm zoning requirements and applicable development standards. Then the applicant researches project costs, secures financing, and has detailed construction plans prepared. The plans must comply with State building codes. After submission, staff conduct a formal plan review to evaluate compliance with all relevant regulations. Any required corrections must be addressed before approval. Once the permit is issued, construction may begin, with inspections conducted at key stages to ensure compliance. The process concludes with final inspections, after which the project is considered complete. A timeline depicting a real permit example and a flowchart of the building permit process are provided on slides 16 and 17 of Attachment 4, the 2025 Permit Center Annual Report PowerPoint Presentation.

In 2024 plan review turnaround times slowed down due to vacancies and the use of consultants

with a slower industry standard. As a result, the percentage of on-time plan reviews for 2024 was 61%. In 2025, the Supervising Plan Checker and two Plan Checker I positions were filled. With adequate staffing levels, plan review improved providing on time plan reviews with a significant increase in reviews completed on time between 2024 and 2025.

2025 Major Projects

In 2025, construction valuation of submitted applications was just over $253.5 million, which is about a 50% decrease from 2024. This was expected, because the 2024 construction valuation was primarily tied to the 3.5 million square foot Amazon Fulfillment Center. The major projects constructed in 2025 are shown in the table below.

Highlighted 2025 Major Projects

Project Name	Address	Status
Dave and Buster's, commercial, recreational, and entertainment use,	1104 Northridge Mall Salinas, CA 93906	Planning Entitlement Approved
Change use of 9,000 sf. Building from Retail to Dental office	110 John St. Salinas, CA 93901	Planning Entitlement Approved
New Concrete Tilt-up - RSD Distribution Warehouse	641 Work St. Salinas, CA 9390	Building Permit Issued
Chick-fil-a restaurant	4363 E Market St. Salinas, CA93905	Building Permit Issued
Renovation of Fire Station 1	216 W Alisal St. Salinas, CA 93901	Building Permit Finaled
New Warehouse Building with Office	681 Work St. Salinas CA 9390	Building Permit Finaled
5 Apartment Buildings, totaling 50 dwelling units	Constitution Blvd. Salinas, CA 9390	Building Permits Finaled
Cannacruz Commercial Cannabis Business	1228 S. Main St, CA 93901	Building Permit Finaled and use operating

Building permit applications for Phase 1 of East Boronda in the Central Area of the Future Growth Area, along with site improvements for 11 Hill Circle residential subdivisions, were received in late 2025. Additional building permit applications related to the Future Growth Area are anticipated in 2026. To meet this demand, staff will focus on filling plan review staff vacancies and will be requesting additional inspection staff through the budget process for FYs 2026/27 and 2027/28.

In conclusion, Community Development is committed to enhancing productivity and reducing permit processing timelines for the members of our community through collaboration and working as a team. The attached 2025 Dashboard and PowerPoint presentation provide a detailed overview of the data analyzed by staff to understand and improve our work processes. The highlighted data sets illustrate key areas of impact, showcasing the positive outcomes of changes implemented in

2025. The attached Draft Values in Action Plan points towards the Permit Center's goals for 2026. The Permit Center team remains dedicated to continuous evaluation and improvement, with a strong focus on delivering exceptional customer service and continued improvements and advancements to serve the community efficiently and effectively. Staff invite the City Council to review and provide feedback on the information provided.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

Permit Center operations support City Council 2025–2028 Goals and Strategies related to Economic Development and Housing, including Affordable Housing, through the entitlement and permitting of commercial and residential development that generates jobs, revenue, and a diverse range of housing options for the community. A continued focus on workflow efficiencies and the strategic use of technology for electronic application submittal, plan review, and permit issuance advances the Council's commitment to effective, transparent, and responsive government services.

DEPARTMENTAL COORDINATION:

Permit Center operations span multiple Community Development divisions and City departments including Permit Services, Current Planning, Code Enforcement, Economic Development (Small Business Support), Housing and Community Development and Public Works, Fire, and Finance Departments. Effective coordination of all Permit Center functions is vital to streamline permitting processes to provide quality customer service and economic growth through development.

FISCAL AND SUSTAINABILITY IMPACT:

There is no fiscal impact associated with this administrative report. The Permit Services Division is an Enterprise Fund (6900) and is intended to act as a self-supporting fund which means that the fees for service and surcharges are collected to cover most or all the cost of operations.

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:

Attachment 1: 2025 Permit Center Annual Report Dashboard
Attachment 2: 2025 Permit Center Annual Report PowerPoint Presentation
Attachment 3: 2025 Permit Center Key Actions Taken
Attachment 4: 2025 Finance Committee Presentation
Attachment 5: 2026 Draft Values in Action Plan

SALINAS

RICH IN LAND | RICH IN VALUES

Dashboard Permit Center Update 2025

February 24, 2026

Community Development

Lisa Brinton, Director

2025 Permit Center Annual Report Contents

2025 Permit Center Staff Report
2025 Permit Center Annual Report Dashboard
2025 Permit Center Annual Report PowerPoint Presentation
2025 Permit Center Key Actions Taken
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2026 Draft Values in Action Plan

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Summary of 2025 Permit Center Activity

Over the past year, the Permit Center continued to operate at a high and stable level, sustaining the elevated workload first seen in 2024. Overall activity in 2025 remained largely consistent, with a four percent (4%) decrease in permit applications, a four percent (4%) increase in plan reviews, and a 12.5% increase in inspections compared to the prior year. Call volumes remained steady. In-person front counter transactions declined by 30%, despite the restoration of expanded public hours from 8:00 a.m. to 5:00 p.m., Monday through Friday, reflecting the community's continued shift toward online permit services.

Residential development remained the primary driver of activity, accounting for 80% of all building permit applications and 66% of inspections. Accessory Dwelling Unit (ADU) activity in 2025 aligned with recent historical trends, decreasing six percent (6%) from 2024 while increasing five percent (5%) compared to 2023. ADUs represented 39% of all inspections, and residential ADU plan reviews remained stable year over year at 629 reviews.

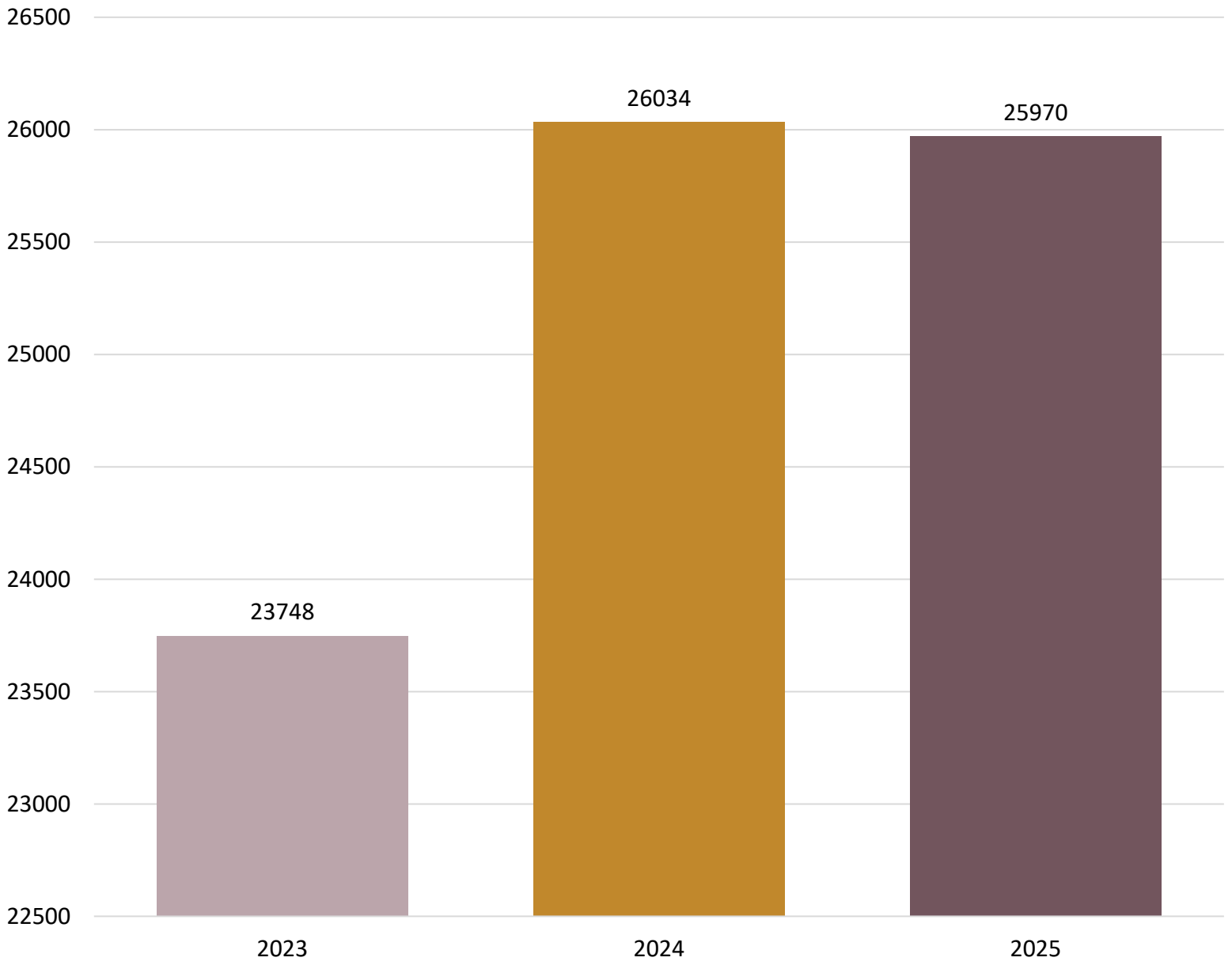
Commercial activity increased in 2025, with the Permit Center accepting nearly 100 tenant improvement permit applications. These projects included major investments by national businesses such as Archer Aviation, Dave & Buster's, and Walmart, alongside continued reinvestment by local establishments including Sweet Reba's, the El Rey Theater, and Brewjee Coffee Co. The City also sustained a significant volume of permitting and inspection activity related to the Amazon project. By strategically utilizing consultant support, this workload was absorbed without measurable impacts to permit processing, plan review, or inspection timelines.

Taken together, these trends reflect a Permit Center that continues to adapt to evolving service demands, expand digital access, and support both residential development and economic investment, while maintaining consistent, reliable service for the community.

The following dashboard charts provide a visual representation of these key trends and performance metrics, offering a clear, at-a-glance view of permit activity, service delivery, and workload across the Permit Center. Together, the data and visuals highlight patterns, progress, and areas of focus, supporting informed decision-making by City leadership while maintaining transparency and accessibility for the community.

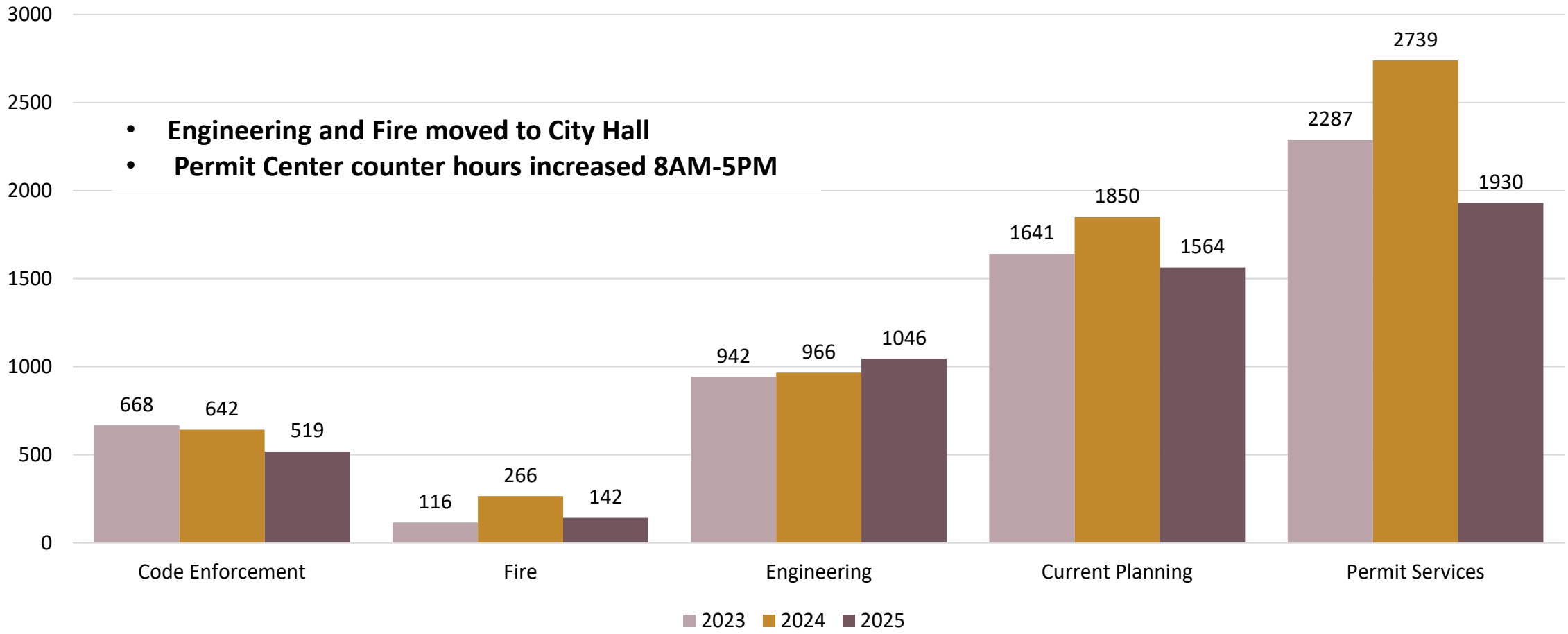
Permit Services

- Administration
- Plan Review
- Inspection

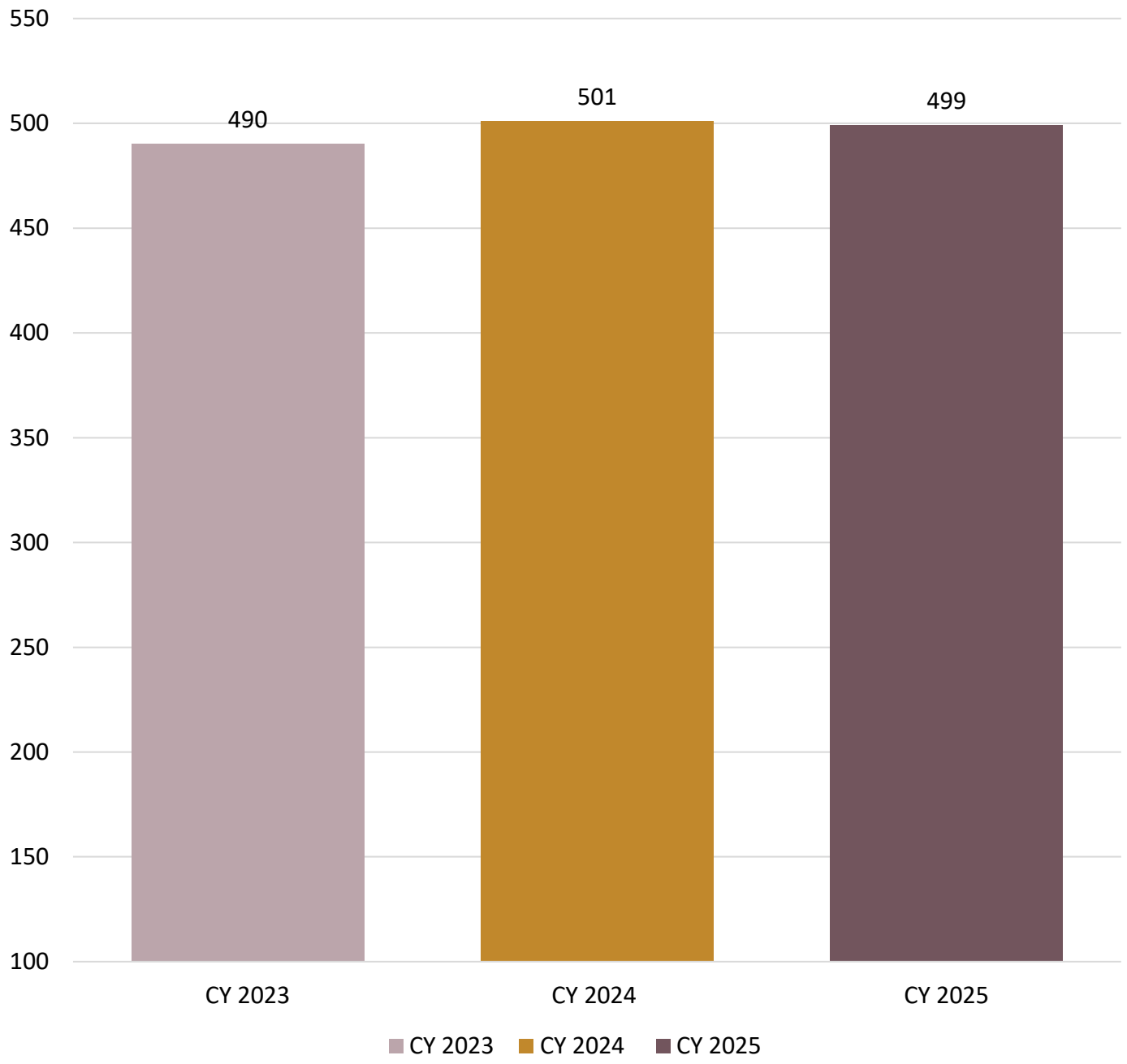


Permit Center Calls by Year

- The volume was steady from 2024 to 2025 with less than a 1% decrease

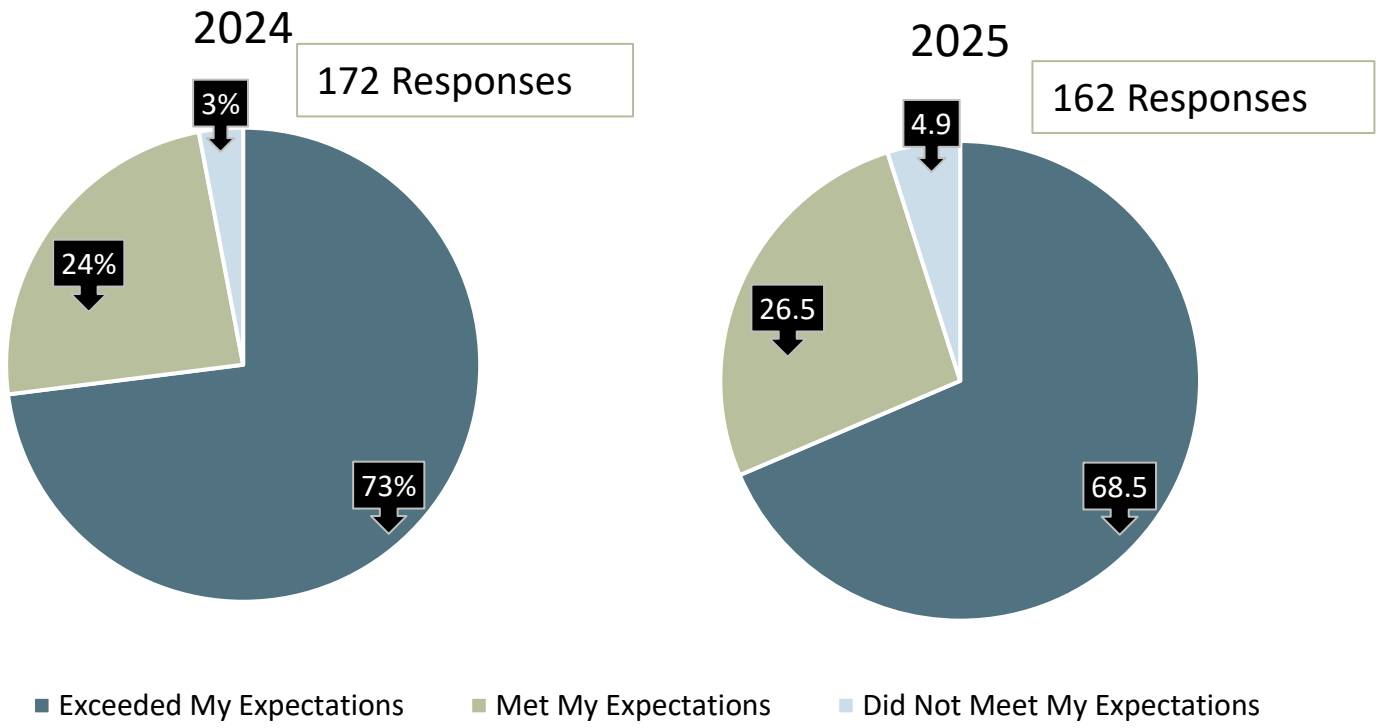


Counter Transactions by Division



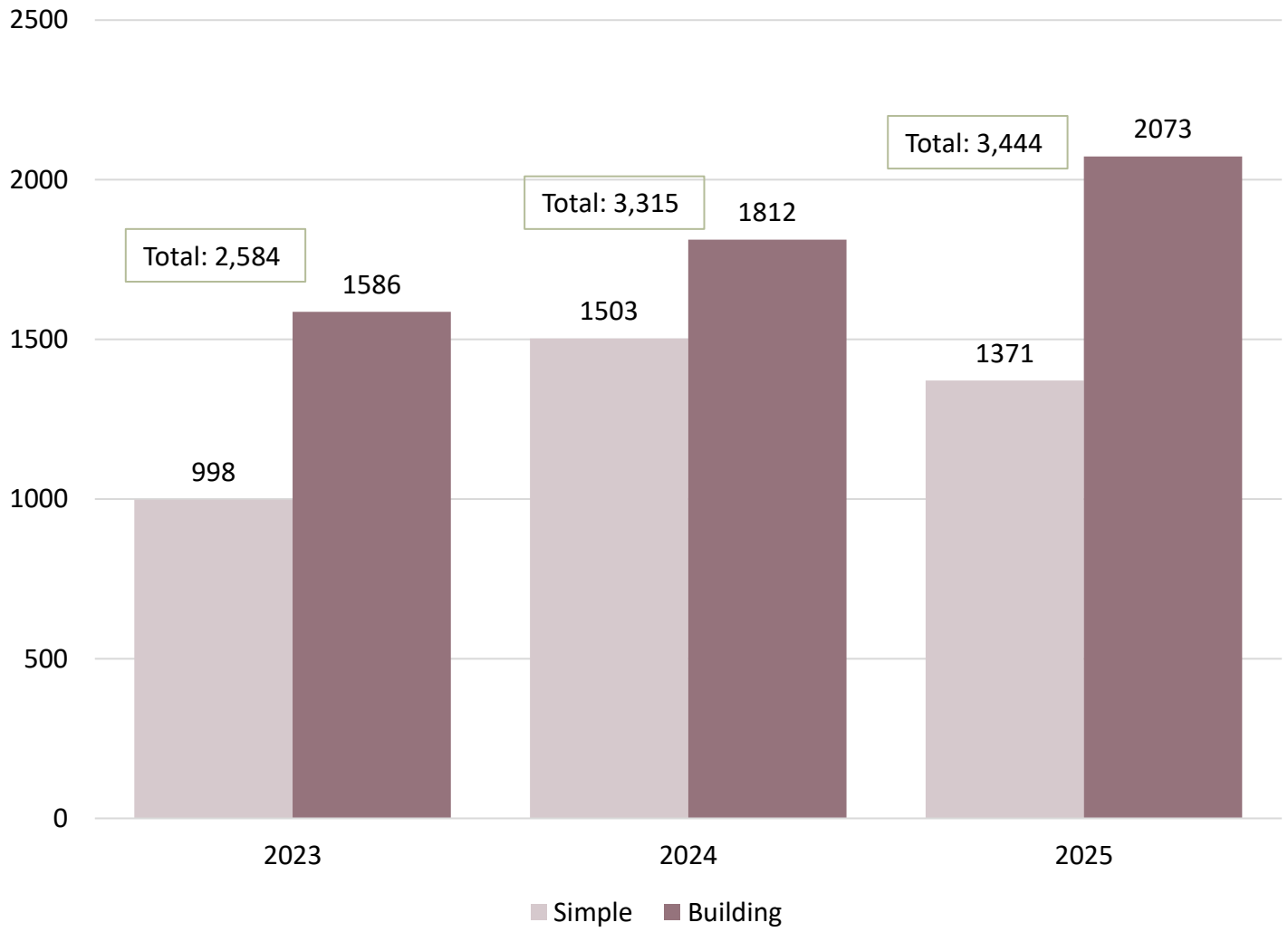
City Reports

- Real Estate point of sale requirement



- Contractor: "It so was easy to work with you guys once again! Making my job easier every time I come in"
- Contractor: “Lucy and Jordan were very helpful. Your department is head and shoulders above the other departments in the State. We do all the ADA for the roughly 600 7-Eleven stores in CA, so we work with a lot of building officials.
- Resident "Oscar was proactive, helpful, and was able to answer questions in detailed. Great customer service skills. Thank you."

2025 Customer Survey Responses

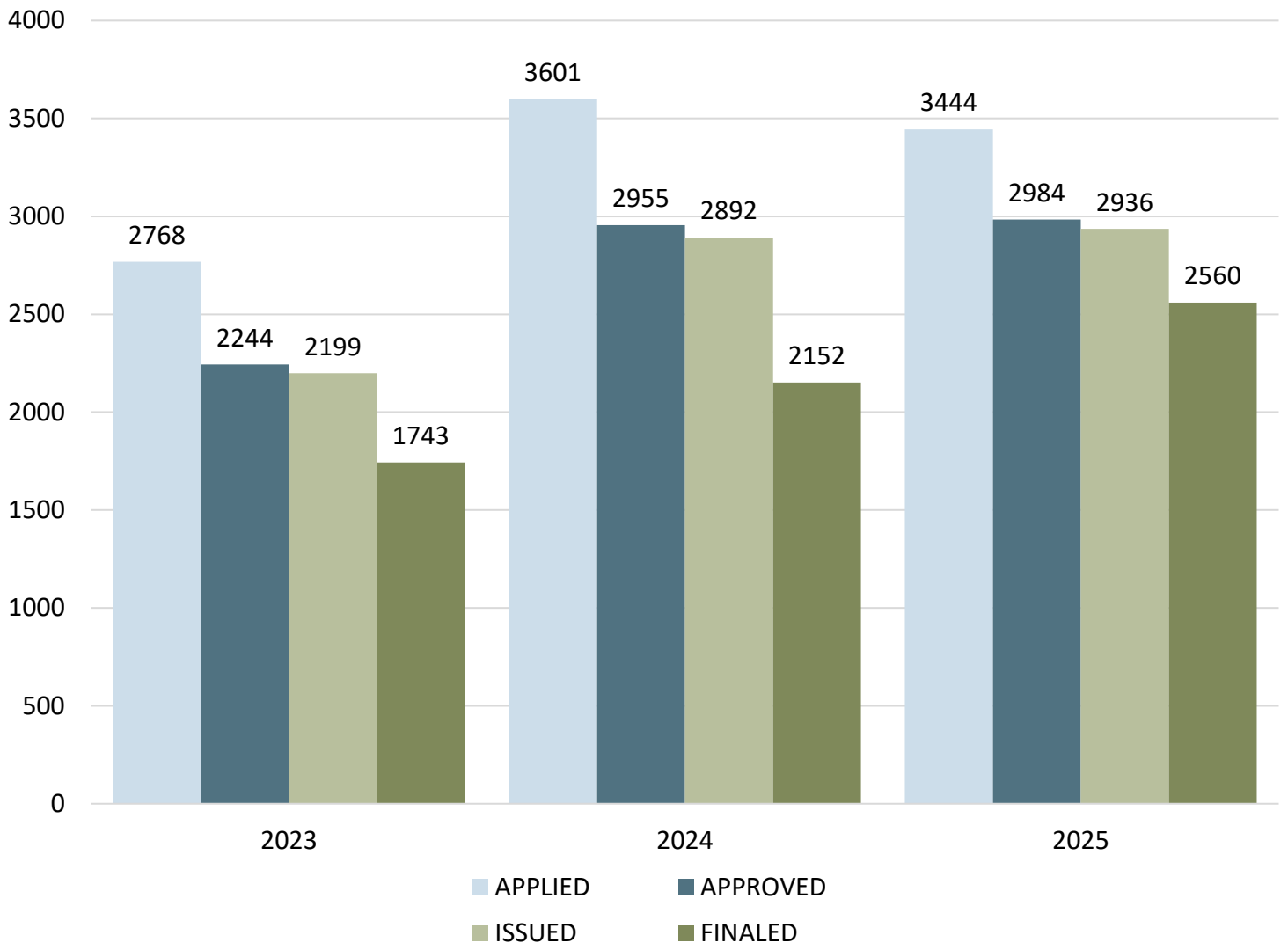


Total Permits Applied by Year

- Building* permits increased 31% from 2023 and 14% from 2024
- Simple* permits decreased 9% from 2024 to 2025

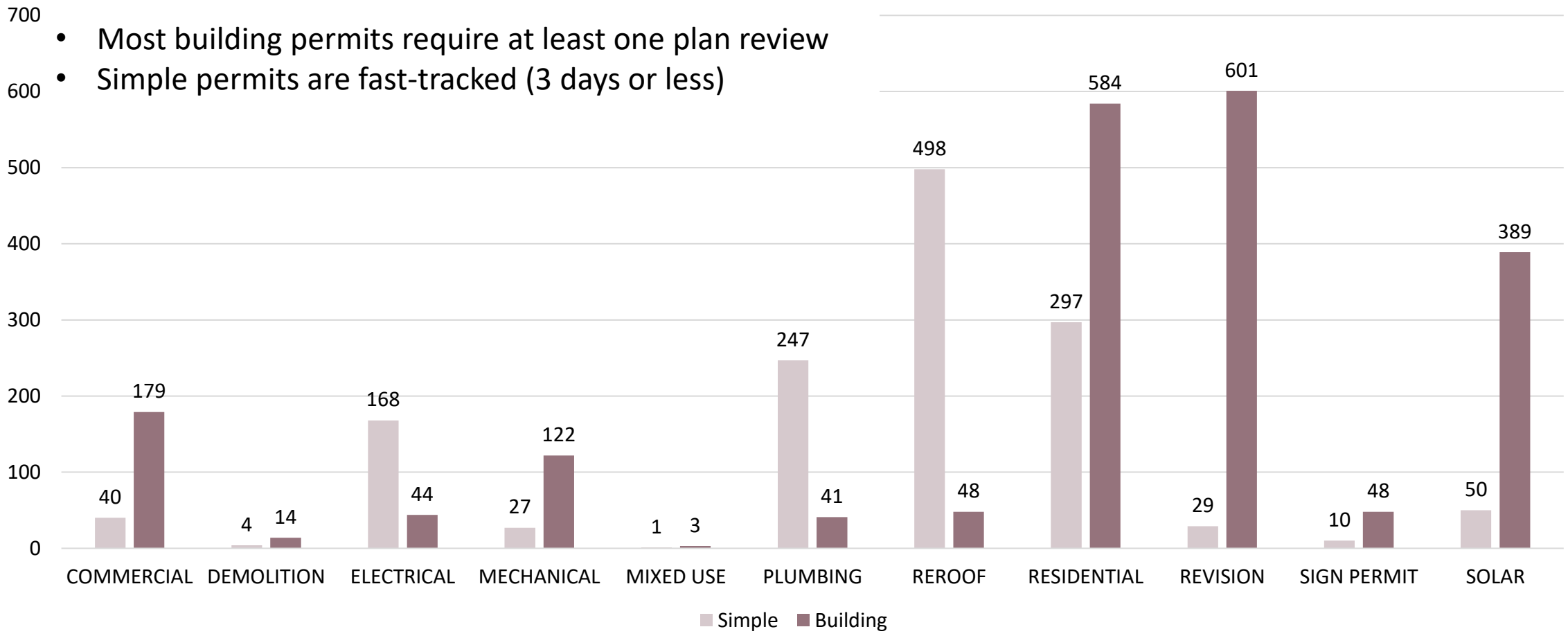
*Building permits require at least one plan review. Simple permits are fast-tracked (1–2 days)

Construction Permits by Year



- **Finaled permits increased by 19% from 2024 to 2025**
- **Volume of 2025 applied and issued permits hovered between 2023 and 2024 values**
- **Approved permits had a small 1% increase**

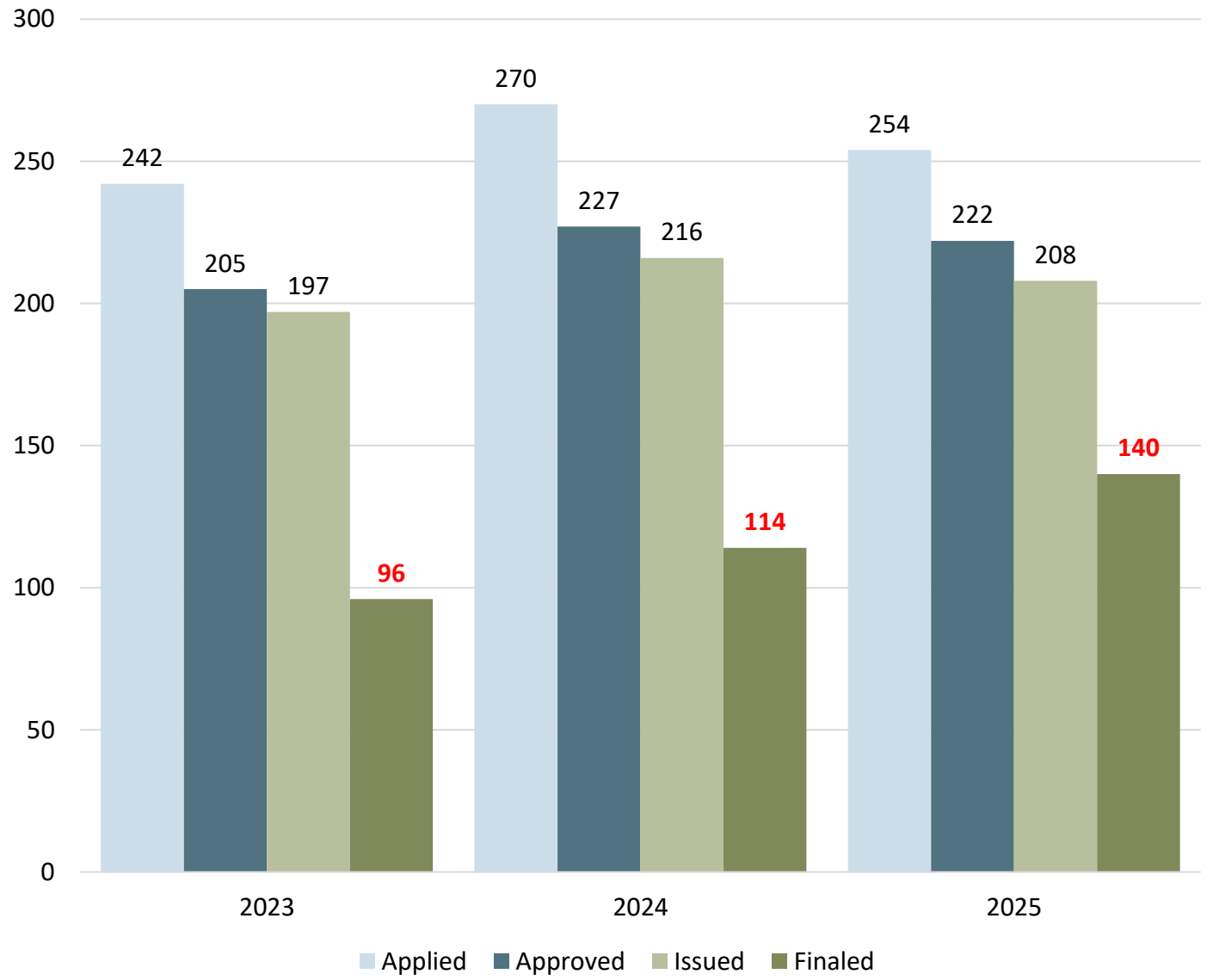
- Most building permits require at least one plan review
- Simple permits are fast-tracked (3 days or less)



Total Permits Applied by Type

Accessory Dwelling Unit (ADU) Permits by Year

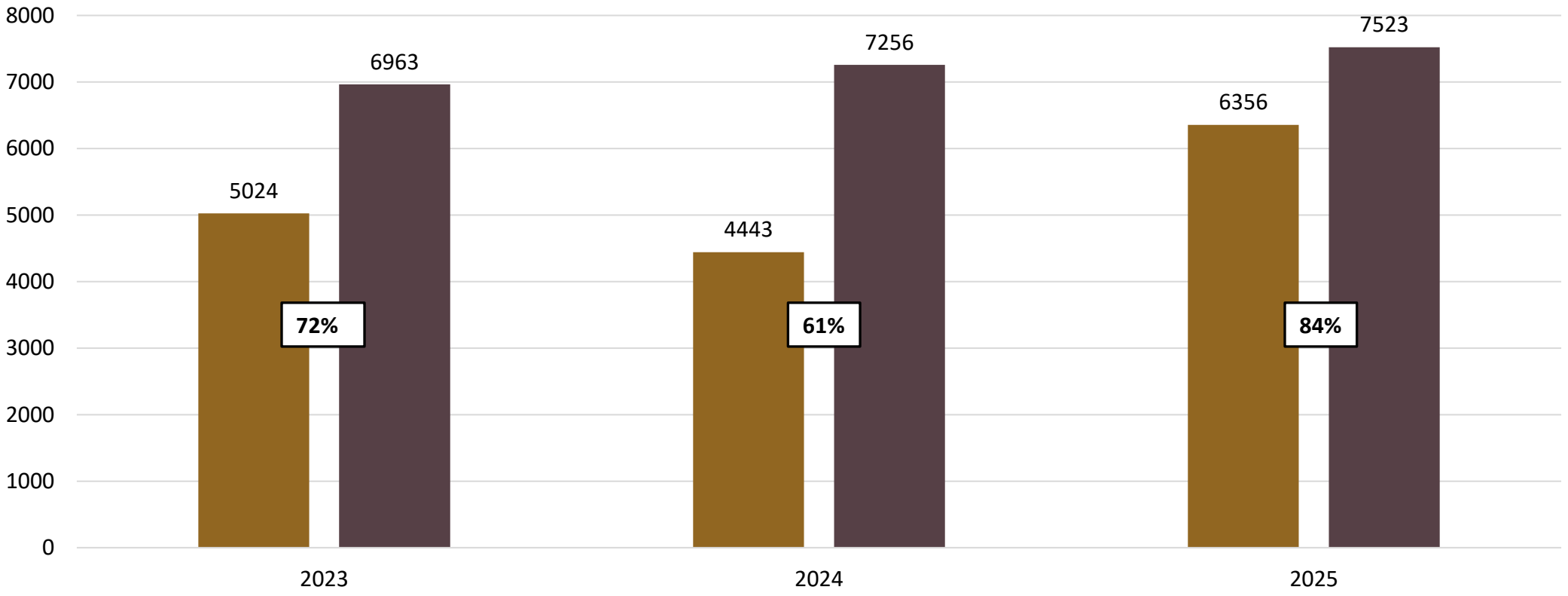
- The 2025 volume of applied, approved, and issued and permits hovered between 2023 and 2024 values
- Finaled ADUs increased by 23% from 2024 to 2025 and 44% from 2023 to 2025



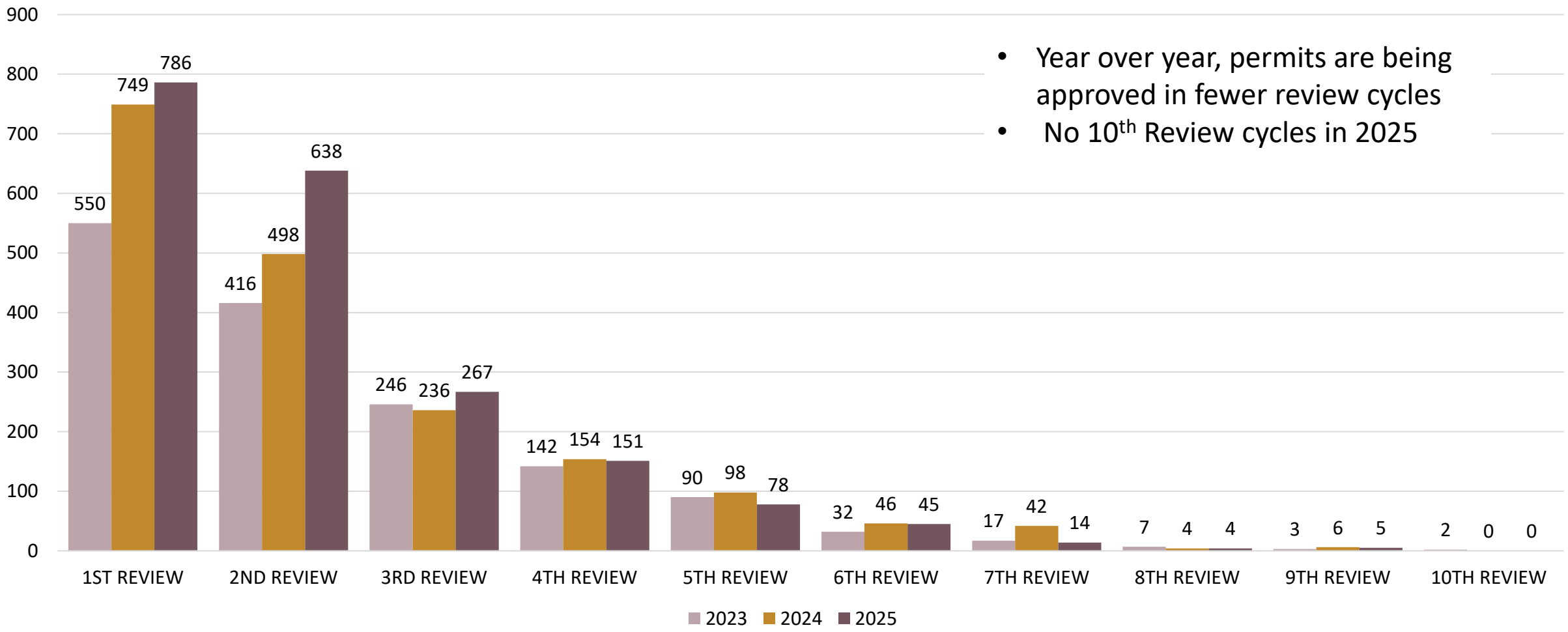
Project Type	1st Review	2nd Review	3rd Review	4th Review	5th Review
New Commercial, Major TI w/Structural or Stormwater	15 Working Days	10 Working Days	5 Working Days	3 Working Days	3 Working Day
New SFD, Non- Structural and Minor TI's	10 Working Days	5 Working Days	3 Working Days	3 Working Day	3 Working Day
Minor Non-structural Remodel w/o Engineering or Planning; B, M or S Occupancy	5 Working Days	3 Working Days	3 Working Days		
Miscellaneous Permits	3 Working Days	3 Working Day	3 Working Day		

Salinas Plan Review Timelines

Building Plan Reviews Completed on Time

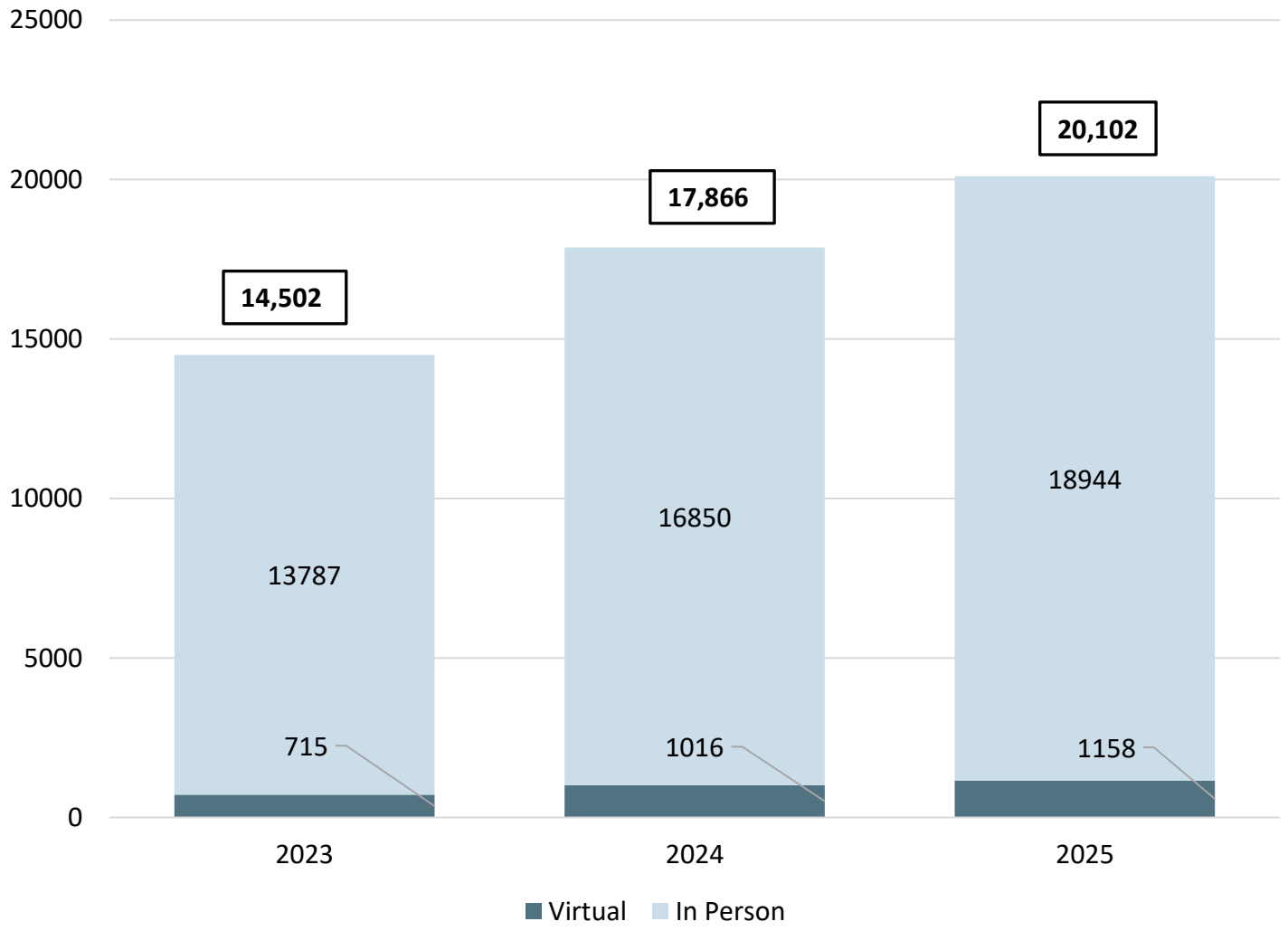


- **23% difference in on time reviews from 2024 to 2025**
- **Volume of reviews held steady from 2024 to 2025**



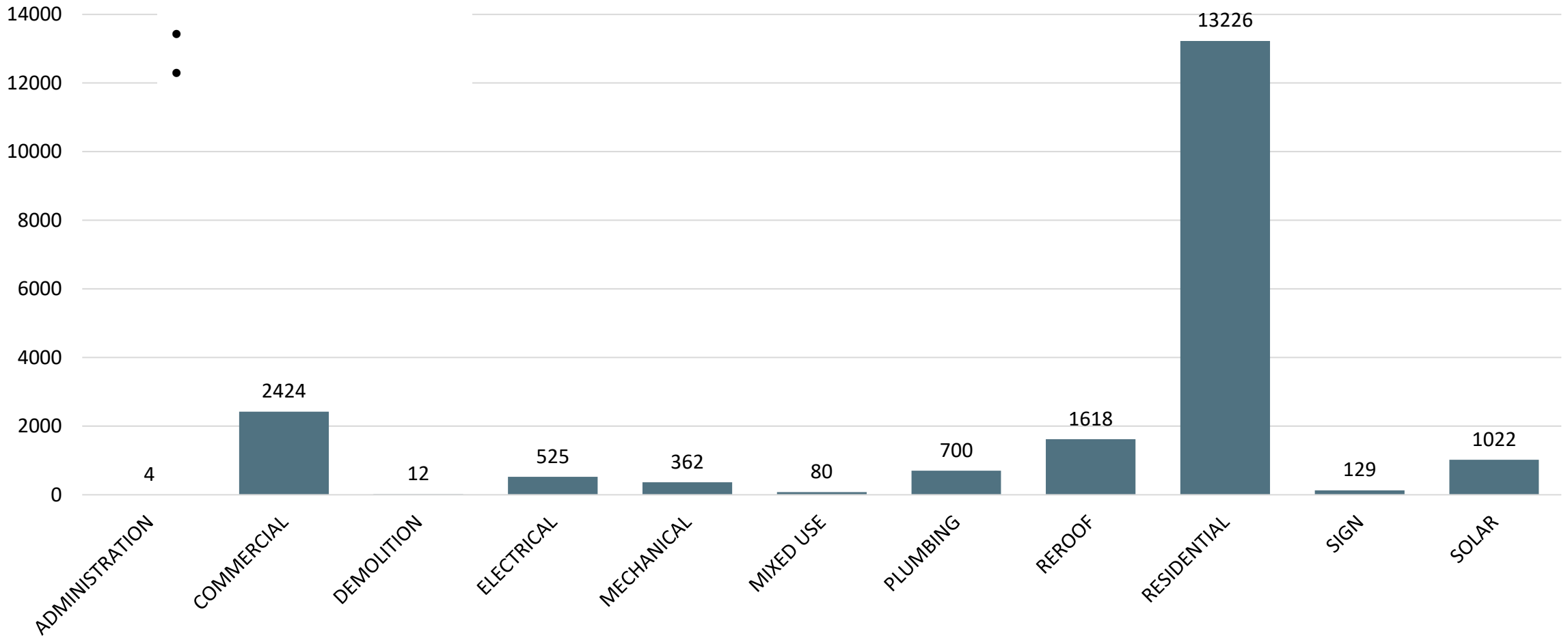
- Year over year, permits are being approved in fewer review cycles
- No 10th Review cycles in 2025

Permits Approved by Review Cycle



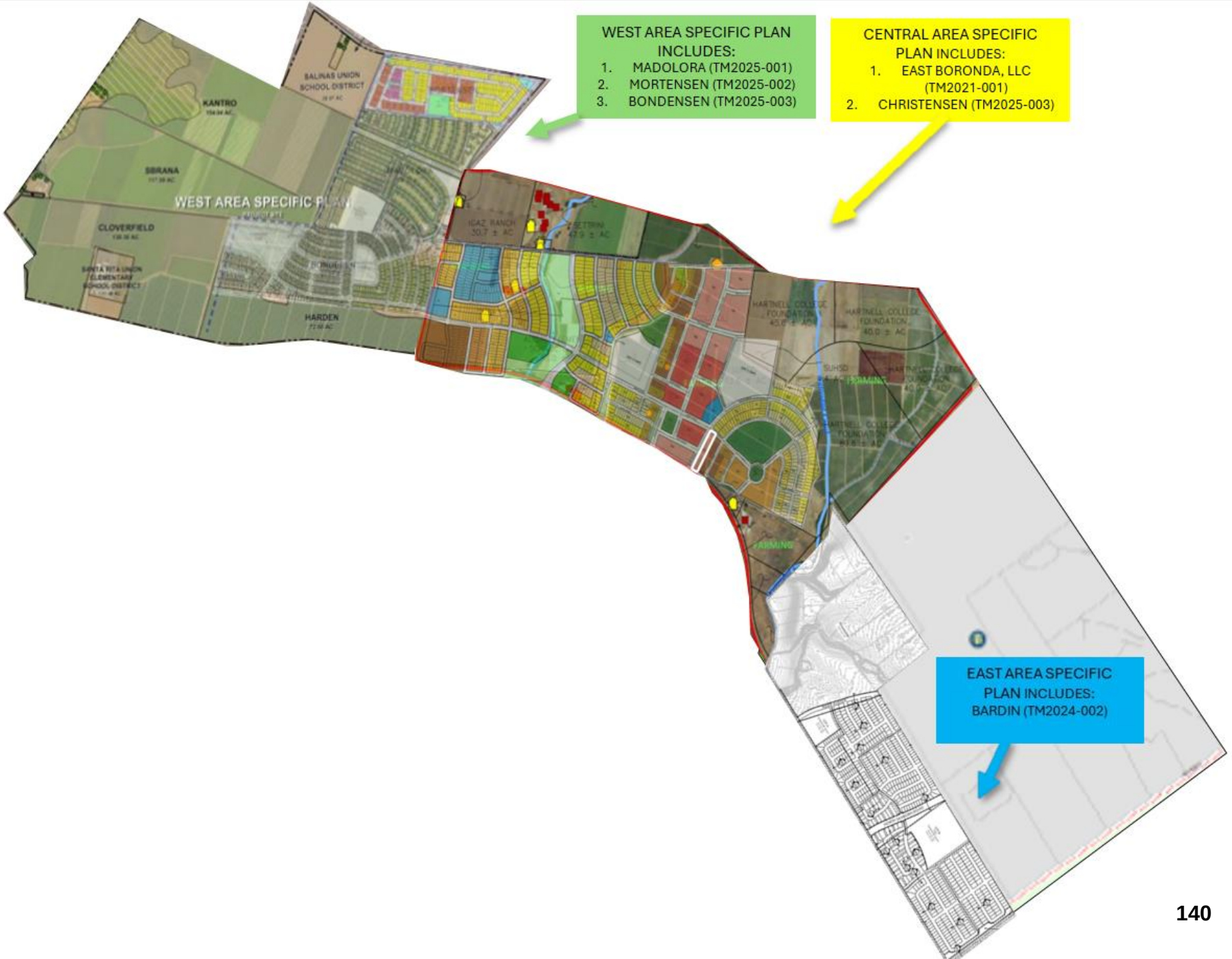
Building Inspections Completed by Year

- **39% Increase from 2023**
- **13% Increase from 2024**



Building Permit Inspections Completed by Permit Type

Future Growth Area



FGA Subdivision Status

Tentative Map Completeness Review

- Christensen – CASP (670 Dwelling Units) – Under Review
- Bardin Ranch – EASP (859 Dwelling Units) – Under Review

Tentative Map Consistency Review

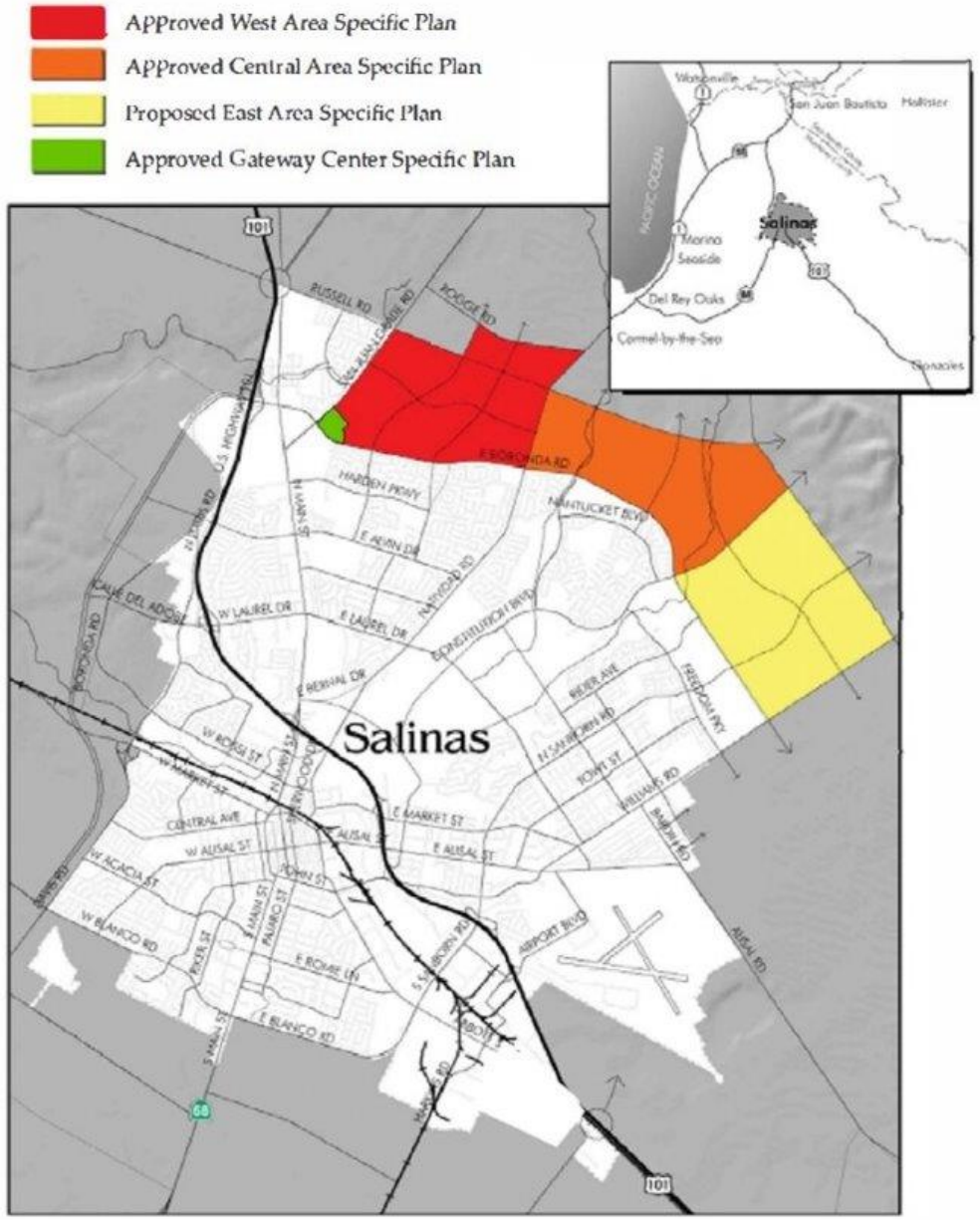
- Bondensen - WASP (638 Dwelling Units) – Applicant to Submit
- Mortensen - WASP (391 Dwelling Units) – Applicant to Submit
- Madolora - WASP (648 Dwelling Units) – Applicant to Submit

Site Plan Review

- East Boronda Phase One – CASP (415 Dwelling Units) -Under Review

Building Permit Application Review

- East Boronda Phase One – CASP - 12 Model Homes
- East Boronda Phase One – CASP - Three Apartment Buildings (50 Dwelling Units Total)



Other Services

- Current Planning
- Fire Prevention
- Developmental Engineering
- Code Enforcement
- Small Business Support

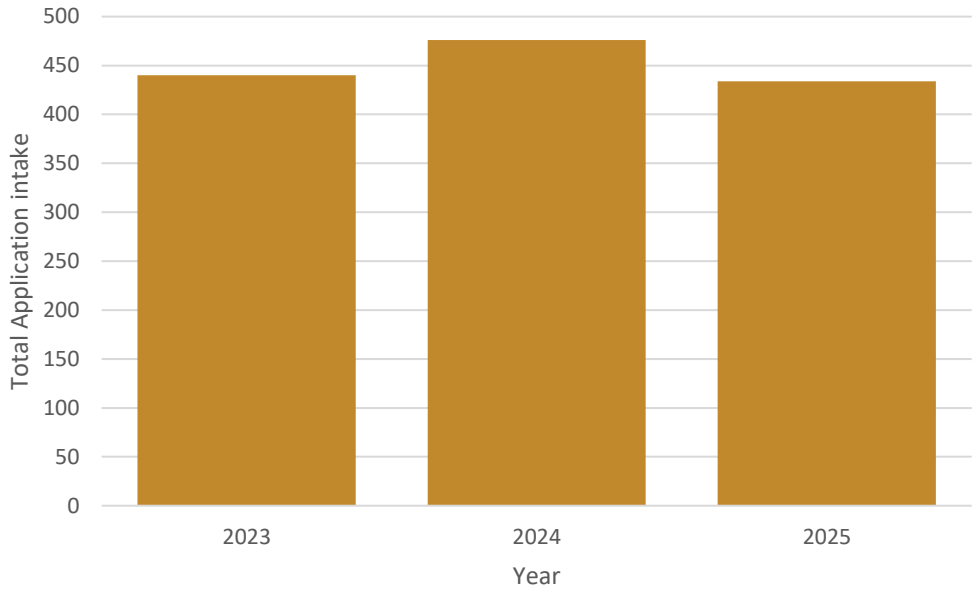
Current Planning– Performance Measures by Year

Performance Measure	2023	2024	2025
Number of discretionary and administrative permits processed	471	563	476
Number of building permit reviews conducted	2,251	2,647	2,243
Percent of building permit reviews processed within prescribed timeframes	93%	92%	87%
Average # days to Approval from Completeness for Site Plan Reviews	38	39	21

- **Customers Served (2025CY):**
- **Public Counter: 1,564**
- **Phones: 1,680**

Current Planning- Application Intake by Year

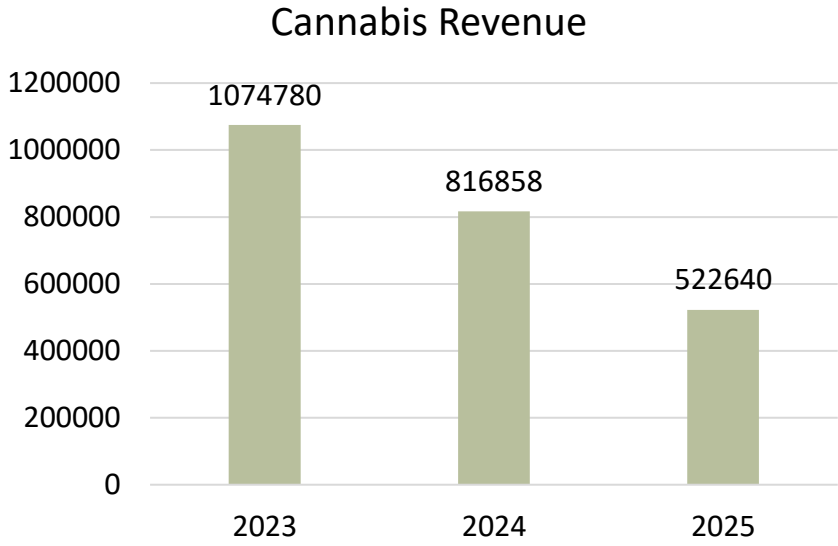
Type of Permit	2023	2024	2025
Conditional Use Permit	47	72	34
General Plan Amendment	2	0	1
Home Occupation Permit	216	207	216
Planned Unit Development	3	1	3
Prelim Project Review	4	12	10
Resubdivision	5	8	5
Rezone	1	0	1
Site Plan Review	24	25	20
Temp Land Use	136	148	140
Tentative Map	2	3	4
Total	440	476	434



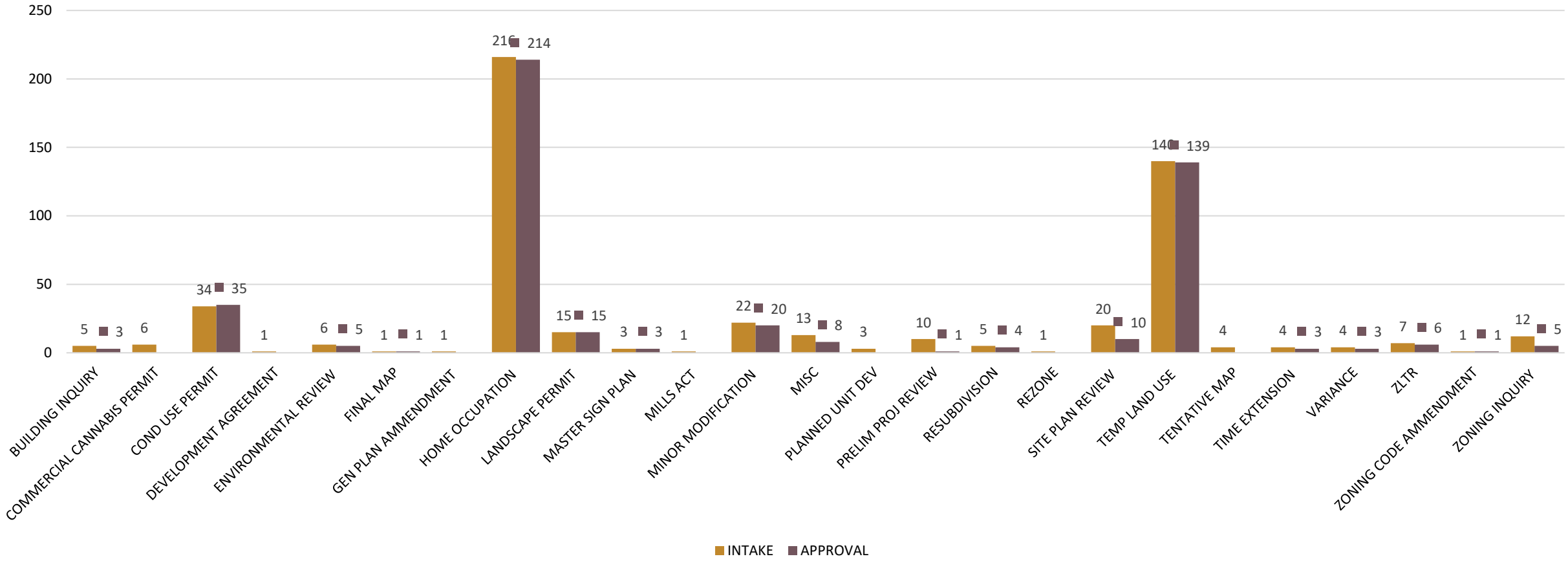
Current Planning– Application Intake 2025

Highlights of the 535 applications received in 2025:

- 34 Conditional Use Permits
- 20 Site Plan Reviews
- 4 Tentative Maps
- 6 Commercial Cannabis Permits $10.7M Tax Revenue
- 10 Prelim Project Reviews



Current Planning– Application Approvals



SB330 Timeline –Mortensen

- Preliminary Application Submitted on 12/10/24
- Establishes vested rights or applicable rules on day of submission.

Applicant has 180 days to submit full application or vesting tentative rights expire (Due 6/8/25).

Applicant submitted full application on 5/14/25.

- Agency has 30 days to determine completeness and notify applicant.
- Incompleteness letter was issued on 6/13/25.
- Applicant has 90 days to resubmit (Due 9/11/25).

Applicant resubmitted on 9/3/25.

Incompleteness letter sent out by staff on 10/2/25.

Applicant resubmitted on 11/20/25

Completeness letter sent to Applicant on 12/19/25

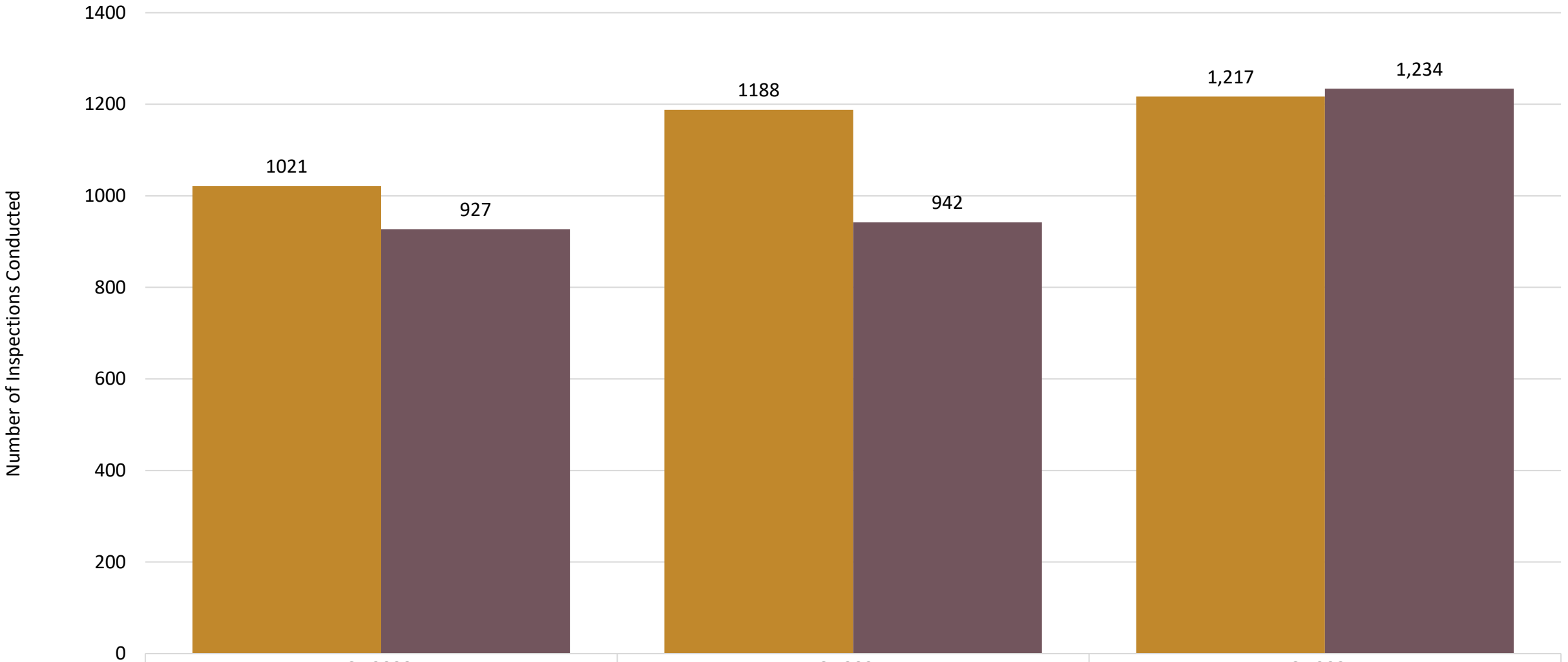
Once application is “deemed complete,” agency has 30 days to review application for consistency with applicable standards. For projects with 150 unis or more, agency has 60 days.

Note: To date, applicant has not submitted for consistency review. There is no deadline at this stage for applicant to submit for consistency review.

Fire Overview for 2025

- Customers Served at Counter: 142
- Phone Calls: 10,153
- SFD Permits Issued: 364
- Fire Plan Checks Conducted: 703
- DRC Projects Reviewed: 120
- Inspections Completed (CodeTRAK): 1,217
- Inspection Completed (PermitTRAK): 1,234
- Fireworks Citations Issued: 96
- Fireworks Citations Collected: $218,500

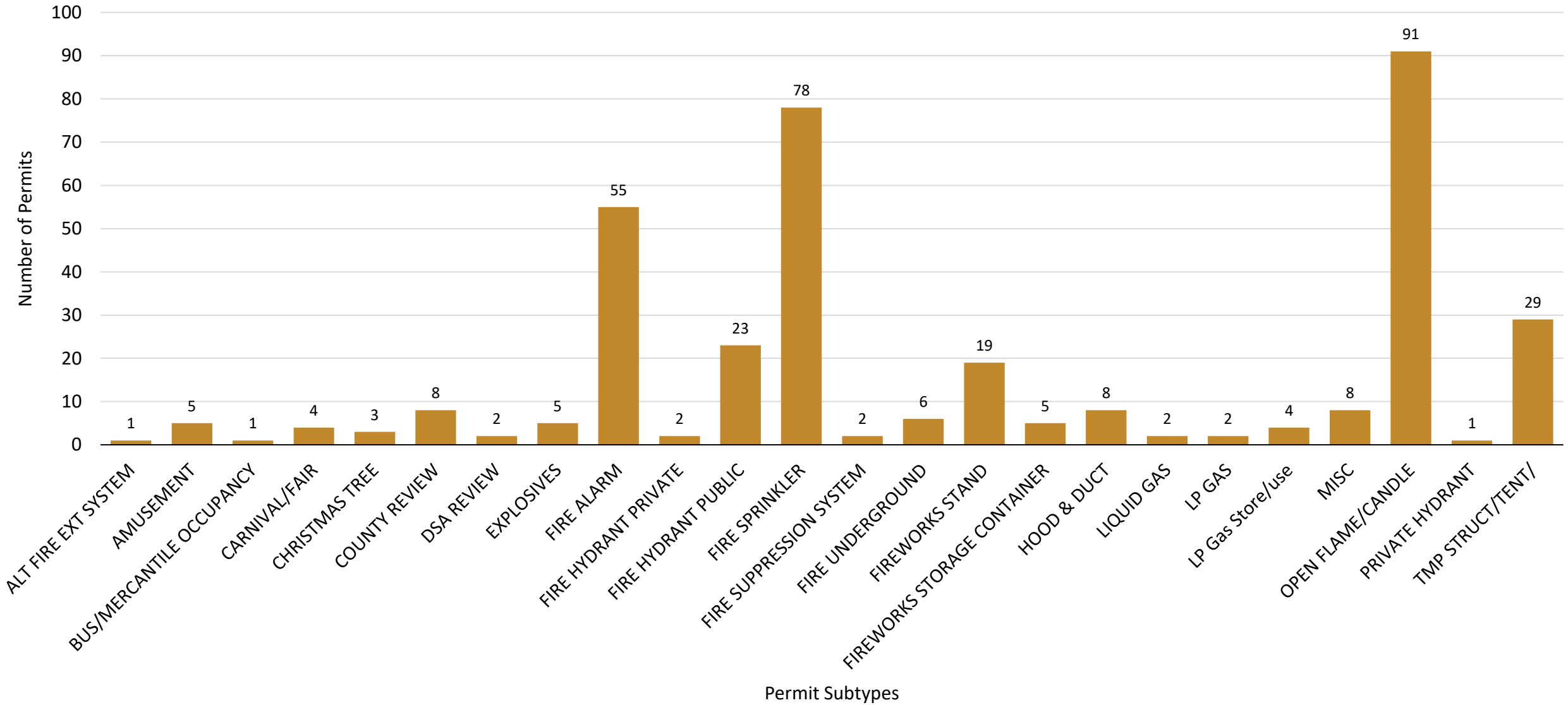
Fire Inspection Cases & Inspections by Year



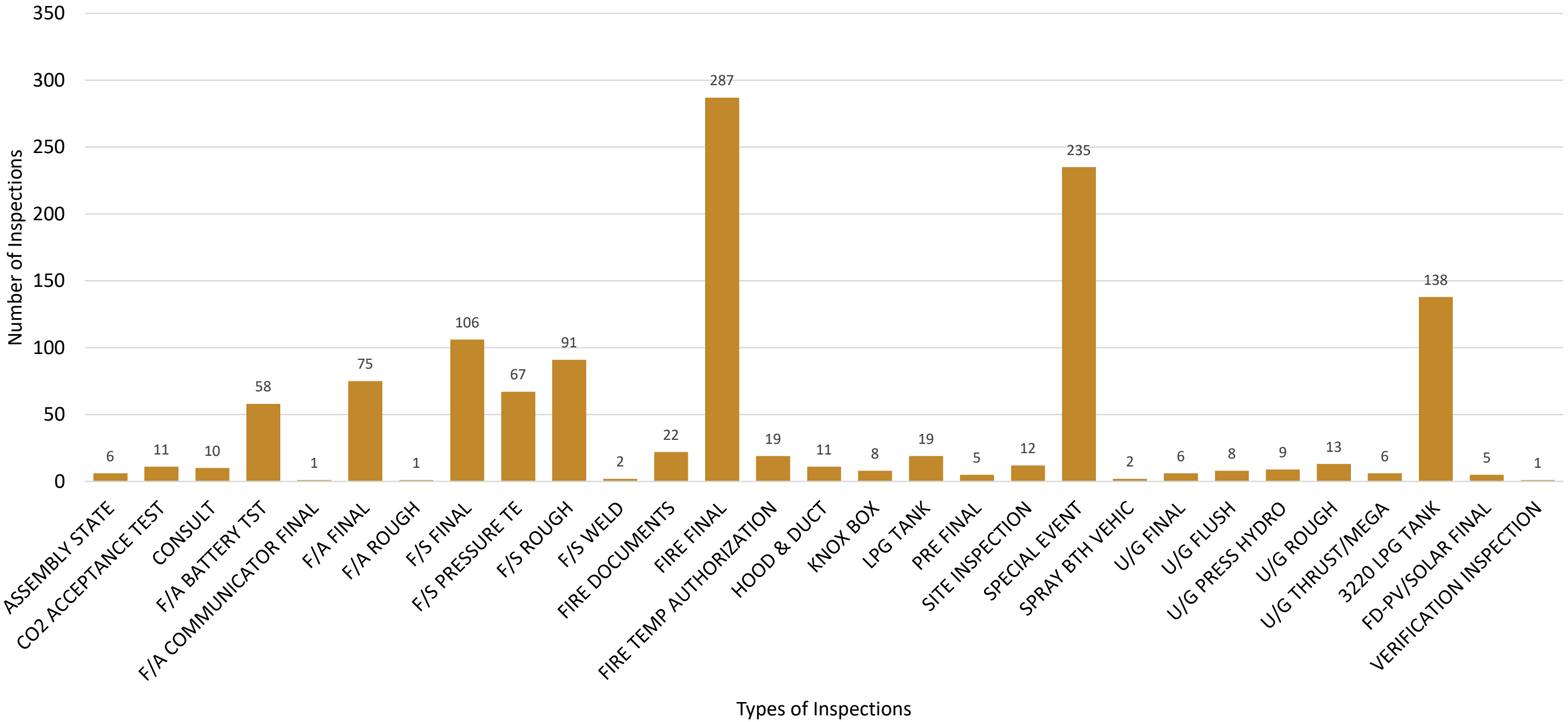
	CY 2023	CY 2024	CY 2025
Code TRAK	1021	1188	1,217
Permit TRAK	927	942	1,234

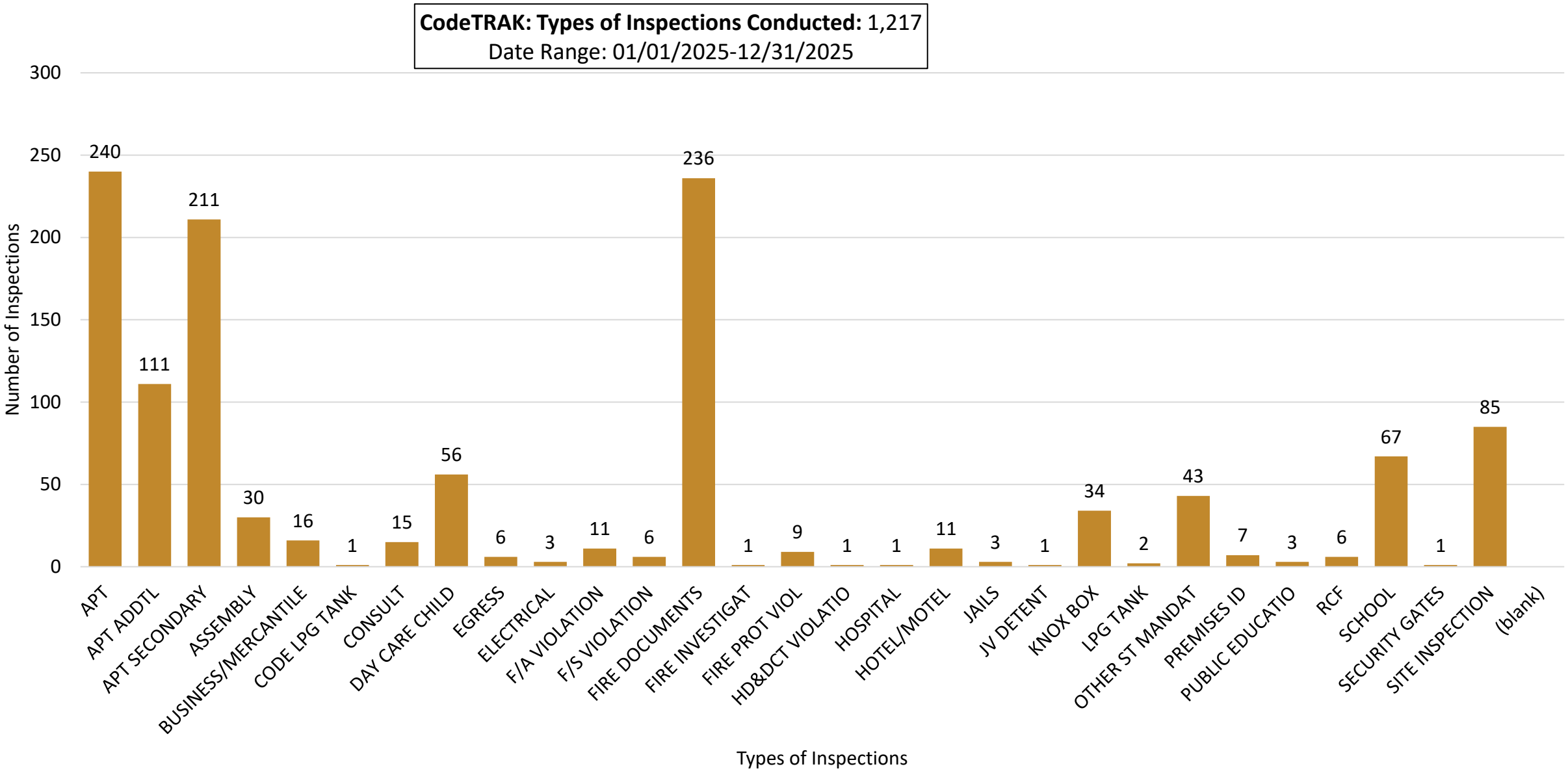
Fire Prevention - Total Number of Permits Issued: 364

Date Range: 01/01/2025-12/31/2025



PermitTRAK: Types of Inspections Conducted: 1,234
Date Range: 01/01/2025-12/31/2025

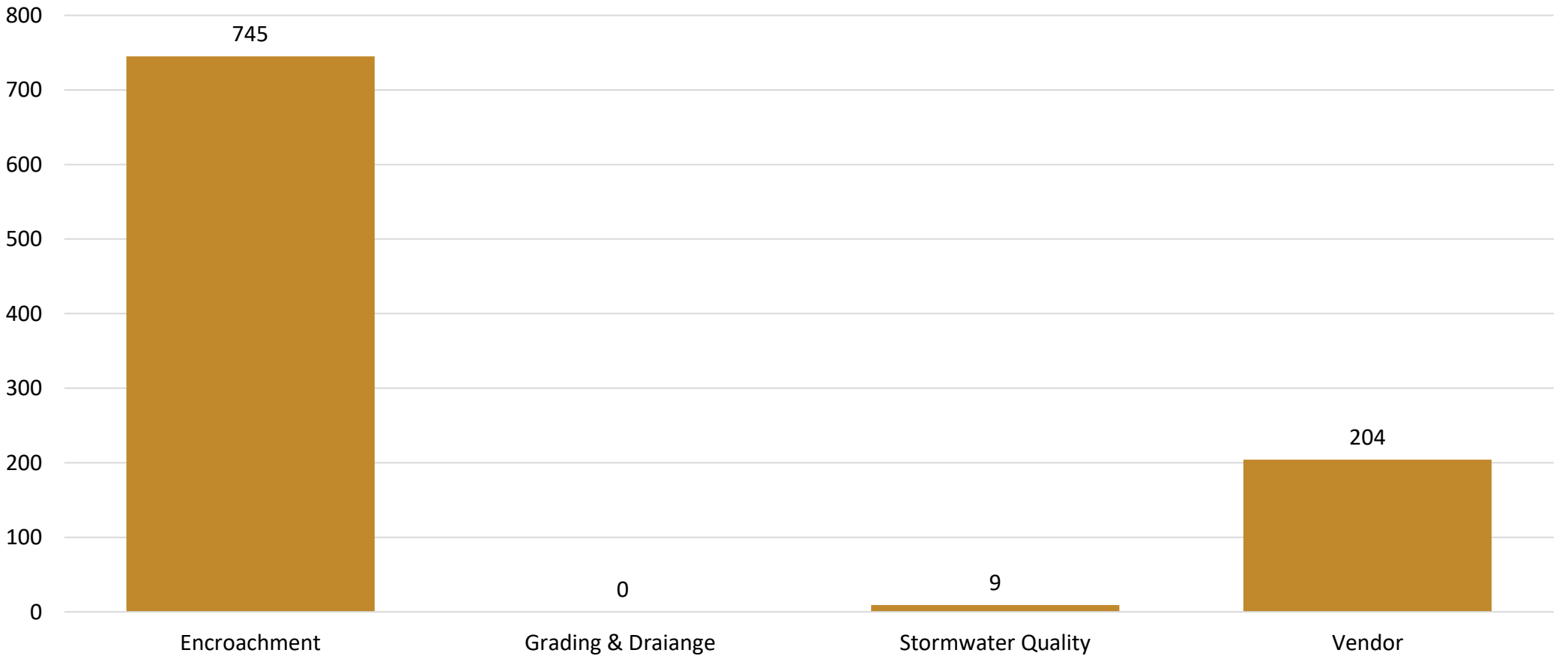



CodeTRAK: Types of Inspections Conducted: 1,217
Date Range: 01/01/2025-12/31/2025
Number of Inspections
300
250
200
150
100
50
0
240
111
211
30
16
1
15
56
6
3
11
6
236
1
9
1
1
11
3
1
34
2
43
7
3
6
67
1
85
APT
APT ADDTL
APT SECONDARY
ASSEMBLY
BUSINESS/MERCANTILE
CODE LPG TANK
CONSULT
DAY CARE CHILD
EGRESS
ELECTRICAL
F/A VIOLATION
F/S VIOLATION
FIRE DOCUMENTS
FIRE INVESTIGAT
FIRE PROT VIOL
HD&DCT VIOLATIO
HOSPITAL
HOTEL/MOTEL
JAILS
JV DETENT
KNOX BOX
LPG TANK
OTHER ST MANDAT
PREMISES ID
PUBLIC EDUCATIO
RCF
SCHOOL
SECURITY GATES
SITE INSPECTION
(blank)
Types of Inspections

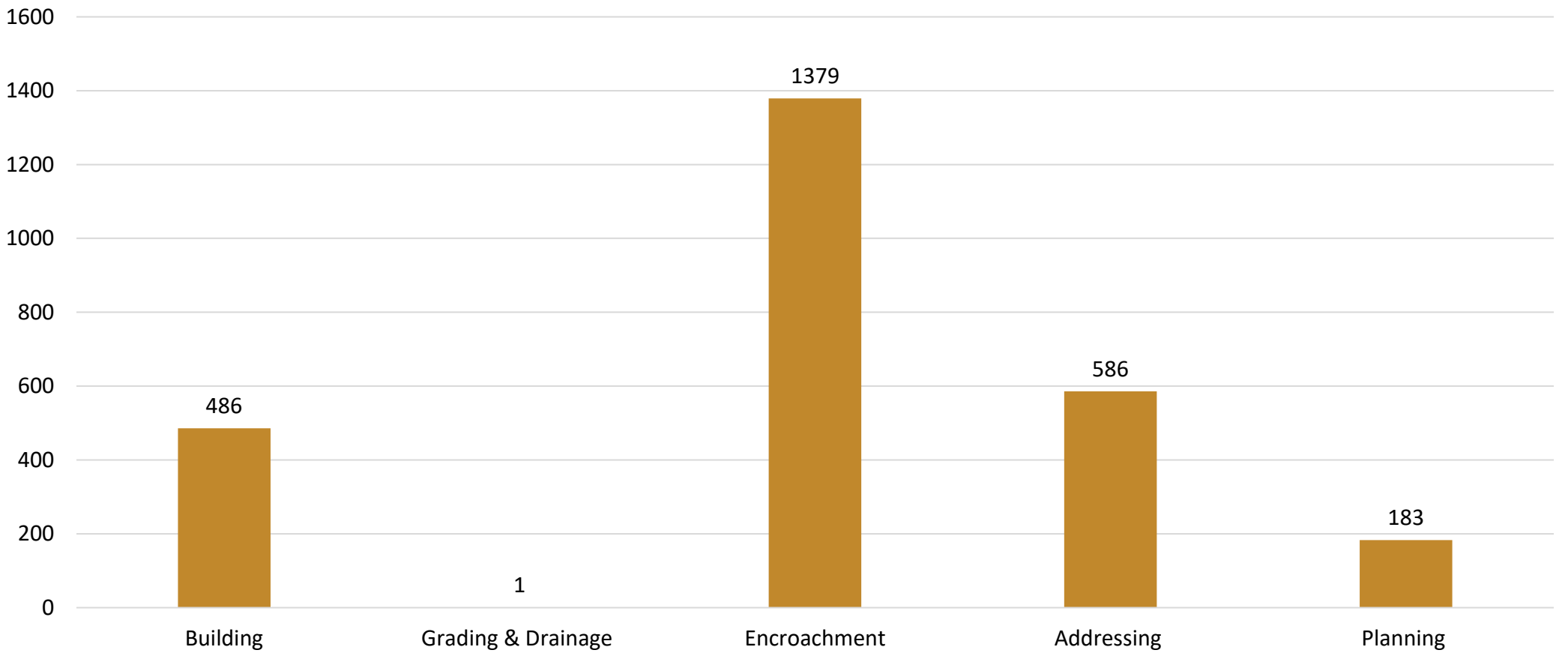
Development Engineering 2025 Overview

- Customers Served at Counter: 1046
- Encroachment Permits Issued: 741
- Vendor Permits Issued: 204
- Encroachment Permit Reviews: 1,379
- Building Permit Reviews: 1,072
- Planning Permit Reviews: 183
- Inspections Completed: 5,794

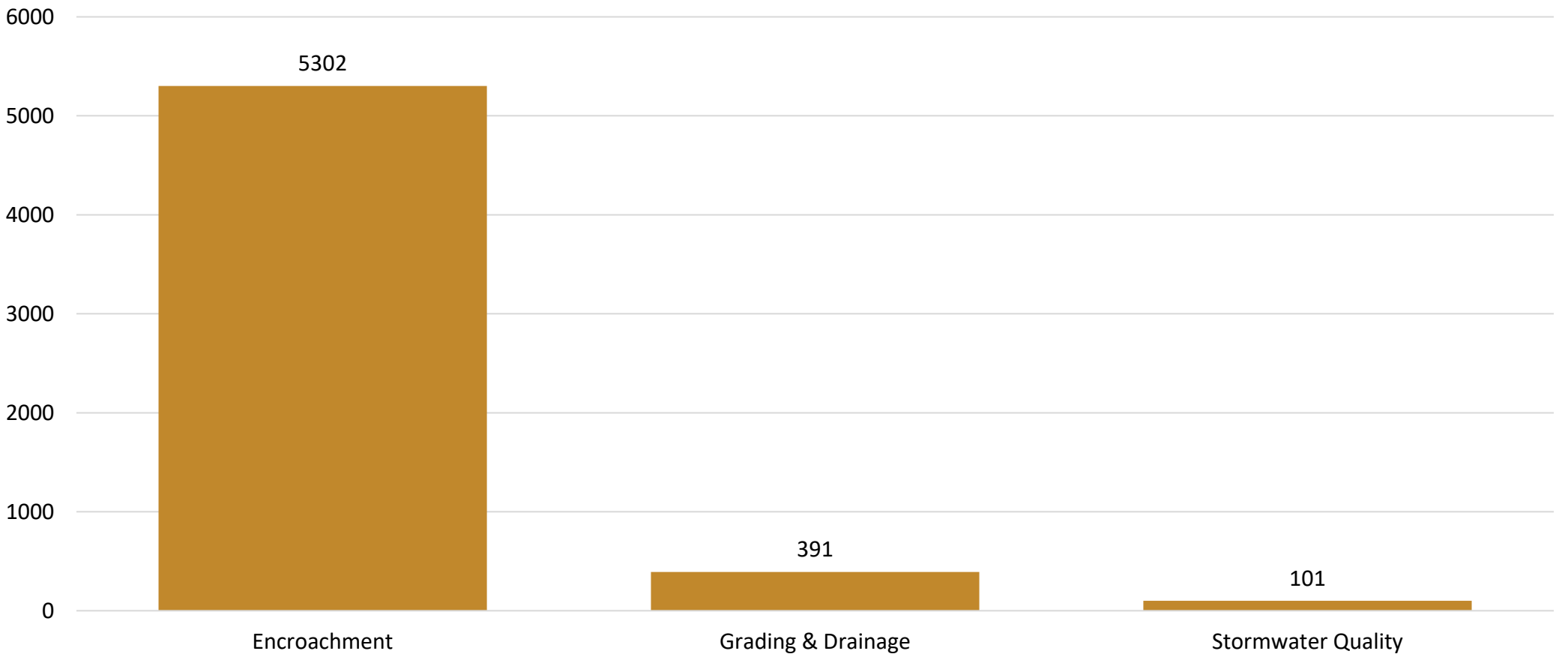
Development Engineering–Total Permits Issued in 2025



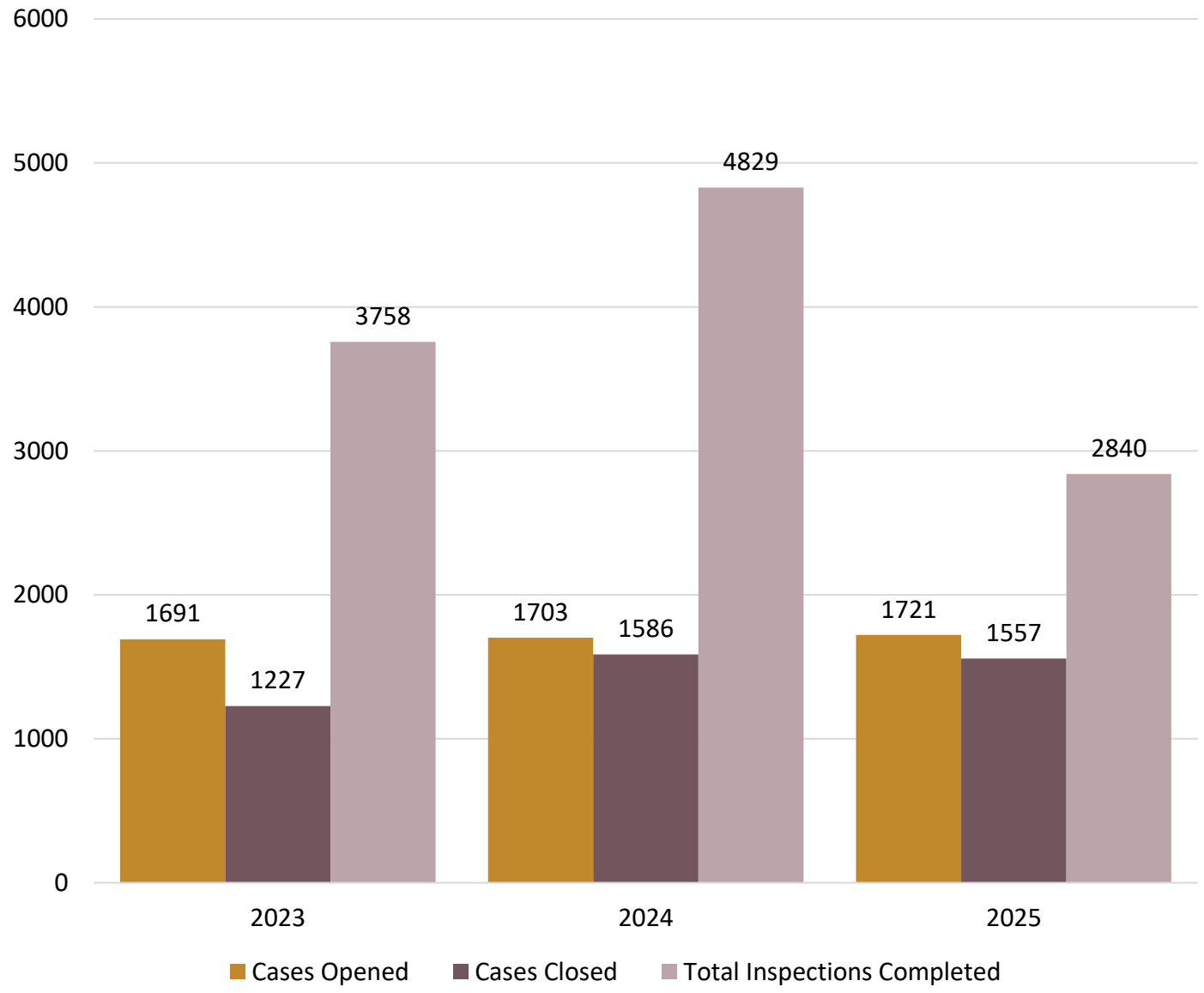
Development Engineering–Reviews Completed by Permit Type in 2025



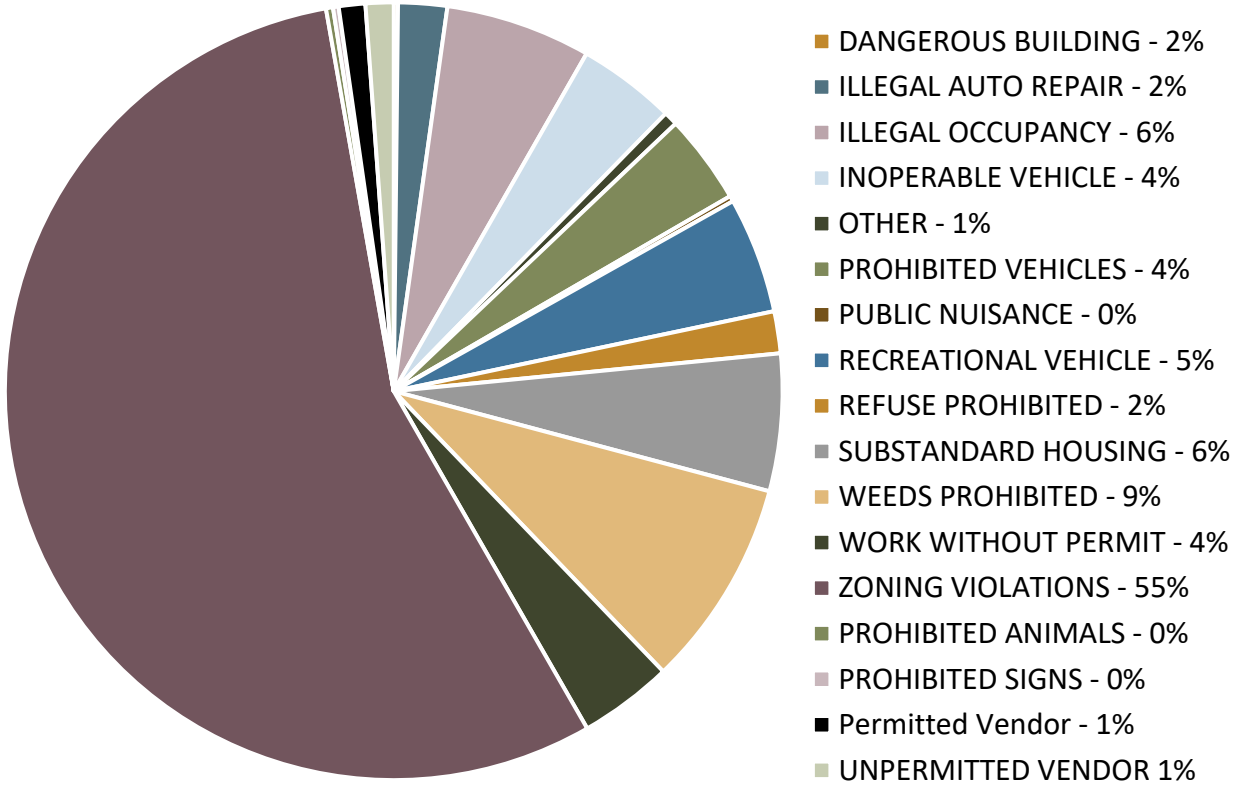
Development Engineering–Inspections Completed by Permit Type in 2025



Code Enforcement Cases & Inspections by Year

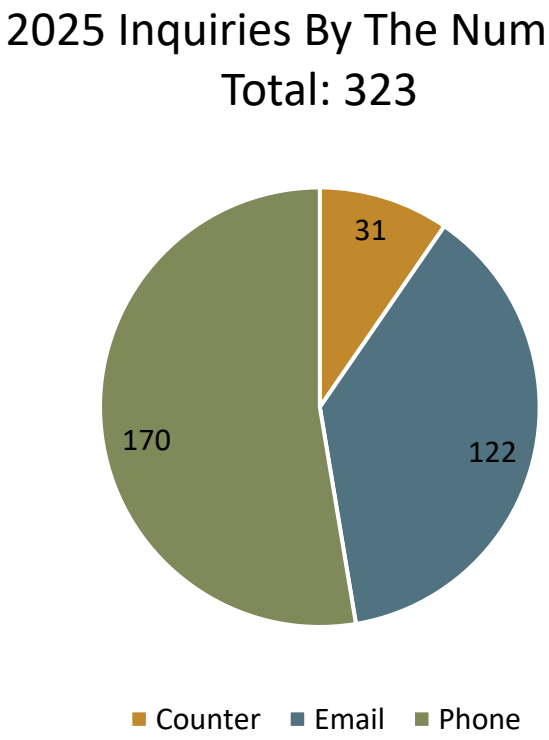


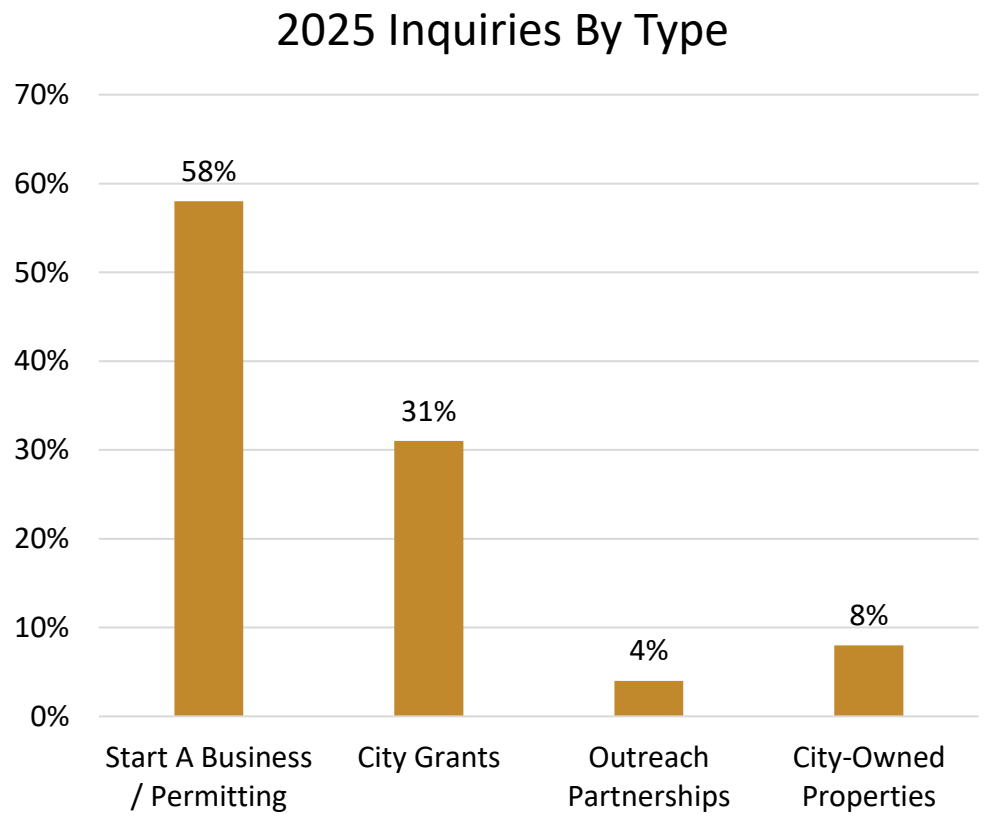
Code Enforcement Cases Open by Type 2025



Yearly Comparison	2023	2024	2025
DANGEROUS BUILDING	2	3	3
ILLEGAL AUTO REPAIR	34	23	35
ILLEGAL OCCUPANCY	116	154	104
INOPERABLE VEHICLE	65	44	70
OTHER	740	181	10
PROHIBITED VEHICLES	3	68	64
PUBLIC NUISANCE	95	5	4
RECREATIONAL VEHICLE	12	96	83
REFUSE PROHIBITED	100	66	30
SUBSTANDARD HOUSING	69	94	98
WEEDS PROHIBITED	74	212	149
WORK WITHOUT PERMIT	217	162	67
ZONING VIOLATIONS	164	452	954
PROHIBITED ANIMALS	0	1	5
PROHIBITED SIGNS	0	6	4
Permitted Vendor	0	0	19
UNPERMITTED VENDOR	0	12	20
Totals	1691	1703	1721
Percentage Increase	26%	0.70%	1.04%

Small Business Support





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Questions?

For more information, contact Permit Services
(831) 758-7251
https://www.cityofsalinas.org/Your-Government/Departments/Community-Development

2025 Key Actions Taken

Training

- Continued monthly Community Development Department “First Friday” trainings focused on communication, teamwork, and City values.
- All Community Development staff completed DiSC assessments and participated in department-wide and division-specific communication training.
- Division managers attended three full-day, in-person RGS Leadership Academy training courses focused on public sector leadership, accountability, and performance management.
- Five Community Development staff completed the Sustainovation training program emphasizing team effectiveness, mission, values, productivity, and accountability.
- Six of seven Current Planning staff attended the American Planning Association (APA) Conference.
- All Permit Services plan checkers, inspectors, supervisors, and the Building Official completed training on the 2025 California Building Standards.
- All Permit Services Plan Checkers obtained International Code Council (ICC) Residential Plans Examiner certification.
- Permit Services Plan Checker training initiated to develop an in-house ADU plan review team.

Staffing

- Added one full-time Permit Clerk and filled two additional Permit Clerk vacancies to support customer service and simple permit processing.
- Added one full-time Permit Technician and filled two Permit Technician vacancies to support building permit intake and processing.
- Filled one Building Combination Inspector I and one Building Combination Inspector II vacancy.
- Permit Services filled a new Management Analyst position to support process improvement, data analysis, reporting, budgeting, and permitting technology.
- Filled the Supervising Plan Checker position after a two-year vacancy through internal promotion.
- Filled two Plan Checker I positions with a commitment to train staff to higher certification levels.
- Permit Services maintained contracts with five plan review consultants to manage workload and commercial plan review needs.
- Current Planning added and filled one Senior Planner.

- Current Planning added and filled an Associate Planner position.
- Current Planning filled an Administrative Aide vacancy.
- Current Planning began recruitment for a Management Analyst.
- Code Enforcement filled two full-time admin vacancies for Administrative Analyst and Administrative Clerk.
- Code Enforcement filled two full-time Code Enforcement Officer I vacancies.

Workflow

- Established and refined permit policies, procedures, and checklists to align with new legislation and improve customer guidance.
- Shifted more permit activity online, resulting in reduced front counter demand and increased use of email communication.
- Began monthly coordination meetings between plan checkers and inspectors to identify recurring issues and develop consistent solutions.
- Created and implemented visual inspection guides to help homeowners better understand inspection types and sequencing, particularly for ADUs.
- Initiated development of an in-house ADU plan review team to reduce reliance on consultants and improve customer experience.
- Continued updates to Trakit and the Paperless Permit Portal and evaluated additional technology solutions to improve efficiency.
- Leveraged consultants to manage large-scale projects (including Amazon) without impacting permit processing timelines.
- Advanced implementation of Municipal Resource Group (MRG) recommendations through operational changes and the Values in Action framework.

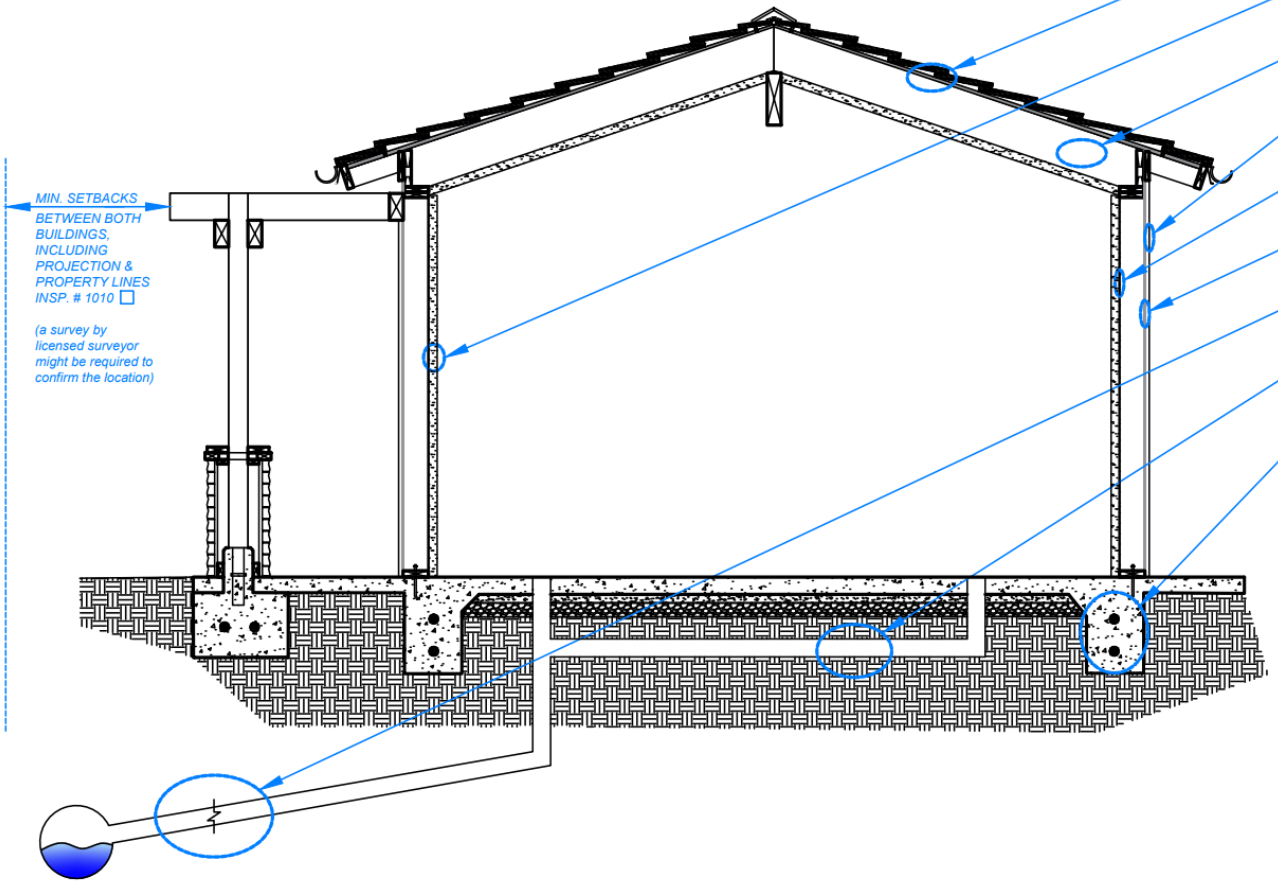
Legislation

- Adopted the 2025 California Building Standards (effective January 1, 2026).
- Developed and implemented processes to comply with new state laws impacting permit processing, including:
    - AB 42 – Tiny homes and temporary sleeping cabins
    - AB 306 – Freeze on local residential code amendments
    - AB 1132 – Solar energy system permit fees
    - AB 1332 – ADU preapproved plans (process developed for 2026 implementation)
    - AB 1738 – EV charging stations in existing buildings
    - AB 253 – Residential Private Permitting Review Act

    - SB 379 – Solar Access Act (process developed for 2026 implementation)
    - AB 2579 – Exterior Elevated Elements inspection updates

- Continued the Comprehensive Zoning Code Update (ZCU) to streamline entitlement processes, simplify regulations, and improve clarity for applicants and staff. Phase One of the zoning code has been initiated to address amendments to the current Zoning Code and bring it into compliance with State Housing Law prior to completion of the General Plan Update. Opportunities for streamlining and clarification will be considered to eliminate the need to wait for the full comprehensive update. Completion of Phase One is anticipated by mid-2026.

City of Salinas
Permit Services Division –Community Development
65 West Alisal Street, Salinas, CA 93901
831-758-7251 – Option 1
Eng Option 2, Planning Option 3, Fire Option 4



ROOF SHEATHING FRAME
INSP. #1280 ☐

DRYWALL/SHEETROCK
INSP. #1410 ☐

TRUSS
INSP. #1320 ☐

EXTERIOR LATH (STUCCO LATH)
INSP. #1420 ☐

FRAMING
INSP. #1300 ☐

SHEAR OR PLYWOOD
INSP. #1260 ☐

SEWER CONNECTION
INSP. #1060 ☐

UNDER SLAB/FLOOR PLUMBING
INSP. #1080 ☐

FORMS/FOOTINGS/STEEL & SLAB
INSP.#1000 &1020 ☐

Essential Rough Inspections

ROUGH PLUMBING/TOP OUT
INSP. # 1210 ☐

ROUGH GAS PRESSURE
INSP. # 1220 ☐

ROUGH WATER PIPING
INSP. # 1230 ☐

ROUGH MECHANICAL
INSP. # 1240 ☐

ROUGH WIRING
INSP. # 1250 ☐

Essential Underground Inspections

SOIL CONDITIONS
INSP. # 1005 ☐

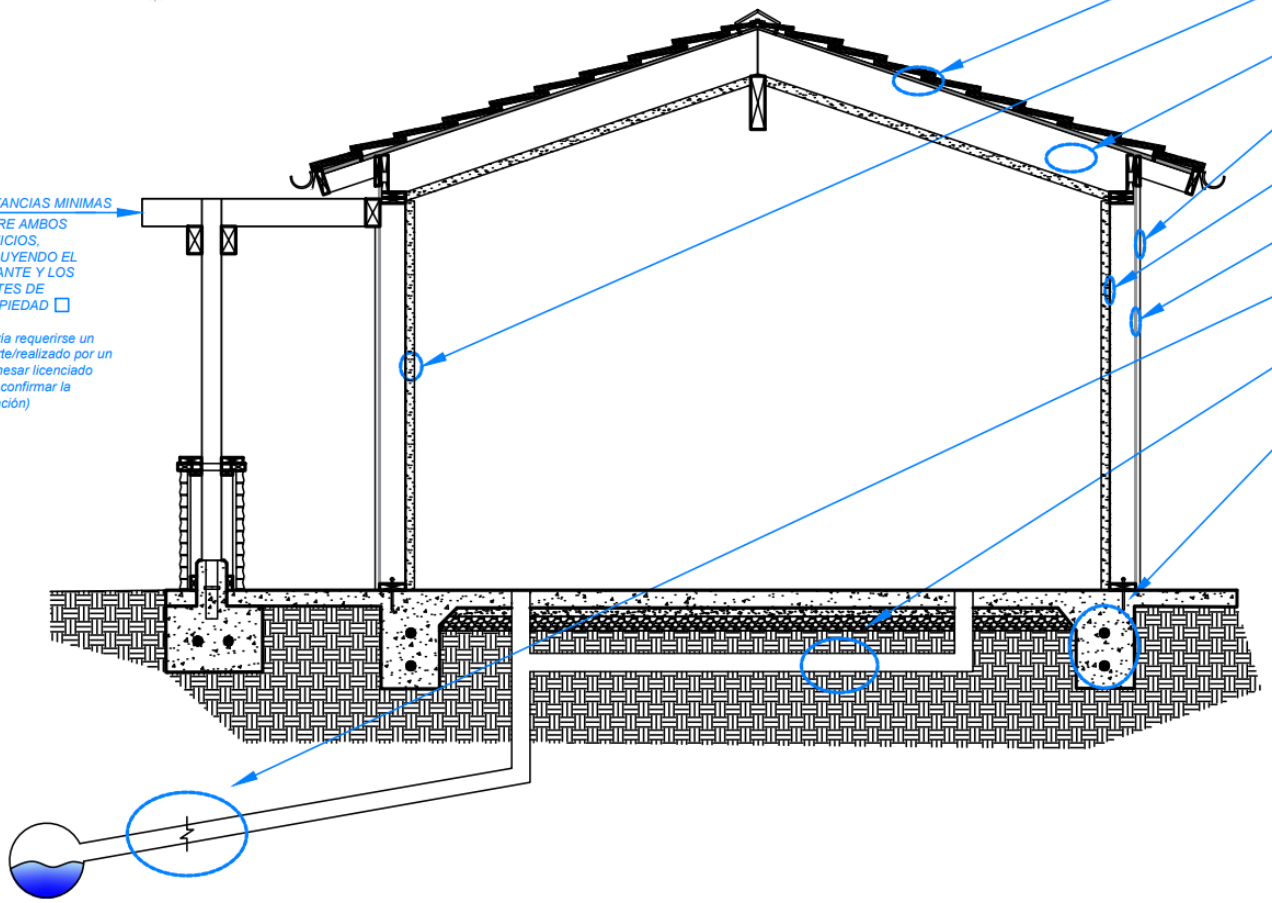
WATER SERVICE
INSP. # 1070 ☐

*SEE JOB CARD FOR A COMPLETE LIST OF INSPECTIONS AS ALL SIGN OFFS **MUST BE** DONE ON THE JOB CARD*

ADU SECTION VIEW

REFERENCE USE ONLY

City of Salinas
Permit Services Division –Community Development
65 West Alisal Street, Salinas, CA 93901
831-758-7251 – Option 1
Eng Option 2, Planning Option 3, Fire Option 4



DISTANCIAS MINIMAS ENTRE AMBOS EDIFICIOS, INCLUYENDO EL VOLANTE Y LOS LIMITES DE PROPIEDAD ☐

(podria requerirse un reporte/realizado por un agrimesar licenciado para confirmar la ubicación)

PLYWOOD DE TECHO
INSP. #1280 ☐

DRYWALL/SHEETROCK
INSP. #1410 ☐

TRUSSES
INSP. #1320 ☐

MALLA METÁLICA EXTERIOR
INSP. #1420 ☐

ARMAZON/FRAME
INSP. #1300 ☐

MUROS DE SHEAR O PLYWOOD
INSP. #1260 ☐

CONEXIÓN DE ALCANTARILLADO
INSP. #1060 ☐

PLOMERÍA DEBAJO DE LOSA/PISO
INSP. #1080 ☐

FORMAS/ZAPATAS/ACERO Y LOSA
INSP.#1000 &1020 ☐

Essential Rough Inspections

PLOMERÍA DRENAJE
INSP. # 1210 ☐

PRESIÓN DE GAS PRELIMINAR
INSP. # 1220 ☐

TUBERÍAS DE AGUA PRELIMINAR
INSP. # 1230 ☐

MECÁNICA PRELIMINAR
INSP. # 1240 ☐

ELECTRICO PRELIMINAR
INSP. # 1250 ☐

Essential Underground Inspections

CONDICIONES DE SUELO
INSP. # 1005 ☐

SERVICIO DE AGUA
INSP. # 1070 ☐

*CONSULTE LA TARJETA DE TRABJO PARA OBTENER UNA LISTA COMPLETA DE LAS INSPECCIONES Y APROBACIONES OFICIALES

VISTA DE LA SECCIÓN ADU

SOLO PARA USO DE REFERENCIA

SALINAS

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Future Growth Area and Housing Permit Processing

May 13, 2025

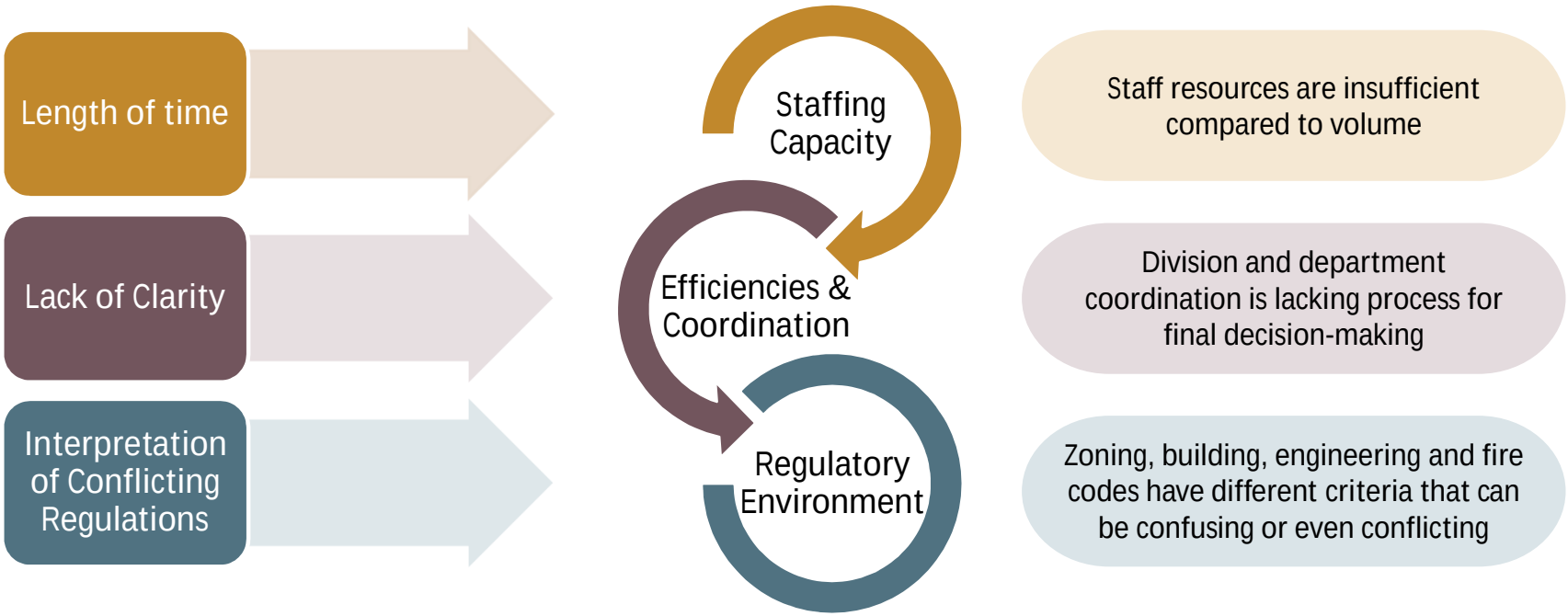
Finance Committee

Lisa Brinton,
Community
Development Director

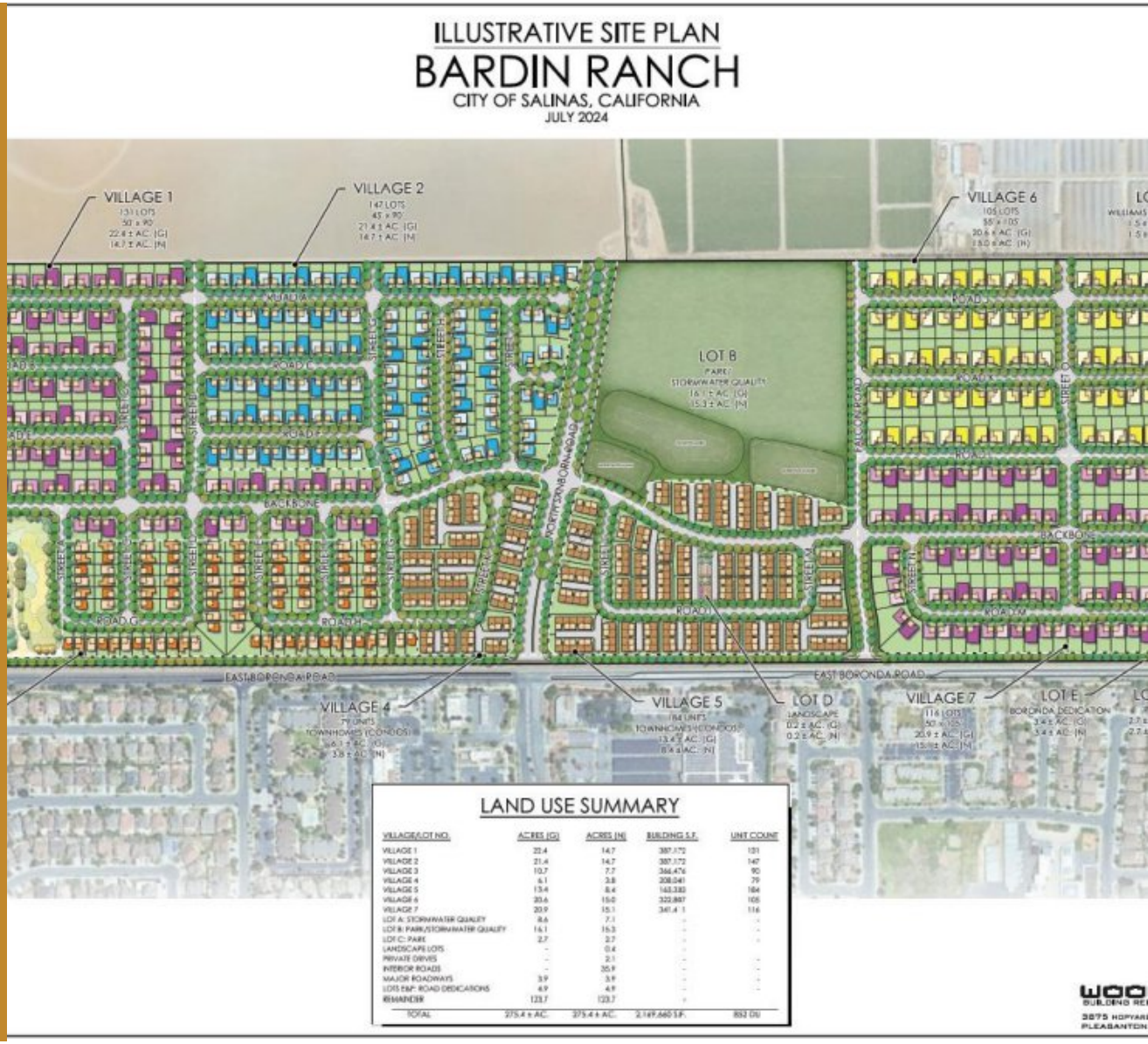
Overview

Customer Complaints

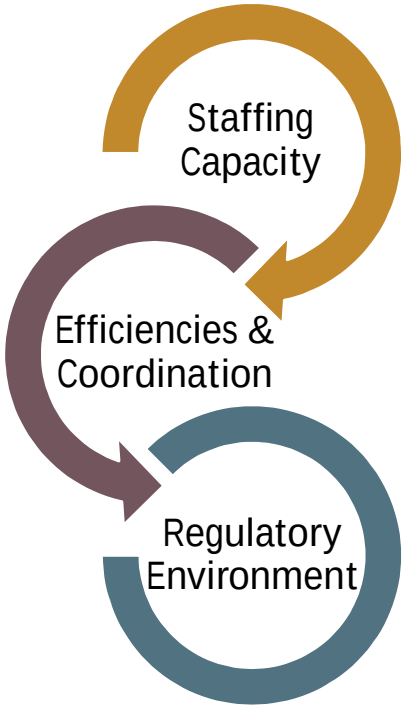
Internal Hurdles



Future Growth Area (FGA) Coordination



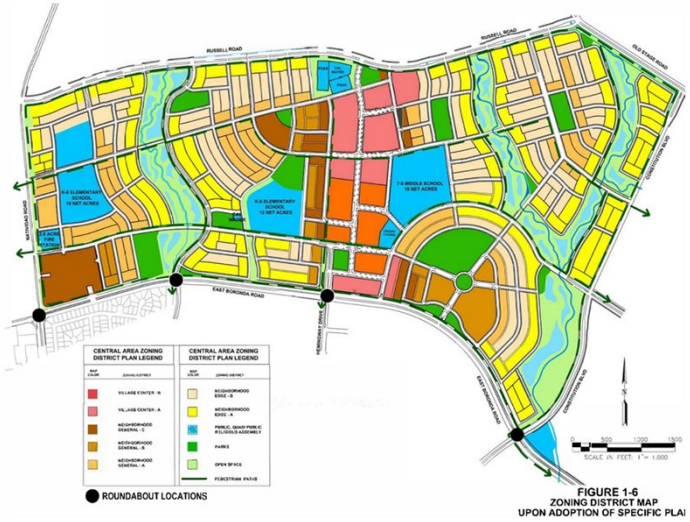
FGA Internal Hurdles



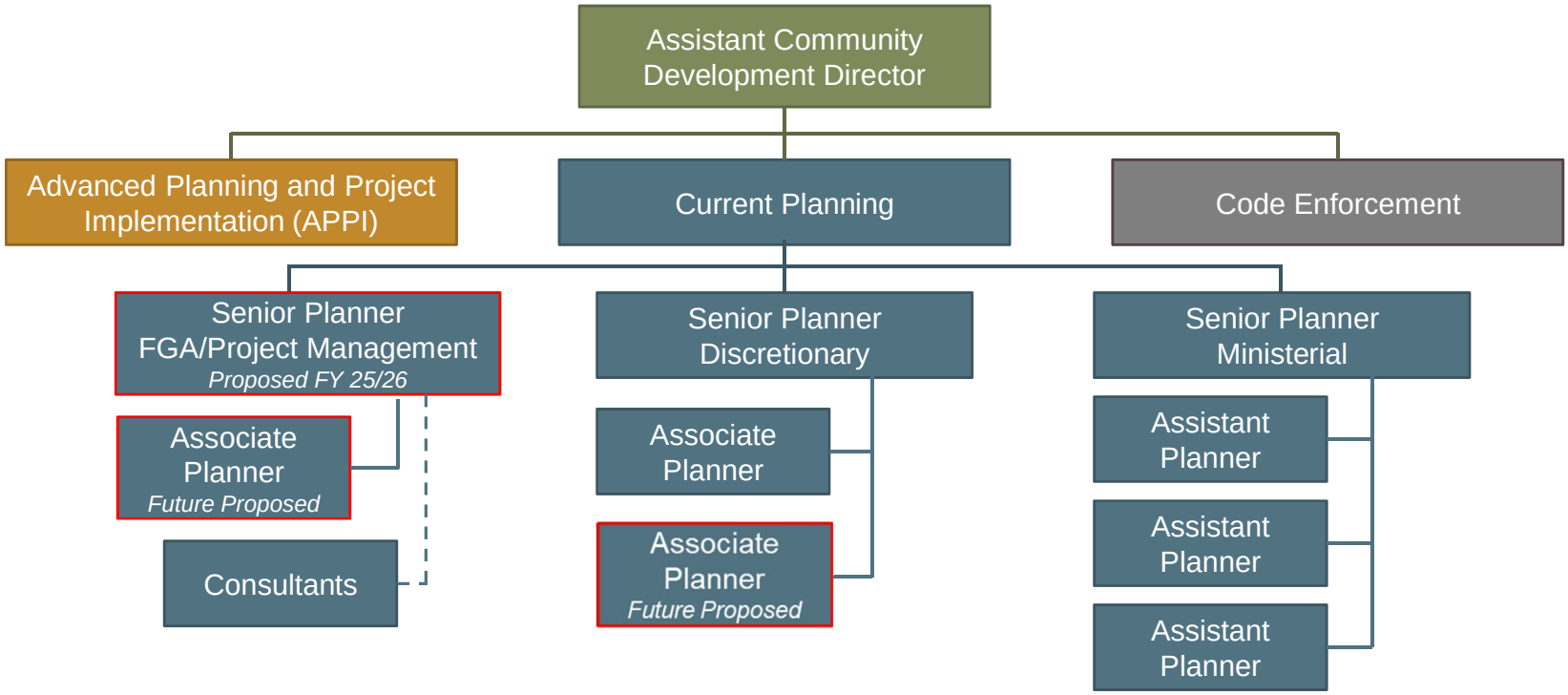
Lack of staffing experience and technical expertise in processing subdivision maps and complex entitlements

Lack of designated project manager to facilitate and expedite decision-making

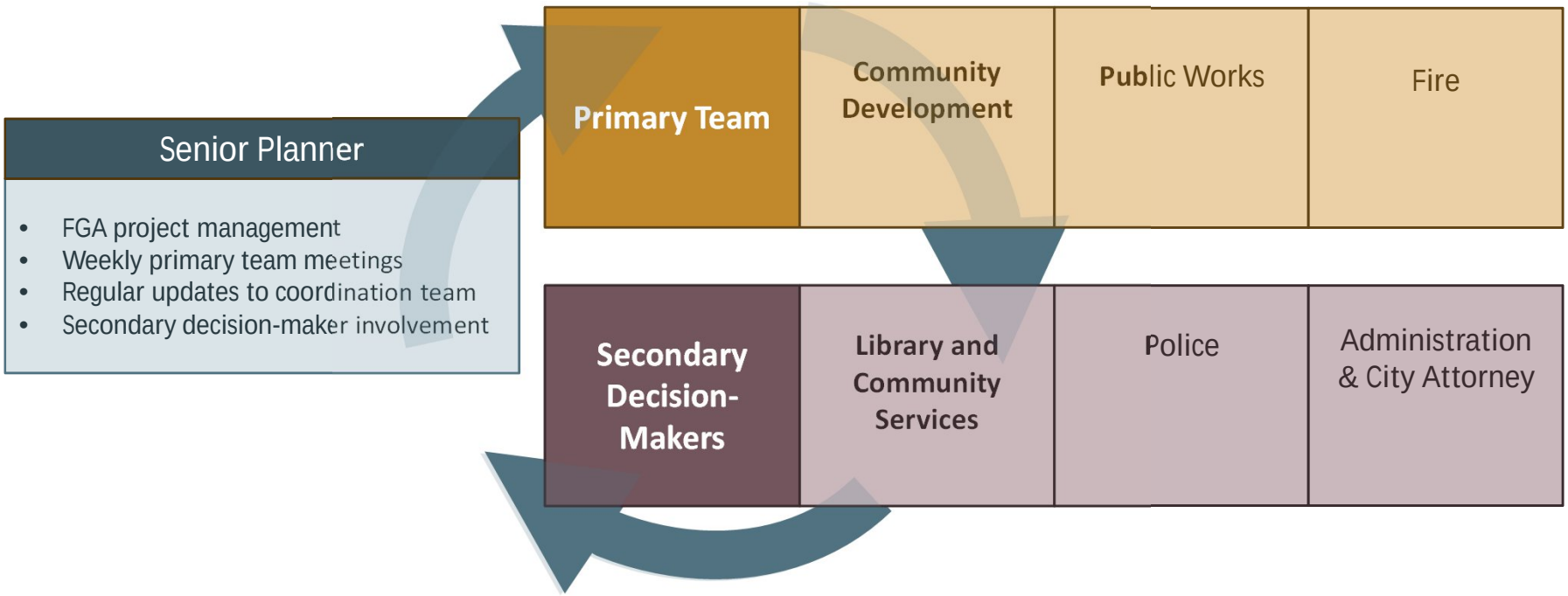
New regulatory environment of SB 330, Density Bonus Law, etc.



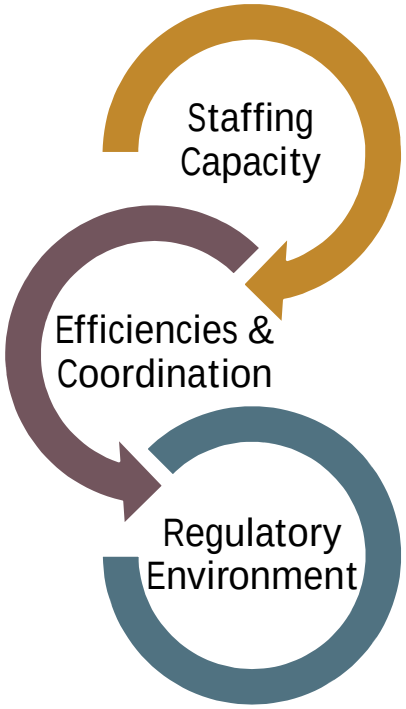
Current Planning Staffing Request - FGA Support



Proposed FGA Coordination Team



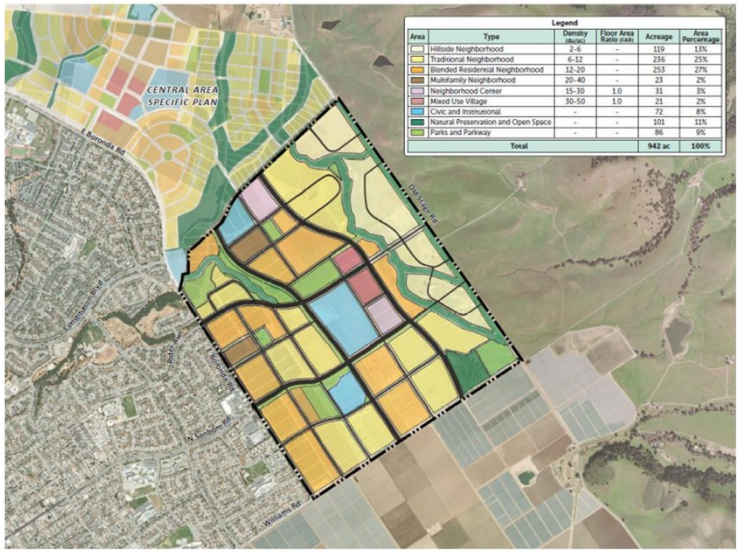
Improved FGA Team Coordination



Add a Senior Planner with high-level technical expertise to provide project management

Provide a designated point of contact for internal accountability and for applicants to navigate processes

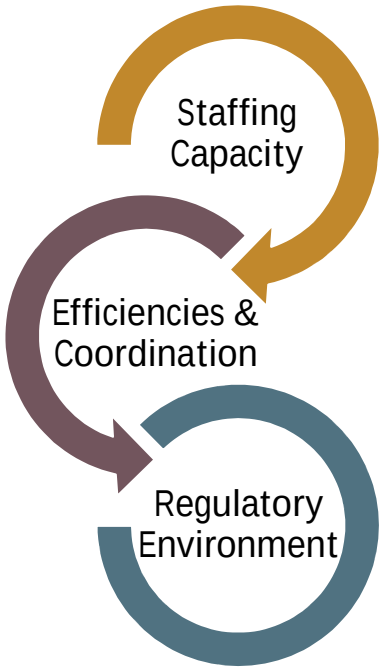
Serve as lead on tracking and ensuring compliance with regulatory processes



Accessory Dwelling Unit (ADU) Coordination

ADU inspected by City of Salinas in 2025

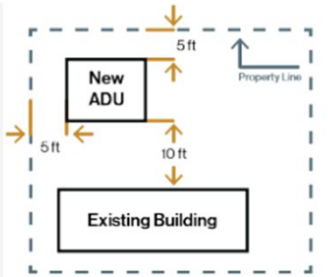
ADU Internal Hurdles



Plans have a high number of review cycles; due to vacancies consultants currently process reviews

Residents need more guidance than experienced developers

Designers and/or owners do not understand complex regulations or submit incomplete plans



Example: ADU Setback Requirements

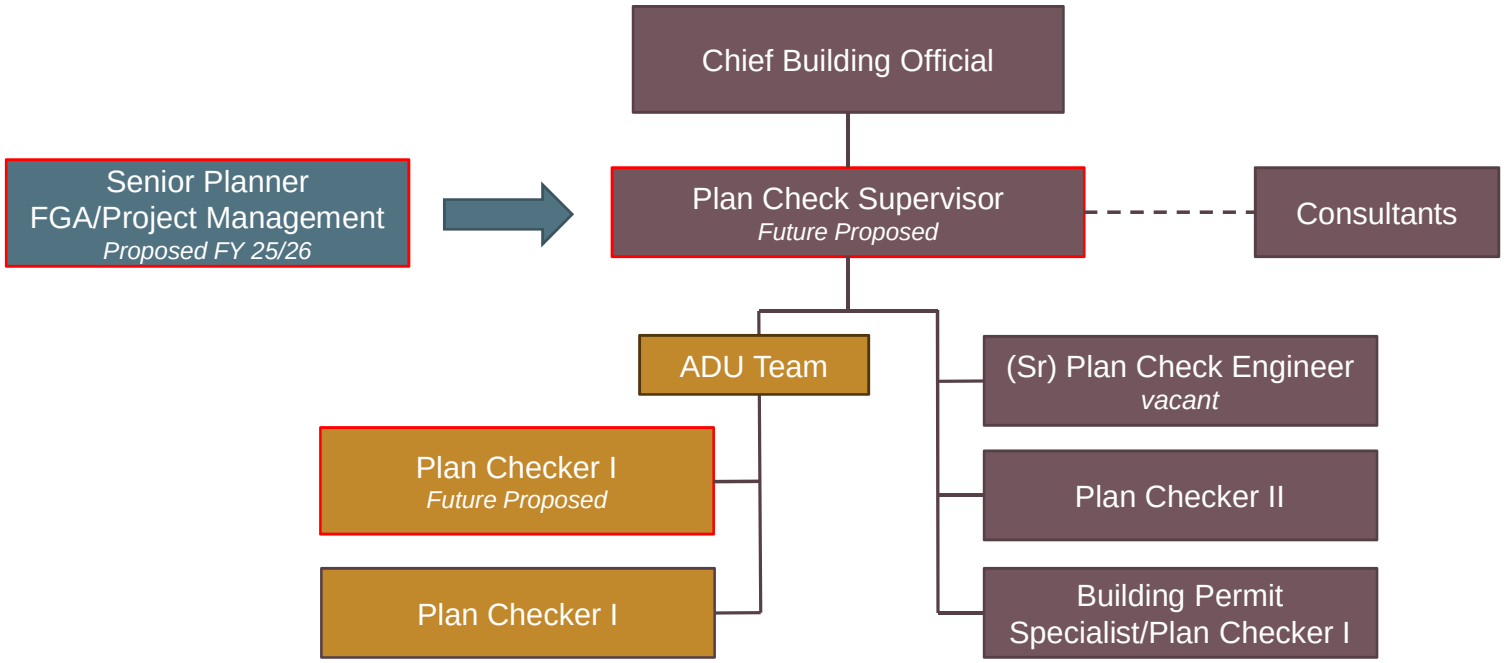
Requirements by Permit Center Function

Permit Services – Building Code: Distance requirements depend on construction method

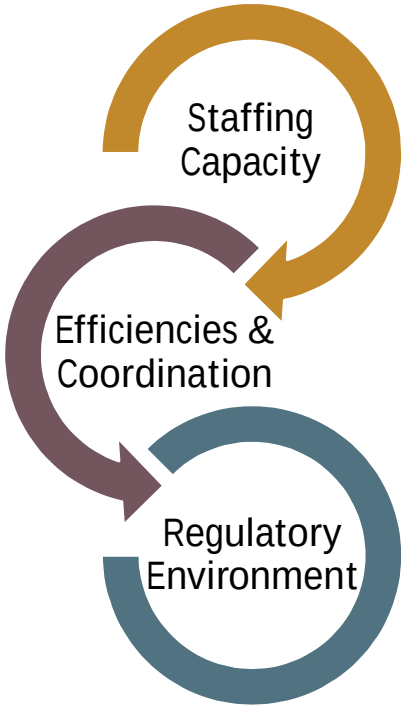
Current Planning – Zoning Code: 6 ft apart or structurally connected via a wall, breezeway, etc.

Fire Prevention – Fire Code: Adding sprinklers can impact distance requirements between structures

Permit Services Staffing Request and Integration



Improved ADU Team Coordination



Prioritize quality reviews by increasing capacity to spend more time with homeowners and designers

Begin Owner-Designer-City meetings to minimize resubmissions through early communication and education

Improve communication of complex regulatory environment with dedicated internal review team

City of Salinas' ADU Pre-Approved Plans

Comprehensive Zoning Code Update

Areas of Focus	Opportunities
Development Design Standards	Objective Design Standards
Level of Permit Processing *Administrative or Ministerial or Discretionary*	Appropriate Level of Permit Processing
Ease of Use and Interpretation	User-Friendly, Clear and Illustrative Examples and Documentation

Business Navigator

- Assists entrepreneurs and small business owners with navigating regulatory processes
- Provides connections to technical and financial resources
- Limited Term Position Ends June 30, 2025
- Proposed new staff position

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Questions?

For more information, contact the Community Development Department
(831) 758-7387
https://www.cityofsalinas.org/Your-Government/Departments/Community-Development

Draft Values in Action Plan

Value / Definition	How It Is Seen	How It Is Measured	Stage		
			Development	Implementation	Achieved
Accountability Own the outcome: We individually follow through on commitments, make data-informed decisions, and proactively step in to get things done. **Disc Agreement** Maintain accountability and professional respect across divisions.	**Permit Services:** Inspections are scheduled promptly at the requested time when the permit holder provides at least one business days' notice. **Code Enforcement:** Complaints are processed in a timely matter once received. **Permit Techs:** Permit intakes are processed in compliance with state law. **Current Planning:** Projects are processed in compliance with state law.	**Permit Services:** 90% percent of building permit inspections scheduled within one business day. **Code Enforcement:** Complaints are inputted into TRAKIT and scheduled for inspection within a week of input. **Permit Techs:** Meets or exceeds state timelines for completeness. **Current Planning:** Meets or exceeds state timelines for completeness.	☐ ☑ ☑ ☑	☑ ☐ ☐ ☐	☐ ☐ ☐ ☐
Value / Definition	**How It Is Seen**	**How It Is Measured**	**Stage**		

DRAFT

			Development	Implementation	Achieved
Service Excellence Anticipate, respond and deliver: We commit to provide high quality effective service to all. **Disc Agreement** Provide consistent, empathetic service to the public.	**Permit Services:** ADU permits are plan reviewed in-house rather than sent out to consultants. **Code Enforcement:** Staff responds to phone calls and email inquiries in a timely matter. **Permit Clerks:** Staff guide applicants through processes. **Current Planning:** Planning services are timely and responsive.	**Permit Services:** 95% of ADU permit applications received are reviewed in-house. **Code Enforcement:** Response time is typically one business day. **Permit Clerks:** Response time and effective guidance. **Current Planning:** Email response time is within one business day.	☐ ☑ ☑ ☑	☑ ☐ ☐ ☐	☐ ☐ ☐ ☐
Value / Definition	**How It Is Seen**	**How It Is Measured**	**Stage**		

DRAFT

			Development	Implementation	Achieved
Collaboration Better together: We unite ideas, resources and efforts with internal and external partners to deliver exceptional services. **Disc Agreement** Collaborate with a solution-oriented mindset.	**Permit Services:** Cross-train to align plan review with inspection field practices and ensure compliance regulations are being applied consistently. **Code Enforcement:** Working closely with the Salinas Police Department to collaborate on cases. **Permit Techs:** Staff coordinate internally to ensure compliance. **Current Planning:** Planning staff coordinate through meetings and shared resources.	**Permit Services:** Each plan checker participates in cross-training with inspectors once a month. **Code Enforcement:** Attend trainings and stay in communication about active cases. **Permit Techs:** Procedure development, routing, and PRA turnaround times. **Current Planning:** 80% of DRC applicant meetings filled for the calendar year.	☑ ☐ ☑ ☑	☐ ☑ ☐ ☐	☐ ☐ ☐ ☐
Value / Definition	**How It Is Seen**	**How It Is Measured**	**Stage**		
			Development	**Implementation**	**Achieved**

DRAFT

Innovation Seek, create, explore: We embrace bold ideas and new technology that improve public service, efficiency and effectiveness. **Disc Agreement** Adapt communication style to audience and context	**Permit Services:** Provide applicants with clear online guidance for virtual inspections and limitations. **Code Enforcement:** Mobile devices updated for new software needs and for easier program use. **Permit Clerks:** Improved digital platforms for easier use. **Current Planning:** Planning uses technology to improve efficiency.	**Permit Services:** Creation of guides to be provided online and a correlation to the number of virtual inspections completed. **Code Enforcement:** Percent of field devices supporting current software and allow for work to be done on the field. **Permit Clerks:** Website completed and tested. **Current Planning:** Create two GIS layers to help staff with decision making.	☑ ☑ ☑ ☑	☐ ☐ ☐ ☐	□ □ ☐ □
Value / Definition	**How It Is Seen**	**How It Is Measured**	**Stage**		
			Development	**Implementation**	**Achieved**

DRAFT

Trust Earned through action: We foster strong lasting community partnerships with integrity, transparency, and consistent results. **Disc Agreement** Communicate clearly, respectfully, and in a timely manner.	**Permit Services:** Promptly respond when there is an accident damaging a structure or reports of work without a permit. **Code Enforcement:** Complaints are received and the case remains open until it is in compliance. **Permit Clerks:** Transparent permit information. **Current Planning:** Consistent and transparent policies.	**Permit Services:** Provide a site visit within one business day of an accident damaging buildings or a report of unpermitted work when notified. **Code Enforcement:** Percent of compliance from the day the case is opened to when it is cleared. **Permit Clerks:** Number of reports published and ProjectDox access provided. **Current Planning:** Add three new guides related to planning processes to the website.	☐ ☑ ☑ ☑	☑ ☐ ☐ ☐	☐ ☐ ☐ ☐

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Permit Center 2025 Annual Report

February 24, 2026

Community Development

Lisa Brinton, Director

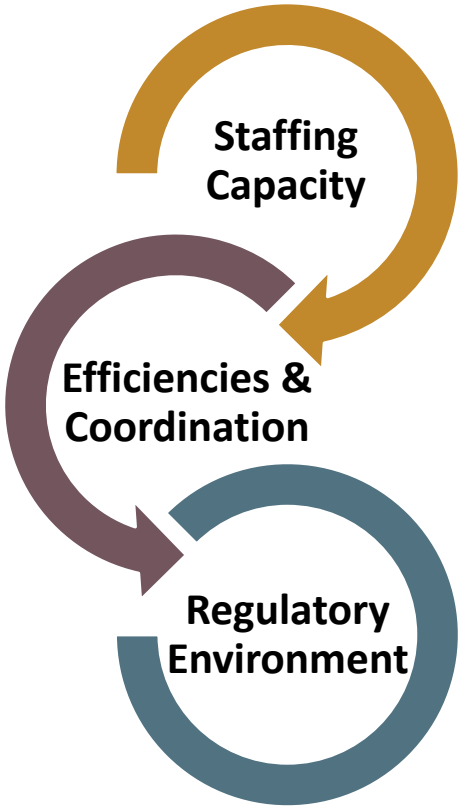
2025 Permit Center Annual Report Contents

2025 Permit Center Staff Report
2025 Permit Center Annual Report Dashboard
2025 Permit Center Key Actions Taken
2025 Permit Finance Committee Presentation
2025 Permit Center Annual Report PowerPoint Presentation
2026 Permit Draft Values in Action

2025 Identified Issues and Resource Needs

Customer Complaints

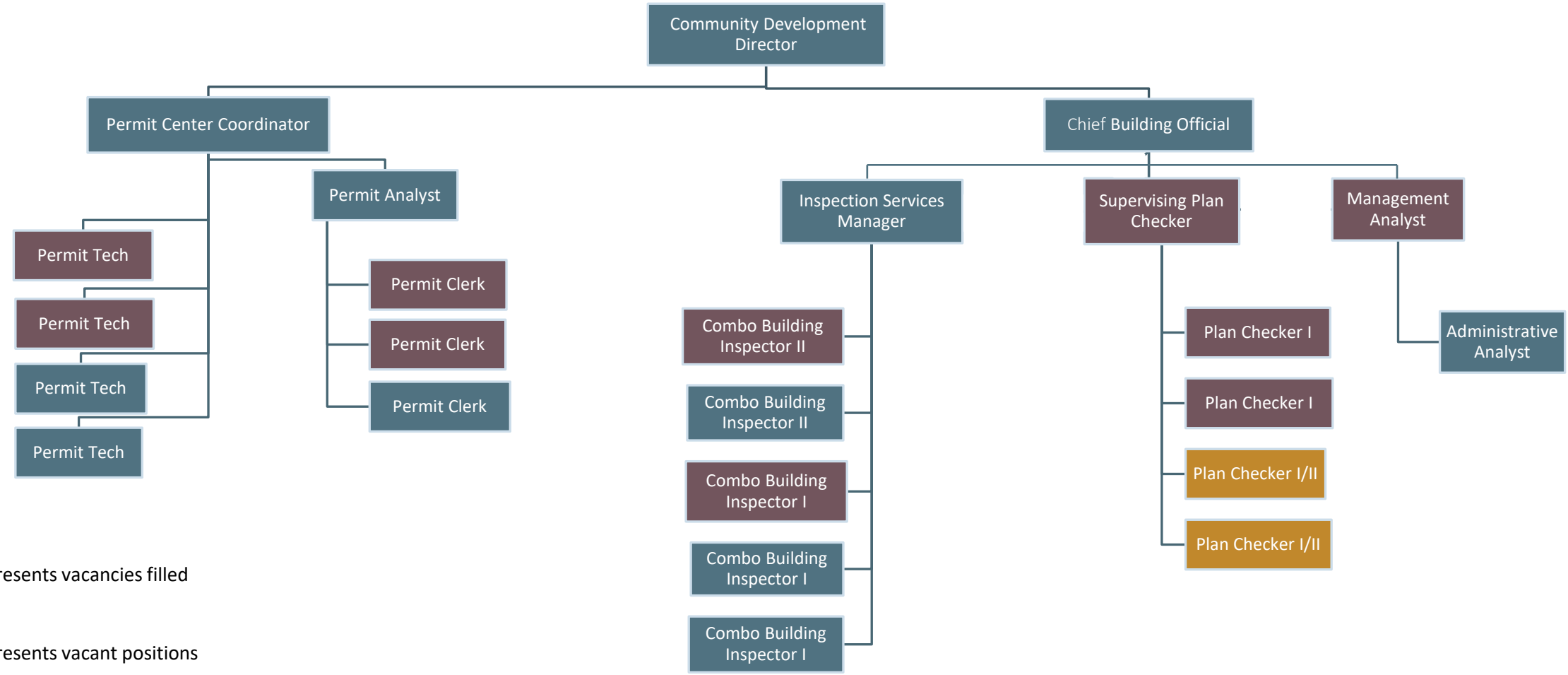
- Length of time
- Lack of Clarity
- Interpretation of Conflicting Regulations



Internal Hurdles

- Staff resources are insufficient compared to volume
- Division and department coordination is lacking process for final decision-making
- Zoning, building, engineering and fire codes have different criteria that can be confusing or even conflicting

2025 Staffing
Permit Services Organizational Chart



*Represents vacancies filled

*Represents vacant positions

Staff Training

First Fridays

Department wide training and team building

RGS Training Academy

Practical leadership skills for managers

in local government

Technical Training

American Planning Association

2025 Building Code Updates

DiSC

Understanding behavioral styles to aid internal and external communication

Sustainovation

Rethinking our existing processes to

make them more sustainable

Draft Values in Action

Value / Definition	How It Is Seen	How It Is Measured	Stage		
			Development	Implementation	Achieved
Accountability Own the outcome: We individually follow through on commitments, make data-informed decisions, and proactively step in to get things done. **Disc Agreement** Maintain accountability and professional respect across divisions.	**Permit Services:** Inspections are scheduled promptly at the requested time when the permit holder provides at least one business days' notice. **Code Enforcement:** Complaints are processed in a timely matter once received. **Permit Techs:** Permit intakes are processed in compliance with state law. **Current Planning:** Projects are processed in compliance with state law.	**Permit Services:** 90% percent of building permit inspections scheduled within one business day. **Code Enforcement:** Complaints are inputted into TRAKIT and scheduled for inspection within a week of input. **Permit Techs:** Meets or exceeds state timelines for completeness. **Current Planning:** Meets or exceeds state timelines for completeness.	☐ ☑ ☑ ☑	☑ ☐ ☐ ☐	☐ ☐ ☐ ☐

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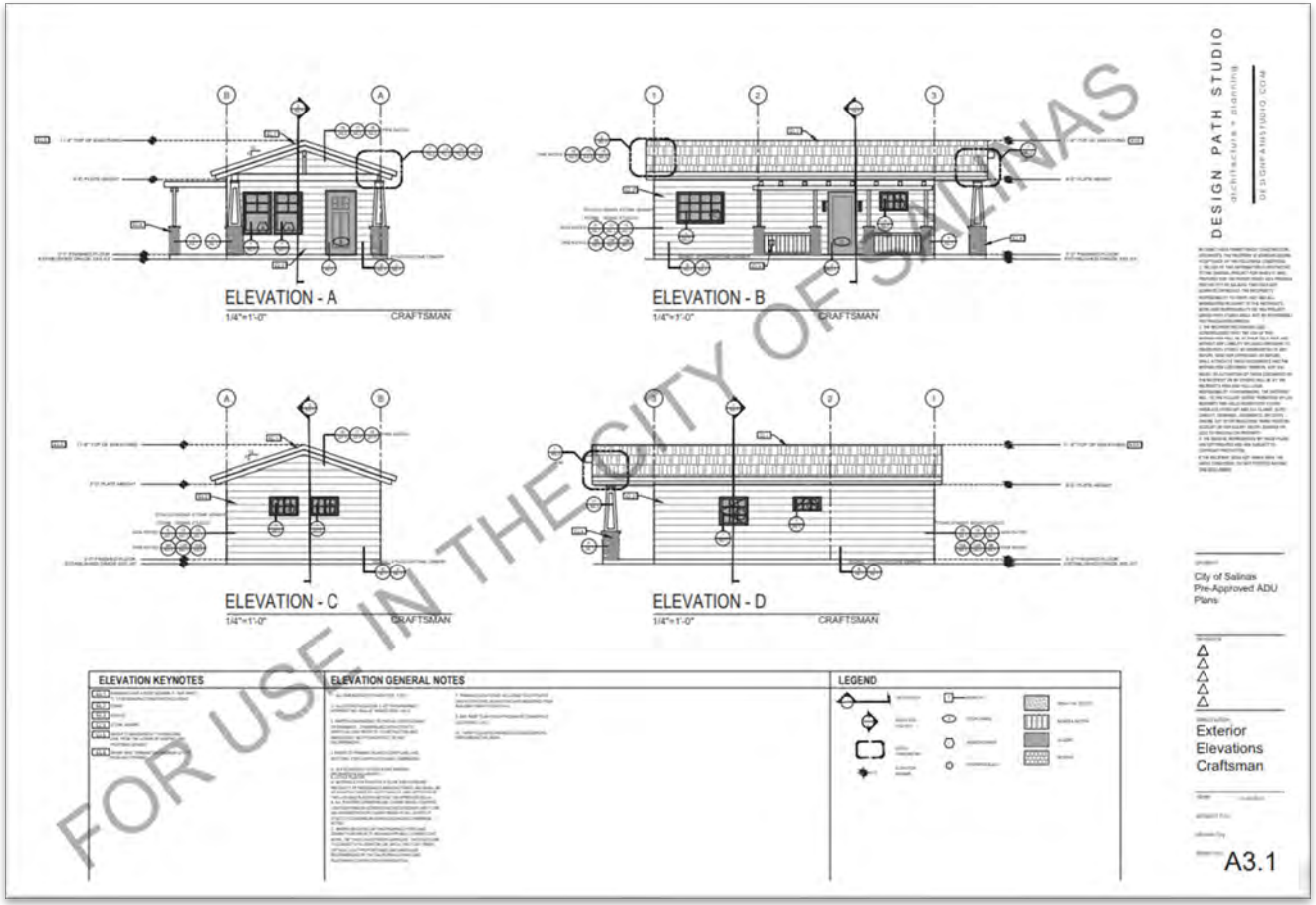
Pre-Approved ADU Plans



- The average time from permit application to approval for Pre-Approved ADUs is 53 days less than regularly designed ADUS.
- 60 homeowners have used the free plans to apply for a detached ADU.

ADU Workflow Improvements

Certification

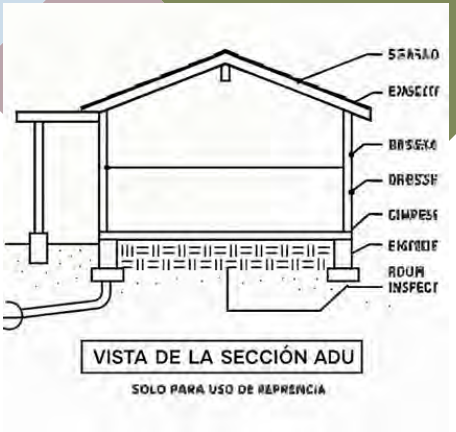
Currently, all Building plan checkers and inspectors have obtained certification as residential plans examiners.

Training

Building plan checkers are completing training with the goal to Shift ADU plan reviews from consultants to City staff.

Resources

Building inspectors are providing homeowners with Code Check booklets to help them learn important code requirements.

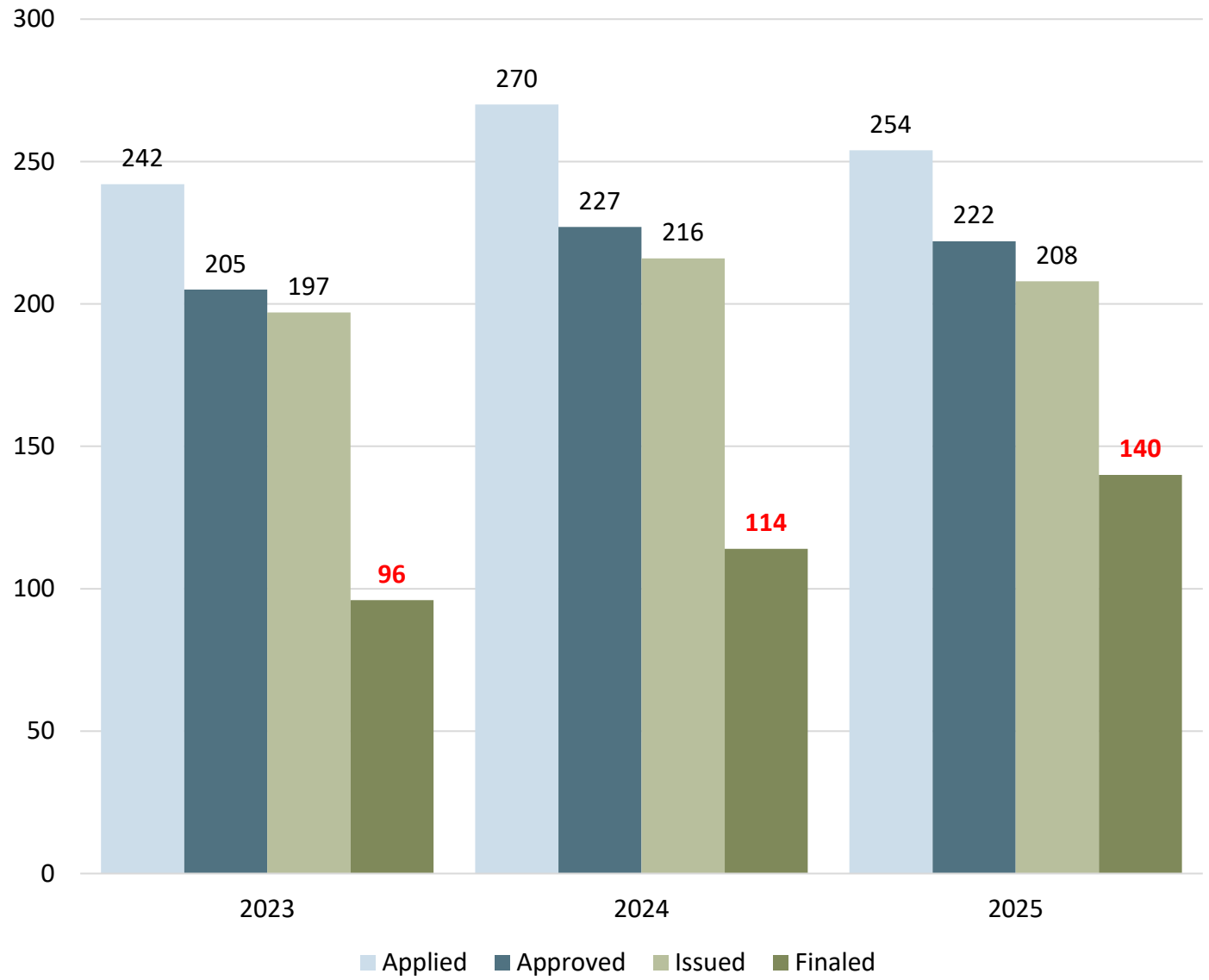


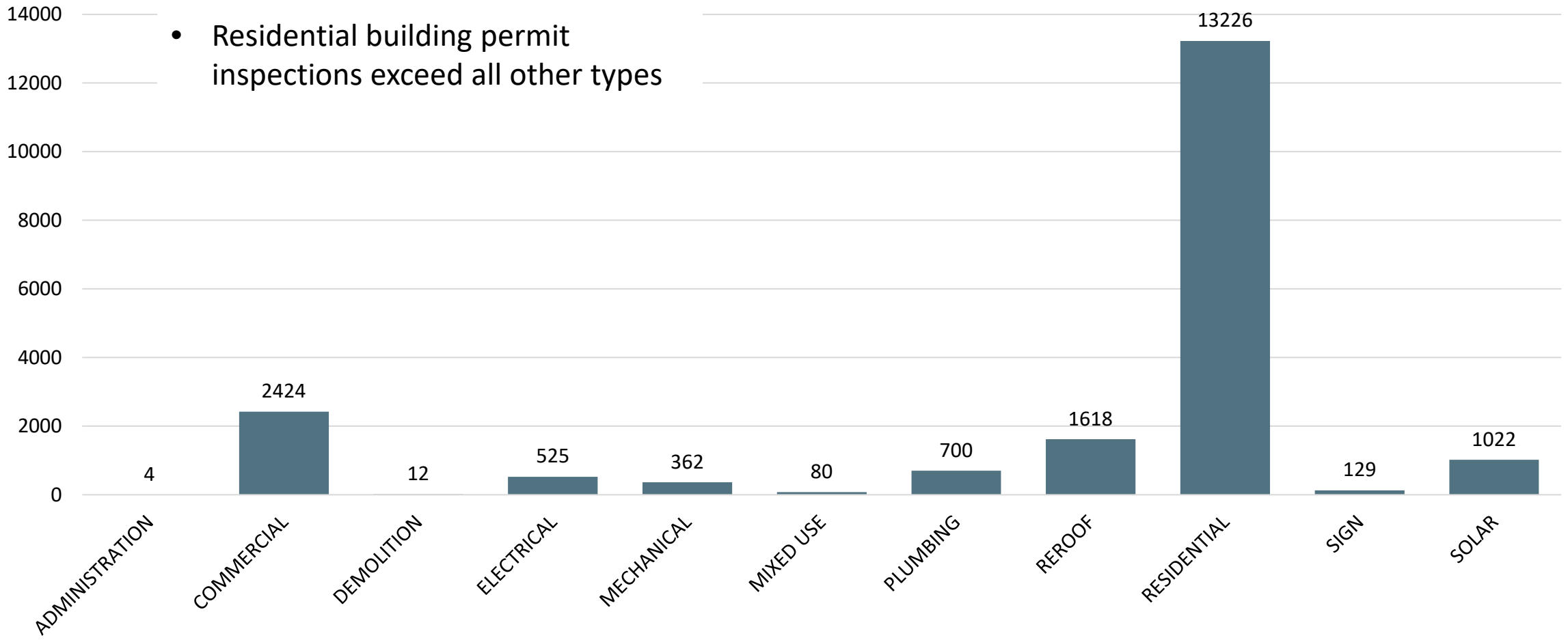
Guides

Building Inspectors created a visual guide to help homeowners identify which inspection to request.

Accessory Dwelling Unit (ADU) Permits by Year

- The 2025 volume of applied, approved, and issued and permits hovered between 2023 and 2024 values
- Finaled ADUs increased by 23 % from 2024 to 2025 and 44% from 2023 to 2025

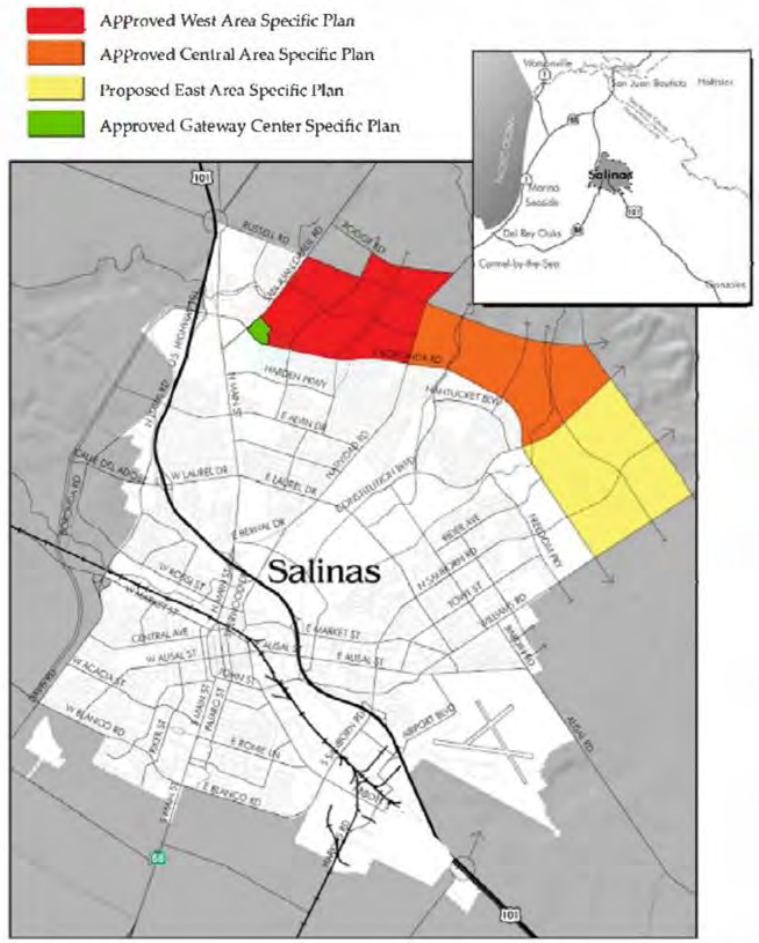




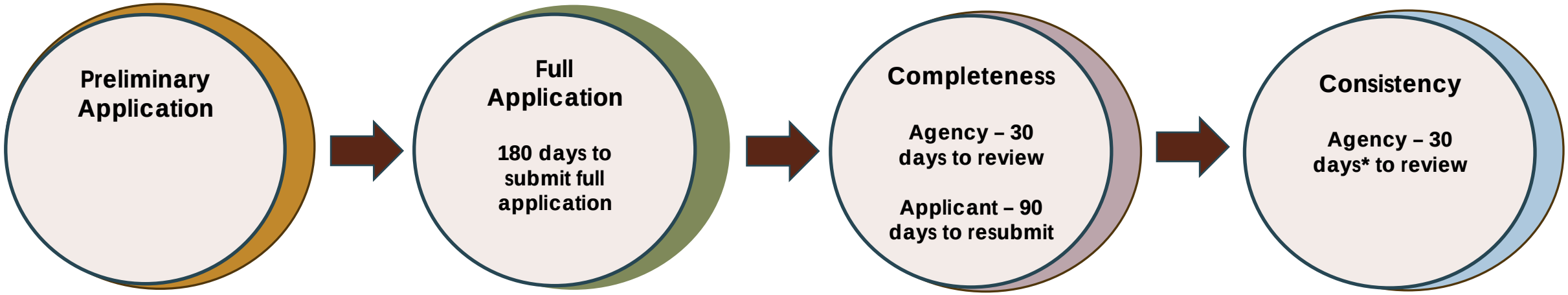
Building Permit Inspections Completed by Permit Type

FGA Subdivision Status

Name	Area	Units	Completeness Review	Consistency Review	Site Plan Review	Building Permit Application Review
Christensen	CASP	670 Dwelling Units				
Bardin Ranch	EASP	859 Dwelling Units				
Bondensen	WASP	638 Dwelling Units				
Madolora	WASP	648 Dwelling Units				
Mortensen	WASP	391 Dwelling Units				
Tentative Map Approved						
East Boronda Phase One	CASP	415 Dwelling Units				
East Boronda Phase One	CASP	3 Apartment Buildings (50 Delling Units Total)				
East Boronda Phase One	CASP	12 Model Homes			N/A	



SB330 Timeline – Tentative Map Application



Applicant submitted preliminary application on 12/10/24	Applicant submitted full application on 5/14/25	Incompletenes s letter sent by City 6/13/25	Applicant Resubmitted 9/3/25	Incompleteness letter sent by City 10/2/25	Applicant resubmitted on 11/20/25	Completeness letter sent by City on 12/19/25

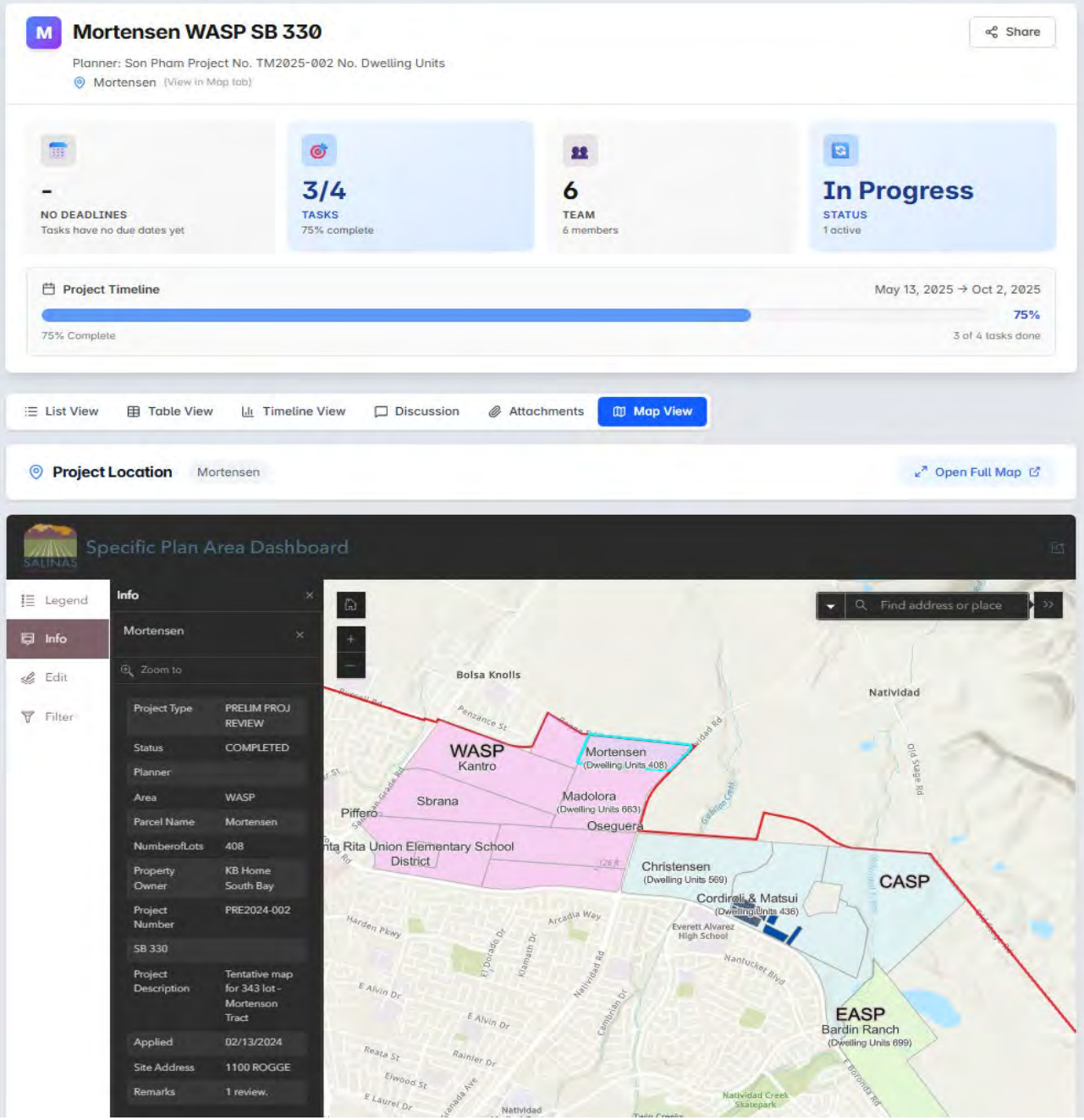
Future Growth Area GIS Dashboard

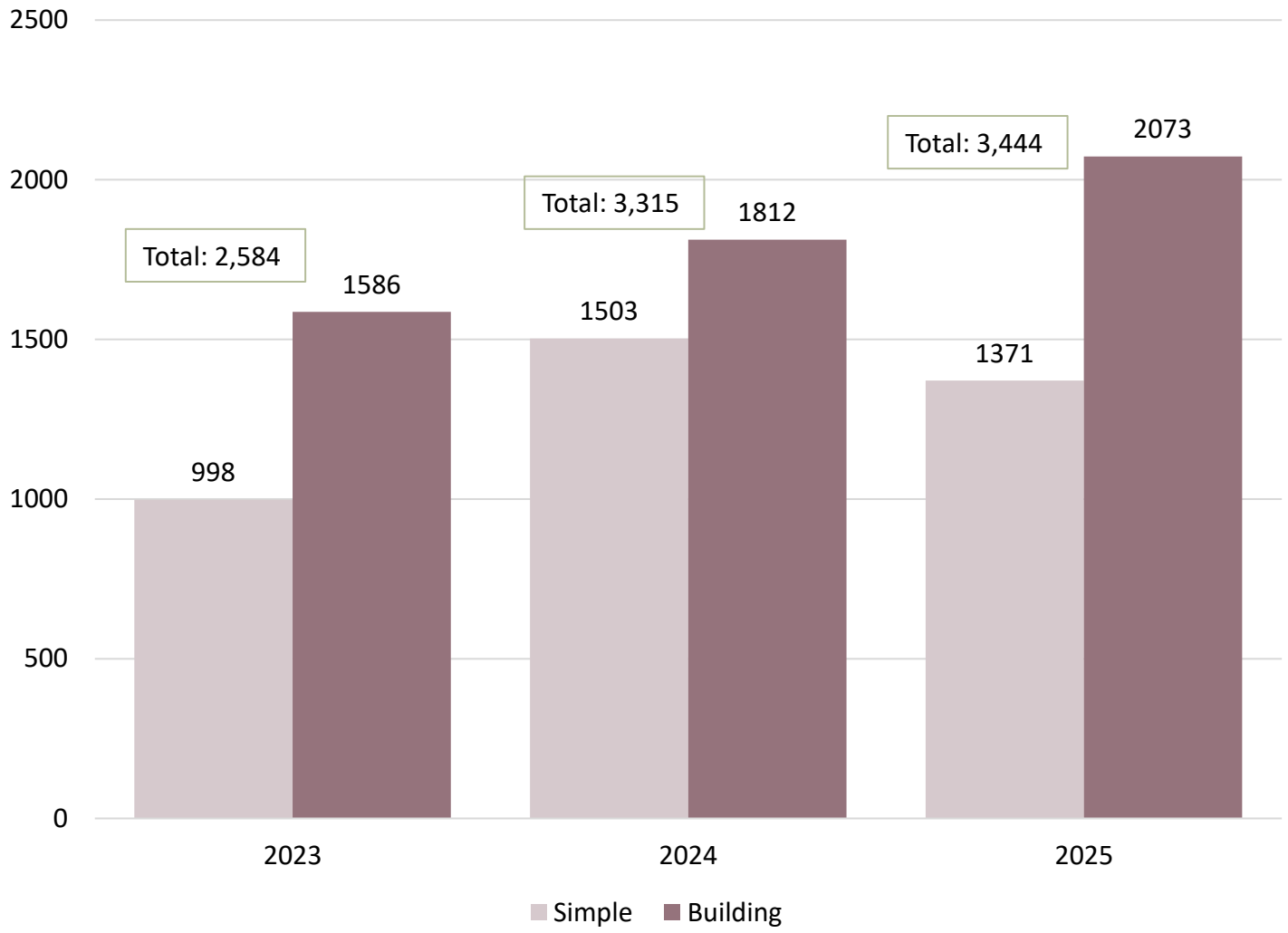
The **Future Growth Area GIS Dashboard** is in development to deliver a real-time overview of subdivision maps and development activity.

Milestone Tracking: Tracks statutory timelines, flags issues early, and supports resource planning.

Communication Tool: Centralizes subdivision data to improve transparency and departmental visibility.

Collaborative Platform: Developed through coordination among Community Development, Public Works, and Fire Prevention.



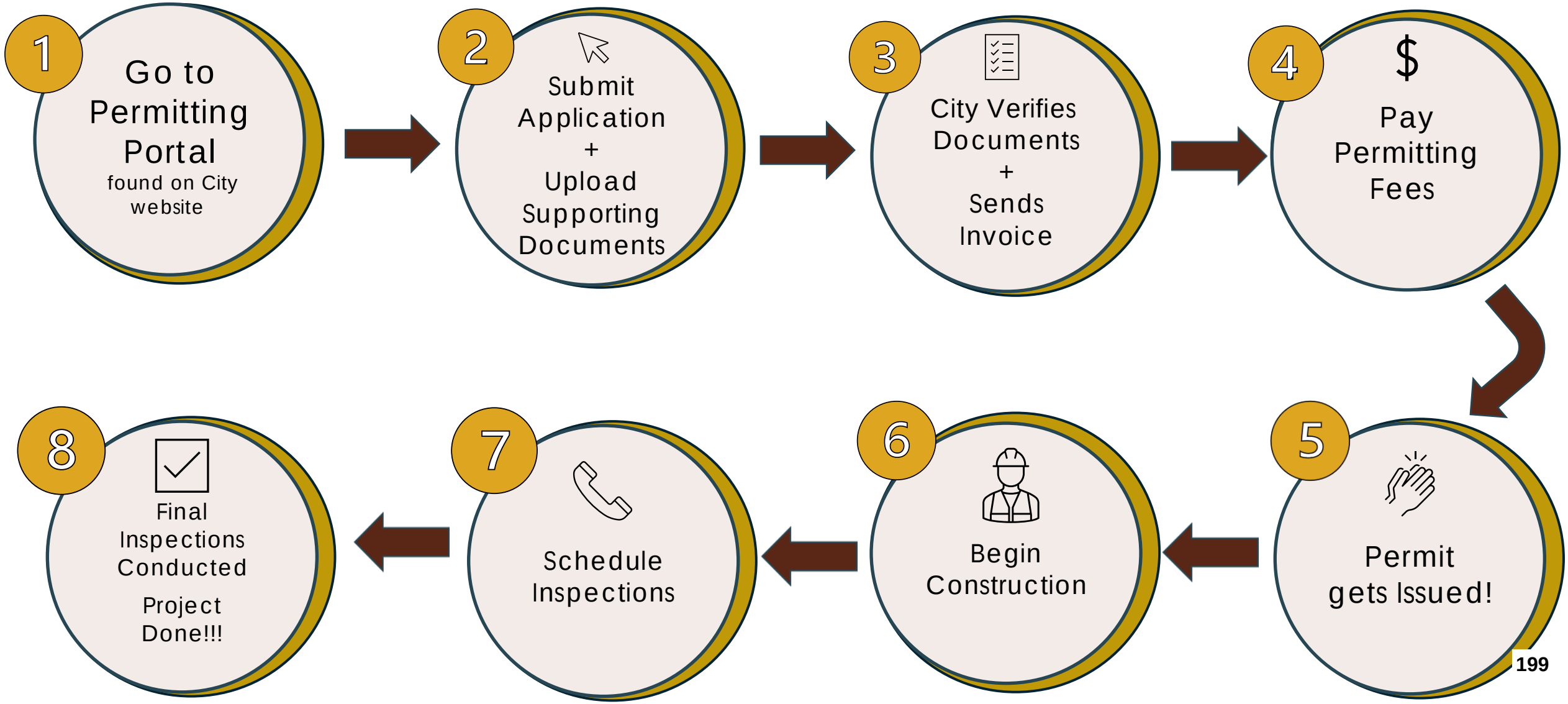


Total Permits Applied by Year

- Building* permits increased 31% from 2023 and 14% from 2024
- Simple* permits decreased 9% from 2024 to 2025

*Building permits require at least one plan review. Simple permits are fast-tracked (1–2 days)

Simple Permit Process



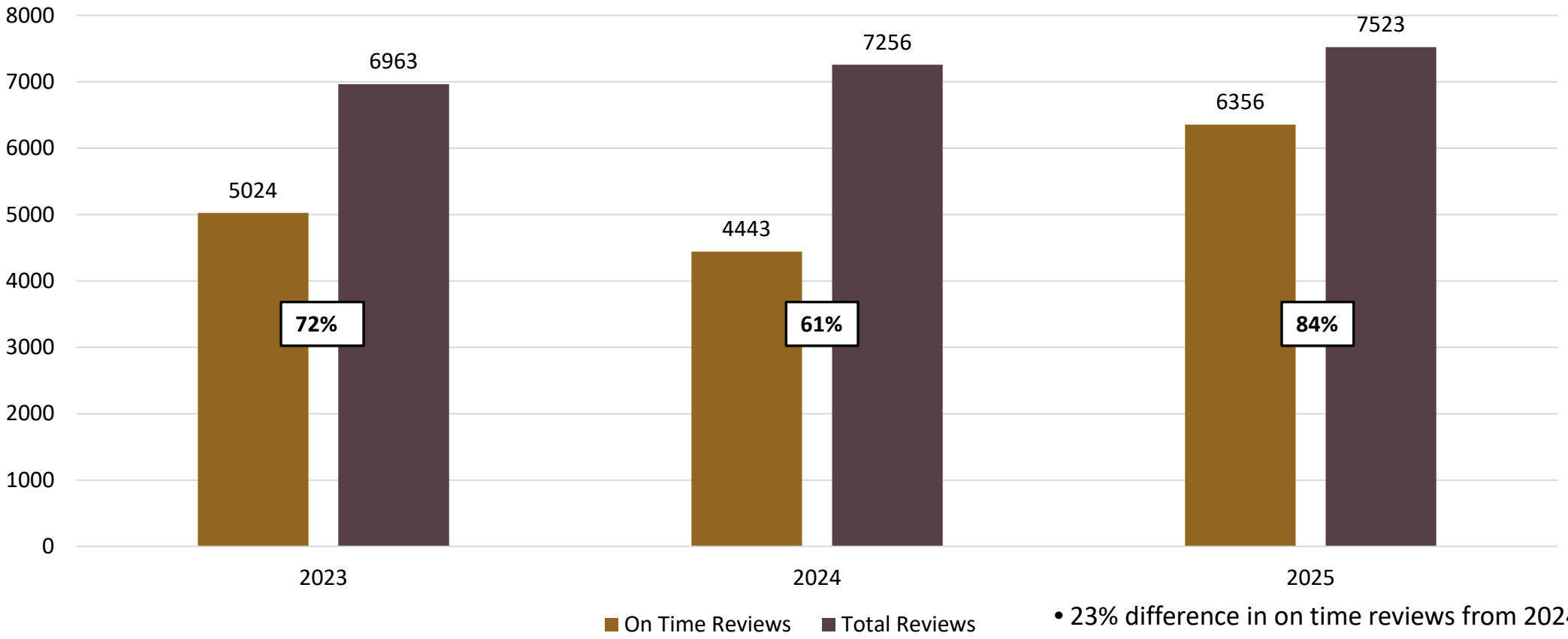
Building Permit Process

1. Consult with Current Planning
2. Research Cost and Financing
3. Prepare Plans
4. Submit Your Application
5. Plan Review
6. Project Gets Approved
7. Permit Issued
   Congrats!!!
   You now have your permit.
8. Begin Construction
9. Schedule Inspections
10. Final Inspections Conducted
    Project Done!!!

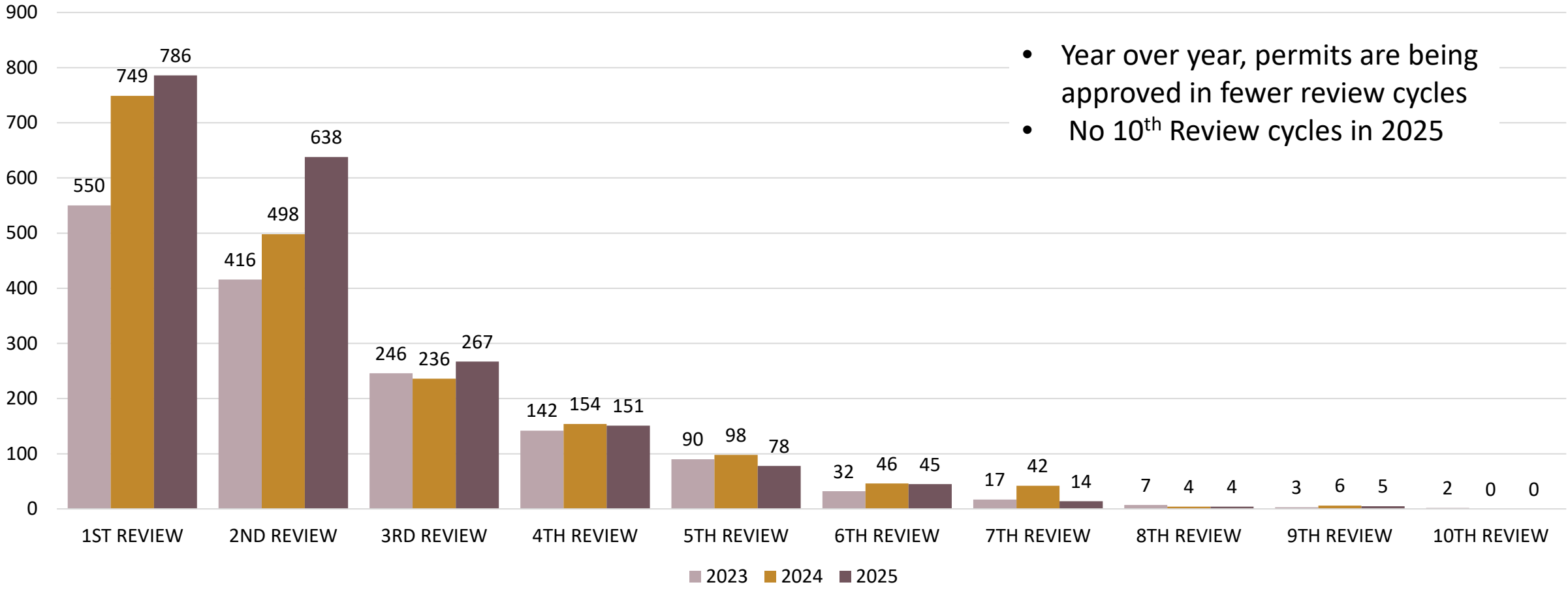
Project Type	1st Review	2nd Review	3rd Review	4th Review	5th Review
New Commercial, Major TI w/Structural or Stormwater	15 Working Days	10 Working Days	5 Working Days	3 Working Days	3 Working Day
New SFD, Non- Structural and Minor TI's	10 Working Days	5 Working Days	3 Working Days	3 Working Day	3 Working Day
Minor Non-structural Remodel w/o Engineering or Planning; B, M or S Occupancy	5 Working Days	3 Working Days	3 Working Days		
Miscellaneous Permits	3 Working Days	3 Working Day	3 Working Day		

Salinas Plan Review Timelines

Building Plan Reviews Completed on Time



- 23% difference in on time reviews from 2024 to 2025
- Volume of reviews held steady from 2024 to 2025



- Year over year, permits are being approved in fewer review cycles
- No 10th Review cycles in 2025

Permits Approved by Review Cycle

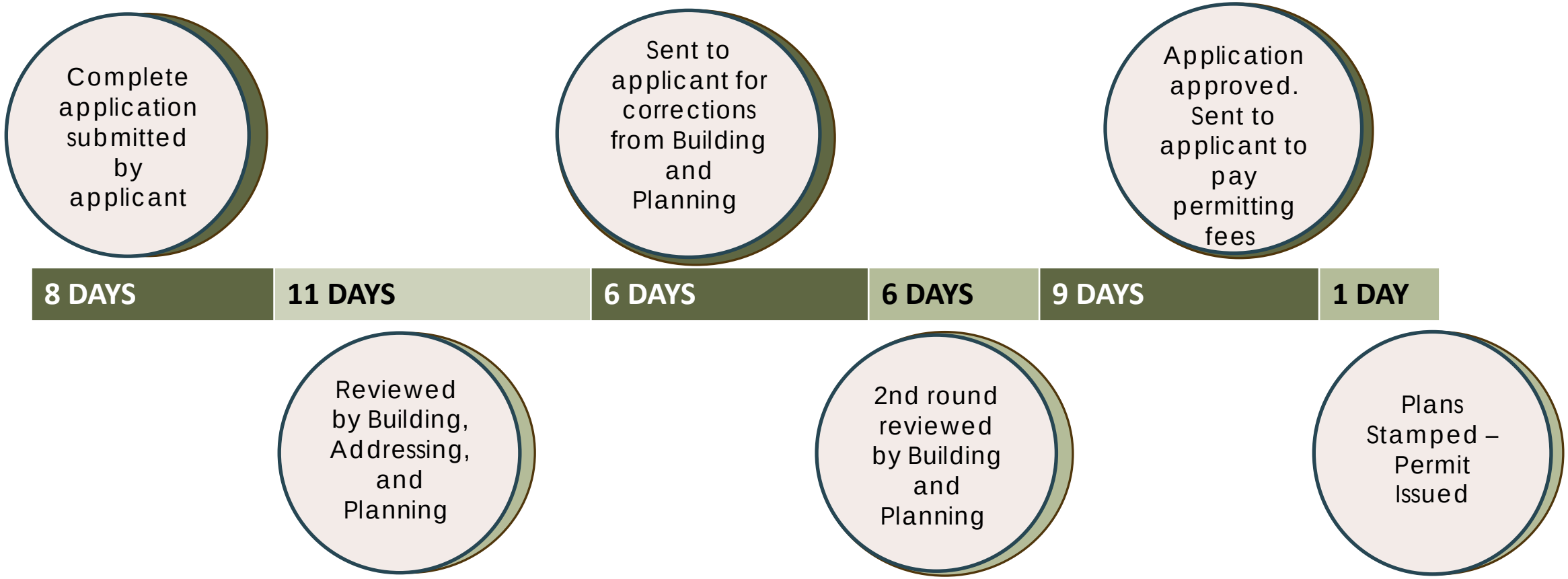
Building Permit Applied to Approved

Real Permit Example:
749 square foot ADU

Time with City – 18 Days

Time with Applicant – 23 Days

Total Days: 41



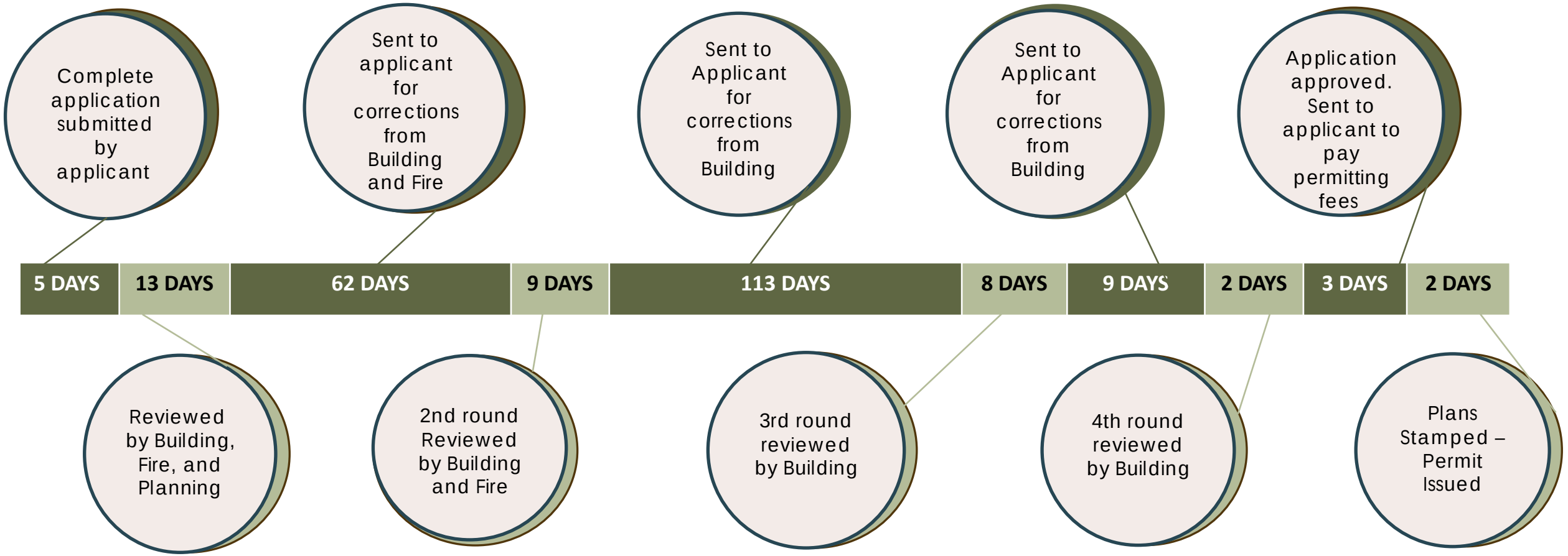
Building Permit Applied to Approved

Real Permit Example:
Commercial Tenant Improvement

Time with City - 34 Days

Time with Applicant – 192 Days

Total Days: 226



VISIÓN SALINAS 2040

Projected General Plan Update Timeline 2026

Jan-March

First Public Review Draft comment period

Workshop event – 3/7

Prepare public review draft EIR

Prepare updated EDE

Release first public review draft CAP

April-June

Revise General Plan based on comments

Release Second Public Review Draft General Plan with CAP and EIR for 45-day comment period

July-September

Study sessions/briefings on EIR, CAP, and revised General Plan and approval process

Revise documents following comment period

October-December

Publish revised General Plan, CAP, and EIR

Start approval process

- Monterey County Airport LU Commission
- Planning Commission
- Traffic and Transportation Commission
- City Council certification and adoption

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Zoning Code Update

Multi-phase approach

Phase 1: Fall 2025 – Summer 2026

- Housing law compliance - outlined in Housing Element
  - Objective design and approval standards
  - ADUs and SB-9
- Other priority items and legal compliance – driveways, cannabis, cottage food

Phase 2: Fall 2025 – Spring 2027

- Consistency with General Plan Update once adopted
  - Amending current code to implement new land uses

Phase 3: Fall 2025 – Fall 2027

- Complete zoning overhaul striving for ease of use and streamlining

2025 Division Highlights

Current Planning

Front Counter Customers: 1,564

Approved Planning Applications: 535

Fire Prevention

Front Counter Customers: 142

Permits Issued: 364

Plans Checked: 703

Completed Inspections: 2,451

Fireworks Citations: 96

Development Engineering

Front Counter Customers: 1,046

Permits Issued: 941

Plans Checked: 2,634

Completed Inspections: 5,794

Code Enforcement

Building Permits Reviewed for Compliance:

Opened cases: 1,721

Completed Inspections: 2,840

Closed cases: 1,557

Small Business Support

Customer Assistance Interactions: 323

2025 Permit Services Activity

Administration

Calls Received:
Held steady from 2024

Counter Transactions:
30% decrease from 2024

City Reports:
Held steady for 2024

Permit Applications:
4% decrease form 2024

Building Plan Review

Plan Reviews:
4% increase from 2024

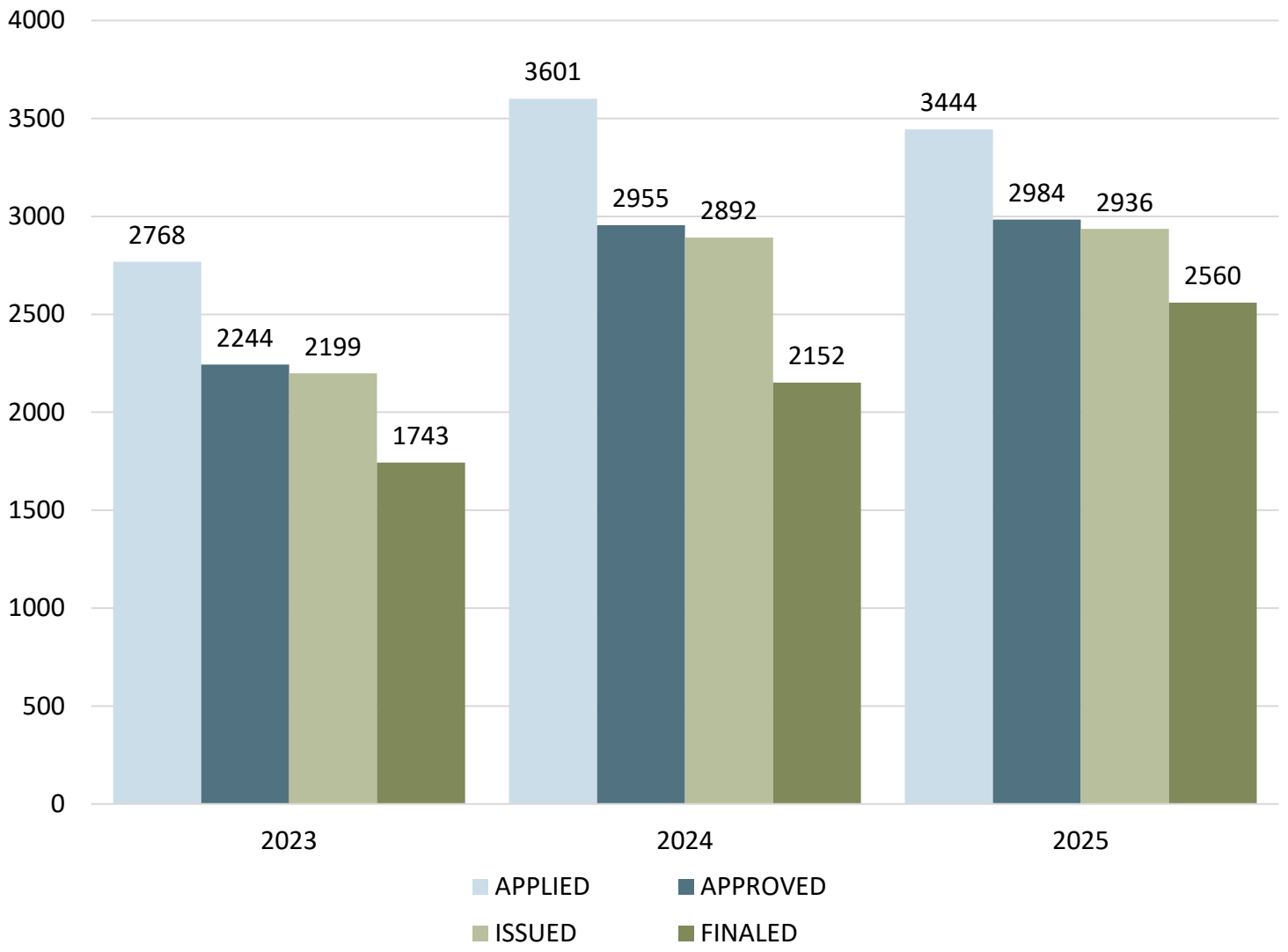
On time Plan Reviews:
23% increase from 2024

Permits Approved:
2% increase from 2024

Building Inspections

Completed Inspections:
Field: 18,944
Virtual: 1,158

13% increase from 2024



Construction Permits by Year

- **Finaled permits increased by 19% from 2024 to 2025**
- **Volume of 2025 applied and issued permits hovered between 2023 and 2024 values**
- **Approved permits had a small 1% increase**

Permits Issued

1100 Northridge Mall

20 W Gabilan St.

904 N Sanborn Rd

Finaled Buildings and Facilities

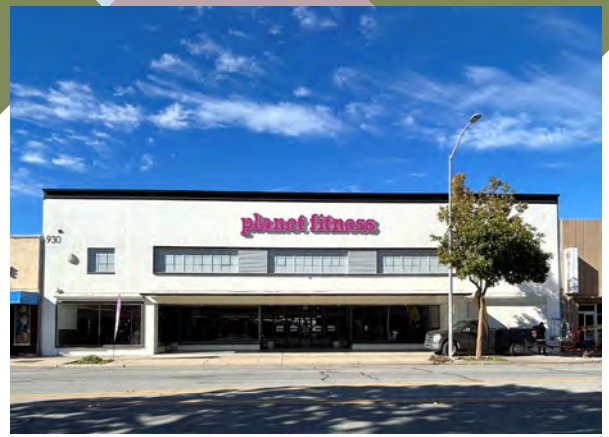
683 Freemont St

900 Northridge Mall

Finaled Buildings and Facilities

713 La Guardia St

919 Iverson St



930 S Main St

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Questions?

For more information, contact Permit Services

(831) 758-7251

https://www.cityofsalinas.org/Your-Government/Departments/Community-Development

File #: ID#26-001, **Version:** 1

Minutes

Approve minutes of January 13, 2026.

File #: ID#26-065, **Version:** 1

..Title
Minutes
..Recommended Action
Approve minutes of February 3, 2026.

File #: ID#26-019, **Version:** 1

..Title
2025 Annual Comprehensive Financial Report
..Recommended Action
Approve a Resolution accepting the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2025.

CITY OF SALINAS
COUNCIL STAFF REPORT

DATE: **FEBRUARY 24, 2026**

DEPARTMENT: **FINANCE**

FROM: **SELINA ANDREWS, FINANCE DIRECTOR**
ABE PEDROZA, ASSISTANT FINANCE DIRECTOR

TITLE: **2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

RECOMMENDED MOTION:

A motion to approve a resolution receiving and accepting the Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025.

EXECUTIVE SUMMARY:

The Annual Comprehensive Financial Report (ACFR) serves as a comprehensive financial document that provides an in-depth account of a government entity's financial performance, position, and cash flows over a specific fiscal year. It provides transparency, accountability, and insight into the City of Salinas' (City) financial health, enabling stakeholders, including City Council, residents of Salinas, creditors, investors, and other interested parties, to make informed decisions. The full audit report is included as **Attachment A**.

BACKGROUND:

The City contracts with an independent certified public accountant to examine the books, records, inventories, reports, and processes that involve any officers and employees who receive, handle, or disburse public funds each fiscal year (FY). The FY 2024-25 audit was performed by Pun and Associates, LLP, an experienced firm that specializes in audit services for California public agencies. The information contained in the ACFR provides detailed financial information which the Salinas community and others can use to better understand the fiscal standing of the City.

In addition, the financial information contained in the document is one element that the credit rating agencies review annually to affix a credit rating for the City's outstanding debt obligations. The annual audited financial statements are also required by continuing disclosure agreements for the outstanding bonds issued by the City.

In 2022, the City contracted with Pun and Associates, LLC (Auditors), a firm of Certified Public Accountants licensed to practice in the State of California, to perform the City's annual independent audit for the Fiscal Years ended June 30, 2022, June 30, 2023, and June 30, 2024, with two one-year options to extend audit services through Fiscal Year ending June 30, 2026.

Historically, the City has only produced the required basic financial statements. This year the City produced an ACFR which includes a statistical section in addition to the introductory and financial sections. This is a significant improvement from what was done in the past because the City is now producing the standard document similar to most other municipalities. The additional sections allow the City to apply for the Certificate of Excellence in Financial Reporting Award (COA) for the first time.

The ACFR is prepared by the Accounting Division of the Finance Department and represents the culmination of a concerted team effort by the Finance Department staff along with significant involvement of other City Departments. The ACFR is submitted to the City Council for consideration and acceptance, and provides the residents of Salinas, creditors, investors, taxpayers, and other interested parties an overview of the relevant financial information contained in the ACFR.

On February 3, 2026, the City's external auditor in coordination with staff presented the ACFR to the Finance Committee. The presentation included audit responsibilities, an overview of financial statements, and audit results. The presentation is included as **Attachment B**.

Independent Auditor's Report

The auditor has given the City's financial statements a "clean" audit opinion for the year ended June 30, 2025, giving reasonable assurance that the financial statements are "free of material misstatement".

Management's Discussion and Analysis (MD&A)

The MD&A section of the report summarizes for the City on an entity-wide basis and fund type basis. Information is provided in this section with a year-to-year view, explaining how fund balances have changed between fiscal years ending June 30, 2024, and June 30, 2025. Information is also presented on the adopted General Fund budget to actuals and any significant budget adjustments made during FY 2024-25.

Statement of Net Position

The Statement of Net Position serves as a useful indicator of a government's financial position. The City had net assets of $269.1 million at fiscal year-end as compared to $241.7 million the prior year, an overall increase of $27.4 million over the prior fiscal year. The increase was a result of a variety of factors, including a decrease in total liabilities. The largest portion of the net assets, $264.1 million, represents the City's investment in its capital assets and infrastructure. Restricted assets of $123.7 million are resources that are subject to external restrictions on how they may be used. As of June 30, 2025, unrestricted net position is ($118.8) million compared to ($115.4) million the prior year. This means that future revenues will be needed to make up past revenue shortfalls.

Basic Financial Statements

This section contains basic financial statements, including the "entity-wide" Statement of Net Position for Governmental Funds (such as the General Fund), Proprietary Funds, and the Private Purpose Trust Funds (Fiduciary Funds). The footnotes section provides details on significant items such as the City's cash and investments (Note 3), its long-term obligations (Certificates of Participation) related to bonded debt (Note 12), the net pension liability for both the City's miscellaneous and safety pension plans (Note 16), and a discussion of the City's other post-employment benefit plan (Note 17).

Required Supplementary Information

The Schedules of Pension Plan Contributions are provided in this section.

Supplementary Information

This section provides budget to actual information for "major" and "non-major'' Governmental Funds.

Statistical Section

The statistical section is designed to assist users in evaluating the economic condition of a City by presenting detailed information, often in ten-year trends. It includes the following:

- Financial Trends Information: This helps users understand the financial status over time.
- Revenue Capacity Information: This provides insights into the City's ability to generate revenue.
- Debt Capacity Information: This assesses the City's ability to incur debt.
- Demographic and Economic Information: This includes data about the population and economic conditions.
- Operating information: This provides details on the City's operations and services.

Conclusion

As noted in the auditor's opinion, the ACFR fairly presents the fiscal year ending June 30, 2025 financial activity for the City of Salinas.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

The ACFR achieves the City Council 2025 Strategic Goal of City Services ensuring fiscal responsibility and financial management.

DEPARTMENTAL COORDINATION:

This staff report was coordinated with the City Attorney's Office and Administration.

FISCAL AND SUSTAINABILITY IMPACT:

There is no direct fiscal impact associated with receiving the report.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)
n/a	n/a	n/a	n/a	n/a	n/a	n/a

ATTACHMENTS:

Resolution
Attachment A – 2025 ACFR
Attachment B – 2025 ACFR Finance Committee Presentation

RESOLUTION NO. _____ (N.C.S.)

A RESOLUTION ACCEPTING THE AUDITED 2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

WHEREAS, the City contracted with The Pun Group, LLP, a firm of Certified Public Accountants licensed to practice in the State of California, to perform the City's annual independent audit for the Fiscal Years ended June 30, 2022, June 30, 2023, and June 30, 2024, with two one-year options to extend audit services through Fiscal Year ending June 30, 2026; and

WHEREAS, the FY 2024-25 audit was performed by Pun Group, LLP, an experienced firm that specializes in audit services for California public agencies; and

WHEREAS, after an extensive audit process, the auditor has given the City's financial statements a "clean" audit opinion for the year ended June 30, 2025, giving reasonable assurance that the financial statements are "free of material misstatement".

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council accepts the Annual Comprehensive Financial Report conducted by The Pun Group, LLP for fiscal year ended June 30, 2025.

PASSED AND APPROVED this 24th day of February 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
Dennis Donohue, Mayor

ATTEST:

_____
Patricia M. Soratos, City Clerk

City of Salinas
California

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

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Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

PREPARED BY
THE FINANCE DEPARTMENT

Selina Andrews
Finance Director

AUDITORS

The Pun Group, LLP
Accountants & Advisors
6 Hutton Centre Drive, Suite 1200
Santa Ana, CA 92707

City of Salinas
Basic Financial Statements
For the Year Ended June 30, 2025

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DEPARTMENT OF FINANCE • 200 Lincoln Ave • Salinas, California 93901

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January 27, 2026

Honorable Mayor and Members of the City Council
City of Salinas, California

We are pleased to present the City of Salinas's (City) Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2025. Although formally submitted to the Mayor and City Council (Council), the ACFR is also intended to provide relevant financial information to the residents of Salinas, taxpayers, creditors, investors, and other interested parties.

This letter of transmittal provides a non-technical summary of City finances, services, achievements, and economic prospects. We ask that readers who wish a more detailed discussion of the City's financial results refer to the Management's Discussion & Analysis (MD&A) contained in the Financial Section of the ACFR.

City Administration is responsible for the accuracy of the information contained in this report, the adequacy of its disclosures, and the fairness of its presentation. We believe this ACFR to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, we have established a comprehensive system of internal controls designed to protect City assets from loss, to identify and record transactions accurately, and to compile the information necessary to produce financial statements in conformity with generally accepted accounting principles.

The City contracted with The Pun Group, LLP, a firm of Certified Public Accountants licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City's financial statements for Fiscal Year 2024-2025 (FY 24-25) are fairly stated in conformity with accounting principles generally accepted in the United States. This is the most favorable conclusion and is commonly known as an "unmodified" or "clean" opinion. The independent auditors' report is included in the Financial Section of this report.

In addition, The Pun Group LLP performs an audit of the City's major program expenditures of federal funds for compliance with the requirements described in the U.S. Office of Management and Budget's OMB Compliance Supplement, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The report of the Single Audit is published separately from this ACFR and, when completed, can be obtained from the City of Salinas' website at https://www.cityofsalinas.org/Your-Government/Departments/Finance/Annual-Comprehensive-Financial-Reports-ACFR.

This ACFR is organized into three sections:

I. The Introductory Section includes the table of contents, letter of transmittal, listing of elected officials, City administrative personnel, and an organization chart delineating organizational structure.
II. The Financial Section includes the Independent Auditors' opinion, the MD&A, the basic financial statements, notes to the financial statements, combining statements of non-major funds, and required supplemental information.
III. The Statistical Section provides the reader with additional historic perspective, context, and detail to assist in using the information in the financial statements. It provides information in five categories: financial trends; revenue capacity; debt capacity; demographic and economic information; and operating indicators.

The Reporting Entity and Its Services

In defining the reporting entity, there are no other governmental units over which the City Council has financial accountability. Under new state law, the Salinas Redevelopment Agency, which was a component unit of the City, ceased to exist as of February 1, 2012, and therefore the assets and activities of the dissolved redevelopment agency are reported in a Fiduciary Fund (private purpose trust fund) in the financial statements of the City.

The City was incorporated as a charter City on March 4, 1874 and operates under the Council-Manager form of government. The City is governed by a six-member Council elected by districts for four-year alternating terms and a Mayor elected at large for a two-year term. The Council appoints the City Attorney and the City Manager, who is responsible for day-to-day administration of the City under the policy direction of the Council.

The City is the "county seat" of Monterey County and is located in the Central Coast region of California, 17 miles inland from the Monterey Bay, 325 miles north of Los Angeles and 106 miles south of San Francisco. Salinas is a charter City providing all typical City services: Public safety - police and fire, Public Works - maintenance services (streets, lighting, signals, facilities, parks and trees), development and permit services, current and advanced planning and traffic and facilities engineering, Library, Recreation and General administrative services. Business-type City services include a Municipal Airport, Industrial Waste system, Sanitary Sewer, Water Utility and a Parking District. The State Department of Finance reports the City's population at 160,645 as of January 1, 2025. The City FY 2024-25 budget includes 650.00 positions authorized on a full-time equivalent basis.

Three elementary school districts, a unified high school district and several private schools at both the primary and secondary level operate in the City of Salinas. Hartnell College, a State Community College, offers two-year degrees and occupational certificate programs. California State University, Monterey Bay is located less than 15 miles away on the former Fort Ord site. Graduate studies through Golden Gate University, Middlebury Institute of International Studies and Chapman College are available nearby. Also in the area are Moss Landing Marine Laboratory,

Monterey College of Law, Stanford University's Hopkins Marine Station and San Jose State University.

Salinas has extensive health and medical services with two of Monterey County's four hospitals located within the City. The City also offers skilled nursing and convalescent homes and residential retirement facilities for seniors, as well as over 220 practicing physicians.

Fire protection and basic and advanced life support are provided by the City's full-service Fire Department. Advanced life support services are provided by the Fire Department's paramedic program. The City of Salinas has a Police Department and receives additional support, as required, from the Monterey County Sheriff's Office and other regional, state and federal agencies.

The City's moderate climate encourages year-round use of its 550 plus acres of municipal parks, which include golf courses, tennis courts and swimming pools. The Salinas Community Center regularly hosts symphonies, ballets, concerts and conventions. Salinas is host to the annual Steinbeck Festival, the California Rodeo, and the California International Airshow. Salinas has a modern California Sports Complex and the National Steinbeck Center. Surrounding Salinas are diverse recreational opportunities including beautiful beaches and the world famed golf courses of the Monterey Bay Peninsula.

As the retail hub of the Central Coast, Salinas enjoys a wide selection and diversity in its stores. Northridge Shopping Center contains over 120 specialty shops and three major department stores – Macy's, Best Buy and J.C. Penney. Harden Ranch Plaza includes Wal-Mart, Target, Safeway, specialty stores, restaurants, and banking institutions. The Westridge Shopping Center is home to Costco, Wal-Mart, Office Max, Dick's Sporting Goods and a variety of national chain restaurants. The Salinas Auto Center houses nine local dealers and its retail area hosts Home Depot, Beverages and More (BevMo), Kohl's, and other specialty stores. Additionally, Salinas' location allows quick access to the Monterey Peninsula, as well as the San Jose area.

The City utilizes various Boards and Commissions in the conduct of its affairs. Commissions and Committees established by City Ordinance are:

- Airport Commission
- Library and Community Services Commission
- Traffic and Transportation Commission
- Planning Commission
- Public Art Commission
- Measure G Oversight Committee
- Measure E Oversight Committee

Boards and Committees established by Resolution of the City Council are:

- Police Community Advisory Committee
- Grievance Advisory Board
- Historical Resources Board

Subcommittees of Council are:

- Housing & Land Use Committee
- Finance Committee

ECONOMIC CONDITIONS AND FISCAL OUTLOOK

While Salinas Valley continues to show overall positive economic performance, several potential indicators of a future economic weakening have begun. These economic indicators include a slow-down in the local real estate market and unemployment rates. Unemployment rates in the area are expected to continue to increase as corporate layoffs continue to occur. In addition, a tight labor market can also push the unemployment rate up. According to the Anderson forecast, "labor force decline is attributable to retirements, migration out-of-state, and individuals choosing to spend their time in nonmarket activities, such as child-raising.

The unemployment rate for the county and Salinas Metropolitan[1] area for June 2025 was 6.3%, which was the same as in May 2025 and higher than the prior year unemployment rate of 6.0%. However, the June 2025 Salinas Metropolitan Statistical Area unemployment rate continued to be higher than the unadjusted unemployment rate for the State (5.8%) and the nation (4.1%)[2].

The City closed FY 24-25 with a net $5.3 million General Fund surplus due to a variety of factors discussed in the MD&A. General Fund revenues (not including transfers in) increased by $9.7 million or 5.4% from the prior year. Sales tax revenues remain the largest and most consistent source of support for General Fund operations, comprising approximately 51.6% or $94.6 million of General Fund revenues of $183.2 million in FY 24-25. For FY 24-25, sales tax receipts of $94.6 million were $3.3 million higher than the prior year's collection. The City's Measures E and G Sales and Use Tax continued to perform well as the economy rebounds from the effects of COVID-19.

The City also relies heavily on property tax revenues to support General Fund operations, comprising approximately 22.2% or $40.6 million of General Fund revenues of $183.2 million in FY 24-25. For FY 24-25, property tax receipts of $40.6 million were $1.5 million higher than the prior year's collection. Property tax revenues were supported by the continued desirability of the City, its environment, and culture.

In addition to the City's revenue sources, the City benefited from the Federal American Rescue Plan Act (ARPA). The Act allocated $51,567,313 to the City over a two-year period. The City has received both payments and expended $46.9 million and encumbered $4.7 million at June 30, 2025.

[1] State of California, Employment Development Department, Labor Market Information Division

[2] Monthly EDD Press Release

As with most municipalities, services are provided directly by employees to the City's residents, businesses, and visitors. As a service delivery enterprise, the cost of salaries and benefits are a significant portion of the City's expenditures. Salaries are largely dictated by regional market forces as evidenced by fierce competition for workforce in the San Francisco Bay Area, and inflationary pressures nationwide. During FY 24-25, the City successfully completed negotiations with seven labor groups. While important for consistent delivery of high-quality services for the City, these actions further contribute to the structural deficit between revenues and expenditures.

The City also continues to adjust and prepare for pension employer costs to continue to be a primary expense in conjunction with salaries. The City's pension plans over the past several decades, like all other CalPERS participants, have experienced changes in actuarial assumptions, demographic changes, and volatile investment returns which have outweighed any positive plan experiences. The outcome of these unfavorable economic and demographic conditions is the creation of unfunded pension and Other Post-Employment Benefits (OPEB) obligations for the City. According to the 2023 accounting valuation reports, the net pension liability was $230.8 million and the net OPEB liability was $13.4 million as of June 30, 2025.

To address the escalation in OPEB costs, current and previous Councils have worked to curb cost escalation in Other Post-Employment Benefits (OPEB). In 2020, the City initiated prefunding of retiree healthcare benefits.

For detailed information about the City employees' retirement plan, please refer to Note 16 of the Notes to Basic Financial Statements Section. For detailed information about the City OPEB obligations please refer to Note 17 of the Notes to Basic Financial Statements Section.

Despite revenue constraints and increasing costs associated with unfunded federal and state mandates, the City has managed to maintain high service levels and balanced budgets through prudent fiscal management.

MAJOR CAPITAL PROJECT INITIATIVES

The City maintains a multi-year forecasting model for operating revenues and expenditures and also produces a six-year capital plan. The multi-year forecast is regularly updated to reflect current revenue and expenditure assumptions and is presented to the City Council during the budget process for the next fiscal year.

Major capital asset and infrastructure initiatives were once again the priority for the fiscal year. Approximately $13.6 million in City infrastructure and other capital asset improvements and contributions were invested in FY 24-25, including $1.9 million in improvements -other than buildings and $2.6 million in equipment. In addition, $9.1 million was invested in construction in progress including, roads, storm drains, park, building improvements, fire apparatus equipment, and City revitalization efforts.

Additional infrastructure improvements are scheduled in accordance with the City's approved Capital Improvement Plan and will continue into future years. All of these improvements are funded either through grants, appropriations carried over from prior years, and/or new appropriations during the budget development process as approved by City Council policy

Single Audit

As a recipient of federal, state and county funding, the City is responsible for providing assurance that adequate internal controls are in place to ensure compliance with applicable laws and regulations relating to these award programs. Internal controls are subject to periodic evaluation by management and the City's external independent auditors.

As part of the City's single audit procedures, tests are performed to assess the effectiveness of its internal controls over major federal award programs and the City's compliance with applicable laws and regulations related to these award programs.

Accounting System and Budgetary Control

All governmental fund types use the modified accrual basis of accounting. This means that revenues are recorded when measurable and available rather than when received. Measurable means the amount can be determined and available means the cash is received within sixty days after the end of the fiscal year. Expenditures are recorded when the liability is incurred, rather than when paid. An exception to this rule is principal and interest on general long-term debt, which is not recognized by debt service funds until it is due.

Internal accounting procedures have been developed to provide reasonable assurance regarding the safeguarding of assets and the reliability of financial records for preparing financial statements and maintaining asset accountability.

The City maintains budgetary controls through City Council adoption of an annual appropriation ordinance and by maintaining an encumbrance accounting system. Expenditures for City operations and other purposes identified in the annual budget cannot legally exceed the budgeted amounts approved by the City Council.

An annual operating budget, five-year budget forecast, and six-year capital improvement plan is adopted by the City Council consistent with generally accepted accounting principles. All budget appropriations must be approved by City Council during the fiscal year. The City Manager is authorized to transfer appropriations within the same funding source. Appropriations are valid for each fiscal year and lapse at year-end.

Acknowledgements

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire Finance Department staff. In addition, staff in all City departments should be recognized for responding so positively to the requests for detailed information that accompanies each annual audit.

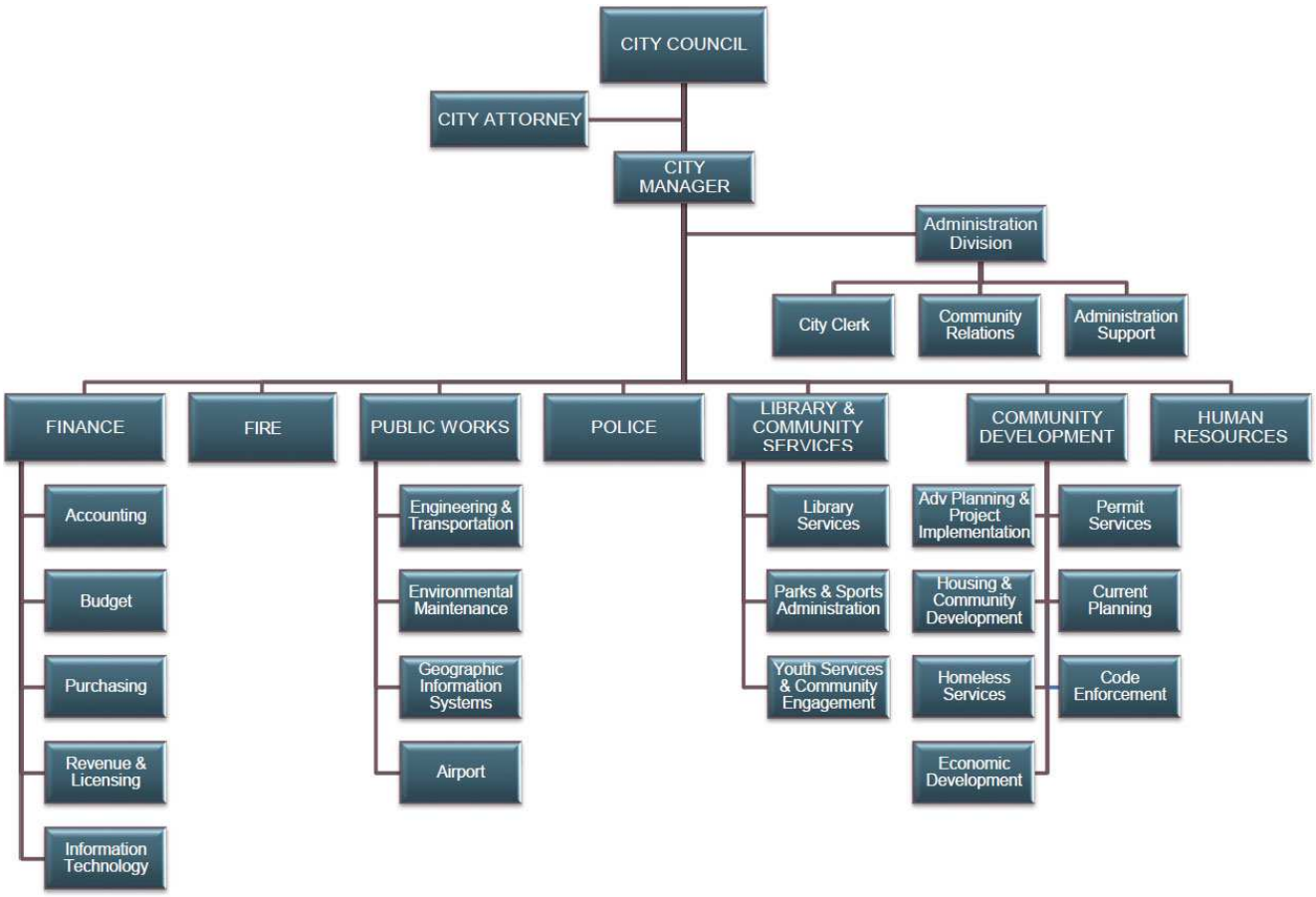
In addition, we wish to express our sincere appreciation to the Mayor and City Council for providing policy direction and a firm foundation of support for the pursuit of excellence in all realms of professional endeavors, especially their role in guiding the City to a secure financial condition that assures resources are available to provide core services to the community.

Respectfully submitted,

Selina Andrews
Finance Director

City of Salinas

Organization Chart



City of Salinas
List of Principal Officials

SALINAS
RICH IN LAND | RICH IN VALUES

Dennis Donohue
Mayor

Jose Luis Barajas
Councilmember
District 1

Gloria De La Rosa
Councilmember
District 4

Tony Barrera
Councilmember
District 2

Andrew Sandoval
Councilmember
District 5

Margaret D'Arrigo
Councilmember
District 3

Aurelio Salazar
Councilmember
District 6

Rene Mendez
City Manager

Christopher A. Callihan
City Attorney

Lisa Murphy
Assistant City Manager

David Jacobs
Public Works Director

Kristan Lundquist
Library and Community
Services Director

Lisa Brinton
Community
Development Director

Carlos Acosta
Chief of Police

Sam Klemek
Fire Chief

Selina Andrews
Finance Director

Marina Horta-Gallegos
Human Resources
Director

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FINANCIAL SECTION

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THE PUN GROUP
ACCOUNTANTS & ADVISORS

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Santa Ana, California 92707

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Council of the City of Salinas
Salinas, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Salinas, California (the "City"), as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules of Changes in Net Pension Liability and Related Ratios, Schedules of Proportionate Share of the Net Pension Liability and Related Ratios, Schedules of Pension Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of OPEB Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Combining and Individual Fund Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Statements and Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and the Claims Development for Internal Service Funds Schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The Pun Group, LLP

Santa Ana, California
January 27, 2026

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This section of the City of Salinas (City) Annual Comprehensive Financial Report provides an overview of the City's financial activities for the fiscal year ended June 30, 2025. Readers are encouraged to consider the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements, and the accompanying notes to the financial statements.

A. FINANCIAL HIGHLIGHTS

- On June 30, 2025, the City's net position (excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources) was $269.1 million. Of this amount, $264.1 million is invested in capital assets and restricted assets, which is offset by a deficit of $118.8 million of unrestricted assets.
- During the fiscal year ended June 30, 2025, the City's total net position increased by $27.4 million from $241.7 million to $269.1 million.
- During the fiscal year, fund balances increased $38.6 million to $221 million for governmental funds, of which $198.5 million is either nonspendable, restricted, committed, or assigned, leaving a $22.6 million as unassigned. The City increased restricted fund balance by $23.7 million for 122.1 million. Additionally, the City has released $45.3 million and $23.8 million from committed and assigned fund balances, respectively, to unassigned fund balance.
- During the fiscal year the General Fund, Measure E, and Measure G fund balance increased by $5.3 million to $99.7 million of which $75.9 million is either nonspendable, restricted, committed, or assigned fund balance. Unassigned General Fund, Measure E & Measure G fund balance was $23.9 million. The primary reason for the General Fund balance increase was due to stronger than anticipated revenues.
- The City's total net capital assets decreased $8.8 million from $401.0 million to $392.2 million primarily due to an increase in accumulated depreciation and amortization.

B. OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which is comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Basic Financial Statements.

The basic financial statements include the City (primary government) and all legally separate entities (component units) for which the government is financially accountable.

This report also contains other supplementary information in addition to the basic financial statements for further information and analysis.

Government-Wide Financial Statements

The Government-Wide Financial Statements present the financial picture of the City and provide readers with a broad view of the City's finances, using the economic resources measurement focus and accrual basis of accounting, in a manner similar to private-sector businesses. These statements present governmental activities and business-type activities separately and include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain interfund receivables, payables and other interfund activity have been eliminated as prescribed by GASB Statement No. 34.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows.

In the Statement of Net Position and the Statement of Activities, we separate the City activities as follows:

Governmental Activities—All of the City's basic services are reported in this category, including general government, public safety, community development, public works, recreation, and library. Property taxes, sales taxes, user fees, interest income, franchise fees, state grants and federal grants finance these activities. The City's insurance programs (health, worker's compensation, liability and property damage) are accounted for in internal service funds but are reported as part of governmental activities since these programs are used primarily for governmental activities.

Business-Type Activities—The City charges a fee to customers to cover all or most of the costs of certain services it provides. The City's Industrial Wastewater System, Airport, Sanitary Sewer, Permit Service, and Parking District are reported as business-type activities.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Fund Financial Statements include statements for each of the three categories of activities – governmental, proprietary and fiduciary. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary funds are agency funds, pension trust funds and private purpose trust funds, which only report assets and liabilities and do not have a measurement focus.

Governmental Funds - The Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Funds Financial Statements focus on current financial resources, which emphasize near-term inflows and outflows of expendable resources as well as balances of expendable resources at the end of the fiscal year. This information is essential in evaluating the City's near-term financial requirements.

In order to better understand the City's long-term and short-term requirements, it is useful to compare the City's Governmental Funds Statements with the governmental activities in the Government-Wide Financial Statements. A reconciliation is provided for the Governmental Fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances to facilitate this comparison. The major governmental funds include the General Fund, American Rescue Plan Act (ARPA), Housing and Urban Development (HUD) Grant, Development Fees, Special Revenue Funds, Capital Projects Fund, and 2019 Special Tax Bond Monte Bella Debt Service Fund, which are reported in detail in the Governmental Fund Financial Statements. All other funds are shown in the aggregate as other non-major governmental funds. Individual fund data for each of other non-major governmental funds is provided in the form of combining statements located under the Supplementary Information section in the report.

Proprietary Funds - The City maintains two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. The City uses enterprise funds to account for its Airport, Industrial Wastewater System, Sanitary Sewer, Permit Services and Parking activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its general city insurance operations. Because these services predominantly benefit the governmental rather than business-type activities, they have been included within governmental activities in the Government-Wide Financial Statements.

Fiduciary Funds - The City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the resources of these funds are not available to support the City's own programs.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Other Information

In addition to the basic financial statements, this report also presents certain Required Supplementary Information including the City's budgetary comparison schedules for the General Fund, American Rescue Plan Act (ARPA) Special Revenue Funds, Housing and Urban Development (HUD) Grant Special Revenue Funds, and Development Fees Special Revenue Fund, and information concerning the progress in funding its obligation to provide pension benefits to its employees.

Combining statements for the other non-major governmental funds, Internal Service Funds, Fiduciary Funds and General, Measure E and Measure G Funds are presented immediately following the Required Supplementary Information as supplementary information.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Management Discussion and Analysis (MD&A) includes comparative data for analysis.

Statement of Net Position

Net position is a good indicator of the City's financial position. During this fiscal year, the net position of the City increased $27.5 million or 11.4% over the prior year's from $241.6 to $269.1 million.

At June 30, 2025, the largest portion of net position consists of the City's net investment in capital assets. This component is the total amount of funds required to acquire those assets less any related outstanding debt used for such acquisition. The City uses these capital assets to provide services to residents. The capital assets of the City are not sources of income for repayment of debt as most assets are not revenue generating and generally are not liquidated to repay debt. Debt service payments are funded from other resources available to the City.

The following table is the condensed statement of net position as of June 30, 2025 and 2024

City of Salinas
Condensed Statements of Net Position
June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current assets	$ 272,673,631	$ 269,809,855	$ 16,717,688	$ 16,750,781	$ 289,391,319	$ 286,560,636
Other assets	14,679,130	5,818,489	4,228,343	4,502,468	18,907,473	10,320,957
Capital assets, net	330,166,241	335,763,944	62,072,885	65,238,853	392,239,126	401,002,797
Total assets	617,519,002	611,392,288	83,018,916	86,492,102	700,537,918	697,884,390
Deferred outflows of resources						
Related to pension and OPEB	55,311,018	69,327,178	1,472,339	2,179,156	56,783,357	71,506,334
Loss on refunding of debt	432,594	459,631	77,290	85,877	509,884	545,508
Total deferred outflows of resources	55,743,612	69,786,809	1,549,629	2,265,033	57,293,241	72,051,842
Liabilities:						
Current liabilities	10,718,381	17,863,112	734,849	1,060,528	11,453,230	18,923,640
Other liabilities	18,136,961	41,756,548	-	-	18,136,961	41,756,548
LTD - due in one year	10,708,076	19,145,030	1,349,295	1,729,000	12,057,371	20,874,030
Long-term liabilities	394,677,707	394,195,005	24,038,297	26,140,774	418,716,004	420,335,779
Total liabilities	434,241,125	472,959,695	26,122,441	28,930,302	460,363,566	501,889,997
Deferred inflows of resources						
Related to pension, OPEB and leases	17,420,386	21,006,643	4,819,172	5,378,532	22,239,558	26,385,175
Total deferred inflows of resources	17,420,386	21,006,643	4,819,172	5,378,532	22,239,558	26,385,175
Net Position:						
Net investment in Capital Assets	221,270,561	223,199,988	42,828,175	44,273,730	264,098,736	267,473,718
Restricted	123,726,335	89,559,884	-	-	123,726,335	89,559,884
Unrestricted (Deficit)	(129,249,480)	(125,547,113)	10,485,064	10,174,571	(118,764,416)	(115,372,542)
Total Net Position	$ 215,747,416	$ 187,212,759	$ 53,313,239	$ 54,448,301	$ 269,060,655	$ 241,661,060

Below is a table of the current and prior fiscal year recap of the changes in net position. The entire Statement of Activities can be reviewed on pages 24-25.

City of Salinas
Condensed Statement of Activities and Changes in Net Position
For the Fiscal Years Ended June 30, 2025 and 2024

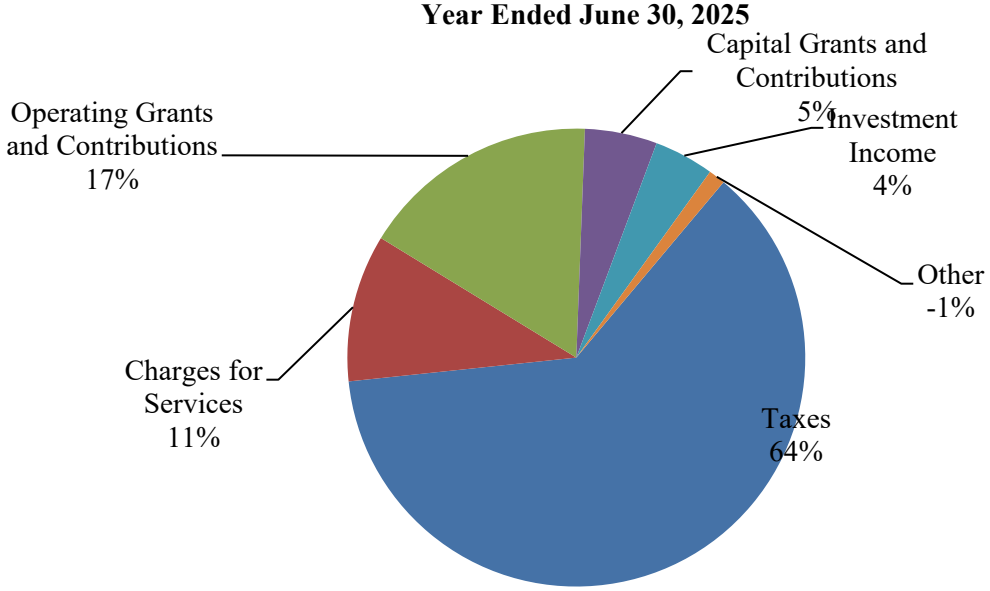
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	$ 28,598,610	$ 9,951,057	$ 17,174,847	$ 14,078,424	$ 45,773,457	$ 24,029,481
Operating Grants & Contributions	46,428,658	39,160,212	-	-	46,428,658	39,160,212
Capital Grants & Contributions	14,021,584	11,642,670	-	-	14,021,584	11,642,670
General Revenues:						
Taxes	171,198,180	164,923,983	-	-	171,198,180	164,923,983
Unrestricted Investment Earnings	11,638,579	11,203,141	1,032,269	925,646	12,670,848	12,128,787
Gain (Loss) on Disposal of Assets	(3,653,255)	5,690	-	(12,058)	(3,653,255)	(6,368)
Payment from Fiduciary Fund	-	-	946,093	950,640	946,093	950,640
Miscellaneous	418,622	991,325	2,214,084	2,143,902	2,632,706	3,135,227
Total Revenues	268,650,978	237,878,078	21,367,293	18,086,554	290,018,271	255,964,632
Expenses						
General Government	59,730,637	48,105,622	5,303,658	3,690,327	65,034,295	51,795,949
Public Safety	103,419,143	126,945,455		-	103,419,143	126,945,455
Public Works	54,169,233	45,984,671	13,203,603	11,110,167	67,372,836	57,094,838
Recreation	15,504,576	12,661,489		-	15,504,576	12,661,489
Library	6,781,702	6,781,311		-	6,781,702	6,781,311
Interest on Long-Term Debt	3,921,907	4,063,122	584,217	629,735	4,506,124	4,692,857
Total Expenses	243,527,198	244,541,670	19,091,478	15,430,229	262,618,676	259,971,899
Increase (decrease) in Net Position before Transfers	25,123,780	(6,663,592)	2,275,815	2,656,325	27,399,595	(4,007,267)
Transfers	3,410,877	644,120	(3,410,877)	(644,120)	-	-
Increase (decrease) in Net Position	28,534,657	(6,019,472)	(1,135,062)	2,012,205	27,399,595	(4,007,267)
Net Position - Beginning of Year	187,212,759	193,232,231	54,448,301	52,436,096	241,661,060	245,668,327
Net Position - Ending	$ 215,747,416	$ 187,212,759	$ 53,313,239	$ 54,448,301	$ 269,060,655	$ 241,661,060

Total revenues increased from the prior year by $34.1 million, or 12% and total expenses increased by $2.5 million from prior year, or 1%. Further analysis is provided within the governmental and business-type activities sections.

Governmental Activities

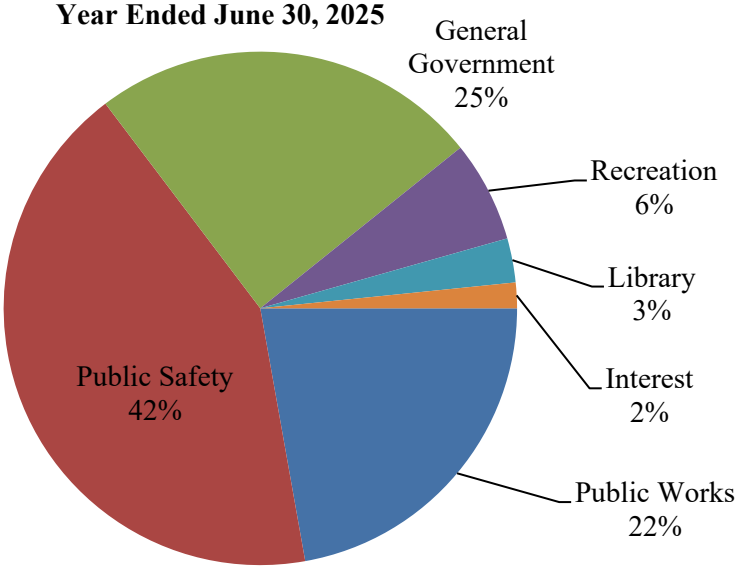
Governmental activities resources total $268.7 million. The City's governmental activities increased net position by $28.5 million. The following charts highlight the sources of revenues and purpose of expenses:

Governmental Activities
Revenues by Source
Year Ended June 30, 2025



Total expenses for governmental activities, excluding transfers and contributions, were $243.4 million including interest on long-term debt of $3.9 million.

Governmental Activities
Expenses by Function/Program
Year Ended June 30, 2025



The below table represents the total cost of each of the City's governmental activities as well as each activity's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial commitment that was placed on the City's taxpayers by each of these functions.

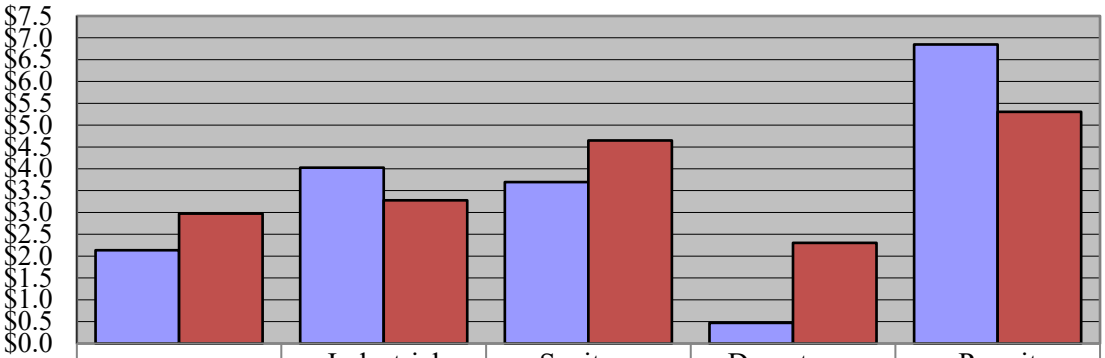
	Total Cost of Services	Percent	Net Cost of Services	Percentage
General government	$ 59,730,637	24.5 %	$ 13,769,549	8.9 %
Public safety	103,419,143	42.5 %	95,488,218	61.8 %
Public works	54,169,233	22.2 %	21,371,086	13.8 %
Recreation	15,504,576	6.4 %	13,532,105	8.8 %
Library	6,781,702	2.8 %	6,395,481	4.1 %
Interest	3,921,907	1.6 %	3,921,907	2.5 %
Total	$ 243,527,198	100 %	$ 154,478,346	100 %

Public safety continues to be the single highest expense for the City followed by public works. Net cost of services, after subtracting fees and grant revenues, total $154.5 million.

Business-Type Activities

The City's business-type activities net position was $53.3 million, a decrease of $1.1 million for the fiscal year. Total operating revenues for business-type activities were $17.2 million. Total operating expenses for the business-type activities were $18.5 million during FY 2024-25.

Business -Type Activities
Revenues, Expenses (in millions)
June 30, 2025



	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking	Permit Services
Revenue	$2.13	$4.03	$3.70	$0.47	$6.85
Expense	$2.97	$3.28	$4.65	$2.30	$5.30

D. FUND FINANCIAL STATEMENT ANALYSIS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $221 million. Of the total fund balance, $6.1 million was nonspendable which indicates the resources are nonspendable loans, notes, land and property held for resale and are not anticipated to be liquidated in the near-term. Of the total fund balance, $122.1 million was restricted fund balance, the use of which is constrained by external parties, resource providers, or enabling legislations. Fund balance of $45.4 million was committed by City Council for specific purposes. The remainder of the restrictions are listed in the Fund Balance footnote.

The General Fund is the chief operating fund of the City. The General, Measure E and Measure G fund balance increased by $5.3 million in FY 2024-25 to $99.7 million, of which $75.9 million is either nonspendable, restricted, committed, or assigned fund balance. The remaining fund balance of $24.8 million is unassigned.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Factors concerning these funds have been addressed in the discussion of Government-Wide Financial Analysis.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General, Measure E, and Measure G Fund revenue budget, including transfers in, totaled $179.7 million and the expenditure budget totaled $235.1 million including transfers out. Transfers out are budgeted mostly for capital projects and the funds are already on-hand. Transfers out to the Capital Projects Fund will occur over multiple years.

Significant Appropriations Increases/Decreases

Appropriations during the year were adjusted upward by $49.5 million, of which $46.6 million were related to transfers for capital projects and $2.9 million in operational changes. There was no change in estimated revenues.

F. CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets Including Infrastructure

The following is a summary of the City's capital assets as of June 30, 2025 and 2024:

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 37,953,126	$ 37,953,126	$ 3,630,695	$ 3,630,695	$ 41,583,821	$ 41,583,821
Buildings	134,749,588	134,749,588	25,888,821	25,888,821	160,638,409	160,638,409
Improvements	52,846,129	50,903,966	15,970,700	15,970,700	68,816,829	66,874,666
Equipment	52,278,836	50,518,200	7,935,427	7,871,497	60,214,263	58,389,697
Infrastructure	434,605,116	434,605,116	102,709,198	102,709,198	537,314,314	537,314,314
Right-to-use assets	862,885	960,749	-	-	862,885	960,749
Construction in Progress	30,743,077	25,235,279	2,323,395	2,291,239	33,066,472	27,526,518
	744,038,757	734,926,024	158,458,236	158,362,150	902,496,993	893,288,174
Accumulated Depreciation/ Amortization	(413,872,516)	(399,162,080)	(96,385,351)	(93,123,297)	(510,257,867)	(492,285,377)
	$ 330,166,241	$ 335,763,944	$ 62,072,885	$ 65,238,853	$ 392,239,126	$ 401,002,797

Capital assets, including infrastructure assets of the City, are those assets which are used in the performance of the City's functions. At June 30, 2025, net capital assets of the Governmental Activities totaled $330.1 million and the net capital assets of the Business-type Activities totaled $62.1 million.

Major capital assets events during the current fiscal year included the following:

- $9.1 million added to construction in progress for roads, storm drains, park, building improvements, fire apparatus equipment, and City revitalization efforts.
- $1.8 million added for vehicles and other City maintenance equipment.

Further details on the City of Salinas' capital assets can be found in Note 10 to the financial statements.

Long-Term Obligations

The following is a summary of the City's long-term debt as of June 30, 2025 and 2024:

City of Salinas' Long Term Liabilities

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Annual Leave	$ 12,624,134	$ 12,035,252	$ 551,476	$ 552,230	$ 13,175,610	$ 12,587,482
Insurance Claims	44,760,003	37,242,708	-	-	44,760,003	37,242,708
Capital Leases	47,011,937	46,818,865	7,142,000	7,788,000	54,153,937	54,606,865
Loans and Notes	-	-	-	518,000	-	518,000
Revenue Bonds	-	-	12,180,000	12,745,000	12,180,000	12,745,000
Certificates of Participation	50,675,000	53,720,000	-	-	50,675,000	53,720,000
Assessment District Bonds	6,910,000	7,110,000	-	-	6,910,000	7,110,000
Unamortized Bond Premium	5,009,329	5,679,241	-	-	5,009,329	5,679,241
Unamortized Bond Discount	(291,279)	(304,519)	-	-	(291,279)	(304,519)
Subtotal	166,699,124	162,301,547	19,873,476	21,603,230	186,572,600	183,904,777
Net OPEB Liability	12,610,349	12,171,211	815,342	786,950	13,425,691	12,958,161
Net Pension Liability	226,076,310	238,867,277	4,698,774	5,479,594	230,775,084	244,346,871
Total outstanding debt	$ 405,385,783	$ 413,340,035	$ 25,387,592	$ 27,869,774	$ 430,773,375	$ 441,209,809

As of June 30, 2025, the City had $430.8 million in long term debt.

During the current year the City entered into a new capital lease agreement for energy efficiency and backup generator projects in the amount of $4.7 million.

Further details on the City of Salinas' long-term liabilities can be found in Notes 12, 13, 14, 16 and 17 to the financial statements.

G. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The FY 2025-26 Budget projections were based on economic trends and forecasts specific to the local economy. These estimates, informed by data from the County of Monterey and the City's consultants such as Hinderliter, de Llamas & Associates help forecast the most impactful revenue sources, such as taxes. Expenditures are carefully reviewed by Finance Department and are incorporated into the budget with a vacancy savings factor of 5%, reflecting the City's historical trend of not fully expending predicted salaries and benefit costs.

The City continues to work towards a structurally balanced budget. However, increasing the City's net position is significantly influenced by market interest rate fluctuations, liability payments (including pension costs), and operational and capital expenditures. Additionally, accounting standards do not account for future capital costs beyond depreciation, meaning deferred capital needs could substantially impact future financial performance. Controlling the main cost drivers of wages, pension, health insurance, and workers' compensation continues to be the key to managing this projected problem. Rising costs in key City operations and contracted services also pose challenges that could outpace revenue growth.

Despite the City balancing its budget in the coming years, maintaining this stability will require fiscal prudence and foresight to address future challenges.

Additionally, the position of the nation, state and local economy, and any recessionary factors, will influence future budgets. The City continues to work on the Salinas Plan and hopes to achieve savings in those recommendations that have been implemented or are in progress.

The Salinas Plan and Fiscal Sustainability

The Salinas Plan is a Ten-Year Plan designed to provide the City with a path toward maintaining a long-term balanced budget while preserving City services and addressing the affordable housing crisis. The plan provides 32 recommended initiatives. The 32 recommended initiatives are now in various stages of progress and are described in more detail in the Salinas Plan.

Major Projects and Funding

Amid challenges, the City continues deploying funds for various projects City-wide. The City appropriated $25.6 million in American Rescue Plan Act (ARPA) funds for 20 projects in the following four areas: public facility improvements, public infrastructure, investments in water and sewer, and to address homelessness and housing issues. At June 30, 2025, the City received and expended $20.9 million, leaves no fund balance at the end of the fiscal year.

H. REQUEST FOR INFORMATION

This financial report is designed to provide our residents, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Salinas Finance Department, 200 Lincoln Avenue, Salinas, California 93901.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Salinas
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 230,890,045	$ 19,987,712	$ 250,877,757
Receivables, net of allowance:			
Accounts receivable, net	1,513,477	1,037,268	2,550,745
Taxes receivable	20,691,686	-	20,691,686
Assessments receivable	6,910,000	-	6,910,000
Due from other agencies	5,142,786	-	5,142,786
Leases receivable	437,562	274,125	711,687
Interest receivable	2,235,640	271,018	2,506,658
Internal balances:			
Due from (to) other funds	2,067,435	(2,067,435)	-
Advances to (from) other funds	2,785,000	(2,785,000)	-
Total current assets	272,673,631	16,717,688	289,391,319
Noncurrent assets:			
Restricted cash and investments	7,434,253	-	7,434,253
Receivables, net of allowance:			
Loans receivable	1,923,696	-	1,923,696
Leases receivable	3,941,181	4,228,343	8,169,524
Land and properties held for resale	1,380,000	-	1,380,000
Capital assets:			
Non-depreciable/amortizable	68,696,203	5,954,090	74,650,293
Depreciable/amortizable, net	261,470,038	56,118,795	317,588,833
Total capital assets	330,166,241	62,072,885	392,239,126
Total noncurrent assets	344,845,371	66,301,228	411,146,599
Total assets	617,519,002	83,018,916	700,537,918
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	52,183,194	1,270,104	53,453,298
Related to OPEB	3,127,824	202,235	3,330,059
Loss on refunding of debt	432,594	77,290	509,884
Total deferred outflows of resources	55,743,612	1,549,629	57,293,241

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Net Position (Continued)
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	10,149,306	477,680	10,626,986
Accrued liabilities	5,853,687	313,693	6,167,380
Interest payable	516,273	214,211	730,484
Deposits payable	52,802	42,958	95,760
Unearned revenue	18,136,961	-	18,136,961
Long-term debt - due within one year	8,183,251	1,239,000	9,422,251
Compensated absences - due within one year	2,524,825	110,295	2,635,120
Insurance claims payable - due within one year	9,910,671	-	9,910,671
Total current liabilities	55,327,776	2,397,837	57,725,613
Noncurrent liabilities:			
Long-term debt - due in more than one year	101,131,736	18,083,000	119,214,736
Compensated absences - due in more than one year	10,099,309	441,181	10,540,490
Insurance claims payable - due in more than one year	34,849,332	-	34,849,332
Net pension liability	226,076,310	4,698,774	230,775,084
Net OPEB liability	12,610,349	815,342	13,425,691
Total noncurrent liabilities	384,767,036	24,038,297	408,805,333
Total liabilities	440,094,812	26,436,134	466,530,946
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	3,303,460	71,197	3,374,657
Related to OPEB	10,140,366	655,641	10,796,007
Related to leases	3,976,560	4,092,334	8,068,894
Total deferred inflows of resources	17,420,386	4,819,172	22,239,558
NET POSITION			
Net investment in capital assets	221,270,561	42,828,175	264,098,736
Restricted for:			
Housing	12,623,629	-	12,623,629
Capital projects	10,741,386	-	10,741,386
Public safety	3,504,290	-	3,504,290
Highways and streets	37,443,299	-	37,443,299
Debt service	8,871,727	-	8,871,727
Special programs	50,542,004	-	50,542,004
Total restricted	123,726,335	-	123,726,335
Unrestricted (deficit)	(129,249,480)	10,485,064	(118,764,416)
Total net position	$ 215,747,416	$ 53,313,239	$ 269,060,655

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Program Revenues: Total
Primary government:					
Governmental activities:					
General government	$ 59,730,637	$ 7,781,243	$ 33,784,383	$ 4,395,462	$ 45,961,088
Public safety	103,419,143	2,006,615	5,626,486	297,824	7,930,925
Public works	54,169,233	16,920,080	6,683,885	9,194,183	32,798,147
Recreation	15,504,576	1,838,356	-	134,115	1,972,471
Library	6,781,702	52,316	333,905	-	386,221
Interest on long-term debt	3,921,907	-	-	-	-
Total governmental activities	243,527,198	28,598,610	46,428,658	14,021,584	89,048,852
Business-type activities:					
Airport	2,974,787	2,133,233	-	-	2,133,233
Industrial Waste	3,279,094	4,027,016	-	-	4,027,016
Sanitary Sewer	4,647,529	3,695,305	-	-	3,695,305
Downtown Parking District	2,302,193	470,672	-	-	470,672
Permit Services	5,303,658	6,848,621	-	-	6,848,621
Total business-type activities	18,507,261	17,174,847	-	-	17,174,847
Total primary government	$ 262,034,459	$ 45,773,457	$ 46,428,658	$ 14,021,584	$ 106,223,699

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Activities (Continued)
For the Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	$ (13,769,549)	$ -	$ (13,769,549)
Public safety	(95,488,218)	-	(95,488,218)
Public works	(21,371,086)	-	(21,371,086)
Recreation	(13,532,105)	-	(13,532,105)
Library	(6,395,481)	-	(6,395,481)
Interest on long-term debt	(3,921,907)	(584,217)	(4,506,124)
Total governmental activities	(154,478,346)	(584,217)	(155,062,563)
Business-type activities:			
Airport	-	(841,554)	(841,554)
Industrial Waste	-	747,922	747,922
Sanitary Sewer	-	(952,224)	(952,224)
Downtown Parking District	-	(1,831,521)	(1,831,521)
Permit Services	-	1,544,963	1,544,963
Total business-type activities	-	(1,332,414)	(1,332,414)
Total primary government	(154,478,346)	(1,916,631)	(156,394,977)
General Revenues and Transfers:			
General revenues:			
Taxes:			
Sales taxes	94,640,604	-	94,640,604
Property taxes	40,561,028	-	40,561,028
Motor vehicle in lieu	255,485	-	255,485
Utility user tax	15,758,261	-	15,758,261
Franchise tax	10,423,060	-	10,423,060
Business tax	6,724,871	-	6,724,871
Transient occupancy tax	2,828,874	-	2,828,874
Other taxes	5,997	-	5,997
Total taxes	171,198,180	-	171,198,180
Revenue from Fiduciary Funds	-	946,093	946,093
Investment earnings	11,638,579	1,032,269	12,670,848
Gain (loss) on sale of capital assets	(3,653,255)	-	(3,653,255)
Miscellaneous revenue	418,622	2,214,084	2,632,706
Transfers	3,410,877	(3,410,877)	-
Total general revenues and transfers	183,013,003	781,569	183,794,572
Change in net position	28,534,657	(1,135,062)	27,399,595
Net Position:			
Beginning of year	187,212,759	54,448,301	241,661,060
End of year	$ 215,747,416	$ 53,313,239	$ 269,060,655

See accompanying Notes to the Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

General Fund - This fund accounts for all financial resources necessary to carry out basic governmental activities of the City that are not accounted for in another fund. This fund supports essential City services such as police and fire protection, street maintenance, libraries, parks, and open space maintenance.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. The following funds have been classified as major special revenue funds:

American Rescue Plan Act (ARPA) Special Revenue Fund - On March 11, 2021, President Biden signed the American Rescue Plan Act, which will provide the City with approximately $51 million in relief funds. This fund accounts for the revenues and expenditures of ARPA proceeds.

Housing and Urban Development Grant Special Revenue Fund - This fund accounts for the use of Community Development Block Grant funds received from the federal government. Other revenues in this fund include repayments of commercial and residential loans and rental income from City property. Funds are used for programs or projects that increase affordable housing and benefit people with special needs such as senior and handicapped citizens.

Development Fees Special Revenue Fund - This fund accounts for the fees that subdividers and developers of property are required to pay, by Resolution 3823 (N.C.S.), covering traffic impact, annexation, use of existing or new sewers, storm drainings, park facilities, library facilities, and street trees.

CAPITAL PROJECTS FUNDS

Capital Projects Fund - This fund accounts for all capital project expenditures. Funds are transferred in from various other funds after expenditures are made. This revolving fund was established with $2,000,000 and is used to advance capital project expenditures prior to reimbursement of Federal, State, and other construction grants and bond financing.

DEBT SERVICE FUNDS

2019 Special Tax Bond Monte Bella - This fund is used to accumulate monies for the principal and interest payments for the 2019 Special Tax Bonds to finance the acquisition and/or construction of certain public facilities and improvements within the Community Facilities District No. 2016-1 (Monte Bella) Area No. 1-3. The annual levy of special taxes on that area would be used to pay for principal and interest payments on the bonds.

City of Salinas
Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds				
	General Fund	American Rescue Plan Act (ARPA) Special Revenue Fund	Housing and Urban Development Grant Special Revenue Fund	Development Fees Special Revenue Fund	2019 Special Tax Bond Monte Bella Debt Service Fund
ASSETS					
Cash and investments	$ 90,220,079	$ 7,253,581	$ 8,629,142	$ 35,860,613	$ 418,438
Receivables, net:					
Accounts	917,236	-	-	-	-
Taxes	20,662,326	-	-	-	-
Interest	451,609	-	13,325	113,764	-
Due from other agencies	98,864	-	547,976	-	-
Assessments	-	-	-	-	6,865,000
Leases	1,052,262	-	-	-	-
Due from other funds	11,784,054	-	-	-	-
Advances to other funds	2,785,000	-	-	-	-
Restricted cash and investments	-	-	-	-	568,596
Loans and notes receivable, net of allowance	-	-	1,872,125	-	-
Land and properties held for resale	-	-	-	-	-
Total assets	$ 127,971,430	$ 7,253,581	$ 11,062,568	$ 35,974,377	$ 7,852,034
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 3,330,257	$ 2,549,746	$ 374,670	$ -	$ -
Accrued liabilities	5,360,429	-	136,018	-	-
Due to other funds	18,523,584	-	1,830,280	62,787	-
Deposits payable	52,802	-	-	-	-
Unearned revenues	-	4,703,835	5,592,257	-	6,865,000
Total liabilities	27,267,072	7,253,581	7,933,225	62,787	6,865,000
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Lease-related deferred inflows	995,273	-	-	-	-
Total deferred inflows of resources	995,273	-	-	-	-
Fund Balances (Deficit):					
Nonspendable	2,785,000	-	1,872,125	-	-
Restricted	10,000,000	-	1,257,218	35,911,590	987,034
Committed	38,242,179	-	-	-	-
Assigned	24,825,000	-	-	-	-
Unassigned (deficit)	23,856,906	-	-	-	-
Total fund balances (deficit)	99,709,085	-	3,129,343	35,911,590	987,034
Total liabilities, deferred inflows of resources, and fund balances	$ 127,971,430	$ 7,253,581	$ 11,062,568	$ 35,974,377	$ 7,852,034

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Balance Sheet (Continued)
Governmental Funds
June 30, 2025

	Major Funds		
	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	$ 7,155,829	$ 70,666,964	$ 220,204,646
Receivables, net:			
Accounts	-	596,241	1,513,477
Taxes	-	29,360	20,691,686
Interest	-	1,627,931	2,206,629
Due from other agencies	-	4,495,946	5,142,786
Assessments	-	45,000	6,910,000
Leases	-	3,326,481	4,378,743
Due from other funds	3,543,969	-	15,328,023
Advances to other funds	-	-	2,785,000
Restricted cash and investments	-	6,351,597	6,920,193
Loans and notes receivable, net of allowance	-	51,571	1,923,696
Land and properties held for resale	-	1,380,000	1,380,000
Total assets	$ 10,699,798	$ 88,571,091	$ 289,384,879
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 3,504,284	$ 231,587	$ 9,990,544
Accrued liabilities	42,045	205,235	5,743,727
Due to other funds	-	9,371,567	29,788,218
Deposits payable	-	-	52,802
Unearned revenues	-	975,869	18,136,961
Total liabilities	3,546,329	10,784,258	63,712,252
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	654,039	654,039
Lease-related deferred inflows	-	2,981,287	3,976,560
Total deferred inflows of resources	-	3,635,326	4,630,599
Fund Balances (Deficit):			
Nonspendable	-	1,431,571	6,088,696
Restricted	-	73,988,920	122,144,762
Committed	7,153,469	-	45,395,648
Assigned	-	-	24,825,000
Unassigned (deficit)	-	(1,268,984)	22,587,922
Total fund balances (deficit)	7,153,469	74,151,507	221,042,028
Total liabilities, deferred inflows of resources, and fund balances	$ 10,699,798	$ 88,571,091	$ 289,384,879

See accompanying Notes to the Basic Financial Statements.

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City of Salinas
Reconciliation of the Governmental Funds Balance Sheet
To the Government-Wide Statement of Net Position
June 30, 2025

Total Fund Balances - Total Governmental Funds	$ 221,042,028
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Capital assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Non-depreciable/amortizable	68,696,203
Depreciable/amortizable, net	261,470,038
Total capital assets	330,166,241
Deferred inflows resulting from revenues that are not available to pay for current period expenditures are reported as unavailable in the Governmental Funds Balance Sheet.	654,039
Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.	
Compensated absences - due within one year, net of $42,617 reported in the Internal Service Funds	(2,482,208)
Compensated absences - due in more than one year, net of $170,470 reported in the Internal Service Funds	(9,928,839)
Insurance claims payable - due in more than one year, net of $43,313,336 reported in the Internal Service Funds	(1,446,667)
Long-term debt - due within one year	(8,183,251)
Long-term debt - due in more than one year	(101,131,736)
Total long-term liabilities	(123,172,701)
Governmental funds report the effects of debt refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities for the following:	
Deferred loss on refunding of debt	432,594
Total	432,594
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.	(516,273)
Net pension liability and total OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Net pension liability, net of $1,454,383 reported in the Internal Service Funds	(224,621,927)
Net OPEB liability, net of $276,166 reported in the Internal Service Funds	(12,334,183)
Total net pension liability and net OPEB liability	(236,956,110)
Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Deferred outflows of resources related to pensions, net of $393,131reported in the Internal Service Funds	51,790,063
Deferred outflows of resources related to OPEB, net of $68,499 reported in the Internal Service Funds	3,059,325
Total deferred outflows of resources	54,849,388
Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Deferred inflows of resources related to pensions, net of $22,037 reported in the Internal Service Funds	(3,281,423)
Deferred inflows of resources related to OPEB, net of $222,074 reported in the Internal Service Funds	(9,918,292)
Total deferred inflows of resources	(13,199,715)
Internal service funds are used by management to charge the cost of information technology, vehicle replacement, fleet management and infrastructure to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	(17,552,075)
Net Position of Governmental Activities	$ 215,747,416

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Major Funds				
	General Fund	American Rescue Plan Act (ARPA) Special Revenue Fund	Housing and Urban Development Grant Special Revenue Fund	Development Fees Special Revenue Fund	2019 Special Tax Bond Monte Bella Debt Service Fund
REVENUES:					
Taxes	$ 159,755,172	$ -	$ -	$ -	$ -
Taxes - special assessments	-	-	-	-	501,200
Licenses and permits	10,919,325	-	-	-	-
Intergovernmental	1,428,928	20,862,978	15,047,496	-	-
Charges for services	9,305,281	-	-	14,000,440	-
Investment income (loss)	5,470,058	-	147,690	1,385,115	16,391
Rental income	406,138	-	-	-	-
Fines and forfeitures	198,664	-	-	-	-
Miscellaneous	1,018,083	-	409,167	-	-
Total revenues	188,501,649	20,862,978	15,604,353	15,385,555	517,591
EXPENDITURES:					
Current:					
General government	30,168,986	2,111,974	9,977,132	-	7,126
Public safety	89,123,418	2,151,759	100	-	-
Public works	16,986,137	4,558,006	3,413	-	-
Recreation	8,858,018	159,249	-	-	-
Library	6,095,902	-	-	-	-
Capital outlay	406,690	11,881,990	1,327,949	-	-
Debt service:					
Principal	1,148,865	-	-	-	155,000
Interest and fiscal charges	163,990	-	-	-	301,684
Bond issuance costs	-	-	-	-	-
Total expenditures	152,952,006	20,862,978	11,308,594	-	463,810
REVENUES OVER (UNDER) EXPENDITURES	35,549,643	-	4,295,759	15,385,555	53,781
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of subscriptions	239,641	-	-	-	-
Proceeds from issuance of leases	-	-	-	-	-
Transfers in	2,465,000	-	65,578	-	-
Transfers out	(32,906,888)	-	(1,175,219)	(582,340)	-
Total other financing sources (uses)	(30,202,247)	-	(1,109,641)	(582,340)	-
NET CHANGE IN FUND BALANCES	5,347,396	-	3,186,118	14,803,215	53,781
FUND BALANCES (DEFICIT):					
Beginning of year, as previously presented as of June 30, 2024	94,361,689	-	(56,775)	-	933,253
Change within financial reporting entity: (nonmajor to major)	-	-	-	21,108,375	-
Beginning of year, as restated (Note 22)	94,361,689	-	(56,775)	21,108,375	933,253
End of year	$ 99,709,085	$ -	$ 3,129,343	$ 35,911,590	$ 987,034

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2025

	Major Funds		
	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes	$ -	$ 648,806	$ 160,403,978
Taxes - special assessments	-	-	501,200
Licenses and permits	-	97,006	11,016,331
Intergovernmental	-	25,406,988	62,746,390
Charges for services	-	1,663,395	24,969,116
Investment income (loss)	-	3,235,743	10,254,997
Rental income	-	310,989	717,127
Fines and forfeitures	-	258,136	456,800
Miscellaneous	-	2,159,234	3,586,484
Total revenues	-	33,780,297	274,652,423
EXPENDITURES:			
Current:			
General government	2,520,742	2,179,357	46,965,317
Public safety	152,852	4,646,283	96,074,412
Public works	5,359,159	1,569,492	28,476,207
Recreation	1,130,531	959,621	11,107,419
Library	-	318,877	6,414,779
Capital outlay	19,484,166	252,510	33,353,305
Debt service:			
Principal	533,705	6,189,000	8,026,570
Interest and fiscal charges	25,921	4,023,938	4,515,533
Bond issuance costs	-	63,684	63,684
Total expenditures	29,207,076	20,202,762	234,997,226
REVENUES OVER (UNDER) EXPENDITURES	(29,207,076)	13,577,535	39,655,197
OTHER FINANCING SOURCES (USES):			
Proceeds from issuance of subscriptions	-	-	239,641
Proceeds from issuance of leases	-	4,735,000	4,735,000
Transfers in	27,870,450	15,310,229	45,711,257
Transfers out	-	(17,085,933)	(51,750,380)
Total other financing sources (uses)	27,870,450	2,959,296	(1,064,482)
NET CHANGE IN FUND BALANCES	(1,336,626)	16,536,831	38,590,715
FUND BALANCES (DEFICIT):			
Beginning of year, as previously presented as of June 30, 2024	8,490,095	78,723,051	182,451,313
Change within financial reporting entity: (nonmajor to major)	-	(21,108,375)	-
Beginning of year, as restated (Note 22)	8,490,095	57,614,676	182,451,313
End of year	$ 7,153,469	$ 74,151,507	$ 221,042,028

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 38,590,715
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position the cost of those assets was allocated over their estimated useful lives as depreciation and amortization expense. This is the amount of capital assets recorded in the current period.	13,684,421
Depreciation and amortization expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation and amortization expense was not reported as expenditures in the Governmental Funds.	(15,628,869)
Retirement of capital assets created a loss on the Government-Wide Statement of Activities and Changes in Net Position.	(3,653,255)
Issuance of long-term liabilities provides current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.	
Subscriptions	(239,641)
Leases	(4,735,000)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal payment of long-term debt	8,026,570
Amortization of bond premium/discount	656,671
Amortization of deferred amount on refunding was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources.	(27,037)
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.	27,676
Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds (net of $37,564 reported in internal service funds).	(551,318)
Claims payable expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(181,592)
Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.	(2,742,128)
Certain pension credits reported in the Government-Wide Statement of Activities do not provide current financial resources and therefore, are not reported as expenditures in governmental funds.	113,692
Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	1,008,080
The internal service funds are used by management to charge the costs of fleet maintenance, facilities maintenance, and technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(5,814,328)
Change in Net Position of Governmental Activities	$ 28,534,657

See accompanying Notes to the Basic Financial Statements.

PROPRIETARY FUNDS FINANCIAL STATEMENTS

Proprietary Funds are used to account for a government's business-type activities (activities supported, at least in part, by fees or charges). Proprietary funds are segregated into Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report business-type activities for which a fee is charged to external users for goods or services. Internal Service Funds on the other hand, are used primarily for services provided to internal users.

The City reports the following enterprise funds:

Airport Fund - This fund is used to account for the enterprise operations of the City-owned airport.

Industrial Waste Fund - This fund is used to account for the enterprise operations of the City-operated Industrial Wastewater Treatment Facility.

Sanitary Sewer Fund - This fund is used to account for the maintenance of the City's sanitary sewer collection system, which is funded by user fees and by the Monterey Regional Water Pollution Control Agency sewer user fees.

Downtown Parking District Fund - This fund was established to account for revenues, operating expenses and debt service associated with the City's parking facilities. The City's paid parking facilities include the Monterey Street Parking Structure, the Salinas Street Garage and four parking lots.

Permit Services Fund - This fund is used to account for the revenues and expenditures associated with providing permitting services to the community.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

City of Salinas
Statement of Net Position
Proprietary Funds
June 30, 2025

	Major Enterprise Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
ASSETS				
Current assets:				
Cash and cash equivalents	$ 2,863,793	$ 7,718,218	$ 700,382	$ 396,930
Receivables, net:				
Accounts	213,521	713,951	17,897	91,899
Accrued interest	216,370	25,300	1,771	-
Excess insurance receivable	-	-	-	-
Leases receivable	274,125	-	-	-
Due from other funds	-	-	-	-
Total current assets	3,567,809	8,457,469	720,050	488,829
Noncurrent assets:				
Restricted cash and investments	-	-	-	-
Leases receivable, long term	4,228,343	-	-	-
Capital assets:				
Non-depreciable	2,298,175	2,689,880	959,335	6,700
Depreciable, net	11,969,969	11,969,702	26,525,995	5,565,997
Total capital assets	14,268,144	14,659,582	27,485,330	5,572,697
Total noncurrent assets	18,496,487	14,659,582	27,485,330	5,572,697
Total assets	22,064,296	23,117,051	28,205,380	6,061,526
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	181,442	151,205	423,368	-
Related to OPEB	25,608	25,908	68,866	2,098
Loss on refunding of debt	-	-	-	77,290
Total deferred outflows of resources	207,050	177,113	492,234	79,388
LIABILITIES				
Current liabilities:				
Accounts payable	23,874	170,751	22,658	71,667
Accrued liabilities	50,843	32,787	97,077	4,308
Interest payable	-	-	119,809	94,402
Due to other funds	111,019	-	239,829	1,677,465
Deposits payable	42,958	-	-	-
Compensated absences - due within one year	15,306	16,835	30,307	3,223
Long-term debt - due within one year	-	-	565,000	674,000
Total current liabilities	244,000	220,373	1,074,680	2,525,065
Noncurrent liabilities:				
Advances from other funds	-	-	-	2,785,000
Compensated absences - due in more than one year	61,223	67,339	121,229	12,894
Long term debt - due in more than one year	-	-	11,615,000	6,468,000
Insurance claims payable - due in more than one year	-	-	-	-
Net pension liability	671,253	559,378	1,566,258	-
Net OPEB liability	103,244	104,452	277,643	8,458
Total noncurrent liabilities	835,720	731,169	13,580,130	9,274,352
Total liabilities	1,079,720	951,542	14,654,810	11,799,417
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	10,171	8,476	23,732	-
Related to OPEB	83,021	83,993	223,261	6,802
Related to leases	4,092,334	-	-	-
Total deferred inflows of resources	4,185,526	92,469	246,993	6,802
NET POSITION (DEFICIT)				
Net investment in capital assets	14,268,144	14,659,582	15,305,330	(1,492,013)
Unrestricted (deficit)	2,737,956	7,590,571	(1,509,519)	(4,173,292)
Total net position (deficit)	$ 17,006,100	$ 22,250,153	$ 13,795,811	$ (5,665,305)

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2025

	Non-Major Permit Services	Total	Governmental Activities Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	$ 8,308,389	$ 19,987,712	$ 10,685,399
Receivables, net:			
Accounts	-	1,037,268	-
Accrued interest	27,577	271,018	29,011
Excess insurance receivable	-	-	-
Leases receivable	-	274,125	-
Due from other funds	-	-	16,831,462
Total current assets	8,335,966	21,570,123	27,545,872
Noncurrent assets:			
Restricted cash and investments	-	-	514,060
Leases receivable, long term	-	4,228,343	-
Capital assets:			
Non-depreciable	-	5,954,090	-
Depreciable, net	87,132	56,118,795	-
Total capital assets	87,132	62,072,885	-
Total noncurrent assets	87,132	66,301,228	514,060
Total assets	8,423,098	87,871,351	28,059,932
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	514,089	1,270,104	393,131
Related to OPEB	79,755	202,235	68,499
Loss on refunding of debt	-	77,290	-
Total deferred outflows of resources	593,844	1,549,629	461,630
LIABILITIES			
Current liabilities:			
Accounts payable	188,730	477,680	158,762
Accrued liabilities	128,678	313,693	109,960
Interest payable	-	214,211	-
Due to other funds	39,122	2,067,435	303,832
Deposits payable	-	42,958	-
Compensated absences - due within one year	44,624	110,295	42,617
Long-term debt - due within one year	-	1,239,000	-
Total current liabilities	401,154	4,465,272	10,525,842
Noncurrent liabilities:			
Advances from other funds	-	2,785,000	-
Compensated absences - due in more than one year	178,496	441,181	170,470
Long term debt - due in more than one year	-	18,083,000	-
Insurance claims payable - due in more than one year	-	-	33,402,665
Net pension liability	1,901,885	4,698,774	1,454,383
Net OPEB liability	321,545	815,342	276,166
Total noncurrent liabilities	2,401,926	26,823,297	35,303,684
Total liabilities	2,803,080	31,288,569	45,829,526
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	28,818	71,197	22,037
Related to OPEB	258,564	655,641	222,074
Related to leases	-	4,092,334	-
Total deferred inflows of resources	287,382	4,819,172	244,111
NET POSITION (DEFICIT)			
Net investment in capital assets	87,132	42,828,175	-
Unrestricted (deficit)	5,839,348	10,485,064	(17,552,075)
Total net position (deficit)	$ 5,926,480	$ 53,313,239	$ (17,552,075)

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Major Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
OPERATING REVENUES:				
Fees	$ 216,533	$ 4,027,016	$ 3,695,305	$ -
Licenses and permits	-	-	-	470,672
Rental income	1,916,700	-	-	-
Total operating revenues	2,133,233	4,027,016	3,695,305	470,672
OPERATING EXPENSES:				
Personnel services	967,488	870,524	2,172,564	93,422
Administration	392,360	525,431	590,069	280,561
Contractual services	457,666	1,206,527	364,171	1,323,224
Supplies	151,860	101,426	184,513	13,435
Insurance	24,429	41,520	60,965	11,126
Insurance claims	-	-	-	-
Depreciation	958,162	491,560	1,252,738	542,897
Other	22,822	42,106	22,509	37,528
Total operating expenses	2,974,787	3,279,094	4,647,529	2,302,193
OPERATING INCOME	(841,554)	747,922	(952,224)	(1,831,521)
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss)	238,454	419,307	6,681	-
Interest expense	-	(1,298)	(291,365)	(291,554)
Other nonoperating revenues (expenses)	114,446	523,998	(2,624)	955,640
Total nonoperating revenues (expenses)	352,900	942,007	(287,308)	664,086
INCOME (LOSS) BEFORE TRANSFERS	(488,654)	1,689,929	(1,239,532)	(1,167,435)
TRANSFERS:				
Transfers in	-	-	-	-
Transfers out	(350,574)	(2,405,360)	(286,217)	(36,692)
Transfers from fiduciary funds	-	-	-	946,093
Total transfers	(350,574)	(2,405,360)	(286,217)	909,401
Changes in net position	(839,228)	(715,431)	(1,525,749)	(258,034)
NET POSITION (DEFICIT):				
Beginning of year, as originally reported	17,845,328	22,965,584	15,321,560	(5,407,271)
Restatement (Note 23)	-	-	-	-
Beginning of year, as restated	17,845,328	22,965,584	15,321,560	(5,407,271)
End of year	$ 17,006,100	$ 22,250,153	$ 13,795,811	$ (5,665,305)

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Non-Major Permit Services	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES:			
Fees	$ 2,067,821	$ 10,006,675	$ 7,537,141
Licenses and permits	4,780,800	5,251,472	-
Rental income	-	1,916,700	-
Total operating revenues	6,848,621	17,174,847	7,537,141
OPERATING EXPENSES:			
Personnel services	2,553,118	6,657,116	2,532,065
Administration	966,628	2,755,049	-
Contractual services	1,512,396	4,863,984	237,815
Supplies	25,806	477,040	849,878
Insurance	202,570	340,610	6,429,520
Insurance claims	-	-	12,700,495
Depreciation	37,382	3,282,739	-
Other	5,758	130,723	169,345
Total operating expenses	5,303,658	18,507,261	22,919,118
OPERATING INCOME	1,544,963	(1,332,414)	(15,381,977)
NONOPERATING REVENUES (EXPENSES):			
Investment income (loss)	367,827	1,032,269	393,938
Interest expense	-	(584,217)	-
Other nonoperating revenues (expenses)	622,624	2,214,084	(276,289)
Total nonoperating revenues (expenses)	990,451	2,662,136	117,649
INCOME (LOSS) BEFORE TRANSFERS	2,535,414	1,329,722	(15,264,328)
TRANSFERS:			
Transfers in	-	-	10,100,000
Transfers out	(332,034)	(3,410,877)	(650,000)
Transfers from fiduciary funds	-	946,093	-
Total transfers	(332,034)	(2,464,784)	9,450,000
Changes in net position	2,203,380	(1,135,062)	(5,814,328)
NET POSITION (DEFICIT):			
Beginning of year, as originally reported	3,723,100	54,448,301	(11,737,747)
Restatement (Note 23)	-	-	-
Beginning of year, as restated	3,723,100	54,448,301	(11,737,747)
End of year	$ 5,926,480	$ 53,313,239	$ (17,552,075)

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Major Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	$ 2,203,517	$ 3,313,065	$ 4,296,757	$ 544,046
Payments to suppliers	(1,032,802)	(1,867,088)	(1,208,450)	(1,675,228)
Payments to employees for services	(985,229)	(901,048)	(2,176,937)	(90,879)
Payments to claimants	-	-	-	-
Other	(22,822)	(42,106)	(22,509)	(37,528)
Net cash provided (used) by operating activities	162,664	502,823	888,861	(1,259,589)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Borrowing from other funds	-	-	194,458	-
Repayment to other funds	111,019	(84,772)	-	165,218
Other	114,446	523,998	(2,624)	955,640
Transfers from other funds	-	-	-	946,093
Transfers to other funds	(350,574)	(2,405,360)	(286,217)	(36,692)
Net cash provided by (used in) noncapital financing activities	(125,109)	(1,966,134)	(94,383)	2,030,259
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(82,120)	(6,998)	-	11,137
Proceeds from the sale of assets	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
Payment on capital debt and loans payable	-	(518,000)	(565,000)	(646,000)
Interest paid on capital debt and borrowings	-	(7,382)	(293,504)	(291,507)
Capital contributions from developers and others	-	-	-	-
Net cash (used in) capital and related financing activities	(82,120)	(532,380)	(858,504)	(926,370)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income (loss)	223,830	425,415	7,153	-
Proceeds from sales of investments	-	-	-	-
Activity from leases	(82,339)	-	-	-
Purchases of investments	-	-	-	-
Net cash provided by investing activities	141,491	425,415	7,153	-
Net change in cash and cash equivalents	96,926	(1,570,276)	(56,873)	(155,700)
CASH AND CASH EQUIVALENTS:				
Beginning of year	2,766,867	9,288,494	757,255	552,630
End of year	$ 2,863,793	$ 7,718,218	$ 700,382	$ 396,930
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Cash and cash investments	$ 2,863,793	$ 7,718,218	$ 700,382	$ 396,930
Restricted cash and investments	-	-	-	-
Total cash and cash equivalents	$ 2,863,793	$ 7,718,218	$ 700,382	$ 396,930

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Non-Major Permit Services	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	$ 6,848,621	$ 17,206,006	$ 7,537,141
Payments to suppliers	(2,643,081)	(8,426,649)	(3,206,861)
Payments to employees for services	(2,752,283)	(6,906,376)	(2,550,977)
Payments to claimants	-	-	(9,971,758)
Other	(5,758)	(130,723)	(169,345)
Net cash provided (used) by operating activities	1,447,499	1,742,258	(8,361,800)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Borrowing from other funds	-	194,458	303,832
Repayment to other funds	37,199	228,664	-
Other	622,624	2,214,084	(276,289)
Transfers from other funds	-	946,093	10,100,000
Transfers to other funds	(332,034)	(3,410,877)	(650,000)
Net cash provided by (used in) noncapital financing activities	327,789	172,422	9,477,543
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(38,791)	(116,772)	-
Proceeds from the sale of assets	-	-	-
Proceeds from issuance of debt	-	-	-
Payment on capital debt and loans payable	-	(1,729,000)	-
Interest paid on capital debt and borrowings	-	(592,393)	-
Capital contributions from developers and others	-	-	-
Net cash (used in) capital and related financing activities	(38,791)	(2,438,165)	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income (loss)	356,134	1,012,532	392,476
Proceeds from sales of investments	-	-	-
Activity from leases	-	(82,339)	-
Purchases of investments	-	-	-
Net cash provided by investing activities	356,134	930,193	392,476
Net change in cash and cash equivalents	2,092,631	406,708	1,508,219
CASH AND CASH EQUIVALENTS:			
Beginning of year	6,215,758	19,581,004	9,691,240
End of year	$ 8,308,389	$ 19,987,712	$ 11,199,459
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:			
Cash and cash investments	$ 8,308,389	$ 19,987,712	$ 10,685,399
Restricted cash and investments	-	-	514,060
Total cash and cash equivalents	$ 8,308,389	$ 19,987,712	$ 11,199,459

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Major Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income	$ (841,554)	$ 747,922	$ (952,224)	$ (1,831,521)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation/amortization	958,162	491,560	1,252,738	542,897
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	75,542	(713,951)	601,452	73,374
Notes receivable	-	-	-	-
Prepaid items and other assets	-	-	-	-
Deferred outflows - related to pensions	94,693	78,835	174,851	-
Deferred outflows - related to OPEB	5,606	5,671	15,074	459
Accounts payable	(57,330)	(24,971)	(105,809)	(51,190)
Accrued liabilities	50,843	32,787	97,077	4,308
Deposits payable	(5,258)	-	-	-
Unearned revenue	-	-	-	-
Insurance claims payable	-	-	-	-
Compensated absences	16,755	(408)	(8,684)	3,235
Net pension liability	(111,664)	(92,847)	(129,856)	-
Net OPEB liability	3,596	3,638	9,668	294
Deferred inflows - related to pensions	(9,088)	(7,568)	(17,991)	-
Deferred inflows - related to OPEB	(17,639)	(17,845)	(47,435)	(1,445)
Total adjustments	1,004,218	(245,099)	1,841,085	571,932
Net cash provided by (used in) operating activities	$ 162,664	$ 502,823	$ 888,861	$ (1,259,589)

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Non-Major Permit Services	Total	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income	$ 1,544,963	$ (1,332,414)	$ (15,381,977)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation/amortization	37,382	3,282,739	-
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	-	36,417	-
Notes receivable	-	-	-
Prepaid items and other assets	-	-	-
Deferred outflows - related to pensions	314,170	662,549	251,038
Deferred outflows - related to OPEB	17,458	44,268	14,994
Accounts payable	(64,359)	(303,659)	(296,614)
Accrued liabilities	128,678	313,693	109,960
Deposits payable	-	(5,258)	-
Unearned revenue	-	-	-
Insurance claims payable	-	-	7,335,703
Compensated absences	(11,652)	(754)	37,564
Net pension liability	(446,454)	(780,821)	(372,012)
Net OPEB liability	11,197	28,393	9,617
Deferred inflows - related to pensions	(28,949)	(63,596)	(22,890)
Deferred inflows - related to OPEB	(54,935)	(139,299)	(47,183)
Total adjustments	(97,464)	3,074,672	7,020,177
Net cash provided by (used in) operating activities	$ 1,447,499	$ 1,742,258	$ (8,361,800)

See accompanying Notes to the Basic Financial Statements.

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Fiduciary Funds Financial Statements

Fiduciary Funds are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The City maintains the following Fiduciary Funds:

PRIVATE PURPOSE TRUST FUNDS

These funds are used to account for any trust arrangement not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments. This fund also accounts for the Successor Agency of the former Redevelopment Agency which was dissolved on January 31, 2012 pursuant to state law.

PENSION TRUST FUNDS

These funds are used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other employee benefit plans. The City's only pension trust fund is the Deferred Compensation Fund; which allows City employees to invest in trust deeds that are managed by the City with the oversight of an investment committee that is made up of representatives from each of the bargaining units.

CUSTODIAL FUNDS

These funds are used to account for assets held in an agent capacity by the City for individuals, private organizations, other governments and/or other funds that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds.

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City of Salinas
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Private Purpose Trust Funds	Pension Trust Fund	Custodial Funds	Fiduciary Funds Total
ASSETS				
Cash and investments	$ 3,684,327	$ 16,249,127	$ 81,876	$ 20,015,330
Receivables, net:				
Accounts	7,618	-	-	7,618
Interest	7,758	8,180	-	15,938
Loans and notes receivable	163,900	-	-	163,900
Total assets	3,863,603	16,257,307	81,876	20,202,786
LIABILITIES				
Accounts payable	191,824	1,281	172,977	366,082
Deposits payable	169,744	-	-	169,744
Unearned revenue	827,554	-	-	827,554
Long-term debt:				
Due in more than one year	157,500	-	-	157,500
Total liabilities	1,346,622	1,281	172,977	1,520,880
NET POSITION				
Restricted for:				
Pensions	-	16,256,026	-	16,256,026
Individuals and organizations	2,516,981	-	(91,101)	2,425,880
Total net position (deficit)	$ 2,516,981	$ 16,256,026	$ (91,101)	$ 18,681,906

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Private Purpose Trust Funds	Pension Trust Fund	Custodial Funds	Total Fiduciary Funds
ADDITIONS:				
Taxes	$ 4,256,550	$ -	$ 505,983	$ 4,762,533
Miscellaneous	449,032	259,833	-	708,865
Contributions:				
Plan members	-	-	365,659	365,659
Employer	-	2,226,959	-	2,226,959
Private donations	6,306,404	-	-	6,306,404
Investment earnings (loss)	109,183	727,144	-	836,327
Total additions	11,121,169	3,213,936	871,642	15,206,747
DEDUCTIONS:				
Expenses	239,570	-	352,368	591,938
Benefit payments	-	1,141,793	136,722	1,278,515
Payments on behalf of trustees	6,110,704	-	-	6,110,704
Contributions to other agencies	3,192,836	-	-	3,192,836
Payments to City	946,093	-	-	946,093
Assessments disbursed to other governments	-	-	505,983	505,983
Total deductions	10,489,203	1,141,793	995,073	12,626,069
Change in net position	631,966	2,072,143	(123,431)	2,580,678
NET POSITION (DEFICIT):				
Beginning of year	1,885,015	14,183,883	32,330	16,101,228
End of year	$ 2,516,981	$ 16,256,026	$ (91,101)	$ 18,681,906

See accompanying Notes to the Basic Financial Statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Salinas
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For the Year Ended June 30, 2025

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Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Salinas, California (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below:

A. Financial Reporting Entity

The City was incorporated as a chapter City on March 4, 1874. The City operates under a Council Manager form of government and proves the following services as authorized: Public Safety, Public Works, Recreation Parks, Library and General Government Administrative Services. The City also operates as Airport, a Downtown Parking District, a Sanitary Sewer System, a Water Utility, a Storm Sewer System, and an Industrial Waste Facility.

The basic financial statements of the City, include the financial activities of the City (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of their operational or financial relationship with the City. The blended component unit, although a legally separate entity, is, in substance, part of the City's operations and so data from this unit is combined with data of the primary government. The City has no discretely presented component units. The City and its blended component unit have June 30 year ends.

Blended Component Unit

The financial reporting entity consists of the primary government, the City, and its component unit. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the government's operation and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Although the following are legally separate from the City, they have been "blended" as though they are part of the City because the component unit's governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

The Salinas Public Financing Authority (Authority) – The Authority was established October 6, 1992 pursuant to a Joint Exercise of Powers Agreement by and between the City and the City of Salinas Redevelopment Agency, which is now the Salinas Successor Agency to the former Redevelopment Agency. It was established to refund Central City Revitalization Project tax allocation bonds. The Authority's purpose is to assist with financing or refinancing of certain public capital facilities within the City.

The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the City's Debt Service and Enterprise Funds. A financial report is not issued by the Authority.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GAAP.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Program revenues for the City are classified in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or *"current financial resources"* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues except grants, which use a six-month availability period.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions have been recognized as revenues when all applicable eligibility requirements have been met.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

- *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in any other funds.

- *American Rescue Plan Act (ARPA)Special Revenue Fund* On March 11, 2021, President Biden signed the American Rescue Plan Act, which will provide the City with approximately $51 million in relief funds. This fund accounts for the revenues and expenditures of ARPA proceeds.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

- *Housing and Urban Development Grant Special Revenue Fund* accounts for the use of Community Development Block Grant funds received from the federal government. Other revenues in this fund include repayments of commercial and residential loans and rental income from City property. Funds are used for programs or projects that increase affordable housing and benefit people with special needs such as senior and handicapped citizens.

- *Development Fees Special Revenue Fund* accounts for the fees that subdividers and developers of property are required to pay, by Resolution 3823 (N.C.S.), covering traffic impact, annexation, use of existing or new sewers, storm drains, park facilities, library facilities, and street trees.

- *2019 Special Tax Bond Monte Bella Debt Service Fund* is used to accumulate monies for the principal and interest payments for the 2019 Special Tax Bonds to finance the acquisition and/or construction of certain public facilities and improvements within the Community Facilities District No. 2016-1 (Monte Bella) Area No. 1-3. The annual levy of special taxes on that area would be used to pay for principal and interest payments on the bonds.

- *Capital Projects Fund* accounts for all capital project expenditures. Funds are transferred in from various other funds after expenditures are made. This revolving fund was established with $2,000,000 and is used to advance capital project expenditures prior to reimbursement of Federal, State, and other construction grants and bond financing.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities and business-type activities in the Government-Wide Financial Statements.

The City reports the following major enterprise funds:

- *Airport Fund* is used to account for the enterprise operations of the City-owned airport.

- *Industrial Waste Fund* is used to account for the enterprise operations of the City-operated Industrial Wastewater Treatment Facility.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

- *Sanitary Sewer Fund* is used to account for the maintenance of the City's sanitary sewer collection system, which is funded by user fees and by the Monterey Regional Water Pollution Control Agency sewer user fees.

- *Downtown Parking District Fund* is used to account for revenues, operating expenses and debt service associated with the City's parking facilities. The City's paid parking facilities include the Monterey Street Parking Structure, the Salinas Street Garage and four parking lots.

The City's internal service funds include five individual funds which provide services directly to other City funds. These areas of service include risk management, general insurance, workers' compensation, general liability, and fleet maintenance. The Internal Service Funds account for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent private purpose trust funds, pension trust funds, and custodial funds. These funds are accounted for on the full accrual basis of accounting.

Fiduciary fund types are accounted for according to the nature of the fund.

Private Purpose Trust Funds are a fiduciary fund type used to account for resources held and administrated under trust or similar arrangement for the benefits of individuals, private organizations, or other governments. The City reports the following private purpose trust funds:

- *Successor Agency Redevelopment Obligation Retirement Fund* was created to serve as a custodian for the assets and to wind down the affairs of the RDA on February 1, 2012, pursuant to Assembly Bill x1 26. Its purpose is to expeditiously wind down the affairs of the dissolved Community Development Commission of the City of Rohnert Park (Commission) subject to the direction of a seven-member Oversight Board. This fund accounts for the receipt of property tax revenues pursuant to the Redevelopment Dissolution Act and the assets transferred from the Commission. The Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution pursuant to the Recognized Obligation Payment Schedules approved by the California Department of Finance (DOF) under the Redevelopment Dissolution Act.

- *Successor Agency Administration* – This fund accounts for the administrative activities of the Successor Agency to the former Salinas Redevelopment Agency which was dissolved on February 1, 2012 in accordance with AB 1x26 (enacted June 28, 2011).

- *Other Private Purpose Trust Funds* – These funds are used to account for other trust arrangements not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments. The City accounts for the following trust funds: Community Center, Monterey Regional Water Pollution Control Agency (MRWPCA) Fees, Sales Tax, Payroll Taxes, Developer Deposits, Evidence Room, Construction Bonds, Monterey County Tourism Improvement District, Leadership Salinas, and miscellaneous.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements (Continued)

Pension Trust Fund is used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other employee benefit plans. The City's only pension trust fund is the Deferred Compensation Fund; which allows City employees to invest in trust deeds that are managed by the City with the oversight of an investment committee that is made up of representatives from each of the bargaining units.

Custodial Funds are used to account for assets held in an agent capacity by the City for individuals, private organizations, other governments and/or other funds that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds.

C. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents - Cash and cash equivalents are considered to be amounts in demand deposits, and short-term investments with original, maturity of three months or less from the date of acquisition. For purposes of both the balance sheet and statements of cash flows, cash and cash equivalents include not only currency on hand, but deposits in the City's cash and investment pool. These deposits have the same characteristics for the participating funds as demand deposit accounts, in that the funds may deposit additional cash at any time and also effectively withdraw cash at any time without prior notice or penalty. Cash and cash equivalents also include restricted cash and money market funds held by fiscal agents. For purposes of cash flows, the City considers all liquid market investments with maturities of one year or less at time of purchase to be cash equivalents. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City pools cash resources from all funds in order to facilitate and maximize the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other fixed income investments with varying terms. Interest earned on investments is allocated to all funds based on average cash and investment balances.

Investments are presented at fair value except as noted below. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Money market investments (such as short–term, highly liquid debt instruments including bankers' acceptances) and securities (notes, bills, and obligations of the U.S. government and its agencies), and participating interest-earning investment contracts (such as negotiable certificates of deposit and repurchase agreements) that have a remaining maturity at the time of purchase of one year or less, are reported at amortized cost, which approximates fair value.

For purposes of the statement of cash flows, amounts reported as cash and cash equivalents, include amounts on deposit in the City pool and any short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents, and Investments (Continued)

Investment held in Local Agency Investment Fund - The City participates in the Local Agency Investment Fund ("LAIF"), an investment pool managed by the State of California. LAIF has invested portions of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as a result of changes in interest rates.

LAIF determines fair value on its investments portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available.

The City valued its investments in LAIF as of June 30, 2025, by multiplying its account balance with LAIF times a fair value factor determined by LAIF for all LAIF participants by total aggregate amortized cost.

Other Investments - Investments in nonparticipating interest earning contracts (certificate of deposits) are reported at cost, and all other investments are reported at fair value. Fair value is defined as the amount the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

Deferred Compensation - The Deferred Compensation Plan is invested in deeds of trust secured by real or personal property and in real estate holdings. The trust deeds are considered nonparticipating interest earning investments and are reported at fair market value.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents or the City for the redemption of bonded debt and for acquisition and construction of certain capital projects.

E. Fair Value Measurement

U.S. GAAP establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical the asset or liability in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements and/or transfers. Loans and balances related to unsettled service transactions are reported as receivables and payables as appropriate, are subject to elimination upon consolidation of similar fund types, and are referred to as either "due to/from other funds," i.e., the current portion of interfund loans and unsettled service transactions, or "advances to/from other funds," i.e., the noncurrent portion of interfund loans. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Services provided are deemed to be at market or near market rates and are treated as revenues and expenditures/expenses. Reimbursements are defined as when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Invoices that remain unpaid after 90 days may be referred to collections. An invoice sent to collection is written off.

H. Leases

The City is a lessor for leases of land and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the average of the LAIF rate and the incremental borrowing rate (IBR) provided by the City's financial institution at the current rate at the time a new lease is executed.

- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.

- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in our financial statements with an initial, individual value of $5,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the City's incremental borrowing rate and the City recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.

- The subscription term includes the period during which the City has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.

- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported as long-term debt on the statement of net position.

J. Special Assessment Districts

Special assessments are recorded as receivables when they become a lien on property. Special assessments not considered available are recorded as receivables and offset by unearned revenues. In general, special assessments and special tax bonds are fully secured by liens against the privately owned properties benefited by the improvement for which the bonds were issued. There is no reserve for delinquent receivables since priority liens exist against the related properties and hence the City’s management believes value will ultimately be received by the City.

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Prepaid Bond Insurance, Original Issue Discounts and Premiums, Gain/Loss on Refunding

Prepaid bond insurance costs are amortized using the straight-line method over the life of the bonds. Amortization of these balances are recorded as a component of operating expenses.

In the government-wide, proprietary fund and fiduciary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund and fiduciary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Original issue premiums are amortized using the straight-line method over the life of the bonds. Gains or losses from refunding of debt are reported as deferred inflows or outflows of resources and amortized over the shorter of the life of the refunded debt or new refunding debt. Amortization of these balances are recorded as a component of interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Capital Assets

Capital assets include land, buildings, improvements, vehicles and equipment, infrastructure, and all other tangible and intangible assets that are used in operations and that have initial useful lives in excess of one year. Capital assets are reported in the applicable governmental or business-type activity columns in the government-wide financial statements, the proprietary funds' statement of net position, and the private-purpose trust fund. Capital assets are defined as assets with an initial individual cost of more than $10,000 for general capital assets and $100,000 for major infrastructure assets, and an estimated useful life in excess of one year.

Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, market based entry price at the time of contribution. Capital outlay is recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met. Amortization of assets acquired under capital leases is based on the shorter of the lease term or the estimated useful life of the asset and is included in depreciation and amortization.

Buildings, improvements, infrastructure, vehicles and equipment, and furniture and fixtures are depreciated using the straight-line method (depreciation is calculated starting with the month following the date the asset was placed in service) over the following estimated useful lives:

Asset Type	Years
Buildings and improvements	20-50
Other improvements	15-45
Infrastructure	10-50
Machinery and equipment	5-20

M. Land and Properties Held for Resale

Land and properties held for resale is being carried at cost, but no greater than the net realizable value. In the fund financial statements, this amount is recorded as a restricted portion of fund balance due to externally imposed grantor restrictions.

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Restricted Assets

Assets that are restricted for specific uses by bonded debt requirements, grant provisions or other requirements are classified as restricted because their use is limited by applicable bond covenants or agreements.

O. Claims Payable

Claims and judgments are recognized as expenditures when it is probable that the liability has been incurred and the amount of the loss can be reasonably estimated. This liability is recorded in the internal service fund that accounts for the City's self-insurance activities.

P. Compensated Absences

The City accounts for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is recognized for leave benefits (such as vacation and sick leave) when the benefits are attributable to services already rendered, accumulate for use in future periods, and are more likely than not to be used or paid. The liability is measured using the employee's pay rate in effect at the financial statement date and includes salary-related payments.

Government-Wide Financial Statements

For governmental and business-type activities, compensated absences are recorded as expenses when earned.

Governmental Fund Financial Statements

For governmental funds, compensated absences are recorded as expenditures in the year paid. The General Fund is typically used to liquidate compensated absences. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

Q. Long-Term Debt and Other Long-Term Obligations

Government-Wide Financial Statements and Proprietary Fund Financial Statements

In the Government-Wide Financial Statements and the proprietary fund types in the Fund Financial Statements, long-term debt and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net positions. Bond premiums and discounts are deferred and amortized over the life of the bonds using effective interest methods. Bonds payable are reported net of the applicable bond premium or discount. In the governmental funds statement of revenue, expenditures and changes in fund balance, issuance of debt is recorded as another financing source (use) in the respective fund. Issuance costs and payment of principal are reported as debt service expenditures.

Governmental Fund Financial Statements

The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Unearned Revenue

Unearned revenues arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures or when monies are received before the related services are performed. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

S. Deferred Outflows and Inflows of Resources

The Statement of Net Position and Balance Sheet – Governmental Funds reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources – represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

Deferred Inflows of Resources – represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

T. Net Position and Fund Balance

Net Position Classifications

In the government-wide financial statements, net position is classified in three categories:

Net Investment in Capital Assets – This category of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by any debt outstanding and any deferred outflows/inflows of resources related to such borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is offset by unspent proceeds.

Restricted Net Position – This category consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Unrestricted Net Position – This category represents net position of the City that is not restricted for any project or purpose and does not meet the criteria for "net investment in capital assets."

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Net Position and Fund Balance (Continued)

Fund Balances Classifications

As prescribed by GAAP, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds are made up of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in a spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: prepaid items and long-term loans and notes receivable.

Restricted Fund Balance – includes amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance, commit fund balances. Commitments may be changed or lifted only by the City Council taking the same formal actions that imposed the original constraint occurring no later than the close of the reporting period.

Assigned Fund Balance – includes amounts intended to be used by the City for specific purposes through budgetary actions or delegation of authority by the City Council. Intent is expressed by the City Council or an official to whom the City Council has delegated the authority (generally, the City Manager) to assign amounts to be used for specific purposes. This is also the classification for residual funds in the governmental funds other than General Fund.

Unassigned Fund Balance – includes the residual classification for fund balance, which includes all amounts not reported as nonspendable, restricted, committed, or assigned. The General Fund may report either a positive or negative unassigned fund balance. Unassigned amounts are available for any purpose. Other governmental funds may report only negative unassigned fund balances if expenditures incurred for specific purposes exceeded amounts restricted, committed or assigned for those purposes. Other governmental funds may not report positive unassigned fund balances.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance categories, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Property Taxes

Property taxes are collected on behalf of and remitted to the City by the County of Monterey (the "County"). The amount of property tax levies is restricted by Article 13A of the California State Constitution (commonly referred to as Proposition 13). The County assesses property values, levies, bills, and collects the related property taxes as follows:

	Secured	Unsecured
Lien Dates	January 1	January 1
Levy Dates	January 1	January 1
Due Dates	50% on November 1 50% on February 1	July 1
Delinquent after	December 10 (for November) April 10 (for February)	August 31

The City does not have the ability to control the levy rate or the amount of property taxes remitted by the County because these are governed by State law.

The City has not elected to participate in the "Teeter Plan" offered by the County whereby cities receive 100% of secured property and supplemental property taxes levied in exchange for foregoing any interest and penalties collected on the related delinquent taxes. The City retains the right to any interest and penalties collected on the related delinquent taxes. Accordingly, property tax revenues are recognized in the fiscal period for which they are levied and collected, adjusted for any amounts deemed uncollectible and amounts expected to be collected more than 60 days after the fiscal year.

General property taxes are based on either a flat 1% rate applied to the fiscal year 1976 full value of the property or on 1% of the sales price of the property on sales transactions and construction that occur after the fiscal year 1976 valuation. Assessed values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year depending on increases in the consumer price index.

V. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

CalPERS Pension Plans	
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

NY Life Pension Plan	
Valuation date	September 1, 2024
Measurement date	August 31, 2024
Measurement period	September 1, 2023 to August 31, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Pensions (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

W. Other Postemployment Benefits ("OPEB")

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are reported OPEB reporting:

OPEB	
Valuation date	June 30, 2024
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

X. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Note 1 – Summary of Significant Accounting Policies (Continued)

Y. Use of Accounting Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of revenues and expenses. Actual results could differ from these estimates and assumptions.

Z. Self-Insurance

The City is self-insured for workers' compensation, general, automobile, and public liability claims. The City's estimated liability for claims as of June 30, 2025 is based on the claim manager's estimate of probable losses plus an amount estimated for incurred but not reported claims. An Internal Service Fund is used to account for the collection of premiums from various City departments related to workers' compensation claims and general claims liabilities. Premiums are established based on historical claims experience. Additionally, the City contracts with third party administrators for claims management.

AA. Implementation of New GASB Pronouncements For the Year Ended June 30, 2025

During fiscal year ended June 30, 2025, the City implemented the following new GASB Pronouncements:

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Implementation of this Statement didn't have an effect on the City's beginning net position.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints which may limit a government's ability to acquire resources or control spending. Application of this statement did not have a significant effect on the City's financial reporting for the fiscal year ended June 30, 2025.

BB. Upcoming GASB Pronouncements

In the next two years, the City will implement the following GASB Pronouncements:

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

Note 1 – Summary of Significant Accounting Policies (Continued)

BB. Upcoming GASB Pronouncements (Continued)

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement required intangible assets other than those three types to be disclosed separately by major class. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

GASB Statement No. 105 – In December 2025, GASB issued Statement No. 105, *Subsequent Events*. This Statement is designed to improve the financial reporting requirements for subsequent events by enhancing consistency in the application of requirements, clarifying the different types of subsequent events, determining when note disclosures are required, and detailing the information that should be included in those note disclosures. Application of this Statement is effective for the City's fiscal year ending June 30, 2027.

Note 2 – Stewardship, Compliance, and Accountability

A. Budgeting

The Budget is prepared by the City Manager and adopted by City Council. Formal budgetary integration was employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, and Capital Projects Funds. The City Manager may transfer budget appropriations between departments and Department Directors may transfer appropriations between programs and accounts within their individual departments and divisions, but only the Council by resolution may appropriate funds from reserves or fund balances.

Budgets for General, Special Revenue and Capital Projects Funds are adopted on a basis consistent with GAAP. Reserves for future lease commitments have been established for accounting purposes and the fund balance is reserved for the total lease commitment consistent with budget policies.

Budget policy excludes taxes, interest, and accounts receivable assets, which are not currently available resources for budget purposes, and condemnation deposits which are returned upon right of way acquisition.

Expenditures may not legally exceed budgeted appropriations at the government level. Budgeted amounts shown are as originally adopted or as amended by the City Council during the year. Additional supplementary appropriations were adopted during the mid-year review.

Appropriations lapse at fiscal year end and then are re-budgeted for the coming year. Project-length financial plans are adopted for all capital projects funds and appropriations are carried forward until project completion. Grant funds are carried forward until the grant expires.

Note 2 – Stewardship, Compliance, and Accountability (Continued)

A. Budgeting (Continued)

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are recorded as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

For additional information on budgetary policy and control see Required Supplementary Information.

B. Debt Compliance

There are a number of limitations and restrictions contained in the various bond indentures. The City believes it is in compliance with all significant limitations and restrictions.

Note 3 – Cash and Investments

Cash and investments are presented in the accompanying financial statements at June 30, 2025 as follows:

	Government-Wide Statement of Net Position			Fiduciary Funds Statement of Net Position	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and investments	$ 230,890,045	$ 19,987,712	$ 250,877,757	$ 20,015,330	$ 270,893,087
Restricted cash and investments	7,434,253	-	7,434,253	-	7,434,253
Total cash and investments	$ 238,324,298	$ 19,987,712	$ 258,312,010	$ 20,015,330	$ 278,327,340

Cash and investments at June 30, 2025, consisted of the following:

Cash and Cash Equivalents:	
Cash on hand	$ 34,830
Demand accounts at banks	8,665,444
Total cash and cash equivalents	8,700,274
Investments:	
Money market	5,841,749
Deposits held in trust by fiscal agent	11,610,799
Money market held in trust by fiscal agent	514,060
Local Agency Investment Fund	100,475,458
Investments held by fiscal agent	149,622,300
Deferred compensation	1,562,700
Total investments	269,627,066
Total cash and investments	$ 278,327,340

Note 3 – Cash and Investments (Continued)

A. Demand Deposits

The carrying amounts of the City's demand deposits were $8,665,444 at June 30, 2025. Bank balances were $14,537,251 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits; however, the City has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

B. Investments

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code that address interest rate risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provision of the California Government Code or the City's investment policy:

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
Certificates of deposit	5 years	None	None
Repurchase agreements	5 years	None	None
Bankers' acceptances	5 years	None	None
Guaranteed investment contracts	5 years	None	None
U.S. Treasury bills and notes	5 years	None	None
State of California Local Agency Investment Fund	N/A	None	None
Government agency securities	5 years	None	None
Passbook savings accounts	5 years	None	None
Mutual funds	5 years	None	None
Interest bearing checking accounts	N/A	None	None
Commercial paper	5 years	None	None

* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

Note 3 – Cash and Investments (Continued)

B. Investments (Continued)

The Deferred Compensation Plan is permitted by City resolution to invest in deeds of trust secured by real or personal property.

In accordance with Section 53651 of the California Government Code, the City cannot invest in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity. The limitation does not apply to investments in shares of beneficial interest issued under the Investment Company Act of 1940 that are authorized investments under Section 53601 of the California Government Code. A five-year maximum maturity for each investment is allowed unless approved by the City Council.

Investment income from cash and investments held by fiscal agents are credited directly to the related funds.

California Local Agency Investment Fund (LAIF) – The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2025, the City had $100,475,458 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

C. Risk Disclosures

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. As a means of limiting exposure to fair value losses from rising interest rates, the City's investment policy limits the maturity of investments in accordance with Government Code Sections 53601(a)-(n) and 53636(a)-(m). It is the City's policy to ladder investments so that there are always investments coming due to meet cash flow requirements. Because the Local Agency Investment Fund as of June 30, 2025 had an average life of 290 days, it was presented as a cash equivalent with a maturity of 0-12 months. However, LAIF allows the City to make withdrawals of any amount within 24 hours.

At June 30, 2025, the City had the following investment maturities:

		Investment Maturities		
Investment Type	Total	1 year or fewer	1 to 5 years	Over 5 years
Money market	$ 5,841,749	$ 5,841,749	$ -	$ -
Deposits held in trust by fiscal agent	11,610,799	11,610,799	-	-
Money market held in trust by fiscal agent	514,060	514,060	-	-
Local Agency Investment Fund	100,475,458	100,475,458	-	-
Investment agreements - BNY	138,425,744	48,090,024	90,335,720	-
New York Life Pension	11,196,556	11,196,556	-	-
Trust deeds - deferred compensation	1,562,700	1,562,700	-	-
Total investments	$ 269,627,066	$ 179,291,346	$ 90,335,720	$ -

For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Note 3 – Cash and Investments (Continued)

C. Risk Disclosures (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

The City's investment policy limits safekeeping of investments to third-party custody. All of the City's deposits are either insured by the Federal Depository Insurance Corporation ("FDIC") up to $250,000 or collateralized with pledge securities held in the trust department of the financial institution in the City's name.

Disclosures Relating to Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer. However, the City's investment policy calls for portfolio diversification by avoiding over concentration in a specific maturity sector or specific investments. The City's portfolio is detailed below:

Investment Type	Value	S&P	Moody's	% of Total
Investment agreements:				
US Treasuries	$ 55,206,349	A	Aaa	20.48%
FHLB	17,294,461	AA+	Aaa	6.41%
FHLMC	983,260	AA+	Aaa	0.36%
FNMA	1,590,192	AA+	Aaa	0.59%
FFCB	7,626,242	AA+	Aaa	2.83%
Corporate bonds	26,545,699	AA+ to A-	Aaa to A1	9.85%
Trust deeds - deferred compensation	1,562,700	NR	NR	0.58%
Money market funds:				
Investment agreements	26,688,545	AAAm	Aaa-mf	9.90%
Wilmington Trust, NA	2,490,996	A-	A2	0.92%
New York Life Fixed Dollar Account	11,196,556	NR	NR	4.15%
Money market	5,841,749	NR	NR	2.17%
Deposits held in trust by fiscal agent	11,610,799	NR	NR	4.31%
Money market held in trust by fiscal agent	514,060	NR	NR	0.19%
Local Agency Investment Fund	100,475,458	NR	NR	37.26%
Total investments	$ 269,627,066			100.00%

D. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used, need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the City's management. City management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment.

Note 3 – Cash and Investments (Continued)

D. Fair Value Measurement (Continued)

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in governmental investment pools, such as LAIF, are made on the basis of $1 and not fair value. Accordingly, the City's measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input. Non-negotiable FDIC-insured bank certificates of deposit are priced at par.

The City had the following recurring fair value measurements as of June 30, 2025:

Investments measured by fair value level:	June 30, 2025	Level 1	Level 2	Level 3
Investment agreements:				
US Treasuries	$ 55,206,349	$ 55,206,349	$ -	$ -
FHLB	17,294,461	17,294,461	-	-
FHLMC	983,260	983,260	-	-
FNMA	1,590,192	1,590,192	-	-
FFCB	7,626,242	7,626,242	-	-
Corporate bonds	26,545,699	26,545,699	-	-
Trust deeds - deferred compensation	1,562,700	-	-	1,562,700
Total investments by fair value level	110,808,903	$ 109,246,203	$ -	$ 1,562,700
Investments not subject to the fair value hierarchy:				
Money market funds:				
Fidelity Investment MM Gov	26,688,545			
Wilmington Trust, NA	2,490,996			
New York Life Fixed Dollar Account	11,196,556			
Money market	5,841,749			
Deposits held in trust by fiscal agent	11,610,799			
Money market held in trust by fiscal agent	514,060			
Local Agency Investment Fund	100,475,458			
Total investments not subject to the fair value hierarchy	158,818,163			
Total investments	$ 269,627,066			

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments:

- Investments classified within Level 1 of the fair value hierarchy are valued using quoted prices in active markets when available.

- The City held one type of investment that is measured using Level 3 inputs, Trust Deeds. The City administers a Trust Deposit Fund that includes a Deferred Compensation Plan funded solely by the voluntary salary reductions. Trust Deed notes secured by property taken back in foreclosure and held for resale, are valued by independent real estate professionals (market approach), and trust deed notes are valued at their present value (income approach). The valuations are considered Level 3. The value of properties held for resale are reduced for cost of sales. The notes (loans) are valued based on amounts investors would likely pay for notes with interest rates ranging from 6% to 11% discounted to provide loan to values ranging from 50% to 70% depending on property type and condition, borrowers payment history, and term remaining on note.

Note 3 – Cash and Investments (Continued)

D. Fair Value Measurement (Continued)

There have been no changes in the methods and assumptions used at June 30, 2025. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

E. Restricted Assets

Certain cash and investments are reported as restricted assets at June 30, 2025 as follows:

Governmental Funds:		
2019 Special Tax Bond Monte Bella Debt Service Fund	$	568,596
Assessment District Debt Service Fund - restricted for debt service		143,413
COP 2018B Total Road Improvement Debt Service Fund		2,490,996
2024 Energy Efficiency Debt service Fund		3,703,901
2019 Special Tax Bond Monte Bella Capital Project Fund		13,287
Internal Service Funds:		
Workers Compensation Internal Service Fund		278,435
General Liability Internal Service Fund		235,625
Total restricted assets	$	7,434,253

Note 4 – Taxes Receivable

Taxes receivable recorded in the General Fund and Cable Special Revenue Fund of $20,691,686 represent amounts due for the quarter ended June 30, 2025 for the following taxes:

Sales tax	$	7,595,799
Measure E transaction and use tax		3,499,433
Measure G transaction and use tax		7,035,175
Utility users tax		1,478,609
Transient occupancy tax		804,888
Cannabis tax		56,215
Property transfer tax		44,894
Bingo tax		510
Franchise fees tax		176,163
	$	20,691,686

Note 5 – Assessments Receivable

Debt Service Funds – Assessments receivable recorded in the 2019 Special Tax Bond Monte Bella Debt Service Fund and Assessment District Debt Service Fund in the amounts of $6,865,000 and $45,000, respectively, at June 30, 2025, will be collected from property owners to retire outstanding bond principal issued for improvements in special assessment districts.

Assessment receivables in the amount of $6,865,000 are not expected to be collected within the subsequent year.

Note 6 – Due From Other Agencies

At June 30, 2025, amounts due from other agencies consisted of the following:

	Federal	State	Other	Total
Governmental Activities:				
General Fund:				
County of Monterey	$ -	$ -	$ 98,864	$ 98,864
Special Revenue Funds:				
Association of Monterey Bay Area Govts.	-	245,188	-	245,188
CA Highway Users Tax	-	456,977	-	456,977
CDBG Improvement Program	$243,682	-	-	243,682
County of Monterey	-	-	275,262	275,262
Emergency Shelter Grant	21,473	-	-	21,473
FEMA - Assistance to Firefighters Grant	16,585	-	-	16,585
HOME Investment Program	21,048	-	-	21,048
SB1 Road Maintenance & Rehab	-	370,598	-	370,598
Transportation Agency for Monterey County	-	-	1,429,839	1,429,839
U.S. Department of Justice	863,936	-	-	863,936
Capital Projects Funds:				
CA Dept. of Transportation	1,049,218	-	-	1,049,218
Federal Aviation Administration	50,116	-	-	50,116
Primary government total	$ 2,266,058	$ 1,072,763	$ 1,803,965	$ 5,142,786

Note 7 – Leases Receivable

The City leases land and easements to third parties. Leases receivable consist of agreements with third parties for the "right-to-use" the underlying assets owned by the City. The remaining terms of the agreements range from one to 28 years. The calculated interest rates used match the City's incremental borrowing rate at July 1, 2021.

For fiscal year ended June 30, 2025, the City recognized $990,183 in lease revenue and $334,209 in interest revenue, and the outstanding receivable amount at June 30, 2025 is $8,881,211.

A summary of changes in the leases receivable for the fiscal year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts due within one year	Amounts due in more than one year
Governmental activities	$ 4,918,303	$ -	$ (539,560)	$ 4,378,743	$ 437,562	$ 3,941,181
Business-type activities	4,776,593	-	(274,125)	4,502,468	274,125	4,228,343
Total	$ 9,694,896	$ -	$ (813,685)	$ 8,881,211	$ 711,687	$ 8,169,524

Note 7 – Leases Receivable (Continued)

Future lease payments are as follows as of June 30, 2025:

Year Ending June 30	Lease Receivable	Interest	Total
2026	$ 711,687	$ 307,723	$ 1,019,410
2027	587,282	284,785	872,067
2028	609,890	263,951	873,841
2029	529,203	243,760	772,963
2030	515,874	225,588	741,462
2031-2035	3,032,759	833,073	3,865,832
2036-2040	1,972,164	318,990	2,291,154
2041-2045	580,076	106,376	686,452
2046-2050	342,276	87,806	430,082
Total	$ 8,881,211	$ 2,672,052	$ 11,553,263

As of June 30, 2025, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30	Total
2026	$ 842,795
2027	728,387
2028	699,114
2029	587,216
2030	544,395
2031-2035	2,622,366
2036-2040	1,395,613
2041-2045	417,464
2046-2050	231,544
Total	$ 8,068,894

Note 8 – Loans and Notes Receivable

At June 30, 2025, loans and notes receivable of the City's major individual funds and nonmajor funds taken in aggregate, including the applicable allowance for uncollectible accounts are as follows:

	Housing and Urban Development Fund	Affordable Housing Fund	Total Governmental Activities	Fiduciary Funds
Loans funded by federal grants:	$ 23,503,881	$ -	$ 23,503,881	$ -
Economic development real estate developer and other loans	-	10,385,107	10,385,107	163,900
Less: allowance for uncollectibles	(21,631,756)	(10,333,536)	(31,965,292)	-
Total loans, net	$ 1,872,125	$ 51,571	$ 1,923,696	$ 163,900

Note 8 – Loans and Notes Receivable (Continued)

The City uses funds generated from the former Agency Housing Loans as well as other state and federal funding sources to offer financial assistance to qualified developers, individuals, and families by providing loans at "below market" interest rates.

Typical loans and related terms are summarized as follows:

Loan Type	Interest Rates	Due
Affordable housing	0 - 4%	up to 55 years
Multi-unit rental rehabilitation	3%	5 or more years
First time home buyer	3%	7 to 40 years
Home improvement	3 - 6%	1 to 30 years

Loans are secured by first or second in lien-property deeds of trust except for first time homebuyer loans, which are all secured by second deeds of trust. Interest and principal are typically due in installments, except for first time homebuyer, which do not require payments until their maturity dates.

The City has also invested in multi-family rental housing projects serving low to moderate income individuals through subordinate loans with terms of up to 55 years. Generally, these loans are to be repaid through fixed payments or net cash flow payments from project operations and the term and potential risk of each loan varies. Because of the net cash flow feature of these subordinate loans, there is greater risk of variability in the timing of payments and, potentially, a lower probability of eventual repayment on these subordinate loans than on other loan types.

Accordingly, for financial statement purposes, the City has established an allowance account for these loans receivable due to the contingent nature of the repayment schedules of these loans.

Note 9 – Interfund Receivables, Payable, and Transfers

A. Due From and To Other Funds

At June 30, 2025, the balances of due from and to other funds were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Lighting, Landscape and Maintenance Dist Special Revenue Fund	$ 53,127	Cash Overdraft
General Fund	Development Fees Special Revenue Fund	269	Cash Overdraft
General Fund	Emergency Medical Services Special Revenue Fund	27,506	Cash Overdraft
General Fund	Traffic Safety Special Revenue Fund	59,575	Cash Overdraft
General Fund	Housing and Urban Development Special Revenue Fund	1,830,280	Cash Overdraft
General Fund	Grants Special Revenue Fund	2,484,820	Cash Overdraft
General Fund	Assessment District Administration Debt Service Fund	145,591	Cash Overdraft
General Fund	COP 2018B T.R.I.P. Total Road Improvement Debt Service Fund	163,401	Cash Overdraft
General Fund	Assessment District Debt Service Debt Service Fund	709,969	Cash Overdraft
General Fund	Special Construction Assistance Capital Projects Fund	4,127,927	Cash Overdraft
General Fund	Sanitary Sewer Enterprise Fund	200,292	Admin Fees
General Fund	Downtown Parking District Enterprise Fund	1,677,465	Cash Overdraft
General Fund	Internal Services Insurances Internal Service Fund	303,832	Cash Overdraft
		11,784,054	
Capital Projects Capital Projects Fund	General Fund	1,692,123	Capital projects
Capital Projects Capital Projects Fund	Development Fees Special Revenue Fund	62,518	Capital projects
Capital Projects Capital Projects Fund	Gas Tax Special Revenue Fund	45,187	Capital projects
Capital Projects Capital Projects Fund	Measure X Special Revenue Fund	27,809	Capital projects
Capital Projects Capital Projects Fund	SB1 Road Maintenance & Rehab Special Revenue Fund	41,475	Capital projects
Capital Projects Capital Projects Fund	Special Aviation Capital Projects Fund	7,777	Capital projects
Capital Projects Capital Projects Fund	Special Construction Assistance Capital Projects Fund	1,477,402	Capital projects
Capital Projects Capital Projects Fund	Municipal Airport Enterprise Fund	111,019	Capital projects
Capital Projects Capital Projects Fund	Sanitary Sewer Enterprise Fund	39,537	Capital projects
Capital Projects Capital Projects Fund	Permit Services Enterprise Fund	39,122	Capital projects
		3,543,969	
Workers Compensation Internal Service Fund	General Fund	16,831,462	Claims
	Total	$ 32,159,485	

B. Long-Term Advances

At June 30, 2025, the balances of long-term advances were as follows:

	Advances Due To Governmental Activities General Fund
Advances Due From	
Business-Type Activities:	
Downtown Parking	$ 2,785,000
Total business-type activities	2,785,000
Total primary government	$ 2,785,000

Advances from the General Fund to the Downtown Parking District Fund total $2,785,000 at June 30, 2025. The advances helped subsidize operations in the Downtown Parking District Fund as program needs, including sources and uses, were established. As the Downtown Parking District becomes fully self-sufficient, a plan will be established to pay back the advance from the General Fund over time.

Note 9 – Interfund Receivables, Payable, and Transfers (Continued)

C. Transfers

Interfund transfers during the year ended June 30, 2025, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Gas Tax Special Revenue Fund	$ 2,265,000	Capital projects/debt service
General Fund	Traffic Safety Special Revenue Fund	200,000	Capital projects/debt service
	Subtotal General Fund	2,465,000	
Capital Projects Capital Projects Fund	General Fund	12,662,949	Capital projects
Capital Projects Capital Projects Fund	Lighting Landscape and Maintenance Special Revenue Fund	62,618	Capital projects
Capital Projects Capital Projects Fund	Development Fees Special Revenue Fund	582,340	Capital projects
Capital Projects Capital Projects Fund	Gas Tax Special Revenue Fund	1,171,791	Capital projects
Capital Projects Capital Projects Fund	MX-Transport Safety & Inv Plan Special Revenue Fund	853,392	Capital projects
Capital Projects Capital Projects Fund	SB1 Road Maintenance & Rehab Special Revenue Fund	1,765,029	Capital projects
Capital Projects Capital Projects Fund	Housing and Urban Development Grant Special Revenue Fund	1,175,219	Capital projects
Capital Projects Capital Projects Fund	Special Aviation Capital Projects Fund	41,215	Capital projects
Capital Projects Capital Projects Fund	Special Construction Assistance Capital Projects Fund	6,439,355	Capital projects
Capital Projects Capital Projects Fund	Airport Enterprise Fund	268,969	Capital projects
Capital Projects Capital Projects Fund	Industrial Waste Enterprise Fund	2,328,970	Capital projects
Capital Projects Capital Projects Fund	Sanitary Sewer Enterprise Fund	184,412	Capital projects
Capital Projects Capital Projects Fund	Downtown Parking Enterprise Fund	2,157	Capital projects
Capital Projects Capital Projects Fund	Permit Services Enterprise Fund	332,034	Capital projects
	Subtotal Capital Projects Capital Projects Fund	27,870,450	
Housing and Urban Development Grant Special Revenue Fund	General Fund	65,578	Operating subsidy
Emergency Medical Services Special Revenue Fund	General Fund	1,600,000	Operating subsidy
Grants Special Revenue Fund	General Fund	59	Operating subsidy
Rent Stabliziation Special Revenue Fund	General Fund	205,203	Operating subsidy
Local Housing Trust	General Fund	1,500,000	Operating subsidy
2014 COP Consolidation	General Fund	228,064	Debt service
2018 Lease-PS Building-Police	General Fund	4,457,230	Debt service
COP 2018B T.R.I.P. Total Rd Impv	MX-Transport Safety & Inv Plan Special Revenue Fund	4,287,533	Debt service
2018 Lease-El Gabilan Library	General Fund	777,515	Debt service
2020A Refunding Energy Debt Service Fund	General Fund	1,296,960	Debt service
2020A Refunding Energy Debt Service Fund	Airport Enterprise Fund	81,605	Debt service
2020A Refunding Energy Debt Service Fund	Industrial Waste Enterprise Fund	76,390	Debt service
2020A Refunding Energy Debt Service Fund	Sanitary Sewer Enterprise Fund	101,805	Debt service
2020A Refunding Energy Debt Service Fund	Downtown Parking District Enterprise Fund	34,535	Debt service
	Subtotal 2020A Refunding Energy Debt Service Fund	1,591,295	
2020A Refunding SVSWA Debt Service Fund	General Fund	663,330	Debt service
General Insurance Internal Service Fund	General Fund	1,450,000	Operating subsidy
General Liabiilty Internal Service Fund	General Fund	6,000,000	Operating subsidy
General Liabiilty Internal Service Fund	Workers' Comp Self Insurance Internal Service Fund	650,000	Operating subsidy
Fleet Maintenance Internal Service Fund	General Fund	2,000,000	Operating subsidy
	Total	$ 55,811,257	

Note 10 – Capital Assets

A. Governmental Activities

The summary of changes in governmental activities capital assets for the year ended June 30, 2025, is as follows:

Governmental Activities:	Balance July 1, 2024	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2025
Non-depreciable/amortizable assets:					
Land	$ 37,953,126	$ -	$ -	$ -	$ 37,953,126
Construction in progress	25,235,279	9,023,417	(3,515,619)	-	30,743,077
Total non-depreciable/amortizable assets	63,188,405	9,023,417	(3,515,619)	-	68,696,203
Depreciable/amortizable assets					
Buildings and improvements	134,749,588	-	-	-	134,749,588
Improvements other than buildings	50,903,966	1,942,162	-	-	52,846,128
Machinery and equipment	50,518,200	2,479,201	(718,564)	-	52,278,837
Infrastructure	434,605,116	-	-	-	434,605,116
Right-to-use assets - leases	550,536	-	(337,505)	-	213,031
Right-to-use assets - subscriptions	410,213	239,641	-	-	649,854
Total depreciable/amortizable assets	671,737,619	4,661,004	(1,056,069)	-	675,342,554
Accumulated depreciation/amortization					
Buildings and improvements	(29,071,009)	(2,655,404)	-	-	(31,726,413)
Improvements other than buildings	(26,648,008)	(1,598,186)	-	-	(28,246,194)
Machinery and equipment	(39,774,594)	(2,674,639)	580,928	-	(41,868,305)
Infrastructure	(303,079,335)	(8,461,985)	-	-	(311,541,320)
Right-to-use assets - leases	(425,188)	(101,994)	337,505	-	(189,677)
Right-to-use assets - subscriptions	(163,946)	(136,661)	-	-	(300,607)
Total accumulated depreciation/amortization	(399,162,080)	(15,628,869)	918,433	-	(413,872,516)
Total depreciable/amortizable assets, net	272,575,539	(10,967,865)	(137,636)	-	261,470,038
Governmental activities capital assets, net	$ 335,763,944	$ (1,944,448)	$ (3,653,255)	$ -	$ 330,166,241

Depreciation and amortization expense was charged to the functions/programs of the governmental activities as follows:

Governmental Activities:	
General government	$ 294,428
Police	2,356,645
Fire	708,421
Public works, including infrastructure	11,380,224
Recreation and parks	704,369
Library	184,782
Total depreciation/amortization expense - governmental activities	$ 15,628,869

Note 10 – Capital Assets (Continued)

B. Business-Type Activities

The summary of changes in business-type activities capital assets for the year ended June 30, 2025, is as follows:

Business-Type Activities:	Balance July 1, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
Nondepreciable assets:					
Land	$ 3,630,695	$ -	$ -	$ -	$ 3,630,695
Construction in progress	2,291,239	32,156	-	-	2,323,395
Total nondepreciable assets	5,921,934	32,156	-	-	5,954,090
Depreciable assets					
Buildings and improvements	25,888,821	-	-	-	25,888,821
Improvements other than buildings	15,970,700	-	-	-	15,970,700
Machinery and equipment	7,871,497	95,753	(31,823)	-	7,935,427
Infrastructure	102,709,198	-	-	-	102,709,198
Total depreciable assets	152,440,216	95,753	(31,823)	-	152,504,146
Accumulated depreciation:					
Buildings and improvements	(17,280,738)	(669,508)	-	-	(17,950,246)
Improvements other than buildings	(7,410,735)	(759,470)	-	-	(8,170,205)
Machinery and equipment	(5,786,586)	(326,110)	20,685	-	(6,092,011)
Infrastructure	(62,645,238)	(1,527,651)	-	-	(64,172,889)
Total accumulated depreciation	(93,123,297)	(3,282,739)	20,685	-	(96,385,351)
Total depreciable assets, net	59,316,919	(3,186,986)	(11,138)	-	56,118,795
Business-type activities capital assets, net	$ 65,238,853	$ (3,154,830)	$ (11,138)	$ -	$ 62,072,885

Depreciation expense was charged to the functions/programs of the business-type activities as follows:

Business-type Activities:	
Airport	$ 958,162
Industrial Waste	491,560
Sanitary Sewer	1,252,738
Downtown Parking	542,897
Permit Services	37,382
Total depreciation expense - business-type activities	$ 3,282,739

Note 11 – Land and Properties Held For Resale

Land and properties held for resale at June 30, 2025 consisted of the following:

SRA Public Improvement Grant Special Revenue Fund	
137, 145, & 151 Division Street	$ 584,419
Affordable Housing Fund - Sunset Avenue Merged Housing	
115 Division Street	230,981
123 Division Street	206,265
923 E. Market Street	358,335
	795,581
Total land and properties held for resale	$ 1,380,000

Note 12 – Long-Term Debt

A. Governmental Activities

A summary of changes in long-term debt for governmental activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Amount due within one year	Amount due in more than one year
Governmental Activities						
Direct borrowings - leases	$ 46,586,821	$ 4,735,000	$ (4,547,875)	$ 46,773,946	$ 4,685,821	$ 42,088,125
Direct borrowings - minor leases	94,968	-	(94,968)	-	-	-
Direct borrowings - subscriptions	137,076	239,641	(138,727)	237,990	77,430	160,560
total direct borrowings	46,818,865	4,974,641	(4,781,570)	47,011,936	4,763,251	42,248,685
Certificates of Participation:						
TRIP 2018B	33,820,000	-	(850,000)	32,970,000	890,000	32,080,000
Series 2020A-Twin Creeks	1,230,000	-	(395,000)	835,000	410,000	425,000
Series 2020B Fairways	3,600,000	-	(135,000)	3,465,000	155,000	3,310,000
Series 2020A-Energy (2014)	12,845,000	-	(1,080,000)	11,765,000	1,155,000	10,610,000
Series 2020A-SVSWA (2015B)	2,225,000	-	(585,000)	1,640,000	610,000	1,030,000
Bond premium/(discount):						
TRIP 2018B	2,552,377	-	(288,032)	2,264,345	-	2,264,345
TRIP 2018B	(304,519)	-	13,240	(291,279)	-	(291,279)
Series 2020A-Twin Creeks	136,042	-	(45,347)	90,695	-	90,695
Series 2020A-Energy (2014)	2,236,241	-	(248,470)	1,987,771	-	1,987,771
Series 2020A-SVSWA (2015B)	280,622	-	(70,155)	210,467	-	210,467
Total Certificates of Participation:	58,620,763	-	(3,683,764)	54,936,999	3,220,000	51,716,999
Assessment District Bonds:						
Assessment District 2017 Act Bonds	90,000	-	(45,000)	45,000	45,000	-
CFD Monte Bella-2019 #1	2,465,000	-	(55,000)	2,410,000	55,000	2,355,000
CFD Monte Bella-2019 #2	1,965,000	-	(45,000)	1,920,000	45,000	1,875,000
CFD Monte Bella-2019 #3	2,590,000	-	(55,000)	2,535,000	55,000	2,480,000
Bond premium/(discount):						
CFD Monte Bella-2019 #1	64,942	-	(2,498)	62,444	-	62,444
CFD Monte Bella-2019 #2	182,824	-	(7,032)	175,792	-	175,792
CFD Monte Bella-2019 #3	226,193	-	(8,377)	217,816	-	217,816
Total Assessment District Bonds	7,583,959	-	(217,907)	7,366,052	200,000	7,166,052
Total governmental activities	$ 113,023,587	$ 4,974,641	$ (8,683,241)	$ 109,314,987	$ 8,183,251	$ 101,131,736

Direct Borrowing – Leases

Annual debt service requirements to maturity for the City's major leases are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 4,685,821	$ 1,889,781	$ 6,575,602
2027	4,346,125	1,672,417	6,018,542
2028	4,279,000	1,462,049	5,741,049
2029	4,509,000	1,245,632	5,754,632
2030	4,743,000	1,038,322	5,781,322
2031-2035	11,544,000	3,196,609	14,740,609
2036-2040	4,299,000	2,152,886	6,451,886
2041-2045	5,213,000	1,170,807	6,383,807
2046-2049	3,155,000	254,844	3,409,844
Total	$ 46,773,946	$ 14,083,347	$ 60,857,293

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

Pierce Pumper & Tiller

On March 6, 2015, the City, using lease purchase financing, purchased a Pierce Pumper and Tiller for a total of $1,628,839. The City will make ten annual payments beginning on March 6, 2016 and ending March 6, 2025 at 2.51% interest. The lease was paid off in full as of June 30, 2025.

2014 Lease/Purchase Agreement

The City of Salinas 2014 Lease/Purchase Agreement was issued by the Salinas Facilities Financing Authority on January 29, 2014. The financing was issued to refund the Animal Shelter COP Series A-1999 ($2,812,000) and the Monterey Street Parking Structure COP Series A-2004 ($13,253,000). The Animal Shelter portion of the financing was issued for 19 years (ending September 1, 2032), at an average interest rate of 4.02%. Maximum annual debt service is $278,646. Debt payable of $1,131,000 is recorded as Governmental Activities at June 30, 2025.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law or pursuant to the lease agreement to enforce payment of the outstanding amounts. However, there shall be no right under any circumstance to accelerate the lease payments or otherwise declare any lease payments not then in default to be immediately due and payable. After the occurrence of an event of default, the City will surrender possession of the property to the financing authority, if requested to do so.

Debt service requirements to maturity for 2014 Lease/Purchase Agreement are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 191,000	$ 41,627	$ 232,627
2027	120,000	35,376	155,376
2028	124,000	30,472	154,472
2029	127,000	25,427	152,427
2030	134,000	20,181	154,181
2031-2034	435,000	26,793	461,793
Total	$ 1,131,000	$ 179,875	$ 1,310,875

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

Public Safety Building 2018A

The City of Salinas 2018A Capital Lease was issued by Salinas Public Facilities, Inc. in the amount of $48,825,000 on June 28, 2018. The purpose of this financing was to raise funds for the construction of a new Public Safety Building (Police Department) within City limits. The City started making semi-annual payments beginning on December 1, 2018 and ending December 1, 2034 at an average interest rate of 3.375%. Maximum annual debt service is $4,799,181. Debt payable of $26,595,000 is recorded as Governmental Activities at June 30, 2025.

In the event of an event of default, the trustee shall be entitled to declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Upon such declaration, anything in the indenture or in the bonds contained to the contrary notwithstanding, shall also be due and payable immediately, and interest on the bonds shall cease to accrue on the date of such declaration.

Debt service requirements to maturity for Public Safety Building 2018A are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 3,370,000	$ 1,093,694	$ 4,463,694
2027	3,540,000	920,944	4,460,944
2028	3,715,000	739,569	4,454,569
2029	3,905,000	549,069	4,454,069
2030	4,100,000	369,444	4,469,444
2031-2034	7,965,000	293,591	8,258,591
Total	$ 26,595,000	$ 3,966,310	$ 30,561,310

El Gabilan Library 2018B

The City of Salinas 2018B Capital Lease was issued by Salinas Public Facilities, Inc. in the amount of $19,830,000 on June 28, 2018. The purpose of this financing was to raise funds for the construction of a new Public Library (El Gabilan) within City limits. The City started making semi-annual payments beginning on December 1, 2018 and ending December 1, 2048 at an average interest rate of 3.900%. Maximum annual debt service is $1,152,781. Debt payable of $13,220,000 is recorded as Governmental Activities at June 30, 2025.

In the event of an event of default, the trustee shall be entitled to declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Upon such declaration, anything in the indenture or in the bonds contained to the contrary notwithstanding, shall also be due and payable immediately, and interest on the bonds shall cease to accrue on the date of such declaration.

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

El Gabilan Library 2018B (Continued)

Debt service requirements to maturity for El Gabilan Library 2018B are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 255,000	$ 526,744	$ 781,744
2027	345,000	512,213	857,213
2028	360,000	495,556	855,556
2029	380,000	478,088	858,088
2030	395,000	459,775	854,775
2031-2035	2,265,000	2,021,225	4,286,225
2036-2040	2,750,000	1,537,953	4,287,953
2041-2045	3,315,000	959,844	4,274,844
2046-2049	3,155,000	254,844	3,409,844
Total	$ 13,220,000	$ 7,246,242	$ 20,466,242

Police/Fire Radios & PW Equipment

The City of Salinas Motorola radios and public works equipment lease was issued by Banc of America Public Capital Corporation in the amount of $3,500,000 on August 17, 2018. This equipment replaces old manufactured models and will make Police, Fire, and Public Work operations more efficient. The lease consists of 84 payments, beginning on August 17, 2019 and ending on August 17, 2025 at an average interest rate of 3.120%. Debt payable of $547,242 is recorded as Governmental Activities at June 30, 2025.

Upon the occurrence of an event of default, legal title and physical position of the equipment shall pass to the Lessor, and the City shall have no further interest therein.

Debt service requirements to maturity for Police/Fire Radios & PW Equipment are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 547,242	$ 17,074	$ 564,316
Total	$ 547,242	$ 17,074	$ 564,316

2021 Pierce Enforcer Pumpers

In fiscal year 2022, the City, using lease purchase financing, purchased a Pierce Enforcer Pumper fire engine for a total of $1,330,913. The City will make six annual payments of $279,747, beginning on December 17, 2021 and ending December 17, 2026 at 1.68% interest. Debt payable of $545,704 is recorded as Governmental Activities at June 30, 2025.

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

2021 Pierce Enforcer Pumpers (Continued)

If any event of default occurs, and if the lessee agrees to pay, the lessor may require the lessee to pay all amounts currently due and all remaining rent payments due during the fiscal year in effect when the default occurs with interest at the highest lawful rate from the date of the lessor's demand for such payment. Also included in this scenario are additional out-of-pocket expenses incurred by the lessor including attorney fees, repossession, safekeeping, storage, repair, reconditioning, and disposition costs. Alternatively, the lessor can require the lessee to return all equipment for the purpose of lease, sale, or otherwise disposition by the lessor.

Debt service requirements to maturity for the 2021 Pierce Enforcer Pumper are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 270,579	$ 9,168	$ 279,747
2027	275,125	4,622	279,747
Total	$ 545,704	$ 13,790	$ 559,494

2024 Energy Efficiency and Backup Generator

On December 19, 2024, the City entered an agreement with Banc of America Public Capital Corp to lease and acquire photovoltaic & generator equipment for $4,375,000. The lease consists of 19 payments, beginning on June 1, 2026 and ending on June 1, 2044 at interest rate of 4.255%. Debt payable of $4,735,000 is recorded as Governmental Activities at June 30, 2025.

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 52,000	$ 201,474	$ 253,474
2027	66,000	199,262	265,262
2028	80,000	196,453	276,453
2029	97,000	193,049	290,049
2030	114,000	188,922	302,922
2031-2035	879,000	855,000	1,734,000
2036-2040	1,549,000	614,933	2,163,933
2041-2044	1,898,000	210,963	2,108,963
Total	$ 4,735,000	$ 2,660,056	$ 7,395,056

Minor Leases

The City has entered into various minor leases for equipment such as copiers, etc. that were subject to GASB 87 *Leases* implementation in fiscal year 2022. They were paid off in full as of June 30, 2025.

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds

Series 2018B – TRIP

On July 18, 2108, the California Statewide Communities Development Authority Transportation Revenue issued City of Salinas Certificates of Participation, Series 2018B totaling $37,500,000 at various interest rates plus premium and discounts. The purpose of this financing was to provide expedited funding for the design, acquisition, and construction of local roadway and street improvement projects within the jurisdiction of the City. Debt payable of $32,970,000 plus premiums and discounts of $2,264,345 and ($291,279), respectively, are recorded as Governmental Activities at June 30, 2025.

In the event of an event of default, the trustee shall be entitled to exercise the remedies provided under the agreement to collect the outstanding payments in full, with no grace period permitted.

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 890,000	$ 1,442,525	$ 2,332,525
2027	925,000	1,406,225	2,331,225
2028	950,000	1,363,975	2,313,975
2029	1,010,000	1,314,975	2,324,975
2030	1,060,000	1,263,225	2,323,225
2031-2035	6,095,000	5,500,700	11,595,700
2036-2040	7,765,000	3,782,750	11,547,750
2041-2045	9,815,000	1,723,188	11,538,188
2046-2049	4,460,000	157,500	4,617,500
Total	$ 32,970,000	$ 17,955,063	$ 50,925,063

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020A Twin Creeks

On March 16, 1999, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation (Certificates) Series A-1999 totaling $14,315,000. A portion of the Certificates was allocated for the construction of an animal shelter, $1,250,338, and the balance of the Certificates, $13,064,662 was allocated for construction of the new Twin Creeks (9-hole) Golf Course. On August 24, 2004, the City entered into a sublease agreement with the Monterey Peninsula Foundation and its related foundation, Future Citizens Foundation, dba the First Tee of Monterey County providing for the lease of Twin Creeks golf course to Future Citizens Foundation. As a condition of the lease, the City repaid the portion of the 1999 Certificates attributable to the Twin Creeks golf course facility (about 57.5% of the lease payments of $575,000) and refinanced that golf course portion with a new Refunding issue of Certificate of Participation. On September 14, 2005, the Salinas Public Financing Authority issued City of Salinas Refunding Certificates of Participation Series 2005A, in the amount of $8,005,000, to refund the portion of the 1999 Certificates attributed to Twin Creeks. Refunding Certificates Series 2005A were issued for 24 years at 4.22% and were secured by a lien on Twin Creeks golf course. The net value expense of the funding was $117,298. The refunding was completed to issue qualified 501 (c) 3 bonds to provide for the operation of Twin Creeks golf course by First Tee of Monterey County. Annual debt service for the 2005A Certificates ($572,308) was paid by the annual lease payments ($575,000) from Future Citizens Foundation and guaranteed by the Monterey Peninsula Foundation. At the request of First Tee of Monterey County, on December 6, 2011, the City approved a sublease payment reduction from $575,000 to $125,000 (an annual reduction of $450,000). This request was the result of First Tee's significant golf course operating losses. With the goal of maintaining a quality of level of service to the thousands of golf youth participants and as the most cost-effective alternative, the City Council approved the General Fund support through fiscal year 2015-16 to offset the reduced amount of the sublease to the First Tee of Monterey County.

On September 1, 2015, the City issued Refunding Certificates of Participation Series 2015, in the amount of $11,440,000 at a 2.53% interest rate, to refund the outstanding portion of the 2005A Certificates of Participation (Twin Creeks) and the 2005B Certificates of Participation (Capital Improvements). Bond started September 1, 2015 and will end after 12 years on September 1, 2027.

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling $2,715,000. The Advance Refunding Certificates were issued to refund the 2015A Twin Creeks Golf Project. Bond started November 1, 2020 and will end after 6 years on November 1, 2026. The advance refunding of the 2015A Twin Creeks Golf Project reduced total debt service payments over the next 6 years by $134,501. This results is an economic gain (difference between the present values of the debt service payments on the old and new debt) of $222,408. Debt payable of $835,000 is recorded in the governmental activities at June 30, 2025.

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020A Twin Creeks (Continued)

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 410,000	$ 25,200	$ 435,200
2027	425,000	8,500	433,500
Total	$ 835,000	$ 33,700	$ 868,700

Series 2020B Fairways

On August 2008, the City of Salinas was issued Refunding Certificates of Participation Series 2008, in the amount of $4,660,000 at a variable interest rate, to refund the outstanding portion of the 1999 Certificate pertaining to the Fairways Golf Project. Bond started September 1, 2008 and will end after 30 years on September 1, 2038. Following the execution and delivery of the Certificates of Participation Series 2008, the 1999 Certificates, attributed to the animal shelter, will remain outstanding.

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020B totaling $4,040,000. The Advance Refunding Certificates were issued to refund the 2008 COP Fairways Golf Project. Bond started November 1, 2020 and will end after 18 years on November 1, 2038. The advance refunding of the 2008 COP Fairways Golf Project reduced total debt service payments over the next 18 years by $1,311,557. This results is an economic loss (difference between the present values of the debt service payments on the old and new debt) of $222,581. Debt payable of $3,465,000 is recorded in the governmental activities at June 30, 2025.

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020B Fairways (Continued)

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 155,000	$ 90,619	$ 245,619
2027	165,000	88,184	253,184
2028	185,000	85,126	270,126
2029	200,000	81,354	281,354
2030	220,000	76,901	296,901
2031-2035	1,265,000	289,033	1,554,033
2036-2039	1,275,000	78,975	1,353,975
Total	$ 3,465,000	$ 790,192	$ 4,255,192

Series 2020A Energy (2014)

On November 1, 2014, the City entered into a lease agreement funded through private placement in the amount of $21,908,000. The project will install LED lighting on streetlights and parking lots in addition to building solar PV installations at the Hitchcock Road Animal Shelter, the Industrial Waste Treatment Plant, the Salinas Municipal Airport, the Permit Center, Sherwood Hall, and the Sewer Lift Station site off Work Street. The Debt Service repayment were set to be over a 17-year period at 3.03% interest beginning May 1, 2016 and ending November 1, 2032. Maximum annual debt service was $2,005,124.

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling $16,190,000. The Advance Refunding Certificates were issued to refund the 2014 Energy Improvement Lease. Bond started November 1, 2020 and will end after 12 years on November 1, 2032. The advanced refunding of the 2014 Energy Lease reduced total debt service payments over the next 12 years by $1,513,227. This results is an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,425,483. Debt payable of $11,765,000 is recorded as Governmental Activities at June 30, 2025.

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020A Energy (2014) (Continued)

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 1,155,000	$ 464,550	$ 1,619,550
2027	1,235,000	416,750	1,651,750
2028	1,320,000	365,650	1,685,650
2029	1,410,000	311,050	1,721,050
2030	1,505,000	252,750	1,757,750
2031-2033	5,140,000	342,975	5,482,975
Total	$ 11,765,000	$ 2,153,725	$ 13,918,725

Series 2020A SVSWA (2015B)

On October 24, 1997, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation (Certificates) Series A-1997 totaling $11,960,000. The purpose of this financing was to raise money for capital improvement projects and to refund the Authority's Variable Rate Lease Revenue Bonds, which were issued to purchase the 65 W. Alisal Building. The Variable Rate Lease Revenue Bonds Series A-1997 and Series B-1997 were fully retired on November 20, 1997. The outstanding Certificates were secured by liens on City owned assets that included City Hall; Public Safety Building; Steinbeck Library, and 65 W. Alisal Building.

On September 14, 2005, the Salinas Public Financing Authority issued City of Salinas Refunding Certificates of Participation Series 2005B (1997 Capital Improvement Projects). The Refunding Certificates were issued to refund Series A-1997 Certificates. Series 2005B Refunding Certificates were issued in the amount of $11,705,000 for 24 years at 4.22%. The Refunding Certificates were secured by a lien on the Salinas Community Center with an appraised value of $13,415,000. With these refunding, liens were removed from the City's Public Safety Building, 65 West Alisal Building and Steinbeck Library.

On September 1, 2015, the City issued Refunding Certificates of Participation Series 2015, in the amount of $11,440,000 at a 2.53% interest rate, to refund the outstanding portion of the 2005A Certificates of Participation (Twin Creeks) and the 2005B Certificates of Participation (Capital Improvements). Bond started September 1, 2015 and will end after 12 years on September 1, 2027.

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling $4,440,000. The Advance Refunding Certificates were issued to refund the 2015B Salinas Valley Solid Waste Authority Bonds. Bond started November 1, 2020 and will end after 7 years on November 1, 2027. The advance refunding of the 2015B Salinas Valley Solid Waste Authority advance refunding reduced total debt service payments over the next 7 years by $241,953. This results is an economic gain (difference between the present values of the debt service payments on the old and new debt) of $244,664. Debt payable of $1,640,000 is recorded as Governmental Activities at June 30, 2025.

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020A SVSWA (2015B) (Continued)

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 610,000	$ 53,400	$ 663,400
2027	630,000	28,600	658,600
2028	400,000	8,000	408,000
Total	$ 1,640,000	$ 90,000	$ 1,730,000

Assessment District Bonds

At June 30, 2025, outstanding Assessment District Bonds totaled $6,910,000 plus bond premiums of $456,052. Bonds issued for improvements in special assessment districts are liabilities of the property owners and are secured by liens against the assessed property. In the case of default, the City has the authority to advance bonds payments from the special reserve fund and to foreclosure on delinquent property. The bonds are secured by a pledge of the net revenue of the Assessment District and may not be used for any other purpose. The total Assessment District Reserve Fund balance was $2,049,072 at June 30, 2025.

Assessment District 2017 Act Bonds

On July 28, 2017, the City issued $4,555,000 in bonds to refinance the following special assessment district debt:

- 1998 AD 98-1 – Bella Vista III Refunding ($2,665,000)
- 2000 AD 96-2 – Acacia Park Refunding ($340,000)
- 2002 RADA – Bella Vista Refunding ($1,365,000)
- 2002 RADB – Bella Vista Refunding ($185,000)

The refunding of the assessment districts debt reduced total debt service payments over 9 years by $937,889. This resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $318,303. Maximum debt service is $882,065, including interest ranging from 2.3% to 2.7% for 9 years. Debt payable of $45,000 is recorded in governmental activities at June 30, 2025.

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Assessment District Bonds (Continued)

Assessment District 2017 Act Bonds (Continued)

Upon the occurrence of an event of default, the trustee shall be entitled to exercise the remedies provided under the agreement to compel the City to perform and carry out their duties under the 1913 Act, the 1915 Act, or the 1984 Act and their agreements with the owners provided in the Bond agreement.

Annual debt service requirements to maturity for Assessment District 2017 Act Bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 45,000	$ 608	$ 45,608
Total	$ 45,000	$ 608	$ 45,608

CFD Monte Bella-2019 – Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas 2019 Special Tax Bonds (Improvement Area No. 1)

On February 21, 2019, the Bond Purchase Agreement was signed in the amount of $2,675,000 at various interest rates to finance the acquisition and/or construction of certain public facilities and improvements within Community Facilities District (CFD) No. 2016-1 Improvement Area No. 1 of the district. Debt payable net of premiums of $2,410,000 is recorded as Governmental Activities at June 30, 2025.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law to enforce the payment of principal, premium and interest on the outstanding bonds.

Annual debt service requirements to maturity CFD Monte Bella-2019 #1 bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 55,000	$ 100,575	$ 155,575
2027	60,000	97,700	157,700
2028	60,000	94,700	154,700
2029	65,000	91,575	156,575
2030	70,000	88,200	158,200
2031-2035	380,000	397,656	777,656
2036-2040	460,000	323,881	783,881
2041-2045	560,000	213,250	773,250
2046-2050	700,000	72,000	772,000
Total	$ 2,410,000	$ 1,479,538	$ 3,889,538

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Assessment District Bonds (Continued)

CFD Monte Bella-2019 #2 – Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas 2019 Special Tax Bonds (Improvement Area No. 2)

On December 1, 2019, the Bond Purchase Agreement was signed in the amount of $2,090,000 at various interest rates to finance the acquisition and/or construction of certain public facilities and improvements within Community Facilities District (CFD) No. 2016- Improvement Area 2 of the district. Debt payable net of premiums of $1,920,000 is recorded as Governmental Activities at June 30, 2025.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law to enforce the payment of principal, premium and interest on the outstanding bonds.

Annual debt service requirements to maturity CFD Monte Bella-2019 #2 bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 45,000	$ 82,250	$ 127,250
2027	50,000	80,350	130,350
2028	50,000	78,350	128,350
2029	50,000	76,350	126,350
2030	55,000	74,250	129,250
2031-2035	305,000	336,250	641,250
2036-2040	365,000	277,825	642,825
2041-2045	440,000	196,750	636,750
2046-2050	560,000	73,250	633,250
Total	$ 1,920,000	$ 1,275,625	$ 3,195,625

CFD Monte Bella-2019 #3 – Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas 2019 Special Tax Bonds (Improvement Area No. 3)

On December 20, 2020, the Bond Purchase Agreement was signed in the amount of $2,695,000 at various interest rates to finance the acquisition and/or construction of certain public facilities and improvements within Community Facilities District (CFD) No. 2016- Improvement Area 3 of the District. Debt payable net of premiums of $2,535,000 is recorded as Governmental Activities at June 30, 2025.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law to enforce the payment of principal, premium and interest on the outstanding bonds.

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Assessment District Bonds (Continued)

CFD Monte Bella-2019 #3 – Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas 2019 Special Tax Bonds (Improvement Area No. 3) (Continued)

Annual debt service requirements to maturity CFD Monte Bella-2019 #3 bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 55,000	$ 100,300	$ 155,300
2027	60,000	98,000	158,000
2028	60,000	95,600	155,600
2029	65,000	93,100	158,100
2030	65,000	90,500	155,500
2031-2035	380,000	409,000	789,000
2036-2040	460,000	325,400	785,400
2041-2045	560,000	223,400	783,400
2046-2050	675,000	100,500	775,500
2051	155,000	3,100	158,100
Total	$ 2,535,000	$ 1,538,900	$ 4,073,900

Subscription-Based Information Technology Arrangements – SBITAs

The City has contracted for the "right-to-use" certain subscription-based information technology software in the governmental activities. The arrangements have interest rates between 2.75% and 3.5%. The value of the right-to-use subscription assets as of the end of the current fiscal year was $349,247. Subscriptions payable outstanding at June 30, 2025 were $237,990.

Annual debt service requirements to maturity on subscription liabilities are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 77,430	$ 5,957	$ 83,387
2027	79,368	4,019	83,387
2028	81,192	2,032	83,224
Total	$ 237,990	$ 12,008	$ 249,998

Note 12 – Long-Term Debt (Continued)

B. Business-Type Activities

A summary of changes in long-term debt for business-type activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Amount due within one year	Amount due in more than one year
Business-type Activities						
Direct borrowings and placements:						
Monterey Parking Garage 2014 lease	$ 7,788,000	$ -	$ (646,000)	$ 7,142,000	$ 674,000	$ 6,468,000
HUD Section 108 loan	518,000	-	(518,000)	-	-	-
Total direct borrowings and placements	8,306,000	-	(1,164,000)	7,142,000	674,000	6,468,000
Revenue Bonds:						
Wastewater 2020A	12,745,000	-	(565,000)	12,180,000	565,000	11,615,000
Total Revenue Bonds	12,745,000	-	(565,000)	12,180,000	565,000	11,615,000
Total business-type activities	$ 21,051,000	$ -	$ (1,729,000)	$ 19,322,000	$ 1,239,000	$ 18,083,000

2014 Lease/Purchase Agreement

The 2014 Lease/Purchase Agreement was issued by the Salinas Facilities Financing Authority on January 29, 2014. The financing was issued to refund the Animal Shelter COP Series A-1999 ($2,812,000) and the Monterey Street Parking Structure COP Series A-2004 ($13,253,000). The Monterey Street Parking Structure portion of the financing was issued for 20 years (ending September 1, 2033), at an average interest rate of 4.02%. Maximum annual debt service is $963,518. Debt payable of $7,142,000 is recorded in the Downtown Parking District Enterprise Fund at June 30, 2025 and reported is reported as business-type activities.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law or pursuant to the lease agreement to enforce payment of the outstanding amounts. However, there shall be no right under any circumstance to accelerate the lease payments or otherwise declare any lease payments not then in default to be immediately due and payable. After the occurrence of an event of default, the City will surrender possession of the property to the financing authority, if requested to do so.

Debt service requirements to maturity is as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 674,000	$ 273,561	$ 947,561
2027	700,000	245,944	945,944
2028	731,000	217,181	948,181
2029	756,000	187,292	943,292
2030	790,000	156,217	946,217
2031-2034	3,491,000	287,571	3,778,571
Total	$ 7,142,000	$ 1,367,766	$ 8,509,766

Note 12 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Direct Placement Debt

HUD Section 108 Loan

On March 28, 2015, the City entered into a contract for Loan Guarantee Assistance with the Housing and Urban Development Department (HUD), pursuant to which the City will derive funds for the purposes permitted under the agreement, and executed one or more City Notes in the maximum aggregate principal amount of up to $9,390,000. The City executed a note numbered as B-12-MC-06-0005 (Community and Economic Development Fund – Industrial Wastewater Conveyance System Project) in the principal amount of $4,000,000. The City has pledged current and future Community Development Block Grant (CDBG) funds as principal security for the loan. The loan carries a variable interest rate of 20 points (0.2%) above the applicable LIBOR rate. This loan is paid full in full as of June 30, 2025.

2020A Wastewater Revenue Refunding Bonds – Series 2020A

On February 8, 2012, the City of Salinas issued Sanitary Sewer System Revenue Bonds, Series 2012 in the amount of $17,995,000 to provide funds for the current refunding of the City's Sanitary Sewer System Revenue Bonds, Series 1998 and to finance capital replacement of existing sewer mains and other sewer related capital replacement. Maximum annual debt service is $1,022,406, including interest ranging from 1.0% to 4.4% for 30 years. The City is authorized under Chapter 36, Article II, Division 5 of the Salinas City Code, to levy a sewer fee for the purpose of paying sanitary sewer related expenses of the City. On January 10, 2012, the City Council approved adjustments to wastewater collection fees effective February 1, 2012 to reflect the cost of wastewater conveyance through the Enterprise and an amount to cover debt service. The fee is billed by the Monterey Regional Water Pollution Control Agency.

On December 20, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling $14,425,000. The Advance Refunding Certificates were issued to refund the 2012 Sewer Bonds. Bond started August 1, 2021 and will end after 21 years on August 1, 2042. The advance refunding of the 2012 Sewer Bonds reduced total debt service payments over the next 21 years by $3,764,601. This resulted is an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,346,741. Debt payable of $12,180,000 is recorded as Business-type Activities at June 30, 2025.

In the event of an event of default, the trustee shall, at written direction of the owners of not less than a majority in aggregate principal amount of the bonds at the time outstanding, in each case, upon written notice to the City, declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately.

Note 12 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Direct Placement Debt

2020A Wastewater Revenue Refunding Bonds – Series 2020A (Continued)

Debt service requirements and maturity are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ 565,000	$ 288,233	$ 853,233
2027	580,000	281,693	861,693
2028	585,000	273,693	858,693
2029	590,000	264,021	854,021
2030	605,000	252,856	857,856
2031-2035	3,205,000	1,066,346	4,271,346
2036-2040	3,620,000	628,141	4,248,141
2041-2043	2,430,000	108,670	2,538,670
Total	$ 12,180,000	$ 3,163,653	$ 15,343,653

C. Conduit Debt

In June of 1999, the City of Salinas issued Multifamily Housing Revenue Bonds, Series 1999A ($5,310,000 tax-exempt) and 1999A-T ($390,000 taxable) for the construction of a 132-unit senior apartment project. Twenty percent (20%) of the project is designated to be affordable to seniors. As of June 30, 2025, the total conduit debt outstanding related to these bonds is $2,320,000.

On June of 2007, the City of Salinas issued Economics Development Revenue Bonds, Series 2007A ($18,655,000 tax-exempt) and 2007B ($1,570,000 taxable) for the acquisition of a building located at 1000 Main Street in Salinas. The building is currently leased in part to the County of Monterey Department of Social Services. The project intends to provide monthly rental at below the market value rates to the County of Monterey, a one-million-dollar premise improvement allowance to the Department of Social Services to renovate and upgrade its space in the building and to generate charitable support for the County's residents. The debt was refinanced in 2016 as series 2016A and 2016B. As of June 30, 2025, total conduit debt outstanding related to the Economic Development Revenue Bonds is $9,520,000.

Pursuant to the bond purchase agreements, the City of Salinas has no obligation related to the repayment of these bonds. Accordingly, the bonds are not reported as liabilities in the City's financial statements.

D. Fiduciary Activities

A summary of changes in long-term debt for fiduciary activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Amount due within one year	Amount due in more than one year
Fiduciary Activities						
Direct borrowings and placements:						
Homeless Shelter loan payable	$ 157,500	$ -	$ -	$ 157,500	$ -	$ 157,500
Total direct borrowings and placements	157,500	-	-	157,500	-	157,500
Total fiduciary activities	$ 157,500	$ -	$ -	$ 157,500	$ -	$ 157,500

Note 12 – Long-Term Debt (Continued)

D. Fiduciary Activities (Continued)

Loans and Notes Payable

Homeless Shelter Loan – Green Gold Inn

On March 7, 1995, the Salinas Redevelopment Agency – Central Agency Revitalization Project entered into a funding agreement and received a loan from the City of Salinas Community Development Block Grant Fund for the acquisition of property, Green Gold Inn at 28-32 Soledad Street, to establish a homeless center/shelter. The Agency agreed that the property would be used solely for a homeless center/shelter for a period not less than ten years. If the Agency or the organization holding title to the property disposes of the property or alters the use of the property prior to expiration of the ten year period, the Agency will reimburse the City the full amount of the current fair market value less improvement costs.

Upon completion of the ten-year period, one half of the debt, $157,500, was forgiven. Upon cessation of the homeless center/shelter operations, the City will be reimbursed the fair market value of the property less the portion of the loan paid and improvement costs.

Debt service requirements for Green Gold Inn homeless center/shelter no interest loan are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	$ -	$ -	$ -
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031-2035	-	-	-
2036-2040	-	-	-
2041-2043	157,500	-	157,500
Total	$ 157,500	$ -	$ 157,500

Note 13 – Compensated Absences

Compensated absences are reported on the Government-Wide Statements for Governmental Activities and Business-type Activities in Long-Term Debt. At June 30, 2025 the liability for all compensated absences totaled $13,175,610. The City implemented GASB Statement No. 101, *Compensated Absences*, during the fiscal year; however, no restatement of beginning net position was required as the effect of implementation was determined to be immaterial.

Note 13 – Compensated Absences (Continued)

Compensated absences are reported on the financial statements in the following funds:

	Balance July 1, 2024	Increases / Decreases	Balance June 30, 2025	Due within one year	Due in more than one year
Governmental activities:					
General Fund	$ 8,994,708	$ 298,293	$ 9,293,001	$ 1,858,600	$ 7,434,401
Measure E	782,624	68,665	851,289	170,257	681,032
Measure G	1,648,281	95,676	1,743,957	348,791	1,395,166
Other governmental funds	434,116	88,684	522,800	104,560	418,240
Internal service funds	175,523	37,564	213,087	42,617	170,470
Total governmental activities	12,035,252	588,882	12,624,134	2,524,825	10,099,309
Business-type activities					
Enterprise funds	552,230	(754)	551,476	110,295	441,181
Total business-type activities	552,230	(754)	551,476	110,295	441,181
Total primary government	$ 12,587,482	$ 588,128	$ 13,175,610	$ 2,635,120	$ 10,540,490

Note 14 – Risk Management

The City has a self-insurance program and carries excess insurance for catastrophic losses. National Casualty Company combined with Berkley National Insurance Company provides General Liability coverage up to a maximum of $15,000,000 after the self-insured retention of $1,000,000 per occurrence met. Safety National Casualty Corporation provides Worker's Compensation excess coverage with statutory coverage (pursuant to California Worker's Compensation Act) after the self-insurance retention of $1,000,000 for Public Safety and $750,000 for non-Public Safety is met.

Liabilities for estimated claims payable for the self-insurance programs represent settled claims, claims incurred but not paid and claims incurred but not reported based upon past experience, modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2025 is dependent on future developments, City management has determined the desired reserve level for each self-insurance program as follows and believes the estimates are adequate to cover such losses.

The Worker's Compensation insurance liability of $40,790,000 includes $27,294,152 for claims incurred but not paid and $13,495,848 for claims incurred but not reported which is based on expected claims and past claims history. At June 30, 2025, Worker's Compensation Insurance liability is reported on the statement of net position. The Worker's Compensation Fund was established as an Internal Service Fund on July 1, 1991. The portion of the worker's compensation insurance liability since July 1, 1991, at June 30, 2025 is $39,343,333 and is reported in the Worker's Compensation internal service fund and $1,446,667 is treated as general long-term debt.

General liability insurance liability at June 30, 2025 of $3,970,003 that is reported in the Internal Service Fund includes $1,891,749 for claims incurred but not paid and $2,078,254, for claims incurred but not reported which is based on expected claims and past claims history. A deficit of $750,036 is reported at June 30, 2025 and is short the City's goal of reserving three times the self-insured retention plus full funding of all past claims history. The City's self-insured retention is $1,000,000 at June 30, 2025.

Note 14 – Risk Management (Continued)

At June 30, 2025, the City's insurance claims liability is recorded as follows:

	Internal Service Funds	General Long-term Debt	Total
Worker's compensation	$ 39,343,333	$ 1,446,667	$ 40,790,000
General liability	3,970,003	-	3,970,003
Total	$ 43,313,336	$ 1,446,667	$ 44,760,003

Changes to the claims liability for fiscal year ended June 30, 2025 are as follows:

	Worker's Compensation	General Liability	Total
Beginning balance of claims liability	$ 33,494,000	$ 3,748,708	$ 37,242,708
Less beginning provisions for incurred but not reported claims	(7,339,166)	(1,241,119)	(8,580,285)
Beginning provisions for incurred but not paid claims	26,154,834	2,507,589	28,662,423
Increase (decrease) in claims incurred and reported	7,984,195	391,620	8,375,815
Claims expenses paid	(6,844,877)	(1,007,460)	(7,852,337)
Ending balance provision for incurred but not paid claims	27,294,152	1,891,749	29,185,901
Provisions for incurred but not reported claims	13,495,848	2,078,254	15,574,102
Ending balance of claims liability	$ 40,790,000	$ 3,970,003	$ 44,760,003
Amount due within one year	$ 7,103,000	$ 2,807,671	$ 9,910,671
Amount due in more than one year	33,687,000	1,162,332	34,849,332
Total	$ 40,790,000	$ 3,970,003	$ 44,760,003

Note 15 – Unearned Revenues and Deferred Inflows of Resources

Governmental funds report unearned revenues in connection with funds received, in advance for which assets recognition criteria have been met, but for which revenue recognition criteria have not been met. Receivables for revenues not considered available to liquidate liabilities of the current period are considered unavailable revenues and reported as deferred inflows of resources on the governmental funds. Unearned revenues are stated at $18,136,961 in the Government-Wide Statements. Governmental funds report $18,136,961 of unearned revenues and $654,039 of unavailable revenues as deferred inflows of resources that are not available resources.

Note 15 – Unearned Revenues and Deferred Inflows of Resources (Continued)

Unearned revenues of the governmental activities at June 30, 2025 consist of the following:

Governmental Activities:		
Major funds:		
American Rescue Plan Act (ARPA) Fund	$	4,703,835
Housing and Urban Development Grant Fund		5,592,257
2019 Special Tax Montebella		6,865,000
Nonmajor funds:		
Special revenue funds:		
Affordable Housing Fund		930,869
Debt service funds:		
Assessment District Debt Service		45,000
Total governmental activities	$	18,136,961

Unavailable revenues of the governmental activities at June 30, 2025 consist of the following:

Governmental Activities:			**Type**
Special revenue funds:			
Grants Fund	$	654,039	Unavailable grants receivable
Total governmental activities	$	654,039	

Note 16 – Retirement Programs

A. Summary

The City of Salinas provides defined benefit retirement program benefits through the California Public Employees' Retirement System ("CalPERS") and New York Life. As of June 30, 2025, the City was contributing to agent multiple-employer defined benefit pension plans and cost-sharing multiple-employer defined benefit pension plans through CalPERS, and was also contributing to a single-employer defined benefit pension plan through New York Life.

Net pension liabilities are reported in the financial statements as follows:

Net Pension Liability	**Governmental Activities**	**Business-Type Activities**	**Total**
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	$ 33,003,289	$ 4,698,774	$ 37,702,063
Agent multiple-employer - Safety Police	127,123,346	-	127,123,346
Cost sharing multiple-employer - Safety Fire	65,283,627	-	65,283,627
New York Life - single employer	666,048	-	666,048
Total net pension liability	$ 226,076,310	$ 4,698,774	$ 230,775,084

Note 16 – Retirement Programs (Continued)

A. Summary (Continued)

Deferred outflows of resources related to pensions are reported in the financial statements as follows:

Deferred Outflows of Resources	Governmental Activities	Business-Type Activities	Total
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	$ 8,920,969	$ 1,270,104	$ 10,191,073
Agent multiple-employer - Safety Police	20,829,358	-	20,829,358
Cost sharing multiple-employer - Safety Fire	20,257,330	-	20,257,330
New York Life - single employer	$2,175,537	-	2,175,537
Total deferred outflows of resources	$ 52,183,194	$ 1,270,104	$ 53,453,298

Deferred inflows of resources related to pensions are reported in the financial statements as follows:

Deferred Inflows of Resources	Governmental Activities	Business-Type Activities	Total
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	$ 500,069	$ 71,197	$ 571,266
Agent multiple-employer - Safety Police	1,048,123	-	1,048,123
Cost sharing multiple-employer - Safety Fire	1,177,873	-	1,177,873
New York Life - single employer	577,395	-	577,395
Total deferred inflows of resources	$ 3,303,460	$ 71,197	$ 3,374,657

Pension expense (credit) reported in the financial statements as follows:

Pension Expense	Governmental Activities	Business-Type Activities	Total
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	$ 6,860,966	$ 1,085,763	$ 7,946,729
Agent multiple-employer - Safety Police	17,589,236	-	17,589,236
Cost sharing multiple-employer - Safety Fire	13,453,286	-	13,453,286
New York Life - single employer	(82,264)	-	(82,264)
Total pension expense	$ 37,821,224	$ 1,085,763	$ 38,906,987

B. California Public Employees Retirement System Agent Multiple-Employer Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City of Salinas' separate Safety (police) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Employees Covered

At June 30, 2024, the measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous	Safety - Police
Inactive employees or beneficiaries currently receiving benefits	242	292
Inactive employees entitled to, but not yet receiving benefits	306	125
Active employees	331	137
Total	879	554

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment.

The City's provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Miscellaneous	
Hire date	Prior to January 1, 2013*	On or After January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.45%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.50%
Required employer contribution rates	9.51%	9.51%

	Safety - Police	
Hire date	Prior to January 1, 2013*	On or After January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52-57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.50%
Required employer contribution rates	22.91%	22.91%

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

Contribution Description - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the City to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The contributions made by the City were as follows:

	Employer Contributions	
Miscellaneous	$	5,804,078
Safety - Police		14,853,506

Actuarial Methods and Assumptions used to determine Total Pension Liability - The June 30, 2023 valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.
Post Retirement Benefit Increase	The probabilities of retirement are based on the 2021 CalPERS Experience Study.

(1) The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long -term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

The expected rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 [1,2]
Global equity - cap-weighted	30.00%	4.45%
Global equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021 Asset Liability Management study.

Discount Rate - The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Amortization of Deferred Outflows and Deferred Inflows of Resources - Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings on pension plan investments:

- 5 years straight-line amortization

All other amounts:

Straight-line amortization over the average expected remaining service lives (EARLS) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

Deferred outflows of resources and deferred inflows of resources relating to Differences between Expected and Actual Experience, Changes of Assumptions and employer-specific amounts should be amortized over the EARSL of members provided with pensions through the Plan. The EARSL for the miscellaneous and safety (police) plans for the June 30, 2024 measurement date are 4.4 and 3.0 years, respectively, which was obtained by dividing the total service years by the total number of participants (active, inactive, and retired) in the Plan. Inactive employees and retirees have remaining service lifetimes equal to zero. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Changes in Net Pension Liability - The following tables show the changes in the net pension liability for each of the City's agent multiple-employer defined benefit pension plans recognized over the measurement period:

Miscellaneous Plan

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2023 (Valuation Date)	$ 161,496,279	$ 120,398,293	$ 41,097,986
Changes in the year:			
Service cost	4,078,307	-	4,078,307
Interest on the total pension liabilities	11,033,877	-	11,033,877
Changes of Benefit Terms	-	-	-
Changes in assumptions	-	-	-
Differences between expected and actual experience	(53,982)	-	(53,982)
Benefit payments, including refunds of members contributions	(7,140,385)	(7,140,385)	-
Plan to plan resource movement	-	-	-
Contributions - employer	-	5,034,807	(5,034,807)
Contributions - employee	-	1,911,248	(1,911,248)
Net investment income	-	11,606,038	(11,606,038)
Administrative expenses	-	(97,968)	97,968
Net changes	7,917,817	11,313,740	(3,395,923)
Balance at June 30, 2024 (Measurement Date)	$ 169,414,096	$ 131,712,033	$ 37,702,063

Safety - Police

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2023 (Valuation Date)	$ 375,115,843	$ 239,697,612	$ 135,418,231
Changes in the year:			
Service cost	6,619,453	-	6,619,453
Interest on the total pension liabilities	25,361,824	-	25,361,824
Changes of Benefit Terms	-	-	-
Changes in assumptions	-	-	-
Differences between expected and actual experience	(1,298,281)	-	(1,298,281)
Benefit payments, including refunds of members contributions	(19,129,246)	(19,129,246)	-
Plan to plan resource movement	-	-	-
Contributions - employer	-	13,750,190	(13,750,190)
Contributions - employee	-	2,265,826	(2,265,826)
Net investment income	-	23,156,908	(23,156,908)
Administrative expenses	-	(195,043)	195,043
Net changes	11,553,750	19,848,635	(8,294,885)
Balance at June 30, 2024 (Measurement Date)	$ 386,669,593	$ 259,546,247	$ 127,123,346

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

Pension Plan Fiduciary Net Position - Detailed information about each plan's fiduciary net position is available in the separately issued CalPERS financial report.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Plan's Aggregate Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous	$ 61,533,919	$ 37,702,063	$ 18,134,230
Safety - Police	180,491,002	127,123,346	83,598,304

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions For the measurement period ending June 30, 2024 (the measurement date), the City of Salinas recognized a pension expense of $7,946,729 and $17,589,236 for the miscellaneous and safety (police) plans, respectively.

For the measurement period ending June 30, 2024 (the measurement date), the City of Salinas reports other amounts for the miscellaneous and safety (police) plans as deferred outflow and deferred inflow of resources related to pensions as follows:

Miscellaneous		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	$ 5,804,078	$ -
Difference between projected and actual earning on pension plan investments	1,793,931	-
Changes in assumptions	1,454,159	-
Differences between expected and actual experience	1,138,905	(571,266)
Total	$ 10,191,073	$ (571,266)

Safety - Police		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	$ 14,853,506	$ -
Difference between projected and actual earning on pension plan investments	3,552,815	-
Changes in assumptions	1,591,470	-
Differences between expected and actual experience	831,567	(1,048,123)
Total	$ 20,829,358	$ (1,048,123)

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

$5,804,078 and $14,853,506 reported as deferred outflows of resources to contributions subsequent to the measurement date for the miscellaneous and safety police plans, respectively, will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Miscellaneous	Safety - Police
Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources	Deferred Outflows/ (Inflows) of Resources
2026	$ 1,245,629	$ 1,482,303
2027	3,617,264	5,852,433
2028	(379,831)	(1,059,806)
2029	(667,333)	(1,347,201)
2030	-	-
Thereafter	-	-
	$ 3,815,729	$ 4,927,729

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety risk pool (Fire Tier 1 & Tier 2), cost-sharing multiple-employer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Employees Covered – As of June 30, 2024 (measurement date), the following employees were covered by the benefit terms for the plan:

	Safety - Fire
Inactive employees or beneficiaries currently receiving benefits	185
Inactive employees entitled to, but not yet receiving benefits	55
Active employees	99
Total	339

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment.

Note 16 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan (Continued)

The City's plans provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Safety - Fire			
	Tier 1		Tier 2	
Hire date	Prior to January 1, 2013*	On or After January 1, 2013	Prior to January 1, 2013*	On or After January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57	3.0% @ 55	2.5% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	52-57	55	52-57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.75%	9.00%	13.75%
Required employer contribution rates	29.30%	14.12%	24.96%	14.12%

Contribution Description – Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City's contribution for the safety fire plan were as follows:

	Employer Contributions
Safety - Fire	$ 7,992,242

Pension Liabilities, Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions – As of June 30, 2025, the City reported net pension liabilities for its proportionate share of the net pension liability as of June 30, 2025 and 2024 were as follows:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Balance at: 6/30/23 (Measurement date)	$ 215,981,309	$ 149,873,305	$ 66,108,004
Balance at: 6/30/24 (Measurement date)	223,694,150	158,410,523	65,283,627
Net changes during 2023-2024	$ 7,712,841	$ 8,537,218	$ (824,377)

The City's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using the standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions for all participating employers actuarially determined.

Note 16 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan (Continued)

The City's proportionate share of the net pension liability as of the June 30, 2024 and 2023 measurement dates were as follows:

Percentage Share of Net Pension Liability/(Asset)	
Proportion June 30, 2023	0.529910%
Proportion June 30, 2024	0.538310%
Change - Increase (Decrease)	0.008400%

For the year ended June 30, 2025 (measurement date June 30, 2024), the City recognized a pension expense of $13,453,286 for the Safety Plan (Fire).

As of June 30, 2025 the City reports deferred outflows and deferred inflows of resources related to pensions as follows:

Safety - Fire	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	$ 7,992,242	$ -
Difference between projected and actual earning on pension plan investments	3,155,513	-
Adjustment due to differences in proportions	680,506	(471,029)
Changes in assumptions	1,608,454	-
Difference between actual and expected experience	5,327,724	(173,227)
Difference between employer's actual contributions and proportionate share of contributions	1,492,891	(533,617)
Total	$ 20,257,330	$ (1,177,873)

$7,992,242 reported as deferred outflows of resources for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expenses as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2026	$ 4,422,941
2027	7,648,403
2028	95,545
2029	(1,079,674)
2030	-
Thereafter	-
	$ 11,087,215

Note 16 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan (Continued)

Actuarial Methods and Assumptions used to determine Total Pension Liability - The June 30, 2023 valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by category, entry age, and service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website

Discount Rate – The discount rate used to measure the total pension liability for Public Employees' Retirement Fund C (PERF C) was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Note 16 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan (Continued)

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 [1,2]
Global equity - cap-weighted	30.00%	4.45%
Global equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021-22 Asset Liability Management study.

Amortization of Deferred Outflows and Deferred Inflows of Resources – The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over the remaining amortization periods. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis.

Deferred Outflows of Resources and Deferred Inflows of Resources relating to Differences Between Expected and Actual Experience and Changes of Assumptions are amortized over the Expected Average Remaining Service Lifetime (EARSL) of members provided with pensions through the Plan determined as of the beginning of the related measurement period. The EARSL for PERF C for the measurement date ending June 30, 2024 is 3.8 years, which was obtained by dividing the total service years of 630,177 (the sum of remaining service lifetimes of the active employees) by 166,163 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Sensitivity of Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the proportionate share of the net pension liability of the City's Plan as of the Measurement Date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

Plan's Aggregate Net Pension Liability/(Asset)		
Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
$ 95,840,033	$ 65,283,627	$ 40,292,782

Note 16 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan (Continued)

Pension Plan Fiduciary Net Position – Detailed information about each plan's fiduciary net position is available in the separately issued CalPERS financial report.

D. New York Life Single Employer Retirement Plan

Plan Description – The New York Life retirement plan is a closed single-employer defined benefit pension plan that covers Non-Public Safety Employees. The plan's benefits offers a formula of 2% @ 60 for vested employees. The Plan was established on September 1, 1954 and has been amended and restated from time to time since that date. Prior Plan amendments eliminated the six-month service requirement for entry into the plan and credited participants with up to six-months of service from hire to plan entry prior to time change. The Plan was amended and restated effective September 1, 1996 to bring the Plan into compliance with the Internal Revenue Code and Regulations promulgated thereby to provide for the City's pick-up of employee eligible participants equal to the present value of vested accrued benefits. Effective June 1, 2001, the Plan amended its benefit formula to one that uses an average salary computed from the twelve-month period, replacing the old formula that used an average salary computed from a thirty six month period. As of June 19, 1995, all new regular non-public safety employees are enrolled in CalPERS.

The City has an agreement with New York Life to hold and invest plan assets of the Retirement Plan, which covers employees other than Police and Fire. New York Life holds assets in NYL Fixed Dollar Account, NYL Mainstay Total Return Bond Fund, and NYL Guaranteed Annuity Contracts.

New York Life Guaranteed Annuity Contracts in the amount of $9,210,023 are allocated insurance contracts set up to pay benefits and accordingly are excluded from the total pension liability, and are not reported in the City's financial statements.

Employees Covered – As of September 1, 2024 (valuation date), the following employees were covered by the benefit terms for the single-employer defined benefit pension plan:

	NY Life Plan
Inactive employees or beneficiaries currently receiving benefits	37
Inactive employees entitled to, but not yet receiving benefits	3
Active employees	5
Total	45

Benefits – Non-Public Safety personnel benefits vest after five years of service. The vested benefit would be in the form of a pension beginning after attaining age 60 equal to the benefits accrued at time of termination, or for a reduced amount if an election is made to have payments commence before attaining the normal retirement age of 60. City employees who retire at or after age of 60 with five years of credited service are entitled to an annual retirement benefit payable monthly, as a straight line annuity, as a ten year certain and life annuity, or as a lump sum, in an amount equal to 2% of the average earnings paid to the employee during the twelve consecutive months of service with the City during which their earnings were highest, multiplied by the number of years and completed months of plan participation.

The plan allows early retirement after reaching age 55 and completing five years of plan participation. The plan also provides death and survivor benefits.

Note 16 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan (Continued)

Funding Policy – The contribution requirements of Plan members and the City are established and may be amended by the City Council. Prior to January 1, 1979, participants were required to make specified levels of contributions to the plan in order to accrue benefits under the Plan. For the period commencing January 1, 1979 through December 31, 1993, there were no participants' contributions under this Plan. Since January 1, 1994, participants are required to contribute 4.5% of their compensation to the Plan. Since September 1, 1996, participant contributions are made by the City under the employee pretax pick-up provision for government-sponsored plans allowed under the Internal Revenue Code. As established in their Memorandum of Understanding document for personnel of the SEIU Blue Collar bargaining group, the City will contribute four and one-half percent of the employee retirement contribution.

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions – As of June 30, 2025 (Measurement Date - August 31, 2024) and June 30, 2024, (Measurement Date – August 31, 2023), the City reported net pension liability as follows:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Balance at: 8/31/23 (measurement date)	$ 9,962,372	$ 8,239,722	$ 1,722,650
Balance at: 8/31/24 (measurement date)	9,876,071	9,210,023	666,048
Net changes during 2022-2023	$ (86,301)	$ 970,301	$ (1,056,602)
Funded Status @ 8/31/24 measurement date	93.26%		

The City's net pension liability is measured as of August 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 1, 2024.

Changes in Net Pension Liability – The following tables show the changes in the net pension liability for the City's Single-Employer Pension Plan recognized over the measurement period:

	New York Life Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 6/30/2024 (8/31/23 measurement date)	$ 9,962,372	$ 8,239,722	$ 1,722,650
Changes in the year:			
Service cost	86,971	-	86,971
Interest on the total pension liabilities	270,258	-	270,258
Changes in assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Benefit payments, including refunds of members contributions	(443,530)	(443,530)	-
Plan to plan resource movement	-	-	-
Contributions - employer	-	192,131	(192,131)
Contributions - employee	-	19,213	(19,213)
Net investment income	-	1,218,104	(1,218,104)
Administrative expenses	-	(15,617)	15,617
Net changes	(86,301)	970,301	(1,056,602)
Balance at June 30, 2025 (8/31/24 measurement date)	$ 9,876,071	$ 9,210,023	$ 666,048

Note 16 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 2.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.75 percent) or 1 percentage-point higher (3.75 percent) than the current rate:

Sensitivity of Net Pension Liability/(Asset)		
Discount Rate - 1% (1.75%)	Current Discount Rate (2.75%)	Discount Rate + 1% (3.75%)
$ 1,414,679	$ 666,048	$ 67,570

As of June 30, 2025, the City reports deferred outflows and deferred inflows of resources related to pensions as follows:

New York Life Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	$ 2,175,537	$ -
Difference between projected and actual earning on pension plan investments	-	(577,395)
Total	$ 2,175,537	$ (577,395)

$2,175,537 reported as deferred outflows of resources for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expenses as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2026	$ (169,932)
2027	(35,801)
2028	(172,579)
2029	(199,083)
2030	-
Thereafter	-
	$ (577,395)

Note 16 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan (Continued)

Actuarial Methods and Assumptions used to Determine Total Pension Liability – For the measurement period ended August 31, 2024 (measurement date), the total pension liability was determined by using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	September 1, 2023
Measurement date	September 1, 2024
Contribution policy	City contributes full ADC
Actuarial cost method	Individual Aggregate Cost Method
Actuarial assumptions:	
Discount rate	- 2.75% at August 31, 2024 - 2.75% at August 31, 2023 - Discount rate lower of (1) expected long-term rate of return on investments, and (2) Bond Buyer 20- Bond GO Index as of the Measurement Date
Long-term expected rate of return on assets	- 2.75% at August 31, 2024 - 2.75% at August 31, 2023
Municipal Bond Rate (Bond Buyer 20-Bond Index)	- 3.87% at August 31, 2024 - 3.81% at August 31, 2023
General Inflation	2.25% annually
Cost of Living Increases	2.00% annually
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Mortality projected fully generational with Scale MP-2021
Salary Increases	Aggregate - 2.5% annually; merit - CalPERS 2000-2019 Experience Study
Retirement	100% retire once the retirement benefit reaches 70% of the average monthly compensation
Disability, termination	None
Benefit form for current actives	- Disability - n/a - Service retirement - Lump sum for all participants, valued using UP-1984 Mortality Table with 2% interest rate without COLA
NY Life guaranteed annuity contract	Value of payments expected to be made under contract excluded from TPL (contract assets not included in FNP)

Changes Since Prior Measurement Date – The following changes were applied since the prior measurement date of August 31, 2024:

Changes of assumptions – discount rate was updated based on municipal bond rate as of the measurement date.

Changes of benefit terms – none

Discount Rate – The discount rate used to measure the total pension liability was 2.75%. The discount rate is based on the expected rate of return which is lower than the 20-year municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at current contribution rates and City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Note 16 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan (Continued)

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. The City's annual contributions will be adjusted to keep the plan solvent.

E. ICMA Retirement Corporation Defined Contribution Plan

Investments are with New York Life. Expected rate of return is as follows:

Asset Class	Target Allocation	Expected Rate of Return
Fixed income	100.00%	0.78%
Assumed long-term rate of inflation		2.25%
Expected long-term rate of return, rounded		2.75%

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position as of August 31, 2024 is as follows:

	New York Life
Assets:	
Investments:	
New York Life Mainstay Total Return Bond Fund	$ 9,210,023
Total investments	9,210,023
Fiduciary net position	$ 9,210,023

Plan Description – On June 19, 1995, the City established a qualified retirement program in accordance with Internal Revenue Code Section 401(a). This defined contribution 401(a) Money Purchase Retirement Plan was established with International City Managers Association Retirement Corporation (ICMA). Non-Public Safety Mid-Management employees that were participating in the ICMA 457 non-qualified deferred compensation plan in-lieu of participation in the New York Life Retirement Program, were required to transfer to one of the other City's three qualified retirement plans. The City's annual contribution to this plan is determined by the employer required contribution to the New York Life Plan Retirement Plan in accordance with Internal Revenue contribution limits.

Significant Accounting Policies

Basis of Accounting – Financial statements are prepared using the cash basis of accounting. Employer contributions are recognized in the period that the contributions are made.

Method Used to Value Investments – Participants direct their investments, without restriction, among various investments options available under the ICMA 401(a) Plan. Retirement Buyback Program During Fiscal Year 1995-96, the City established a deferred compensation retirement buyback program for Department Directors where the City contributes a flat dollar amount based on tenure with the City. The 401(a) Money Purchase Retirement Plan is administered by the ICMA Retirement Corporation. The program requires employee-matching contributions for every dollar contributed by the City. At June 30, 2025, there were four participants receiving a total of $42,271 in this form of benefit.

Note 16 – Retirement Programs (Continued)

F. Deferred Compensation Plans

The City has four deferred compensation plans created in accordance with Internal Revenue Code Section 457. The Small Business Job Protection Act of 1996 requires the establishment of a trust or similar vehicle to ensure that the assets of Deferred Compensation Plans under the Internal Revenue Code Section 457 are protected and used exclusively for the benefit of Plan participants and/or their beneficiaries. According to these laws the City established Employer Trust arrangements for each of the Plans before January 1, 1999.

The City has established Employer Trust agreements with ICMA Retirement Corporation, Mass Mutual Financial Group, and Central Coast Credit Union. In 1998, the City Council adopted a Resolution amending the City administered deferred compensation plans to conform to the new law protecting the plan participant assets from any claim against the City. Under the Trust arrangement, individual accounts maintained by the record-keeper used for receiving contributions and paying distributions must be subject to the Trust. The existence of the Trust does little to change the Plan structure except to add a layer of protection for money set aside for the employee against claims of the Employer's creditors. The law also allows an increase in the amount a participant may contribute to differ each year, based on changes in the consumer price index.

International City Manager's Association (ICMA) Retirement Corporation

As of June 2021, the International City Manager's Association Retirement, Inc., (ICMA-RC), is now Mission Square Retirement and the Plan had 435 participants and a balance of $76,849,838 at June 30, 2025. All employees are eligible to participate through voluntary salary deduction. Some management employees participated in lieu of participation in the New York Life Retirement Program until June 19, 1995 when a qualified 401(a) retirement program was established. These assets are not reported on the City's financial statements at June 30, 2025 pursuant to the Employer Trust established by the City with ICMA Retirement Corporation during November 1997.

Trust Deed Program

The City administers a Trust Deposit Fund that includes a deferred compensation plan funded solely by the voluntary salary reductions. The goal of the Trust Deed program is to invest participants' funds in short-term deeds of trust (notes). This investment option is administered within the City of Salinas by the City's appointed administrator of the Deferred Compensation Plan. Loans are based on equity after obtaining a fee appraisal. All property is physically inspected and the loan package is reviewed and approved/disapproved by a Deferred Compensation Committee. All employees are eligible to participate. The Plan had 208 participants and a balance of $4,987,340 in net position at June 30, 2025. The balance in these plans is available to employees only upon termination, retirement, death or unforeseen emergency. While the Employer Trust established by the City on December 15, 1998 protects these funds from creditors of the City, because the City administers the plan assets, they are included in the City's financial statements at June 30, 2025.

The Trust Deed Program is managed on a cash basis with interest posted when received and expenditures posted when paid. Interest and expenditures are allocated to participants based on month end cash balances. Trust deed notes secured by property taken back in foreclosure, are reevaluated based on the current market value of the property. When the value of property taken back in foreclosure is less than the note secured by that property, the note is written-down to current market value (less foreclosure and sales expenses) of the property. Gains are recognized only when properties are sold. Gains or losses are allocated to plan participants based on month end cash balances.

Note 16 – Retirement Programs (Continued)

F. Deferred Compensation Plans (Continued)

Trust Deed Program (Continued)

As of June 30, 2025, pursuant to GASB 72, properties held for resale were valued by independent real estate professionals (market approach) and trust deed notes were valued at their present value (income approach). The valuations are considered Level 3. The value of properties held for resale are reduced for cost of sales. The notes (loans) are valued based on amounts investors would likely pay for notes with interest rates ranging from 6% for all current loans discounted to provide loan to values ranging from 70% to 50% depending on property type and condition, borrowers payment history and term remaining on note. The change in net realizable values are reflected in the Statement of Changes in Fiduciary Net Assets.

Mass Mutual Financial Group (Empower Retirement)

The fourth Deferred Compensation plan was established in September 2000. This retirement savings plan enables employees to defer a portion of their current compensation for payment at later date, generally retirement. Salary deferrals (or contributions) are voluntary and are made through the ease of payroll deduction. Empower Retirement former Mass Mutual offers a variety of investment vehicles that vary in risks, term and return to the investment. These investment options are offered through a group variable annuity contract. There were 37 participants with a balance of $2,442,629 at June 30, 2025. All employees are eligible to participate through voluntary salary deductions. The assets for this plan are not reported on the City's financial statements.

Note 17 – Other Postemployment Benefits

Items related to other postemployment benefits are recorded in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Net OPEB Liability	$ 12,610,349	$ 815,342	$ 13,425,691
Deferred outflows of resources	3,127,824	202,235	3,330,059
Deferred inflows of resources	10,140,366	655,641	10,796,007
OPEB expense (credit)	(266,368)	(5,301)	(271,669)

A. General Information About the OPEB Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes.

For this report, the following timeframes are used:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024
Fiscal year end	June 30, 2025

Note 17 – Other Postemployment Benefits (Continued)

A. General Information About the OPEB Plan (Continued)

Plan Description: The City joined the Public Employees' Medical & Hospital Care Act (PEMHCA) in 2000 for Police and Miscellaneous employees, offered through the California Public Employees' Retirement System (CalPERS). It is an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS). The healthcare plan which provides medical insurance benefits to active and eligible retirees and their families in accordance with various labor agreements. Fire employees receive healthcare benefits for active and retiree members from a union sponsored plan.

OPEB Trust: The City joined The California Employers' Retiree Benefit Trust (CERBT) in 2011 to prefund it's OPEB liability. CERBT is an agent multiple employer defined plan for other postemployment benefits administered by CalPERS. The Plan includes participating employers of the State of California and public agencies. CalPERS is governed by a 13-member Board of Administration (the Board); two elected by CalPERS members, one elected by retired members of CalPERS, two appointed by the Governor, one public representative appointed jointly by the Speaker of the Assembly and Senate Rules Committee, and four ex-officio members: State Treasurer, State Controller, Director of California Department of Human Resources, and Designee of the State Personal Board. The Board is responsible for the management and control of CalPERS, including the exclusive control of the administration and investments of the Plan.

The plan information is as follows:

Fiscal year end	June 30, 2025
Plan type	Agent multiple-employer
OPEB trust	Yes
Special funding situations	No
Nonemployer contributing entities	No

Post-Employment Benefits Eligibility: The City provides post-retirement healthcare benefits to eligible employees who retire directly from the City after the age of 50 years (Age 52 for Miscellaneous PEPRA employees) and with five years of service or disability retirement. For Police and Fire Supervisors, the City pays 25% of retiree and spouse health insurance premium up to $100 per month plus PEMHCA AB2544 "unequal method" monthly benefit to retirees ($158 per month in 2025). The payment is made until Medicare eligibility, but no more than 10 years for non-supervisory Police retirees. For Miscellaneous employees, the City pays the PEMHCA "unequal method" monthly benefit to retirees ($158 per month in 2025). For IAFF (Fire employee), the City pays 25% of retiree and spouse health insurance premium up to $100 per month. The payment is made until Medicare eligibility.

Employees Covered: As of the June 30, 2024 actuarial valuation, the following current and former employees were covered by the benefit terms under the PEMHCA and Union Sponsor Plans:

	Number of Covered Participants
Inactive employees currently receiving benefits	154
Inactive employees entitled to, but not yet receiving benefits	293
Active employees	528
Total	975

Note 17 – Other Postemployment Benefits (Continued)

A. General Information About the OPEB Plan (Continued)

Contributions: The City intends to contribute to the Trust the actuarially determined contribution ("ADC") net of the pay-as-you-go benefits paid annually directly from employer resources. For the fiscal year ended June 30, 2025, the City's cash contributions were $333,818 in premium payments made on behalf of retirees, implied subsidy payments of $486,287, and administrative expenses of $5,518, resulting in total payments of $825,623.

Discount Rate: The discount rate used to measure the total OPEB liability was 5.28%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Expected Long Rate of Return: The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation CERBT-Strategy 1	Expected Real Rate of Return
Global equity	49.00%	4.56%
Fixed income	23.00%	1.56%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITs	20.00%	4.06%
	100.00%	
Assumed long-term rate of inflation		2.50%
Expected long-term rate of return, rounded		6.25%

Note 17 – Other Postemployment Benefits (Continued)

B. Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

Changes in the OPEB Liability: The changes in the net OPEB liability for the City Plan are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024	$ 17,308,909	$ 4,350,748	$ 12,958,161
Changes Recognized for the Measurement Period:			
Service Cost	774,430	-	774,430
Interest on the total OPEB liability	926,135	-	926,135
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	(142,193)	-	(142,193)
Contribution from the employer	-	621,272	(621,272)
Net investment income	-	477,784	(477,784)
Administrative expenses	-	(8,214)	8,214
Benefit payments	(614,476)	(614,476)	-
Net changes during July 1, 2024 to June 30, 2025	943,896	476,366	467,530
Balance at June 30, 2025	$ 18,252,805	$ 4,827,114	$ 13,425,691

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (5.28%) in measuring the Net OPEB Liability.

Plan's Total OPEB Liabiltiy		
Discount Rate -1% (4.28%)	Current Discount Rate (5.28%)	Discount Rate +1% (6.28%)
$ 15,638,041	$ 13,425,691	$ 11,572,015

Healthcare Trend Sensitivity Analysis: The following presents the net OPEB liability of the City if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

Plan's Total OPEB Liabiltiy		
	Healthcare Cost	
-1%	Trend Rate	+1%
$ 11,161,916	$ 13,425,691	$ 16,237,722

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2025, the City recognized OPEB expense/(credit) of $(271,669).

Note 17 – Other Postemployment Benefits (Continued)

B. Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued):

As of fiscal year ended June 30, 2025, the City reported deferred outflows of resources and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	$ 825,623	$ -
Differences between expected and actual experience	-	(5,137,628)
Changes in assumptions	2,449,632	(5,658,379)
Net difference between projected and actual earnings of OPEB Plan investments	54,804	-
	$ 3,330,059	$ (10,796,007)

Deferred outflows of resources in the amount of $825,623 related to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2026.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expenses as follows:

Year Ending June 30	Amount
2026	$ (1,727,816)
2027	(1,497,789)
2028	(1,549,851)
2029	(1,440,764)
2030	(1,233,203)
Thereafter	(842,148)
Total	$ (8,291,571)

Recognition of Deferred Outflows and Deferred Inflows of Resources: To smooth market volatility, gains and losses related to changes in total OPEB liability and fiduciary net position are recognized over nine and half years. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

Note 17 – Other Postemployment Benefits (Continued)

B. Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Actuarial Methods and Assumptions Used to Determine the OPEB Liability: The City's net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 based on the following significant actuarial methods and assumptions:

Actuarial valuation date	June 30, 2023
Contribution policy	City contributes $250,000 annually and pays benefit outside of trust
Discount rate	5.28%
Municipal bond rate	3.93% (Bond Buyer 20-bond Index)s
Expected long-term rate of return on investment	6.25%
General inflation	2.50%
Mortality, retirement, disability, termination	CalPERS 2000-2019 experience study
Mortality improvement	Mortality projected fully generational with Scale MP-2021
Salary increases	Aggregate - 2.75% annually; merit - CalPERS 2000-2019 Experience Study
Medical trend	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
	Medicare - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA minimum increases	3.50% annually
Cap increases	None
Healthcare participation	100% for Safety $100 benefit
	50% for PEMHCA benefit if covered as active
	5% for PEMHCA benefit if waived as active

Change of Assumptions

The discount rate was changed from 5.21% to 5.28%.

Note 18 – Net Position and Fund Balances

A. Government-Wide Financial Statements

Net Investment in Capital Assets

The following is the calculation of net investment in capital assets at June 30, 2025:

	Governmental Activities	Business-type Activities	Total
Capital assets, net of accumulated depreciation and amortization	$ 330,166,241	$ 62,072,885	$ 392,239,126
Less: unspent proceeds	(13,287)	-	(13,287)
Less: outstanding principal on capital related debt, net	(109,314,987)	(19,322,000)	(128,636,987)
Add: loss on refunding of debt	432,594	77,290	509,884
Net investment in capital assets	$ 221,270,561	$ 42,828,175	$ 264,098,736

Note 18 – Net Position and Fund Balances (Continued)

B. Fund Financial Statements

Fund Balance Classification

It is the policy of the City to maintain a minimum reserve for a reasonable level of assurance that the City's day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures. The minimum reserve of the General Fund is 5% of the next year's General Fund annual budgeted operating expenditures, as calculated by the Finance Director. The minimum fund balance is shown as unassigned in the General Fund.

At June 30, 2025, fund balances are classified in the governmental funds as follows:

	General Fund	American Rescue Plan Act (ARPA) Special Revenue Fund	Housing and Urban Development Grant Special Revenue Fund	Development Fees Special Revenue Fund	2019 Special Tax Bond Monte Bella Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable								
Loans and notes receivable	$ -	$ -	$ 1,872,125	$ -	$ -	$ -	$ 51,571	$ 1,923,696
Advances (long-term portion)	2,785,000	-	-	-	-	-	-	2,785,000
Land held for resale	-	-	-	-	-	-	1,380,000	1,380,000
Total nonspendable	2,785,000	-	1,872,125	-	-	-	1,431,571	6,088,696
Restricted								
Public safety	-	-	-	-	-	-	3,864,071	3,864,071
Future development	-	-	-	35,911,590	-	-	-	35,911,590
Maintenance districts	-	-	-	-	-	-	10,957,823	10,957,823
Street repairs	-	-	-	-	-	-	37,569,569	37,569,569
Grants/special projects	-	-	-	-	-	-	1,281,839	1,281,839
Low/moderate income housing	-	-	1,257,218	-	-	-	8,647,134	9,904,352
115 trust reserve	10,000,000	-	-	-	-	-	-	10,000,000
Capital projects	-	-	-	-	-	-	3,587,917	3,587,917
Debt service	-	-	-	-	987,034	-	8,080,567	9,067,601
Total restricted	10,000,000	-	1,257,218	35,911,590	987,034	-	73,988,920	122,144,762
Committed								
Capital projects	11,219,626	-	-	-	-	7,153,469	-	18,373,095
Economic contingency reserve	20,696,553	-	-	-	-	-	-	20,696,553
Infrastructure maintenance reserve	4,260,000	-	-	-	-	-	-	4,260,000
OPEB reserve	1,000,000	-	-	-	-	-	-	1,000,000
Facilities maintenance reserve	1,066,000	-	-	-	-	-	-	1,066,000
Total committed	38,242,179	-	-	-	-	7,153,469	-	45,395,648
Assigned								
Carryover appropriations	24,825,000	-	-	-	-	-	-	24,825,000
Total assigned	24,825,000	-	-	-	-	-	-	24,825,000
Unassigned (deficit)	23,856,906	-	-	-	-	-	(1,268,984)	22,587,922
Total fund balances	$ 99,709,085	$ -	$ 3,129,343	$ 35,911,590	$ 987,034	$ 7,153,469	$ 74,151,507	$ 221,042,028

C. Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled (executor contracts; and open purchase orders). Commitments for such expenditures of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures and liabilities but, rather, as restricted, committed, or assigned governmental fund balance.

As of June 30, 2025, total governmental fund encumbrance balances for the City are as follows:

General Fund	$ 73,067,179
Nonmajor governmental funds	66,488,170
Total encumbrances	$ 139,555,349

Note 19 – Other Required Disclosures

A. Expenditures Exceeding Appropriations

For the year ended June 30, 2025, the following funds had excess expenditures over appropriations, which are expected to be covered with existing fund balance or had sufficient available revenue:

Fund	Function	Excess Expenditures over Appropriations
General Fund	Capital outlay	$ (952,824)
Measure G	Public safety	(610,626)
Lighting, Landscape, and Maintenance District Special Revenue Fund	Recreation	(7,057)
KDF Los Padres Dev Social Services Special Revenue Fund	Recreation	(17,175)
Grants Special Revenue Fund	Public works	(5,643)

B. Net Position Deficit and Restrictions

At June 30, 2025, the governmental activities had an unrestricted net position deficit of $(129,249,480). This deficit is primarily attributable to the long-term pension and OPEB obligations reported under GASB Statements 68 and 75, including a net pension liability of approximately $226.1 million and a total OPEB liability of approximately $12.6 million.

At June 30, 2025, the following funds had a deficit fund balance or deficit net position:

Fund Type	Fund	Deficit
Governmental	Emergency Medical Services	$ (95,989)
Governmental	Traffic Safety	(59,575)
Governmental	Grants	(401,273)
Governmental	Assessment District Debt Service	(709,969)
Governmental	Assessment District Administration	(2,178)
Enterprise	Downtown Parking District Fund	(5,665,305)
Internal Service Fund	General Insurance	(332,585)
Internal Service Fund	Workers Compensation	(15,518,969)
Internal Service Fund	General Liability	(750,036)
Internal Service Fund	Fleet Maintenance	(1,144,925)
Custodial Fund	Flexible Spending	(91,101)

Nonmajor Governmental Funds
The deficit fund balances in the special revenue funds Emergency Medical Services fund of $95,989 is due to increased expenditures in emergency equipment and supplies. The deficit fund balance in the Traffic Safety special revenue fund of $59,575 is a result of increased services in vehicle code violations provided by Monterey County. The deficit fund balance in the Grants special revenue fund of $401,273 is due to temporary cash shortfalls experienced while waiting for grant reimbursement. These deficits will decline as claims are submitted for reimbursement to state and federal agencies and unavailable funds become available. The deficit fund balance in the Debt Service Funds Assessment District debt service fund of $709.969 is due to amounts owed to the General Fund. The deficit fund balance in the Assessment District Administration debt service fund of $2,178 is due to amounts owed to the General Fund.

Note 19 – Other Required Disclosures (Continued)

B. Net Position Deficit and Restrictions (Continued)

Enterprise Funds – Downtown Parking District Fund
The deficit net position in the Downtown Parking District Fund of $5,665,305 is a result of historical operating costs in excess of operating revenue. This deficit will continue to decline over time as revenues outpace expenses.

Internal Service Funds
The deficit net position in the General Insurance, General Liability, and Worker's Compensation fund of $332,585, 750,036, and 15,518,969, respectively, are the result of insurance costs exceeding charges for services in the funds. The City is reevaluating their internal service fund allocations in order to ensure that charges for services in internal service funds are sufficient to cover the costs of providing services moving forward. The deficit net position in the Fleet Maintenance internal service fund is due to long-term net pension and other postemployment (OPEB) liabilities, with costs recovered through charges to participating departments that management reviews and adjusts during the budget process.

Custodial Funds
The deficit net position in the custodial Flexible Spending fund of $91,101 is the result of expenses exceeding plan member contributions during the fiscal year. The deficit is expected to be made up through future member contributions.

Note 20 – Joint Venture – Salinas Valley Solid Waste Authority

The Salinas Valley Solid Waste Authority ("Authority") is a joint exercise of powers authority, created pursuant to an agreement dated as of January 1, 1997 (the "Authority Agreement) among the County of Monterey, and the cities of Salinas, Gonzales, Greenfield, Soledad, and King City (the "Members"). The Authority was established to acquire and manage the landfill assets of each member, ensure long-term landfill capacity of the Authority service area and provide a unified and coordinated solid waste management for the members.

The Authority is governed by a nine-member governing board, consisting of three members of the Salinas City Council, two members of the Monterey County Board of Supervisors, and one member from each patriating city. Pursuant to the Authority Agreement, while the City does not have unilateral control over the activities of the Authority, the affirmative vote of at least one member of the Authority Board who is a member of the Salinas City Council is required to approve Board actions.

With the formation of the Authority, each participating jurisdiction contractually agreed to its responsibilities. In addition, the Authority adopted waste delivery agreements with each Member of the Authority. Each member has committed to deliver waste generated within its boundaries to the Authority's solid waste facilities, to direct its franchise/permitted solid waste haulers to dispose of waste at these facilities, and to pay tipping fees set by the Authority to cover all Authority-related costs.

The agreement may be terminated under specific terms of withdrawal, which includes a majority vote of the City Council, repayment of all outstanding debt and funding of closure, post closure and site remediation costs upon withdrawal from or termination of the Authority. The members have made no equity contributions or have sold their interest in their assets to the Authority, and there is no explicit, measurable equity interest in this joint venture.

The City had no measurable equity interest in the Authority and does not receive a share of operating results. The Authority is currently funding the closure, post closure and site remediation costs based on estimates of these future costs. The Annual Financial Report of the Salinas Valley Solid Waste Authority is published and available from the Authority Treasurer at the Authority's Finance Department located at 128 Sun Street, Suite 101, Salinas, CA 93901.

Note 20 – Joint Venture – Salinas Valley Solid Waste Authority (Continued)

On December 6, 2018, the City issued a notice of intention to withdraw from the Joint Powers Agreement (the "Agreement") Pursuant to Section 19 of the Joint Powers Agreement, the notice serves as a one-year notice. The City's notice of intent to withdraw as a member of the Authority merely served as notice to the Authority and its remaining members. The one-year term has passed without any further action from the City or the Authority. However, the City and Authority representatives are working on finding a resolution to the notice.

The City understands and acknowledges its obligation to continue paying its share of the 2014 Bonds as regularly scheduled and agrees to continue paying its share of the obligation after withdrawal from the Authority, should withdrawal occur. In addition, the City understands and acknowledges its obligation to pay its share of financial liability for closure and post-closure and site remediation costs as further described in Section 19(a) of the Agreement. If the City withdraws from the Authority arrangements must be made to meet this obligation.

Note 21 – Commitments and Contingencies

Claims and Litigation

The City is directly and indirectly involved in various suits relating principally to claims arising from construction contracts, personal injury, and property damage. In the opinion of the City Attorney and City's management, potential claims against the City resulting from such litigation, not covered by insurance, would not materially affect the basic financial statements of the City. As a result, no liability has been accrued by the City relating to these matters as of June 30, 2025.

Note 22 – Changes to or within the Financial Reporting Entity

As of June 30, 2025, changes to or within the financial reporting entity restatement of beginning fund net position is as follows:

	June 30, 2024 As Previously Reported	Change to or within the Financial Reporting Entity	June 30, 2024 As Restated
Governmental Funds:			
Major Funds:			
Development Fees Special Revenue Fund	$ -	$ 21,108,375	$ 21,108,375
Nonmajor Funds	78,723,051	(21,108,375)	57,614,676
Total Governmental Funds	$ 78,723,051	$ -	$ 78,723,051

Note 23 – Subsequent Events

On September 23, 2025, the City entered into a Purchase and Sale Agreement for the transfer of City-owned properties located at 342 Front Street and 323 California Street to the Monterey County Office of Education (MCOE) for $2,500,000. The properties had been leased to MCOE since 2003, and the City determined that they were no longer necessary for municipal purposes and qualified as exempt surplus land pursuant to the California Surplus Land Act.

The City Council also authorized the direct purchase and/or lease-financing of two Type 1 fire engines, one tiller ladder truck, and one BME Type 6 wildland engine from Golden State Fire Apparatus, Inc. The total authorized purchase amount was $5,404,476.31, with an additional 5 percent contingency of $270,223.82, excluding financing costs. The City also approved the use of proceeds from the sale of the City's surplus properties at 342 Front Street and 323 California Street to fund a portion of the fire apparatus acquisitions.

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REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Information

The budget is prepared by the City Manager and adopted by the City Council. The City Council approves operating appropriations at the department and fund level prior to July 1, each year and may amend the budget during the fiscal year. Budgetary control is maintained at the program level. Formal budgetary integration was employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds and Internal Service Funds.

Budgets are legally adopted for all Governmental and Proprietary Fund Types. Fiduciary Funds and Agency Funds have no adopted budgets because the City is only required to make payments to the extent funds are available. Agency Fund budgets that are approved by their respective governing boards are recorded in the City's accounting system.

The City Manager may transfer budget appropriations between departments and Department Directors may transfer appropriations between programs and accounts within their individual departments and divisions, but only the Council may appropriate funds from reserves or fund balances.

Budget policy excludes the use of taxes, accounts receivable, interest receivable assets and long-term advances that are not currently available resources for budget purposes. Condemnation deposits, are also excluded because they are returned upon right of way acquisition.

Expenditures may not legally exceed budgeted appropriations at the department level. Budgeted amounts shown are as originally adopted and as amended by the City Council during the year. During the year, Council amends the budget with the approval of supplemental appropriations and reviews and amends the budget at mid-year and at year-end.

Appropriations lapse at fiscal year end to the extent they have not been expended. New budget appropriations are approved for the coming year. Project-length financial plans are adopted for all capital projects funds and appropriations are carried forward until project completion. Grant funds are carried forward until the grant expires.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are recorded as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

On November 8, 2005, the voters of Salinas approved Measure V, a 0.50% transactions and use tax. Measure V is a general tax and is reported as part of the General Fund. The tax was effective April 1, 2005 and had an original sunset of ten (10) years. Measure V was revised by the voters on November 6, 2012 eliminating a termination date on the imposition of the tax through Measure E. The Measure E Oversight Committee is a fundamental provision of the voter-approved tax. The Mayor and City Council each annually appoints one member of the public to serve on the Oversight Committee. The committee is responsible for and overseeing the use of Measure E funds to assure consistency with the voter approved tax and the appropriated use of Measure E funds.

On November 4, 2014, the voters of Salinas approved Measure G (For a Safer Better Salinas), a 1.00% transactions and use tax. Measure G is a general tax and is reported as part of the General Fund. The tax was effective April 1, 2015 and had a sunset date of fifteen (15) years. The Measure G Oversight Committee is a fundamental provision of the voter-approved tax. The Mayor and City Council each annually appoints one member of the public to serve on the Oversight Committee. The committees' main responsibilities include the review of the auditor's report of the specific uses of Measure G funds and to issue a public report to the City Council regarding the use of revenue and such other matters as the City Council may assign.

The adopted FY 2025 budget represents the financial and organizational plan by which the policies and programs approved by the City Council will be implemented. It includes: (1) the programs, projects, services and activities to be provided during the fiscal year; (2) estimated revenues available to finance the operating plan; and (3) the estimated spending requirements of the operating plan. The City's goals and objectives identified by the City Council in the Strategic Plan thru 2025 was approved on March 8, 2022, following a strategic planning session on December 4, 2021 and are as follows:

- Economic Development
- Affordable Housing
- Infrastructure and Environmental Sustainability
- Excellent Infrastructure
- Public Safety
- Youth and Seniors
- Effective and Culturally Responsive Government

On May 25, 2021, the City Council was introduced and reviewed the proposed operating budget for the City of Salinas and Successor Agency. The Salinas City Council adopted FY 2025 Annual Operating Budgets on June 13, 2024. Capital project budget is updated annually.

Annual budgets are prepared for General Governmental Funds, Internal Service, Enterprise Operations, Assessment and maintenance Districts, Block Grant and Home programs, certain Grant and City Agencies, Deferred Compensation and Retirement, Debt Service, Successor Agency and Capital Project Funds.

The annual appropriation resolution adopts the budget at an appropriation level by fund, with detail expenditure by departments and programs included in the budget document.

GENERAL FUND

The General Fund's fund balance increased $3,756,478 to $39,911,844, of which $2,785,000 is nonspendable, $6,000,000 is restricted, $21,007,693 is committed, $8,134,366 is assigned and $5,172,215 is unassigned.

General Fund reserves have been set-aside by Council for specific purposes. Under the Reserved fund balance category, the General Fund nonspendable fund balance of $2,785,000 includes advances ($2,785,000). Committed funds balance of $21,362,658 are committed for capital projects, reserves, and future encumbrances. Carryover appropriations of $8,134,366 are under the assigned fund balance category.

MEASURE E

Measure E is a general tax (discretionary) and is reported as part of the General Fund. The Measure E fund balance increased $4,019,991 to $26,302,852, of which $1,320,000 is restricted , $3,713,235 is committed for future encumbrances, $7,702,794 is assigned, and $13,566,823 is unassigned.

MEASURE G

Measure G is a general tax (discretionary) and is reported as part of the General Fund. The Measure G fund balance increased $2,214,991 to $29,951,993, of which $2,680,000 is restricted, $13,166,286 is committed for future encumbrances, $8,987,839 is assigned and $5,117,868 is unassigned.

BUDGETARY RESULTS RECONCILED TO GAAP

The budgetary process is based upon accounting for certain transactions on a basis other than the accounting principles generally accepted in the United States (GAAP) basis. The results of operations are presented in the accompanying budget and actual comparison schedules in accordance with the budgetary process (budgetary basis) to provide a meaningful comparison with the budget. The major differences between the budgetary basis actual and GAAP basis are as follows:

- Year-end encumbrances are recognized as the equivalent of expenditures in the budgetary basis financial statements, while encumbered amounts are not recognized as expenditures on the GAAP basis until the equipment, supplies, or services are received.

- Certain loan transactions are recognized as expenditures for the budgetary basis but not for the GAAP basis. When these loans are made, they are recorded as receivables for the GAAP basis and as expenditures for the budgetary basis. When loan repayments are received, they are recorded as reductions to receivables for the GAAP basis, but are recognized as revenues for the budgetary basis.

- Certain accounts such as the change in fair market value of investments included in the City's GAAP basis amounts, for which no formal budgets are prepared, are excluded from the budgetary basis financial statements.

- Certain grant revenues received in advance are recognized on the budgetary basis financial statements, but are deferred and not recognized as revenue on the GAAP basis financial statements. This process normally creates a variance in recognized revenue from the prior year to the current year.

City of Salinas
Budgetary Comparison Schedules – General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	$ 153,008,000	$ 153,008,000	$ 159,755,172	$ 6,747,172
Licenses and permits	10,381,000	10,381,000	10,919,325	538,325
Intergovernmental	1,139,000	1,139,000	1,428,928	289,928
Charges for services	5,387,150	5,387,150	9,305,281	3,918,131
Investment income (loss)	3,269,800	3,269,800	5,470,058	2,200,258
Rental income	330,000	330,000	406,138	76,138
Fines and forfeitures	275,000	275,000	198,664	(76,336)
Miscellaneous	914,000	914,000	1,018,083	104,083
Total revenues	174,703,950	174,703,950	188,501,649	13,797,699
EXPENDITURES:				
Current:				
General government	34,507,106	35,743,773	30,168,986	5,574,787
Public safety	90,256,244	90,584,264	89,123,418	1,460,846
Public works	18,749,440	19,032,936	16,986,137	2,046,799
Recreation	8,595,947	9,651,940	8,858,018	793,922
Library	6,136,900	6,136,901	6,095,902	40,999
Capital outlay	174,618	196,041	406,690	(952,824)
Debt Service:				
Principal	915,190	915,190	1,148,865	915,190
Interest and fiscal charges	164,820	164,820	163,990	830
Total expenditures	159,500,265	162,425,865	152,952,006	9,880,549
REVENUES OVER (UNDER) EXPENDITURES	15,203,685	12,278,085	35,549,643	3,917,150
OTHER FINANCING SOURCES (USES):				
Transfers in	4,977,200	4,977,200	2,465,000	(2,512,200)
Transfers out	(26,047,600)	(72,650,489)	(32,906,888)	39,743,601
Total other financing sources (uses)	(21,070,400)	(67,673,289)	(30,202,247)	37,471,042
Net change in fund balance	$ (5,866,715)	$ (55,395,204)	5,347,396	$ 60,742,600
FUND BALANCE:				
Beginning of year			94,361,689	
End of year			$ 99,709,085	

City of Salinas
Budgetary Comparison Schedules – ARPA Fund
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ -	$ -	$ 20,862,978	$ 20,862,978
Total revenues	-	-	20,862,978	20,862,978
EXPENDITURES:				
Current:				
General government	-	2,608,650	2,111,974	496,676
Public safety	-	2,151,759	2,151,759	-
Public works	-	5,347,216	4,558,006	789,210
Recreation	-	208,908	159,249	49,659
Capital outlay	-	15,250,280	11,881,990	15,250,280
Total expenditures	-	25,566,813	20,862,978	16,585,825
Net change in fund balance	$ -	$ (25,566,813)	-	$ 25,566,813
FUND BALANCE:				
Beginning of year			-	
End of year			$ -	

City of Salinas
Budgetary Comparison Schedules – HUD Fund
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ -	$ 21,767,741	$ 15,047,496	$ (6,720,245)
Investment income (loss)	-	40,000	147,690	107,690
Miscellaneous	-	221,676	409,167	187,491
Total revenues	-	22,029,417	15,604,353	(6,425,064)
EXPENDITURES:				
Current:				
General government	3,409,380	22,224,899	9,977,132	12,247,767
Public safety	-	100	100	-
Public works	-	13,360	3,413	9,947
Capital outlay	-	8,594,600	1,327,949	8,594,600
Total expenditures	3,409,380	30,832,959	11,308,594	20,852,314
REVENUES OVER (UNDER) EXPENDITURES	(3,409,380)	(8,803,542)	4,295,759	(13,099,301)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,517,244)	(1,175,219)	342,025
Total other financing sources (uses)	-	(1,517,244)	(1,109,641)	407,603
Net change in fund balance	$ (3,409,380)	$ (10,320,786)	3,186,118	$ 13,506,904
FUND BALANCE (DEFICIT):				
Beginning of year			(56,775)	
End of year			$ 3,129,343	

City of Salinas
Budgetary Comparison Schedules – Development Fees
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	$ 1,455,000	$ 1,455,000	$ 14,000,440	$ 12,545,440
Investment income (loss)	336,400	336,400	1,385,115	1,048,715
Total revenues	1,791,400	1,791,400	15,385,555	13,594,155
REVENUES OVER (UNDER) EXPENDITURES	1,791,400	1,791,400	15,385,555	13,594,155
OTHER FINANCING SOURCES (USES):				
Transfers out	(700,000)	(16,588,555)	(582,340)	16,006,215
Total other financing sources (uses)	(700,000)	(16,588,555)	(582,340)	16,006,215
Net change in fund balance	$ 1,091,400	$ (14,797,155)	14,803,215	$ 29,600,370
FUND BALANCE:				
Beginning of year			21,108,375	
End of year			$ 35,911,590	

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios – Miscellaneous Plan

City Miscellaneous Plans

	2025	2024	2023	2022	2021
Measurement Period, Year Ended June 30:	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	$ 4,078,307	$ 3,883,129	$ 3,581,707	$ 3,130,339	$ 3,162,904
Interest on total pension liability	11,033,877	10,520,930	9,882,781	9,498,842	8,959,786
Changes in benefit terms	-	163,259	-	-	-
Differences between expected and actual experience	(53,982)	2,096,099	(1,973,792)	727,132	588,822
Changes in assumptions	-	-	5,420,045	-	-
Benefit payments, including refunds of employee contributions	(7,140,385)	(6,886,917)	(6,365,156)	(5,481,505)	(5,107,076)
Net change in total pension liability	7,917,817	9,776,500	10,545,585	7,874,808	7,604,436
Total pension liability - beginning	161,496,279	151,719,779	141,174,194	133,299,386	125,694,950
Total pension liability - ending (a)	$ 169,414,096	$ 161,496,279	$ 151,719,779	$ 141,174,194	$ 133,299,386
Plan fiduciary net position					
Contributions - employer	$ 5,034,807	$ 4,713,873	$ 4,193,288	$ 4,273,977	$ 7,793,322
Contributions - employee	1,911,248	1,688,999	1,584,132	1,464,611	1,411,627
Net investment income	11,606,038	7,090,560	(9,339,092)	22,935,564	4,662,415
Benefit payments, including refunds of employee contributions	(7,140,385)	(6,886,917)	(6,365,156)	(5,481,505)	(5,107,076)
Net plan to plan resource movement	-	-	-	-	383,290
Administrative expense	(97,968)	(83,739)	(77,170)	(100,678)	(129,381)
Other miscellaneous income/expense	-	-	-	-	-
Net change in plan fiduciary net position	11,313,740	6,522,776	(10,003,998)	23,091,969	9,014,197
Plan fiduciary net position - beginning	120,398,293	113,875,517	123,879,515	100,787,546	91,773,349
Plan fiduciary net position - ending (b)	$ 131,712,033	$ 120,398,293	$ 113,875,517	$ 123,879,515	$ 100,787,546
Net pension liability - ending (a) - (b)	$ 37,702,063	$ 41,097,986	$ 37,844,262	$ 17,294,679	$ 32,511,840
Plan fiduciary net position as a percentage of the total pension liability	77.75%	74.55%	75.06%	87.75%	75.61%
Covered payroll	$ 25,229,673	$ 23,750,027	$ 21,667,920	$ 20,799,596	$ 20,946,385
Plan net pension liability as a percentage of covered payroll	149.44%	173.04%	174.66%	83.15%	155.21%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios – Miscellaneous Plan (Continued)

City Miscellaneous Plans

	2020	2019	2018	2017	2016
Measurement Period, Year Ended June 30:	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	$ 3,157,247	$ 3,099,429	$ 2,873,548	$ 2,135,480	$ 2,197,484
Interest on total pension liability	8,430,817	7,806,166	7,282,974	6,801,939	6,445,778
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	2,005,995	1,457,261	489,759	(996,921)	(1,789,044)
Changes in assumptions	-	(752,607)	6,388,079	-	(1,686,636)
Benefit payments, including refunds of employee contributions	(4,456,008)	(3,952,236)	(3,361,268)	(3,116,204)	(2,803,130)
Net change in total pension liability	9,138,051	7,658,013	13,673,092	4,824,294	2,364,452
Total pension liability - beginning	116,556,899	108,898,886	95,225,794	90,401,500	88,037,048
Total pension liability - ending (a)	$ 125,694,950	$ 116,556,899	$ 108,898,886	$ 95,225,794	$ 90,401,500
Plan fiduciary net position					
Contributions - employer	$ 3,511,716	$ 3,133,948	$ 3,232,477	$ 2,635,818	$ 2,037,528
Contributions - employee	1,501,635	1,403,836	1,331,850	1,339,737	987,786
Net investment income	5,681,706	6,712,207	7,844,830	375,028	1,500,373
Benefit payments, including refunds of employee contributions	(4,456,008)	(3,952,236)	(3,361,268)	(3,116,204)	(2,803,130)
Net plan to plan resource movement	-	(199)	-	365	-
Administrative expense	(61,083)	(122,563)	(102,919)	(41,756)	(77,059)
Other miscellaneous income/expense	199	(232,749)	-	-	-
Net change in plan fiduciary net position	6,178,165	6,942,244	8,944,970	1,192,988	1,645,498
Plan fiduciary net position - beginning	85,595,184	78,652,940	69,707,970	68,514,982	66,869,484
Plan fiduciary net position - ending (b)	$ 91,773,349	$ 85,595,184	$ 78,652,940	$ 69,707,970	$ 68,514,982
Net pension liability - ending (a) - (b)	$ 33,921,601	$ 30,961,715	$ 30,245,946	$ 25,517,824	$ 21,886,518
Plan fiduciary net position as a percentage of the total pension liability	73.01%	73.44%	72.23%	73.20%	75.79%
Covered payroll	$ 20,634,254	$ 20,051,944	$ 18,618,295	$ 15,300,421	$ 15,513,480
Plan net pension liability as a percentage of covered payroll	164.39%	154.41%	162.45%	166.78%	141.08%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contribution – Miscellaneous Plan

Fiscal Year Ended June 30:	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 5,804,078	$ 5,034,807	$ 4,713,873	$ 4,193,288	$ 4,273,977
Contributions in relation to the actuarially determined contribution	(5,804,078)	(5,034,807)	(4,713,873)	(4,193,288)	(4,273,977)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 26,008,064	$ 25,299,673	$ 23,750,027	$ 21,667,920	$ 20,799,596
Contributions as a percentage of covered payroll	22.32%	19.90%	19.85%	19.35%	20.55%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2021 Funding Valuation
Inflation	2.50%
Salary increases	Varies based on entry age and service
Payroll growth	2.75%
Investment rate of return	7.00% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other Information:
For changes to previous years' information, refer to past GASB 68 reports.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contribution – Miscellaneous Plan (Continued)

Fiscal Year Ended June 30:	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 3,857,093	$ 3,511,716	$ 3,133,731	$ 3,231,650	$ 2,635,818
Contributions in relation to the actuarially determined contribution	(7,793,322)	(3,511,716)	(3,133,731)	(3,231,650)	(2,635,818)
Contribution deficiency (excess)	$ (3,936,229)	$ -	$ -	$ -	$ -
Covered payroll	$ 20,946,385	$ 20,634,254	$ 20,051,944	$ 18,618,295	$ 15,300,421
Contributions as a percentage of covered payroll	37.21%	17.02%	15.63%	17.36%	17.23%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2021 Funding Valuation
Inflation	2.50%
Salary increases	Varies based on entry age and service
Payroll growth	2.75%
Investment rate of return	7.00% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other Information:

For changes to previous years' information, refer to past GASB 68 reports.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratio – City Police Plan

	2025	2024	2023	2022	2021
Measurement Period, Year Ended June 30:	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	$ 6,619,453	$ 6,485,353	$ 6,757,790	$ 6,086,593	$ 6,156,433
Interest on total pension liability	25,361,824	24,606,993	23,595,755	22,716,035	22,017,085
Changes in benefit terms	-	146,047	-	-	-
Differences between expected and actual experience	(1,298,281)	2,343,505	(1,552,114)	(2,364,429)	1,696,481
Changes in assumptions	-	-	13,527,486	-	-
Benefit payments, including refunds of employee contributions	(19,129,246)	(18,713,828)	(17,388,668)	(16,317,199)	(15,680,099)
Net change in total pension liability	11,553,750	14,868,070	24,940,249	10,121,000	14,189,900
Total pension liability - beginning	375,115,843	360,247,773	335,307,524	325,186,524	310,996,624
Total pension liability - ending (a)	$ 386,669,593	$ 375,115,843	$ 360,247,773	$ 335,307,524	$ 325,186,524
Plan fiduciary net position					
Contributions - employer	$ 13,750,190	$ 13,151,466	$ 12,406,841	$ 11,629,887	$ 10,297,024
Contributions - employee	2,265,826	2,176,654	2,127,269	2,305,151	1,946,146
Net investment income	23,156,908	14,237,556	(19,126,756)	46,981,535	9,999,235
Benefit payments, including refunds of employee contributions	(19,129,246)	(18,713,828)	(17,388,668)	(16,317,199)	(15,680,099)
Net plan to plan resource movement	-	-	-	-	(383,290)
Administrative expense	(195,043)	(168,406)	(156,453)	(206,540)	(283,165)
Other miscellaneous income/expense1	-	-	-	-	-
Net change in plan fiduciary net position	19,848,635	10,683,442	(22,137,767)	44,392,834	5,895,851
Plan fiduciary net position - beginning2	239,697,612	229,014,170	251,151,937	206,759,103	200,863,252
Plan fiduciary net position - ending (b)	$ 259,546,247	$ 239,697,612	$ 229,014,170	$ 251,151,937	$ 206,759,103
Net pension liability - ending (a) - (b)	$ 127,123,346	$ 135,418,231	$ 131,233,603	$ 84,155,587	$ 118,427,421
Plan fiduciary net position as a percentage of the total pension liability	67.12%	63.90%	63.57%	74.90%	63.58%
Covered payroll[3]	$ 20,156,678	$ 19,748,334	$ 20,251,095	$ 19,916,863	$ 19,776,528
Plan net pension liability as a percentage of covered payroll	630.68%	685.72%	648.03%	422.53%	598.83%

[1]During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.
Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

[2]Includes any beginning of year adjustment.

[3] Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratio – City Police Plan (Continued)

	2020	2019	2018	2017	2016
Measurement Period, Year Ended June 30:	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	$ 6,076,786	$ 5,603,486	$ 5,171,913	$ 4,462,598	$ 4,440,981
Interest on total pension liability	21,051,415	19,772,458	18,658,643	17,933,618	17,475,350
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	6,664,829	6,096,574	(2,807)	(4,299,665)	(5,739,808)
Changes in assumptions	-	(1,307,343)	16,117,523	-	(4,436,648)
Benefit payments, including refunds of employee contributions	(15,037,162)	(13,742,608)	(12,772,896)	(11,890,953)	(11,383,179)
Net change in total pension liability	18,755,868	16,422,567	27,172,376	6,205,598	356,696
Total pension liability - beginning	292,240,756	275,818,189	248,645,813	242,440,215	242,083,519
Total pension liability - ending (a)	$ 310,996,624	$ 292,240,756	$ 275,818,189	$ 248,645,813	$ 242,440,215
Plan fiduciary net position					
Contributions - employer	$ 9,485,870	$ 8,260,458	$ 7,798,560	$ 6,462,584	$ 5,540,793
Contributions - employee	1,993,713	1,816,971	1,625,541	1,512,655	1,350,215
Net investment income	12,630,434	15,347,329	18,439,075	800,238	3,733,737
Benefit payments, including refunds of employee contributions	(15,037,162)	(13,742,608)	(12,772,896)	(11,890,953)	(11,383,179)
Net plan to plan resource movement	-	(447)	-	19,216	-
Administrative expense	(136,963)	(282,146)	(245,410)	(103,251)	(190,690)
Other miscellaneous income/expense1	444	(535,801)	-	-	-
Net change in plan fiduciary net position	8,936,336	10,863,756	14,844,870	(3,199,511)	(949,124)
Plan fiduciary net position - beginning2	191,926,916	181,063,160	166,218,290	169,417,801	170,366,925
Plan fiduciary net position - ending (b)	$ 200,863,252	$ 191,926,916	$ 181,063,160	$ 166,218,290	$ 169,417,801
Net pension liability - ending (a) - (b)	$ 110,133,372	$ 100,313,840	$ 94,755,029	$ 82,427,523	$ 73,022,414
Plan fiduciary net position as a percentage of the total pension liability	64.59%	65.67%	65.65%	66.85%	69.88%
Covered payroll[3]	$ 19,051,278	$ 17,967,376	$ 16,214,420	$ 15,715,033	$ 15,494,316
Plan net pension liability as a percentage of covered payroll	578.09%	558.31%	584.39%	524.51%	471.29%

[1]During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.
Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

[2]Includes any beginning of year adjustment.

[3] Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
City Police Plans

Fiscal Year Ended June 30:	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 14,853,506	$ 13,750,190	$ 13,151,466	$ 12,406,841	$ 11,629,887
Contributions in relation to the actuarially determined contribution	(14,853,506)	(13,750,190)	(13,151,466)	(12,406,841)	(11,629,887)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 20,721,065	$ 20,156,678	$ 19,748,334	$ 20,251,095	$ 19,916,863
Contributions as a percentage of covered payroll	71.68%	68.22%	66.60%	61.27%	58.39%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies based on entry age and service
Payroll growth	2.80%
Investment rate of return	6.80% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

Other Information:

For changes to previous years' information, refer to past GASB 68 reports.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
City Police Plans (Continued)

Fiscal Year Ended June 30:	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 10,297,024	$ 9,485,870	$ 8,260,458	$ 7,798,560	$ 6,462,584
Contributions in relation to the actuarially determined contribution	(10,296,552)	(9,485,870)	(8,260,458)	(7,798,560)	(6,462,584)
Contribution deficiency (excess)	$ 472	$ -	$ -	$ -	$ -
Covered payroll	$ 19,776,528	$ 19,051,278	$ 17,967,376	$ 16,214,420	$ 15,715,033
Contributions as a percentage of covered payroll	52.06%	49.79%	45.97%	48.10%	41.12%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies based on entry age and service
Payroll growth	2.80%
Investment rate of return	6.80% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

Other Information:

For changes to previous years' information, refer to past GASB 68 reports.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios – City Fire Plans

	2025	2024	2023	2022	2021
Measurement Period, Year Ended June 30:	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.53831%	0.52990%	0.53060%	0.61287%	0.48376%
Proportionate share of the net pension liability	$ 65,283,627	$ 66,108,004	$ 61,288,496	$ 33,145,570	$ 52,635,552
Covered payroll*	$ 13,527,689	$ 12,823,623	$ 11,615,639	$ 11,387,448	$ 11,013,870
Proportionate share of the net pension liability as percentage of covered payroll	482.59%	515.52%	527.64%	291.07%	477.90%
Plan's fiduciary net position as percentage of the total pension liability	78.08%	76.21%	76.68%	88.29%	75.10%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios – City Fire Plans (Continued)

	2020	2019	2018	2017	2016
Measurement Period, Year Ended June 30:	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.46772%	0.46967%	0.58010%	0.60039%	0.64362%
Proportionate share of the net pension liability	$ 47,927,704	$ 45,259,034	$ 57,529,594	$ 51,951,899	$ 44,177,449
Covered payroll*	$ 10,748,465	$ 9,763,022	$ 9,636,368	$ 9,436,688	$ 9,158,594
Proportionate share of the net pension liability as percentage of covered payroll	445.90%	463.58%	597.00%	550.53%	482.36%
Plan's fiduciary net position as percentage of the total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
City Fire Plans

Fiscal Year Ended June 30:	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 7,992,242	$ 7,254,285	$ 6,940,599	$ 6,791,444	$ 5,708,093
Contributions in relation to the actuarially determined contribution	(7,992,242)	(7,254,285)	(6,940,599)	(6,791,444)	(5,708,093)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 13,787,911	$ 13,527,689	$ 12,823,623	$ 11,615,639	$ 11,387,448
Contributions as a percentage of covered payroll	57.97%	53.63%	54.12%	58.47%	50.13%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2025 were derived from the June 30, 2022 funding valuation report.

Actuarial cost method	Entry age normal cost method
Amortization method/period	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing
Asset valuation method	Market value of assets
Inflation	2.30%
Salary increases	Varies by category, entry age, and service
Mortality	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 80% of the Society of Actuaries' Scale MP-2020

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
City Fire Plans (Continued)

Fiscal Year Ended June 30:	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 5,058,738	$ 4,369,284	$ 5,440,481	$ 5,132,440	$ 4,732,759
Contributions in relation to the actuarially determined contribution	(5,058,738)	(4,369,284)	(16,741,091)	(5,132,440)	(4,732,759)
Contribution deficiency (excess)	$ -	$ -	$ (11,300,610)	$ -	$ -
Covered payroll	$ 11,013,870	$ 10,748,465	$ 9,763,022	$ 9,636,368	$ 9,436,668
Contributions as a percentage of covered payroll	45.93%	40.65%	171.47%	53.26%	50.15%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2025 were derived from the June 30, 2022 funding valuation report.

Actuarial cost method	Entry age normal cost method
Amortization method/period	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing
Asset valuation method	Market value of assets
Inflation	2.30%
Salary increases	Varies by category, entry age, and service
Mortality	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 80% of the Society of Actuaries' Scale MP-2020

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
Single Employer Plan

	2025	2024	2023	2022	2021
Measurement Period, Year Ended June 30:	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	$ 86,971	$ 91,735	$ 131,853	$ 345,756	$ 325,385
Interest on total pension liability	270,258	274,479	255,632	283,983	506,095
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	398,477	-	1,595,858	-
Changes in assumptions	-	(522,172)	(533,090)	(37,244)	907,299
Benefit payments, including refunds of employee contributions	(443,530)	(338,894)	(3,218,471)	(2,656,129)	(9,123,048)
Net change in total pension liability	(86,301)	(96,375)	(3,364,076)	(467,776)	(7,384,269)
Total pension liability - beginning	9,962,372	10,058,747	13,422,823	13,893,599	21,277,868
Total pension liability - ending (a)	$ 9,876,071	$ 9,962,372	$ 10,058,747	$ 13,425,823	$ 13,893,599
Plan fiduciary net position					
Contributions - employer	$ 192,131	$ 2,180,872	$ 190,126	$ 5,695,926	$ 8,030,028
Contributions - employee	19,213	18,087	19,012	34,635	52,751
Net investment income	1,218,104	46,143	(486,138)	894,536	338,833
Benefit payments, including refunds of employee contributions	(443,530)	(338,894)	(3,218,471)	(2,656,129)	(9,123,048)
Administrative expense	(15,617)	(16,305)	(17,057)	(18,061)	(18,582)
Net change in plan fiduciary net position	970,301	1,889,903	(3,512,528)	3,950,907	(720,018)
Plan fiduciary net position - beginning	8,239,722	6,349,819	9,862,347	5,914,440	6,634,458
Plan fiduciary net position - ending (b)	$ 9,210,023	$ 8,239,722	$ 6,349,819	$ 9,865,347	$ 5,914,440
Net pension liability - ending (a) - (b)	$ 666,048	$ 1,722,650	$ 3,708,928	$ 3,560,476	$ 7,979,159
Plan fiduciary net position as a percentage of the total pension liability	93.26%	82.71%	63.13%	73.48%	42.57%
Covered payroll	$ 428,805	$ 402,079	$ 437,872	$ 768,725	$ 1,176,879
Plan net pension liability as a percentage of covered payroll	155.33%	428.44%	847.03%	463.17%	677.99%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
Single Employer Plan (Continued)

	2020	2019	2018	2017	2016
Measurement Period, Year Ended June 30:	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	$ 232,193	$ 302,184	$ 279,000	$ 336,000	$ 436,000
Interest on total pension liability	684,730	679,330	537,000	655,000	676,000
Changes in benefit terms	-	-	-	531,000	-
Differences between expected and actual experience	889,365	-	2,172,000	-	-
Changes in assumptions	217,496	-	(106,000)	-	-
Benefit payments, including refunds of employee contributions	(1,305,661)	(199,769)	(3,508,000)	(87,000)	(3,139,000)
Net change in total pension liability	718,123	781,745	(626,000)	1,435,000	(2,027,000)
Total pension liability - beginning	20,559,745	19,778,000	20,404,000	18,969,000	20,996,000
Total pension liability - ending (a)	$ 21,277,868	$ 20,559,745	$ 19,778,000	$ 20,404,000	$ 18,969,000
Plan fiduciary net position					
Contributions - employer	$ 2,919,589	$ 1,927,686	$ 1,654,000	$ 1,483,000	$ 1,340,000
Contributions - employee	71,806	70,043	69,000	82,000	77,000
Net investment income	503,893	60,254	(506,000)	84,000	(85,000)
Benefit payments, including refunds of employee contributions	(1,305,661)	(199,769)	(3,508,000)	(87,000)	(3,139,000)
Administrative expense	(19,188)	(54,195)	(75,000)	(83,000)	(100,000)
Net change in plan fiduciary net position	2,170,439	1,804,019	(2,366,000)	1,479,000	(1,907,000)
Plan fiduciary net position - beginning	4,464,019	2,660,000	5,026,000	3,547,000	5,454,000
Plan fiduciary net position - ending (b)	$ 6,634,458	$ 4,464,019	$ 2,660,000	$ 5,026,000	$ 3,547,000
Net pension liability - ending (a) - (b)	$ 14,643,410	$ 16,095,726	$ 17,118,000	$ 15,378,000	$ 15,422,000
Plan fiduciary net position as a percentage of the total pension liability	31.18%	21.71%	13.45%	24.63%	18.70%
Covered payroll	$ 1,628,432	$ 1,610,679	$ 1,649,359	$ 1,461,000	$ 1,738,432
Plan net pension liability as a percentage of covered payroll	899.23%	999.31%	1037.86%	1052.57%	887.12%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
Single Employer Plan

Fiscal Year Ended June 30:	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 971,000	$ 558,000	$ 697,000	$ 2,963,000	$ 4,252,000
Contributions in relation to the actuarially determined contribution	(2,213,909)	(2,180,872)	(145,965)	(208,396)	(10,212,240)
Contribution deficiency (excess)	$ (1,242,909)	$ (1,622,872)	$ 551,035	$ 2,754,604	$ (5,960,240)
Covered payroll	$ 458,504	$ 420,593	$ 401,365	$ 463,101	$ 804,977
Contributions as a percentage of covered payroll	482.85%	518.52%	36.37%	45.00%	1268.64%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the September 1, 2023 funding valuation report.

Actuarial cost method	Individual aggregate cost method
Amortization method/period	N/A
Asset valuation method	Cash value as reported by New York Life Investment Management, LLC
Discount rate	0.0275
Inflation	0.0225
Salary increases	2.5% annually
Mortality	The probabilities of mortality are based on the CalPERS Experience Study for the period from 2000 to 2019. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

[1]Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
Single Employer Plan (Continued)

Fiscal Year Ended June 30:	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 4,114,000	$ 2,000,000	$ 1,932,000	$ 1,583,000	$ 1,520,000
Contributions in relation to the actuarially determined contribution	(5,573,828)	(2,135,107)	(1,614,000)	(1,571,000)	(1,107,000)
Contribution deficiency (excess)	$ (1,459,828)	$ (135,107)	$ 318,000	$ 12,000	$ 413,000
Covered payroll	$ 1,273,326	$ 1,664,538	$ 1,693,493	$ 1,796,000	$ 1,872,000
Contributions as a percentage of covered payroll	437.74%	128.27%	95.31%	87.47%	59.13%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the September 1, 2023 funding valuation report.

Actuarial cost method	Individual aggregate cost method
Amortization method/period	N/A
Asset valuation method	Cash value as reported by New York Life Investment Management, LLC
Discount rate	0.0275
Inflation	0.0225
Salary increases	2.5% annually
Mortality	The probabilities of mortality are based on the CalPERS Experience Study for the period from 2000 to 2019. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

[1]Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in the City's Net OPEB Liability

	2025	2024	2023
For the Measurement Period:	2023-2024	2022-2023	2021-2022
Total OPEB Liability:			
Service Cost	$ 774,430	$ 825,453	$ 1,043,749
Interest on the total OPEB liability	926,135	982,077	849,992
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	(2,049,364)	-
Changes in assumptions	(142,193)	(1,094,099)	(3,086,884)
Benefit payments	(614,476)	(739,295)	(685,206)
Net changes in Total OPEB Liability	943,896	(2,075,228)	(1,878,349)
Beginning of Year	17,308,909	19,384,137	21,262,486
End of Year	$ 18,252,805	$ 17,308,909	$ 19,384,137
Plan Fiduciary Net Position:			
Employer contribution	$ 621,272	$ 996,208	$ 940,051
Employee contributions	-	-	-
Net investment income (loss)	477,784	248,010	(599,182)
Benefit payments	(614,476)	(739,295)	(685,206)
Administrative expenses	(8,214)	(8,095)	(5,965)
Net changes in Fiduciary Net Position	476,366	496,828	(350,302)
Beginning of Year	4,350,748	3,853,920	4,204,222
End of Year	$ 4,827,114	$ 4,350,748	$ 3,853,920
Net OPEB Liability	$ 13,425,691	$ 12,958,161	$ 15,530,217
Fiduciary Net Position as a % of Total OPEB Liability	26.45%	25.14%	19.88%
Covered Payroll	$ 78,487,319	$ 72,990,943	$ 69,854,034
Net OPEB Liability as a % of Payroll	17.11%	17.75%	22.23%

Notes to Schedule:

Change of assumptions: For the measurement period ended June 30, 2024, the discount rate changed from 5.21% to 5.28%

Information is only presented from the implementation year.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in the City's Net OPEB Liability (Continued)

	2022	2021	2020	2019	2018
For the Measurement Period:	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Total OPEB Liability:					
Service Cost	$ 1,639,274	$ 1,169,996	$ 1,065,470	$ 1,085,475	$ 1,209,000
Interest on the total OPEB liability	884,846	974,493	1,143,094	1,064,391	951,000
Changes in benefit terms	-	-	574,467	-	-
Difference between expected and actual experience	(4,117,866)	-	(4,138,016)	-	-
Changes in assumptions	(4,258,871)	4,678,007	1,474,189	(609,871)	(1,765,000)
Benefit payments	(704,749)	(676,514)	(945,329)	(915,000)	(861,000)
Net changes in Total OPEB Liability	(6,557,366)	6,145,982	(826,125)	624,995	(466,000)
Beginning of Year	27,819,852	21,673,870	22,499,995	21,875,000	22,341,000
End of Year	$ 21,262,486	$ 27,819,852	$ 21,673,870	$ 22,499,995	$ 21,875,000
Plan Fiduciary Net Position:					
Employer contribution	$ 959,007	$ 931,063	$ 1,195,329	$ 1,165,000	$ 1,111,000
Employee contributions	-	-	-	-	-
Net investment income (loss)	897,217	102,633	152,998	159,215	171,000
Benefit payments	(704,749)	(676,514)	(945,329)	(915,000)	(861,000)
Administrative expenses	(5,500)	(5,988)	(541)	(3,619)	(1,000)
Net changes in Fiduciary Net Position	1,145,975	351,194	402,457	405,596	420,000
Beginning of Year	3,058,247	2,707,053	2,304,596	1,899,000	1,479,000
End of Year	$ 4,204,222	$ 3,058,247	$ 2,707,053	$ 2,304,596	$ 1,899,000
Net OPEB Liability	$ 17,058,264	$ 24,761,605	$ 18,966,817	$ 20,195,399	$ 19,976,000
Fiduciary Net Position as a % of Total OPEB Liability	19.77%	10.99%	12.49%	10.24%	8.68%
Covered Payroll	$ 64,469,561	$ 64,146,096	$ 64,026,542	$ 62,965,263	$ 48,821,000
Net OPEB Liability as a % of Payroll	26.46%	38.60%	29.62%	32.07%	40.92%

Notes to Schedule:

Change of assumptions: For the measurement period ended June 30, 2024, the discount rate changed from 5.21% to 5.28%

Information is only presented from the implementation year.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of OPEB Contributions

	2025	2024	2023
Actuarially determined contribution	$ 1,654,796	$ 1,603,871	$ 1,733,000
Contributions in relation to the actuarially determined contributions	(825,623)	(621,272)	(996,208)
Contribution deficiency (excess)	$ 829,173	$ 982,599	$ 736,792
Covered payroll	$ 78,487,319	$ 72,990,943	$ 69,854,034
Contributions as a percentage of covered payroll	1.05%	0.85%	1.43%

Notes to Schedule:

assumptions used to set the actuarially

Methods and assumptions used to determine contribution rates:

ADC for fiscal year	6/30/2025
Actuarial valuation date	6/30/2023
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.50%
Investment rate of return	6.25%
Healthcare cost trend rate	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076; Medicare - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076;
Projected salary growth and increase	Not applicable
Mortality	CalPERS 2000-2019 Experience Study

[1] Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of OPEB Contributions (Continued)

	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 1,687,000	$ 1,997,000	$ 1,938,000	$ 2,322,000	$ 2,188,000
Contributions in relation to the actuarially determined contributions	(940,051)	(959,007)	(931,063)	(1,195,329)	(1,165,000)
Contribution deficiency (excess)	$ 746,949	$ 1,037,993	$ 1,006,937	$ 1,126,671	$ 1,023,000
Covered payroll	$ 67,797,683	$ 64,469,561	$ 64,146,096	$ 64,026,452	$ 51,530,000
Contributions as a percentage of covered payroll	1.39%	1.49%	1.45%	1.87%	2.26%

Notes to Schedule:

assumptions used to set the actuarially

Methods and assumptions used to determine contribution rates:

ADC for fiscal year	6/30/2025
Actuarial valuation date	6/30/2023
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.50%
Investment rate of return	6.25%
Healthcare cost trend rate	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076; Medicare - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076;
Projected salary growth and increase	Not applicable
Mortality	CalPERS 2000-2019 Experience Study

[1] Information only presented from the implementation year

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SUPPLEMENTARY INFORMATION

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City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
EXPENDITURES:				
Current:				
General government	$ 2,988,000	$ 11,225,190	$ 2,520,742	$ 8,704,448
Public safety	-	301,998	152,852	149,146
Public works	3,920,000	27,661,602	5,359,159	22,302,443
Recreation	-	3,546,306	1,130,531	2,415,775
Library	-	84,852	-	84,852
Capital outlay	11,854,115	87,145,025	19,484,166	86,611,320
Debt Service:				
Principal	533,930	533,930	533,705	533,930
Interest and fiscal charges	26,030	26,030	25,921	109
Total expenditures	19,322,075	130,524,933	29,207,076	120,802,023
REVENUES OVER (UNDER) EXPENDITURES	(19,322,075)	(130,524,933)	(29,207,076)	(120,802,023)
OTHER FINANCING SOURCES (USES):				
Transfers in	18,704,000	138,961,302	27,870,450	(111,090,852)
Total other financing sources (uses)	18,704,000	138,961,302	27,870,450	(111,090,852)
Net change in fund balance	$ (618,075)	$ 8,436,369	(1,336,626)	$ (9,772,995)
FUND BALANCE:				
Beginning of year			8,490,095	
End of year			$ 7,153,469	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2019 Special Tax Bond
Monte Bella Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes - special assessments	$ 510,000	$ 510,000	$ 501,200	$ (8,800)
Investment income (loss)	12,000	12,000	16,391	4,391
Total revenues	522,000	522,000	517,591	(4,409)
EXPENDITURES:				
Current:				
General government	15,000	15,000	7,126	7,874
Debt Service:				
Principal	155,000	155,000	155,000	155,000
Interest and fiscal charges	304,200	304,200	301,684	2,516
Total expenditures	474,200	474,200	463,810	165,390
REVENUES OVER (UNDER) EXPENDITURES	47,800	47,800	53,781	(169,799)
Net change in fund balance	$ 47,800	$ 47,800	53,781	$ 5,981
FUND BALANCE:				
Beginning of year			933,253	
End of year			$ 987,034	

City of Salinas
Combing Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS				
Cash and investments	$ 61,879,186	$ 2,042,663	$ 6,745,115	$ 70,666,964
Receivables, net:				
Accounts	13,483	-	582,758	596,241
Taxes	29,360	-	-	29,360
Interest	1,201,405	6,409	420,117	1,627,931
Due from other agencies	3,396,612	-	1,099,334	4,495,946
Assessments	-	45,000	-	45,000
Leases	18,975	-	3,307,506	3,326,481
Restricted cash and investments	-	6,338,310	13,287	6,351,597
Loans and notes receivable, net of allowance	51,571	-	-	51,571
Land and properties held for resale	1,380,000	-	-	1,380,000
Total assets	$ 67,970,592	$ 8,432,382	$ 12,168,117	$ 88,571,091
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 231,587	$ -	$ -	$ 231,587
Accrued liabilities	205,235	-	-	205,235
Due to other funds	2,739,499	1,018,962	5,613,106	9,371,567
Unearned revenues	930,869	45,000	-	975,869
Total liabilities	4,107,190	1,063,962	5,613,106	10,784,258
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	654,039	-	-	654,039
Related to leases	14,193	-	2,967,094	2,981,287
Total deferred inflows of resources	668,232	-	2,967,094	3,635,326
Fund Balances:				
Nonspendable	1,431,571	-	-	1,431,571
Restricted	62,320,436	8,080,567	3,587,917	73,988,920
Unassigned (deficit)	(556,837)	(712,147)	-	(1,268,984)
Total fund balances	63,195,170	7,368,420	3,587,917	74,151,507
Total liabilities, deferred inflows of resources, and fund balances	$ 67,970,592	$ 8,432,382	$ 12,168,117	$ 88,571,091

City of Salinas
Combing Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES:				
Taxes	$ 648,806	$ -	$ -	$ 648,806
Taxes - special assessments	-	-	-	-
Licenses and permits	97,006	-	-	97,006
Intergovernmental	18,042,019	-	7,364,969	25,406,988
Charges for services	1,629,720	-	33,675	1,663,395
Investment income	2,493,166	446,994	295,583	3,235,743
Rental income	310,989	-	-	310,989
Fines and forfeitures	258,136	-	-	258,136
Miscellaneous	2,159,234	-	-	2,159,234
Total revenues	25,639,076	446,994	7,694,227	33,780,297
EXPENDITURES:				
Current:				
General government	1,224,552	954,805	-	2,179,357
Public safety	4,646,283	-	-	4,646,283
Public works	1,569,304	-	188	1,569,492
Recreation	959,621	-	-	959,621
Library	318,877	-	-	318,877
Capital outlay	252,510	-	-	252,510
Debt service:				
Principal	-	6,189,000	-	6,189,000
Interest and fiscal charges	-	4,023,938	-	4,023,938
Bond issuance costs	-	63,684	-	63,684
Total expenditures	8,971,147	11,231,427	188	20,202,762
REVENUES OVER (UNDER) EXPENDITURES	16,667,929	(10,784,433)	7,694,039	13,577,535
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of leases	-	4,735,000	-	4,735,000
Transfers in	3,305,262	12,004,967	-	15,310,229
Transfers out	(10,605,363)	-	(6,480,570)	(17,085,933)
Total other financing sources (uses)	(7,300,101)	16,739,967	(6,480,570)	2,959,296
NET CHANGE IN FUND BALANCES	9,367,828	5,955,534	1,213,469	16,536,831
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	74,935,717	1,412,886	2,374,448	78,723,051
Change within financial reporting entity: (nonmajor to major)	(21,108,375)	-	-	(21,108,375)
Beginning of year, as restated (Note 22)	53,827,342	1,412,886	2,374,448	57,614,676
End of year	$ 63,195,170	$ 7,368,420	$ 3,587,917	$ 74,151,507

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for specified purposes. The Special Revenue Funds used by the City in this report are as follows:

Lighting, Landscape and Maintenance District - This fund accounts for monies received from the various maintenance districts throughout the City. Funds are used to pay for the lighting and landscape maintenance of the respective districts.

Local Public Safety - This fund accounts for monies received from federal and state grants, which are expended to enhance law enforcement services.

Gas Tax - This fund accounts for gas tax revenues received from State apportionments of gasoline taxes. Expenditures are restricted to street maintenance and street improvements. No expenditures are made directly from this fund, but transfers are made to the General Fund for street maintenance and engineering salaries and to the Capital Projects Fund for street improvements based on actual expenditures.

Emergency Medical Services - This fund accounts for monies received from County Service Area (CSA) 74. Funds are used to purchase emergency medical and safety equipment under the capital improvement program.

Asset Seizure - This fund accounts for the proceeds from sale of assets seized primarily from illegal narcotics activity. These funds are used for law enforcement.

Traffic Safety - This fund accounts for revenues derived from traffic violations whose use is restricted by State statute for traffic safety and street maintenance purposes. No expenditures are made directly from this fund, but transfers are made to the General Fund for traffic safety expenditures and street maintenance.

Vehicle Abatement - This fund accounts for monies allocated by the State to fund the vehicle abatement program.

Cable - This funds accounts for revenues received for public, educational and governmental (PEG) fees from video service providers. Its use is restricted to provide non-commercial public, educational and government channels.

Contributions and Donations - This fund accounts for contributions and donations from different individuals and agencies to the Library, Rec-Park, Fire and Police Department. Use of the funds are restricted for use of the appropriate Department.

Special Revenue Funds (Continued)

KDF Los Padres Dev Social Services - This fund accounts for social services provided by the City of Salinas to lower income residents of the Development. On June 1, 2003, the Salinas Redevelopment Agency, the City of Salinas and the KDF Los Padres, L.P. entered into a loan agreement where loan payments will be collected annually by the City and used to provide recreational and social services to lower income residents of the Development. Term of the loan is 55 years commencing in 2006. Payment will increase by 3% annually.

Measure X Transport Safety & Inv Plan - This fund accounts for revenues allocated by TAMC from the transportation sales and use tax. Expenditures are restricted to road improvements, pothole repairs, street and road maintenance, traffic deduction and regional safety, mobility and walkability.

SB1 Road Maintenance & Rehab & SB1 Traffic Congestion Relief - This fund accounts for gas tax revenues received from State apportionments of an increased tax on gasoline and a new vehicle license fee from Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017. Expenditures are restricted to street maintenance and street improvements including facilities for bicycles and pedestrians. No expenditures are made directly from this fund, but transfers are made to the General Fund for street maintenance and engineering salaries and to the Capital Projects Fund for street improvements based on actual expenditures.

SRA Public Improvement Grant - This fund accounts for the use of monies received from proceeds of the land sale located in Main Street where the "Taylor Farms" headquarters is constructed and other properties held for re-sale.

Affordable Housing - These funds are used to improve and increase the supply of low income housing within the City.

Grants - This fund accounts for various minor grants received for purposes ranging from library to police operations.

Rent Stabilization - This fund accounts for the monies received from the Residential Rental Registration and Rent Stabilization Programs. The Residential Rental Registration and Rent Stabilization Programs require property owners to register their residential rental units, ensuring compliance with approved ordinances.

Local Housing Trust - This fund accounts for the monies received from the California Department of Housing and Community Development Local Housing Trust Fund Program.

City of Salinas
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	Lighting, Landscape, and Maintenance District	Local Public Safety	Gas Tax	Emergency Medical Services	Asset Seizure
ASSETS					
Cash and investments	$ 11,033,471	$ 3,175,200	$ 7,703,029	$ -	$ 302,248
Receivables, net:					
Accounts	-	-	4,198	-	-
Taxes	-	-	-	-	-
Interest	35,926	4,470	26,632	-	928
Due from other agencies	-	117,433	456,977	-	-
Leases	-	-	-	-	-
Loans and notes receivable, net of allowance	-	-	-	-	-
Land and properties held for resale	-	-	-	-	-
Total assets	$ 11,069,397	$ 3,297,103	$ 8,190,836	$ -	$ 303,176
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 47,308	$ -	$ -	$ 3,085	$ -
Accrued liabilities	11,139	-	-	65,398	-
Due to other funds	53,127	-	45,187	27,506	-
Unearned revenues	-	-	-	-	-
Total liabilities	111,574	-	45,187	95,989	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Related to leases	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	10,957,823	3,297,103	8,145,649	-	303,176
Unassigned (deficit)	-	-	-	(95,989)	-
Total fund balance (deficit)	10,957,823	3,297,103	8,145,649	(95,989)	303,176
Total liabilities, deferred inflows of resources, and fund balances	$ 11,069,397	$ 3,297,103	$ 8,190,836	$ -	$ 303,176

(Continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2025

	Traffic Safety	Vehicle Abatement	Cable	Contributions & Donations	KDF Los Padres Dev Social Services
ASSETS					
Cash and investments	$ -	$ 274,888	$ 520,844	$ 549,339	$ 232,094
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	-	-	29,360	-	-
Interest	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Leases	-	-	-	-	-
Loans and notes receivable, net of allowance	-	-	-	-	-
Land and properties held for resale	-	-	-	-	-
Total assets	$ -	$ 274,888	$ 550,204	$ 549,339	$ 232,094
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ 36,250	$ 13,548	$ -
Accrued liabilities	-	11,096	-	-	-
Due to other funds	59,575	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	59,575	11,096	36,250	13,548	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Related to leases	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	263,792	513,954	535,791	232,094
Unassigned (deficit)	(59,575)	-	-	-	-
Total fund balance (deficit)	(59,575)	263,792	513,954	535,791	232,094
Total liabilities, deferred inflows of resources, and fund balances	$ -	$ 274,888	$ 550,204	$ 549,339	$ 232,094

(Continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2025

	Measure X Transport Safety & Inv Plan	SB1 Road Maintenance & Rehab	SB1 Traffic Congestion Relief	SRA Public Improvement Grant	Affordable Housing
ASSETS					
Cash and investments	$ 15,706,794	$ 9,468,932	$ 628,062	$ 1,800,598	$ 3,494,779
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Interest	50,937	29,685	2,024	5,735	1,041,751
Due from other agencies	1,429,839	370,598	-	-	-
Leases	-	-	-	-	-
Loans and notes receivable, net of allowance	-	-	-	-	51,571
Land and properties held for resale	-	-	-	584,419	795,581
Total assets	$ 17,187,570	$ 9,869,215	$ 630,086	$ 2,390,752	$ 5,383,682
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ 591
Accrued liabilities	-	-	-	-	-
Due to other funds	27,809	41,475	-	-	-
Unearned revenues	-	-	-	-	930,869
Total liabilities	27,809	41,475	-	-	931,460
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Related to leases	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	584,419	847,152
Restricted	17,159,761	9,827,740	630,086	1,806,333	3,605,070
Unassigned (deficit)	-	-	-	-	-
Total fund balance (deficit)	17,159,761	9,827,740	630,086	2,390,752	4,452,222
Total liabilities, deferred inflows of resources, and fund balances	$ 17,187,570	$ 9,869,215	$ 630,086	$ 2,390,752	$ 5,383,682

(Continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2025

	Grants	Rent Stabilization	Local Housing Trust	Total
ASSETS				
Cash and investments	$ 1,945,507	$ 1,568,160	$ 3,475,241	$ 61,879,186
Receivables, net:				
Accounts	9,285	-	-	13,483
Taxes	-	-	-	29,360
Interest	3,317	-	-	1,201,405
Due from other agencies	1,021,765	-	-	3,396,612
Leases	18,975	-	-	18,975
Loans and notes receivable, net of allowance	-	-	-	51,571
Land and properties held for resale	-	-	-	1,380,000
Total assets	$ 2,998,849	$ 1,568,160	$ 3,475,241	$ 67,970,592
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 130,691	$ 114	$ -	$ 231,587
Accrued liabilities	116,379	197	1,026	205,235
Due to other funds	2,484,820	-	-	2,739,499
Unearned revenues	-	-	-	930,869
Total liabilities	2,731,890	311	1,026	4,107,190
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	654,039	-	-	654,039
Related to leases	14,193	-	-	14,193
Total deferred inflows of resources	668,232	-	-	668,232
Fund Balances:				
Nonspendable	-	-	-	1,431,571
Restricted	-	1,567,849	3,474,215	62,320,436
Unassigned (deficit)	(401,273)	-	-	(556,837)
Total fund balance (deficit)	(401,273)	1,567,849	3,474,215	63,195,170
Total liabilities, deferred inflows of resources, and fund balances	$ 2,998,849	$ 1,568,160	$ 3,475,241	$ 67,970,592

(Concluded)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2025

	Lighting, Landscape, and Maintenance District	Local Public Safety	Gas Tax	Development Fees	Emergency Medical Services
REVENUES:					
Taxes	$ -	$ 648,806	$ -		$ -
Licenses and permits	-	-	-		-
Intergovernmental	-	486,395	4,340,025		138,646
Charges for services	-	-	-		-
Investment income (loss)	531,904	12,858	394,885		-
Rental income	-	-	260,632		-
Fines and forfeitures	-	-	-		-
Miscellaneous	1,780,468	-	-		-
Total revenues	2,312,372	1,148,059	4,995,542		138,646
EXPENDITURES:					
Current:					
General government	1,938	-	-		-
Public safety	-	546,882	-		1,687,861
Public works	1,434,862	-	-		-
Recreation	62,157	-	-		-
Library	-	-	-		-
Capital outlay	-	-	-		1,116
Total expenditures	1,498,957	546,882	-		1,688,977
REVENUES OVER (UNDER) EXPENDITURES	813,415	601,177	4,995,542		(1,550,331)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-		1,600,000
Transfers out	(62,618)	-	(3,436,791)		-
Total other financing sources (uses)	(62,618)	-	(3,436,791)		1,600,000
NET CHANGE IN FUND BALANCES	750,797	601,177	1,558,751		49,669
FUND BALANCES (DEFICIT):					
Beginning of year, as previously presented as of June 30, 2024	10,207,026	2,695,926	6,586,898	21,108,375	(145,658)
Change within financial reporting entity: (nonmajor to major)	-	-	-	(21,108,375)	-
Beginning of year, as restated (Note 22)	10,207,026	2,695,926	6,586,898	-	(145,658)
End of year	$ 10,957,823	$ 3,297,103	$ 8,145,649	$ -	$ (95,989)

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2025

	Asset Seizure	Traffic Safety	Vehicle Abatement	Cable	Contributions & Donations
REVENUES:					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	97,006	-
Intergovernmental	48,818	-	252,344	-	-
Charges for services	-	-	-	-	-
Investment income (loss)	11,691	-	-	-	-
Rental income	-	-	-	-	-
Fines and forfeitures	-	258,136	-	-	-
Miscellaneous	-	-	-	-	54,362
Total revenues	60,509	258,136	252,344	97,006	54,362
EXPENDITURES:					
Current:					
General government	-	85,205	-	145,000	-
Public safety	4,128	-	244,883	-	-
Public works	-	-	124,703	-	-
Recreation	-	-	-	-	1,920
Library	-	-	-	-	22,880
Capital outlay	-	-	-	-	-
Total expenditures	4,128	85,205	369,586	145,000	24,800
REVENUES OVER (UNDER) EXPENDITURES	56,381	172,931	(117,242)	(47,994)	29,562
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	(200,000)	-	-	-
Total other financing sources (uses)	-	(200,000)	-	-	-
NET CHANGE IN FUND BALANCES	56,381	(27,069)	(117,242)	(47,994)	29,562
FUND BALANCES (DEFICIT):					
Beginning of year, as previously presented as of June 30, 2024	246,795	(32,506)	381,034	561,948	506,229
Change within financial reporting entity: (nonmajor to major)	-	-	-	-	-
Beginning of year, as restated (Note 22)	246,795	(32,506)	381,034	561,948	506,229
End of year	$ 303,176	$ (59,575)	$ 263,792	$ 513,954	$ 535,791

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2025

	KDF Los Padres Dev Social Services	Measure X Transport Safety & Inv Plan	SB1 Road Maintenance & Rehab	SB1 Traffic Congestion Relief	SRA Public Improvement Grant
REVENUES:					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	4,628,185	4,403,564	-	-
Charges for services	-	-	-	-	-
Investment income (loss)	-	807,998	409,185	30,573	88,127
Rental income	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	5,436,183	4,812,749	30,573	88,127
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Recreation	17,175	-	-	-	-
Library	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	17,175	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	(17,175)	5,436,183	4,812,749	30,573	88,127
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	(5,140,925)	(1,765,029)	-	-
Total other financing sources (uses)	-	(5,140,925)	(1,765,029)	-	-
NET CHANGE IN FUND BALANCES	(17,175)	295,258	3,047,720	30,573	88,127
FUND BALANCES (DEFICIT):					
Beginning of year, as previously presented as of June 30, 2024	249,269	16,864,503	6,780,020	599,513	2,302,625
Change within financial reporting entity: (nonmajor to major)	-	-	-	-	-
Beginning of year, as restated (Note 22)	249,269	16,864,503	6,780,020	599,513	2,302,625
End of year	$ 232,094	$ 17,159,761	$ 9,827,740	$ 630,086	$ 2,390,752

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2025

	Affordable Housing	Grants	Rent Stabilization	Local Housing Trust	Total
REVENUES:					
Taxes	$ -	$ -	$ -	$ -	$ 648,806
Licenses and permits	-	-	-	-	97,006
Intergovernmental	-	3,744,042	-	-	18,042,019
Charges for services	124,439	-	1,505,281	-	1,629,720
Investment income (loss)	164,885	41,060	-	-	2,493,166
Rental income	-	50,357	-	-	310,989
Fines and forfeitures	-	-	-	-	258,136
Miscellaneous	283,790	40,614	-	-	2,159,234
Total revenues	573,114	3,876,073	1,505,281	-	25,639,076
EXPENDITURES:					
Current:					
General government	15,412	664,982	286,230	25,785	1,224,552
Public safety	-	2,162,529	-	-	4,646,283
Public works	-	9,739	-	-	1,569,304
Recreation	-	878,369	-	-	959,621
Library	-	295,997	-	-	318,877
Capital outlay	-	251,394	-	-	252,510
Total expenditures	15,412	4,263,010	286,230	25,785	8,971,147
REVENUES OVER (UNDER) EXPENDITURES	557,702	(386,937)	1,219,051	(25,785)	16,667,929
OTHER FINANCING SOURCES (USES):					
Transfers in	-	59	205,203	1,500,000	3,305,262
Transfers out	-	-	-	-	(10,605,363)
Total other financing sources (uses)	-	59	205,203	1,500,000	(7,300,101)
NET CHANGE IN FUND BALANCES	557,702	(386,878)	1,424,254	1,474,215	9,367,828
FUND BALANCES (DEFICIT):					
Beginning of year, as previously presented as of June 30, 2024	3,894,520	(14,395)	143,595	2,000,000	74,935,717
Change within financial reporting entity: (nonmajor to major)	-	-	-	-	(21,108,375)
Beginning of year, as restated (Note 22)	3,894,520	(14,395)	143,595	2,000,000	53,827,342
End of year	$ 4,452,222	$ (401,273)	$ 1,567,849	$ 3,474,215	$ 63,195,170

(Concluded)

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Lighting, Landscape, and Maintenance District Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	$ 171,400	$ 171,400	$ 531,904	$ 360,504
Miscellaneous	1,975,660	1,975,660	1,780,468	(195,192)
Total revenues	2,147,060	2,147,060	2,312,372	165,312
EXPENDITURES:				
Current:				
General government	-	-	1,938	(1,938)
Public works	1,604,772	1,614,772	1,434,862	179,910
Recreation	55,100	55,100	62,157	(7,057)
Capital outlay	15,000	5,000	-	5,000
Total expenditures	1,674,872	1,674,872	1,498,957	175,915
REVENUES OVER (UNDER) EXPENDITURES	472,188	472,188	813,415	(10,603)
OTHER FINANCING SOURCES (USES):				
Transfers out	(696,000)	(3,279,706)	(62,618)	3,217,088
Total other financing sources (uses)	(696,000)	(3,279,706)	(62,618)	3,217,088
Net change in fund balance	$ (223,812)	$ (2,807,518)	750,797	$ 3,558,315
FUND BALANCE:				
Beginning of year			10,207,026	
End of year			$ 10,957,823	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Local Public Safety
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	$ 600,000	$ 600,000	$ 648,806	$ 48,806
Intergovernmental	500,000	500,000	486,395	(13,605)
Investment income (loss)	15,600	15,600	12,858	(2,742)
Total revenues	1,115,600	1,115,600	1,148,059	32,459
EXPENDITURES:				
Current:				
Public safety	1,100,000	1,100,000	546,882	553,118
Total expenditures	1,100,000	1,100,000	546,882	553,118
REVENUES OVER (UNDER) EXPENDITURES	15,600	15,600	601,177	(520,659)
Net change in fund balance	$ 15,600	$ 15,600	601,177	$ 585,577
FUND BALANCE:				
Beginning of year			2,695,926	
End of year			$ 3,297,103	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Gas Tax
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ 4,252,000	$ 4,252,000	$ 4,340,025	$ 88,025
Investment income (loss)	80,100	80,100	394,885	314,785
Rental income	250,000	250,000	260,632	10,632
Total revenues	4,582,100	4,582,100	4,995,542	413,442
REVENUES OVER (UNDER) EXPENDITURES	4,582,100	4,582,100	4,995,542	413,442
OTHER FINANCING SOURCES (USES):				
Transfers out	(5,140,000)	(8,581,374)	(3,436,791)	5,144,583
Total other financing sources (uses)	(5,140,000)	(8,581,374)	(3,436,791)	5,144,583
Net change in fund balance	$ (557,900)	$ (3,999,274)	1,558,751	$ 5,558,025
FUND BALANCE:				
Beginning of year			6,586,898	
End of year			$ 8,145,649	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Emergency Medical Services
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ 137,000	$ 137,000	$ 138,646	$ 1,646
Total revenues	137,000	137,000	138,646	1,646
EXPENDITURES:				
Current:				
Public safety	1,758,700	1,757,585	1,687,861	69,724
Capital outlay	-	1,116	1,116	1,116
Total expenditures	1,758,700	1,758,701	1,688,977	70,840
REVENUES OVER (UNDER) EXPENDITURES	(1,621,700)	(1,621,701)	(1,550,331)	(69,194)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,600,000	1,600,000	1,600,000	-
Transfers out	-	(18,158)	-	18,158
Total other financing sources (uses)	1,600,000	1,581,842	1,600,000	18,158
Net change in fund balance	$ (21,700)	$ (39,859)	49,669	$ 89,528
FUND BALANCE (DEFICIT):				
Beginning of year			(145,658)	
End of year			$ (95,989)	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Asset Seizure
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ 25,000	$ 25,000	$ 48,818	$ 23,818
Investment income (loss)	7,000	7,000	11,691	4,691
Total revenues	32,000	32,000	60,509	28,509
EXPENDITURES:				
Current:				
Public safety	30,000	30,000	4,128	25,872
Total expenditures	30,000	30,000	4,128	25,872
Net change in fund balance	$ 2,000	$ 2,000	56,381	$ 54,381
FUND BALANCE:				
Beginning of year			246,795	
End of year			$ 303,176	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Traffic Safety
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Fines and forfeitures	$ 325,000	$ 325,000	$ 258,136	$ (66,864)
Total revenues	325,000	325,000	258,136	(66,864)
EXPENDITURES:				
Current:				
General government	125,000	125,000	85,205	39,795
Total expenditures	125,000	125,000	85,205	39,795
REVENUES OVER (UNDER) EXPENDITURES	200,000	200,000	172,931	(106,659)
OTHER FINANCING SOURCES (USES):				
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	(200,000)	-
Net change in fund balance	$ -	$ -	(27,069)	$ (27,069)
FUND BALANCE (DEFICIT):				
Beginning of year			(32,506)	
End of year			$ (59,575)	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Vehicle Abatement
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ 160,000	$ 160,000	$ 252,344	$ 92,344
Total revenues	160,000	160,000	252,344	92,344
EXPENDITURES:				
Current:				
Public safety	246,400	246,400	244,883	1,517
Public works	-	-	124,703	(124,703)
Total expenditures	246,400	246,400	369,586	(123,186)
Net change in fund balance	$ (86,400)	$ (86,400)	(117,242)	$ (30,842)
FUND BALANCE:				
Beginning of year			381,034	
End of year			$ 263,792	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Cable
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Licenses and permits	$ 150,000	$ 150,000	$ 97,006	$ (52,994)
Total revenues	150,000	150,000	97,006	(52,994)
EXPENDITURES:				
Current:				
General government	145,000	145,000	145,000	-
Total expenditures	145,000	145,000	145,000	-
Net change in fund balance	$ 5,000	$ 5,000	(47,994)	$ (52,994)
FUND BALANCE:				
Beginning of year			561,948	
End of year			$ 513,954	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Contributions & Donations
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Miscellaneous	$ -	$ 29,293	$ 54,362	$ 25,069
Total revenues	-	29,293	54,362	25,069
EXPENDITURES:				
Current:				
Public safety	-	396,613	-	396,613
Public works	-	5,000	-	5,000
Recreation	-	30,626	1,920	28,706
Library	-	103,284	22,880	80,404
Total expenditures	-	535,523	24,800	510,723
Net change in fund balance	$ -	$ (506,230)	29,562	$ 535,792
FUND BALANCE:				
Beginning of year			506,229	
End of year			$ 535,791	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - KDF Los Padres Dev Social Services
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
EXPENDITURES:				
Current:				
Recreation	$ -	$ -	$ 17,175	$ (17,175)
Total expenditures	-	-	17,175	(17,175)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(17,175)	17,175
Net change in fund balance	$ -	$ -	(17,175)	$ (17,175)
FUND BALANCE:				
Beginning of year			249,269	
End of year			$ 232,094	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Measure X Transport Safety & Inv Plan
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ 5,500,000	$ 5,500,000	$ 4,628,185	$ (871,815)
Investment income (loss)	194,500	194,500	807,998	613,498
Total revenues	5,694,500	5,694,500	5,436,183	(258,317)
REVENUES OVER (UNDER) EXPENDITURES	5,694,500	5,694,500	5,436,183	(258,317)
OTHER FINANCING SOURCES (USES):				
Transfers out	(5,609,100)	(11,309,062)	(5,140,925)	6,168,137
Total other financing sources (uses)	(5,609,100)	(11,309,062)	(5,140,925)	6,168,137
Net change in fund balance	$ 85,400	$ (5,614,562)	295,258	$ 5,909,820
FUND BALANCE:				
Beginning of year			16,864,503	
End of year			$ 17,159,761	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - SB1 Road Maintenance & Rehab
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ 4,135,000	$ 4,135,000	$ 4,403,564	$ 268,564
Investment income (loss)	129,800	129,800	409,185	279,385
Total revenues	4,264,800	4,264,800	4,812,749	547,949
REVENUES OVER (UNDER) EXPENDITURES	4,264,800	4,264,800	4,812,749	547,949
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,600,000)	(7,919,060)	(1,765,029)	6,154,031
Total other financing sources (uses)	(3,600,000)	(7,919,060)	(1,765,029)	6,154,031
Net change in fund balance	$ 664,800	$ (3,654,260)	3,047,720	$ 6,701,980
FUND BALANCE:				
Beginning of year			6,780,020	
End of year			$ 9,827,740	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - SB1 Traffic Congestion Relief
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	$ 10,600	$ 10,600	$ 30,573	$ 19,973
Total revenues	10,600	10,600	30,573	19,973
Net change in fund balance	$ 10,600	$ 10,600	30,573	$ 19,973
FUND BALANCE:				
Beginning of year			599,513	
End of year			$ 630,086	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - SRA Public Improvement Grant
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	$ 30,400	$ 30,400	$ 88,127	$ 57,727
Total revenues	30,400	30,400	88,127	57,727
Net change in fund balance	$ 30,400	$ 30,400	88,127	$ 57,727
FUND BALANCE:				
Beginning of year			2,302,625	
End of year			$ 2,390,752	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Affordable Housing
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	$ 83,000	$ 220,000	$ 124,439	$ (95,561)
Investment income (loss)	61,000	61,000	164,885	103,885
Miscellaneous	-	-	283,790	283,790
Total revenues	144,000	281,000	573,114	292,114
EXPENDITURES:				
Current:				
General government	1,000	222,426	15,412	207,014
Total expenditures	1,000	222,426	15,412	207,014
Net change in fund balance	$ 143,000	$ 58,574	557,702	$ 499,128
FUND BALANCE:				
Beginning of year			3,894,520	
End of year			$ 4,452,222	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Grants
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ -	$ 10,983,526	$ 3,744,042	$ (7,239,484)
Investment income (loss)	-	-	41,060	41,060
Rental income	-	-	50,357	50,357
Miscellaneous	-	40,614	40,614	-
Total revenues	-	11,024,140	3,876,073	(7,148,067)
EXPENDITURES:				
Current:				
General government	84,030	2,240,997	664,982	1,576,015
Public safety	475,740	5,625,884	2,162,529	3,463,355
Public works	400	4,096	9,739	(5,643)
Recreation	-	1,834,014	878,369	955,645
Library	83,340	375,866	295,997	79,869
Capital outlay	-	578,098	251,394	578,098
Total expenditures	643,510	10,658,955	4,263,010	6,647,339
REVENUES OVER (UNDER) EXPENDITURES	(643,510)	365,185	(386,937)	(13,795,406)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	59	59
Total other financing sources (uses)	-	-	59	59
Net change in fund balance	$ (643,510)	$ 365,185	(386,878)	$ (752,063)
FUND BALANCE (DEFICIT):				
Beginning of year			(14,395)	
End of year			$ (401,273)	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Rent Stabilization
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	$ 80,000	$ 310,047	$ 1,505,281	$ 1,195,234
Total revenues	80,000	310,047	1,505,281	1,195,234
EXPENDITURES:				
Current:				
General government	45,000	605,950	286,230	319,720
Capital outlay	-	49,300	-	49,300
Total expenditures	45,000	655,250	286,230	369,020
REVENUES OVER (UNDER) EXPENDITURES	35,000	(345,203)	1,219,051	826,214
OTHER FINANCING SOURCES (USES):				
Transfers in	-	205,203	205,203	-
Total other financing sources (uses)	-	205,203	205,203	-
Net change in fund balance	$ 35,000	$ (140,000)	1,424,254	$ 1,564,254
FUND BALANCE:				
Beginning of year			143,595	
End of year			$ 1,567,849	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Local Housing Trust
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
EXPENDITURES:				
Current:				
General government	$ -	$ 2,000,000	$ 25,785	$ 1,974,215
Total expenditures	-	2,000,000	25,785	1,974,215
REVENUES OVER (UNDER) EXPENDITURES	-	(2,000,000)	(25,785)	(1,974,215)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,500,000	1,500,000	-
Total other financing sources (uses)	-	1,500,000	1,500,000	-
Net change in fund balance	$ -	$ (500,000)	1,474,215	$ 1,974,215
FUND BALANCE:				
Beginning of year			2,000,000	
End of year			$ 3,474,215	

Nonmajor Governmental Funds

Debt Service Funds

Debt Service Funds are used for the accumulation and disbursement of financial resources that will be used to make principal and interest payments on general long-term debt. The nonmajor debt service funds include the following debt issuances:

Assessment District Debt Service - This fund is used to accumulate monies for payment of the City's Assessment Districts Improvement Bonds. Debt service is financed with special assessments levied against property owners within the respective improvement districts.

COP 1999 & COP 2004 Consolidation (2014) - This fund is used to accumulate funds for the payment of principal and interest on the 2014 Lease Purchase/Agreement that was issued on January 29, 2014 to refinance the portion of the 1999 Certificates of Participation that were used to finance the construction of the City Animal Shelter. Debt service for the Animal Shelter is used to finance the City's General Fund.

2018 Lease-PS Building Police - This fund is used to accumulate monies for the designing, permitting, constructing and equipping the new public safety building, including ancillary parking and related facilities, located at 312 E Alisal Street in Salinas. Salinas Public Safety Facilities Inc. (SPF) issued lease revenue bonds to finance the construction of the new building. Lease payments are made from the City's Measure G Funds.

COP 2018B T.R.I.P. Total Road Improvement - This fund is used to accumulate monies for the principal and interest payments for the Transportation Revenue COP Certificates issued to finance large scale street improvement projects. COPs will be secured by Measure X Revenues the City receives from the Transportation Agency of Monterey County (TAMC).

2018 Lease-El Gabilan Library - This fund is used to accumulate monies for the designing, permitting, constructing and equipping the El Gabilan Library expansion, including ancillary parking, located at 1400 N Main Street in Salinas. Salinas Public Safety Facilities, Inc. (SPF) issued lease revenue bonds to facilitate the construction of the El Gabilan Library. Lease payments are made from the City's Measure E Funds.

2020A Refunding Energy - This fund is used to account for the refunding of the 2014 Energy Improvement Lease and accumulate monies for the payment of principal and interest.

2020A Refunding SVSWA - for the refunding of the outstanding portion of the Certificates of Participation Series 2015B (1997 Capital Improvement Projects) and accumulate monies for the payment of principal and interest.

Assessment District Administration - This fund accounts for the cost of administering the City's assessment district bonds used to finance improvements within those districts. Funding is provided by an assessment equal to 5% of the assessment amount with a maximum $16 levy per parcel per bond.

Assessment District Reserve - This fund accounts for the reserves on outstanding assessment districts bonds.

2024 Energy Efficiency - This fund is used to account for the 2024 Energy Efficiency solar project at the Salinas Public Safety Building and accumulate monies for the payment of principal and interest.

City of Salinas
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2025

	Assessment District Debt Service	COP 1999 & 2004 Consolidation (2014)	2018 Lease-PS Building Police	COP 2018B T.R.I.P. Total Road Improvement	2018 Lease El Gabilan Library
ASSETS					
Cash and investments	$ -	$ -	$ -	$ -	$ -
Receivables, net:					
Interest	-	-	-	-	-
Assessments	45,000	-	-	-	-
Restricted cash and investments	143,413	-	-	2,490,996	-
Total assets	$ 188,413	$ -	$ -	$ 2,490,996	$ -
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	853,382	-	-	163,402	-
Unearned revenues	45,000	-	-	-	-
Total liabilities	898,382	-	-	163,402	-
Fund Balances:					
Restricted	-	-	-	2,327,594	-
Unassigned (deficit)	(709,969)	-	-	-	-
Total fund balances	(709,969)	-	-	2,327,594	-
Total liabilities and fund balances	$ 188,413	$ -	$ -	$ 2,490,996	$ -

(Continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Debt Service Funds
June 30, 2025

	2020A Refunding Energy	2020A Refunding SVSWA	Assessment District Administration	Assessment District Reserve
ASSETS				
Cash and investments	$ -	$ -	$ -	$ 2,042,663
Receivables, net:				
Interest	-	-	-	6,409
Assessments	-	-	-	-
Restricted cash and investments	-	-	-	-
Total assets	$ -	$ -	$ -	$ 2,049,072
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	-	-	2,178	-
Unearned revenues	-	-	-	-
Total liabilities	-	-	2,178	-
Fund Balances:				
Restricted	-	-	-	2,049,072
Unassigned (deficit)	-	-	(2,178)	-
Total fund balances	-	-	(2,178)	2,049,072
Total liabilities and fund balances	$ -	$ -	$ -	$ 2,049,072

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Debt Service Funds
June 30, 2025

	2024 Energy Efficiency	Total
ASSETS		
Cash and investments	$ -	$ 2,042,663
Receivables, net:		
Interest	-	6,409
Assessments	-	45,000
Restricted cash and investments	3,703,901	6,338,310
Total assets	$ 3,703,901	$ 8,432,382
LIABILITIES AND FUND BALANCES		
Liabilities:		
Due to other funds	-	1,018,962
Unearned revenues	-	45,000
Total liabilities	-	1,063,962
Fund Balances:		
Restricted	3,703,901	8,080,567
Unassigned (deficit)	-	(712,147)
Total fund balances	3,703,901	7,368,420
Total liabilities and fund balances	$ 3,703,901	$ 8,432,382

(Concluded)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2025

	Assessment District Debt Service	COP 1999 & 2004 Consolidation (2014)	2018 Lease-PS Building Police	COP 2018B T.R.I.P. Total Road Improvement	2018 Lease El Gabilan Library
REVENUES:					
Investment income	$ 7,558	$ -	$ -	$ 261,493	$ -
Total revenues	7,558	-	-	261,493	-
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Debt service:					
Principal	45,000	179,000	3,210,000	850,000	240,000
Interest and fiscal charges	6,173	49,064	1,262,169	1,486,275	539,719
Bond issuance costs	-	-	-	-	-
Total expenditures	51,173	228,064	4,472,169	2,336,275	779,719
REVENUES OVER (UNDER) EXPENDITURES	(43,615)	(228,064)	(4,472,169)	(2,074,782)	(779,719)
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of leases	-	-	-	-	-
Transfers in	-	228,064	4,457,230	4,287,533	777,515
Total other financing sources (uses)	-	228,064	4,457,230	4,287,533	777,515
NET CHANGE IN FUND BALANCES	(43,615)	-	(14,939)	2,212,751	(2,204)
FUND BALANCES (DEFICIT):					
Beginning of year	(666,354)	-	14,939	114,843	2,204
End of year	$ (709,969)	$ -	$ -	$ 2,327,594	$ -

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)
Nonmajor Debt Service Funds
For the Year Ended June 30, 2025

	2020A Refunding Energy	2020A Refunding SVSWA	Assessment District Administration	Assessment District Reserve
REVENUES:				
Investment income	$ -	$ -	$ -	$ 99,890
Total revenues	-	-	-	99,890
EXPENDITURES:				
Current:				
General government	-	-	-	-
Debt service:				
Principal	1,080,000	585,000	-	-
Interest and fiscal charges	511,295	78,580	-	-
Bond issuance costs	-	-	-	-
Total expenditures	1,591,295	663,580	-	-
REVENUES OVER (UNDER) EXPENDITURES	(1,591,295)	(663,580)	-	99,890
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of leases	-	-	-	-
Transfers in	1,591,295	663,330	-	-
Total other financing sources (uses)	1,591,295	663,330	-	-
NET CHANGE IN FUND BALANCES	-	(250)	-	99,890
FUND BALANCES (DEFICIT):				
Beginning of year	-	250	(2,178)	1,949,182
End of year	$ -	$ -	$ (2,178)	$ 2,049,072

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)
Nonmajor Debt Service Funds
For the Year Ended June 30, 2025

	2024 Energy Efficiency	Total
REVENUES:		
Investment income	$ 78,053	$ 446,994
Total revenues	78,053	446,994
EXPENDITURES:		
Current:		
General government	954,805	954,805
Debt service:		
Principal	-	6,189,000
Interest and fiscal charges	90,663	4,023,938
Bond issuance costs	63,684	63,684
Total expenditures	1,109,152	11,231,427
REVENUES OVER (UNDER) EXPENDITURES	(1,031,099)	(10,784,433)
OTHER FINANCING SOURCES (USES):		
Proceeds from issuance of leases	4,735,000	4,735,000
Transfers in	-	12,004,967
Total other financing sources (uses)	4,735,000	16,739,967
NET CHANGE IN FUND BALANCES	3,703,901	5,955,534
FUND BALANCES (DEFICIT):		
Beginning of year	-	1,412,886
End of year	$ 3,703,901	$ 7,368,420

(Concluded)

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Assessment District
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes - special assessments	$ 50,000	$ 50,000	$ -	$ (50,000)
Investment income (loss)	4,400	4,400	7,558	3,158
Total revenues	54,400	54,400	7,558	(46,842)
EXPENDITURES:				
Debt Service:				
Principal	45,000	45,000	45,000	45,000
Interest and fiscal charges	6,900	6,900	6,173	727
Total expenditures	51,900	51,900	51,173	45,727
Net change in fund balance	$ 2,500	$ 2,500	(43,615)	$ (46,115)
FUND BALANCE (DEFICIT):				
Beginning of year			(666,354)	
End of year			$ (709,969)	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - COP 1999 & 2004 Consolidation (2014)
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
EXPENDITURES:				
Debt Service:				
Principal	$ 179,000	$ 179,000	$ 179,000	$ 179,000
Interest and fiscal charges	49,100	49,100	49,064	36
Total expenditures	228,100	228,100	228,064	179,036
REVENUES OVER (UNDER) EXPENDITURES	(228,100)	(228,100)	(228,064)	(179,036)
OTHER FINANCING SOURCES (USES):				
Transfers in	228,100	228,100	228,064	(36)
Total other financing sources (uses)	228,100	228,100	228,064	(36)
Net change in fund balance	$ -	$ -	-	$ -
FUND BALANCE:				
Beginning of year			-	
End of year			$ -	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2018 Lease-PS Building Police
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	$ 8,700	$ 8,700	$ -	$ (8,700)
Total revenues	8,700	8,700	-	(8,700)
EXPENDITURES:				
Debt Service:				
Principal	3,210,000	3,210,000	3,210,000	3,210,000
Interest and fiscal charges	1,263,200	1,263,200	1,262,169	1,031
Total expenditures	4,473,200	4,473,200	4,472,169	3,211,031
REVENUES OVER (UNDER) EXPENDITURES	(4,464,500)	(4,464,500)	(4,472,169)	(3,219,731)
OTHER FINANCING SOURCES (USES):				
Transfers in	5,543,900	5,543,900	4,457,230	(1,086,670)
Total other financing sources (uses)	5,543,900	5,543,900	4,457,230	(1,086,670)
Net change in fund balance	$ 1,079,400	$ 1,079,400	(14,939)	$ (1,094,339)
FUND BALANCE:				
Beginning of year			14,939	
End of year			$ -	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2018B T.R.I.P. Total Road Improvement
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	$ 376,300	$ 376,300	$ 261,493	$ (114,807)
Total revenues	376,300	376,300	261,493	(114,807)
EXPENDITURES:				
Debt Service:				
Principal	850,000	850,000	850,000	850,000
Interest and fiscal charges	1,489,100	1,489,100	1,486,275	2,825
Total expenditures	2,339,100	2,339,100	2,336,275	852,825
REVENUES OVER (UNDER) EXPENDITURES	(1,962,800)	(1,962,800)	(2,074,782)	(967,632)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,339,100	2,339,100	4,287,533	1,948,433
Total other financing sources (uses)	2,339,100	2,339,100	4,287,533	1,948,433
Net change in fund balance	$ 376,300	$ 376,300	2,212,751	$ 1,836,451
FUND BALANCE:				
Beginning of year			114,843	
End of year			$ 2,327,594	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2018 Lease El Gabilan Library
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	$ 1,600	$ 1,600	$ -	$ (1,600)
Total revenues	1,600	1,600	-	(1,600)
EXPENDITURES:				
Debt Service:				
Principal	240,000	240,000	240,000	240,000
Interest and fiscal charges	544,200	544,200	539,719	4,481
Total expenditures	784,200	784,200	779,719	244,481
REVENUES OVER (UNDER) EXPENDITURES	(782,600)	(782,600)	(779,719)	(246,081)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,175,100	1,175,100	777,515	(397,585)
Total other financing sources (uses)	1,175,100	1,175,100	777,515	(397,585)
Net change in fund balance	$ 392,500	$ 392,500	(2,204)	$ (394,704)
FUND BALANCE:				
Beginning of year			2,204	
End of year			$ -	

City of Salinas
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - 2020A Refunding Energy
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
EXPENDITURES:				
Debt Service:				
Principal	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000
Interest and fiscal charges	512,300	512,300	511,295	1,005
Total expenditures	1,592,300	1,592,300	1,591,295	1,081,005
REVENUES OVER (UNDER) EXPENDITURES	(1,592,300)	(1,592,300)	(1,591,295)	(1,081,005)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,592,600	1,592,600	1,591,295	(1,305)
Total other financing sources (uses)	1,592,600	1,592,600	1,591,295	(1,305)
Net change in fund balance	$ 300	$ 300	-	$ (300)
FUND BALANCE:				
Beginning of year			-	
End of year			$ -	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2020A Refunding SVSWA
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
EXPENDITURES:				
Debt Service:				
Principal	$ 585,000	$ 585,000	$ 585,000	$ 585,000
Interest and fiscal charges	80,300	80,300	78,580	1,720
Total expenditures	665,300	665,300	663,580	586,720
REVENUES OVER (UNDER) EXPENDITURES	(665,300)	(665,300)	(663,580)	(586,720)
OTHER FINANCING SOURCES (USES):				
Transfers in	665,300	665,300	663,330	(1,970)
Total other financing sources (uses)	665,300	665,300	663,330	(1,970)
Net change in fund balance	$ -	$ -	(250)	$ (250)
FUND BALANCE:				
Beginning of year			250	
End of year			$ -	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Assessment District Administration
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Net change in fund balance	$ -	$ -	$ -	$ -
FUND BALANCE (DEFICIT):				
Beginning of year			(2,178)	
End of year			$ (2,178)	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Assessment District Reserve
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income	$ 34,100	$ 34,100	$ 99,890	$ 65,790
Total revenues	34,100	34,100	99,890	65,790
Net change in fund balance	$ 34,100	$ 34,100	99,890	$ 65,790
FUND BALANCE:				
Beginning of year			1,949,182	
End of year			$ 2,049,072	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2024 Energy Efficiency
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	$ -	$ -	$ 78,053	$ 78,053
Total revenues	-	-	78,053	78,053
EXPENDITURES:				
Current:				
General government	-	-	954,805	(954,805)
Debt Service:				
Interest and fiscal charges	-	-	90,663	(90,663)
Bond issuance costs	-	-	63,684	(63,684)
Total expenditures	-	-	1,109,152	(1,109,152)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,031,099)	1,187,205
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of long-term debt	-	-	4,735,000	4,735,000
Total other financing sources (uses)	-	-	4,735,000	4,735,000
Net change in fund balance	$ -	$ -	3,703,901	$ 3,703,901
FUND BALANCE:				
Beginning of year			-	
End of year			$ 3,703,901	

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Nonmajor Governmental Funds

Capital Projects Funds

Capital Projects Funds are used to account for major capital acquisition and construction activities. The nonmajor Capital Projects Funds used by the City in this report are as follows:

Special Construction Assistance Capital Projects - This fund accounts for proceeds of long-term borrowings resulting from the sale of Certificates of Participation to finance the acquisition and construction of capital projects.

Special Aviation - This fund accounts for federal and state airport grants. Funds are used to reimburse the Capital Projects Fund for airport capital expenditures.

Assessment District Projects - This fund accounts for bond proceeds from assessment districts used for capital improvements. Funds are used to reimburse the Capital Projects Fund for assessment district capital project expenditures.

2019 Special Tax Bond Monte Bella - This fund accounts for bond proceeds from assessments from the Monte Bella District for Capital Improvements. Funds are used to reimburse the Capital Projects Fund for Monte Bella District Capital Project Expenditures.

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City of Salinas
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2025

	Special Construction Assistance	Special Aviation	Assessment District Project	2019 Special Tax Bond Monte Bella	Total
ASSETS					
Cash and investments	$ 5,413,662	$ 853,212	$ 461,149	$ 17,092	$ 6,745,115
Receivables, net:					
Accounts	582,758	-	-	-	582,758
Interest	415,985	2,530	1,518	84	420,117
Due from other agencies	1,049,218	50,116	-	-	1,099,334
Assessments	-	-	-	-	-
Leases	3,307,506	-	-	-	3,307,506
Restricted cash and investments	-	-	-	13,287	13,287
Total assets	$ 10,769,129	$ 905,858	$ 462,667	$ 30,463	$ 12,168,117
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Due to other funds	$ 5,605,329	$ 7,777	$ -	$ -	$ 5,613,106
Total liabilities	5,605,329	7,777	-	-	5,613,106
DEFERRED INFLOWS OF RESOURCES					
Related to leases	2,967,094	-	-	-	2,967,094
Total deferred inflows of resources	2,967,094	-	-	-	2,967,094
Fund Balances:					
Restricted	2,196,706	898,081	462,667	30,463	3,587,917
Total fund balances	2,196,706	898,081	462,667	30,463	3,587,917
Total liabilities, deferred inflows of resources, and fund balances	$ 10,769,129	$ 905,858	$ 462,667	$ 30,463	$ 12,168,117

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2025

	Special Construction Assistance	Special Aviation	Assessment District Project	2019 Special Tax Bond Monte Bella	Total
REVENUES:					
Intergovernmental	$ 6,649,188	$ 715,781	$ -	$ -	$ 7,364,969
Charges for services	33,675	-	-	-	33,675
Investment income (loss)	232,147	39,386	22,290	1,760	295,583
Total revenues	6,915,010	755,167	22,290	1,760	7,694,227
EXPENDITURES:					
Current:					
Public works	-	188	-	-	188
Total expenditures	-	188	-	-	188
REVENUES OVER (UNDER) EXPENDITURES	6,915,010	754,979	22,290	1,760	7,694,039
OTHER FINANCING SOURCES (USES):					
Transfers out	(6,439,355)	(41,215)	-	-	(6,480,570)
Total other financing sources (uses)	(6,439,355)	(41,215)	-	-	(6,480,570)
NET CHANGE IN FUND BALANCES	475,655	713,764	22,290	1,760	1,213,469
FUND BALANCES:					
Beginning of year	1,721,051	184,317	440,377	28,703	2,374,448
End of year	$ 2,196,706	$ 898,081	$ 462,667	$ 30,463	$ 3,587,917

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Special Construction Assistance
Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ 100,000	$ 350,000	$ 6,649,188	$ 6,299,188
Charges for services	-	-	33,675	33,675
Investment income (loss)	-	-	232,147	232,147
Total revenues	100,000	350,000	6,915,010	6,565,010
REVENUES OVER (UNDER) EXPENDITURES	100,000	350,000	6,915,010	6,565,010
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(35,037,052)	(6,439,355)	28,597,697
Total other financing sources (uses)	-	(35,037,052)	(6,439,355)	28,597,697
Net change in fund balance	$ 100,000	$ (34,687,052)	475,655	$ 35,162,707
FUND BALANCE:				
Beginning of year			1,721,051	
End of year			$ 2,196,706	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Special Aviation Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ -	$ -	$ 715,781	$ 715,781
Investment income (loss)	14,900	14,900	39,386	24,486
Total revenues	14,900	14,900	755,167	740,267
EXPENDITURES:				
Current:				
Public works	-	-	188	-
Total expenditures	-	-	188	-
REVENUES OVER (UNDER) EXPENDITURES	14,900	14,900	754,979	740,267
OTHER FINANCING SOURCES (USES):				
Transfers out	-	199,388	(41,215)	(240,603)
Total other financing sources (uses)	-	199,388	(41,215)	(240,603)
Net change in fund balance	$ 14,900	$ 214,288	713,764	$ 499,476
FUND BALANCE:				
Beginning of year			184,317	
End of year			$ 898,081	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Assessment District Project
Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	$ -	$ -	$ 22,290	$ 22,290
Total revenues	-	-	22,290	22,290
Net change in fund balance	$ -	$ -	22,290	$ 22,290
FUND BALANCE:				
Beginning of year			440,377	
End of year			$ 462,667	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2019 Special Tax Bond Monte Bella
Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	$ -	$ -	$ 1,760	$ 1,760
Total revenues	-	-	1,760	1,760
Net change in fund balance	$ -	$ -	1,760	$ 1,760
FUND BALANCE:				
Beginning of year			28,703	
End of year			$ 30,463	

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Risk Management - This fund is used to account for the City's risk management program which administers employee benefits and the Internal Service Funds insurance programs.

General Insurance - This fund is used to account for city-wide safety programs, employee assistance programs, unemployment claims, biennial physical exams, and insurance for property, fine arts, and reimbursable damages.

Workers Compensation - This fund is used to account for the City's self-insured workers compensation program.

General Liability - This fund is used to account for the City's self-insured general liability insurance program.

Fleet Maintenance - This fund is used to account for the inspection, maintenance, and repair of all the City's vehicles and equipment.

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City of Salinas
Combining Statement of Net Position
All Internal Service Funds
June 30, 2025

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ 194,440	$ -	$ 7,090,560	$ 3,144,515	$ 255,884	$ 10,685,399
Due from other funds	-	-	16,831,462	-	-	16,831,462
Accrued interest	-	-	24,541	4,470	-	29,011
Total current assets	194,440	-	23,946,563	3,148,985	255,884	27,545,872
Noncurrent assets:						
Restricted cash and investments	-	-	278,435	235,625	-	514,060
Total noncurrent assets	-	-	278,435	235,625	-	514,060
Total assets	194,440	-	24,224,998	3,384,610	255,884	28,059,932
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions	-	-	90,721	-	302,410	393,131
Related to OPEB	-	-	10,823	12,787	44,889	68,499
Total deferred outflows of resources	-	-	101,544	12,787	347,299	461,630
LIABILITIES						
Current liabilities:						
Accounts payable	-	28,753	18,596	55,036	56,377	158,762
Accrued liabilities	-	-	19,161	10,424	80,375	109,960
Due to other funds	-	303,832	-	-	-	303,832
Insurance claims payable - due within one year	-	-	7,103,000	2,807,671	-	9,910,671
Compensated absences - due within one year	-	-	8,998	3,791	29,828	42,617
Total current liabilities	-	332,585	7,149,755	2,876,922	166,580	10,525,842
Noncurrent liabilities:						
Insurance claims payable - due in more than one year	-	-	32,240,333	1,162,332	-	33,402,665
Compensated absences - due in more than one year	-	-	35,991	15,167	119,312	170,470
Net pension liability	-	-	335,627	-	1,118,756	1,454,383
Net OPEB liability	-	-	43,633	51,555	180,978	276,166
Total noncurrent liabilities	-	-	32,655,584	1,229,054	1,419,046	35,303,684
Total liabilities	-	332,585	39,805,339	4,105,976	1,585,626	45,829,526
DEFERRED INFLOWS OF RESOURCES						
Related to pensions	-	-	5,085	-	16,952	22,037
Related to OPEB	-	-	35,087	41,457	145,530	222,074
Total deferred inflows of resources	-	-	40,172	41,457	162,482	244,111
NET POSITION						
Unrestricted (deficit)	194,440	(332,585)	(15,518,969)	(750,036)	(1,144,925)	(17,552,075)
Total net position (deficit)	$ 194,440	$ (332,585)	$(15,518,969)	$ (750,036)	$ (1,144,925)	$(17,552,075)

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City of Salinas
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
OPERATING REVENUES:						
Charges for services	$ 220	$ 85,541	$ 7,067,969	$ 383,411	$ -	$ 7,537,141
Total operating revenues	220	85,541	7,067,969	383,411	-	7,537,141
OPERATING EXPENSES:						
Personnel services	-	-	610,607	365,100	1,556,358	2,532,065
Contractual services	-	87,116	-	-	150,699	237,815
Supplies	-	-	-	-	849,878	849,878
Insurance	-	1,822,554	693,103	3,913,863	-	6,429,520
Insurance claims	-	-	12,287,921	412,574	-	12,700,495
Other	-	151,972	-	-	17,373	169,345
Total operating expenses	-	2,061,642	13,591,631	4,691,537	2,574,308	22,919,118
OPERATING INCOME (LOSS)	220	(1,976,101)	(6,523,662)	(4,308,126)	(2,574,308)	(15,381,977)
NONOPERATING REVENUES (EXPENSES):						
Investment income	-	-	373,423	20,515	-	393,938
Other non-operating revenue (expense)	-	(395)	(252,888)	-	(23,006)	(276,289)
Total nonoperating revenues (expenses)	-	(395)	120,535	20,515	(23,006)	117,649
INCOME (LOSS) BEFORE TRANSFERS	220	(1,976,496)	(6,403,127)	(4,287,611)	(2,597,314)	(15,264,328)
TRANSFERS:						
Transfers in	-	1,450,000	-	6,650,000	2,000,000	10,100,000
Transfers out	-	-	(650,000)	-	-	(650,000)
Total transfers	-	1,450,000	(650,000)	6,650,000	2,000,000	9,450,000
Changes in net position	220	(526,496)	(7,053,127)	2,362,389	(597,314)	(5,814,328)
NET POSITION (DEFICIT):						
Beginning of year	194,220	193,911	(8,465,842)	(3,112,425)	(547,611)	(11,737,747)
End of year	$ 194,440	$ (332,585)	$ (15,518,969)	$ (750,036)	$ (1,144,925)	$ (17,552,075)

City of Salinas
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	$ 220	$ 85,541	$ 7,067,969	$ 383,411	$ -	$ 7,537,141
Payments to suppliers for goods and services	-	(1,897,048)	(16,087)	(206,802)	(1,086,924)	(3,206,861)
Payments to employees for services	-	-	(596,326)	(354,615)	(1,600,036)	(2,550,977)
Payments to claimants	-	-	(5,866,616)	(4,105,142)	-	(9,971,758)
Other	-	(151,972)	-	-	(17,373)	(169,345)
Net cash provided by (used in) operating activities	220	(1,963,479)	588,940	(4,283,148)	(2,704,333)	(8,361,800)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Other expenses	-	(395)	(252,888)	-	(23,006)	(276,289)
Transfers from other funds	-	1,450,000	-	6,650,000	2,000,000	10,100,000
Transfers to other funds	-	-	(650,000)	-	-	(650,000)
Net cash provided by (used in) noncapital financing activities	-	1,753,437	(902,888)	6,650,000	1,976,994	9,477,543
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income	-	-	376,431	16,045	-	392,476
Net cash provided by investing activities	-	-	376,431	16,045	-	392,476
Net change in cash and cash equivalents	220	(210,042)	62,483	2,382,897	(727,339)	1,508,219
CASH AND CASH EQUIVALENTS:						
Beginning of year	194,220	210,042	7,306,512	997,243	983,223	9,691,240
End of year	$ 194,440	$ -	$ 7,368,995	$ 3,380,140	$ 255,884	$ 11,199,459
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:						
Cash and cash investments	$ 194,440	$ -	$ 7,090,560	$ 3,144,515	$ 255,884	$ 10,685,399
Total cash and cash equivalents	$ 194,440	$ -	$ 7,368,995	$ 3,380,140	$ 255,884	$ 11,199,459

City of Salinas
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	$ 220	$(1,976,101)	$ (6,523,662)	$(4,308,126)	$(2,574,308)	$(15,381,977)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:						
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:						
Deferred outflows - related to pensions	-	-	47,274	-	203,764	251,038
Deferred outflows - related to OPEB	-	-	2,369	2,799	9,826	14,994
Accounts payable	-	12,622	(16,087)	(206,802)	(86,347)	(296,614)
Accrued liabilities	-	-	19,161	10,424	80,375	109,960
Insurance claims payable	-	-	7,114,408	221,295	-	7,335,703
Compensated absences	-	-	11,578	4,274	21,712	37,564
Net pension liability	-	-	(55,626)	-	(316,386)	(372,012)
Net OPEB liability	-	-	1,519	1,796	6,302	9,617
Deferred inflows - related to pensions	-	-	(4,539)	-	(18,351)	(22,890)
Deferred inflows - related to OPEB	-	-	(7,455)	(8,808)	(30,920)	(47,183)
Total adjustments	-	12,622	7,112,602	24,978	(130,025)	7,020,177
Net cash provided by (used in) operating activities	$ 220	$(1,963,479)	$ 588,940	$(4,283,148)	$(2,704,333)	$ (8,361,800)

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Fiduciary Funds

PRIVATE PURPOSE TRUST FUNDS

The private-purpose trust funds accounts for assets and activities of the dissolved Redevelopment Agency, which is accounted for in the Successor Agency Trust, and other trust arrangement not otherwise reported in a pension trust.

Successor Agency Redevelopment Obligation Retirement – This fund accounts for all the financial activities of the Redevelopment Obligation Retirement Fund (RORF) related to the former Redevelopment Project Area in accordance with AB 1x26 and AB 1484 which unwind the Redevelopment Agency of the City of Salinas.

Successor Agency Administration – This fund accounts for the administrative activities of the Successor Agency to the former Salinas Redevelopment Agency which was dissolved on February 1, 2012 in accordance with AB 1x26 (enacted June 28, 2011).

Other Private Purpose Trust Funds – These funds are used to account for other trust arrangements not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments. The City accounts for the following trust funds: Community Center, Monterey Regional Water Pollution Control Agency (MRWPCA) Fees, Sales Tax, Payroll Taxes, Developer Deposits, Evidence Room, Construction Bonds, Monterey County Tourism Improvement District, Leadership Salinas, and miscellaneous.

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City of Salinas
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2025

	Successor Agency Trust				
	Redevelopment Obligation Retirement Fund	Administration	Total Successor Agency Trust	Other Private Purpose Trust Fund	Total Private Purpose Trust Funds
ASSETS					
Cash and investments	$ 2,340,179	$ 34,018	$ 2,374,197	$ 1,310,130	$ 3,684,327
Receivables:					
Accounts	-	-	-	7,618	7,618
Interest	6,662	-	6,662	1,096	7,758
Loans and notes	163,900	-	163,900	-	163,900
Total assets	2,510,741	34,018	2,544,759	1,318,844	3,863,603
LIABILITIES					
Accounts payable	-	66	66	191,758	191,824
Deposits payable	-	-	-	169,744	169,744
Unearned revenue	817,554	10,000	827,554	-	827,554
Long-term debt:					
Due in more than one year	157,500	-	157,500	-	157,500
Total liabilities	975,054	10,066	985,120	361,502	1,346,622
NET POSITION					
Restricted for individuals and organizations	1,535,687	23,952	1,559,639	957,342	2,516,981
Total net position	$ 1,535,687	$ 23,952	$ 1,559,639	$ 957,342	$ 2,516,981

City of Salinas
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2025

	Successor Agency Trust				
	Redevelopment Obligation Retirement Fund	Administration	Total Successor Agency Trust	Other Private Purpose Trust Fund	Total Private Purpose Trust Funds
ADDITIONS:					
Taxes	$ 4,246,550	$ 10,000	$ 4,256,550	$ -	$ 4,256,550
Private contributions	-	-	-	6,306,404	6,306,404
Interest	90,738	-	90,738	18,445	109,183
Miscellaneous	-	-	-	449,032	449,032
Total additions	4,337,288	10,000	4,347,288	6,773,881	11,121,169
DEDUCTIONS:					
Expenses	107,621	1,159	108,780	130,790	239,570
Payments on behalf of trustees	-	4,309	4,309	6,106,395	6,110,704
Contributions to other agencies	3,192,836	-	3,192,836	-	3,192,836
Payments to City	946,093	-	946,093	-	946,093
Total deductions	4,246,550	5,468	4,252,018	6,237,185	10,489,203
Change in net position	90,738	4,532	95,270	536,696	631,966
NET POSITION:					
Beginning of year	1,444,949	19,420	1,464,369	420,646	1,885,015
End of year	$ 1,535,687	$ 23,952	$ 1,559,639	$ 957,342	$ 2,516,981

Fiduciary Funds

Custodial Funds

Custodial Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds operate as a clearing mechanism. Cash resources are collected, held for a brief period and then distributed to the proper recipients. The City has a fiduciary responsibility for the assets, which it does not own outright.

Flexible Spending - This fund is used to account for revenues resulting of employee concessions contributions used to reduce the cost of medical, vision and dental health insurance premiums.

Downtown Community Benefit District - This fund accounts for the property assessment generated revenues imposed on the Downtown Community Benefit District. The concept is that eventually the Downtown Community Benefit District will grow and receive revenues from multiple sources within a defined boundary that can among other things, including entrepreneurial activities, special mandate, are not be excluded, and no exemptions for not-for-profit entities are being considered. It can be governed by a 501(c)3 non-profit corporation, merging the existing energies in Downtown into just one organization, rather than the 501(c)6 BID and the OSA Foundation. It can receive grants and donations, and merge these with more assessments that are powerful.

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City of Salinas
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	Flexible Spending	Downtown Community Benefit District	Total Custodial Funds
ASSETS			
Cash and investments	$ 77,986	$ 3,890	$ 81,876
Total assets	77,986	3,890	81,876
LIABILITIES			
Accounts payable	169,087	3,890	172,977
Total liabilities	169,087	3,890	172,977
NET POSITION (DEFICIT)			
Restricted for individuals and organizations	(91,101)	-	(91,101)
Total net position (deficit)	$ (91,101)	$ -	$ (91,101)

City of Salinas
Combining Statement of Changes of Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2025

	Flexible Spending	Downtown Community Benefit District	Total Custodial Funds
ADDITIONS:			
Taxes	$ -	$ 505,983	$ 505,983
Plan member contributions	365,659	-	365,659
Total additions	365,659	505,983	871,642
DEDUCTIONS:			
Expenses	352,368	-	352,368
Benefit payments	136,722	-	136,722
Assessments disbursed to other governments	-	505,983	505,983
Total deductions	489,090	505,983	995,073
Change in net position	(123,431)	-	(123,431)
NET POSITION (DEFICIT):			
Beginning of year	32,330	-	32,330
End of year	$ (91,101)	$ -	$ (91,101)

City of Salinas
Combining Balance Sheet
General, Measure E, & Measure G Funds
June 30, 2025

	General Fund	Measure E Fund	Measure G Fund	Total
ASSETS				
Cash and investments	$ 41,278,214	$ 23,730,631	$ 25,211,234	$ 90,220,079
Receivables, net:				
Accounts	917,236	-	-	917,236
Taxes	10,127,718	3,499,433	7,035,175	20,662,326
Interest	296,775	74,550	80,284	451,609
Due from other agencies	98,864	-	-	98,864
Leases	1,052,262	-	-	1,052,262
Due from other funds	11,784,054	-	-	11,784,054
Advances to other funds	2,785,000	-	-	2,785,000
Total assets	$ 68,340,123	$ 27,304,614	$ 32,326,693	$ 127,971,430
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 2,473,046	$ 231,382	$ 625,829	$ 3,330,257
Accrued liabilities	4,129,409	457,226	773,794	5,360,429
Due to other funds	17,235,353	313,154	975,077	18,523,584
Deposits payable	52,802	-	-	52,802
Total liabilities	23,890,610	1,001,762	2,374,700	27,267,072
DEFERRED INFLOWS OF RESOURCES				
Related to leases	995,273	-	-	995,273
Total deferred inflows of resources	995,273	-	-	995,273
Fund Balances (deficit):				
Nonspendable	2,785,000	-	-	2,785,000
Restricted	6,000,000	1,320,000	2,680,000	10,000,000
Committed	21,362,658	3,713,235	13,166,286	38,242,179
Assigned	8,134,367	7,702,794	8,987,839	24,825,000
Unassigned (deficit)	5,172,215	13,566,823	5,117,868	23,856,906
Total fund balances (deficit)	43,454,240	26,302,852	29,951,993	99,709,085
Total liabilities, deferred inflows of resources, and fund balances	$ 68,340,123	$ 27,304,614	$ 32,326,693	$ 127,971,430

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General, Measure E, & Measure G Funds
For the Year Ended June 30, 2025

	General Fund	Measure E Fund	Measure G Fund	Intrafund Eliminations	Total
REVENUES:					
Taxes	$ 105,760,656	$ 17,960,622	$ 36,033,894	$ -	$ 159,755,172
Licenses and permits	10,919,325	-	-	-	10,919,325
Intergovernmental	1,428,928	-	-	-	1,428,928
Charges for services	9,305,281	-	-	-	9,305,281
Interest (loss)	3,102,038	1,088,861	1,279,159	-	5,470,058
Rental income	406,138	-	-	-	406,138
Fines and forfeitures	198,664	-	-	-	198,664
Miscellaneous	1,017,855	(123)	351	-	1,018,083
Total revenues	132,138,885	19,049,360	37,313,404	-	188,501,649
EXPENDITURES:					
Current:					
General government	27,329,978	2,736	2,836,272	-	30,168,986
Public safety	75,823,190	3,961,042	9,339,186	-	89,123,418
Public works	10,079,553	8,383	6,898,201	-	16,986,137
Recreation	791,896	2,569,713	5,496,409	-	8,858,018
Library	-	6,095,902	-	-	6,095,902
Capital outlay	254,055	-	152,635	-	406,690
Debt service:					
Principal	1,148,865	-	-	-	1,148,865
Interest and fiscal charges	163,990	-	-	-	163,990
Total expenditures	115,591,527	12,637,776	24,722,703	-	152,952,006
REVENUES OVER (UNDER) EXPENDITURES	16,547,358	6,411,584	12,590,701	-	35,549,643
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of long-term debt	239,641	-	-	-	239,641
Transfers in	4,977,200	-	-	(2,512,200)	2,465,000
Transfers out	(18,221,803)	(2,391,593)	(14,805,692)	2,512,200	(32,906,888)
Total other financing sources (uses)	(13,004,962)	(2,391,593)	(14,805,692)	-	(30,202,247)
NET CHANGE IN FUND BALANCES	3,542,396	4,019,991	(2,214,991)	-	5,347,396
FUND BALANCES:					
Beginning of year	39,911,844	22,282,861	32,166,984	-	94,361,689
End of year	$ 43,454,240	$ 26,302,852	$ 29,951,993	$ -	$ 99,709,085

City of Salinas
Budgetary Comparison Schedule
Measure E
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	$ 17,200,000	$ 17,200,000	$ 17,960,622	$ 760,622
Interest	300,000	300,000	1,088,861	788,861
Miscellaneous	-	-	(123)	(123)
Total revenues	17,500,000	17,500,000	19,049,360	1,549,360
EXPENDITURES:				
Current:				
General government	59,000	59,000	2,736	56,264
Public safety	4,456,200	4,459,200	3,961,042	498,158
Public works	-	9,772	8,383	1,389
Recreation	2,888,270	2,878,498	2,569,713	308,785
Library	6,136,900	6,136,901	6,095,902	40,999
Total expenditures	13,540,370	13,543,371	12,637,776	905,595
REVENUES OVER (UNDER) EXPENDITURES	3,959,630	3,956,629	6,411,584	(2,454,955)
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,169,700)	(12,098,972)	(2,391,593)	(9,707,379)
Total other financing sources (uses)	(2,169,700)	(12,098,972)	(2,391,593)	(9,707,379)
Net change in fund balance	$ 1,789,930	$ (8,142,343)	4,019,991	$ 12,162,334
FUND BALANCE:				
Beginning of year			22,282,861	
End of year			$ 26,302,852	

City of Salinas
Budgetary Comparison Schedule
Measure G
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	$ 34,400,000	$ 34,400,000	$ 36,033,894	$ 1,633,894
Interest	500,000	500,000	1,279,159	779,159
Total revenues	34,900,000	34,900,000	37,313,404	2,413,404
EXPENDITURES:				
Current:				
General government	2,965,170	3,777,670	2,836,272	941,398
Public safety	8,713,520	8,728,560	9,339,186	(610,626)
Public works	7,038,678	7,264,252	6,898,201	366,051
Recreation	5,363,377	5,647,689	5,496,409	151,280
Capital outlay	122,825	136,998	152,635	136,998
Total expenditures	24,203,570	25,555,169	24,722,703	985,101
REVENUES OVER (UNDER) EXPENDITURES	10,696,430	9,344,831	12,590,701	(3,245,870)
OTHER FINANCING SOURCES (USES):				
Transfers out	(10,256,200)	(33,113,804)	(14,805,692)	(18,308,112)
Total other financing sources (uses)	(10,256,200)	(33,113,804)	(14,805,692)	(18,308,112)
Net change in fund balance	$ 440,230	$ (23,768,973)	(2,214,991)	$ 21,553,982
FUND BALANCE:				
Beginning of year			32,166,984	
End of year			$ 29,951,993	

OTHER INFORMATION

City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - General Liability Insurance
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Net earned required contribution and investment revenues	$ 1,019,378	$ 1,074,526	$ 863,563	$ 342,324	$ 263,104
Unallocated expenses	339,171	314,127	374,303	651,645	748,046
Estimated incurred claims and expenses, end of policy year	534,565	36,271	7,532	892,986	4,006
Paid claims as of:					
End of policy year	116,262	15,603	6,310	75,401	3,618
One year later	20,991	227,379	22,088	387,594	7,635
Two years later	64,153	846,232	285,818	2,660,599	312,080
Three years later	65,043	947,734	340,771	2,723,293	225,494
Four years later	66,412	1,019,825	1,072,628	895,990	308,901
Five years later	835,586	1,721,882	438,723	927,957	354,018
Six years later	588,263	90,970	525,270	927,957	
Seven years later	563,125	90,970	525,675		
Eight years later	563,125	90,970			
Nine years later	563,125				
Reestimated incurred claims and expenses:					
End of policy year	234,565	36,271	7,532	892,986	4,006
One year later	194,433	357,416	796,619	1,583,466	42,411
Two years later	79,955	1,714,261	327,418	3,952,801	468,435
Three years later	94,678	949,419	666,518	3,936,716	51,124
Four years later	80,580	1,041,511	1,144,430	17,475	204,287
Five years later	835,586	1,721,882	8,760	2,434,585	204,287
Six years later	1,234,203	131,016	1,000,872	2,434,585	
Seven years later	26,455	1,635,665	1,000,872		
Eight years later	622,109	1,635,665			
Nine years later	622,109				
Increase/(decrease) in estimated incurred claims and expenses	387,544	1,599,394	993,340	1,541,599	200,281

City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - General Liability Insurance (Continued)
Last Ten Fiscal Years

	2021	2022	2023	2024	2025
Net earned required contribution and investment revenues	$ 276,393	$ 1,228,577	$ 273,301	$ 265,624	$ 403,927
Unallocated expenses	1,090,415	1,860,605	2,140,090	2,890,348	2,537,406
Estimated incurred claims and expenses, end of policy year	53,317	603,165	19,883	19,203	50,678
Paid claims as of:					
End of policy year	2,999	233,121	120	50,111	81,911
One year later	33,435	47,068	337	877,899	
Two years later	428,518	126,776	328,869		
Three years later	513,811	340,302			
Four years later	538,056				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Reestimated incurred claims and expenses:					
End of policy year	53,317	603,165	19,883	19,203	50,678
One year later	778,790	66,288	38,767	51,986	
Two years later	11,615	818,262	122,675		
Three years later	707,865	1,143,262			
Four years later	887,865				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Increase/(decrease) in estimated incurred claims and expenses	834,548	540,097	102,793	32,783	-

City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - Workers Compensation Insurance
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Net earned required contribution and investment revenues	$ 13,748,053	$ 4,743,276	$ 4,922,253	$ 6,079,547	$ 10,151,619
Unallocated expenses	471,472	334,542	1,056,134	210,341	436,618
Estimated incurred claims and expenses, end of policy year	813,874	953,545	1,284,514	1,222,180	1,638,983
Paid claims as of:					
End of policy year	333,561	357,390	346,475	722,652	567,497
One year later	1,061,264	1,070,983	1,177,834	1,580,493	1,844,018
Two years later	1,602,857	1,997,607	1,617,945	1,987,948	2,550,102
Three years later	1,895,742	2,329,308	1,937,327	2,763,247	2,996,808
Four years later	2,014,757	2,558,332	2,010,366	2,941,966	3,444,801
Five years later	2,044,352	270,304	2,133,667	3,077,553	3,641,213
Six years later	2,064,349	2,846,811	2,170,114	3,470,753	
Seven years later	2,105,316	3,594,261	2,199,891		
Eight years later	2,151,551	3,654,630			
Nine years later	2,158,501				
Reestimated incurred claims and expenses:					
End of policy year	813,874	953,545	1,284,514	1,222,180	1,638,983
One year later	1,711,199	1,934,390	1,833,783	2,488,357	3,759,255
Two years later	2,433,616	2,924,696	2,290,339	3,269,045	4,558,744
Three years later	2,406,924	2,932,147	3,249,184	4,060,647	2,012,955
Four years later	2,505,621	3,111,763	3,195,733	1,061,645	1,801,516
Five years later	2,618,375	3,804,982	1,135,620	1,134,913	1,616,899
Six years later	2,636,313	1,104,685	1,088,259	1,016,053	
Seven years later	576,053	319,687	1,073,138		
Eight years later	727,812	321,398			
Nine years later	318,619				
Increase/(decrease) in estimated incurred claims and expenses	(495,255)	(632,147)	(211,376)	(206,127)	(22,084)

City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - Workers Compensation Insurance (Continued)
Last Ten Fiscal Years

	2021	2022	2023	2024	2025
Net earned required contribution and investment revenues	$ 8,119,793	$ 5,176,801	$ 5,807,667	$ 6,502,944	$ 7,441,392
Unallocated expenses	323,042	216,651	216,651	216,651	223,150
Estimated incurred claims and expenses, end of policy year	4,366,805	2,233,467	2,515,012	2,311,342	3,403,343
Paid claims as of:					
End of policy year	1,420,172	930,895	1,518,668	1,093,682	824,823
One year later	2,372,771	3,271,499	3,811,029	2,767,901	
Two years later	3,310,505	5,525,014	5,416,865		
Three years later	4,778,794	6,724,967			
Four years later	5,111,407				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Reestimated incurred claims and expenses:					
End of policy year	4,366,805	2,223,467	2,515,012	2,311,342	3,403,343
One year later	5,391,076	4,145,263	3,587,562	2,812,896	
Two years later	3,959,616	4,678,243	3,180,582		
Three years later	1,495,635	4,480,758			
Four years later	1,092,887				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Increase/(decrease) in estimated incurred claims and expenses	(3,273,918)	2,257,291	665,570	501,554	-

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STATISTICAL SECTION

City of Salinas
Net Position by Component
Last Ten Fiscal Years
accrual basis of accounting

	2015-16	2016-17	2017-18	2018-19	2019-20
Governmental Activities:					
Net investment in capital assets	$ 149,110,836	$ 151,863,517	$ 165,269,307	$ 132,079,740	$ 143,281,912
Restricted	44,746,885	38,505,368	43,285,333	87,701,244	89,496,097
Unrestricted (deficit)	(134,121,226)	(116,218,453)	(133,796,786)	(120,946,521)	(134,321,510)
Total government activities net position	$ 59,736,495	$ 74,150,432	$ 74,757,854	$ 98,834,463	$ 98,456,499
Business-type Activities:					
Net investment in capital assets	$ 86,565,608	$ 83,589,376	$ 80,551,269	$ 78,755,026	$ 76,397,363
Restricted	3,696,823	3,018,809	1,932,223	1,965,948	1,949,081
Unrestricted	6,578,760	6,639,777	7,886,163	8,036,958	8,998,352
Total business-type net position	$ 96,841,191	$ 93,247,962	$ 90,369,655	$ 88,757,932	$ 87,344,796
Primary Government					
Net investment in capital assets	$ 235,676,444	$ 235,452,893	$ 245,820,576	$ 210,834,766	$ 219,679,275
Restricted	48,443,708	41,524,177	45,217,556	89,667,192	91,445,178
Unrestricted (deficit)	(127,542,466)	(109,578,676)	(125,910,623)	(112,909,563)	(125,323,158)
Total primary government net position	$ 156,577,686	$ 167,398,394	$ 165,127,509	$ 187,592,395	$ 185,801,295

City of Salinas
Net Position by Component (Continued)
Last Ten Fiscal Years
accrual basis of accounting

Schedule 1

	2020-21	2021-22	2022-23	2023-24	2024-25
Governmental Activities:					
Net investment in capital assets	$ 167,726,772	$ 204,559,079	$ 212,511,725	$ 223,199,988	$ 221,270,561
Restricted	80,741,294	76,573,216	84,106,986	89,559,884	123,726,335
Unrestricted (deficit)	(132,215,799)	(111,270,940)	(103,386,480)	(125,547,113)	(129,249,480)
Total government activities net position	$ 116,252,267	$ 169,861,355	$ 193,232,231	$ 187,212,759	$ 215,747,416
Business-type Activities:					
Net investment in capital assets	$ 77,467,957	$ 47,973,525	$ 45,330,812	$ 44,273,730	$ 42,828,175
Restricted	6,807	-	-	-	-
Unrestricted (deficit)	7,395,738	8,245,394	7,105,284	10,174,571	10,485,064
Total primary government net position	$ 84,870,502	$ 56,218,919	$ 52,436,096	$ 54,448,301	$ 53,313,239
Primary Government					
Net investment in capital assets	$ 245,194,729	$ 252,532,604	$ 257,842,537	$ 267,473,718	$ 264,098,736
Restricted	80,748,101	76,573,216	84,106,986	89,559,884	123,726,335
Unrestricted (deficit)	(124,820,061)	(103,025,546)	(96,281,196)	(115,372,542)	(118,764,416)
Total primary government net position	$ 201,122,769	$ 226,080,274	$ 245,668,327	$ 241,661,060	$ 269,060,655

City of Salinas
Changes in Net Position
Last Ten Fiscal Years
accrual basis of accounting

	2015-16	2016-17	2017-18	2018-19	2019-20
Program Functions					
Governmental activities					
General government	$ (10,490,317)	$ (11,703,239)	$ (15,576,829)	$ 3,892,145	$ (3,549,819)
Public safety	(54,464,917)	(62,938,627)	(65,552,658)	(87,583,641)	(99,190,153)
Public works	(17,413,222)	(26,931,555)	(27,431,103)	(22,913,235)	(18,938,990)
Recreation	(2,523,212)	(2,535,785)	(2,873,180)	(4,153,713)	(4,212,571)
Library	(3,942,678)	(4,289,362)	(4,760,510)	(4,926,139)	(4,681,660)
Interest on long-term debt	(1,486,654)	(1,639,707)	(1,103,866)	(3,746,197)	(3,807,469)
Total government activities program functions	(90,321,000)	(110,038,275)	(117,298,146)	(119,430,780)	(134,380,662)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Sales tax	$ 62,373,876	$ 64,579,520	$ 64,924,869	$ 72,866,480	$ 69,670,899
Property tax	26,049,176	26,987,393	28,499,277	30,099,616	31,484,162
Utility users tax	12,060,151	11,669,515	12,562,782	11,663,551	11,654,328
Franchise tax	8,701,170	9,064,319	8,920,619	9,088,100	9,305,059
Business tax	4,828,100	7,435,123	7,205,531	8,040,739	7,434,073
Transient occupancy tax	2,601,117	2,730,456	2,917,997	3,610,296	2,824,027
Other taxes	1,029,889	580,430	421,584	773,899	708,577
Investment Earnings	304,982	509,020	1,045,387	4,487,749	2,753,098
Gain (loss) on sale of capital assets	2,239,354	377,969	(270,444)	54,930	-
Miscellaneous revenue	581,326	1,505,726	1,271,291	1,792,717	2,231,781
Transfers	(1,290,241)	(855,521)	(1,900,111)	(3,703,420)	(4,063,306)
Total government activities general revenues	119,478,900	124,583,950	125,598,782	138,774,657	134,002,698
Total government activities changes in net position	$ 29,157,900	$ 14,545,675	$ 8,300,636	$ 19,343,877	$ (377,964)
Program Functions					
Business Type activities					
Airport	$ 712,576	$ 168,108	$ (240,653)	$ (631,541)	$ (463,611)
Industrial waste	2,759,859	1,476,455	1,763,043	851,477	1,030,744
Municipal golf courses	(731,129)	(622,086)	(599,405)	(441,054)	(228,041)
Sanitary sewer	(254,385)	(581,000)	(164,315)	(498,418)	(663,157)
Storm sewer	(4,074,720)	(4,541,418)	(4,086,805)	(5,710,647)	(4,563,120)
Water utility	(10,267)	(10,046)	(15,731)	(15,774)	(13,381)
Downtown parking	(1,305,652)	(1,356,967)	(1,505,068)	36,662	(3,232)
Permit services	-	-	102,237	691,666	(362,346)
Interest on long-term debt	-	-	-	-	-
Total business type program function	(2,903,718)	(5,466,954)	(4,746,697)	(5,717,629)	(5,266,144)
General Revenues and Other Changes in Net Position					
Business Type activities					
Taxes					
Revenue from Fiduciary Funds	$ -	$ -	$ -	$ -	$ -
Investment Earnings	106,627	67,261	157,966	379,511	328,265
Gain (loss) on sale of capital assets	-	-	(18,843)	3,886	4,501
Miscellaneous revenue	950,535	950,943	951,566	-	-
Transfers	1,314,577	855,521	1,900,111	3,703,420	4,063,306
Total business type activities general revenues	2,371,739	1,873,725	2,990,800	4,086,817	4,396,072
Total business type activities changes in net position	$ (531,979)	$ (3,593,229)	$ (1,755,897)	$ (1,630,812)	$ (870,072)
Total primary government changes in net position	$ 28,625,921	$ 10,952,446	$ 6,544,739	$ 17,713,065	$ (1,248,036)

City of Salinas
Changes in Net Position (Continued)
Last Ten Fiscal Years
accrual basis of accounting

Schedule 2

	2020-21	2021-22	2022-23	2023-24	2024-25
Program Functions					
Governmental activities					
General government	$ 6,262,338	$ (13,706,071)	$ (2,980,124)	$ (14,424,431)	$ (13,769,549)
Public safety	(95,334,628)	(86,324,078)	(97,734,106)	(120,478,622)	(95,612,921)
Public works	(23,081,474)	(14,887,126)	(23,146,312)	(26,409,016)	(21,246,383)
Recreation	(3,932,796)	(7,503,502)	(10,157,949)	(11,985,675)	(13,532,105)
Library	(4,762,278)	(4,863,134)	(5,820,068)	(6,426,865)	(6,395,481)
Interest on long-term debt	(4,954,767)	(4,808,025)	(4,371,939)	(4,063,122)	(3,921,907)
Total government activities program functions	(125,803,605)	(132,091,936)	(144,210,498)	(183,787,731)	(154,478,346)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Sales tax	$ 80,811,345	$ 88,968,698	$ 91,620,947	$ 91,312,258	$ 94,640,604
Property tax	33,087,471	34,755,630	37,290,006	39,126,724	40,561,028
Utility users tax	11,608,242	12,106,526	12,766,039	14,050,246	15,758,261
Franchise tax	9,620,994	10,600,386	9,717,168	10,043,832	10,423,060
Business tax	7,034,664	7,234,759	6,902,315	7,481,659	6,724,871
Transient occupancy tax	2,338,402	3,682,621	3,224,396	2,906,219	2,828,874
Other taxes	-	-	-	3,045	261,482
Investment Earnings	777,268	(1,572,611)	6,345,564	11,203,141	11,638,579
Gain (loss) on sale of capital assets	10,926	(34,879)	(47,200)	5,690	(3,653,255)
Miscellaneous revenue	1,834,421	1,220,103	262,754	991,325	418,622
Transfers	(3,524,360)	4,243,402	(500,615)	644,120	3,410,877
Total government activities general revenues	143,599,373	161,204,635	167,581,374	177,768,259	183,013,003
Total government activities changes in net position	$ 17,795,768	$ 29,112,699	$ 23,370,876	$ (6,019,472)	$ 28,534,657
Program Functions					
Business Type activities					
Airport	$ (604,366)	$ (398,015)	$ (558,191)	$ (382,276)	$ (841,554)
Industrial waste	905,368	878,616	(370,171)	(293,894)	747,922
Municipal golf courses	(336,722)	-	-	-	-
Sanitary sewer	(861,624)	(900,846)	(797,807)	(663,643)	(952,224)
Storm sewer	(5,426,920)	-	-	-	-
Water utility	(12,577)	-	-	-	-
Downtown parking	(220,274)	(1,831,590)	(1,432,311)	(1,576,209)	(1,831,521)
Permit services	444,299	972,911	(370,221)	2,193,952	1,544,963
Interest on long-term debt	-	(709,198)	(671,380)	(629,735)	(584,217)
Total business type program function	(6,112,816)	(1,988,122)	(4,200,081)	(1,351,805)	(1,916,631)
General Revenues and Other Changes in Net Position					
Business Type activities					
Taxes					
Revenue from Fiduciary Funds	$ -	$ -	$ -	$ -	$ 946,093
Investment Earnings	87,962	(37,810)	503,455	925,646	1,032,269
Gain (loss) on sale of capital assets	26,200	-	(2,402,411)	(12,058)	-
Miscellaneous revenue	-	2,614,571	1,815,599	3,094,542	2,214,084
Transfers	3,524,360	(4,243,402)	500,615	(644,120)	(3,410,877)
Total business type activities general revenues	3,638,522	(1,666,641)	417,258	3,364,010	781,569
Total business type activities changes in net position	$ (2,474,294)	$ (3,654,763)	$ (3,782,823)	$ 2,012,205	$ (1,135,062)
Total primary government changes in net position	$ 15,321,474	$ 25,457,936	$ 19,588,053	$ (4,007,267)	$ 27,399,595

City of Salinas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
accrual basis of accounting

	2015-16	2016-17	2017-18	2018-19	2019-20
General Fund					
Nonspendable	$ 4,226,413	$ 4,975,310	$ 6,948,604	$ 6,171,019	$ 6,618,146
Restricted	-	-	-	-	-
Committed	12,819,700	15,177,339	5,038,675	5,038,675	5,038,675
Assigned	13,169,516	6,439,802	12,161,256	30,739,004	30,739,004
Unassigned	3,040,076	16,301,224	9,764,806	10,323,543	13,015,196
Total general fund	$ 33,255,705	$ 42,893,675	$ 33,913,341	$ 52,272,241	$ 55,411,021
All Other Governmental Funds					
Nonspendable	$ 6,514,124	$ 2,507,553	$ 2,524,124	$ 2,734,158	$ 2,507,553
Restricted	37,237,337	35,131,863	40,241,770	84,967,086	86,988,544
Committed	2,000,000	4,159,828	8,516,804	2,000,000	2,096,246
Assigned	1,794,208	-	-	-	-
Unassigned (deficit)	(1,317,970)	(1,264,764)	(9,545,676)	(3,880,400)	(3,166,131)
Total all other governmental funds	$ 46,227,699	$ 40,534,480	$ 41,737,022	$ 85,820,844	$ 88,426,212
Total all governmental funds	$ 79,483,404	$ 83,428,155	$ 75,650,363	$ 138,093,085	$ 143,837,233

City of Salinas
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
accrual basis of accounting

Schedule 3

	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund					
Nonspendable	$ 7,060,000	$ 2,785,000	$ 2,785,000	$ 2,785,000	$ 2,785,000
Restricted	-	6,000,000	6,000,000	10,000,000	10,000,000
Committed	2,345,602	36,365,323	36,101,009	39,909,826	38,242,179
Assigned	25,079,875	15,266,804	18,387,565	31,490,364	23,856,906
Unassigned	30,010,062	9,567,543	22,085,188	10,176,499	24,825,000
Total general fund	$ 64,495,539	$ 69,984,670	$ 85,358,762	$ 94,361,689	$ 99,709,085
All Other Governmental Funds					
Nonspendable	$ 2,524,124	$ 1,463,139	$ 1,450,526	$ 1,439,746	$ 3,303,696
Restricted	70,273,209	73,000,753	81,557,344	88,415,240	112,144,762
Committed	2,000,000	2,141,985	2,141,985	8,632,080	7,153,469
Assigned	-	-	-	-	-
Unassigned (deficit)	(877,889)	(3,263,121)	(4,295,780)	(10,397,442)	(1,268,984)
Total all other governmental funds	$ 73,919,444	$ 73,342,756	$ 80,854,075	$ 88,089,624	$ 121,332,943
Total all governmental funds	$ 138,414,983	$ 143,327,426	$ 166,212,837	$ 182,451,313	$ 221,042,028

City of Salinas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
accrual basis of accounting

	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues					
Taxes	$ 116,588,839	$ 115,611,632	$ 118,261,582	$ 127,939,543	$ 132,305,683
Taxes - special assessments	2,833,325	2,483,106	2,514,982	2,479,777	2,521,100
Licenses and permits	1,591,305	6,642,397	6,357,723	7,490,908	824,569
Intergovernmental	17,239,454	17,441,983	24,531,643	19,052,616	21,287,712
Charges for service	5,779,360	6,340,509	6,507,589	8,304,237	6,224,883
Investment income (loss)	572,229	509,019	1,045,387	3,416,428	2,989,595
Rental income	575,124	512,490	608,312	635,882	545,137
Fines and forfeitures	474,447	792,725	847,826	549,831	640,262
Miscellaneous	1,247,912	1,871,079	1,124,430	1,705,367	4,513,618
Total revenues	146,901,995	152,204,940	161,799,474	171,574,589	171,852,559
Expenditures					
Current:					
General government	20,302,850	27,936,383	34,303,909	19,092,506	29,432,887
Public safety	64,668,021	71,730,386	76,243,153	75,938,379	78,580,637
Public works	12,792,810	13,118,008	13,512,685	12,789,997	17,231,621
Recreation	1,930,449	2,471,488	2,566,808	3,963,593	3,493,581
Library	4,516,332	4,643,159	4,805,647	5,113,905	4,781,223
Capital outlay	36,956,428	20,867,874	29,816,713	23,944,192	10,658,987
Debt service					
Principal	9,300,000	7,979,428	3,232,023	3,159,338	9,905,582
Interest and fiscal charges	1,860,336	1,659,842	1,094,547	3,397,650	4,102,067
Bond issuance costs	-	-	-	-	-
Total expenditures	152,327,226	150,406,568	165,575,485	147,399,560	158,186,585
Excess of revenues over (under) expenditures	(5,425,231)	1,798,372	(3,776,011)	24,175,029	13,665,974
Other Financing Sources (Uses)					
Proceeds from issuance of long-term debt	9,670,683	4,555,000	-	44,207,527	2,295,255
Proceeds from issuance of subscriptions	-	-	-	-	-
Proceeds from issuance of leases	-	-	-	-	-
Transfers in	41,871,648	22,089,828	26,227,345	25,201,691	27,633,653
Transfers out	(43,504,889)	(25,123,449)	(30,229,126)	(34,219,715)	(35,895,259)
Total other financing sources (uses)	8,037,442	1,521,379	(4,001,781)	35,189,503	(5,966,351)
Net change in fund balance	2,612,211	3,319,751	(7,777,792)	59,364,532	7,699,623
Debt service as a percentage of noncapital expenditures	9.7%	7.4%	3.2%	5.3%	9.5%

City of Salinas
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
accrual basis of accounting

Schedule 4

	2020-21	2021-22	2022-23	2023-24	2024-25
Revenues					
Taxes	$ 145,043,435	$ 146,371,334	$ 151,267,363	$ 153,971,152	$ 160,403,978
Taxes - special assessments	2,774,645	749,723	561,982	502,652	501,200
Licenses and permits	812,083	11,655,858	10,691,862	11,309,586	11,016,331
Intergovernmental	31,404,757	43,503,917	42,767,631	49,384,015	62,746,390
Charges for service	6,854,066	7,779,989	8,114,352	6,050,377	24,969,116
Investment income (loss)	673,582	(2,221,283)	5,505,406	9,883,356	10,254,997
Rental income	927,623	597,016	641,793	812,030	717,127
Fines and forfeitures	623,400	736,590	543,135	711,595	332,097
Miscellaneous	2,243,489	5,205,563	3,117,144	3,465,643	3,586,484
Total revenues	191,357,080	214,378,707	223,210,668	236,090,406	274,527,720
Expenditures					
Current:					
General government	39,992,586	41,040,602	39,056,519	43,240,999	46,965,317
Public safety	82,842,431	86,257,361	90,370,207	93,218,151	96,074,412
Public works	18,892,966	21,406,979	25,392,307	25,959,566	28,351,504
Recreation	2,935,550	6,203,379	9,088,579	10,257,955	11,107,419
Library	4,363,997	4,759,516	5,370,849	5,655,883	6,414,779
Capital outlay	29,525,238	18,038,903	12,436,563	31,688,117	33,353,305
Debt service					
Principal	6,465,528	15,167,720	8,063,292	8,341,358	8,026,570
Interest and fiscal charges	5,951,232	5,474,806	5,096,739	4,774,021	4,515,533
Bond issuance costs	-	-	-	-	63,684
Total expenditures	190,969,528	198,349,266	194,875,055	223,136,050	234,872,523
Excess of revenues over (under) expenditures	387,552	16,029,441	28,335,613	12,954,356	39,655,197
Other Financing Sources (Uses)					
Proceeds from issuance of long-term debt	3,371,258	1	410,213	-	-
Proceeds from issuance of subscriptions	-	-	-	-	239,641
Proceeds from issuance of leases	-	-	-	-	4,735,000
Transfers in	26,900,580	36,013,486	35,916,982	45,212,136	45,711,257
Transfers out	(36,081,640)	(44,551,384)	(41,777,397)	(50,928,016)	(51,750,380)
Total other financing sources (uses)	(5,809,802)	(8,537,897)	(5,450,202)	(5,715,880)	(1,064,482)
Net change in fund balance	(5,422,250)	7,491,544	22,885,411	7,238,476	38,590,715
Debt service as a percentage of noncapital expenditures	7.7%	11.4%	7.2%	6.9%	5.7%

City of Salinas
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Schedule 5

Fiscal Year	Secured	Unsecured	SBE Nonunitary	Taxable Assessed Value[(1)]	Direct Rate
2015-16	$ 9,319,550,214	$ 640,297,582	$ 3,934,826	$ 9,963,782,622	0.14690%
2016-17	9,767,715,990	651,335,351	3,470,236	10,422,521,577	0.14660%
2017-18	10,238,835,813	669,809,400	3,470,236	10,912,115,449	0.14642%
2018-19	10,757,374,277	656,477,084	3,470,236	11,417,321,597	0.14654%
2019-20	11,276,259,989	800,945,719	3,488,485	12,080,694,193	0.14597%
2020-21	11,827,782,321	803,250,124	5,035,765	12,636,068,210	0.14572%
2021-22	12,232,849,898	813,400,265	5,035,765	13,051,285,928	0.14564%
2022-23	12,989,192,919	839,425,903	5,035,765	13,833,654,587	0.14527%
2023-24	13,568,979,378	923,910,678	5,035,765	14,497,925,821	0.14540%
2024-25	14,253,543,407	969,927,008	5,035,765	15,228,506,180	0.14452%

Notes:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Monterey County Assessor 2015/16 - 2024/25 Combined Tax Rolls.

City of Salinas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Schedule 6

Fiscal Year	Basic Levy	Overlapping Rates						Total Direct and Overlapping Rate
		Alisal Union	Hartnell	Salinas City Elementary	Salinas Union High	Santa Rita Union	Spreckels Union	
2015-16	1.00000%	0.16320%	0.02113%	0.04151%	0.11438%	0.07310%	0.06995%	1.48327%
2016-17	1.00000%	0.17218%	0.01921%	0.03094%	0.09903%	0.06996%	0.05246%	1.44378%
2017-18	1.00000%	0.23166%	0.03724%	0.02309%	0.06521%	0.06869%	0.05825%	1.48414%
2018-19	1.00000%	0.19092%	0.03765%	0.03407%	0.03079%	0.06758%	0.04404%	1.40505%
2019-20	1.00000%	0.23983%	0.03561%	0.02441%	0.03389%	0.01015%	0.03563%	1.37952%
2020-21	1.00000%	0.18954%	0.04289%	0.02646%	0.01004%	0.03771%	0.03624%	1.34288%
2021-22	1.00000%	0.17677%	0.02169%	0.03241%	0.04475%	0.06370%	0.03737%	1.37669%
2022-23	1.00000%	0.12180%	0.04432%	0.02573%	0.05162%	0.03129%	0.03603%	1.31079%
2023-24	1.00000%	0.21538%	0.03313%	0.02999%	0.07862%	0.04833%	0.03577%	1.44122%
2024-25	1.00000%	0.21926%	0.03418%	0.05244%	0.07183%	0.10111%	0.03490%	1.51372%

Notes:

(1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Source: Monterey County Assessor 2015-16 - 2024/25 Tax Rate Table.

City of Salinas
Principal Property Tax Payers
Current Year and Nine Years Ago

Schedule 7

Taxpayer	2024-25 Total Assessed Value	2024-25 Rank	2024-25 % of Total City Taxable Assessed Value	2015-16 Total Assessed Value	2015-16 Rank	2015-16 % of Total City Taxable Assessed Value
Mersho Investments LLC	$ 95,046,734	1	0.62%	$ -	-	-
CMP-1 LLC	91,966,531	2	0.60%	77,151,209	2	0.77%
Harden Ranch Plaza Associates LLC	90,267,425	3	0.59%	76,366,675	3	0.77%
Taylor Farms Retail Inc.	86,671,720	4	0.57%	69,688,383	4	0.70%
Taylor Farms California Inc.	82,773,760	5	0.54%	-	-	-
California Water Service Company	77,524,436	6	0.51%	42,504,267	8	0.43%
Salinas City Center LLC	58,978,438	7	0.39%	-	-	-
The Uni-Kool Partners	56,611,208	8	0.37%	41,493,963	9	0.42%
Chiquita Brands International Inc.	51,522,192	9	0.34%	48,818,705	6	0.49%
Casentini Street Apartments LLC	48,444,260	10	0.32%	-	-	-
Northridge Owner LP	-	-	-	123,435,882	1	1.24%
Fresh Express Inc.	-	-	-	61,579,899	5	0.62%
Mann Packing Company Inc.	-	-	-	45,958,737	7	0.46%
Growers Ice Company	-	-	-	41,199,626	10	0.41%
Total	$ 739,806,704		4.85%	$ 628,197,346		6.31%

Source: Monterey County Assessor 2015/16 - 2024/25 Combined Tax Rolls and the SBE Non Unitary Tax Roll.

City of Salinas
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 8

Fiscal Year	Taxes Levied for the Fiscal Year[1]	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections[2]
		Amount Collected	Percentage of Levy	
2015-16	$ 13,549,327	$ 13,434,529	99.15%	$ 211,345
2016-17	14,283,349	14,158,803	99.13%	200,190
2017-18	14,952,545	14,861,993	99.39%	183,568
2018-19	15,676,194	15,529,233	99.06%	225,285
2019-20	16,446,333	16,144,400	98.16%	161,770
2020-21	17,187,585	17,178,305	99.95%	221,769
2021-22	17,770,945	17,630,571	99.21%	207,476
2022-23	18,867,138	18,775,945	99.52%	141,841
2023-24	19,778,162	19,649,179	99.35%	309,600
2024-25	20,971,156	20,646,267	98.45%	172,421

Notes:

(1) Taxes levied are based on revenue estimates provided annually by the Monterey County Auditor-Controller Agency.

(2) The City does not have access to data showing delinquent tax collections by fiscal year of delinquency. Amounts shown are total collections of delinquent property taxes during the year.

Source: Monterey County Auditor-Controller.

City of Salinas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Schedule 9

Fiscal Year	Governmental Activities[1]				Percentage of Taxable Assessed Value[2]	Percentage of Personal Income[3]	Debt Per Capita[4]
	Direct Borrowing - Capital Leases	Certificates Of Participation	Assessment District Bonds	Total Outstanding Debt			
2015-16	$ 28,479,082	$ 7,035,000	$ 6,160,000	$ 41,674,082	0.42%	1.52%	$ 259
2016-17	26,979,654	6,510,000	4,760,000	38,249,654	0.37%	1.38%	235
2017-18	94,647,219	5,970,000	3,775,000	104,392,219	0.96%	3.65%	645
2018-19	96,347,881	46,871,285	5,719,934	148,939,100	1.30%	4.93%	915
2019-20	88,522,299	45,237,690	7,183,854	140,943,843	1.17%	4.39%	869
2020-21	65,977,431	62,304,689	9,489,303	137,771,423	1.09%	4.10%	860
2021-22	56,058,302	65,546,356	8,799,773	130,404,431	1.00%	3.52%	815
2022-23	51,685,223	62,153,846	8,206,866	122,045,935	0.88%	2.99%	765
2023-24	46,818,865	58,620,763	7,583,959	113,023,587	0.78%	2.54%	698
2024-25	47,011,936	54,936,999	7,366,052	109,314,987	0.72%	2.34%	680

Notes:

(1) Outstanding debt includes unamortized bond premium. Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.

A prior period adjustment of $6,8771,886 was made in FY 21-22 to move certain debts from business-type activities and to implement GASB 87 Leases.

(2) Property value data is disclosed in Schedule 5.

(3) Personal income data is disclosed in Schedule 13.

(4) Population data is disclosed in Schedule 13.

City of Salinas
Ratios of Outstanding General Bonded Debt
Last Ten Fiscal Years

Schedule 10

Fiscal Year	General Bonded Debt Outstanding[1] Certificates Of Participation	Assessment District Bonds	Total Outstanding Debt	Percentage of Taxable Assessed Value[2]	Debt Per Capita[3]
2015-16	7,035,000	$ 6,160,000	$ 13,195,000	0.13%	$ 82
2016-17	6,510,000	4,760,000	11,270,000	0.11%	69
2017-18	5,970,000	3,775,000	9,745,000	0.09%	60
2018-19	46,871,285	5,719,934	52,591,219	0.46%	323
2019-20	45,237,690	7,183,854	52,421,544	0.43%	323
2020-21	62,304,689	9,489,303	71,793,992	0.57%	448
2021-22	65,546,356	8,799,773	74,346,129	0.57%	465
2022-23	62,153,846	8,206,866	70,360,712	0.51%	441
2023-24	58,620,763	7,583,959	66,204,722	0.46%	409
2024-25	54,936,999	7,366,052	62,303,051	0.41%	388

Notes:

(1) Outstanding debt includes unamortized bond premium. Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.

(2) Property value data is disclosed in Schedule 5.

(3) Population data is disclosed in Schedule 13.

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City of Salinas
Direct and Overlapping Governmental Activities Bonded Debt
As of June 30, 2025

Schedule 11

2024-25 Assessed Valuation: $15,228,506,180 Overlapping Government Unit	Debt Outstanding	Estimated Percentage Applicable[1]	Amount Applicable to Primary Government[2]
Overlapping Tax and Assessment Debt			
Hartnell Joint Community College District	$ 233,349,103	39.437%	$ 92,025,886
Salinas Union High School District	176,420,149	67.395%	118,898,359
Salinas Union High School District School Facilities Improvement District	2,590,866	94.993%	2,461,141
Alisal Union School District	91,984,170	89.858%	82,655,135
Salinas City School District	106,257,030	97.238%	103,322,211
Santa Rita Union School District	16,282,651	69.763%	11,359,266
Santa Rita Union School District School Facilities Improvement District No. 2022-1	9,000,000	71.418%	6,427,620
Spreckels Union School District	5,304,920	2.586%	137,185
Monterey County Water Resources Authority Benefit Assessment District, Zone 2C	16,990,000	16.456%	2,795,874
City of Salinas Community Facilities District No. 2016-1, I.A. Nos. 1,2, & 3	6,865,000	100.000%	6,865,000
City of Salinas 1915 Act Bonds	45,000	100.000%	45,000
Subtotal, overlapping tax and assessment debt			$ 426,992,678
Direct and Overlapping General Fund Debt			
Monterey County General Fund Obligations	$ 100,145,000	16.456%	$ 16,479,861
Monterey County Board of Education General Fund Obligations	36,301,000	16.456%	5,973,693
Salinas Union High School District General Fund Obligations	23,597,339	67.395%	15,903,427
Alisal Union School District General Funs Obligations	7,905,000	89.858%	7,103,275
Salinas City School District Certificates of Participation	3,274,889	97.238%	3,184,437
City of Salinas General Fund Obligations	70,528,000	100.000%	63,386,000
Subtotal, direct and overlapping general fund debt			$ 112,030,692
Total Direct Debt			$ 63,386,000
Total Overlapping Debt			475,637,370
Combined Total Debt			$ 539,023,370

Notes:

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

City of Salinas
Legal Debt Margin Information
Last Ten Fiscal Years

	2015-16	2016-17	2017-18	2018-19	2019-20
Debt limit[1]	$ 373,641,848	$ 390,844,559	$ 409,204,329	$ 428,149,560	$ 453,026,032
Debt applicable to limit[2]	7,035,000	6,510,000	5,970,000	46,871,285	45,237,690
Legal debt margin	$ 366,606,848	$ 384,334,559	$ 403,234,329	$ 381,278,275	$ 407,788,342
Percentage available	98.1%	98.3%	98.5%	89.1%	90.0%

Notes:

(1) The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation; however, this provision was enacted when assessed valuation was based upon 25% of market value. The computation above reflects a conversion of assessed valuation data from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments.

(2) Outstanding general obligation bond debt is disclosed in Schedule 9.

Source: City of Salinas Finance Department; Monterey County Assessor.

City of Salinas
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years

Schedule 12

	2020-21	2021-22	2022-23	2023-24	2024-.25
Debt limit[(1)]	$ 473,852,558	$ 489,423,222	$ 518,762,047	$ 543,672,218	$ 516,131,983
Debt applicable to limit[(2)]	62,304,689	65,546,356	62,153,846	58,620,763	54,936,999
Legal debt margin	$ 411,547,869	$ 423,876,866	$ 456,608,201	$ 485,051,455	$ 461,194,984
Percentage available	86.9%	86.6%	88.0%	89.2%	89.4%

Calculation of Legal Debt Margin	
Assessed value of taxable property	$ 15,228,506,180
25% of Assessed Valuation	3,807,126,545
Debt limit (15% of assessed value)	571,068,982
General obligation bonds outstanding	54,936,999
Legal debt margin	$ 516,131,983

City of Salinas
Demographic and Economic Statistics
Last Ten Calendar Years

Schedule 13

Calendar Year	Population[1]	Per Capita Income	Personal Income[2]	Unemployment Rate[3]
2015	161,042	$ 17,039	$ 2,744,108,000	8.5%
2016	162,470	17,097	2,777,833,000	8.0%
2017	161,784	17,678	2,860,157,000	7.6%
2018	162,797	18,559	3,021,463,000	8.3%
2019	162,222	19,787	3,209,975,000	8.3%
2020	160,206	20,958	3,357,626,000	12.7%
2021	159,932	23,150	3,702,460,000	10.3%
2022	159,475	25,615	4,084,967,000	7.8%
2023	162,037	27,469	4,451,108,000	9.1%
2024	160,645	29,054	4,667,435,000	8.9%

Sources:

(1) State of California, Department of Finance.

(2) U.S. Census Bureau.

(3) State of California, Employment Development Department.

City of Salinas
Construction Permits Issued and Estimated Value
Last Ten Fiscal Years

Schedule 14

Fiscal Year	Commercial/Industrial[1] Number of Permits Issued	Commercial/Industrial[1] Estimated Value	Residential[1] Number of Permits Issued	Residential[1] Estimated Value	Total Number of Permits Issued	Total Estimated Value
2015-16	511	$ 42,856,234	$ 2,278	$ 29,693,305	2,789	$ 72,549,538
2016-17	466	55,104,426	1,997	21,340,982	2,463	76,445,408
2017-18	501	59,858,711	1,897	35,873,328	2,398	95,732,039
2018-19	700	76,685,250	1,743	31,108,612	2,443	107,793,862
2019-20	391	11,866,830	1,554	31,223,288	1,945	43,090,118
2020-21	612	37,324,800	1,833	60,127,751	2,445	97,452,551
2021-22	439	52,890,556	1,702	30,481,134	2,141	83,371,691
2022-23	258	68,808,346	1,701	36,716,781	1,959	105,525,127
2023-24	261	64,409,303	1,857	51,657,877	2,118	116,067,180
2024-25[2]	309	530,599,522	2,964	49,259,228	3,273	579,858,750

Notes:

(1) Revision permits that were not identified as commercial or residential are not included in the permit numbers above. Revision permits do not have a valuation.

(2) Includes approximately $460M in Amazon construction valuation major permits.

Source: City of Salinas Community Development Department.

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City of Salinas
Principal Employers
Current Year

Schedule 15

Employer	2024-25 Percentage of Total City Employment	Employees	Rank
County of Monterey	1.54%	3,319	1
Sodexo Management Inc.	1.31%	2,817	2
Sunberry Growers, LLC	1.04%	2,230	3
Newstar Fresh Foods, LLC	0.70%	1,497	4
Salinas Valley Health Service League	0.67%	1,432	5
Employment, Inc.	0.62%	1,327	6
Salinas Union High School District	0.46%	994	7
Unilab Corporation	0.43%	934	8
Salinas City Elementary School District	0.36%	778	9
Monterey County Office of Education	0.35%	745	10
City of Salinas	0.31%	670	11
Natividad Medical Center	0.31%	659	12
Organicgirl, LLC	0.30%	650	13
Roman Catholic Bishop of Monterey, CA	0.30%	644	14
Hartnell College	0.24%	515	15

Source: U.S. Bureau of Labor Statistics and Dun & Bradstreet.

City of Salinas
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Function/Program	2015-16	2016-17	2017-18	2018-19	2019-20
Public Safety					
Fire	100.000	99.000	100.000	98.000	98.000
Police	229.500	227.500	231.500	231.500	231.500
Total	329.500	326.500	331.500	329.500	329.500
General Operations					
Mayor and City Council	7.000	7.000	7.000	7.000	7.000
Administration	15.275	16.000	16.000	12.000	12.000
Human Resources	-	-	-	-	-
Finance	24.000	24.000	26.000	26.000	26.667
City Attorney	5.000	5.000	5.000	5.000	5.000
Community Development	35.345	39.750	29.000	29.000	29.850
Engineering and Transportation	32.375	32.125	35.200	35.150	35.650
Environmental and Maintenance Services	52.875	47.625	48.700	46.500	46.750
Parks and Community Services	12.620	14.000	14.000	19.000	19.000
Library	43.500	43.500	41.000	41.000	41.500
Total	227.990	229.000	221.900	220.650	223.417
Internal Services	3.000	12.000	13.000	13.200	13.450
Enterprise Operations	31.000	33.500	44.100	43.150	43.383
Assessment and Maintenance Districts	1.750	1.750	1.750	1.750	1.750
Successor Agency	1.260	0.750	0.750	0.750	-
Citywide Total	594.500	603.500	613.000	609.000	611.500

Source: City of Salinas FY 2021-22 and FY 2025-26 Adopted Operating Budgets.

City of Salinas
Full-time Equivalent Employees by Function (Continued)
Last Ten Fiscal Years

Schedule 16

Function/Program	2020-21	2021-22	2022-23	2023-24	2024-25
Public Safety					
Fire	98.000	98.000	103.000	104.000	104.000
Police	227.500	221.000	213.000	213.000	208.000
Total	325.500	319.000	316.000	317.000	312.000
General Operations					
Mayor and City Council	7.000	7.000	7.000	7.000	7.000
Administration	6.000	8.000	8.000	10.000	10.000
Human Resources	7.000	7.000	9.000	11.000	11.000
Finance	25.000	28.000	30.000	31.000	31.000
City Attorney	5.000	3.000	7.000	6.000	6.000
Community Development	31.010	34.500	60.000	67.000	76.000
Engineering and Transportation	33.930	34.180	34.180	34.180	33.180
Environmental and Maintenance Services	46.750	33.750	87.820	88.820	89.820
Parks and Community Services	19.000	31.000	33.000	34.000	33.000
Library	41.500	41.500	41.500	41.500	41.000
Total	222.190	227.930	317.500	330.500	338.000
Internal Services	13.450	13.450	-	-	-
Enterprise Operations	43.610	45.370	-	-	-
Assessment and Maintenance Districts	1.750	0.750	-	-	-
Successor Agency	-	-	-	-	-
Citywide Total	606.500	606.500	633.500	647.500	650.000

City of Salinas
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2015-16	2016-17	2017-18	2018-19	2019-20
Police					
Dispatched calls for service[1]	94,740				
Arrest reports	4,258	3,732	3,744	3,676	2,535
Citations and warnings	3,329	3,631	3,904	3,601	2,756
Fire					
Emergency Responses[2]		13,659	14,283	15,093	15,042
Fire Responses	612	451	542	657	652
4-6 Minute Response - General Plan Service Standard	84.8%	40.0%	40.9%	41.2%	45.7%
EMS Responses	10,796	10,890	10,890	11,548	10,855
Number of Paramedics	26	24	24	25	27
Number of Firefighters per Capita	0.50	0.60	0.60	0.60	0.60
Number of Fire Code/State Mandated Inspections	282	891	1,063	1,930	1,966
Parks and recreation					
Youth sports registrants	3,936	3,652	3,476	3,354	2,923
Recreation facility attendance (all sites)	220,635	276,554	325,524	286,640	261,403

Notes:
1) Number of dispatched calls for service are not available from FY 16-17 to FY 20-21.

2) Number of emergency responses are not available for FY 15-16.

Source: City of Salinas Police, Fire, and Library and Community Services Departments.

City of Salinas
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

Schedule 17

Function/Program	2020-21	2021-22	2022-23	2023-24	2024-25
Police					
Dispatched calls for service[1]		98,110	96,051	92,119	106,828
Arrest reports	2,291	2,454	2,552	2,200	2,677
Citations and warnings	2,489	2,857	2,882	2,797	4,047
Fire					
Emergency Responses[2]	15,336	16,705	17,341	17,605	17,670
Fire Responses	896	1,067	923	921	1,017
4-6 Minute Response - General Plan Service Standard	45.8%	45.7%	44.9%	46.9%	37.8%
EMS Responses	9,452	10,602	11,059	11,418	11,155
Number of Paramedics	25	26	26	26	25
Number of Firefighters per Capita	0.60	0.54	0.54	0.54	0.48
Number of Fire Code/State Mandated Inspections	2,115	2,315	1,349	700	924
Parks and recreation					
Youth sports registrants	492	1,055	3,012	3,536	3,030
Recreation facility attendance (all sites)	1,593	163,031	310,233	299,899	299,839

City of Salinas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2015-16	2016-17	2017-18	2018-19	2019-20
Police					
Stations	1	1	1	1	1
Police fleet cars and motorcycles[(1)]				85	95
Fire					
Stations	6	6	6	6	6
Engines	8	8	8	8	8
Tiller Ladder Trucks	2	2	2	2	2
Fire fleet vehicles[(2)]			21	26	26
Parks and recreation					
Acreage	460	460	460	409	409
Parks	42	42	42	42	42
Playgrounds	35	35	35	35	35
Baseball/softball diamonds	10	10	10	10	10
Soccer/football fields	11	11	11	11	11
Tennis courts	6	6	6	6	6
Golf courses	2	2	2	2	2
Community/recreation centers	8	8	8	8	8

Notes:
1) Police fleet cars and motorcycles are not available from FY 15-16 to FY 17-18.

2) Fire fleet vehicles are not available from FY 15-16 to FY 16-17.

Source: City of Salinas Police, Fire, and Library and Community Services Departments.

City of Salinas
Capital Asset Statistics by Function/Program (Continued)
Last Ten Fiscal Years

Schedule 18

Function/Program	2020-21	2021-22	2022-23	2023-24	2024-25
Police					
Stations	1	1	1	1	1
Police fleet cars and motorcycles[1]	110	121	140	147	167
Fire					
Stations	6	6	6	6	6
Engines	8	8	8	8	8
Tiller Ladder Trucks	2	2	2	2	2
Fire fleet vehicles[2]	26	25	34	36	36
Parks and recreation					
Acreage	409	391	391	391	391
Parks	42	42	42	42	42
Playgrounds	35	35	35	35	35
Baseball/softball diamonds	10	10	10	10	10
Soccer/football fields	11	11	11	12	12
Tennis courts	6	6	6	6	6
Golf courses	2	2	2	2	2
Community/recreation centers	7	7	7	7	7

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THE PUN GROUP
ACCOUNTANTS & ADVISORS
CITY OF SALINAS
Presentation to the Finance Committee
For the Fiscal Year Ended June 30, 2025
February 3, 2026
2021–2025
BEST of Accounting
CLIENT SATISFACTION
DIAMOND AWARD
5

CONTENTS

- Required Communications (AU-C 260)
- Audit Responsibilities
- Overview of Financial Statements
- Audit Results

THE PUN GROUP
ACCOUNTANTS & ADVISORS

REQUIRED COMMUNICATIONS (AU-C 260)

Required Communications (AU-C 260)

- **Independence**
  - We complied with ALL relevant requirements regarding independence
- **Significant Accounting Policies**
  - The City disclosed all significant accounting policies in Note 2 to the financial statements.
  - The City implemented GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*
- **Significant Estimates**
  - Fair market value on investments
  - Depreciation/amortization on capital assets
  - Proportional share of joint ownership for investment in joint venture (CSD only)
  - Liability for unused sick leave / “more likely than not” amount
  - Net pension liability actuarial inputs
  - Net other postemployment benefit liability actuarial inputs

Required Communications (AU-C 260)

- **Sensitive Disclosures**
  - Note 1 – Summary of Significant Accounting Policies
  - Note 2 – Stewardship, Compliance, and Accountability
  - Note 12 – Long-Term Debt
  - Note 16 – Retirement Programs
  - Note 17 – Other Post-Employment Benefits (OPEB)
  - Note 18 – Net Position and Fund Balances
  - Note 19 – Other Required Disclosures
  - Note 22 – Changes to or within the Financial Reporting Entity
- **Misstatements**
  - There were no uncorrected misstatements reported.
- **Consultation with Other Accountants**
  - There were no consultations with other accountants regarding audit-related matters.

Required Communications (AU-C 260)

- **Significant Difficulties**
  - We encountered no significant difficulties in dealing with management.
- **Disagreements with Management**
  - We did not have any disagreements with management in terms of accounting treatments or audit procedures performed.
- **Non-Authoritative Guidance**
  - We did not come across any instances where transactions occurred that did not have authoritative guidance.

AUDIT RESPONSIBILITIES

MANAGEMENT'S RESPONSIBILITIES

- Responsible for the financial statements
- Present the financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP)
- Adopt sound accounting policies
- Establish and maintain internal controls over financial reporting and compliance
- Provide evidence supporting the amounts and disclosures in the financial statements
- Fair presentation of financial statements that are free from material misstatements, whether due to fraud or error
- Prevent and detect fraud

AUDITORS' RESPONSIBILITIES

- Perform the audit in conformity with Auditing Standards Generally Accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States
- Communicate with "Those Charged with Governance"
- Assess audit risk of internal control over financial reporting
- Determine the fairness of the presentation of the financial statements
- Render an opinion on the financial statements
- Issue recommendations to management, if any

OVERVIEW OF THE FINANCIAL STATEMENTS

City of Salinas
Government-Wide
Condensed Statement of Net Position – Governmental Activities
June 30, 2025 and 2024

	2025	2024	$ Change	% Change
Assets	$ 617,519,002	$ 611,392,288	$ 6,126,714	1.0%
Deferred Outflows of Resources	55,743,612	69,786,809	(14,043,197)	(20.1%)
Liabilities	440,094,812	472,959,695	(32,864,883)	(6.9%)
Deferred Inflows of Resources	17,420,386	21,006,643	(3,586,257)	(17.1%)
Net Position				
Net investment in capital assets	221,270,561	223,199,988	(1,929,427)	(0.9%)
Restricted	123,726,335	89,559,884	34,166,451	38.1%
Unrestricted	(129,249,480)	(125,547,113)	(3,702,367)	2.9%
Total Net Position	$ 215,747,416	$ 187,212,759	$ 28,534,657	15.2%

THE PUN GROUP
ACCOUNTANTS & ADVISORS

City of Salinas
Government-Wide
Condensed Statement of Net Position – Business-Type Activities
June 30, 2025 and 2024

	2025	2024	$ Change	% Change
Assets	$ 83,018,916	$ 86,492,102	$ (3,473,186)	(4.0%)
Deferred Outflows of Resources	1,549,629	2,265,033	(715,404)	(31.6%)
Liabilities	26,436,134	28,930,302	(2,494,168)	(8.6%)
Deferred Inflows of Resources	4,819,172	5,378,532	(559,360)	(10.4%)
Net Position				
Net investment in capital assets	42,828,175	44,273,730	(1,445,555)	(3.3%)
Unrestricted	10,485,064	10,174,571	310,493	3.1%
Total Net Position	$ 53,313,239	$ 54,448,301	$ (1,135,062)	(2.1%)

THE PUN GROUP
ACCOUNTANTS & ADVISORS

City of Salinas
Government-Wide Summary
Statement of Activities – Governmental Activities
For the Years Ended June 30, 2025 and 2024

	2025	2024	$ Change	% Change
Program Revenues				
Charges for services	$ 28,598,610	$ 9,951,057	$ 18,647,553	187.4%
Operating grants and contributions	46,428,658	39,160,212	7,268,446	18.6%
Capital grants and contributions	14,021,584	11,642,670	2,378,914	20.4%
Total revenues	89,048,852	60,753,939	28,294,913	46.6%
Expenses	(243,527,198)	(244,541,670)	1,014,472	(0.4%)
Net Cost of Services	(154,478,346)	(183,787,731)	29,309,385	(15.9%)
General Revenues				
Taxes	171,198,180	164,923,983	6,274,197	3.8%
Investment earnings	11,638,579	11,203,141	435,438	3.9%
Other	(3,234,633)	997,015	(4,231,648)	(424.4%)
Total general revenues	179,602,126	177,124,139	2,477,987	1.4%
Transfers (net)	3,410,877	644,120	2,766,757	429.5%
Change in net position	$ 28,534,657	$ (6,019,472)	$ 34,554,129	(574.0%)

THE PUN GROUP
ACCOUNTANTS & ADVISORS

City of Salinas
Government-Wide Summary
Statement of Activities – Business-Type Activities
For the Years Ended June 30, 2025 and 2024

	2025	2024	$ Change	% Change
Operating Revenues				
Charges for services	$ 17,174,847	$ 14,078,424	$ 3,096,423	22.0%
Total revenues	17,174,847	14,078,424	3,096,423	22.0%
Expenses	(19,091,478)	(15,430,229)	(3,661,249)	23.7%
Operating Income	(1,916,631)	(1,351,805)	(564,826)	41.8%
Non-Operating Revenue (Expense)				
Investment earnings	1,032,269	925,646	106,623	11.5%
Other	3,160,177	3,082,484	77,693	2.5%
Total non-operating	4,192,446	4,008,130	184,316	4.6%
Transfers (net)	(3,410,877)	(644,120)	(2,766,757)	429.5%
Change in net position	$ (1,135,062)	$ 2,012,205	$ (3,147,267)	(156.4%)

THE PUN GROUP
ACCOUNTANTS & ADVISORS

City of Salinas
General Fund
Condensed Balance Sheets
June 30, 2025 and 2024

	2025	2024	$ Change	% Change
Assets	$ 127,971,430	$ 124,398,014	$ 3,573,416	2.9%
Liabilities	27,267,072	28,729,843	(1,462,771)	(5.1%)
Deferred Inflows of Resources	995,273	1,306,482	(311,209)	(23.8%)
Fund Balance				
Nonspendable	2,785,000	2,785,000	-	0.0%
Restricted	10,000,000	10,000,000	-	0.0%
Committed	38,242,179	39,909,826	(1,667,647)	(4.2%)
Assigned	24,825,000	31,490,364	(6,665,364)	(21.2%)
Unassigned	23,856,906	10,176,499	13,680,407	134.4%
Total Fund Balance	99,709,085	94,361,689	5,347,396	5.7%
Total Liabilities, DI, and Fund Balance	$ 127,971,430	$ 124,398,014	$ 3,573,416	2.9%

THE PUN GROUP
ACCOUNTANTS & ADVISORS

City of Salinas
General Fund
Condensed Statement of Revenues, Expenditures and Changes in Fund Balance
For the Years Ended June 30, 2025 and 2024

	2025	2024	$ Change	% Change
Revenues	$ 188,501,649	$ 178,784,971	$ 9,716,678	5.4%
Expenditures	(152,952,006)	(144,244,342)	(8,707,664)	6.0%
Revenue over expenditures	35,549,643	34,540,629	1,009,014	2.9%
Other financing sources/(uses)				
Transfers (net)	(30,441,888)	(25,537,702)	(4,904,186)	19.2%
Debt issuance	239,641	-	239,641	n/a
Total other financing sources/(uses)	(30,202,247)	(25,537,702)	(4,664,545)	18.3%
Change in fund balance	$ 5,347,396	$ 9,002,927	$ (3,655,531)	(40.6%)

THE PUN GROUP
ACCOUNTANTS & ADVISORS

AUDIT RESULTS

Audit Results

- **Opinions**
  - ***Unmodified Opinions issued to All Opinion Units***
    - Financial statements are fairly presented in all material respects
    - Accounting policies have been consistently applied
    - Estimates used are reasonable
    - Disclosures are properly reflected in the financial statements

Other Results

- No disagreements with management were noted
- No material weaknesses or significant deficiencies were identified in internal control over financial reporting and/or compliance (2025 federal Single Audit issuance still pending – no findings anticipated)
- No inappropriate activities or fraud, waste, or abuse were noted
- No accounting issues were noted where there was a lack of authoritative guidance

Thank you!

HQ - ORANGE COUNTY
200 E. Sandpointe Avenue
Suite 600
Santa Ana, CA 92707

SAN DIEGO
4660 La Jolla Village Dr.
Suite 100
San Diego CA 92122

BAY AREA
2121 North California Blvd.
Suite 290
Walnut Creek, CA 94596

SACRAMENTO
1511 Corporate Way
Suite 220
Sacramento, CA 95831

LAS VEGAS
1980 Festival Plaza Drive
Suite 300
Las Vegas, NV 89135

PHOENIX
2 N. Central Avenue
Suite 1800
Phoenix, AZ 85004

File #: ID#26-030, **Version:** 1

..Title
Amendment No. 3 to the On-Call Streetlight Agreement with St. Francis Electric, LLC.
..Recommended Action
Approve a Resolution authorizing the City Manager to execute Amendment No. 3 to the On-Call Streetlight Service Agreement with St. Francis Electric, LLC to increase the annual amount by $136,595 for a revised annual not-to exceed amount of $386,595; de-appropriating $137,000 from CIP 9163, Traffic Calming Improvements; and appropriating $137,000 to the Public Works Operating Budget.

CITY OF SALINAS
COUNCIL STAFF REPORT

N incr

DATE: **FEBRUARY 24, 2026**

DEPARTMENT: **PUBLIC WORKS**

FROM: **DAVID JACOBS, PUBLIC WORKS DIRECTOR**

BY: **JENNY DAVILA, PUBLIC WORKS ADMIN SUPERVISOR**

TITLE: **AMENDMENT NO. 3 TO THE ON-CALL STREETLIGHT AGREEMENT WITH ST. FRANCIS ELECTRIC, LLC.**

RECOMMENDED MOTION:

A motion to approve a Resolution:

1. Authorizing the City Manager to execute Amendment No. 3 to the On-Call Streetlight Service Agreement with St. Francis Electric, LLC to increase the annual amount by $136,595 for a revised annual not-to exceed amount of $386,595;

2. De-appropriating $137,000 from CIP 9163, Traffic Calming Improvements; and

3. Appropriating $137,000 to the Public Works Operating Budget.

EXECUTIVE SUMMARY:

Due to ongoing incidents of streetlight wire thefts throughout the City, St. Francis Electric, LLC was contacted to assist with replacement and repair efforts. The contractor provided a proposal for Phase 1 of the streetlight wire replacement and was scheduled to complete the associated repairs. As wire theft continues to occur in additional locations, St. Francis Electric has submitted a proposal to address newly affected areas. Amendment No. 3 is required to fund Phase 2 of the streetlight wire replacement work.

BACKGROUND:

In October 2023, the City issued a Request for Qualifications (RFQ) on PlanetBids for On-Call Streetlight Maintenance contractors. The City received two complete responses. Following evaluation, Bear Electrical Solutions, LLC. and St. Francis Electric, LLC were selected.

On December 5. 2023, the Salinas City Council awarded the On-Call Streetlight Maintenance Agreements to both Bear Electrical Solutions, LLC and St. Francis Electric, LLC for a two-year term with an annual not-to-exceed amount of $50,000 per contractor pursuant to Resolution 22850.

Due to increased demand for on-call streetlight maintenance services, the Public Works Department requested City Council for approval of Amendment No. 1 to increase each agreement's annual not-to-exceed amount to $100,000 per contractor. This request was approved by City Council under Resolution 23117.

In mid-2025, the City observed a growing number of streetlight outage reports. Upon investigation, staff determined that the streetlight wire was being cut and stolen. The Public Works Department requested quotes from both Bear Electrical Solutions, LLC and St. Francis Electric to replace the stolen wiring. Based on the submitted proposals, Amendment No. 2 was executed, increasing St. Francis Electric's overall not-to-exceed amount to $250,000.

While Phase 1 of the streetlight wire replacement was being scheduled, additional streetlight wire theft occurred, impacting new locations. The Public Works Department solicited proposals for Phase 2 of the wire replacement work and received a proposal from St. Francis Electric in the amount of $136,595.

To fund this increase, the Public Works Department will de-appropriate $137,000 from Capital Improvement Project (CIP) No. 9163, Traffic Calming Improvements. Approval of Amendment No. 3 will increase the agreement's overall not-to-exceed amount to $386,595 and allow continuation of necessary repairs to restore affected streetlights. It is important to note that this de-appropriation is recommended to move quickly and minimize the impact on the existing budget. When the new Traffic Calming Process is brought forward to the Council all efforts will be made to restore and hopefully add more funding.

The Public Works Department is requesting that the City Council approve the City Manager to execute Amendment No. 3 to the agreement with St. Francis increasing the overall not-to-exceed amount to $386,595 and to de-appropriate $137,000 from CIP 9163 to cover the cost of Amendment No. 3.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

Yes.

STRATEGIC PLAN INITIATIVE:

This item relates to the current City Council Goal of Infrastructure. An increase in the Master Service Agreement will contribute towards the efficient and effective process to complete emergency work that benefits the community's safety and wellbeing.

DEPARTMENTAL COORDINATION:

The Public Works Department worked alongside the City Legal Department and the City Finance department in the Amendment No. 3 review process.

FISCAL AND SUSTAINABILITY IMPACT:

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
1000	50.5235-63.4900	Outside Services – Maintenance & Repairs Others	$61,297	$136,595
1000	50.9163-66.4000	Capital Outlays Improvements	$173,000	($136,595)

Approval of Amendment No. 3 will increase the not-to-exceed amount of the On-Call Streetlight Maintenance Agreement with St. Francis Electric, LLC by $136,595, for a revised total not-to-exceed amount of $386,595. To fund Phase 2 of the Streetlight Wire Theft Repairs, the Public Works Department will de-appropriate $136,595 from Capital Improvement Project (CIP) No. 9163, Traffic Calming Improvements. This reallocation will provide sufficient funding to address ongoing streetlight wire theft impacts and restore affected streetlight infrastructure. The de-appropriation will not increase the City's overall budget and will allow timely completion of critical public safety-related streetlight repairs.

ATTACHMENTS:

Resolution
Amendment No. 3
Amendment No. 2
Amendment No. 1
Original Agreement

RESOLUTION NO. _____ (N.C.S.)

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 3 TO THE ON-CALL STREETLIGHT AGREEMENT WITH ST. FRANCIS ELECTRIC, LLC.

WHEREAS, in October 2023, the City issued a Request for Qualifications (RFQ) for on-call streetlight maintenance services, and Bear Electrical Solutions, LLC and St. Francis Electric, LLC were selected as qualified contractors; and

WHEREAS, on December 5, 2023, the City Council approved an On-Call Streetlight Maintenance Agreement with Bear Electrical Solutions, LLC and St. Francis Electric, LLC for a two-year term with an annual not-to-exceed amount of $50,000, pursuant to Resolution No. 22850; and

WHEREAS, due to an increased demand for streetlight maintenance services, the City Council approved Amendment No. 1 increasing the annual not-to-exceed amount to $100,000 per contractor pursuant to Resolution No. 23117; and

WHEREAS, in mid-2025, the City experienced widespread streetlight outages caused by theft of streetlight wiring, requiring replacement and repair services and Amendment No. 2 was executed increasing the agreement overall not-to-exceed amount to $250,000; and

WHEREAS, continued incidents of streetlight wire theft have occurred in additional locations throughout the City, necessitating Phase 2 of the streetlight wire replacement work and St Francis Electric, LLC submitted a proposal in the amount of $136,595 to complete Phase 2 of the streetlight wire replacement; and

WHEREAS, the Public Works Department proposes de-appropriate $137,000 from Capital Improvement Project (CIP) 9163, Traffic Calming Improvements, to fund the additional work without increasing the City's overall budget.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council authorizes the City Manager to execute Amendment No. 3 to the On-Call Streetlight maintenance Agreement with St. Francis Electric, LLC, increasing the not-to-exceed amount by $136,595 for a revised annual not-to-exceed amount of $386,595; and

BE IT FURTHER RESOLVED that an amount of $137,000 is hereby de-appropriated from Capital Improvement Project No. 9163, Traffic Calming Improvements and appropriate $137,000 to the Public Works Operating Budget to fund Phase 2 of the streetlight wire theft repairs.

PASSED AND APPROVED this 24th day of February 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
Dennis Donohue, Mayor

ATTEST:

_____
Patricia M. Soratos, City Clerk

AGREEMENT —AMENDMENT NO. 3 TO
ON-CALL STREETLIGHT MAINTENANCE SERVICES
BETWEEN CITY OF SALINAS AND ST. FRANCIS ELECTRIC, LLC.

This Amendment No. 3 to the On-Call Streetlight Maintenance Services Agreement (the "Amendment") is entered into this 3rd day of February 2026, by and between the City of Salinas (the "City") and St. Francis Electric, LLC., (the "Contractor"). City and Contractor may be individually referred to herein as a "Party" and collectively the City and Contractor may be referred to as the "Parties."

RECITALS

WHEREAS, the City and Contractor first entered into a/an Agreement for Services for On-Call Streetlight Maintenance effective December 5, 2023, pursuant to which Contractor agreed to act as and provide certain services to the City for compensation (the "Agreement"); and

WHEREAS, the City and Contractor desire to further amend the Agreement to reflect an increase in the total amount of compensation to be paid under the Agreement.

NOW, THEREFORE, in mutual consideration of the terms and conditions set forth below, the Parties agree as follows:

TERMS

1. Section 3 of the Agreement is amended to increase the annual not-to-exceed amount of compensation by one hundred thirty-six thousand five hundred ninety-five dollars ($136,595) for a total amount of compensation to be paid under the Agreement to an amount not to exceed three hundred eighty-six thousand five hundred ninety-five dollars ($386,595).

2. All other covenants, terms, and conditions set forth in the Agreement and not amended by this Amendment shall remain in full force and effect as if fully set forth herein.

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the City and Contractor have entered into this Amendment as of the date first written above.

CITY OF SALINAS

_____
René Mendez, City Manager

APPROVED AS TO FORM:

_____
□ Christopher A. Callihan, City Attorney
□ Rhonda Combs, Assistant City Attorney

ST. FRANCIS ELECTRIC, LLC.

_____
Printed name: ___Guy Smith_____
Title: ___President_____

Docusign Envelope ID: 50B08653-DE28-4CCF-B161-F670F7C79EF6

AGREEMENT —AMENDMENT NO. 3 TO ON-CALL STREETLIGHT MAINTENANCE SERVICES BETWEEN CITY OF SALINAS AND ST. FRANCIS ELECTRIC, LLC.

This Amendment No. 3 to the On-Call Streetlight Maintenance Services Agreement (the "Amendment") is entered into this 3rd day of February 2026, by and between the City of Salinas (the "City") and St. Francis Electric, LLC., (the "Contractor"). City and Contractor may be individually referred to herein as a "Party" and collectively the City and Contractor may be referred to as the "Parties."

RECITALS

WHEREAS, the City and Contractor first entered into a/an Agreement for Services for On-Call Streetlight Maintenance effective December 5, 2023, pursuant to which Contractor agreed to act as and provide certain services to the City for compensation (the "Agreement"); and

WHEREAS, the City and Contractor desire to further amend the Agreement to reflect an increase in the total amount of compensation to be paid under the Agreement.

NOW, THEREFORE, in mutual consideration of the terms and conditions set forth below, the Parties agree as follows:

TERMS

1. Section 3 of the Agreement is amended to increase the annual not-to-exceed amount of compensation by one hundred thirty-six thousand five hundred ninety-five dollars ($136,595) for a total amount of compensation to be paid under the Agreement to an amount not to exceed Three hundred Eighty-Six Thousand, Five Hundred Ninety-Five Dollars ($386,595).

2. All other covenants, terms, and conditions set forth in the Agreement and not amended by this Amendment shall remain in full force and effect as if fully set forth herein.

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the City and Contractor have entered into this Agreement as of the date first written above.

CITY OF SALINAS

_____
René Mendez, City Manager

APPROVED AS TO FORM:

_____
□ Christopher A. Callihan, City Attorney
□ Rhonda Combs, Assistant City Attorney

ST. FRANCIS ELECTRIC, LLC.

Signed by:
Guy Smith
4B1EB3DD40B2494...

Printed name: Guy Smith
Title: President

Form: Agreement Amendment
Version: July 2025

Docusign Envelope ID: 0B589CF7-1187-4A05-A1D1-713F55D9F003

AGREEMENT —AMENDMENT NO. 2 TO
ON-CALL STREETLIGHT MAINTENANCE SERVICES
BETWEEN CITY OF SALINAS AND ST FRANCIS ELECTRIC, LLC.

This Amendment No. 2 to the On-Call Streetlight Maintenance Services Agreement (the "Amendment") is entered into this 8th day of September 2025, by and between the City of Salinas (the "City") and St. Francis Electric, LLC., (the "Contractor"). City and Contractor may be individually referred to herein as a "Party" and collectively the City and Contractor may be referred to as the "Parties."

RECITALS

WHEREAS, the City and Contractor first entered into a/an Agreement for Services for On-Call Streetlight Maintenance effective December 5, 2023, pursuant to which Contractor agreed to act as and provide certain services to the City for compensation (the "Agreement"); and

WHEREAS, the City and Contractor desire to amend the Agreement to reflect the City and Contractors desire to increase the compensation not to exceed amount to $250,000 and to extend the terms of the agreement.

NOW, THEREFORE, in mutual consideration of the terms and conditions set forth below, the Parties agree as follows:

TERMS

1. The Agreement, Term, Section 2, is amended to replace completion date to the following: The work under this Agreement shall commence December 5, 2023, and shall terminate on December 5, 2026, unless extended in writing by either party upon (30) days written notice.

2. The Agreement, Compensation, Section 3, is amended to replace the not to exceed amount to the following: not to exceed Two Hundred Fifty Thousand ($250,000).

3. All other covenants, terms, and conditions set forth in the Agreement and not amended by this Amendment shall remain in full force and effect as if fully set forth herein.

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the City and Contractor have entered into this Agreement as of the date first written above.

CITY OF SALINAS

_____
René Mendez, City Manager

APPROVED AS TO FORM:

_____
□ Christopher A. Callihan, City Attorney
□ Rhonda Combs, Assistant City Attorney

St. FRANCIS ELECTRIC, LLC.

Signed by:
Guy Smith
F338564B18FB48C...

Printed name: __Guy Smith_____

Title: ____President_____

Docusign Envelope ID: C75D46F2-4F36-45A1-A5D9-B8F93CA04746

AGREEMENT —AMENDMENT NO. 1 TO
ON-CALL STREETLIGHT MAINTENANCE SERVICES
BETWEEN
ST. FRANCIS ELECTRIC, LLC. AND CITY OF SALINAS

This Amendment No. 1 to the Agreement for Services for On-Call Streetlight Maintenance (the "Amendment") is entered into this 8th day of October 2024, by and between the City of Salinas (the "City") and St Francis Electric, LLC., (the "Contractor"). City and Contractor may be individually referred to herein as a "Party" and collectively the City and Contractor may be referred to as the "Parties."

RECITALS

WHEREAS, the City and Contractor first entered into a/an Agreement for Services for On-Call Streetlight Maintenance effective December 5, 2023, pursuant to which Contractor agreed to act as and provide certain services to the City for compensation (the "Agreement"); and

WHEREAS, the City and Contractor desire to amend the Agreement to reflect the revised compensation to be paid to the contractor.

NOW, THEREFORE, in mutual consideration of the terms and conditions set forth below, the Parties agree to amend the Agreement as follows:

TERMS

1. The total amount of compensation to be paid under the Agreement shall not exceed a total contract amount of $100,000 for the period of December 5, 2023, through December 5, 2025.

2. All other covenants, terms, and conditions set forth in the Agreement and not amended by this Amendment shall remain in full force and effect as if fully set forth herein.

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the City and Contractor have entered into this Agreement as of the date first written above.

CITY OF SALINAS

DocuSigned by:
Rene Mendez
49009F9344B6488...
Rene Mendez, City Manager

APPROVED AS TO FORM:

Signed by:
Christopher A. Callihan
DF600E62871844E...
□ Christopher A. Callihan, City Attorney
□ Rhonda Combs, Assistant City Attorney

ST FRANCIS ELECTRIC, LLC.

DocuSigned by:
Guy Smith
4B1EB3DD40B2494...
Printed name: Guy Smith

Docusign Envelope ID: C75D46F2-4F36-45A1-A5D9-B8F93CA04746

Title: _____President_____

DocuSign Envelope ID: 3A95C326-1FAA-4942-9B98-0C7A503B0FC7

CITY BUSINESS CONTRACT ROUTING FORM

Instructions: City business contracts, regardless of value, are to be routed through the originating Department, Finance Department for Purchasing policy compliance and signatory authorization review, City Attorneys' Office for legal evaluation as to the contract form, and the Mayor, City Manager, or authorized Department signatory for review and processing. This form standardizes that process and is to be used as the cover sheet to ensure the complete review by appropriate City staff.

Please route contract routing form and agreements electronically to Krystall@ci.salinas.ca.us until further notice

REQUESTING DEPARTMENT			
Department Name	Public Works - Street Maintenance		
Staff Member Responsible for Contract ("DSMR")	Francisco Aguilar	**Tel#**	758-7275
Dept. Primary Point of Contact for Contracts ("DPPC")	Jenny Davila	**Tel#**	758-7108

CONTRACTOR/VENDOR/COMPANY INFORMATION			
Contractor Name	ST Francis Electric, LLC.	**Email**	mkint@sfe-inc.com
Contact Person	Monica Kint	**Tel#**	510-725-5185
Address	975 Carden Street		
City, State, Zip	San Leandro, Ca 94577		

CONTRACT DESCRIPTION/INFORMATION				
Purpose of Contract (Brief description)	RFP – On-Call Streetlight Maintenance Services			
Term of Contract	**Start Date**	12/05/2023	**End Date**	12/05/2025
Contract Amount	**$50,000**	**Account No**	1000.50.5235-63.4900	
Type of Funding	☒ General Funds ☐ Grant Funds/Federal ☐ Grant Funds/State ☐ Restricted Funds ☐ Revenue Generating ☐ Other: _____			

Type of Contract (Check all that apply)		
	☐ Personal/Professional/Consultant	☐ Construction
	☐ Amendment/Renewal	☐ Goods/Materials and Devices
	☐ Contract for Workshop/Seminar	☐ Services - General
	☐ Non-Standard (Vendor-Generated template)	☒ Services - Repair &/or Maintenance
	☐ License / Lease / Use of Facility	☐ Memorandum of Understanding

Attachment Checklist (Check all that are attached)		
	☒ Request for Proposal (usually an attachment/exhibit to professional services contract) ☐ Bid Tabulation (Bid Opening results or Quotes received formal or informal) ☒ City Council Reso ☒ Original contract (Required for Routing Amendments or Renewals)	* Alternatively, if no attachment regarding purchasing process complete this section: ☐ Purchase of $30,000+ general purchases; PW Projects $100,000+, adjusted to index annually, or __ Informal Purchase quotes or bids obtained. 1) Vendor: _____ Quote: _____ 2) Vendor: _____ Quote: _____ 3) Vendor: _____ Quote: _____ __ Exception to Competitive Purchasing – Sole Source Form (attached) __ Exception to Competitive Purchasing – Cooperative Form (attached) (piggybacking not authorized under existing City Code)
	☐ Certificates of Insurance: ____GL ____Auto ___ WC __ Other: _____ ☒ Endorsements to Insurance _x_ General Liability Additional Insured _x_ Workers Comp Waiver of Subrogation	
	☐ Bonds __ Payment __ Performance	☐ Warranties __ Sample __ Actual

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CERTIFICATION & APPROVALS

Requesting DSMR, DCPP, and Department Head each certify that he/she:
(1) has read the attached contract/agreement and that the requesting department will comply with all its requirements
(2) recognize that while Legal may review the contract from a legal and/or policy perspective, it is the requesting department's responsibility to ensure the business terms and specifications are sufficient and/or practical for departmental needs
(3) is responsible to monitor the contract for compliance, payment obligations, and to obtain effective evidence of insurance, and any required bonds at contract initiation.

	PRINT NAME	SIGNATURE	Date
Dept. Staff Member Responsible for Contract	Francisco Aguilar		3/4/24
Dept. Primary Point of Contact for Contracts	Jenny Davila		3.4.24
Department Head	David Jacobs		3-7-24

FINANCE/PURCHASING REVIEWED FOR COMPLIANCE
Point of Contact: Assistant Finance Director, Selina Andrews

□ Reviewed for Compliance with City Purchasing Code and Policy □ Confirmed an authorized signer (title and name) is on contract	Selina Andrews		3/15/24

LEGAL

Approved as to Form	Christopher Callihan	DocuSigned by: Christopher A. Callihan DF000E62071044E...	3/24/2024 | 11:06 A

Comments respecting Contract being routed that may be helpful to reviews, notifications respecting non-approvals, and/or recommendations for additional City Departments to review (or attached memo):

Council approved

Note: Please do not send the routing form or any comments or advice from the City Attorney's Office to any third parties/contractor(s) when negotiating or corresponding. Those communications may be attorney-client privileged, and by forwarding them, you could be waiving that protective privilege, and/or doing so could affect negotiations with a third party. **Further Note:** If contractor requests an originally executed contract two (2) contract originals must attached to the City Business Contract Routing Form of a two-party contract.

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AGREEMENT FOR SERVICES BETWEEN THE CITY OF SALINAS AND ST FRANCIS ELECTRIC, LLC.

ON-CALL STREETLIGHT MAINTENANCE SERVICES

THIS AGREEMENT is executed this 5th day of December 2023 ("Agreement" or "Contract") between the **City of Salinas**, a California Charter city and municipal corporation (hereinafter "City"), and St Francis Electric, LLC., a Limited Liability Company, (hereinafter "Contractor").

IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

1. **Scope.** Contractor hereby agrees to provide to the City, as the scope of services under this Agreement, services related to On-Call Streetlight Maintenance.

It is understood by City and Contractor that Contractor performs or secures the performance of On-Call Streetlight Maintenance and related services for the City on an on-going basis. On each occasion Contractor performs services for City, Contractor shall advise the City in writing of the scope of services to be provided, and the cost of, and estimated time to perform the services. Contractor shall not proceed to perform any such service until City and Contractor have established a project cost, a completion schedule or a time period for performance, and the City has given its written authorization to perform. Written approval for performance and compensation may be granted by the appointed City Project Manager.

2. **Term; Completion Schedule.** This Agreement shall commence on December 5, 2023, and shall terminate on December 5, 2025, unless extended in writing by either party upon (30) days written notice. This Agreement may be extended only upon mutual written consent of the parties and may be terminated only pursuant to the terms of this Agreement and the original RFQ.

3. **Compensation.** City hereby agrees to pay Contractor for services rendered the City pursuant to this Agreement on a time and materials basis according to the rates of compensation as shown on **Exhibit B** and an amount not to exceed Fifty Thousand ($50,000) Dollars.

4. **Billing.** Contractor shall submit to City an itemized invoice, prepared in a form satisfactory to City, describing its services and costs for the period covered by the invoice. Except as specifically authorized by City, Contractor shall not bill City for duplicate services performed by more than one person. Contractor's bills shall include the following information to which such services cost or pertain:

(A) A brief description of services performed;

(B) The date the services were performed;

(C) The number of hours spent and by whom;

(D) A brief description of any costs incurred; and

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(E) The Contractor's signature.

Any such invoices shall be in full accord with any and all applicable provisions of this Agreement.

City shall make payment on each such invoice within thirty (30) days of receipt; provided, however, that if Contractor submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, City shall not be obligated to process any payment to Contractor until thirty (30) days after a correct and complying invoice has been submitted by Contractor. The City shall process undisputed portion immediately.

5. Meet and Confer. Contractor agrees to meet and confer with City or its agents or employees with regard to services as set forth herein as may be required by the City to ensure timely and adequate performance of the Agreement.

6. Additional Copies. If City requires additional copies of reports, or any other material which Contractor is required to furnish as part of the services under this Agreement, Contractor shall provide such additional copies as are requested, and City shall compensate Contractor for the actual costs related to the production of such copies by Contractor.

7. Responsibility of Contractor. By executing this Agreement, Contractor agrees that the services to be provided and work to be performed under this Agreement shall be performed in a fully competent manner. By executing this Agreement, Contractor further agrees and represents to City that the Contractor possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide the City the services contemplated under this Agreement and that City relies upon the professional skills of Contractor to do and perform Contractor's work. Contractor further agrees and represents that Contractor shall follow the current, generally accepted practices in this area to the profession to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding the projects for which the services are rendered under this Agreement.

8. Responsibility of City. To the extent appropriate to the projects to be completed by Contractor pursuant to this Agreement, City shall:

(A) Assist Contractor by placing at its disposal all available information pertinent to the projects, including but not limited to, previous reports and any other data relative to the projects. Nothing contained herein shall obligate City to incur any expense in connection with completion of studies or acquisition of information not otherwise in the possession of City.

(B) Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Contractor, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.

(C) Jim Pia, Interim City Manager, or his designee, shall act as City's representative with respect to the work to be performed under this Agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret and define City's

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policies and decisions with respect to materials, equipment, elements, and systems pertinent to Contractor's services. City may unilaterally change its representative upon notice to the Contractor.

(D) Give prompt written notice to Contractor whenever City observes or otherwise becomes aware of any defect in a project.

9. Acceptance of Work Not a Release. Acceptance by the City of the work to be performed under this Agreement does not operate as a release of Contractor from professional responsibility for the work performed.

10. Indemnification and Hold Harmless. Contractor shall defend, indemnify, and hold harmless the City and its officers, officials, employees, volunteers, and agents from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Contractor's performance of work hereunder, including the performance of work of any of Contractor's subcontractors or agents, or Contractor's failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City.

11. Insurance. Contractor shall procure and maintain for the duration of this Agreement insurance meeting the requirements specified in Exhibit A hereto.

12. Access to Records. Contractor shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials including but not limited to calculation and survey notes relating to work performed for the City under this Agreement on file for at least three (3) years following the date of final payment to Contractor by City. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit, and copying at reasonable times during Contractor's usual and customary business hours. Contractor shall provide proper facilities to City's representative(s) for such access and inspection.

13. Non-Assignability. It is recognized by the parties hereto that a substantial inducement to City for entering into this Agreement was, and is, the professional reputation and competence of Contractor. This Agreement is personal to Contractor and shall not be assigned by it without express written approval of the City.

14. Changes to Scope of Work. City may at any time, and upon a minimum of ten (10) days written notice, seek to modify the scope of services to be provided for any project to be completed under this Agreement. Contractor shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify City in writing. Upon agreement between City and Contractor as to the extent of said impacts to time and compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of the amendment by City and Contractor shall constitute the Contractor's notice to proceed with the changed scope.

15. Ownership of Documents. Title to all final documents, including drawings, specifications, data, reports, summaries, correspondence, photographs, computer software (if

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purchased on the City's behalf), video and audio tapes, software output, and any other materials with respect to work performed under this Agreement shall vest with City at such time as City has compensated Contractor, as provided herein, for the services rendered by Contractor in connection with which they were prepared. City agrees to hold harmless and indemnify the Contractor against all damages, claims, lawsuits, and losses of any kind including defense costs arising out of any use of said documents, drawings, and/or specifications on any other project without written authorization of the Contractor.

16. Termination.

(A) City shall have the authority to terminate this Agreement, upon ten days written notice to Contractor, as follows:

(1) If in the City's opinion the conduct of the Contractor is such that the interest of the City may be impaired or prejudiced, or

(2) For any reason whatsoever.

(B) Upon termination, Contractor shall be entitled to payment of such amount as fairly compensates Contractor for all work satisfactorily performed up to the date of termination based upon the Contractor's rates shown in **Exhibit B** and/or Section 3 of this Agreement, except that:

(1) In the event of termination by the City for Contractor's default, City shall deduct from the amount due Contractor the total amount of additional expenses incurred by City as a result of such default. Such deduction from amounts due Contractor are made to compensate City for its actual additional costs incurred in securing satisfactory performance of the terms of this Agreement, including but not limited to, costs of engaging another Contractor(s) for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to Contractor hereunder, Contractor shall pay City the full amount of such expense.

(C) In the event that this Agreement is terminated by City for any reason, Contractor shall:

(1) Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by City; and

(2) Deliver to City all documents, data, reports, summaries, correspondence, photographs, computer software output, video and audio tapes, and any other materials provided to Contractor or prepared by or for Contractor or the City in connection with this Agreement. Such material is to be delivered to City in completed form; however, notwithstanding the provisions of Section 15 herein, City may condition payment for services rendered to the date of termination upon Contractor's delivery to the City of such material.

(D) In the event that this Agreement is terminated by City for any reason, City is hereby expressly permitted to assume the projects and complete them by any means, including but not limited to, an agreement with another party.

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(E) The rights and remedy of the City and Contractor provided under this Section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this Agreement.

17. Compliance with Laws, Rules, and Regulations. Services performed by Contractor pursuant to this Agreement shall be performed in accordance and full compliance with all applicable federal, state, and City laws and any rules or regulations promulgated thereunder.

18. Exhibits Incorporated. All exhibits referred to in this Agreement and attached to it are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of this Agreement and any of the terms of any exhibit to the Agreement, the terms of the Agreement shall control the respective duties and liabilities of the parties.

19. Independent Contractor. It is expressly understood and agreed by both parties that Contractor, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the City. Contractor expressly warrants not to represent, at any time or in any manner, that Contractor is an employee or servant of the City.

20. Integration and Entire Agreement. This Agreement represents the entire understanding of City and Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters contained herein. This Agreement may not be modified or altered except by amendment in writing signed by both parties.

21. Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, County of Monterey, and City of Salinas. Jurisdiction of litigation arising from this Agreement shall be in the State of California, in the County of Monterey or in the appropriate federal court with jurisdiction over the matter.

22. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

23. Notices.

(A) Written notices to the City hereunder shall, until further notice by City, be addressed to:

City Manager
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

With a copy to:

City Attorney

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City of Salinas
200 Lincoln Avenue
Salinas, California 93901

(B) Written notices to the Contractor shall, until further notice by the Contractor, be addressed to:

Guy Smith, President
ST Francis Electric, LLC.
975 Carden Street
San Leandro, CA 94577

(C) The execution of any such notices by the City Manager shall be effective as to Contractor as if it were by resolution or order of the City Council, and Contractor shall not question the authority of the City Manager to execute any such notice.

(D) All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

24. Nondiscrimination. During the performance of this Agreement, Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability.

25. Conflict of Interest. Contractor warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required under the provisions of this Agreement a violation of any applicable local, state or federal law. Contractor further declares that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed. In the event that any conflict of interest should nevertheless hereinafter arise, Contractor shall promptly notify City of the existence of such conflict of interest so that City may determine whether to terminate this Agreement. Contractor further warrants its compliance with the Political Reform Act (Government Code section 81000 et seq.) and Salinas City Code Chapter 2A that apply to Contractor as the result of Contractor's performance of the work or services pursuant to the terms of this Agreement.

26. Headings. The section headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement.

27. Attorneys' Fees. In case suit shall be brought to interpret or to enforce this Agreement, or because of the breach of any other covenant or provision herein contained, the prevailing party in such action shall be entitled to recover their reasonable attorneys' fees in addition to such costs

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as may be allowed by the Court. City's attorneys' fees, if awarded, shall be calculated at the market rate.

28. Non-Exclusive Agreement. This Agreement is non-exclusive and both City and Contractor expressly reserves the right to contract with other entities for the same or similar services.

29. Rights and Obligations Under Agreement. By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

30. Licenses. If a license of any kind, which term is intended to include evidence of registration, is required of Contractor, its representatives, agents or subcontractors by federal, state or local law, Contractor warrants that such license has been obtained, is valid and in good standing, and that any applicable bond posted in accordance with applicable laws and regulations.

31. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

32. Legal Representation. Each party affirms that it has been represented, if it so chose, by legal counsel of its own choosing regarding the preparation and the negotiation of this Agreement and the matters and claims set forth herein, and that each of them has read this Agreement and is fully aware of its contents and its legal effect. Neither party is relying on any statement of the other party outside the terms set forth in this Agreement as an inducement to enter into this Agreement.

33. Joint Representation. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall be applicable or invoked.

34. Warranty of Authority. Each party represents and warrants that it has the right, power, and authority to enter into this Agreement. Each party further represents and warrants that it has given any and all notices, and obtained any and all consents, powers, and authorities, necessary to permit it, and the persons entering into this Agreement for it, to enter into this Agreement.

35. No Waiver of Rights. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement. The failure to provide notice of any breach of this Agreement or failure to comply with any of the terms of this Agreement shall not constitute a waiver thereof. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. A waiver by the City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

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IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the date first written above.

CITY OF SALINAS

DocuSigned by:
Jim Pia
95AF7118EAC649A...

Jim Pia
Interim City Manager

APPROVED AS TO FORM:

DocuSigned by:
Christopher A. Callihan
DF600E62871844E...

□ Christopher A. Callihan, City Attorney or
□ Rhonda Combs, Assistant City Attorney

CONTRACTOR

By (Printed Name): Guy Smith
Its (Title): President

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Insurance Requirements

Contractor shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees, or subcontractors. With respect to General Liability, coverage should be maintained for a minimum of five (5) years after Agreement completion.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability ("CGL"):** Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form CA 0001 covering any auto, or if Contractor has no owned autos, hired and non-owned autos, with limits no less than **$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than $1,000,000 per accident for bodily injury or disease.
4. **Professional Liability (also known as Errors and Omissions):** Insurance appropriate to the work being performed, with limits no less than $1,000,000 per occurrence or claim, and $2,000,000 aggregate per policy period of one year.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City of Salinas requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. At the option of the City, the Contractor shall provide coverage to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the Contractor shall provide evidence satisfactory to the City guaranteeing payment of losses and related investigations, claim

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administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

Other Insurance Provisions

A. The General Liability, Automobile Liability, Contractors Pollution Liability, and/or Asbestos Pollution policies are to contain, or be endorsed to contain, the following provisions:

1. **The City of Salinas, its officers, officials, employees, and volunteers are to be covered as additional insureds** with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Forms CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
2. For any claims related to this project, **the Contractor's insurance coverage shall be primary insurance** coverage at least as broad as ISO CG 20 01 04 13 as respects the City of Salinas, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

B. The Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract. This coverage may also be provided on the Contractor's PLL policy.

C. If General Liability, Contractors Pollution Liability and/or Asbestos Pollution Liability and/or Errors & Omissions coverages are written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of Agreement of work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the Agreement of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of Agreement work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification / remediation, the Contractor's PLL policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification / remediation, the Contractor's PLL shall not contain a mold exclusion and the definition of "Pollution" shall include microbial matter including mold.

Acceptability of Insurers

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Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII if admitted in the State of California. If Contractor's Pollution Liability, Asbestos Pollution and/or Errors & Omissions coverages are not available from an admitted insurer, the coverage may be written by a non-admitted insurance company. A non-admitted company should have an A.M. Best rating of A:X or higher. Exception may be made for the California State Compensation Insurance Fund if not rated.

Verification of Coverage

Contractor shall furnish the City with original certificates of insurance and amendatory endorsements, or copies of the applicable insurance policy language effecting coverage required by this contract and a copy of the Declarations and Endorsements page of the policy listing all policy endorsements. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Waiver of Subrogation

Contractor hereby grants to City a waiver of subrogation which any insurer may acquire against City, its officers, officials, employees, and volunteers, from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Salinas for all work performed by the Contractor, its employees, agents, and subcontractors.

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City of Salinas is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a form at least as broad as ISO CG 20 38 04 13.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Maintenance of Insurance

Maintenance of insurance by Contractor as specified shall in no way be interpreted as relieving Contractor of its indemnification obligations or any responsibility whatsoever and the Contractor may carry, at its own expense, such additional insurance as it deems necessary.

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Exhibit B- Fee Schedule

CITY OF SALINAS

RATE SHEET

Journeyman Electrician - Traffic Signal Maintenance and Repair	
Hourly Straight Time	$ 119.00 per hr.
Hourly Overtime	$ 160.00 per hr.
Hourly Doubletime	$ 200.00 per hr.
Foreman Electrician - Traffic Signal Maintenance and Repair	
Hourly Straight Time	$ 130.00 per hr.
Hourly Overtime	$ 178.00 per hr.
Hourly Doubletime	$ 225.00 per hr.
Laborer - Excavation, Jackhammer and General Laborer Work	
Hourly Straight Time	$ 85.00 per hr.
Hourly Overtime	$ 105.00 per hr.
Bucket Truck	
Hourly Rate	$ 40.00 per hr.
Mobile Crane	
Hourly Rate	$ 65.00 per hr.
Flatbed/Utility Truck	
Hourly Rate	$ 25.00 per hr.

The confidential data and information contained in SFE's proposals/offers, any and all oral discussion or comment relating to the confidential data and information and any information derived therefrom shall be maintained in the strictest confidence and shall not be released, sold, disseminated, transferred or otherwise disclosed by any means to any person, firm, corporation, or third party without the prior written approval of SFE.

ST. FRANCIS ELECTRIC | 975 CARDEN ST. | SAN LEANDRO, CA. 94577 | OFF: 510-639-0639 | FAX: 510-639-4653

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/08/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CA LIC 0B29370 1-925-798-3334 Edgewood Partners Insurance Center (EPIC) [Concord - Branch ID 15469] P.O. Box 5668 Concord, CA 94524	CONTACT NAME: Sara Dorrisey PHONE (A/C, No, Ext): 925-822-9009 FAX (A/C, No): 925-887-6815 E-MAIL ADDRESS: sara.dorrisey@epicbrokers.com
INSURED St. Francis Electric, LLC PO Box 2057 San Leandro, CA 94577	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: NATIONAL UNION FIRE INS CO OF PITTS — 19445 INSURER B: ALLIED WORLD NATL ASSUR CO — 10690 INSURER C: NEW HAMPSHIRE INS CO — 23841 INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** 70547718 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [X] PRO-JECT LOC OTHER:	X	X	GL5342018	04/01/23	04/01/24	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG 	$ 2,000,000 $ 500,000 $ 25,000 $ 2,000,000 $ 4,000,000 $ 4,000,000 $
A	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY	X	X	CA4773676	04/01/23	04/01/24	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) 	$ 2,000,000 $ $ $ $
B	UMBRELLA LIAB [X] OCCUR X EXCESS LIAB CLAIMS-MADE DED RETENTION $			03102673	04/01/23	04/01/24	EACH OCCURRENCE AGGREGATE 	$ 10,000,000 $ 10,000,000 $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [Y] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	X	WC022298334	04/01/23	04/01/24	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
B	Pollution Liability			03092664	04/01/23	04/01/24	Ea. Occ/Aggregate	5,000,000
B	Professional Liability			03092664	04/01/23	04/01/24	Ea Occ/Aggregate	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: SFE Job #24-0507, On-Call Streetlight Maintenance Services.
Additional Insured(s): The City of Salinas, its officers, officials, employees, and volunteers.
When required by written contract, Additional Insured status with Primary & Non-Contributory coverage applies to General Liability and Auto Liability and Waiver of Subrogation applies to General Liability, Auto Liability and Workers Compensation, all as per the attached endorsements.
30 days notice of cancellation, as per the attached endorsements.
Excess Liability underlying policies include General Liability, Automobile Liability and Employers Liability.

CERTIFICATE HOLDER

SFE Job #24-0507

City of Salinas

200 Lincoln Avenue

Salinas, CA 93901 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE
02/08/2024

NAME OF INSURED: St. Francis Electric, LLC

Additional Description of Operations/Remarks from Page 1:

Additional Information:

Continued...

SUPP (05/04)

DocuSign Envelope ID: 3A95C326-1FAA-4942-9B98-0C7A503B0FC7

ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

policy No. CA 477-36-76 issued to ST. FRANCIS ELECTRIC, LLC

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

SCHEDULE

ADDITIONAL INSURED:
Any person or organization for whom you are contractually bound to provide Additional Insured status but only to the extent of such person's or organization's liability arising out of the use of a covered "auto".

I. **SECTION II - LIABILITY COVERAGE, A. Coverage, 1. - Who Is Insured,** is amended to add:

d. Any person or organization, shown in the schedule above, to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of use of a covered "auto". However, the insurance provided will not exceed the lesser of:

(1) The coverage and/or limits of this policy, or

(2) The coverage and/or limits required by said contract or agreement.

Authorized Representative or Countersignature (in States Where Applicable)

87950 (10/05)

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ENDORSEMENT #

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

Policy No. CA 477-36-76 issued to ST. FRANCIS ELECTRIC, LLC

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED ADVICE OF CANCELLATION PROVIDED VIA E-MAIL TO ENTITIES OTHER THAN THE FIRST NAMED INSURED

This policy is amended as follows:

In the event that the **Insurer** cancels this policy for any reason other than non-payment of premium, and

1. the cancellation effective date is prior to this policy's expiration date;

2. the **First Named Insured** is under an existing contractual obligation to notify a certificate holder when this policy is canceled (hereinafter, the "Certificate Holder(s)") and has provided to the **Insurer**, either directly or through its broker of record, the email address of a contact at each such entity; and

3. the **Insurer** received this information after the **First Named Insured** receives notice of cancellation of this policy and prior to this policy's cancellation effective date, via an electronic spreadsheet that is acceptable to the **Insurer,**

the **Insurer** will provide advice of cancellation (the "Advice") via e-mail to each such Certificate Holders within 30 days after the **First Named Insured** provides such information to the **Insurer**; provided, however, that if a specific number of days is not stated above, then the Advice will be provided to such Certificate Holder(s) as soon as reasonably practicable after the **First Named Insured** provides such information to the **Insurer**.

Proof of the **Insurer** emailing the Advice, using the information provided by the **First Named Insured**, will serve as proof that the **Insurer** has fully satisfied its obligations under this endorsement.

This endorsement does not affect, in any way, coverage provided under this policy or the cancellation of this policy or the effective date thereof, nor shall this endorsement invest any rights in any entity not insured under this policy.

The following Definitions apply to this endorsement:

1. **First Named Insured** means the Named Insured shown on the Declarations Page of this policy.
2. **Insurer** means the insurance company shown in the header on the Declarations page of this policy.

All other terms, conditions and exclusions shall remain the same.

Authorized Representative

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ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

policy No. CA 477-36-76 issued to ST. FRANCIS ELECTRIC, LLC

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INSURANCE PRIMARY AS TO CERTAIN ADDITIONAL INSUREDS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, B., General Conditions, 5., Other Insurance, c., is amended by the addition of the following sentence:

The insurance afforded under this policy to an additional insured will apply as primary insurance for such additional insured where so required under an agreement executed prior to the date of accident. We will not ask any insurer that has issued other insurance to such additional insured to contribute to the settlement of loss arising out of such accident.

All other terms and conditions remain unchanged.

Authorized Representative or Countersignature (in States Where Applicable)

74445 (10/99)

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ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

policy No. CA 477-36-76 issued to ST. FRANCIS ELECTRIC, LLC

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, A. - Loss Conditions, 5. - Transfer of Rights of Recovery Against Others to Us, is amended to add:

However, we will waive any right of recover we have against any person or organization with whom you have entered into a contract or agreement because of payments we make under this Coverage Form arising out of an "accident" or "loss" if:

(1) The "accident" or "loss" is due to operations undertaken in accordance with the contract existing between you and such person or organization; and

(2) The contract or agreement was entered into prior to any "accident" or "loss".

No waiver of the right of recovery will directly or indirectly apply to your employees or employees of the person or organization, and we reserve our rights or lien to be reimbursed from any recovery funds obtained by any injured employee.

AUTHORIZED REPRESENTATIVE

62897 (6/95)

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POLICY NUMBER: GL 534-20-18

COMMERCIAL GENERAL LIABILITY
CG 20 10 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	PER THE CONTRACT OR AGREEMENT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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POLICY NUMBER: GL 534-20-18

COMMERCIAL GENERAL LIABILITY
CG 20 37 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	PER THE CONTRACT OR AGREEMENT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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ENDORSEMENT#

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

Policy No. GL 534-20-18 issued to ST. FRANCIS ELECTRIC, LLC

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED ADVICE OF CANCELLATION PROVIDED VIA E-MAIL TO ENTITIES OTHER THAN THE FIRST NAMED INSURED

This policy is amended as follows:

In the event that the **Insurer** cancels this policy for any reason other than non-payment of premium, and

1. the cancellation effective date is prior to this policy's expiration date;

2. the **First Named Insured** is under an existing contractual obligation to notify a certificate holder when this policy is canceled (hereinafter, the "Certificate Holder(s)") and has provided to the **Insurer**, either directly or through its broker of record, the email address of a contact at each such entity; and

3. the **Insurer** received this information after the **First Named Insured** receives notice of cancellation of this policy and prior to this policy's cancellation effective date, via an electronic spreadsheet that is acceptable to the **Insurer,**

the **Insurer** will provide advice of cancellation (the "Advice") via e-mail to each such Certificate Holders within 30 days after the **First Named Insured** provides such information to the **Insurer**; provided, however, that if a specific number of days is not stated above, then the Advice will be provided to such Certificate Holder(s) as soon as reasonably practicable after the **First Named Insured** provides such information to the **Insurer**.

Proof of the **Insurer** emailing the Advice, using the information provided by the **First Named Insured**, will serve as proof that the **Insurer** has fully satisfied its obligations under this endorsement.

This endorsement does not affect, in any way, coverage provided under this policy or the cancellation of this policy or the effective date thereof, nor shall this endorsement invest any rights in any entity not insured under this policy.

The following Definitions apply to this endorsement:

1. **First Named Insured** means the Named Insured shown on the Declarations Page of this policy.
2. **Insurer** means the insurance company shown in the header on the Declarations page of this policy.

All other terms, conditions and exclusions shall remain the same.

Authorized Representative

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ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

policy No. GL 534-20-18 issued to ST. FRANCIS ELECTRIC, LLC

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIMITS OF INSURANCE
(Per Project or Per Location Aggregate Limit)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

I. Your policy is amended to include either a Per Project General Aggregate Limit, a Per Location General Aggregate Limit or a Per Project and Per Location General Aggregate Limit. Please select only *one* of the following:

[X] **Per Project General Aggregate Limit**	$ 2,000,000
[ ] **Per Location General Aggregate Limit**	$
[ ] **Per Project and Per Location General Aggregate Limit**	$

IF NEITHER OF THESE BOXES ARE CHECKED, THIS ENDORSEMENT IS VOID. IF MORE THAN ONE OF THE THESE BOXES ARE CHECKED, THIS ENDORSEMENT IS VOID.

II. **SECTION III - LIMITS OF INSURANCE** , is amended to include the following:

1. The Limits of Insurance and the rules below fix the most we will pay regardless of the number of:

   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

   a. Medical expenses under Coverage **C**;
   b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the products-completed operations hazard"; and
   c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to **2.** above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

   a. Damages under Coverage **A**; and
   b. Medical expenses under Coverage **C**

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because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to **5.** above, the Damage to Premises Rented To You Limit is the most we will pay under Coverage **A** because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

8. Subject to **2.**, **4.**, **5.**, **6.**, and/or **7.** above, the Per Project Aggregate Limit is the most we will pay under Coverages **A**, **B**, and **C** combined for the sum of:

   a. Damages under Coverage **A**;
   b. Damages under Coverage **B**; and
   c. Medical Expenses under Coverage **C**

   arising out of any single Project described above.

9. Subject to **2.**, **4.**, **5.**, **6.**, and/or **7.** above, the Per Location Aggregate Limit is the most we will pay under Coverages **A**, **B**, and **C** combined for the sum of:

   a. Damages under Coverage **A**;
   b. Damages under Coverage **B**; and
   c. Medical expenses under Coverage **C**

   arising out of the any single Location described above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

III. The Limits of Insurance shown in the Declarations are deleted in their entirety and replaced by the Limits of Insurance set forth below.

	Limits of Insurance
General Aggregate Limit	$ 10,000,000
Each Occurrence Limit	$ 2,000,000
Products-Completed Operations Aggregate Limit	$ 4,000,000
Personal & Advertising Injury Limit	$ 2,000,000
Damage to Premises Rented to You	$ 500,000
Medical Expense Limit	$ 25,000
Per Project General Aggregate Limit, Per Location General Aggregate Limit or Per Project and Per Location General Aggregate Limit	$ 4,000,000

IV. SECTION V - DEFINITIONS, is amended to include the following:

23. "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway, or right-of-way railroad.

All other terms and conditions of this policy remain the same.

Authorized Representative or Countersignature (in States Where Applicable)

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Policy # GL 534-20-18

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

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POLICY NUMBER: GL 534-20-18

COMMERCIAL GENERAL LIABILITY
CG 24 17 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTUAL LIABILITY - RAILROADS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Scheduled Railroad:	Designated Job Site:
ANY RAILROAD ORGANIZATION WHOM HAS GRANTED YOU AN EASEMENT FOR ANY JOB SITE TO PERMIT YOU TO PERFORM WORK AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to operations performed for, or affecting, a Scheduled Railroad at a Designated Job Site, the definition of "insured contract" in the Definitions section is replaced by the following:

9. "Insured Contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;

(2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph **(1)** above and supervisory, inspection, architectural or engineering activities.

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POLICY NUMBER: GL 534-20-18

COMMERCIAL GENERAL LIABILITY
CG 24 04 12 19

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART DESIGNATED SITES
POLLUTION LIABILITY LIMITED COVERAGE PART DESIGNATED SITES
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY DESIGNATED TANKS

SCHEDULE

Name Of Person(s) Or Organization(s):
PURSUANT TO APPLICABLE WRITTEN CONTRACT OR AGREEMENT YOU ENTER INTO.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery against the person(s) or organization(s) shown in the Schedule above because of payments we make under this Coverage Part. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such person(s) or organization(s) prior to loss. This endorsement applies only to the person(s) or organization(s) shown in the Schedule above.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 04/01/2023 forms a part of Policy No. WC 022-29-8334

Issued to ST. FRANCIS ELECTRIC, LLC

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

LIMITED ADVICE OF CANCELLATION PROVIDED VIA E-MAIL TO ENTITIES OTHER THAN THE NAMED INSURED (WORKERS' COMPENSATION ONLY)

This policy is amended as follows:

In the event that the **Insurer** cancels this policy for any reason other than non-payment of premium, and

1. the cancellation effective date is prior to this policy's expiration date;

2. the **Named Insured** or, if applicable, any other employers named in Item 1 of the Information Page is under an existing contractual obligation to notify a certificate holder when this policy is canceled (hereinafter, the "Certificate Holder(s)") and the **Named Insured** has provided to the **Insurer**, either directly or through its broker of record, the email address of a contact at each such entity; and

3. the **Insurer** received this information after the **Named Insured** receives notice of cancellation of this policy and prior to this policy's cancellation effective date, via an electronic spreadsheet that is acceptable to the **Insurer**,

the **Insurer** will provide advice of cancellation (the "Advice") via e-mail to each such Certificate Holders within 30 days after the **Named Insured** provides such information to the **Insurer**; provided, however, that if a specific number of days is not stated above, then the Advice will be provided to such Certificate Holder(s) as soon as reasonably practicable after the **Named Insured** provides such information to the **Insurer**.

Proof of the **Insurer** emailing the Advice, using the information provided by the **First Named Insured**, will serve as proof that the **Insurer** has fully satisfied its obligations under this endorsement.

This endorsement does not affect, in any way, coverage provided under this policy or the cancellation of this policy or the effective date thereof, nor shall this endorsement invest any rights in any entity not insured under this policy.

The following definitions apply to this endorsement:

1. **Named Insured** means the insured first named employer in Item 1 of the Information Page of this policy.

2. **Insurer** means the insurance company shown in the header on the Information Page of this policy.

All other terms, conditions and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE

WC 99 00 56
(Ed. 04/11)

DocuSign Envelope ID: 3A95C326-1FAA-4942-9B98-0C7A503B0FC7

BLANKET WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 04/01/2023 forms a part of Policy No. WC 022-29-8334

Issued to ST. FRANCIS ELECTRIC, LLC

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

We have a right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against any person or organization with whom you have a written contract that requires you to obtain this agreement from us, as regards any work you perform for such person or organization.

The additional premium for this endorsement shall be 2.00 % of the total estimated workers compensation premium for this policy.

WC 04 03 61
(Ed. 11/90)

Countersigned by _____

Authorized Representative

File #: ID#26-032, **Version:** 1

..Title
Appropriation of $1,190,337 of HOME-American Rescue Plan Funds to the Housing Authority of Monterey County
..Recommended Action
Approve a Resolution authorizing the appropriation of $1,190,337 of HOME-American Rescue Plan (HOME-ARP) Funds to the Housing Authority of Monterey County to provide supportive services through rental assistance for qualifying HOME-ARP populations at the Fairview Homekey permanent supportive housing site located at 1030 Fairview Avenue.

CITY OF SALINAS
COUNCIL STAFF REPORT

DATE: **FEBRUARY 24, 2026**

DEPARTMENT: **COMMUNITY DEVELOPMENT**

FROM: **LISA BRINTON, DIRECTOR**

THROUGH: **ORLANDO REYES, ASSISTANT DIRECTOR**

BY: **KAYSHLA LOPEZ, HOMELESS SERVICES MANAGER**

TITLE: **APPROPRIATION OF $1,190,337 OF HOME-AMERICAN RESCUE PLAN FUNDS TO THE HOUSING AUTHORITY OF MONTEREY COUNTY**

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing

1. The appropriation of $1,190,337 of HOME-American Rescue Plan (HOME-ARP) Funds to the Housing Authority of Monterey County to provide supportive services through rental assistance for qualifying HOME-ARP populations at the Fairview Homekey permanent supportive housing site located at 1030 Fairview Avenue,
2. The transfer of existing appropriation from 2931.30.3240-69.1240 to 2931.30.3240-69.1680 in the amount of $1,190,337, and
3. The increase of estimated revenue for Fund 2931 to $2,485,337.

EXECUTIVE SUMMARY:

Approval of the appropriation of $1,190,337 of HOME-American Rescue Plan (HOME-ARP) Funds will enable the City to advance housing stability outcomes, comply with HUD expenditure and performance requirements, and ensure long-term service delivery. This appropriation is required to finalize and execute a Subrecipient Funding Agreement with the Housing Authority of the County of Monterey (HACM) for the administration and delivery of rental assistance as part of supportive service activity designated to stabilize housing for qualifying individuals experiencing homelessness at the Fairview Homekey site (Fairview Homekey Project) for the term of February 24, 2026, through February 24, 2027.

BACKGROUND:

On March 21, 2023, the City Council approved Resolution No. 22620, approving the City of Salinas HOME-ARP Allocation Plan, which prioritizes permanent supportive housing and the

provision of supportive services to people experiencing homelessness. Subsequently, on August 6, 2024, the City Council approved Resolution No. 23054, allocating HOME-ARP and Permanent Local Housing Allocation (PLHA) funds to provide supportive services at the Fairview Homekey Project. Resolution No. 23054 also authorized City Manager and City Attorney to take action to make those funds available, authorizes City staff to take whatever additional action may be necessary to update the City's HOME ARP Allocation Plan and PLHA program, and authorizes the Mayor and the City Clerk to execute additional resolutions as may be required by the State of California or HUD.

Project History and Change of Ownership

The Fairview Homekey property previously was owned under agreements with Shangri-La, Inc. Following the foreclosure proceedings resulting from Shangri-La's defaults, ownership of the property transitioned, and the Housing Authority of the County of Monterey (HACM) has since acquired the site and now serves as the sole property owner and operator. The City's prior partnership with Shangri-La has been fully resolved.

As of January 23, 2026, the Housing Authority of the County of Monterey (HACM), is the sole property owner and operator for Fairview Homekey property and program operations. Acquisition and preservation of the Fairview Homekey site as permanent supportive housing, was supported by the Monterey County Board of Supervisors authorizing a one-time contribution of up to $2.5 million from the County Health Department Behavioral Health Bureau to HACM. This investment was matched by the Salinas City Council's appropriation of Permanent Local Housing Allocation (PLHA) and Prohousing Incentive Program (PIP) funds. This coordinated investment by the City, County, and HACM ensured the preservation of the Fairview Homekey site and avoided the loss of much-needed housing for highly vulnerable residents. The requested appropriation of HOME-ARP funds builds upon the City and County's prior financial commitments toward the acquisition and preservation of the Fairview Homekey Project and represents the next phase of operation.

Fairview Homekey Project

The Fairview Homekey Project is a permanent supportive housing site developed through the State of California's Homekey Program. The property consists of 45 studio units and one manager's unit, all of which have been fully renovated and are move-in ready. The project serves individuals experiencing homelessness, including persons with mental illness and other complex health conditions, and is intended to provide long-term housing stability coupled with intensive supportive services.

Support services include case management and individualized service planning, housing stabilization and retention services, housing navigation and counseling, and referrals to behavioral health care, substance use treatment, healthcare, employment, and transportation services. All services will be delivered using a Housing First and low-barrier approach, ensuring that

participants are not screened out based on income, employment status, sobriety, or treatment history.

Community Engagement

In response to inquiries from nearby residents and businesses, the Housing Authority of the County of Monterey, in coordination with the City of Salinas, convened a community engagement meeting on February 19, 2026, at 6pm, at the Los Padres Elementary School. The purpose of the meeting was to provide information regarding the Fairview Homekey Project, clarify site operations and security protocols, and establish clear and appropriate points of contact for community members to report concerns related to the property or its operations. The meeting will also provide an opportunity to explain the permanent supportive housing model, resident eligibility, and management structure for the site.

Housing Authority of the County of Monterey (HACM)

The Housing Authority of the County of Monterey (HACM) serves as the City's primary housing partner for the Fairview Homekey Project. HACM as the property owner will be responsible for securing and administering operating subsidies (such as Housing Choice Vouchers when available), overseeing compliance with state and federal regulatory agreements tied to Homekey, HOME-ARP, and other funding sources. HACM is also responsible for coordinating with the California State Department of Housing and Community Development (HCD) on project approvals, operational feasibility, and long-term sustainability, as well as addressing any transactional or ownership issues that may arise. While the City provides policy direction, funding allocations, and regulatory oversight as a Participating Jurisdiction, HACM is responsible for the day-to-day operational viability of the Fairview Homekey Project and for resolving property-level or financing matters in coordination with HCD.

Service Provider Selection Process

Supportive services for the Fairview Homekey Project were procured by HACM through a competitive Request for Proposals (RFP) process issued on December 10, 2025. On January 26, 2026, the HACM Board of Commissioners approved the award of the supportive services contract to Step Up for the Fairview Homekey Project. The selected provider will deliver onsite supportive services in coordination with HACM and the City of Salinas, consistent with HOME-ARP requirements and the project's Housing First model.

Grand Opening and Project Launch

The grand opening of the Fairview Homekey Project is anticipated to occur on March 4, 2026, concurrent with the ongoing lease-up of the site. The grand opening will mark the commencement of onsite supportive services and full program operations by HACM. Additional details regarding

the timing and format of the grand opening will be shared as project readiness milestones are finalized.

Performance, Reporting and Monitoring

The Housing Authority of the County of Monterey (HACM) is required to meet the performance outcomes identified in the approved Scope of Work. As part of the Scope of Work, HACM must enter client-level data into the Homeless Management Information System (HMIS) and comply with all applicable federal, state and local requirements. The City will conduct ongoing monitoring, including desk reviews and on-site reviews, to ensure program compliance and the timely expenditure of funds.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

Funding for the first year of supportive services through rental assistance of the Fairview Homekey Project furthers the 2025-2028 City Council Strategic Plan Housing strategy of promoting the health and safety of unsheltered residents through housing and supportive services. Approval of this item will enable the City to advance housing stability outcomes, comply with HUD expenditure and performance requirements, and ensure long-term service delivery.

DEPARTMENTAL COORDINATION:

This agenda item was prepared by the Community Development Department in Coordination with the City Attorney and Finance Department.

FISCAL AND SUSTAINABILITY IMPACT:

The recommended action authorizes the allocation of $1,190,337 in HOME-ARP funds for supportive services provided through rental assistance at the Fairview Homekey Project. There will be no fiscal impact on the General Fund.

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
2931	30.3240-69.1240	Financial Assistance	$2,485,337	($1,190,337)
2931	30.3240-69.1680	Financial Assistance Housing Authority	$0	$1,190,337
2931	30.3240-55.7521	Intergovernmental HOME Invt Partnership (HUD)	$2,485,337	

ATTACHMENTS:

1. Resolution Authorizing the appropriation of HOME-ARP Funds

RESOLUTION NO. _____ (N.C.S.)

A RESOLUTION AUTHORIZING APPROPRIATION OF $1,190,337 OF HOME-AMERICAN RESCUE PLAN FUNDS TO THE HOUSING AUTHORITY OF MONTEREY COUNTY TO PROVIDE SUPPORTIVE SERVICES AT THE FAIRVIEW HOMEKEY SITE AT 1030 FAIRVIEW AVENUE

WHEREAS, the American Rescue Plan Act of 2021 established the HOME-American Rescue Plan (HOME-ARP) Program, administered by the U.S. Department of Housing and Urban Development (HUD), to address homelessness and housing instability among qualifying populations; and

WHEREAS, The City of Salinas is a HUD-designated Participating Jurisdiction (PJ) under the HOME Program and HOME-ARP Program and is responsible for administering HOME-ARP funds in accordance with federal regulations; and

WHEREAS, on March 21, 2023, the City Council adopted Resolution No. 22620 approving the City of Salinas HOME-ARP Allocation Plan, which prioritizes permanent supportive housing and supportive services for individuals and families experiencing homelessness; and

WHEREAS, on August 6, 2024, the City Council adopted Resolution No. 23054 allocating HOME-ARP and Permanent Local Housing Allocation (PLHA) funds to the Fairview Homekey permanent supportive housing project located at 1030 Fairview Avenue and authorizing the City Manager and the City Attorney to enter into any required agreements and to take any other action necessary to make allocated HOME ARP and PLHA funds available; and

WHEREAS, the Fairview Homekey Project consists of 45 studio units and one manager's unit and is intended to serve individuals experiencing homelessness, including persons with mental illness and other complex health conditions, through a Housing First and low-barrier service model; and

WHEREAS, as of January 23, 2026, the Housing Authority of the County of Monterey (HACM), is the sole property owner and operator for Fairview Homekey Project; and

WHEREAS, the City desires to enter into a HOME-ARP Subrecipient Funding Agreement with HACM to provide supportive services, including rental assistance, case management, housing stabilization, and related services for qualifying HOME-ARP populations residing at the Fairview Homekey Project; and

WHEREAS, the proposed Subrecipient Funding Agreement will provide HOME-ARP funds through a Subrecipient Agreement with HACM in an amount not to exceed $1,190,337 for the term of February 24, 2026 through February 24, 2027, subject to compliance with all applicable federal, state, and local requirements; and

WHEREAS, the City Council finds that the proposed action is not a project under the

California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378; and

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby approves the appropriation of $1,190,337 of HOME-American Rescue Plan (HOME-ARP) Funds to the Housing Authority of Monterey County to provide supportive services through rental assistance for qualifying HOME-ARP populations at the Fairview Homekey permanent supportive housing site located at 1030 Fairview Avenue.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Salinas City Council hereby approves the transfer of existing appropriation from 2931.30.3240-69.1240 to 2931.30.3240-69.1680 in the amount of $1,190,337 and the increase of estimated revenue for Fund 2931 to $2,485,337.

PASSED AND APPROVED this 24th day of February 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
Dennis Donohue, Mayor

ATTEST:

_____
Patricia M. Soratos, City Clerk

File #: ID#26-049, **Version:** 1

..Title
All-Way STOP at California Street and East San Luis Street
..Recommended Action
Approve a Resolution establishing an All-Way STOP at California Street and East San Luis Street.

CITY OF SALINAS
CITY COUNCIL STAFF REPORT

DATE: **FEBRUARY 24, 2026**

DEPARTMENT: **PUBLIC WORKS, TRAFFIC & TRANSPORTATION DIVISION**

FROM: **DAVID JACOBS, PUBLIC WORKS DIRECTOR**

BY: **GERARDO RODRIGUEZ, ASSISTANT ENGINEER**
ADRIANA ROBLES, CITY ENGINEER

TITLE: **ESTABLISH ALL-WAY STOP AT CALIFORNIA STREET AND EAST SAN LUIS STREET**

RECOMMENDED MOTION:

A motion to approve a Resolution establishing an All-Way STOP at California Street and East San Luis Street.

EXECUTIVE SUMMARY:

Staff received a request to install All-Way STOP signs at the intersection of California Street and East San Luis Street. The request was received following several collisions which occurred within a span of three to four months as well as a concern of students walking at this intersection to schools. All-Way STOPs are considered using a combination of quantitative and qualitative criteria. This intersection satisfies the qualitative criteria for an All-Way STOP and has a history of broadside collisions; therefore, staff is recommending approval of establishment of an All-Way STOP at California Street and East San Luis Street. The Traffic and Transportation Commission approved an alternate recommendation which includes striping on California Street. Staff do not support this alternate recommendation.

BACKGROUND:

In late 2023, staff received a request from a resident with neighborhood support to install All-Way STOP signs at the intersection of California Street and East San Luis Street. Staff performed a traffic analysis that utilizes a combination of quantitative and qualitative establishment criteria recommended by the California – Manual on Traffic Control Devices (CA-MUTCD).

The CA-MUTCD states that in order for an all way stop condition to be warranted, the intersection should either have five or more reported correctable collisions in a 12-month period or have an average of at least 300 vehicles per hour from the major approach and 200 vehicles, pedestrians and bicyclists per hour from the minor street approaches for an 8-hour period of the day. The manual allows for reductions to these thresholds if the approach speed on the major street exceeds 40 mph. While this intersection does not satisfy the volume nor the specific crash history criteria

per Section 2B.07 04 of the CA-MUTCD, this intersection has a history of broadside collisions which are correctable by installation of an All-Way STOP.

The qualitative establishment criteria consider other contributing factors that may satisfy establishment criteria using engineering judgement. Factors analyzed in the qualitative analysis include elements such as land use generators (schools, business districts, etc.), geometric conditions (blind curves, unimproved shoulders, etc.), and corridor planning measures (interim solution while large improvements are built). When considering the qualitative establishment criteria, this intersection satisfies this criterion given the proximity to a school bus pickup/drop off for Roosevelt Elementary School, the Salinas Child Development Center and pedestrian crossings for middle and high schools.

The Traffic and Transportation Commission

The recommendation to establish an All-Way STOP at the intersection of California Street and East San Luis Street was presented to the Traffic and Transportation Commission at its January 8, 2026 meeting. The Commission voted on an amended motion which added striping California Street. The Commission voted (4-1) recommending City Council approve a Resolution to establish All-Way STOP at the intersection of California Street and East San Luis Street with the consideration of restriping California Street, as amended by Commission Dailey.

On October 14, 2025, the City Council approved the 2025-2026 Prioritization of Restriping Projects. This staff report did not include California Street because this segment of California Street is considered a local street by both the City of Salinas and the California Department of Transportation. Consistent with CA-MUTCD recommendations, local streets are not required to provide centerline striping. Staff recommends the City Council approve a Resolution establishing an All-Way STOP at the intersection of California Street and East San Luis Street but do not support striping of California Street as recommended by the Traffic and Transportation Commission.

CEQA CONSIDERATION:

Categorical Exemption. The City of Salinas has determined that the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Section 15301, Class 1) because the project proposes minor alteration of an existing public facilities.

CALIFORNIA GOVERNMENT CODE § 84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

This item supports City Council's Vision and Strategic Goals of Public Safety and Infrastructure.

DEPARTMENTAL COORDINATION:

Street Signs are installed and maintained by Public Works staff. Traffic enforcement is coordinated with the Police Department.

FISCAL AND SUSTAINABILITY IMPACT:

No fiscal impacts are anticipated. Funds allocated to the Traffic division will be used by the Maintenance division for the installation of stop signs.

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:

Resolution - California at San Luis All-Way Stop
Attachment 1: California Street at East San Luis Street Warrant Analysis
Attachment 2: All-Way Stop Sign Plan Exhibit California at E San Luis

RESOLUTION NO. _____ (N.C.S.)

A RESOLUTION OF THE SALINAS CITY COUNCIL ESTABLISHING AN ALL-WAY STOP AT CALIFORNIA STREET AND EAST SAN LUIS STREET

WHEREAS, in 2023 the City received a request to install All-Way STOP sings at California Street and East San Luis Street; and

WHEREAS, the California Manual on Traffic Control Devices (CA-MUTCD) establishes quantitative and qualitative criteria for installation for stop signs, including All-Way STOP; and

WHEREAS, Staff conducted a traffic analysis and determined that although the intersection of California Street and East San Luis Street does to satisfy the criteria based on volume nor specific number of collisions, the intersection has a history of broadside collisions which a correctable with the installation of an All-Way STOP; and

WHEREAS, the intersection of California Street and East San Luis Street satisfies the qualitative establishment criteria given its proximity to a school bus pickup/drop off for Roosevelt Elementary School, the Salinas Child Development and pedestrian crossings for middle and high schools; and

WHEREAS, on January 8, 2026, the Traffic and Transportation Commission voted (4-1) on an amended motion recommending the City Council approve a Resolution approving the establishment of an All-Way STOP at California Street and East San Luis Street with the consideration of restriping California Street; and

WHEREAS, this segment of California Street is a local street and is not required to be striped by the CA_MUTCD; therefore staff do not support striping of California Street as recommended by the Traffic and Transportation Commission; and

WHEREAS, the City of Salinas has determined that the implementing of an All-Way STOP is exempt from the California Environmental Quality Act (CEQA) Guidelines (Section 15301, Class 1). The project consists of the operation, repair, or minor alteration of public streets involving no expansion of use. There would be no significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby approves a Resolution establishing an All-Way STOP at California Street and East San Luis Street.

PASSED AND APPROVED this 24th day of February 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
Dennis Donohue, Mayor

ATTEST:

_____
Patricia M. Soratos, City Clerk

STOP Sign Applications(Two-Way STOP & Multi-Way STOP) Analysis

Major Street: California Street
Minor Street: East San Luis Street
Study Dates: 5/21/2024-5/23/2024

Two-Way STOP Installation Criteria based on Guidance from California MUTCD 2014 Edition - Rev 7 (Section 2B.06 02)

A. Traffic Volume

The vehicular traffic volumes on the through street or highway exceed **6,000 vehicles per day(vph).** 2105 vph

B. Restricted View

A restricted view exists that requires road users to stop in order to adequately observe conflicting traffic on the through street or highway; and/or

Restricted View Exist
X Yes ____ No
Reason: Parking on Major Street

C. Crash History

Crash records indicate that **three or more** crashes that are susceptible to correction by the installation of a STOP sign have been reported within a 12-month period, or 3 Crash(es)

that **five or more** such crashes have been reported within a **2-year period.** (Such crashes include right-angle collisions involving road users on the minor-street approach failing to yield the right-of-way to traffic on the through street or highway) 5 Crash(es)

Multi-Way STOP Installation Criteria based on Guidance from California MUTCD 2014 Edition - Rev 7 (Section 2B.07 04)

A. Traffic Volume

Where traffic control signals are justified, the multi-way stop is an interim measure that can be installed quickly to control traffic while arrangements are being made for the installation of the traffic control signal.

Interim Multi-Way STOP?

Has a traffic signal warrant study been conducted for this intersection that recommends installation of a traffic control signal? If no, Interim Multi-Way Stop not recommended ____ Yes X No

B. Crash History

Five or more reported crashes in a **12-month** period that are susceptible to correction by a multi-way stop installation. Such crashes include right-turn and left-turn collisions as well as right-angle collisions. 3 Crash(es)

C. Minimum Volumes

Satisfied

C1 The vehicular volume entering the intersection from the major street approaches (total of both approaches) averages at least 300 vehicles per hour for any 8 hours of an average day; and — No

C2 The combined vehicular, pedestrian, and bicycle volume entering the intersection from the minor street approaches (total of both approaches) averages at least 200 units per hours for the same 8 hours, with an average delay to minor-street vehicular traffic of at least 30 seconds per vehicle during the highest hour; but — No

C3 If the 85th-percentile approach speed of the major-street traffic exceeds 40 mph, the minimum vehicular volumes warrants are 70 percent of the values provided in Items 1 and 2. — N/A

California Street N/O East San Luis Street 85-th % Speed: 33 MPH
California Street S/O East San Luis Street 85-th % Speed: 32 MPH

Hours	Northbound California Street				Southbound California Street				Eastbound East San Luis Street				Westbound East San Luis Street			
	Veh	Peds	Bikes	Total	Veh	Peds	Bikes	Total	Veh	Peds	Bikes	Total	Veh	Peds	Bikes	Total
7:00-8:00	44			44	98			98	27	15	0	42	13	13	1	26
8:00-9:00	92			92	111			111	35	4	0	39	29	15	0	44
12:00-13:00	74			74	53			53	40	3	1	43	19	4	1	24
13:00-14:00	77			77	76			76	46	9	1	56	25	6	2	32
14:00-15:00	111			111	77			77	53	6	2	61	27	11	1	38
15:00-16:00	124			124	79			79	68	30	1	99	35	5	2	42
16:00-17:00	107			107	84			84	65	5	0	70	39	1	1	41
17:00-18:00	109			109	74			74	68	6	3	77	25	5	1	30

D. 80% Minimum Values

Where no single criterion is satisfied, but where Criteria B, C.1, and C.2 are all satisfied to 80 percent of the minimum values. Criterion C.3 is excluded from this condition.

B. Crash history satisfied to 80% of the minimum values — X Yes ____ No
C.1 Major Street satisfied to 80% of the minimum values — ____ Yes X No
C.2 Minor Street satisfied to 80% of the minimum values — ____ Yes X No

Factors to consider in the Engineering Study for Multi-Way STOP Installation (Section 2B.07 05)

Other criteria that may be considered in an engineering study include:

A. The need for control left-turn conflicts;
   Are left-turn collisions occurring? X Yes ____ No

B. The need to control vehicle/pedestrian conflicts near locations that generate high pedestrian volumes;
   Locations near or adjacent to intersection that generate pedestrians.

Locations
Salinas Child Development Center
Roosevelt Elementary School (Bus Stop)

   Can the installation of the Multi-Way Stop eliminate vehicle/pedestrian conflicts at the intersection? X Yes ____ No

C. Locations where a road user, after stopping, cannot see conflicting traffic and is not able to negotiate the intersection unless conflicting cross traffic is also required to stop; and
   Are there sight lines issues? X Yes ____ No

D. An intersection of two residential neighborhood collector (through) streets of similar design and operating characteristics where multi-way stop control would improve traffic operational characteristics of the intersection ____ Yes X No

   Major Street(Functional Class): California Street
   Minor Street(Functional Class): East San Luis Street

   Would the installation of a Multi-Way STOP improve traffic operational characteristics of the intersection or the major street? ____ Yes X No

Multi-Way Stop Installation recommended at California Street and East San Luis Street

X Yes ____ No

CERTIFICATION:
This Multi-Way STOP Analysis was determined in accordance with the recommendations set forth by the California - Manual on Uniform Traffic Control Devices (MUTCD) - 2014 Edition - Rev 7 and approved by Adriana Robles, P.E., City Engineer.

Engineer's Stamp

Multi-Way STOP Analysis - Prepared by
Gerardo Rodriguez
Multi-Way STOP Analysis - Approved by
Adriana Robles, P.E.

SHEET NOTES

1. ALL LINES AND MARKINGS SHALL CONFORM TO THE CALTRANS STANDARD SPECIFICATIONS DESIGN STANDARDS AND STANDARD PLANS (2024 EDITION).
2. REMOVAL OF ALL CONFLICTING LINES AND MARKINGS SHALL BE BY GRINDING OR PRE-APPROVED EQUAL.
3. LANE WIDTHS ARE MEASURED BETWEEN THE CENTERLINES OF EACH ADJACENT SINGLE OR DOUBLE STRIPE OR THE TOP OF CURB AS APPROPRIATE.
4. ALL PAVEMENT DELINEATION IS THERMOPLASTIC UNLESS OTHERWISE STATED.
5. ALL CROSSWALKS AND LIMIT LINES SHALL BE 12" WHITE LINES UNLESS OTHERWISE NOTED.
6. ALL REFLECTIVE MARKERS SHALL BE RAISED.
7. ALL LANE STRIPING AT INTERSECTIONS WITHOUT CROSSWALKS SHALL END 10' FROM THE EXTENSION OF THE INTERSECTION CURB LINE.

LEGEND

- LL — 12" LIMIT LINE
- PM — PAVEMENT MARKINGS PER CALTRANS STD PLANS A24A TO A24F
- ISP — INSTALL SIGN AND POST
- IS — INSTALL SIGN

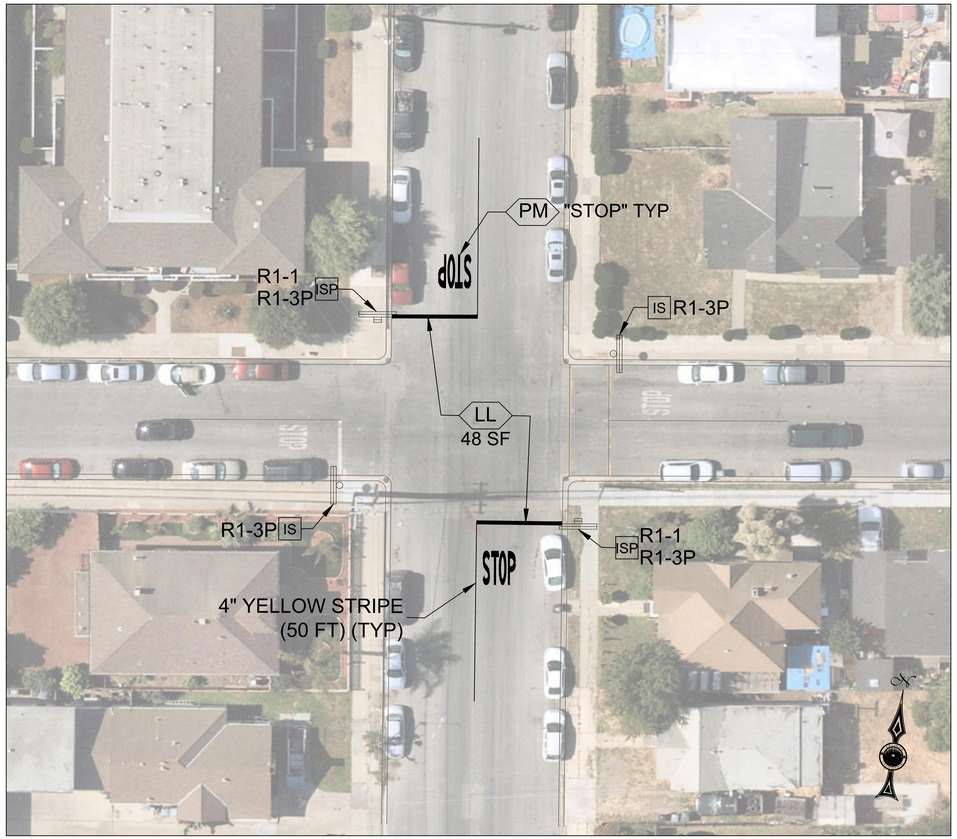
SIGN CHART

R1-1

R1-3P

SHEET TOTAL

ITEM DESCRIPTION	QTY	UNIT OF MEASURE
LIMIT LINE 12"	48	LF
SIGN ON NEW POST	4	EA
SIGN ON EXISTING POST	2	EA
4" YELLOW STRIPE	100	LF
PAVEMENT MARKINGS	2	EA



0 20' 40'
SCALE: 1"=20'

CITY OF SALINAS

PUBLIC WORKS DEPARTMENT

DESIGNED BY: GERARDO RODRIGUEZ
CAD BY: GERARDO RODRIGUEZ
CONSTRUCTION INSPECTION SUPERVISOR: TBD
PROJECT ENGINEER / MANAGER: ADRIANA ROBLES, P.E.

APPROVED FOR CONSTRUCTION:
DATE _____
ADRIANA ROBLES, P.E.
CITY ENGINEER

REGISTERED PROFESSIONAL ENGINEER — ADRIANA ROBLES — NO. 69142 — CIVIL — STATE OF CALIFORNIA

DATE	REVISION	APP.

ALL WAY STOP INSTALLATION

TITLE SHEET

PROJ. NO(S): -
FILE NO.: -
SHEET NO.: 1
OF: 1

File Path: I:\PV\Traf\All-Way Stop Requests\California St @ E San Luis St\2024\Stop Sign Exhibit.dwg
Plot By: GERARDO RODRIGUEZ
Plot Date: 12/20/24 2:03 PM

604

File #: ID#26-051, **Version:** 1

..Title
All-Way STOP Request for North Madeira Avenue and Roosevelt Street
..Recommended Action
Approve a Resolution establishing an All-Way STOP at North Madeira Avenue and Roosevelt Street.

CITY OF SALINAS
CITY COUNCIL STAFF REPORT

DATE: **FEBRUARY 24, 2026**

DEPARTMENT: **PUBLIC WORKS, TRAFFIC & TRANSPORTATION DIVISION**

FROM: **DAVID JACOBS, PUBLIC WORKS DIRECTOR**

BY: **GERARDO RODRIGUEZ, ASSISTANT ENGINEER**
ADRIANA ROBLES, CITY ENGINEER

TITLE: **ALL-WAY STOP REQUEST FOR NORTH MADEIRA AVENUE AND ROOSEVELT STREET**

RECOMMENDED MOTION:

A motion to approve a Resolution establishing an All-Way STOP at North Madeira Avenue and Roosevelt Street.

EXECUTIVE SUMMARY:

In 2023, staff received a request to install an All-Way STOP at the intersection of North Madeira Avenue and Roosevelt Street. The request was received from concerns regarding collisions, senior centers adjacent to the intersection, and students walking at this intersection to school. All-Way STOPs are considered using a combination of quantitative and qualitative measures. This intersection satisfied the qualitative criterion due to its proximity to sensitive land use generators. Staff concurs with the Traffic and Transportation Commission's recommendation to approve a Resolution establishing an All-Way Stop at North Maderia Avenue and Roosevelt Street.

BACKGROUND:

In mid-2023, staff received a request from a resident with neighborhood support to install All-Way STOP signs at the intersection of North Madeira Avenue and Roosevelt Street. Staff performed a traffic analysis that utilizes a combination of quantitative and qualitative establishment criteria measures recommended by the California – Manual on Traffic Control Devices (MUTCD).

The CA-MUTCD states that in order for an all way stop condition to be warranted, the intersection should either have five or more reported correctable collisions in a 12-month period or have an average of at least 300 vehicles per hour from the major approach and 200 vehicles, pedestrians and bicyclists per hour from the minor street approaches for an 8-hour period of the day. The manual also allows for reductions to these thresholds if the approach speed on the major street exceeds 40mph. Staff conducted a stop warrant analysis and concluded that while this intersection did not satisfy the 8-hour volume criterion (the criterion was satisfied for only 3 hours), the traffic

volume on both the major and minor street are approximately equal and the intersection would improve traffic operations with the installation of an All-Way STOP.

The qualitative establishment criteria consider other contributing factors that may satisfy establishment criteria using engineering judgement. Factors analyzed in the qualitative analysis include elements such as land use generators (schools, business districts, etc.), geometric conditions (blind curves, unimproved shoulders, etc.), and corridor planning measures (interim solution while large improvements are built). When considering the qualitative establishment criteria, this intersection satisfies this criterion given the intersection's proximity to a school bus pickup/drop off, La Paz Park, senior center and pedestrian crossings for middle and high schools.

Traffic and Transportation Commission

The recommendation to establish an All-Way STOP at the intersection of North Madeira Avenue and Roosevelt Street was presented to the Traffic and Transportation Commission at its January 8, 2026 meeting. The Commission voted (5-0) recommending City Council approve a Resolution establishing an All-Way STOP at the intersection of North Madeira Avenue and Roosevelt Street.

CEQA CONSIDERATION:

Categorical Exemption. The City of Salinas has determined that the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Section 15301, Class 1) because the project proposes minor alteration of an existing public facilities.

CALIFORNIA GOVERNMENT CODE § 84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

This item supports City Council's Vision and Strategic Goals of Public Safety and Infrastructure.

DEPARTMENTAL COORDINATION:

Street Signs are installed and maintained by Public Works staff. Traffic enforcement is coordinated with the Police Department.

FISCAL AND SUSTAINABILITY IMPACT:

No fiscal impacts are anticipated. Funds allocated to the Traffic division will be used by the Maintenance division for the installation of stop signs.

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:

Resolution - N Madeira and Roosevelt All-Way Stop Request
Attachment 1: North Madeira Avenue and Roosevelt Street Warrant Analysis
Attachment 2: All-Way Stop Sign Plan Exhibit_ N Madeira and Roosevelt

RESOLUTION NO.

A RESOLUTION OF THE SALINAS CITY COUNCIL ESTABLISHING AN ALL-WAY STOP AT NORTH MADEIRA AVENUE AND ROOSEVELT STREET

WHEREAS, in mid 2023 the City received a request to install All-Way STOP signs at North Madeira Avenue and Roosevelt Street; and

WHEREAS, the California Manual on Traffic Control Devices (CA-MUTCD) establishes quantitative and qualitative criteria for installation for stop signs, including All-Way STOP; and

WHEREAS, Staff conducted a traffic analysis and determined that the intersection of North Madeira Avenue and Roosevelt Street satisfied the qualitative criteria due to its proximity to school bus pickup/drop off, La Paz Park, senior centers and pedestrian crossings for middle and high schools; and

WHEREAS, on January 8, 2026 the Traffic and Transportation Commission voted (5-0) recommending the City Council approve a Resolution establishing an All-Way STOP at the intersection of North Madeira Avenue and Roosevelt Street; and

WHEREAS, Staff recommends the approval of an all-way STOP application at the intersection of North Madeira Avenue and Roosevelt Street; and

WHEREAS, the City of Salinas has determined that the implementing of an All-Way STOP is exempt from the California Environmental Quality Act (CEQA) Guidelines (Section 15301, Class 1). The project consists of the operation, repair, or minor alteration of public streets involving no expansion of use. There would be no significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council hereby approves a Resolution establishing an All-Way STOP at North Madeira Avenue and Roosevelt Street.

PASSED AND APPROVED this 24 day of February, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
Dennis Donohue, Mayor

ATTEST:

_____
Patricia M. Soratos, City Clerk

STOP Sign Applications(Two-Way STOP & Multi-Way STOP) Analysis

Major Street: North Madeira Avenue
Minor Street: Roosevelt Street
Study Dates: 5/21/2024-5/23/2024

Two-Way STOP Installation Criteria based on Guidance from California MUTCD 2014 Edition - Rev 7 (Section 2B.06 02)

A. Traffic Volume

The vehicular traffic volumes on the through street or highway exceed **6,000 vehicles per day(vph).** 3880 vph

B. Restricted View

A restricted view exists that requires road users to stop in order to adequately observe conflicting traffic on the through street or highway; and/or

Restricted View Exist
X Yes ____ No
Reason: Parking on Major Street

C. Crash History

Crash records indicate that **three or more** crashes that are susceptible to correction by the installation of a STOP sign have been reported within a 12-month period, or 8 Crash(es)

that **five or more** such crashes have been reported within a **2-year period.** 9 Crash(es)
(Such crashes include right-angle collisions involving road users on the minor-street approach failing to yield the right-of-way to traffic on the through street or

Multi-Way STOP Installation Criteria based on Guidance from California MUTCD 2014 Edition - Rev 7 (Section 2B.07 04)

A. Traffic Volume

Where traffic control signals are justified, the multi-way stop is an interim measure that can be installed quickly to control traffic while arrangements are being made for the installation of the traffic control signal.

Interim Multi-Way STOP?

Has a traffic signal warrant study been conducted for this intersection that recommends installation of a traffic control signal? If no, Interim Multi-Way Stop not recommended ____ Yes X No

B. Crash History

Five or more reported crashes in a **12-month** period that are susceptible to correction by a multi-way stop installation. Such crashes include right-turn and left-turn collisions as well as right-angle collisions. 8 Crash(es)

C. Minimum Volumes

Satisfied

C1 The vehicular volume entering the intersection from the major street approaches (total of both approaches) averages at least 300 vehicles per hour for any 8 hours of an average day; and — No

C2 The combined vehicular, pedestrian, and bicycle volume entering the intersection from the minor street approaches (total of both approaches) averages at least 200 units per hours for the same 8 hours, with an average delay to minor-street vehicular traffic of at least 30 seconds per vehicle during the highest hour; but — No

C3 If the 85th-percentile approach speed of the major-street traffic exceeds 40 mph, the minimum vehicular volumes warrants are 70 percent of the values provided in Items 1 and 2. — N/A

North Madeira Avenue N/O Roosevelt Street 85-th % Speed: 35 MPH
North Madeira Avenue S/O Roosevelt Street 85-th % Speed: 28 MPH

Hours	Northbound North Madeira Avenue				Southbound North Madeira Avenue				Eastbound Roosevelt Street				Westbound Roosevelt Street			
	Veh	Peds	Bikes	Total	Veh	Peds	Bikes	Total	Veh	Peds	Bikes	Total	Veh	Peds	Bikes	Total
11:00-12:00	101			101	103			103	62	3		65	52	2		54
12:00-13:00	114			114	106			106	85	4		89	52	4		55
13:00-14:00	118			118	93			93	91	6		97	55	5		60
14:00-15:00	131			131	131			131	104	4		108	67	10		77
15:00-16:00	163			163	161			161	147	7		154	82	29		111
16:00-17:00	179			179	192			192	171	6		177	79	10		89
17:00-18:00	167			167	172			172	170	8		178	79	10		89
18:00-19:00	131			131	142			142	157	4		161	60	4		64

D. 80% Minimum Values

Where no single criterion is satisfied, but where Criteria B, C.1, and C.2 are all satisfied to 80 percent of the minimum values. Criterion C.3 is excluded from this condition.

B. Crash history satisfied to 80% of the minimum values — X Yes ____ No
C.1 Major Street satisfied to 80% of the minimum values — ____ Yes X No
C.2 Minor Street satisfied to 80% of the minimum values — ____ Yes X No

Factors to consider in the Engineering Study for Multi-Way STOP Installation (Section 2B.07 05)

Other criteria that may be considered in an engineering study include:

A. The need for control left-turn conflicts;
   Are left-turn collisions occurring? X Yes ____ No

B. The need to control vehicle/pedestrian conflicts near locations that generate high pedestrian volumes;
   Locations near or adjacent to intersection that generate pedestrians.

Locations
La Paz Park
Senior Centers
Sherwood Elementary School

   Can the installation of the Multi-Way Stop eliminate vehicle/pedestrian conflicts at the intersection? X Yes ____ No

C. Locations where a road user, after stopping, cannot see conflicting traffic and is not able to negotiate the intersection unless conflicting cross traffic is also required to stop; and
   Are there sight lines issues? X Yes ____ No

D. An intersection of two residential neighborhood collector (through) streets of similar design and operating characteristics where multi-way stop control would improve traffic operational characteristics of the intersection X Yes ____ No

   Major Street(Functional Class): North Madeira Avenue
   Minor Street(Functional Class): Roosevelt Street

   Would the installation of a Multi-Way STOP improve traffic operational characteristics of the intersection or the major street? X Yes ____ No

Multi-Way Stop Installation recommended at North Madeira Avenue and Roosevelt Street
X Yes ____ No

CERTIFICATION:
This Multi-Way STOP Analysis was determined in accordance with the recommendations set forth by the California - Manual on Uniform Traffic Control Devices (MUTCD) - 2014 Edition - Rev 7 and approved by Adriana Robles P.E..

Engineer's Stamp

Multi-Way STOP Analysis - Prepared by
Gerardo Rodriguez
Multi-Way STOP Analysis - Approved by
Adriana Robles, P.E.

SHEET NOTES

1. ALL LINES AND MARKINGS SHALL CONFORM TO THE CALTRANS STANDARD SPECIFICATIONS DESIGN STANDARDS AND STANDARD PLANS (2024 EDITION).
2. REMOVAL OF ALL CONFLICTING LINES AND MARKINGS SHALL BE BY GRINDING OR PRE-APPROVED EQUAL.
3. LANE WIDTHS ARE MEASURED BETWEEN THE CENTERLINES OF EACH ADJACENT SINGLE OR DOUBLE STRIPE OR THE TOP OF CURB AS APPROPRIATE.
4. ALL PAVEMENT DELINEATION IS THERMOPLASTIC UNLESS OTHERWISE STATED.
5. ALL CROSSWALKS AND LIMIT LINES SHALL BE 12" WHITE LINES UNLESS OTHERWISE NOTED.
6. ALL REFLECTIVE MARKERS SHALL BE RAISED.
7. ALL LANE STRIPING AT INTERSECTIONS WITHOUT CROSSWALKS SHALL END 10' FROM THE EXTENSION OF THE INTERSECTION CURB LINE.

LEGEND

- LL — 12" LIMIT LINE
- PM — PAVEMENT MARKINGS PER CALTRANS STD PLANS A24A TO A24F
- ISP — INSTALL SIGN AND POST
- IS — INSTALL SIGN

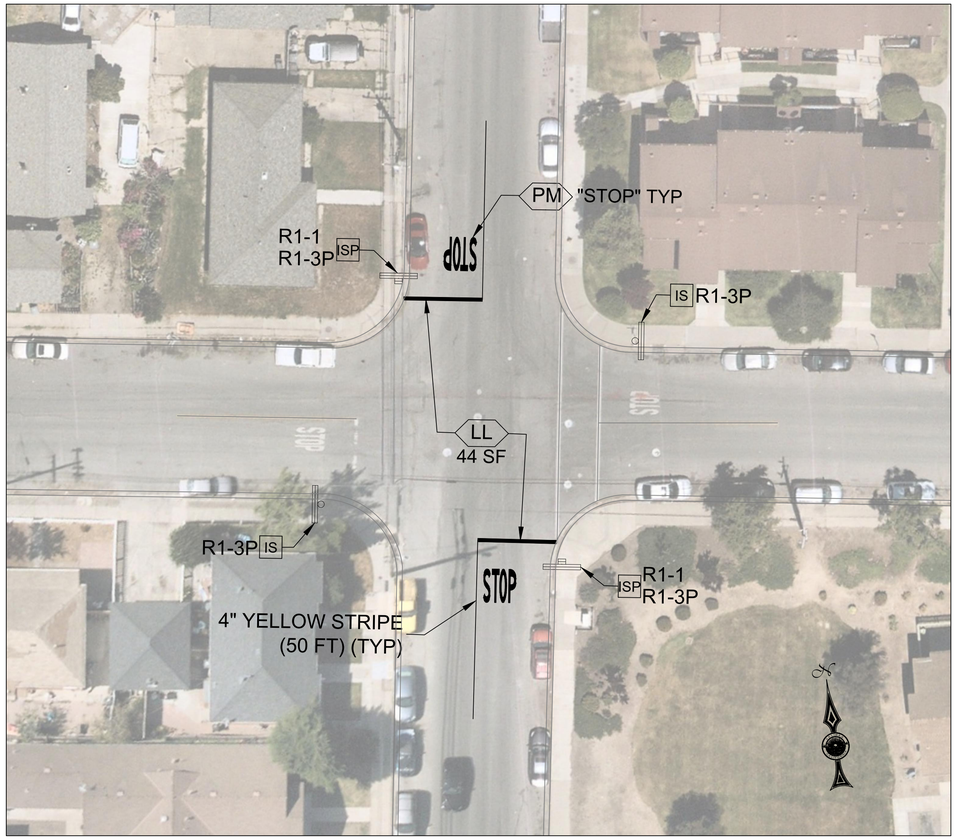
SIGN CHART

R1-1

R1-3P

SHEET TOTAL

ITEM DESCRIPTION	QTY	UNIT OF MEASURE
LIMIT LINE 12"	44	SF
SIGN ON NEW POST	4	EA
SIGN ON EXISTING POST	2	EA
4" YELLOW STRIPE	100	LF
PAVEMENT MARKINGS	2	EA



0 20' 40'
SCALE: 1"=20'

CITY OF SALINAS
PUBLIC WORKS DEPARTMENT

DESIGNED BY: GERARDO RODRIGUEZ
CAD BY: GERARDO RODRIGUEZ
CONSTRUCTION INSPECTION SUPERVISOR: TBD
PROJECT ENGINEER / MANAGER: ADRIANA ROBLES, P.E.

APPROVED FOR CONSTRUCTION:
DATE _____
ADRIANA ROBLES, P.E.
CITY ENGINEER

REGISTERED PROFESSIONAL ENGINEER — ADRIANA ROBLES — NO. 69142 — CIVIL — STATE OF CALIFORNIA

DATE	REVISION	APP.

ALL WAY STOP INSTALLATION
TITLE SHEET

PROJ. NO(S): -
FILE NO.: -
SHEET NO.: 1
OF: 1

File Path: I:\PVT\Traf\All-Way Stop Requests\N Madeira Ave @ Roosevelt St\2024\Stop Sign Exhibit.dwg
Plot By: GERARDO RODRIGUEZ
Plot Date: 1/6/2026 2:26 PM

File #: ID#25-507, **Version:** 1

..Title
City-Wide Parking Enforcement Agreement
..Recommended Action
Approve a Resolution authorizing the City Manager to execute a services agreement with LAZ Parking California, LLC for City-Wide Parking Enforcement Services in an amount not to exceed $1,949,175 through January 1, 2029 with and an option to extend the term for two (2) additional one-year periods.

CITY OF SALINAS
COUNCIL STAFF REPORT

DATE: **FEBRUARY 24, 2026**

DEPARTMENT: **PUBLIC WORKS**

FROM: **DAVID JACOBS, PUBLIC WORKS DIRECTOR**

BY: **JENNY DAVILA, PUBLIC WORKS ADMIN. SUPERVISOR**

TITLE: **CITY-WIDE PARKING ENFORCEMENT AGREEMENT**

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing the City Manager to execute a services agreement with LAZ Parking California, LLC for City-Wide Parking Enforcement Services in an amount not to exceed $1,949,175 through January 1, 2029 with and an option to extend the term for two (2) additional one-year periods.

EXECUTIVE SUMMARY:

Following a competitive procurement process, two proposals were received. LAZ Parking California, LLC ("LAZ") submitted the most cost-efficient proposal to meet the needs of the City. LAZ has partnered with the City for more than five years providing parking enforcement services and operational stability. LAZ has proposed the use of ALPR cameras that will improve current enforcement activities.

With the current process in place and the new proposed measures will enhance enforcement responsiveness allowing for more timely and accurate enforcement, expanded coverage in high-impact areas, and improve compliance, thus contributing to safer streets and improved access for residents, businesses, and visitors to the City of Salinas.

BACKGROUND:

The City has progressively modernized its parking enforcement approach since 2016, when it contracted with Serco, Inc. to supplement Police Department activities. In 2018, the service model was expanded to include evening and weekend coverage, addressing community needs and incorporating more flexible scheduling to reflect real use patterns.

In 2020, Serco, Inc. was acquired by LAZ KARP Associates, LLC and the City transitioned to a new agreement under the updated provider. Throughout this period, the program has offered responsive, demand-driven enforcement that relieves the Police Department of routine duties – allowing sworn staff to focus on higher-priority safety issues.

Parking Enforcement remains one of the City's most frequently requested services, particularly in areas experiencing significant residential and commercial activity. The previous contract with LAZ expired in December 2025, prompting the release of a Request for Proposals (RFP) on October 13, 2025, for continued City-Wide Parking Enforcement Services.

Two proposals were submitted: one from 4-Leaf, Inc and one from LAZ Parking California, LLC. After review of both proposals, City staff determined that LAZ submitted the most cost-efficient proposal while including new innovative approaches to the current parking enforcement structure offering strong value while maintaining established quality standards.

Currently under manual enforcement, officers generally review 30-50 license plates per hour, depending on zone layout and walking conditions. Vehicle-mounted ALPR systems typically scan 600-1,200 plates per hour, allowing for broader and more consistent coverage without increasing staffing levels. LAZ states that there may be an initial increase in citations per hour during first deployment of the new system due to the identification of existing non-compliance rather than a change in the enforcement policy. Overtime citation volume stabilizes as compliance improves. ALPR also improves accuracy and consistency. Automated plate capture reduces manual entry errors, which can lower citation void rates by 20-40%, and ensures every vehicle is reviewed using the same criteria. This supports a fair, uniform, and defensible enforcement approach across all zones. The primary goal of the added ALPR is to improve efficiency, accuracy, and consistency, allowing LAZ to spend more time on confirmed violations and not plate verification.

To maintain uninterrupted enforcement, preserve institutional knowledge, and continue integrating technology and data into operations, City staff recommend approval of the new agreement for City-Wide parking Enforcement Services with LAZ Parking California, LLC with an annual not-to-exceed amount of $649,725.00.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

"Yes"

STRATEGIC PLAN INITIATIVE:
The Agreement for City-Wide Parking Enforcement Services relates to the strategic goal of Public Safety.

DEPARTMENTAL COORDINATION:

The Public Works Department coordinates with Police parking enforcement staff. Parking Enforcement services include coordination with Code Enforcement activities as well as with Street Maintenance services in regard to curb markings and signs.

FISCAL AND SUSTAINABILITY IMPACT:

There is no impact to the General Fund. The Parking Enforcement Program is an enterprise account where the revenues offset the operating cost. Funding is appropriated and available for the remainder of the fiscal year. Future contract costs will be included in the upcoming budget development process.

Fund	General Ledger Number (Operating/CIP)	General Ledger Account Name	Remaining Budget Appropriation	Amount Requested
6803	50.5448-63.6010	Other Outside Services	$702,086	$324,863

ATTACHMENTS:

Resolution
Agreement – LAZ Parking California, LLC
Citywide Parking Enforcement RFP
LAZ Parking California, LLC Proposal

RESOLUTION NO. _____ (N.C.S.)

CITY-WIDE PARKING ENFORCEMENT AGREEMENT

WHEREAS, On October 13, the City issued a call for proposals seeking innovative, city-wide parking enforcement solutions designed to improve efficiency, enhance customer service, and support the City's long-term mobility goals, resulting in submissions from two qualified firms; and

WHEREAS, City staff conducted a comprehensive review of both proposals submitted by 4-Leaf, Inc. and LAZ Parking California, LLC, evaluating not only completeness and cost efficiency, but also each firm's ability to leverage technology, streamline operations, and support continuous service improvements; and

WHEREAS, LAZ Parking California, LLC demonstrated the strongest combination of cost effectiveness, proven performance, and capacity to implement enhanced, technology-driven enforcement practices, and – having successfully provided these services under the current contract agreement – can ensure uninterrupted service with no transition period; and

WHEREAS, City staff selected LAZ Parking California, LLC as the best positioned vendor to partner with the City in advancing modernized, responsive, and future-oriented parking enforcement services.

NOW, THEREFORE, BE IT RESOLVED that the Salinas City Council authorizes the City Manager to execute a services agreement with LAZ Parking California, LLC for City-Wide Parking Enforcement Services for a term of three (3) years with an option to extend for two (2) additional one-year periods, at an annual not-to-exceed amount of $649,725.

PASSED AND APPROVED this 24th day of February 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
Dennis Donohue, Mayor

ATTEST:

_____
Patricia M. Barajas, City Clerk

Docusign Envelope ID: 6F88099B-2CD3-47AF-9732-66FFA36DCD0B

AGREEMENT FOR SERVICES BETWEEN THE CITY OF SALINAS AND LAZ PARKING CALIFORNIA, LLC.

City-Wide Parking Enforcement Services

THIS AGREEMENT is executed this 1st day of January 2026, ("Agreement" or "Contract") between the City of Salinas, a California Charter city and municipal corporation (hereinafter "City") and LAZ Parking California, LLC., a limited liability company (hereinafter "Contractor").

IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

1. Scope. Contractor hereby agrees to provide to the City, as the scope of services under this Agreement, the following services: City-Wide Parking Enforcement with additional ALPR camera system. Scope of work is further discussed in City-Wide Parking Enforcement Request for Proposal, Attachment B and Contractor's Proposal dated 10/30/25, Attachment C.

2. Timeliness. Contractor shall perform all tasks in a timely fashion, as set forth more specifically in Section 3 below. Failure to so perform is hereby deemed a material breach of this Agreement, and City may terminate this Agreement with no further liability hereunder, or the city may agree in writing with Contractor to an extension of time.

3. Term. The work under this Agreement shall commence January 1, 2026, and shall be completed by January 1, 2029, unless City grants a written extension of time as set forth in Section 2 above.

4. Payment. City agrees to pay, and Contractor agrees to accept as full and fair consideration for the performance of this Agreement, an annual not-to-exceed amount of Six Hundred Forty-Nine Thousand Seven Hundred Twenty-Five Dollars ($649,725.00) as more fully described in title of Contractor's fee schedule, Attachment C. Contractor has no right of reimbursement for expenses under this Agreement. Compensation shall become due and payable 30 days after City's approval of Contractor's submission of monthly written invoices to the City. The payment of any compensation shall be contingent upon performance of the terms and conditions of this Agreement to the satisfaction of the City. If City determines that the work set forth in the written invoice has not been performed in accordance with the terms of this Agreement, City shall not be responsible for payment until such time as the work has been satisfactorily performed.

5. Meet & Confer. Contractor agrees to meet and confer with City or its agents or employees with regard to services as set forth herein as may be required by City to insure timely and adequate performance of this Agreement.

6. Insurance. Contractor shall procure and maintain for the duration of this Agreement insurance meeting the requirements specified in Attachment A hereto.

7. Indemnification. Contractor shall hold harmless, defend at its own expense, and

Docusign Envelope ID: 6F88099B-2CD3-47AF-9732-66FFA36DCD0B

indemnify City and its officers, officials, employees, agents, and volunteers from and against all liability, claims, damages, losses, and/or expenses including reasonable City attorney fees arising from all acts or omissions of Contractor or its officers, agents, or employees arising out of the performance of the work under this Contract, caused in whole or in part by any negligent act or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, except where caused by the sole negligence or willful misconduct of the City.

8. Licensing. Contractor warrants that it is properly licensed to perform the work specified under this Agreement, including but not limited to possession of a current City business license.

9. Termination. City may terminate this Agreement upon ten days' written notice. The amount of damages, if any, as a result of such termination may be decided by negotiations between the parties or before a court of competent jurisdiction.

10. Agency. In performing the services specified under this Agreement, Contractor is hereby deemed to be an independent contractor and not an agent or employee of City.

11. Non-Assignability. The rights and obligations of Contractor hereunder are not assignable and cannot be delegated without written consent of City.

12. Entire Agreement. This Agreement constitutes the entire Agreement between the parties hereto and supersedes any and all prior agreements, whether oral or written, relating to the subject matter thereof. Any modification of the Agreement will be effective only if it is in writing signed by both parties hereto.

13. Validity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force without being impaired or invalidated in any way.

14. Counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

15. Laws. Contractor agrees that in the performance of this Agreement it will comply with all applicable State, Federal and local laws and regulations. This Agreement shall be governed by and construed in accordance with the laws of the State of California, County of Monterey, and City of Salinas.

16. Subject to Availability of Funds. In the event that the City Council, or other governing body, fails to appropriate or budget sufficient funds for the continuation of this agreement, or should funds become unavailable for any other reason, the City reserves the right to terminate this agreement upon written notice. This termination shall be effective as of the last day of the fiscal year for which funds were appropriated. Upon such termination, the Contractor will be

Docusign Envelope ID: 6F88099B-2CD3-47AF-9732-66FFA36DCD0B

limited to compensation for satisfactory services rendered up to the termination date.

17. Levine Act Disclosure Compliance (Cal Government Code Sec. 84308). Contractor hereby affirms and warrants that it has not contributed to the campaign of any elected or appointed City official an amount totaling more than $500 within twelve (12) months of the effective date of this Agreement, except as Contractor has disclosed within its Levine Act Disclosure Form submitted by Contractor to the City. Contractor agrees, that in the event it makes any contributions subject to the Levine Act's disclosure requirements within twelve (12) months of the effective date of this Agreement, that it will file a Levine Act Disclosure Form (or Forms). Contractor acknowledges this duty of disclosure and that the City has made the Levine Act Disclosure Form(s) readily available on the City's public internet site under Your Government / Transparency section for Contractor's continuous compliance.

18. Electronic Execution of Agreement. The words "execution," "signed," "signature," and words of like import in this Agreement and shall be deemed to include electronic signatures or electronic records (including, without limitation, DocuSign and AdobeSign), each of which shall be of the same legal effect, validity, enforceability, and admissibility as a handwritten signature.

IN WITNESS WHEREOF, this Agreement is entered into by the parties hereto on the day and year first written above.

CITY OF SALINAS

_____
René Mendez, City Manager

APPROVED AS TO FORM:

_____
Christopher A. Callihan, City Attorney, or
Rhonda Combs, Assistant City Attorney

CONTRACTOR:
LAZ Parking California, LLC.

DocuSigned by:
2A79716D65E94D3...

Docusign Envelope ID: 6F88099B-2CD3-47AF-9732-66FFA36DCD0B

By (Printed Name): ___Mike Kuziak_____

Its (Title): ___Chief Operating Officer_____

Docusign Envelope ID: 6F88099B-2CD3-47AF-9732-66FFA36DCD0B

Attachment A

Insurance Requirements

Contractor shall procure and maintain for the duration of the contract, and for three years thereafter, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his/her/its officers, agents, representatives, employees, and/or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE
Coverage shall be at least as broad as:
1. **Commercial General Liability** ("CGL"): Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an occurrence basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO Form CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability**: ISO Form CA 0001 covering Code 1 (any auto), with limits no less than **$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation**: as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than $1,000,000 per accident for bodily injury or disease.
4. **Contractors' Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions** (if project involves environmental hazards): with limits no less than $1,000,000 per occurrence or claim, and $2,000,000 policy aggregate, on an annual basis.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the Contractor requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Self-Insured Retentions
Self-insured retentions must be declared to and approved by the City. At the option of the City, either: the Contractor shall cause the insurer to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

Other Insurance Provisions
The insurance policies are to contain, or be endorsed to contain, the following provisions:
1. **The City, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by

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or on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

2. For any claims related to this project, the **Contractor's insurance coverage shall be primary** and insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with notice to the City.

4. A copy of the claims reporting requirements must be submitted by Contractor to the City.

5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractor's Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the City.

Waiver of Subrogation

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

Verification of Coverage

Contractor shall furnish the City with original Certificates of Insurance including an additional insured endorsement and all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

Maintenance of Insurance

Maintenance of insurance by Contractor as specified shall in no way be interpreted as relieving

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Contractor of its indemnification obligations or any responsibility whatsoever and the Contractor may carry, at its own expense, such additional insurance as it deems necessary.

Special Risks or Circumstances
City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

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Attachment B

Public Works Department

Request for Proposal (RFP) for Professional Services

City-Wide Parking Enforcement

RFP Issued:	**Monday, October 13, 2025**
Submit Written Questions regarding RFP:	**2:00 p.m.** **Friday, October 17, 2025**
RFP submittal deadline:	**2:00 p.m.** **Friday, October 24, 2025**
Contact:	Jenny Davila Public Works Admin. Supervisor

CITY OF SALINAS
PUBLIC WORKS DEPARTMENT
ENVIRONMENTAL MAINTENANCE
426 WORK STREET
SALINAS, CA 93901

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REQUEST FOR PROPOSAL (RFP) FOR PROFESSIONAL SERVICES

TITLE: CITY-WIDE PARKING ENFORCEMENT

1. INTRODUCTION

The City of Salinas is seeking proposals from qualified firms to provide services for efficient and professional parking enforcement operations citywide and wishes to engage these services without incurring capital outlay or adding City employees. Therefore, the city is seeking proposals from organizations that can provide Parking Enforcement Services. The City is seeking a multi-year contract with a qualified, professional and highly motivated firm or consortium to perform daily parking enforcement services. The required services and performance conditions are described in the Scope of Work (or Services).

2. ATTACHMENTS

The attachments below are included with this Request for Proposals (RFP) for your review and submittal (see asterisk):

Attachment A – Proposer's Information Form*
Attachment B – Scope of Work/Services
Attachment C – Sample Agreement for Professional Services
Attachment D – Sample Table, Qualifications of Firm Relative to City's Needs*
Attachment E – Cost Proposal Format*

The items identified with an asterisk (*) shall be filled out, signed by the appropriate representative of the company and returned with submittal.

3. INSTRUCTIONS TO PROPOSERS

3.1 Examination of Proposal Documents

The submission of a proposal shall be deemed a representation and certification by the Proposer that they:

3.1.1 Have carefully read and fully understand the information that was provided by the City to serve as the basis for submission of this proposal.
3.1.2 Have the capability to successfully undertake and complete the responsibilities and obligations of the proposal being submitted.
3.1.3 Represent that all information contained in the proposal is true and correct.
3.1.4 Did not, in any way, collude, conspire to agree, directly or indirectly, with any person, firm, corporation or other Proposer in regard to the

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amount, terms or conditions of this proposal.

3.1.5 Acknowledge that the City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Proposer, and Proposer hereby grants the City permission to make these inquiries, and to provide any and all related documentation in a timely manner.

No request for modification of the proposal shall be considered after its submission on grounds that Proposer was not fully informed to any fact or condition.

3.2 Addenda/Clarifications

Should discrepancies or omissions be found in this RFP or should there be a need to clarify this RFP, questions or comments regarding this RFP must be put in writing and submitted on Planetbids no later than 2:00 p.m., Friday, October 17, 2025. All Communications regarding this RFP, including all questions, should be submitted through the Q&A section of the project page (on PlanetBids). The City will respond to all questions submitted prior to the communication deadline. All addenda shall become a part of this RFP and shall be acknowledged on the Proposer's Form.

The City shall not be responsible for nor be bound by any oral instructions, interpretations or explanations issued by the City or its representatives.

3.3 Submission of Proposals

All proposals shall be submitted electronically on the PlanetBids project page. Proposals must be received no later than 2:00 p.m. on Friday, October 24, 2025. All proposals received after that time will be rejected for non-compliance. Proposal should bear Proposer's name and address, clearly marked, "RFP – City-Wide Parking Enforcement".

3.4 Withdrawal of Proposals

A Proposer may withdraw its proposal **at any time before the expiration of the time for submission of proposals as provided in the RFP** by emailing the City Project Manager for a request to withdrawal signed by, or on behalf of, the Proposer.

3.5 Rights of the City of Salinas

This RFP does not commit the City to enter into a contract, nor does it obligate the City to pay for any costs incurred in preparation and submission of proposals or in anticipation of a contract. The City reserves the right to:

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- Make the selection based on its sole discretion;
- Reject any and all proposals;
- Issue subsequent Requests for Proposals;
- Postpone opening for its own convenience;
- Remedy technical errors in the Request for Proposals process;
- Approve or disapprove the use of particular subconsultants;
- Negotiate with any, all or none of the Proposers;
- Accept other than the lowest offer;
- Waive informalities and irregularities in the Proposals and/or
- Enter into an agreement with another Proposer in the event the originally selected Proposer defaults or fails to execute an agreement with the City.

An agreement shall not be binding or valid with the City unless and until it is executed by authorized representatives of the City and of the Proposer.

4. PROPOSED TENTATIVE TIMELINE

The tentative RFP timeline is as follows:

RFP Issued	Monday, October 13, 2025
Deadline for questions, clarifications	2:00 p.m., Friday, October 17, 2025
Proposals Due	2:00 p.m., Friday, October 24, 2025
Interviews (if needed)	Week of October 27, 2025
Proposal Selection and Contract Preparation	Week of November 2, 2025
Contract Awarded	November 2025 (tentative)
Work Commences	December 2025 (tentative)

5. INFORMATION TO BE SUBMITTED (to be submitted in this order only)

These instructions outline the guidelines governing the format and content of the proposal and the approach to be used in its development and presentation. The intent of the RFP is to encourage responses that clearly communicate the Proposer's understanding of the City's requirements and its approach to successfully provide the products and/or services on time and within budget. Only that information which is essential to an understanding and evaluation of the proposal should be submitted. Items not specifically and explicitly related to the RFP and proposal, e.g. brochures, marketing material, etc. will not be considered in the evaluation.

All proposals shall address the following items in the order listed below and shall be numbered 1 through 8 in the proposal document.

5.1 Section 1 – Proposal Summary

This Chapter shall discuss the highlights, key features and distinguishing points of the Proposal. A separate sheet shall include a list of individuals and

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contacts for this Proposal and how to communicate with them. Limit this Chapter to a total of three (3) pages including the separate sheet.

5.2 Section 2 – Profile on the Proposing Firm(s)

This Chapter shall include a brief description of the Prime Proposer's firm size as well as the proposed local organization structure. Include a discussion of the Prime Proposer firm's financial stability, capacity and resources. Include all other firms participating in the Proposal, including similar information about the firms.

Additionally, this section shall include a listing of any lawsuit or litigation and the result of that action resulting form (a) any public project undertaken by the Proposer or by its subcontractors where litigation is still pending or has occurred within the last five years or (b) any type of project where claims or settlements were paid by the consultant or its insurers within the last five years.

5.3 Section 3 – Qualifications of the Firm

This Chapter shall include a brief description of the Proposer's and sub-Proposer's qualifications and previous experience on similar or related projects. Provide in a table format (see Sample Table, Attachment D) descriptions of pertinent project experience with other public municipalities and private sector that includes a summary of the work performed, the total project cost, the percentage of work the firm was responsible for, the period over which the work was completed, and the name, title, and phone number of client's to be contacted for references. Give a brief statement of the firm's adherence to the schedule and budget for the project.

This chapter shall include information regarding any relationships with firms and/or individuals who may submit proposals in response to the RFPs being developed.

5.4 Section 4 – Work Plan or Proposal

This Chapter shall present a well-conceived service plan. Include a full description of major tasks and subtasks. This section of the proposal shall establish that the Proposer understands the City's objectives and work requirements and Proposer's ability to satisfy those objectives and requirements. Succinctly describe the proposed approach for addressing the required services and the firm's ability to meet the City's schedule, outlining the approach that would be undertaken in providing the requested services.

5.5 Section 5 – Proposed Innovations

This Chapter shall discuss Proposers technical or procedural innovations that have been used successfully on other engagements, and which may provide

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the City with better service delivery. In section should discuss any ideas, innovative approaches, or specific new concepts included in the Proposal that would provide benefit to the City.

5.6 Section 6 – Project Staffing

This Chapter shall discuss how the Proposer would propose to staff this project. Key project team members shall be identified by name, title and specific responsibilities on the project. An organizational chart for the project team and resumes for key Proposer personnel shall be included. Key personnel will be an important factor considered by the review committee. Changes in key personnel may be cause for rejection of the proposal.

5.7 Section 7 – Proposal Exceptions

This Chapter shall discuss any exceptions or requested changes that Proposer has to the City's RFP conditions, requirements and sample contract. If there are no exceptions noted, it is assumed the Proposer will accept all conditions and requirements identified in the Attachment C – "Sample Agreement for Services." Items not excepted will not be open to later negotiation.

5.8 Section 8 – Proposal Costs Sheet and Rates

The fee information is relevant to a determination of whether the fee is fair and reasonable in light of the services to be provided. Provision of this information assists the City in determining the firm's understanding of the project, and provides staff with tools to negotiate the cost, provide in a table (See Table, Attachment E).

Consultant shall provide the following information

5.8.1 Direct labor rates for proposed staff;
5.8.2 Overhead rate and breakdown of overhead elements;
5.8.3 Subconsultant billing rates and mark-up percentage for ODC's (other direct costs); and identify all reimbursable expenses.
Most recent complete financial instrument that would establish Proposer's ability to complete the obligations of the contract resulting from this solicitation. Proposers need to submit their last two audited financial statements (e.g., balance sheet, income statement, and statement of cash flow).

This Chapter shall include the proposed costs to provide the services desired. Include any other cost and price information, plus a not-to-exceed amount, that would be contained in a potential agreement with the City. The hourly rates may be used for pricing the cost of additional services outlined in the Scope of Work.

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PLEASE NOTE: The City of Salinas will not pay for services before it receives them. Therefore, do not propose contract terms that call for upfront payments or deposits.

6. CONTRACT TYPE AND METHOD OF PAYMENT

It is anticipated that the agreement resulting from this solicitation, if awarded, will be a not-to-exceed budget per task form of contract. Contract term shall be three years (3) with an opportunity to extend two additional one (1) year terms. A Sample Agreement for Professional Services is provided as Attachment C. The method of payment to the successful Proposer shall be on a per task basis with a maximum "not to exceed" fee as set by the Proposer in the proposal or as negotiated between the Proposer and the City as being the maximum cost to perform all work. This figure shall include direct costs and overhead, such as, but limited to, transportation, communications, subsistence and materials and any subcontracted items of work. Progress payments will be based on a percentage of project completed.

Proposers shall be prepared to accept the terms and conditions of the Agreement, including Insurance Requirements in Attachment C. If a Proposer desires to take exception to the Agreement, Proposer shall provide the following information in Section 7 of their submittal package. Please include the following:

- Proposer shall clearly identify each proposed change to the Agreement, including all relevant Attachments.
- Proposer shall furnish the reasons for, as well as specific recommendations, for alternative language.

The above factors will be taken into account in evaluating proposals. Proposals that take substantial exceptions to the proposed Agreement may be determined by the City, at its sole discretion, to be unacceptable and no longer considered for award.

Insurance Requirements

The selected Proposer(s), at Proposer's sole cost and expense and for the full term of the Agreement or any extension thereof, shall obtain and maintain, at a minimum, all of the insurance requirements outlined in Attachment C.

All policies, endorsements, certificates and/or binders shall be subject to the approval of the City Attorney as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Attorney. The selected Proposer agrees to provide the City with a copy of said policies, certificates and/or endorsement upon award of contract.

7. REVIEW AND SELECTION PROCESS

City staff will evaluate the proposals provided based on the following criteria:

7.1 Cost of services;

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7.2 References from similar programs, indicating that contractor has performed services professionally with a positive impact on the community;
7.3 Training program;
7.4 Experience;
7.5 Level of customer service;
7.6 Implementation Plan;

A selection committee will make a recommendation to the City Council. The acceptance of the proposal will be evidenced by written Notice of Award from the City Public Works Department to the successful Proposer after Council approval.

8. ORAL INTERVIEWS

Proposers may be required to participate in an oral interview. The oral interview will be a panel comprised of members of the selection committee.

Proposers may only ask questions that are intended to clarify the questions that they are being asked to respond.

Each Proposer's time slot for oral interviews will be determined randomly. Proposers who are selected shall make every effort to attend. If representatives of the City experience difficulty on the part of any Proposer in scheduling a time for the oral interview, it may result in disqualification from further consideration.

9. PUBLIC NATURE OF MATERIALS

Responses to this RFP become the exclusive property of the City of Salinas. All proposals received in response to this RFP becomes a matter of public record and shall be regarded as public records, with the exception of those elements in each proposal which are defined by the Proposer as business or trade secrets and plainly marked as "Confidential," "Trade Secret," or "Proprietary". The City shall not in any way be liable or responsible for the disclosure of any such proposal or portions thereof, if they are not plainly marked as "Confidential," "Trade Secret," or "Proprietary" or if disclosure is required under the Public Records Act. Any proposal which contains language purporting to render all or significant portions of the proposal "Confidential," "Trade Secret," or "Proprietary" shall be regarded as non-responsive.

Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City of Salinas may not accept or approve that the information that a Proposer submits is a trade secret. If a request is made for information marked "Confidential," "Trade Secret," or "Proprietary," the City shall provide the Proposer who submitted the information with reasonable notice to allow the Proposer to seek protection from disclosure by a court of competent jurisdiction.

10. COLLUSION

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By submitting a proposal, each Proposer represents and warrants that its proposal is genuine and not a sham or collusive or made in the interest of or on behalf of any person not named therein; that the Proposer has not directly induced or solicited any other person to submit a sham proposal or any other person to refrain from submitting a proposal; and that the Proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a proposal.

11. DISQUALIFICATION

Factors such as, but not limited to, any of the following may be considered just cause to disqualify a proposal without further consideration:

11.1 Evidence of collusion, directly or indirectly, among Proposers in regard to the amount, terms or conditions of this proposal;

11.2 Any attempt to improperly influence any member of the evaluation team;

11.3 Existence of any lawsuit, unresolved contractual claim or dispute between Proposer and the City;

11.4 Evidence of incorrect information submitted as part of the proposal;

11.5 Evidence of Proposer's inability to successfully complete the responsibilities and obligation of the proposal; and

11.6 Proposer's default under any previous agreement with the City, which results in termination of the Agreement.

12. NON-CONFORMING PROPOSAL

A proposal shall be prepared and submitted in accordance with the provisions of these RFP instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from or to a proposal may be sufficient grounds for non-acceptance of the proposal, at the sole discretion of the City.

13. GRATUITIES

No person shall offer, give or agree to give any City employee any gratuity, discount or offer of employment in connection with the award of contract by the city. No city employee shall solicit, demand, accept or agree to accept from any other person a gratuity, discount or offer of employment in connection with a city contract.

14. FIRMS OR PERSONS NOT ELIGIBLE TO SUBMIT A PROPOSAL

In order to avoid any conflict of interest or perception of a conflict of interest, Proposer(s) selected to provide professional services under this RFP will be subject to the following requirements:

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14.1 The Proposer(s) who works on the procurement will be precluded from submitting proposals or bids as a prime contractor or subcontractor in the ultimate procurement.
14.2 The Proposer(s) may not have interest in any potential Proposer for the ultimate procurement.

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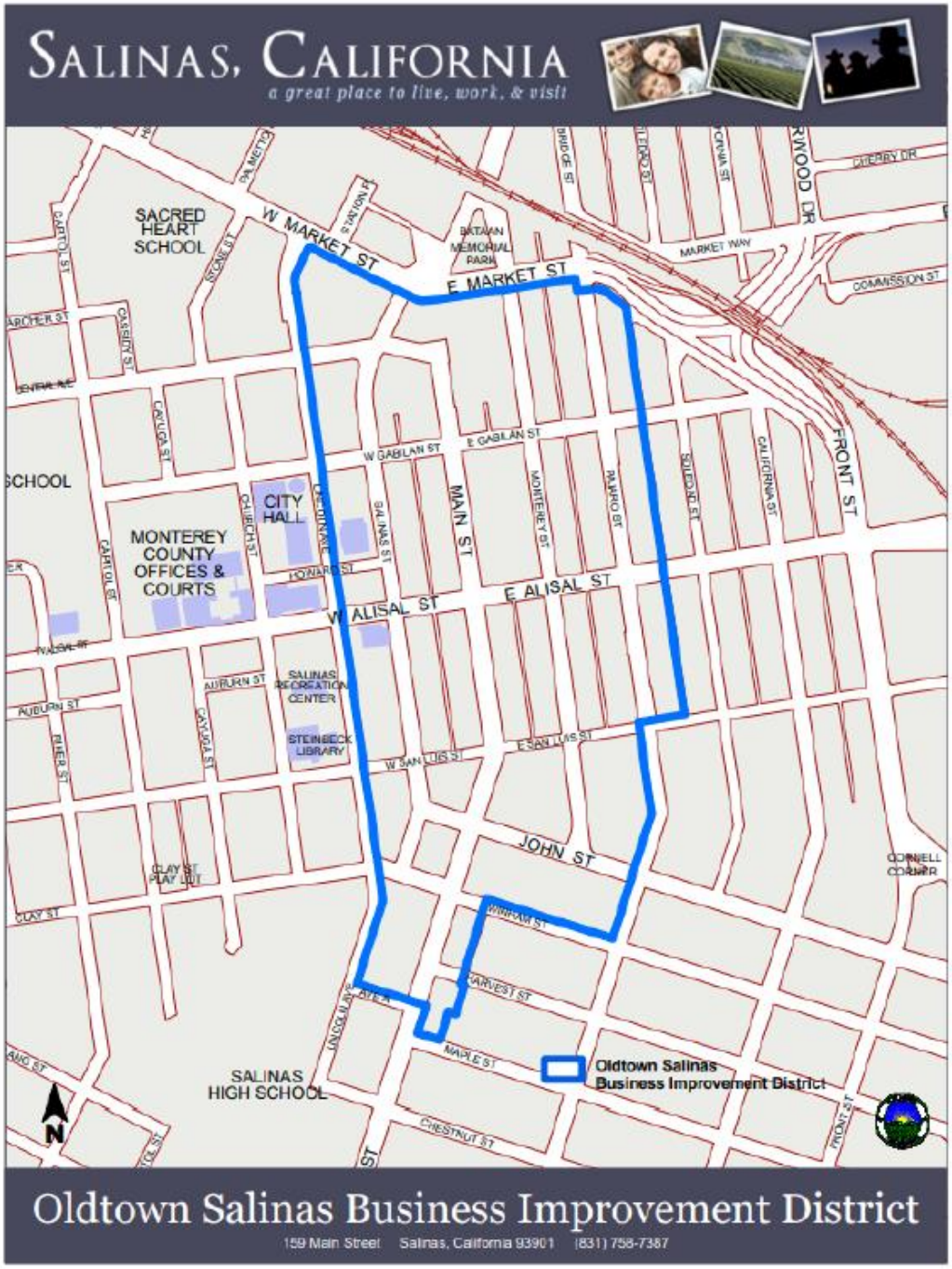

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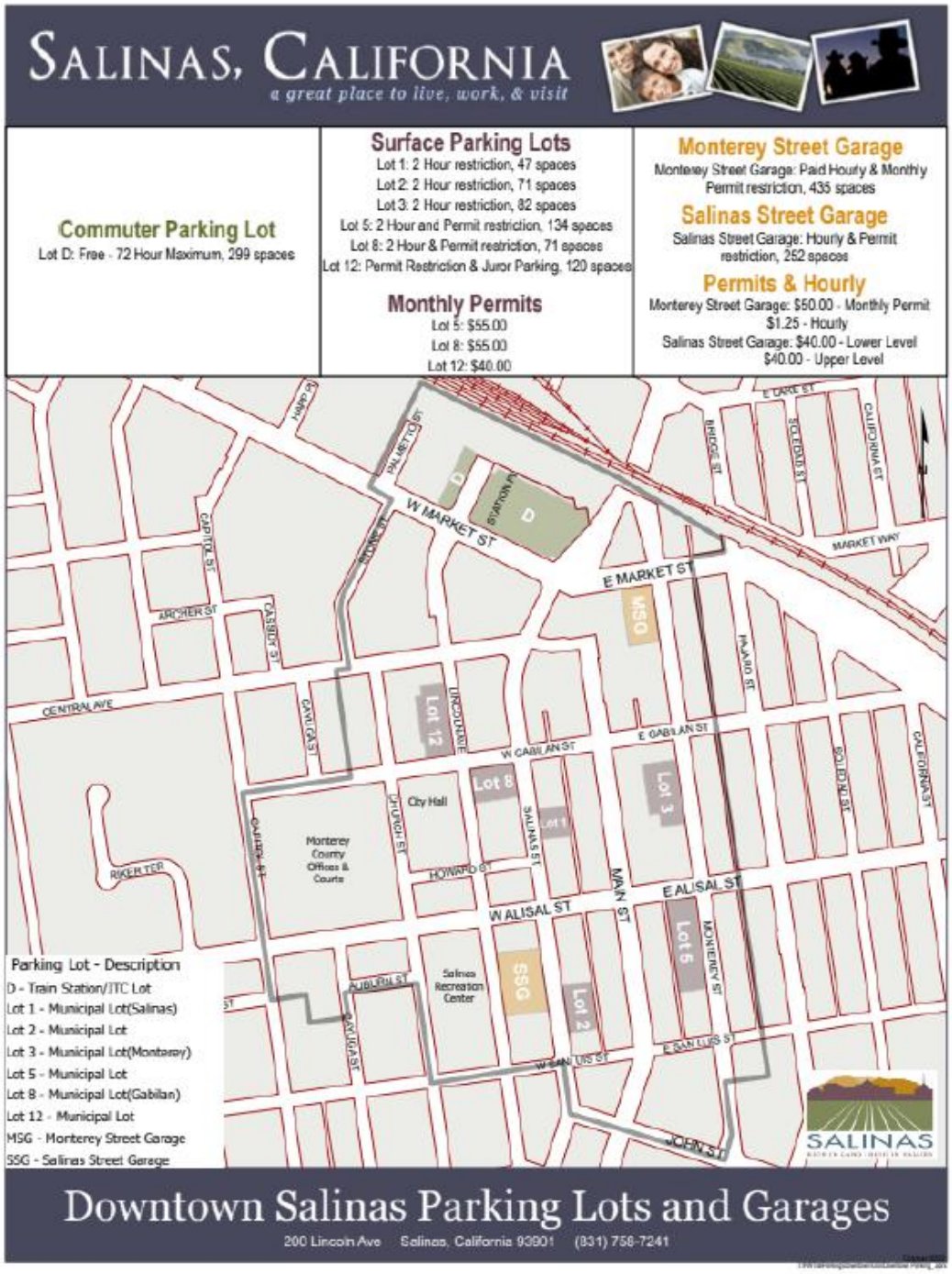

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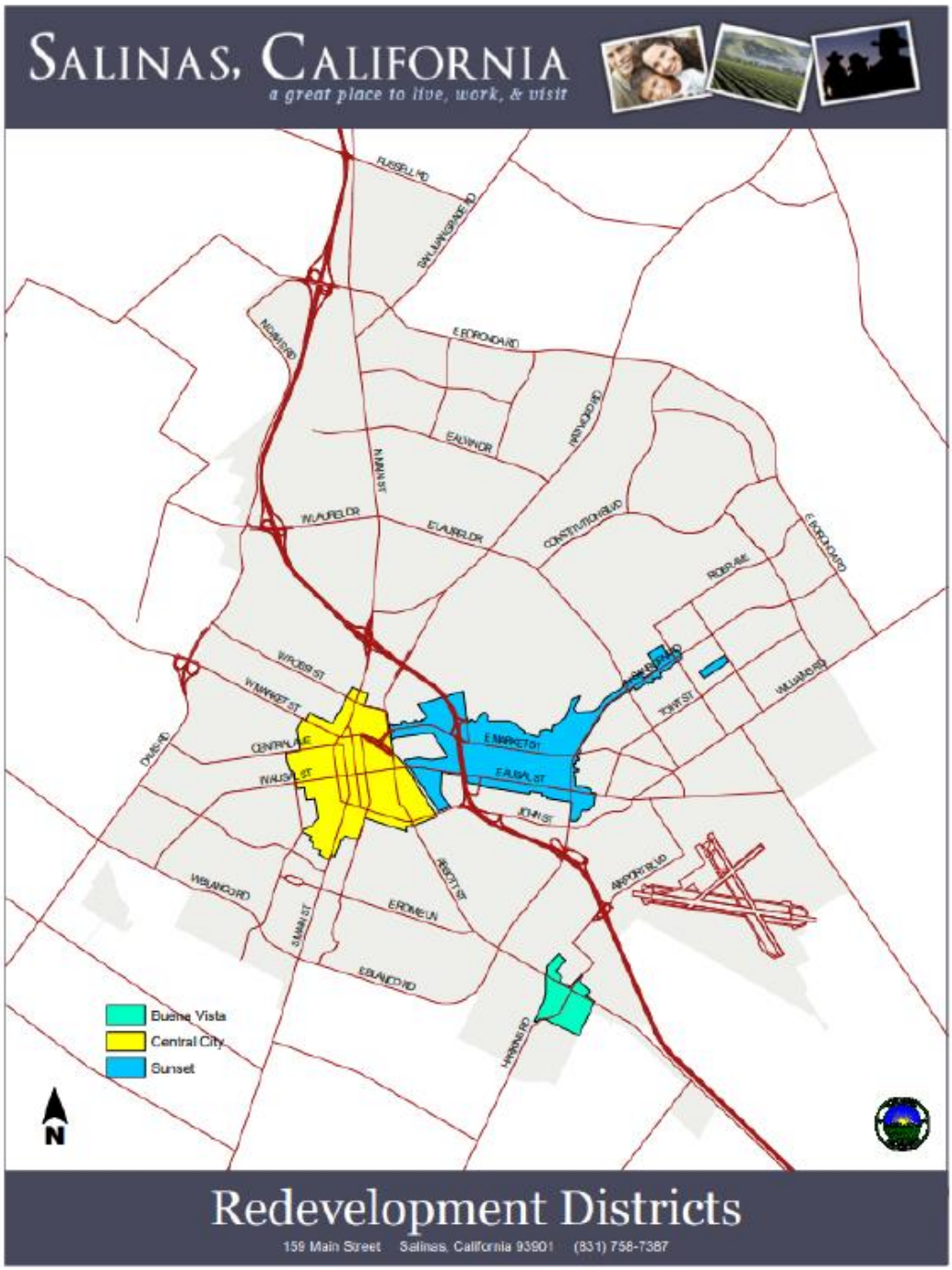

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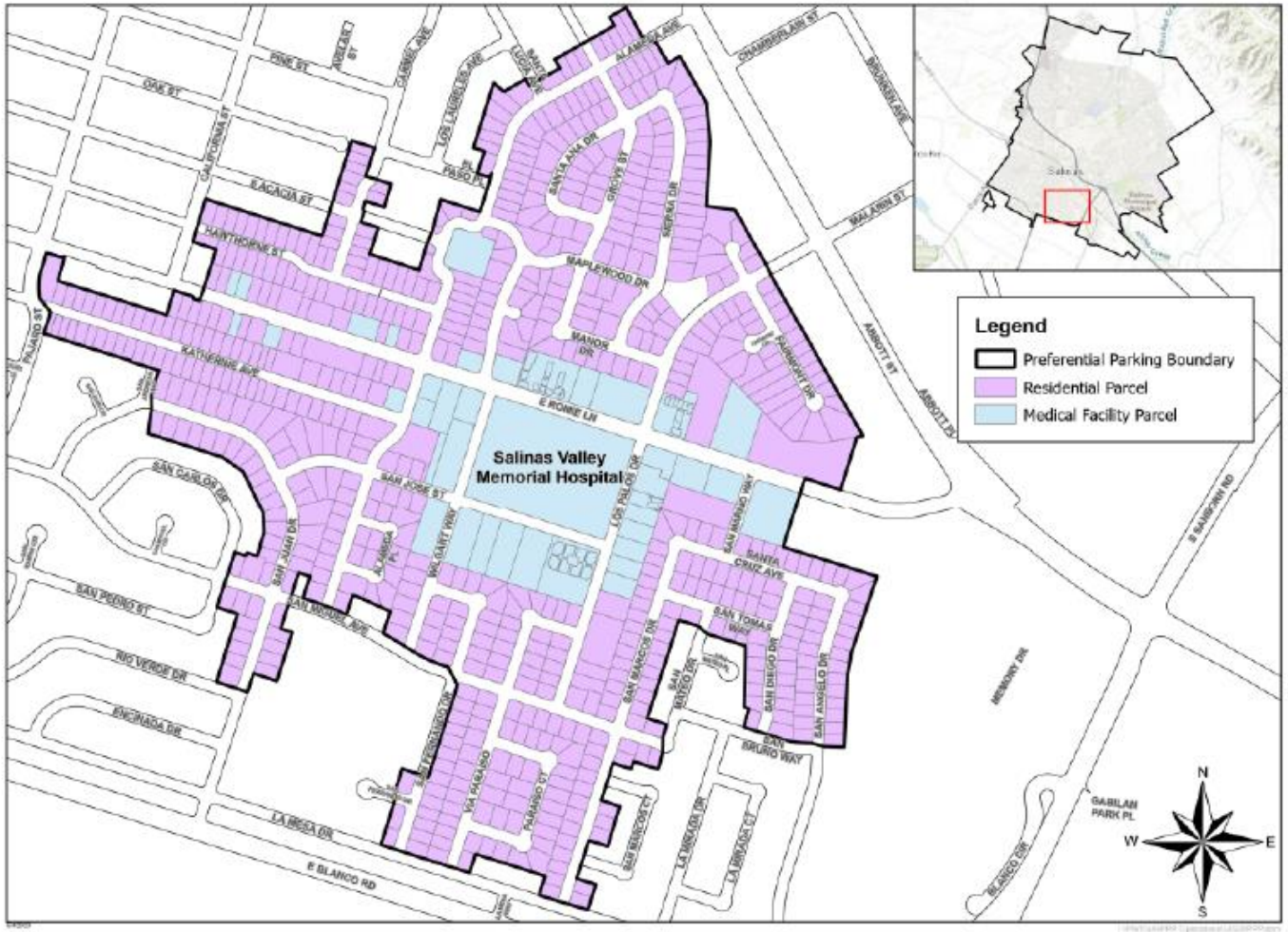
Residential Parking Permit Program Map



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ATTACHMENT A – PROPOSER'S INFORMATION FORM

Attachment A
Proposer's Information Form

PROPOSER (please print):

Name: LAZ Parking California, LLC

Address: 5901 Christie Ave •Suite 202• Emeryville, CA 94608

Telephone: (510) 250-2052 Email: smooney@lazparking.com

Contact person, title, email, and telephone: Cindy Hefner, Regional VP, NorCal
chefner@lazparking.com (510) 250-2052 x7352

Proposer, if selected, intends to carry on the business as (check one):

☐ Individual ☐ Joint Venture

☐ Partnership

☑ Corporation

When incorporated? 12/14/2009

In what state? Connecticut

When authorized to do business in California? 02/04/2010

☑ Other (explain): Limited Liability Company

ADDENDA

To assure that all Proposers have received each addendum, check the appropriate box(es) below. Failure to acknowledge receipt of an addendum/addenda may be considered an irregularity in the Proposal:

Addendum number(s) received: ☐1; ☐2; ☐3; ☐4; ☐5; ☐6;

Or ☑ _____ No Addendum/Addenda Were Received (**check and initial**).

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PROPOSER'S SIGNATURE
No proposal shall be accepted which has not been signed in ink in the appropriate space.

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Attachment A – Proposer Information continued…

1. If Proposer is **INDIVIDUAL**, sign here:

Date:_____ _____
Proposer's Signature

_____
Proposer's typed name and title

2. If Proposer is **PARTNERSHIP** or **JOINT VENTURE;** at least two (2) Partners shall sign here:

_____
Partnership or Joint Venture Name (type or print)

Date:_____ _____
Member of the Partnership or Joint Venture signature

Date:_____ _____
Member of the Partnership or Joint Venture signature

3. If Proposer is a **CORPORATION**, the duly authorized officer shall sign as follows: The undersigned certify that he/she is respectively:

Cindy Hefner and Regional VP, NorCal
Signature Title

Of the corporation named below; that they are designated to sign the Proposal Cost Form by resolution (attach a certified copy, with corporate seal, if applicable, notarized as to its authenticity or Secretary's certificate of authorization) for and on behalf of the below named CORPORATION, and that they are authorized to execute same for and on behalf of said CORPORATION.

LAZ Parking California, LLC
Corporation Name (type or print)

By: Cindy Hefner & Muhammad Mansoor Date: 10/29/2025

Title: Regional VP, NorCal & VP, Enforcement & Municipal Operations

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ATTACHMENT B – SCOPE OF WORK

Project Background:
The City of Salinas desires efficient and professional parking enforcement operations citywide which includes the city's commercial districts, residential permit parking program, schools, street sweeping restrictions, and parking restrictions and wishes to engage these services without incurring capital outlay or adding City employees. Therefore, the city is seeking proposals from organizations that can provide Parking Enforcement Services with the goal to increase parking citation issuance. The City is seeking a multi-year contract with a qualified, professional and highly motivated firm or consortium to perform daily permit parking enforcement services. The selected provider shall work with the City's Citation Processing and Administrative Review contractor, including provision of compatible equipment with their systems.

Description of Project:
The City of Salinas seeks to further enhance the effectiveness of its downtown parking management program, which encompasses several city-operated parking lots and two parking garages. The City is pleased with the progress achieved under its current parking management provider and is now inviting proposals that will build upon this success to deliver innovative, efficient, and cost-effective parking management solutions. The City aims to improve revenue collection through effective citation issuance and enforcement practices, while continuing to strengthen on-street parking management in its commercial areas and within the existing residential permit parking district near one of its major hospitals. In addition, the City anticipates expanding enforcement efforts in school zones during pick-up and drop-off times and implementing new parking restrictions to support street sweeping operations.

The attached maps show commercial areas throughout the City and the location of the residential permit parking program.

The commercial or business districts generally have 2-hour parking. However, certain street segments may have 20-minute zones to 90-minute zones as well as reverse parking zones.

Term of Contract shall be for three (3) years with an opportunity to extend for two additional one (1) year terms.

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Scope of Services

Contract Parking Enforcement personnel will provide enforcement services citywide, issuing parking citations to violators. The chosen contractor is expected to provide all equipment needed for enforcement operation, including but not limited to vehicles, handheld devices for uploading citation information, license plate readers, uniforms, and company issued photo identification cards. Said equipment shall be compatible with systems of the City's citation processing contractor, Parking Management Bureau (PMB).

Issuance of Parking Citations

The contractor's staff will be responsible for issuing citations for parking permit violations citywide. Citations must include the make, model, color, and style of vehicle, license tag number or Vehicle Identification Number (VIN), violation code number and description, base fine amount and additional fine amount in the event there is a failure to respond timely, badge number, the location of the parking offense, type of offense (e.g. permit incorrectly displayed, no valid permit, not parked in the right location) and the time and date of the offense. The contractor should supply handheld ticket writers which are capable of capturing digital photos and voice recordings associated with a violation. If a manual paper citation is used, it will be filled out in a complete and legible manner. All citations must be placed on the windshield of the offending vehicle, as required by the California vehicle code. The Contractor is required to provide handheld devices, ticket writer ticket stock, envelopes, and manual citation books.

The City would like the vendor to perform all enforcement services, but for citation processing and payments to occur via the City's existing citation management vendor and the revenue collections division in the City's Finance Department.

The Contractor is required to supply all vehicles needed and will be responsible for all on-going operating expenses including insurance, fuel, maintenance, and repairs. All vehicles used by enforcement shall be clearly identifiable as performing parking enforcement for the City. Vehicle markings shall indicate the operator is a private company authorized to provide services in the City of Salinas. Marking and color should distinguish Contractor's vehicles from official City vehicles, and the vehicle markings must be approved by the City Manager and the Chief of Police or his/her designee. Parking enforcement and parking meter operations staff shall operate all vehicles at all times in compliance with all state and local motor vehicle and emissions laws. Vehicles shall not have missing parts or dents, and the rear of all patrol vehicles shall have a sign warning of frequent vehicle stops. All vehicles used by Contractor's personnel shall have blinking flasher lights installed on each vehicle's roof.

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Personnel

The firm selected for the contract, and all of its personnel, should demonstrate an exceptional familiarity with parking enforcement rules and regulations, laws, statues, ordinances, policies, parking program technologies and management as well as hearing procedures. Most importantly, the firm chosen should demonstrate a superior understanding of operational requirements, public relations, and customer service practices.

The contractor will be responsible for all aspects of recruitment, selection, and initial and on-going training of parking enforcement personnel, so the contractor shall employ only persons competent and skilled and shall provide responsible supervision for each individual employed. The contract service provider shall not use discriminatory hiring practices in regard to ethnic origin, race, religion, gender, sexual orientation, and physical or mental disability. The contractor must adhere to all existing Government Code and City nondiscrimination policies, and the contractor's personnel shall at all times be polite and courteous to all citizens and City staff. The contractor's personnel shall be required to speak and write and communicate effectively to the City's customers, residents and visitors and bilingual skills are recommended to better serve the City's Spanish speaking community. The contractor will be responsible for assuring employee compliance with all laws and regulations, responding to inspections/audits by regulatory agencies, and paying any fines or assessments levied by regulatory agencies. In addition, the contract service provider will be responsible for all personnel supervision, discipline, and termination actions. However, the City may require the removal of any Contractor's personnel, when it is determined to be in the best interest of the City, at any time.

The contractor must provide a thorough background investigation on all potential employees, including but not limited to criminal/driving history, outstanding violations, polygraph and/or psychological exams, medical history, prior work issues and a skills assessment test. As the individuals selected for the process will be representing the City of Salinas on a day-to-day basis, the selection criteria are expected to be stringent. Employees should also be interviewed by City of Salinas staff prior to approval.

All personnel are to be provided with professional appearing uniforms, badges, and ID tags. Logos should appear on shirt and jacket sleeves, and hats should have an emblem designating them as official RPP parking enforcement personnel. The City must approve the color and design of uniforms, and it is important that uniformed personnel shall not resemble a City of Salinas Police Department uniform. All personnel are to be in complete uniform at any time during duty hours including time in court and must carry a company-issued photo identification at all times.

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The contractor shall be responsible for the conduct, demeanor, and appearance of all employees. All employees shall act in a courteous and respectable manner while on duty, and during any interactions with the public. The City of Salinas seeks to maintain the highest level of customer service, and employees must be attentive, alert, and responsive when dealing with customers' issues, needs, or complaints. As may be occasionally required, the contract service provider will be responsible for having their employees appear in court, on-time, and prepared to testify on parking-related cases in a professional manner.

Training

The contractor will provide reasonable and necessary training to their employees who work for the City, relevant to their respective job duties. The training program should provide the Contractor's personnel with sufficient understanding of the RPP District as well as operation of required equipment and enforcement protocol. All personnel are to complete and pass the training course prior to starting service, and the training procedures must be approved by the City.

The contractor shall maintain complete training records for each employee, as well as any other records prescribed by law or City policy as appropriate. The training must include, but is not limited to, the following:

Enforcing permit violations by the issuance of citations

- Marking and tagging of vehicles
- Responding to calls for service
- Customer service delivery and expectations
- Conflict resolution management
- City Municipal code, state statute, and ordinances relating to parking enforcement and related activities
- Giving testimony and courtroom procedures
- Job procedures and emergency protocol
- Job safety
- Civil rights law and procedures
- Job procedures and emergency protocols

The Contractor shall select and hire only persons who are well-qualified to perform the duties for their respective job positions and should provide classifications of all employee positions within their proposal, including a job description.

Classifications might include, but are not limited to:

- Parking Enforcement Supervisor/Manager: Assist the parking enforcement staff with day-to-day operations and staffing issues. Supervisor shall be responsible to report with the City on a bi-monthly basis and provide updates on the enforcement process, any feedback from the public, incidents and

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number of citations issued. A supervisor should possess sufficient IT knowledge to be able to handle employee equipment issues in the field, and the capability of working with the citation processing agency for any citation issues.

- Parking Enforcement Staff: Responsible for the day-to-day management, supervision, and operation of parking enforcement services. These individuals must have the capacity to act as "Ambassadors" for the City, providing information about parking enforcement practices and other information pertinent to the areas where they are working.

The contractor should provide performance metrics for each position so that performance evaluations may take place.

Routes

The Contractor is expected to familiarize themselves with the City prior to submitting a proposal and should provide a schedule of estimated patrol routes and frequency recommendations. The City seeks to ensure that coverage is adequate, fair, regular, and consistent, although it is also expected that the Contractor will alternate the patrol routes on a regular basis to eliminate predictability. The contractor can propose changes to routes and schedules to the City as part of their performance reporting meetings and documentation.

Record Keeping and Reporting

The proposer will be responsible for maintaining records of employment and, upon request, provide the City with personnel and training information for each employee. In addition, the contractor will be responsible for preparing and maintaining records, including logs of parking enforcement activities. Supervisor shall be responsible for attending weekly meetings with the City to provide updates on parking activity and issues. The Contractor will also be expected to purchase parking permits for any employees driving to Salinas.

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Proposal Requirements

A. Cover Letter: Each Proposer shall submit with their proposal a cover letter identifying the Proposer and the proposal package being submitted. An authorized representative of the Proposer must sign the cover letter. Proposer's representative shall identify name, title, office location, telephone number, fax number and e- mail address.
B. Table of Contents: Include a Table of Contents listing the various sections included in the proposal.
C. Description of Services

The description of services shall be prepared in accordance with the following sections:

Section I: Executive Summary
Proposers shall include in their Proposal, an Executive Summary that indicates the firm's expertise and strengths. Additionally, this section must include a brief statement of the firm's background and examples of accomplishments that distinguish the firm from other enforcement firms and enable your firm to be the most competitive for this RFP.

Section II: Proposed Approach
Proposers shall describe their approach to meeting the scope of work. The following areas must be addressed in the scope of work:

1) An explanation of the firm's approach to organizing and implementing the parking enforcement and services.
2) Description of the firm's approach in working with cities and their staff members.
3) Description of the firm's management philosophy and strategy for an agreement with the City of Salinas.
4) Examples of parking enforcement and meter operations contracting services and accomplishments, past and present that may be of similar nature to this scope of work. Include names and contacts in association with those contracts for references.
5) Areas not in this RFP, but which the Proposer believes are essential to the effective performance and completion of the services should also be addressed in the proposal.

In this section, the proposing company should also demonstrate their specific capabilities to fulfill the requirements for performance of this contract. The response should include details on the service level proposed for parking enforcement citywide and staffing proposal.

Section III: Staffing
The City desires a single source of contract accountability through the proposing organization, so acknowledgement of this requirement is needed if subcontractors are proposed. Also, each service provider should state the on-site and off-site personnel

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who will have responsibility for administration of this contract. This section should include the names of any proposed subcontractors that the prime Contractor plans to use.

Section III should include a project organizational chart with the following information:
1) Names and titles of individuals; and
2) Names and titles of possible subcontractors who may be involved in providing the required services.

Section IV: Proposer's Business Information
Proposal must include the following:
1) Identify the firm's business structure (i.e. whether the firm is a corporation, limited partnership, sole proprietorship, etc.), location of headquarters office and location of any local offices, telephone number, fax number and e-mail address.
2) Identify the names of general partners or owner(s) of the firm, their titles, office location, telephone number, fax number and e-mail address.
3) List the name, title, address, telephone number, background and responsibilities of the lead management person who will be onsite full time to direct the operations of the outsource services.
4) Include a responsibility matrix indicating the reporting structure and responsibilities of each member of the proposed outsource services project team.
5) Identify each possible subcontractor by firm's name, primary representative and title, telephone number, fax number, e-mail address, location of office headquarters and location of any local offices.

Section V: Team Experience and Accomplishments
Proposal must include the following information:
A. Project Manager:
Describe the professional qualifications, capabilities, project experience, education, training and the present office location. Provide a list of specific examples of the Project Manager's qualifications, experience and accomplishment in any relevant past or ongoing projects, for a minimum of three projects. Describe each project in detail, including when the project was completed and where it was located, the name of the company and contact person, including his/her current telephone number, fax number, e-mail address and any other reference information. Describe any experience that required auditing services.

B. Other Key Personnel:

- Include the names and resumes of all key personnel (e.g. supervisors, staff) who are employed by Vendor and who may be assigned to perform services pursuant to a subsequent contract.
- Provide a complete statement of qualifications and experience to accomplish the required scope of work. Include any accomplishments, background and a description of that person's strengths and skills relative to the work to be performed. This statement must include degrees and certifications obtained

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and other function while gaining the experience; contract amount managed; what was accomplished; and the beginning and ending dates of the projects cited for relevant experience.

Section VI: Contracting Track Record and Accomplishments

Proposers must list a minimum of three (3) most recent contracts with other cities or private groups performing similar services to what are described in this RFP, including a description of the work and the name, address and telephone number of client's representative responsible for administering the contract.

Section VII: Contractor's Project Management Responsibilities

The City wants a clear understanding of the individual(s) who will be designated as responsible for planning, organizing, directing, and controlling the resources for the parking enforcement program. The contractor should include in their recommendation a discussion of their strategy for meeting the following responsibilities:

- Management of Operations
- Status Reporting
- Human Resources
- Accounting Reports
- Staff Supervision
- Equipment and Supplies Management
- Issue Resolution
- Billing Process

In addition to these areas, the responsibilities of the Contractor's Project Manager(s) and supervising staff will include the following tasks:

- Managing risk and escalating issues to the City in a timely manner
- Providing a quality assurance mechanism for all Contractor activities and deliverables.
- Assisting in the development of the services implementation plan.

Section VIII: Implementation Plan

The contractor shall include a proposed implementation plan and schedule outlining all aspects of the work:

The contractor shall plan to utilize both the City's existing citation processing vendor and the existing process for managing payments of citations. The vendor should outline the strategy for engagement in these existing processes.

The projected schedule should include any tasks and responsibilities of City staff and departments involved in the implementation process (e.g. Police Department, Parking and Transportation). The City's desired timeframe is to be operational with the Contractor sixty (60) to ninety (90) days from contract award. If Contractor does not

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believe this timeframe is achievable, they should state why and submit an alternative implementation schedule.

Contractors should propose standard procedures for handling the City's support calls and customer service-related complaints and how they relate to their existing staffing and resource models. Contractor should discuss their proposed call and complaint tracking mechanisms for tracking and reporting on critical events, commitments, and problem transactions.

Contractor should discuss methods and procedures it will use to secure parking enforcement equipment, parking meter equipment, and collected parking meter revenues. The contractor should discuss any physical requirements, including how and where employees will meet at the beginning of a shift.

Section IX: Fee Schedule

The contractor shall submit a proposed project budget itemized by task and total project cost stated as a fixed fee. Labor and direct costs should be identified by task. Hourly rates for project staff shall also be provided.

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Attachment C – SAMPLE AGREEMENT

AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF SALINAS AND [CONTRACTOR'S LEGAL NAME]

This Agreement for Professional Services (the "Agreement" and/or "Contract") is made and entered into this ____ day of _____, 20_, between the City of Salinas, a California Charter city and municipal corporation (hereinafter "City"), and Contractor's legal name, a California corporation/limited liability company/dba/etc. (hereinafter "Consultant").

RECITALS

WHEREAS, Consultant represents that he, she, or it is specially trained, experienced, and competent to perform the special services which will be required by this Agreement; and

WHEREAS, Consultant is willing to render such professional services, as hereinafter defined, on the following terms and conditions.

NOW, THEREFORE, City and Consultant agree as follows:

TERMS

1. Scope of Service. The project contemplated and the scope of Consultant's services are described in Exhibit B, attached hereto and incorporated herein by reference. Proposal for City-Wide Parking Enforcement issued by Consultant incorporated by reference and attached hereto, also at **Exhibit B**.

2. Term; Completion Schedule. This Agreement shall commence on [xxx], and shall terminate on [xxx], unless extended in writing by either party upon (30) days written notice. This Agreement may be extended only upon mutual written consent of the parties and may be terminated only pursuant to the terms of this Agreement.

3. Compensation. City hereby agrees to pay Consultant for services rendered the City pursuant to this Agreement on a time and materials basis according to the rates of compensation as set forth in Exhibit B. The total amount of compensation to be paid under this Agreement shall not exceed $.

4. Billing. Consultant shall submit to City an itemized invoice, prepared in a form satisfactory to City, describing its services and costs for the period covered by the invoice. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person. Consultant's bills shall include the following information to which such services cost or pertain:

(A) A brief description of services performed;

(B) The date the services were performed;

(C) The number of hours spent and by whom;

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(D) A brief description of any costs incurred; and

(E) The Consultant's signature.

Any such invoices shall be in full accord with any and all applicable provisions of this Agreement.

City shall make payment on each such invoice within thirty (30) days of receipt; provided, however, that if Consultant submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, City shall not be obligated to process any payment to Consultant until thirty (30) days after a correct and complying invoice has been submitted by Consultant. The City shall process undisputed portion immediately.

5. Meet & Confer. Consultant agrees to meet and confer with City or its agents or employees with regard to services as set forth herein as may be required by the City to ensure timely and adequate performance of the Agreement.

6. Additional Copies. If City requires additional copies of reports, or any other material which Consultant is required to furnish as part of the services under this Agreement, Consultant shall provide such additional copies as are requested, and City shall compensate Consultant for the actual costs related to the production of such copies by Consultant.

7. Responsibility of Consultant. By executing this Agreement, Consultant agrees that the services to be provided and work to be performed under this Agreement shall be performed in a fully competent manner. By executing this Agreement, Consultant further agrees and represents to City that the Consultant possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide the City the services contemplated under this Agreement and that City relies upon the professional skills of Consultant to do and perform Consultant's work. Consultant further agrees and represents that Consultant shall follow the current, generally accepted practices in this area to the profession to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding the projects for which the services are rendered under this Agreement.

8. Responsibility of City. To the extent appropriate to the projects to be completed by Consultant pursuant to this Agreement, City shall:

(A) Assist Consultant by placing at its disposal all available information pertinent to the projects, including but not limited to, previous reports and any other data relative to the projects. Nothing contained herein shall obligate City to incur any expense in connection with completion of studies or acquisition of information not otherwise in the possession of City.

(B) Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Consultant, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of Consultant.

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(C) City Manager, or his designee, shall act as City's representative with respect to the work to be performed under this Agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to materials, equipment, elements, and systems pertinent to Consultant's services. City may unilaterally change its representative upon notice to the Consultant.

(D) Give prompt written notice to Consultant whenever City observes or otherwise becomes aware of any defect in a project.

9. Acceptance of Work Not a Release. Acceptance by the City of the work to be performed under this Agreement does not operate as a release of Consultant from professional responsibility for the work performed.

10. Indemnification and Hold Harmless.

Consultant shall defend, indemnify, and hold harmless the City and its officers, officials, employees, volunteers, and agents from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Consultant's performance of work hereunder, including the performance of work of any of Consultant's subcontractors or agents, or Consultant's failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City.

11. Insurance. Consultant shall procure and maintain for the duration of this Agreement insurance meeting the requirements specified in Exhibit A hereto.

12. Access to Records. Consultant shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials including but not limited to calculation and survey notes relating to work performed for the City under this Agreement on file for at least three (3) years following the date of final payment to Consultant by City. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit, and copying at reasonable times during Consultant's usual and customary business hours. Consultant shall provide proper facilities to City's representative(s) for such access and inspection.

13. Non-Assignability. It is recognized by the parties hereto that a substantial inducement to City for entering into this Agreement was, and is, the professional reputation and competence of Consultant. This Agreement is personal to Consultant and shall not be assigned by it without express written approval of the City.

14. Changes to Scope of Work. City may at any time, and upon a minimum of ten (10) days written notice, seek to modify the scope of services to be provided for any project to be completed under this Agreement. Consultant shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify City in writing. Upon agreement between City and Consultant as to the extent of said impacts to time and

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compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of the amendment by City and Consultant shall constitute the Consultant's notice to proceed with the changed scope.

15. Ownership of Documents. Title to all final documents, including drawings, specifications, data, reports, summaries, correspondence, photographs, computer software (if purchased on the City's behalf), video and audio tapes, software output, and any other materials with respect to work performed under this Agreement shall vest with City at such time as City has compensated Consultant, as provided herein, for the services rendered by Consultant in connection with which they were prepared. City agrees to hold harmless and indemnify the Consultant against all damages, claims, lawsuits, and losses of any kind including defense costs arising out of any use of said documents, drawings, and/or specifications on any other project without written authorization of the Consultant.

16. Termination.

(A) City shall have the authority to terminate this Agreement, upon ten days written notice to Consultant, as follows:

(1) If in the City's opinion the conduct of the Consultant is such that the interest of the City may be impaired or prejudiced, or

(2) For any reason whatsoever.

(B) Upon termination, Consultant shall be entitled to payment of such amount as fairly compensates Consultant for all work satisfactorily performed up to the date of termination based upon the Consultant's rates shown in Exhibit B and/or Section 3 of this Agreement, except that:

(1) In the event of termination by the City for Consultant's default, City shall deduct from the amount due Consultant the total amount of additional expenses incurred by City as a result of such default. Such deduction from amounts due Consultant are made to compensate City for its actual additional costs incurred in securing satisfactory performance of the terms of this Agreement, including but not limited to, costs of engaging another consultant(s) for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to Consultant hereunder, Consultant shall pay City the full amount of such expense.

(C) In the event that this Agreement is terminated by City for any reason, Consultant shall:

(1) Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by City; and

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(2) Deliver to City all documents, data, reports, summaries, correspondence, photographs, computer software output, video and audio tapes, and any other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement. Such material is to be delivered to City in completed form; however, notwithstanding the provisions of Section 15 herein, City may condition payment for services rendered to the date of termination upon Consultant's delivery to the City of such material.

(D) In the event that this Agreement is terminated by City for any reason, City is hereby expressly permitted to assume the projects and complete them by any means, including but not limited to, an agreement with another party.

(E) The rights and remedy of the City and Consultant provided under this Section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this Agreement.

17. Compliance with Laws, Rules, and Regulations. Services performed by Consultant pursuant to this Agreement shall be performed in accordance and full compliance with all applicable federal, state, and City laws and any rules or regulations promulgated thereunder.

18. Exhibits Incorporated. All exhibits referred to in this Agreement and attached to it are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of this Agreement and any of the terms of any exhibit to the Agreement, the terms of the Agreement shall control the respective duties and liabilities of the parties.

19. Independent Contractor. It is expressly understood and agreed by both parties that Consultant, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the City. Consultant expressly warrants not to represent, at any time or in any manner, that Consultant is an employee or servant of the City.

20. Integration and Entire Agreement. This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters contained herein. This Agreement may not be modified or altered except by amendment in writing signed by both parties.

21. Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, County of Monterey, and City of Salinas. Jurisdiction of litigation arising from this Agreement shall be in the State of California, in the County of Monterey or in the appropriate federal court with jurisdiction over the matter.

22. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

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23. Notices.

(A) Written notices to the City hereunder shall, until further notice by City, be addressed to:

City Manager or Department Director
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

With a copy to:

City Attorney
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

(B) Written notices to the Consultant shall, until further notice by the Consultant, be addressed to:

Consultant Name
Address
Address 2

(C) The execution of any such notices by the City Manager or Department Director shall be effective as to Consultant as if it were by resolution or order of the City Council, and Consultant shall not question the authority of the City Manager to execute any such notice.

(D) All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

24. Nondiscrimination. During the performance of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability. Consultant shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability.

25. Conflict of Interest. Consultant warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required under the provisions of this Agreement a violation of any applicable local, state or federal law. Consultant further declares that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed. In the.

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event that any conflict of interest should nevertheless hereinafter arise, Consultant shall promptly notify City of the existence of such conflict of interest so that City may determine whether to terminate this Agreement. Consultant further warrants its compliance with the Political Reform Act (Government Code section 81000 et seq.) and Salinas City Code Chapter 2A that apply to Consultant as the result of Consultant's performance of the work or services pursuant to the terms of this Agreement.

26. Headings. The section headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement.

27. Attorneys' Fees. In case suit shall be brought to interpret or to enforce this Agreement, or because of the breach of any other covenant or provision herein contained, the prevailing party in such action shall be entitled to recover their reasonable attorneys' fees in addition to such costs as may be allowed by the Court. City's attorneys' fees, if awarded, shall be calculated at the market rate.

28. Non-Exclusive Agreement. This Agreement is non-exclusive and both City and Consultant expressly reserves the right to contract with other entities for the same or similar services.

29. Rights and Obligations Under Agreement. By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

30. Licenses. If a license of any kind, which term is intended to include evidence of registration, is required of Consultant, its representatives, agents or subcontractors by federal, state or local law, Consultant warrants that such license has been obtained, is valid and in good standing, and that any applicable bond posted in accordance with applicable laws and regulations.

31. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

32. Legal Representation. Each party affirms that it has been represented, if it so chose, by legal counsel of its own choosing regarding the preparation and the negotiation of this Agreement and the matters and claims set forth herein, and that each of them has read this Agreement and is fully aware of its contents and its legal effect. Neither party is relying on any statement of the other party outside the terms set forth in this Agreement as an inducement to enter into this Agreement.

33. Joint Representation. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall be applicable or invoked.

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34. Warranty of Authority. Each party represents and warrants that it has the right, power, and authority to enter into this Agreement. Each party further represents and warrants that it has given any and all notices, and obtained any and all consents, powers, and authorities, necessary to permit it, and the persons entering into this Agreement for it, to enter into this Agreement.

35. No Waiver of Rights. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement. The failure to provide notice of any breach of this Agreement or failure to comply with any of the terms of this Agreement shall not constitute a waiver thereof. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. A waiver by the City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the date first written above.

CITY OF SALINAS

_____
René Mendez, City Manager

APPROVED AS TO FORM:

_____
☐ Christopher A. Callihan, City Attorney, or
☐ Rhonda Combs, Assistant City Attorney

CONSULTANT

_____

By (Printed Name): _____
Its (Title): _____

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Insurance Requirements

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, his agents, representatives, employees, or subcontractors. With respect to General Liability and Professional Liability, coverage should be maintained for a minimum of five (5) years after Agreement completion.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

(A) **Commercial General Liability** ("CGL"): Insurance Services Office Form ("ISO") CG 00 01 covering CGL on an occurrence basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than **$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

(B) **Automobile Liability:** ISO Form CA 0001 covering any auto, or if Consultant has no owned autos, hired and non-owned, with limits no less than **$1,000,000** per accident for bodily injury and property damage.

(C) **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than **$1,000,000** per accident for bodily injury or disease.

(D) **Professional Liability** (also known as Errors and Omissions) insurance appropriate to the work being performed, with limits no less than **$1,000,000** per occurrence or claim, **$2,000,000** aggregate per policy period of one year.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City of Salinas requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City of Salinas, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10, CG 11 85, or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

Primary Coverage

SAMPLE

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For any claims related to this Agreement or the project described within this Agreement, the **Consultant's insurance coverage shall be primary coverage** at least as broad as ISO Form CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation
Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

Waiver of Subrogation
Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Salinas for all work performed by the Consultant, its employees, agents, and subcontractors.

Self-Insured Retentions
Self-insured retentions must be declared by Consultant to and approved by the City. At the option of the City, Consultant shall provide coverage to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the consultant shall provide evidence satisfactory to the City guaranteeing payment of losses and related investigations, claim administrations, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

Acceptability of Insurers
Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Claims Made Policies
If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of this Agreement or the beginning of Agreement work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the Agreement of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the Agreement effective date, the Consultant must purchase "extended reporting" coverage for a minimum of ***five (5)*** years after completion of Agreement work.
4. A copy of the claims reporting requirements must be submitted to the City for review.

Verification of Coverage
Consultant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable insurance language effecting coverage required by this Agreement. All

SAMPLE

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certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors
Consultant shall require and verify that all sub-consultants and/or subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from such sub-consultants and/or subcontractors.

Special Risks or Circumstances
City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Maintenance of Insurance
Maintenance of insurance by Consultant as specified shall in no way be interpreted as relieving Consultant of its indemnification obligations or any responsibility whatsoever and the Consultant may carry, at its own expense, such additional insurance as it deems necessary.

SAMPLE

Docusign Envelope ID: 6F88099B-2CD3-47AF-9732-66FFA36DCD0B

Attachment C

ATTACHMENT D

SAMPLE TABLE FORMAT - QUALIFICATIONS OF FIRM RELATIVE TO CITY'S NEEDS

Project Name	Client	Description of work performed	Total Project Cost	Percentage of work firm as responsible for	Period work was completed	Client contact information*
San Mateo Enforcement Program	**City of San Mateo / San Mateo Police Department**	Citywide parking enforcement services.	$7.1M	100%	Nov 2019 - Present	Sgt. Craig Collum Phone: 650-522-7742 ccollom@cityofsanmateo.org
Did your firm meet the project schedule (Circle one): (Yes) No Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.						
West Hollywood Enforcement Program	**City of West Hollywood**	Citywide parking enforcement services.	$14M	100%	July 2020 – Present	Vince Guarino Phone: 323-848-6426 vguarino@weho.org
Did your firm meet the project schedule (Circle one): (Yes) No Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.						
Burbank Enforcement Program	**City of Burbank / Burbank Police Department**	Citywide parking enforcement services.	$6.5M	100%	April 2023 - Present	Emil Brimway Phone: 818.238.3106 EBrimway@burbankca.gov
Did your firm meet the project schedule (Circle one): (Yes) No Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.						
Santa Ana Enforcement	**City of Santa Ana / Santa Ana Police Department**	Citywide parking enforcement services.	$4.7M	100%	July 2018	Yolanda Bautista Phone: 714.245.8225 ybautista@santa-ana.org
Did your firm meet the project schedule (Circle one): (Yes) No Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.						

* Include Name, Title, and Phone Number

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ATTACHMENT E – COST PROPOSAL FORMAT

Scope	Labor Categories (e.g., Consultant, Sr. Consultant, etc.)	Est. Hours	Hourly Rate	Extended Rate
Task 1	Parking Manager	1,920	$45.80	$87,936
	Burdens and Fees	1,920	$32.80	$62,976
TOTAL NOT TO EXCEED, TASK 1	Parking Manager (fully burdened)	1,920	$78.60	$150,912
Task 2	Parking Enforcement Officer	9,600	$18.96	$181,968
	Burdens and Fees	9,600	$13.53	$129,840
TOTAL NOT TO EXCEED, TASK 2	Parking Enforcement Officer (fully burdened)	9,600	$32.48	$311,808
Task 3	ODCs / Materials to include: vehicles, uniforms, ticket stock, cell phones, and other misc. supplies (Flat Monthly Fee)	N/A		$103,800
	Mobile LPR Technology & Support Services	N/A		$83,205
	Burdens and Fees	N/A		
	G&A	N/A		
TOTAL NOT TO EXCEED, TASK 3	ODCs and Materials (fully burdened)	N/A		$187,005
TOTAL NOT TO EXCEED (TASKS 1 – 3)	Parking Manager (1), Parking Enforcement Officers ( ), and ODCs / Materials (all fully burdened)	N/A		$649,725

Docusign Envelope ID: 6F88099B-2CD3-47AF-9732-66FFA36DCD0B

Public Works Department

Request for Proposal (RFP) for Professional Services

City-Wide Parking Enforcement

RFP Issued:	**Monday, October 13, 2025**
Submit Written Questions regarding RFP:	**2:00 p.m.** **Friday, October 17, 2025**
RFP submittal deadline:	**2:00 p.m.** **Friday, October 24, 2025**
Contact:	Jenny Davila Public Works Admin. Supervisor

CITY OF SALINAS
PUBLIC WORKS DEPARTMENT
ENVIRONMENTAL MAINTENANCE
426 WORK STREET
SALINAS, CA 93901

REQUEST FOR PROPOSAL (RFP) FOR PROFESSIONAL SERVICES

TITLE: CITY-WIDE PARKING ENFORCEMENT

1. INTRODUCTION

The City of Salinas is seeking proposals from qualified firms to provide services for efficient and professional parking enforcement operations citywide and wishes to engage these services without incurring capital outlay or adding City employees. Therefore, the city is seeking proposals from organizations that can provide Parking Enforcement Services. The City is seeking a multi-year contract with a qualified, professional and highly motivated firm or consortium to perform daily parking enforcement services. The required services and performance conditions are described in the Scope of Work (or Services).

2. ATTACHMENTS

The attachments below are included with this Request for Proposals (RFP) for your review and submittal (see asterisk):

Attachment A – Proposer's Information Form*
Attachment B – Scope of Work/Services
Attachment C – Sample Agreement for Professional Services
Attachment D – Sample Table, Qualifications of Firm Relative to City's Needs*
Attachment E – Cost Proposal Format*

The items identified with an asterisk (*) shall be filled out, signed by the appropriate representative of the company and returned with submittal.

3. INSTRUCTIONS TO PROPOSERS

3.1 Examination of Proposal Documents

The submission of a proposal shall be deemed a representation and certification by the Proposer that they:

3.1.1 Have carefully read and fully understand the information that was provided by the City to serve as the basis for submission of this proposal.
3.1.2 Have the capability to successfully undertake and complete the responsibilities and obligations of the proposal being submitted.
3.1.3 Represent that all information contained in the proposal is true and correct.
3.1.4 Did not, in any way, collude, conspire to agree, directly or indirectly, with any person, firm, corporation or other Proposer in regard to the

amount, terms or conditions of this proposal.

3.1.5 Acknowledge that the City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Proposer, and Proposer hereby grants the City permission to make these inquiries, and to provide any and all related documentation in a timely manner.

No request for modification of the proposal shall be considered after its submission on grounds that Proposer was not fully informed to any fact or condition.

3.2 Addenda/Clarifications

Should discrepancies or omissions be found in this RFP or should there be a need to clarify this RFP, questions or comments regarding this RFP must be put in writing and submitted on Planetbids no later than 2:00 p.m., Friday, October 17, 2025. All Communications regarding this RFP, including all questions, should be submitted through the Q&A section of the project page (on PlanetBids). The City will respond to all questions submitted prior to the communication deadline. All addenda shall become a part of this RFP and shall be acknowledged on the Proposer's Form.

The City shall not be responsible for nor be bound by any oral instructions, interpretations or explanations issued by the City or its representatives.

3.3 Submission of Proposals

All proposals shall be submitted electronically on the PlanetBids project page. Proposals must be received no later than 2:00 p.m. on Friday, October 24, 2025. All proposals received after that time will be rejected for non-compliance. Proposal should bear Proposer's name and address, clearly marked, "RFP – City-Wide Parking Enforcement".

3.4 Withdrawal of Proposals

A Proposer may withdraw its proposal **at any time before the expiration of the time for submission of proposals as provided in the RFP** by emailing the City Project Manager for a request to withdrawal signed by, or on behalf of, the Proposer.

3.5 Rights of the City of Salinas

This RFP does not commit the City to enter into a contract, nor does it obligate the City to pay for any costs incurred in preparation and submission of proposals or in anticipation of a contract. The City reserves the right to:

- Make the selection based on its sole discretion;
- Reject any and all proposals;
- Issue subsequent Requests for Proposals;
- Postpone opening for its own convenience;
- Remedy technical errors in the Request for Proposals process;
- Approve or disapprove the use of particular subconsultants;
- Negotiate with any, all or none of the Proposers;
- Accept other than the lowest offer;
- Waive informalities and irregularities in the Proposals and/or
- Enter into an agreement with another Proposer in the event the originally selected Proposer defaults or fails to execute an agreement with the City.

An agreement shall not be binding or valid with the City unless and until it is executed by authorized representatives of the City and of the Proposer.

4. PROPOSED TENTATIVE TIMELINE

The tentative RFP timeline is as follows:

RFP Issued	Monday, October 13, 2025
Deadline for questions, clarifications	2:00 p.m., Friday, October 17, 2025
Proposals Due	2:00 p.m., Friday, October 24, 2025
Interviews (if needed)	Week of October 27, 2025
Proposal Selection and Contract Preparation	Week of November 2, 2025
Contract Awarded	November 2025 (tentative)
Work Commences	December 2025 (tentative)

5. INFORMATION TO BE SUBMITTED (to be submitted in this order only)

These instructions outline the guidelines governing the format and content of the proposal and the approach to be used in its development and presentation. The intent of the RFP is to encourage responses that clearly communicate the Proposer's understanding of the City's requirements and its approach to successfully provide the products and/or services on time and within budget. Only that information which is essential to an understanding and evaluation of the proposal should be submitted. Items not specifically and explicitly related to the RFP and proposal, e.g. brochures, marketing material, etc. will not be considered in the evaluation.

All proposals shall address the following items in the order listed below and shall be numbered 1 through 8 in the proposal document.

5.1 Section 1 – Proposal Summary

This Chapter shall discuss the highlights, key features and distinguishing points of the Proposal. A separate sheet shall include a list of individuals and

contacts for this Proposal and how to communicate with them. Limit this Chapter to a total of three (3) pages including the separate sheet.

5.2 Section 2 – Profile on the Proposing Firm(s)

This Chapter shall include a brief description of the Prime Proposer's firm size as well as the proposed local organization structure. Include a discussion of the Prime Proposer firm's financial stability, capacity and resources. Include all other firms participating in the Proposal, including similar information about the firms.

Additionally, this section shall include a listing of any lawsuit or litigation and the result of that action resulting form (a) any public project undertaken by the Proposer or by its subcontractors where litigation is still pending or has occurred within the last five years or (b) any type of project where claims or settlements were paid by the consultant or its insurers within the last five years.

5.3 Section 3 – Qualifications of the Firm

This Chapter shall include a brief description of the Proposer's and sub-Proposer's qualifications and previous experience on similar or related projects. Provide in a table format (see Sample Table, Attachment D) descriptions of pertinent project experience with other public municipalities and private sector that includes a summary of the work performed, the total project cost, the percentage of work the firm was responsible for, the period over which the work was completed, and the name, title, and phone number of client's to be contacted for references. Give a brief statement of the firm's adherence to the schedule and budget for the project.

This chapter shall include information regarding any relationships with firms and/or individuals who may submit proposals in response to the RFPs being developed.

5.4 Section 4 – Work Plan or Proposal

This Chapter shall present a well-conceived service plan. Include a full description of major tasks and subtasks. This section of the proposal shall establish that the Proposer understands the City's objectives and work requirements and Proposer's ability to satisfy those objectives and requirements. Succinctly describe the proposed approach for addressing the required services and the firm's ability to meet the City's schedule, outlining the approach that would be undertaken in providing the requested services.

5.5 Section 5 – Proposed Innovations

This Chapter shall discuss Proposers technical or procedural innovations that have been used successfully on other engagements, and which may provide

the City with better service delivery. In section should discuss any ideas, innovative approaches, or specific new concepts included in the Proposal that would provide benefit to the City.

5.6 Section 6 – Project Staffing

This Chapter shall discuss how the Proposer would propose to staff this project. Key project team members shall be identified by name, title and specific responsibilities on the project. An organizational chart for the project team and resumes for key Proposer personnel shall be included. Key personnel will be an important factor considered by the review committee. Changes in key personnel may be cause for rejection of the proposal.

5.7 Section 7 – Proposal Exceptions

This Chapter shall discuss any exceptions or requested changes that Proposer has to the City's RFP conditions, requirements and sample contract. If there are no exceptions noted, it is assumed the Proposer will accept all conditions and requirements identified in the Attachment C – "Sample Agreement for Services." Items not excepted will not be open to later negotiation.

5.8 Section 8 – Proposal Costs Sheet and Rates

The fee information is relevant to a determination of whether the fee is fair and reasonable in light of the services to be provided. Provision of this information assists the City in determining the firm's understanding of the project, and provides staff with tools to negotiate the cost, provide in a table (See Table, Attachment E).

Consultant shall provide the following information

5.8.1 Direct labor rates for proposed staff;
5.8.2 Overhead rate and breakdown of overhead elements;
5.8.3 Subconsultant billing rates and mark-up percentage for ODC's (other direct costs); and identify all reimbursable expenses.
Most recent complete financial instrument that would establish Proposer's ability to complete the obligations of the contract resulting from this solicitation. Proposers need to submit their last two audited financial statements (e.g., balance sheet, income statement, and statement of cash flow).

This Chapter shall include the proposed costs to provide the services desired. Include any other cost and price information, plus a not-to-exceed amount, that would be contained in a potential agreement with the City. The hourly rates may be used for pricing the cost of additional services outlined in the Scope of Work.

PLEASE NOTE: The City of Salinas will not pay for services before it receives them. Therefore, do not propose contract terms that call for upfront payments or deposits.

6. CONTRACT TYPE AND METHOD OF PAYMENT

It is anticipated that the agreement resulting from this solicitation, if awarded, will be a not-to-exceed budget per task form of contract. Contract term shall be three years (3) with an opportunity to extend two additional one (1) year terms. A Sample Agreement for Professional Services is provided as Attachment C. The method of payment to the successful Proposer shall be on a per task basis with a maximum "not to exceed" fee as set by the Proposer in the proposal or as negotiated between the Proposer and the City as being the maximum cost to perform all work. This figure shall include direct costs and overhead, such as, but limited to, transportation, communications, subsistence and materials and any subcontracted items of work. Progress payments will be based on a percentage of project completed.

Proposers shall be prepared to accept the terms and conditions of the Agreement, including Insurance Requirements in Attachment C. If a Proposer desires to take exception to the Agreement, Proposer shall provide the following information in Section 7 of their submittal package. Please include the following:

- Proposer shall clearly identify each proposed change to the Agreement, including all relevant Attachments.
- Proposer shall furnish the reasons for, as well as specific recommendations, for alternative language.

The above factors will be taken into account in evaluating proposals. Proposals that take substantial exceptions to the proposed Agreement may be determined by the City, at its sole discretion, to be unacceptable and no longer considered for award.

Insurance Requirements

The selected Proposer(s), at Proposer's sole cost and expense and for the full term of the Agreement or any extension thereof, shall obtain and maintain, at a minimum, all of the insurance requirements outlined in Attachment C.

All policies, endorsements, certificates and/or binders shall be subject to the approval of the City Attorney as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Attorney. The selected Proposer agrees to provide the City with a copy of said policies, certificates and/or endorsement upon award of contract.

7. REVIEW AND SELECTION PROCESS

City staff will evaluate the proposals provided based on the following criteria:

7.1 Cost of services;

7.2 References from similar programs, indicating that contractor has performed services professionally with a positive impact on the community;
7.3 Training program;
7.4 Experience;
7.5 Level of customer service;
7.6 Implementation Plan;

A selection committee will make a recommendation to the City Council. The acceptance of the proposal will be evidenced by written Notice of Award from the City Public Works Department to the successful Proposer after Council approval.

8. ORAL INTERVIEWS

Proposers may be required to participate in an oral interview. The oral interview will be a panel comprised of members of the selection committee.

Proposers may only ask questions that are intended to clarify the questions that they are being asked to respond.

Each Proposer's time slot for oral interviews will be determined randomly. Proposers who are selected shall make every effort to attend. If representatives of the City experience difficulty on the part of any Proposer in scheduling a time for the oral interview, it may result in disqualification from further consideration.

9. PUBLIC NATURE OF MATERIALS

Responses to this RFP become the exclusive property of the City of Salinas. All proposals received in response to this RFP becomes a matter of public record and shall be regarded as public records, with the exception of those elements in each proposal which are defined by the Proposer as business or trade secrets and plainly marked as "Confidential," "Trade Secret," or "Proprietary". The City shall not in any way be liable or responsible for the disclosure of any such proposal or portions thereof, if they are not plainly marked as "Confidential," "Trade Secret," or "Proprietary" or if disclosure is required under the Public Records Act. Any proposal which contains language purporting to render all or significant portions of the proposal "Confidential," "Trade Secret," or "Proprietary" shall be regarded as non-responsive.

Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City of Salinas may not accept or approve that the information that a Proposer submits is a trade secret. If a request is made for information marked "Confidential," "Trade Secret," or "Proprietary," the City shall provide the Proposer who submitted the information with reasonable notice to allow the Proposer to seek protection from disclosure by a court of competent jurisdiction.

10. COLLUSION

By submitting a proposal, each Proposer represents and warrants that its proposal is genuine and not a sham or collusive or made in the interest of or on behalf of any person not named therein; that the Proposer has not directly induced or solicited any other person to submit a sham proposal or any other person to refrain from submitting a proposal; and that the Proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a proposal.

11. DISQUALIFICATION

Factors such as, but not limited to, any of the following may be considered just cause to disqualify a proposal without further consideration:

11.1 Evidence of collusion, directly or indirectly, among Proposers in regard to the amount, terms or conditions of this proposal;

11.2 Any attempt to improperly influence any member of the evaluation team;

11.3 Existence of any lawsuit, unresolved contractual claim or dispute between Proposer and the City;

11.4 Evidence of incorrect information submitted as part of the proposal;

11.5 Evidence of Proposer's inability to successfully complete the responsibilities and obligation of the proposal; and

11.6 Proposer's default under any previous agreement with the City, which results in termination of the Agreement.

12. NON-CONFORMING PROPOSAL

A proposal shall be prepared and submitted in accordance with the provisions of these RFP instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from or to a proposal may be sufficient grounds for non-acceptance of the proposal, at the sole discretion of the City.

13. GRATUITIES

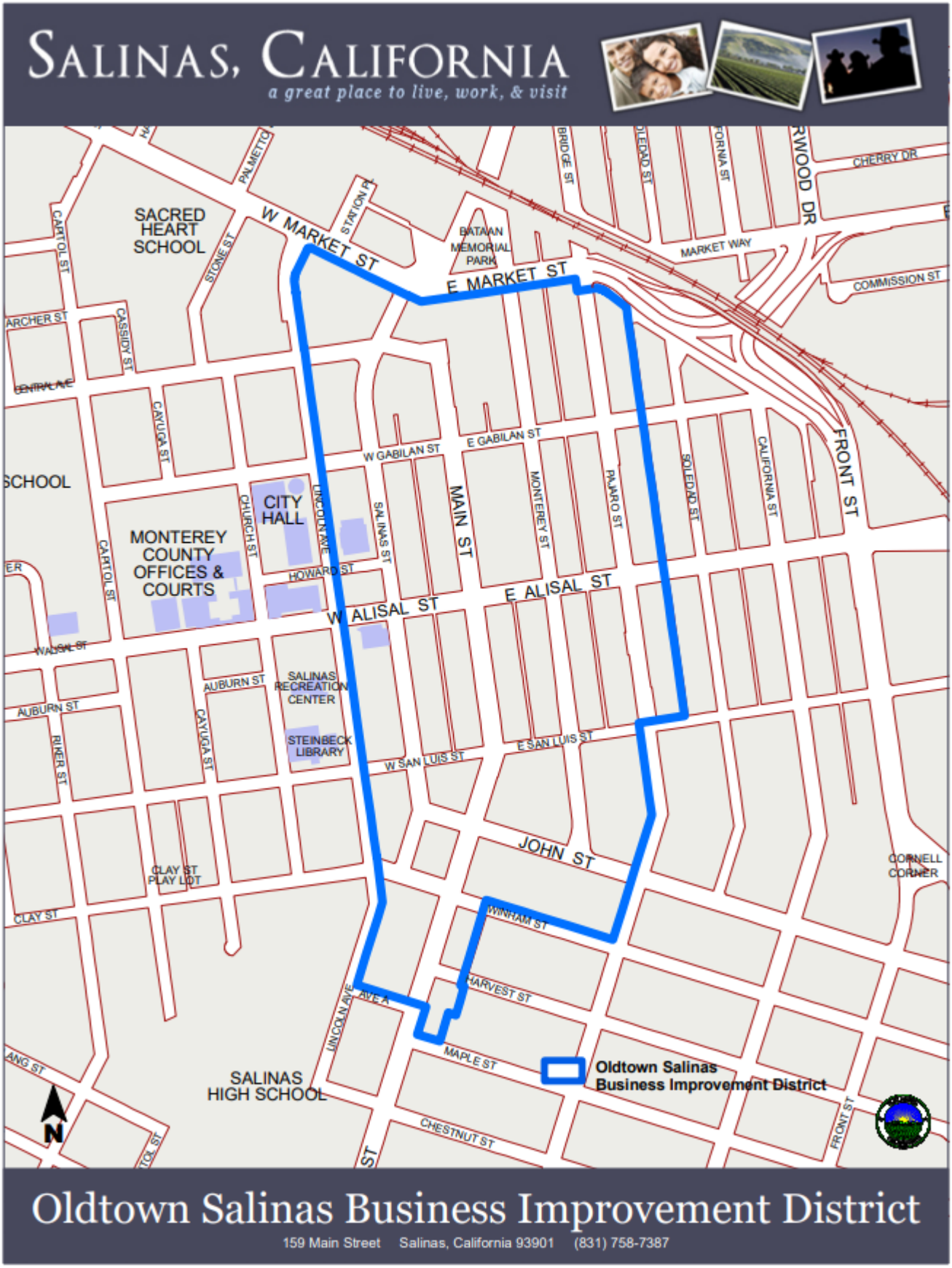
No person shall offer, give or agree to give any City employee any gratuity, discount or offer of employment in connection with the award of contract by the city. No city employee shall solicit, demand, accept or agree to accept from any other person a gratuity, discount or offer of employment in connection with a city contract.

14. FIRMS OR PERSONS NOT ELIGIBLE TO SUBMIT A PROPOSAL

In order to avoid any conflict of interest or perception of a conflict of interest, Proposer(s) selected to provide professional services under this RFP will be subject to the following requirements:

14.1 The Proposer(s) who works on the procurement will be precluded from submitting proposals or bids as a prime contractor or subcontractor in the ultimate procurement.

14.2 The Proposer(s) may not have interest in any potential Proposer for the ultimate procurement.


SALINAS, CALIFORNIA
a great place to live, work, & visit
SACRED HEART SCHOOL
W MARKET ST
E MARKET ST
BATAAN MEMORIAL PARK
MARKET WAY
COMMISSION ST
CHERRY DR
CAPITOL ST
STONE ST
PALMETTO
STATION PL
BRIDGE ST
MONTEREY ST
CALIFORNIA ST
ARCHER ST
CASSIDY ST
CAYUGA ST
W GABILAN ST
E GABILAN ST
MAIN ST
SALINAS ST
PAJARO ST
SOLEDAD ST
FRONT ST
CITY HALL
LINCOLN AVE
CHURCH ST
HOWARD ST
MONTEREY COUNTY OFFICES & COURTS
W ALISAL ST
E ALISAL ST
AUBURN ST
SALINAS RECREATION CENTER
STEINBECK LIBRARY
W SAN LUIS ST
E SAN LUIS ST
RIVER ST
JOHN ST
CLAY ST PLAY LOT
CLAY ST
CORNELL CORNER
WINHAM ST
HARVEST ST
AVE A
MAPLE ST
Oldtown Salinas Business Improvement District
SALINAS HIGH SCHOOL
CHESTNUT ST
N
Oldtown Salinas Business Improvement District
159 Main Street Salinas, California 93901 (831) 758-7387

SALINAS, CALIFORNIA

a great place to live, work, & visit

Commuter Parking Lot

Lot D: Free - 72 Hour Maximum, 299 spaces

Surface Parking Lots

Lot 1: 2 Hour restriction, 47 spaces
Lot 2: 2 Hour restriction, 71 spaces
Lot 3: 2 Hour restriction, 82 spaces
Lot 5: 2 Hour and Permit restriction, 134 spaces
Lot 8: 2 Hour & Permit restriction, 71 spaces
Lot 12: Permit Restriction & Juror Parking, 120 spaces

Monthly Permits

Lot 5: $55.00
Lot 8: $55.00
Lot 12: $40.00

Monterey Street Garage

Monterey Street Garage: Paid Hourly & Monthly Permit restriction, 435 spaces

Salinas Street Garage

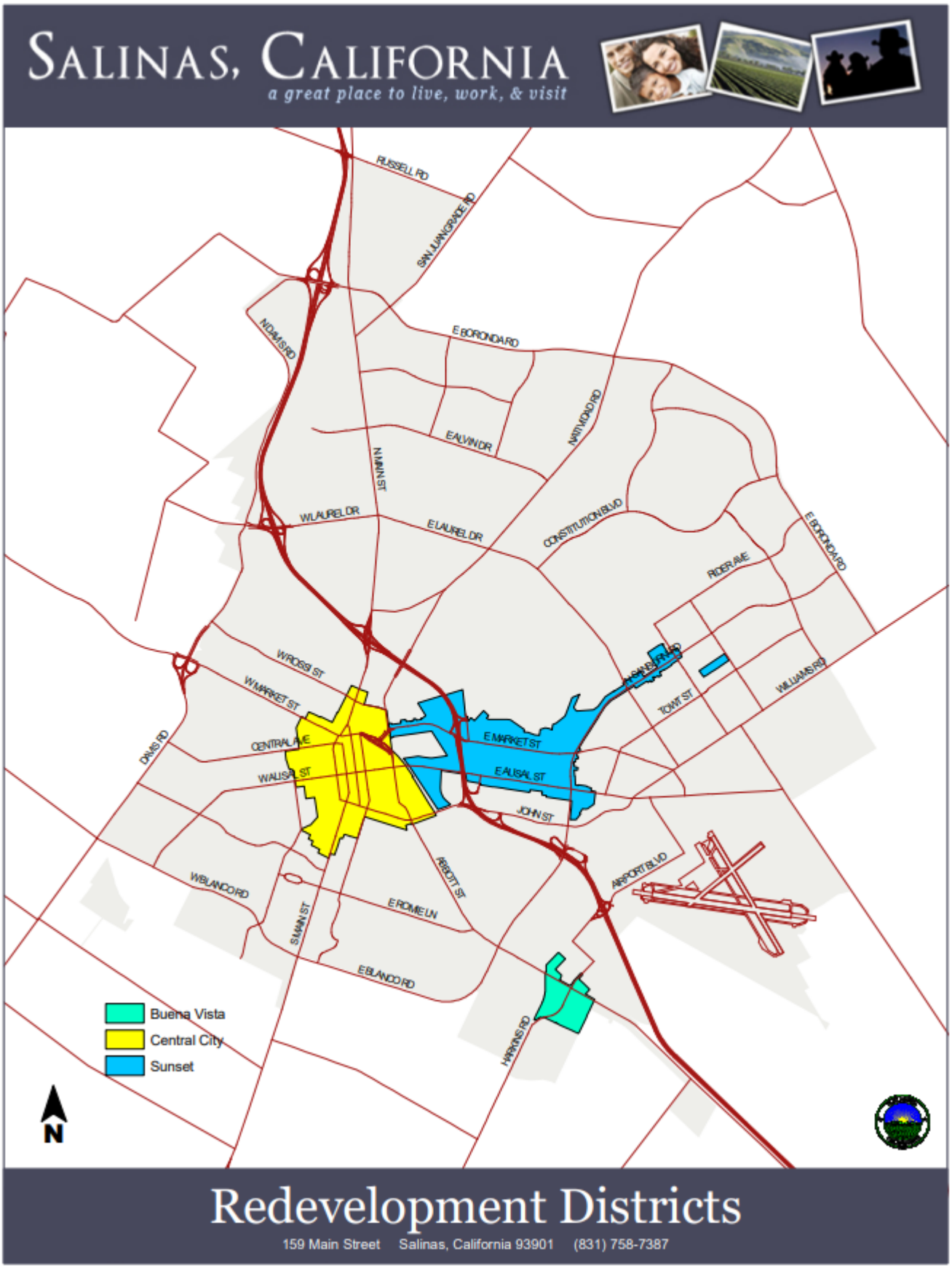
Salinas Street Garage: Hourly & Permit restriction, 252 spaces

Permits & Hourly

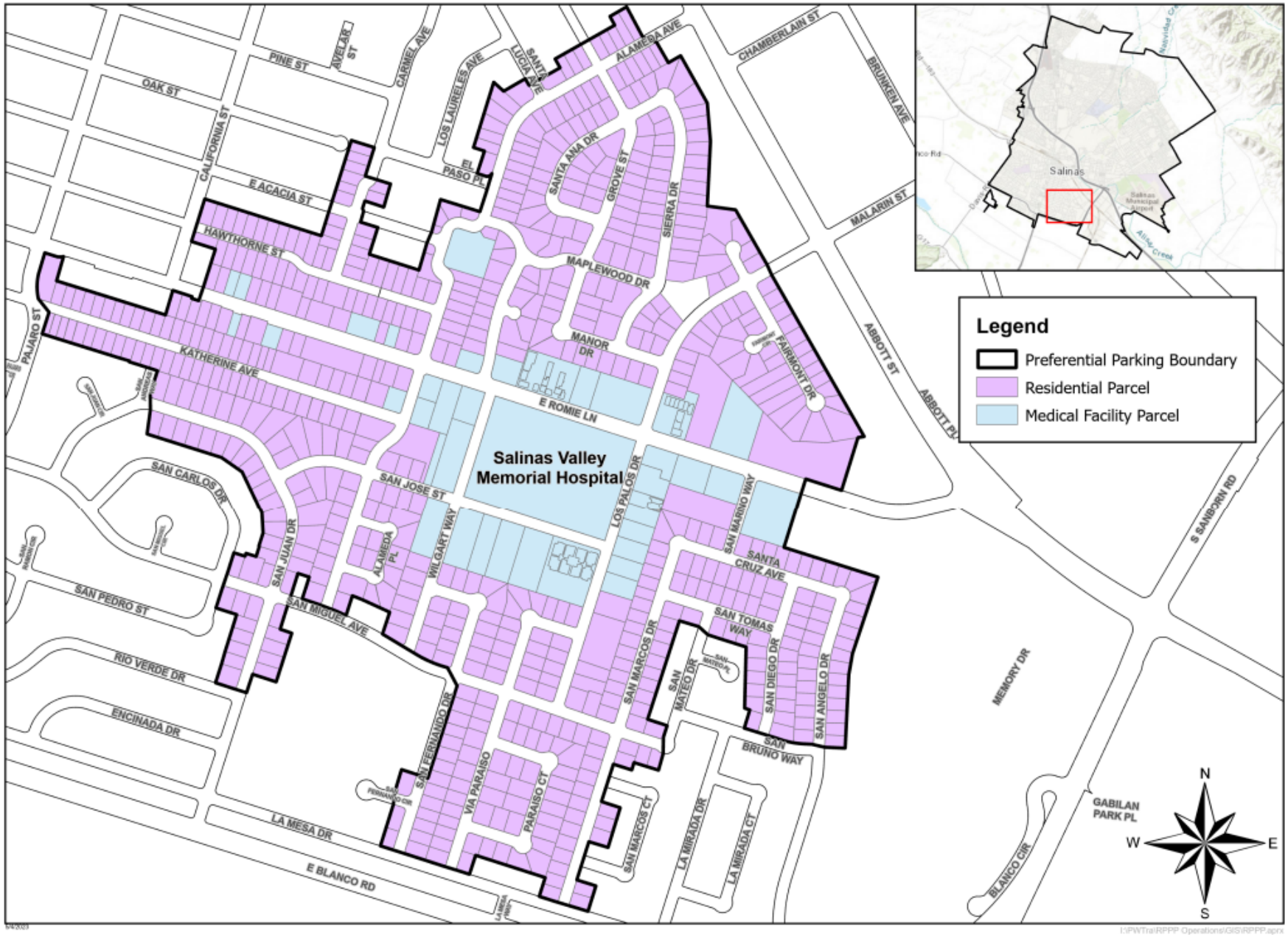
Monterey Street Garage: $50.00 - Monthly Permit
$1.25 - Hourly
Salinas Street Garage: $40.00 - Lower Level
$40.00 - Upper Level

Downtown Salinas Parking Lots and Garages

200 Lincoln Ave Salinas, California 93901 (831) 758-7241


SALINAS, CALIFORNIA
a great place to live, work, & visit
RUSSELL RD
SAN JUAN GRADE RD
NORTH MAIN ST
E BORONDA RD
E ALVIN DR
NATIVIDAD RD
N MAIN ST
W LAUREL DR
E LAUREL DR
CONSTITUTION BLVD
RIDER AVE
E BORONDA RD
WILLIAMS RD
TOWT ST
W ROSSI ST
W MARKET ST
DAVIS RD
CENTRAL AVE
W ALISAL ST
E MARKET ST
E ALISAL ST
JOHN ST
ABBOTT ST
AIRPORT BLVD
W BLANCO RD
E ROMIE LN
S MAIN ST
E BLANCO RD
HARRIS RD
Buena Vista
Central City
Sunset
N
Redevelopment Districts
159 Main Street Salinas, California 93901 (831) 758-7387

Residential Parking Permit Program Map



Attachment A
Proposer's Information Form

PROPOSER (please print):

Name: _____

Address: _____

_____

Telephone: _____ Email: _____

Contact person, title, email, and telephone: _____

_____

_____

Proposer, if selected, intends to carry on the business as (check one):

☐ Individual ☐ Joint Venture

☐ Partnership

☐ Corporation

When incorporated? _____

In what state? _____

When authorized to do business in California? _____

☐ Other (explain):_____

ADDENDA

To assure that all Proposers have received each addendum, check the appropriate box(es) below. Failure to acknowledge receipt of an addendum/addenda may be considered an irregularity in the Proposal:

Addendum number(s) received: ☐1; ☐ 2; ☐ 3; ☐ 4; ☐ 5; ☐ 6;

Or ☐ _____ No Addendum/Addenda Were Received (**check and initial)**.

PROPOSER'S SIGNATURE

No proposal shall be accepted which has not been signed in ink in the appropriate space.

Attachment A – Proposer Information continued…

1. If Proposer is **INDIVIDUAL**, sign here:

Date:_____ _____
Proposer's Signature

_____
Proposer's typed name and title

2. If Proposer is **PARTNERSHIP** or **JOINT VENTURE;** at least two (2) Partners shall sign here:

_____
Partnership or Joint Venture Name (type or print)

Date:_____ _____
Member of the Partnership or Joint Venture signature

Date:_____ _____
Member of the Partnership or Joint Venture signature

3. If Proposer is a **CORPORATION**, the duly authorized officer shall sign as

follows: The undersigned certify that he/she is respectively:

_____and _____
Signature Title

Of the corporation named below; that they are designated to sign the Proposal Cost Form by resolution (attach a certified copy, with corporate seal, if applicable, notarized as to its authenticity or Secretary's certificate of authorization) for and on behalf of the below named CORPORATION, and that they are authorized to execute same for and on behalf of said CORPORATION.

_____
Corporation Name (type or print)

By:_____Date: _____

Title:_____

ATTACHMENT B – SCOPE OF WORK

Project Background:

The City of Salinas desires efficient and professional parking enforcement operations citywide which includes the city's commercial districts, residential permit parking program, schools, street sweeping restrictions, and parking restrictions and wishes to engage these services without incurring capital outlay or adding City employees. Therefore, the city is seeking proposals from organizations that can provide Parking Enforcement Services with the goal to increase parking citation issuance. The City is seeking a multi-year contract with a qualified, professional and highly motivated firm or consortium to perform daily permit parking enforcement services. The selected provider shall work with the City's Citation Processing and Administrative Review contractor, including provision of compatible equipment with their systems.

Description of Project:

The City of Salinas seeks to further enhance the effectiveness of its downtown parking management program, which encompasses several city-operated parking lots and two parking garages. The City is pleased with the progress achieved under its current parking management provider and is now inviting proposals that will build upon this success to deliver innovative, efficient, and cost-effective parking management solutions. The City aims to improve revenue collection through effective citation issuance and enforcement practices, while continuing to strengthen on-street parking management in its commercial areas and within the existing residential permit parking district near one of its major hospitals. In addition, the City anticipates expanding enforcement efforts in school zones during pick-up and drop-off times and implementing new parking restrictions to support street sweeping operations.

The attached maps show commercial areas throughout the City and the location of the residential permit parking program.

The commercial or business districts generally have 2-hour parking. However, certain street segments may have 20-minute zones to 90-minute zones as well as reverse parking zones.

Term of Contract shall be for three (3) years with an opportunity to extend for two additional one (1) year terms.

Scope of Services

Contract Parking Enforcement personnel will provide enforcement services citywide, issuing parking citations to violators. The chosen contractor is expected to provide all equipment needed for enforcement operation, including but not limited to vehicles, handheld devices for uploading citation information, license plate readers, uniforms, and company issued photo identification cards. Said equipment shall be compatible with systems of the City's citation processing contractor, Parking Management Bureau (PMB).

Issuance of Parking Citations

The contractor's staff will be responsible for issuing citations for parking permit violations citywide. Citations must include the make, model, color, and style of vehicle, license tag number or Vehicle Identification Number (VIN), violation code number and description, base fine amount and additional fine amount in the event there is a failure to respond timely, badge number, the location of the parking offense, type of offense (e.g. permit incorrectly displayed, no valid permit, not parked in the right location) and the time and date of the offense. The contractor should supply handheld ticket writers which are capable of capturing digital photos and voice recordings associated with a violation. If a manual paper citation is used, it will be filled out in a complete and legible manner. All citations must be placed on the windshield of the offending vehicle, as required by the California vehicle code. The Contractor is required to provide handheld devices, ticket writer ticket stock, envelopes, and manual citation books.

The City would like the vendor to perform all enforcement services, but for citation processing and payments to occur via the City's existing citation management vendor and the revenue collections division in the City's Finance Department.

The Contractor is required to supply all vehicles needed and will be responsible for all on-going operating expenses including insurance, fuel, maintenance, and repairs. All vehicles used by enforcement shall be clearly identifiable as performing parking enforcement for the City. Vehicle markings shall indicate the operator is a private company authorized to provide services in the City of Salinas. Marking and color should distinguish Contractor's vehicles from official City vehicles, and the vehicle markings must be approved by the City Manager and the Chief of Police or his/her designee. Parking enforcement and parking meter operations staff shall operate all vehicles at all times in compliance with all state and local motor vehicle and emissions laws. Vehicles shall not have missing parts or dents, and the rear of all patrol vehicles shall have a sign warning of frequent vehicle stops. All vehicles used by Contractor's personnel shall have blinking flasher lights installed on each vehicle's roof.

Personnel

The firm selected for the contract, and all of its personnel, should demonstrate an exceptional familiarity with parking enforcement rules and regulations, laws, statues, ordinances, policies, parking program technologies and management as well as hearing procedures. Most importantly, the firm chosen should demonstrate a superior understanding of operational requirements, public relations, and customer service practices.

The contractor will be responsible for all aspects of recruitment, selection, and initial and on-going training of parking enforcement personnel, so the contractor shall employ only persons competent and skilled and shall provide responsible supervision for each individual employed. The contract service provider shall not use discriminatory hiring practices in regard to ethnic origin, race, religion, gender, sexual orientation, and physical or mental disability. The contractor must adhere to all existing Government Code and City nondiscrimination policies, and the contractor's personnel shall at all times be polite and courteous to all citizens and City staff. The contractor's personnel shall be required to speak and write and communicate effectively to the City's customers, residents and visitors and bilingual skills are recommended to better serve the City's Spanish speaking community. The contractor will be responsible for assuring employee compliance with all laws and regulations, responding to inspections/audits by regulatory agencies, and paying any fines or assessments levied by regulatory agencies. In addition, the contract service provider will be responsible for all personnel supervision, discipline, and termination actions. However, the City may require the removal of any Contractor's personnel, when it is determined to be in the best interest of the City, at any time.

The contractor must provide a thorough background investigation on all potential employees, including but not limited to criminal/driving history, outstanding violations, polygraph and/or psychological exams, medical history, prior work issues and a skills assessment test. As the individuals selected for the process will be representing the City of Salinas on a day-to-day basis, the selection criteria are expected to be stringent. Employees should also be interviewed by City of Salinas staff prior to approval.

All personnel are to be provided with professional appearing uniforms, badges, and ID tags. Logos should appear on shirt and jacket sleeves, and hats should have an emblem designating them as official RPP parking enforcement personnel. The City must approve the color and design of uniforms, and it is important that uniformed personnel shall not resemble a City of Salinas Police Department uniform. All personnel are to be in complete uniform at any time during duty hours including time in court and must carry a company-issued photo identification at all times.

The contractor shall be responsible for the conduct, demeanor, and appearance of all employees. All employees shall act in a courteous and respectable manner while on duty, and during any interactions with the public. The City of Salinas seeks to maintain the highest level of customer service, and employees must be attentive, alert, and responsive when dealing with customers' issues, needs, or complaints. As may be occasionally required, the contract service provider will be responsible for having their employees appear in court, on-time, and prepared to testify on parking-related cases in a professional manner.

Training

The contractor will provide reasonable and necessary training to their employees who work for the City, relevant to their respective job duties. The training program should provide the Contractor's personnel with sufficient understanding of the RPP District as well as operation of required equipment and enforcement protocol. All personnel are to complete and pass the training course prior to starting service, and the training procedures must be approved by the City.

The contractor shall maintain complete training records for each employee, as well as any other records prescribed by law or City policy as appropriate. The training must include, but is not limited to, the following:

Enforcing permit violations by the issuance of citations

- Marking and tagging of vehicles
- Responding to calls for service
- Customer service delivery and expectations
- Conflict resolution management
- City Municipal code, state statute, and ordinances relating to parking enforcement and related activities
- Giving testimony and courtroom procedures
- Job procedures and emergency protocol
- Job safety
- Civil rights law and procedures
- Job procedures and emergency protocols

The Contractor shall select and hire only persons who are well-qualified to perform the duties for their respective job positions and should provide classifications of all employee positions within their proposal, including a job description.

Classifications might include, but are not limited to:

- Parking Enforcement Supervisor/Manager: Assist the parking enforcement staff with day-to-day operations and staffing issues. Supervisor shall be responsible to report with the City on a bi-monthly basis and provide updates on the enforcement process, any feedback from the public, incidents and

number of citations issued. A supervisor should possess sufficient IT knowledge to be able to handle employee equipment issues in the field, and the capability of working with the citation processing agency for any citation issues.

- Parking Enforcement Staff: Responsible for the day-to-day management, supervision, and operation of parking enforcement services. These individuals must have the capacity to act as “Ambassadors” for the City, providing information about parking enforcement practices and other information pertinent to the areas where they are working.

The contractor should provide performance metrics for each position so that performance evaluations may take place.

Routes

The Contractor is expected to familiarize themselves with the City prior to submitting a proposal and should provide a schedule of estimated patrol routes and frequency recommendations. The City seeks to ensure that coverage is adequate, fair, regular, and consistent, although it is also expected that the Contractor will alternate the patrol routes on a regular basis to eliminate predictability. The contractor can propose changes to routes and schedules to the City as part of their performance reporting meetings and documentation.

Record Keeping and Reporting

The proposer will be responsible for maintaining records of employment and, upon request, provide the City with personnel and training information for each employee. In addition, the contractor will be responsible for preparing and maintaining records, including logs of parking enforcement activities. Supervisor shall be responsible for attending weekly meetings with the City to provide updates on parking activity and issues. The Contractor will also be expected to purchase parking permits for any employees driving to Salinas.

Proposal Requirements

A. Cover Letter: Each Proposer shall submit with their proposal a cover letter identifying the Proposer and the proposal package being submitted. An authorized representative of the Proposer must sign the cover letter. Proposer's representative shall identify name, title, office location, telephone number, fax number and e- mail address.
B. Table of Contents: Include a Table of Contents listing the various sections included in the proposal.
C. Description of Services

The description of services shall be prepared in accordance with the following sections:

Section I: Executive Summary

Proposers shall include in their Proposal, an Executive Summary that indicates the firm's expertise and strengths. Additionally, this section must include a brief statement of the firm's background and examples of accomplishments that distinguish the firm from other enforcement firms and enable your firm to be the most competitive for this RFP.

Section II: Proposed Approach

Proposers shall describe their approach to meeting the scope of work. The following areas must be addressed in the scope of work:

1) An explanation of the firm's approach to organizing and implementing the parking enforcement and services.
2) Description of the firm's approach in working with cities and their staff members.
3) Description of the firm's management philosophy and strategy for an agreement with the City of Salinas.
4) Examples of parking enforcement and meter operations contracting services and accomplishments, past and present that may be of similar nature to this scope of work. Include names and contacts in association with those contracts for references.
5) Areas not in this RFP, but which the Proposer believes are essential to the effective performance and completion of the services should also be addressed in the proposal.

In this section, the proposing company should also demonstrate their specific capabilities to fulfill the requirements for performance of this contract. The response should include details on the service level proposed for parking enforcement citywide and staffing proposal.

Section III: Staffing

The City desires a single source of contract accountability through the proposing organization, so acknowledgement of this requirement is needed if subcontractors are proposed. Also, each service provider should state the on-site and off-site personnel

who will have responsibility for administration of this contract. This section should include the names of any proposed subcontractors that the prime Contractor plans to use.

Section III should include a project organizational chart with the following information:
1) Names and titles of individuals; and
2) Names and titles of possible subcontractors who may be involved in providing the required services.

Section IV: Proposer's Business Information
Proposal must include the following:
1) Identify the firm's business structure (i.e. whether the firm is a corporation, limited partnership, sole proprietorship, etc.), location of headquarters office and location of any local offices, telephone number, fax number and e-mail address.
2) Identify the names of general partners or owner(s) of the firm, their titles, office location, telephone number, fax number and e-mail address.
3) List the name, title, address, telephone number, background and responsibilities of the lead management person who will be onsite full time to direct the operations of the outsource services.
4) Include a responsibility matrix indicating the reporting structure and responsibilities of each member of the proposed outsource services project team.
5) Identify each possible subcontractor by firm's name, primary representative and title, telephone number, fax number, e-mail address, location of office headquarters and location of any local offices.

Section V: Team Experience and Accomplishments
Proposal must include the following information:
A. Project Manager:
Describe the professional qualifications, capabilities, project experience, education, training and the present office location. Provide a list of specific examples of the Project Manager's qualifications, experience and accomplishment in any relevant past or ongoing projects, for a minimum of three projects. Describe each project in detail, including when the project was completed and where it was located, the name of the company and contact person, including his/her current telephone number, fax number, e-mail address and any other reference information. Describe any experience that required auditing services.

B. Other Key Personnel:

- Include the names and resumes of all key personnel (e.g. supervisors, staff) who are employed by Vendor and who may be assigned to perform services pursuant to a subsequent contract.
- Provide a complete statement of qualifications and experience to accomplish the required scope of work. Include any accomplishments, background and a description of that person's strengths and skills relative to the work to be performed. This statement must include degrees and certifications obtained

and other function while gaining the experience; contract amount managed; what was accomplished; and the beginning and ending dates of the projects cited for relevant experience.

Section VI: Contracting Track Record and Accomplishments

Proposers must list a minimum of three (3) most recent contracts with other cities or private groups performing similar services to what are described in this RFP, including a description of the work and the name, address and telephone number of client's representative responsible for administering the contract.

Section VII: Contractor's Project Management Responsibilities

The City wants a clear understanding of the individual(s) who will be designated as responsible for planning, organizing, directing, and controlling the resources for the parking enforcement program. The contractor should include in their recommendation a discussion of their strategy for meeting the following responsibilities:

- Management of Operations
- Status Reporting
- Human Resources
- Accounting Reports
- Staff Supervision
- Equipment and Supplies Management
- Issue Resolution
- Billing Process

In addition to these areas, the responsibilities of the Contractor's Project Manager(s) and supervising staff will include the following tasks:

- Managing risk and escalating issues to the City in a timely manner
- Providing a quality assurance mechanism for all Contractor activities and deliverables.
- Assisting in the development of the services implementation plan.

Section VIII: Implementation Plan

The contractor shall include a proposed implementation plan and schedule outlining all aspects of the work:

The contractor shall plan to utilize both the City's existing citation processing vendor and the existing process for managing payments of citations. The vendor should outline the strategy for engagement in these existing processes.

The projected schedule should include any tasks and responsibilities of City staff and departments involved in the implementation process (e.g. Police Department, Parking and Transportation). The City's desired timeframe is to be operational with the Contractor sixty (60) to ninety (90) days from contract award. If Contractor does not

believe this timeframe is achievable, they should state why and submit an alternative implementation schedule.

Contractors should propose standard procedures for handling the City's support calls and customer service-related complaints and how they relate to their existing staffing and resource models. Contractor should discuss their proposed call and complaint tracking mechanisms for tracking and reporting on critical events, commitments, and problem transactions.

Contractor should discuss methods and procedures it will use to secure parking enforcement equipment, parking meter equipment, and collected parking meter revenues. The contractor should discuss any physical requirements, including how and where employees will meet at the beginning of a shift.

Section IX: Fee Schedule

The contractor shall submit a proposed project budget itemized by task and total project cost stated as a fixed fee. Labor and direct costs should be identified by task. Hourly rates for project staff shall also be provided.

AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF SALINAS AND [CONTRACTOR'S LEGAL NAME]

This Agreement for Professional Services (the "Agreement" and/or "Contract") is made and entered into this ____ day of _____, 20_, between the City of Salinas, a California Charter city and municipal corporation (hereinafter "City"), and Contractor's legal name, a California corporation/limited liability company/dba/etc. (hereinafter "Consultant").

RECITALS

WHEREAS, Consultant represents that he, she, or it is specially trained, experienced, and competent to perform the special services which will be required by this Agreement; and

WHEREAS, Consultant is willing to render such professional services, as hereinafter defined, on the following terms and conditions.

NOW, THEREFORE, City and Consultant agree as follows:

TERMS

1. Scope of Service. The project contemplated and the scope of Consultant's services are described in Exhibit B, attached hereto and incorporated herein by reference. Proposal for City-Wide Parking Enforcement issued by Consultant incorporated by reference and attached hereto, also at **Exhibit B**.

2. Term; Completion Schedule. This Agreement shall commence on [xxx], and shall terminate on [xxx], unless extended in writing by either party upon (30) days written notice. This Agreement may be extended only upon mutual written consent of the parties and may be terminated only pursuant to the terms of this Agreement.

3. Compensation. City hereby agrees to pay Consultant for services rendered the City pursuant to this Agreement on a time and materials basis according to the rates of compensation as set forth in Exhibit B. The total amount of compensation to be paid under this Agreement shall not exceed $.

4. Billing. Consultant shall submit to City an itemized invoice, prepared in a form satisfactory to City, describing its services and costs for the period covered by the invoice. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person. Consultant's bills shall include the following information to which such services cost or pertain:

(A) A brief description of services performed;

(B) The date the services were performed;

(C) The number of hours spent and by whom;

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(D) A brief description of any costs incurred; and

(E) The Consultant's signature.

Any such invoices shall be in full accord with any and all applicable provisions of this Agreement.

City shall make payment on each such invoice within thirty (30) days of receipt; provided, however, that if Consultant submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, City shall not be obligated to process any payment to Consultant until thirty (30) days after a correct and complying invoice has been submitted by Consultant. The City shall process undisputed portion immediately.

5. Meet & Confer. Consultant agrees to meet and confer with City or its agents or employees with regard to services as set forth herein as may be required by the City to ensure timely and adequate performance of the Agreement.

6. Additional Copies. If City requires additional copies of reports, or any other material which Consultant is required to furnish as part of the services under this Agreement, Consultant shall provide such additional copies as are requested, and City shall compensate Consultant for the actual costs related to the production of such copies by Consultant.

7. Responsibility of Consultant. By executing this Agreement, Consultant agrees that the services to be provided and work to be performed under this Agreement shall be performed in a fully competent manner. By executing this Agreement, Consultant further agrees and represents to City that the Consultant possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide the City the services contemplated under this Agreement and that City relies upon the professional skills of Consultant to do and perform Consultant's work. Consultant further agrees and represents that Consultant shall follow the current, generally accepted practices in this area to the profession to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding the projects for which the services are rendered under this Agreement.

8. Responsibility of City. To the extent appropriate to the projects to be completed by Consultant pursuant to this Agreement, City shall:

(A) Assist Consultant by placing at its disposal all available information pertinent to the projects, including but not limited to, previous reports and any other data relative to the projects. Nothing contained herein shall obligate City to incur any expense in connection with completion of studies or acquisition of information not otherwise in the possession of City.

(B) Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Consultant, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of Consultant.

SAMPLE

(C) City Manager, or his designee, shall act as City's representative with respect to the work to be performed under this Agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to materials, equipment, elements, and systems pertinent to Consultant's services. City may unilaterally change its representative upon notice to the Consultant.

(D) Give prompt written notice to Consultant whenever City observes or otherwise becomes aware of any defect in a project.

9. Acceptance of Work Not a Release. Acceptance by the City of the work to be performed under this Agreement does not operate as a release of Consultant from professional responsibility for the work performed.

10. Indemnification and Hold Harmless.

Consultant shall defend, indemnify, and hold harmless the City and its officers, officials, employees, volunteers, and agents from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Consultant's performance of work hereunder, including the performance of work of any of Consultant's subcontractors or agents, or Consultant's failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City.

11. Insurance. Consultant shall procure and maintain for the duration of this Agreement insurance meeting the requirements specified in Exhibit A hereto.

12. Access to Records. Consultant shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials including but not limited to calculation and survey notes relating to work performed for the City under this Agreement on file for at least three (3) years following the date of final payment to Consultant by City. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit, and copying at reasonable times during Consultant's usual and customary business hours. Consultant shall provide proper facilities to City's representative(s) for such access and inspection.

13. Non-Assignability. It is recognized by the parties hereto that a substantial inducement to City for entering into this Agreement was, and is, the professional reputation and competence of Consultant. This Agreement is personal to Consultant and shall not be assigned by it without express written approval of the City.

14. Changes to Scope of Work. City may at any time, and upon a minimum of ten (10) days written notice, seek to modify the scope of services to be provided for any project to be completed under this Agreement. Consultant shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify City in writing. Upon agreement between City and Consultant as to the extent of said impacts to time and

SAMPLE

compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of the amendment by City and Consultant shall constitute the Consultant's notice to proceed with the changed scope.

15. Ownership of Documents. Title to all final documents, including drawings, specifications, data, reports, summaries, correspondence, photographs, computer software (if purchased on the City's behalf), video and audio tapes, software output, and any other materials with respect to work performed under this Agreement shall vest with City at such time as City has compensated Consultant, as provided herein, for the services rendered by Consultant in connection with which they were prepared. City agrees to hold harmless and indemnify the Consultant against all damages, claims, lawsuits, and losses of any kind including defense costs arising out of any use of said documents, drawings, and/or specifications on any other project without written authorization of the Consultant.

16. Termination.

(A) City shall have the authority to terminate this Agreement, upon ten days written notice to Consultant, as follows:

(1) If in the City's opinion the conduct of the Consultant is such that the interest of the City may be impaired or prejudiced, or

(2) For any reason whatsoever.

(B) Upon termination, Consultant shall be entitled to payment of such amount as fairly compensates Consultant for all work satisfactorily performed up to the date of termination based upon the Consultant's rates shown in Exhibit B and/or Section 3 of this Agreement, except that:

(1) In the event of termination by the City for Consultant's default, City shall deduct from the amount due Consultant the total amount of additional expenses incurred by City as a result of such default. Such deduction from amounts due Consultant are made to compensate City for its actual additional costs incurred in securing satisfactory performance of the terms of this Agreement, including but not limited to, costs of engaging another consultant(s) for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to Consultant hereunder, Consultant shall pay City the full amount of such expense.

(C) In the event that this Agreement is terminated by City for any reason, Consultant shall:

(1) Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by City; and

SAMPLE

(2) Deliver to City all documents, data, reports, summaries, correspondence, photographs, computer software output, video and audio tapes, and any other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement. Such material is to be delivered to City in completed form; however, notwithstanding the provisions of Section 15 herein, City may condition payment for services rendered to the date of termination upon Consultant's delivery to the City of such material.

(D) In the event that this Agreement is terminated by City for any reason, City is hereby expressly permitted to assume the projects and complete them by any means, including but not limited to, an agreement with another party.

(E) The rights and remedy of the City and Consultant provided under this Section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this Agreement.

17. Compliance with Laws, Rules, and Regulations. Services performed by Consultant pursuant to this Agreement shall be performed in accordance and full compliance with all applicable federal, state, and City laws and any rules or regulations promulgated thereunder.

18. Exhibits Incorporated. All exhibits referred to in this Agreement and attached to it are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of this Agreement and any of the terms of any exhibit to the Agreement, the terms of the Agreement shall control the respective duties and liabilities of the parties.

19. Independent Contractor. It is expressly understood and agreed by both parties that Consultant, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the City. Consultant expressly warrants not to represent, at any time or in any manner, that Consultant is an employee or servant of the City.

20. Integration and Entire Agreement. This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters contained herein. This Agreement may not be modified or altered except by amendment in writing signed by both parties.

21. Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, County of Monterey, and City of Salinas. Jurisdiction of litigation arising from this Agreement shall be in the State of California, in the County of Monterey or in the appropriate federal court with jurisdiction over the matter.

22. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

SAMPLE

23. Notices.

(A) Written notices to the City hereunder shall, until further notice by City, be addressed to:

City Manager or Department Director
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

With a copy to:

City Attorney
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

(B) Written notices to the Consultant shall, until further notice by the Consultant, be addressed to:

Consultant Name
Address
Address 2

(C) The execution of any such notices by the City Manager or Department Director shall be effective as to Consultant as if it were by resolution or order of the City Council, and Consultant shall not question the authority of the City Manager to execute any such notice.

(D) All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

24. Nondiscrimination. During the performance of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability. Consultant shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability.

25. Conflict of Interest. Consultant warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required under the provisions of this Agreement a violation of any applicable local, state or federal law. Consultant further declares that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed. In the

SAMPLE

event that any conflict of interest should nevertheless hereinafter arise, Consultant shall promptly notify City of the existence of such conflict of interest so that City may determine whether to terminate this Agreement. Consultant further warrants its compliance with the Political Reform Act (Government Code section 81000 et seq.) and Salinas City Code Chapter 2A that apply to Consultant as the result of Consultant's performance of the work or services pursuant to the terms of this Agreement.

26. Headings. The section headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement.

27. Attorneys' Fees. In case suit shall be brought to interpret or to enforce this Agreement, or because of the breach of any other covenant or provision herein contained, the prevailing party in such action shall be entitled to recover their reasonable attorneys' fees in addition to such costs as may be allowed by the Court. City's attorneys' fees, if awarded, shall be calculated at the market rate.

28. Non-Exclusive Agreement. This Agreement is non-exclusive and both City and Consultant expressly reserves the right to contract with other entities for the same or similar services.

29. Rights and Obligations Under Agreement. By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

30. Licenses. If a license of any kind, which term is intended to include evidence of registration, is required of Consultant, its representatives, agents or subcontractors by federal, state or local law, Consultant warrants that such license has been obtained, is valid and in good standing, and that any applicable bond posted in accordance with applicable laws and regulations.

31. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

32. Legal Representation. Each party affirms that it has been represented, if it so chose, by legal counsel of its own choosing regarding the preparation and the negotiation of this Agreement and the matters and claims set forth herein, and that each of them has read this Agreement and is fully aware of its contents and its legal effect. Neither party is relying on any statement of the other party outside the terms set forth in this Agreement as an inducement to enter into this Agreement.

33. Joint Representation. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall be applicable or invoked.

SAMPLE

34. Warranty of Authority. Each party represents and warrants that it has the right, power, and authority to enter into this Agreement. Each party further represents and warrants that it has given any and all notices, and obtained any and all consents, powers, and authorities, necessary to permit it, and the persons entering into this Agreement for it, to enter into this Agreement.

35. No Waiver of Rights. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement. The failure to provide notice of any breach of this Agreement or failure to comply with any of the terms of this Agreement shall not constitute a waiver thereof. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. A waiver by the City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the date first written above.

CITY OF SALINAS

_____
René Mendez, City Manager

APPROVED AS TO FORM:

_____
□ Christopher A. Callihan, City Attorney, or
□ Rhonda Combs, Assistant City Attorney

CONSULTANT

_____

By (Printed Name): _____
Its (Title): _____

SAMPLE

Insurance Requirements

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, his agents, representatives, employees, or subcontractors. With respect to General Liability and Professional Liability, coverage should be maintained for a minimum of five (5) years after Agreement completion.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

(A) **Commercial General Liability** ("CGL"): Insurance Services Office Form ("ISO") CG 00 01 covering CGL on an occurrence basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than **$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

(B) **Automobile Liability:** ISO Form CA 0001 covering any auto, or if Consultant has no owned autos, hired and non-owned, with limits no less than **$1,000,000** per accident for bodily injury and property damage.

(C) **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than **$1,000,000** per accident for bodily injury or disease.

(D) **Professional Liability** (also known as Errors and Omissions) insurance appropriate to the work being performed, with limits no less than **$1,000,000** per occurrence or claim, **$2,000,000** aggregate per policy period of one year.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City of Salinas requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City of Salinas, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10, CG 11 85, or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

Primary Coverage

SAMPLE

For any claims related to this Agreement or the project described within this Agreement, the **Consultant's insurance coverage shall be primary coverage** at least as broad as ISO Form CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation
Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

Waiver of Subrogation
Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Salinas for all work performed by the Consultant, its employees, agents, and subcontractors.

Self-Insured Retentions
Self-insured retentions must be declared by Consultant to and approved by the City. At the option of the City, Consultant shall provide coverage to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the consultant shall provide evidence satisfactory to the City guaranteeing payment of losses and related investigations, claim administrations, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

Acceptability of Insurers
Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Claims Made Policies
If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of this Agreement or the beginning of Agreement work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the Agreement of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the Agreement effective date, the Consultant must purchase "extended reporting" coverage for a minimum of ***five (5)*** years after completion of Agreement work.
4. A copy of the claims reporting requirements must be submitted to the City for review.

Verification of Coverage
Consultant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable insurance language effecting coverage required by this Agreement. All

SAMPLE

certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

Consultant shall require and verify that all sub-consultants and/or subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from such sub-consultants and/or subcontractors.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Maintenance of Insurance

Maintenance of insurance by Consultant as specified shall in no way be interpreted as relieving Consultant of its indemnification obligations or any responsibility whatsoever and the Consultant may carry, at its own expense, such additional insurance as it deems necessary.

SAMPLE

ATTACHMENT D

SAMPLE TABLE FORMAT - QUALIFICATIONS OF FIRM RELATIVE TO CITY'S NEEDS

Project Name	Client	Description of work performed	Total Project Cost	Percentage of work firm as responsible for	Period work was completed	Client contact information*
Did your firm meet the project schedule (Circle one): Yes No Give a brief statement of the firm's adherence to the schedule and budget for the project:						
Did your firm meet the project schedule (Circle one): Yes No Give a brief statement of the firm's adherence to the schedule and budget for the project:						
Did your firm meet the project schedule (Circle one): Yes No Give a brief statement of the firm's adherence to the schedule and budget for the project:						
Did your firm meet the project schedule (Circle one): Yes No Give a brief statement of the firm's adherence to the schedule and budget for the project:						

* Include Name, Title, and Phone Number

ATTACHMENT E

SAMPLE COST PROPOSAL FORMAT

(The City is looking for a submittal in this format – Content should match cost for services required)

Scope	Labor Categories (e.g., Consultant, Sr. Consultant, etc.)	Est. Hours	Hourly Rate	Extended Rate
Task 1			$	$
			$	$
			$	$
TOTAL NOT TO EXCEED, TASK 1			$	$
Task 2			$	$
			$	$
			$	$
TOTAL NOT TO EXCEED, TASK 2			$	$
Task 3			$	$
			$	$
			$	$
TOTAL NOT TO EXCEED, TASK 3			$	$
TOTAL NOT TO EXCEED (TASKS 1 – 3)			$	$

City-Wide Parking Enforcement

• City of Salinas • October 24th, 2025 •

LAZ GOVERNMENT SERVICES

Northern California
Regional Office

5901 Christie Ave
•Suite 202•
Emeryville, CA 94608

P: (510) 250-2052
F: (510) 345-3478

lazparking.com

COVER LETTER

October 24th, 2025

Ms. Jenny Davila
City of Salinas – Public Works Department
426 Work Street, Salinas, CA 93901

Subject: Proposal for City-Wide Parking Enforcement Services

Dear Ms. Davila,

LAZ Parking is pleased to submit this proposal to continue providing professional parking enforcement services for the City of Salinas. Since 2016, LAZ has proudly partnered with the City to enhance parking compliance, support downtown vitality, and deliver exceptional service to residents and visitors alike. Our long-standing relationship with the City has been defined by collaboration, operational efficiency, and measurable results that align with Salinas' mobility and quality-of-life goals.

Under the leadership of Project Manager Mike Harper, who has managed the City's enforcement program since its inception, LAZ has consistently demonstrated the ability to adapt, innovate, and deliver high-performance operations. Working hand in hand with City staff, we have successfully implemented service adjustments, enhanced enforcement coverage, and maintained strong coordination with the City's citation processing provider.

As we look ahead, LAZ is excited to build on this strong foundation. Our proposal outlines a seamless transition into the next term, leveraging our regional resources, proven training programs, and technology-driven operational strategies to further optimize enforcement, improve compliance, and strengthen community engagement. We are committed to continuing our trusted partnership with the City of Salinas and to delivering a program that remains efficient, transparent, and responsive to the community's evolving needs.

Thank you for the opportunity to continue serving the City. We look forward to working closely with you to ensure that Salinas' parking program continues to thrive.

Sincerely,

CINDY HEFNER
Regional VP, Northern California
5901 Christie Ave. Ste 202
Emeryville, CA 94608
O: (510) 250-2052
chefner@lazparking.com

MUHAMMAD MANSOOR, PTMP
VP, Municipal Operations
949 South Coast Drive, Suite 515
Costa Mesa, CA 92626
(714) 290-4854
mmansoor@lazparking.com

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1. PROPOSAL SUMMARY

LAZ Parking is honored to submit this proposal to continue our valued partnership with the City of Salinas ("City") for the provision of citywide parking enforcement services. Since 2016, LAZ has proudly served as the City's parking enforcement provider, delivering reliable, customer-focused, and efficient operations that have enhanced parking compliance, supported public works programs, and contributed to a cleaner, safer, and more accessible Salinas. Over nearly a decade, LAZ has worked hand-in-hand with City management to continuously refine routes, improve efficiency, and strengthen enforcement consistency. This successful collaboration is a testament to our shared commitment to operational excellence, transparency, and community service.

A continued partnership with LAZ ensures **no transition risk**, **seamless continuity of service**, and **preservation of the City's operational momentum**. Our dedicated on-site team is already fully trained, vetted, and familiar with Salinas's neighborhoods, business districts, and parking regulations. This local knowledge—combined with LAZ's unmatched municipal experience and investment in cutting-edge enforcement technologies—positions us uniquely to build upon the City's success without interruption.

Understanding the City's Objectives and Scope

LAZ understands that the City seeks a professional and highly motivated partner to deliver consistent, citywide parking enforcement services covering commercial districts, residential permit areas, school zones, and street sweeping routes. The City's goals include maintaining clean streets, supporting local business turnover, enhancing compliance with parking regulations, and improving revenue recovery through efficient and courteous enforcement.

Our approach is centered on the City's expectations of:

- **Professionalism and accountability** in every interaction.
- **Accurate, consistent, and timely enforcement** aligned with Public Works and community needs.
- **Comprehensive training and supervision** to ensure compliance with City standards.
- **Data-driven reporting and performance tracking**; and
- **Flexibility** to adapt to changing parking policies or expansion of enforcement areas.

LAZ's program will continue to meet and exceed these expectations through well-trained personnel, rigorous supervision, real-time reporting tools, and constant coordination with City departments and PMB, the City's citation processing vendor.

Why LAZ is the Best Qualified Firm

With over **40 years of municipal enforcement experience**, LAZ Parking is the largest and most experienced private parking operator in the United States, managing over 1.5 million on-street citations annually for cities and public agencies nationwide. Our municipal partners include Berkeley, Palo Alto, San Mateo, South San Francisco, San Leandro, and numerous others across California. We understand the operational discipline, responsiveness, and professionalism that cities demand from their contractors.

Key Differentiators and Strengths:

- **Proven Partner in Salinas:** Nearly 10 years of uninterrupted, successful service with a strong partnership model and exemplary performance.
- **Seamless Continuity:** No startup delay, no transition cost, no learning curve—ensuring uninterrupted enforcement and minimal administrative burden on City staff.
- **Quality & Accountability:** 97%+ citation accuracy, robust quality assurance, and daily performance tracking.
- **Community-Centric Enforcement:** LAZ's "Ambassador Approach" emphasizes courtesy, education, and fairness while maintaining enforcement consistency.
- **Technology Integration:** Compatibility with PMB systems, handheld devices with photo and voice documentation, and automated reports powered by Microsoft BI.
- **Training & Professionalism:** Comprehensive training programs in local ordinances, customer service, courtroom procedures, and conflict resolution—tailored specifically to Salinas's policies.
- **Proven Compliance & Renewal Record:** 100% renewal rate for our municipal contracts, a reflection of our clients' trust and satisfaction.

Implementation and Service Continuity Plan

Because LAZ is already embedded within the City's parking ecosystem, our implementation will be immediate and seamless. The existing field officers, supervisors, and vehicles will continue operations with no disruption. Our Project Manager, **Mike Harper**, will remain the primary point of contact, supported by regional management and LAZ's national municipal operations division.

Immediate Continuity Commitments:

- Retain all trained and cleared enforcement personnel currently serving the City.
- Maintain existing routes, schedules, and reporting protocols while introducing incremental improvements.
- Continue partnership with PMB for citation processing and data synchronization.
- Provide consistent, visible presence in residential, commercial, and school zones.
- Continue weekly and bi-monthly meetings with City staff to align operational goals and address emerging needs.

Enhancement Initiatives:

- Deploy enhanced business intelligence dashboards to provide the City with actionable insights.
- Expand community engagement efforts to promote voluntary compliance and education.
- Introduce ongoing field audits and performance scorecards to drive accountability.
- Support the City's street sweeping and residential permit programs with optimized route planning.

A Proven Partner for Today and Tomorrow

LAZ Parking's record in Salinas speaks for itself: reliable service delivery, professional field operations, and a culture of collaboration and responsiveness. We understand the importance of balancing enforcement with community service and are proud to have been an extension of the City's efforts to maintain clean, safe, and accessible streets.

Choosing to continue this partnership ensures the City of Salinas retains a trusted, experienced, and proven partner; one that requires no transition, carries no operational risk, and brings unmatched expertise to meet the City's present and future parking enforcement needs. We look forward to continuing this partnership and building upon the foundation of success we have established together.

Contact Information

Primary Contact:

Cindy Hefner
Regional Vice President, Northern California
W (510) 250-2052 x7352 | C (210) 241-9833
5901 Christie Avenue, Suite 202 | Emeryville | CA 94608

Alternate Contact:

Steve Mooney
General Manager, Northern California
W (510) 250-2052 | C (650) 766-9803
5901 Christie Avenue, Suite 202 | Emeryville | CA 94608

Corporate Contact:

Muhammad Mansoor, PTMP
Vice President, Government Services
C (714) 290-4854
949 South Coast Drive, Suite 515 | Costa Mesa | CA 92626

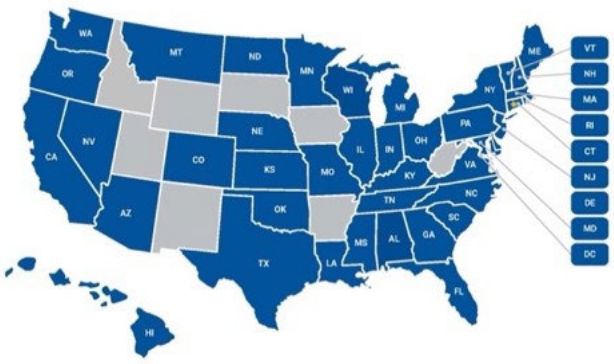
2. PROFILE ON THE PROPOSING FIRM(S)

About LAZ Parking

Over Four Decades of Experience

LAZ Parking was founded in 1981 and has been at the forefront of the parking industry ever since, constantly innovating and adapting to the dynamic needs of our customers. Although we employ over 15,000 parking professionals in 42 states, each of our operations is managed locally. With over three decades of municipal parking experience, including the past 10 years as the incumbent parking operator for the City of Salinas, our local Bay Area based team will be responsible for providing citywide parking enforcement services. This team is already integrated, experienced and ready to serve you.

- The **largest privately held parking company in the USA** with a strong presence throughout California
- Recently awarded **multiple municipal contracts in the Bay Area** adding resources and support.
- Unique **municipal parking experience**, managing more than 550,000 parking spaces for over 150 government agencies, cities and counties.
- **Local and regional leaders** dedicated to your success, many with decades of parking experience including hands on experience with the City of Salinas parking program and throughout California.



- **Dedicated Government Services support** team for future program enhancements, effective research, rapid technology implementation and continuous municipal support.

At the core of LAZ Parking's business model is a commitment to its employees, customers, and the communities it serves. LAZ's unique culture fosters engagement, accountability, and continuous improvement, driving consistently high performance. Additionally, the company places an emphasis on environmental sustainability, diversity, and social responsibility, ensuring its impact extends beyond business operations.

LAZ Parking's ongoing growth, success, and commitment to serving its clients stem from its dedication to living its mission. The company's independence; a defining advantage among large operators in the mobility industry empowers LAZ to stay true to its principles and focus on building long-term, mutually beneficial relationships.

LAZ Parking Fast Facts	
Founded:	1981
Number of Locations:	Over 4,000
Number of Parking Spaces:	Over 1.6 Million
Annual Managed Revenues:	$2.1 Billion
Number of Employees:	15,000
States / Cities:	42/ 536
Portfolio Mix:	Managed, Leased, and Owned
Service Lines:	Hospitality, Commercial, Healthcare, Airports, Transportation, Universities, Government, Retail, Events and Venues
12/9/24	

Today, LAZ operates over 4,000 locations and manages 1.6 million parking spaces in 538 cities across 42 states. By adhering to its founding principles while embracing technological innovation and corporate responsibility, LAZ continues to set the standard in the mobility industry.

Nationally Recognized

IPMI Accredited Parking Organization with Distinction

LAZ Parking earned the Accredited Parking Organization (APO) with Distinction status in March 2024, recognizing the company's excellence in financial and operational accountability, customer care, employee training, sustainability, and technological innovation. This certification, granted for three years, establishes LAZ as a leader in the parking and mobility industry.

CAPP Certification Program

LAZ Parking promotes the Certified Administrators of Public Parking (CAPP) program, enhancing the expertise of its leadership team. Many of LAZ's managers have earned or are working toward CAPP or CPP certifications, demonstrating a commitment to excellence in the parking industry.

Environmental, Social, & Governance (ESG)

LAZ Parking launched an ESG Division in 2022, aligning with its mission to create opportunities for employees and value for clients. The division focuses on social awareness, wellness, diversity, and sustainable business practices. LAZ collaborates with Quinn+Partners to implement ESG frameworks and achieve Net Zero by 2036. The company's environmental goals include advancing electrification, embracing digitization, and supporting responsible suppliers.

Diversity, Equity, and Inclusion

DEI is a central component of LAZ's ESG strategy. The company is focused on fostering an inclusive environment through diverse policies, performance monitoring, and accountability. LAZ supports small, minority-owned, and women-owned businesses through its Supplier Diversity and Inclusion Plan, promoting equity both within and outside the organization.

LAZ Charitable Foundation

The LAZ Charitable Foundation uplifts underserved communities by supporting housing, education, food security, mental health, and career development. Its mission, "Elevating Humanity," emphasizes empowering individuals, promoting social justice, and creating opportunities for everyone to thrive. Deeply rooted in our DNA, LAZ seeks opportunities to get involved in the communities we serve and are particularly proud of our partnership with Special Olympics Southern California, for whom we host an annual charitable golf tournament and participate in the annual Plane Pull at Long Beach Airport.

Financial Stability, Capacity, and Resources

LAZ Parking is a privately held, financially stable company with more than 40 years of continuous operations and a strong national presence. Headquartered in Hartford, Connecticut, LAZ employs over 15,000 team members and manages more than 1.5 million parking spaces nationwide.

Our company maintains the financial capacity and operational resources necessary to support large-scale municipal programs such as the City of Salinas's parking enforcement contract. LAZ's balance sheet reflects consistent year-over-year revenue growth, zero long-term debt exposure, and strong liquidity supported by national banking relationships. These resources allow LAZ to invest continuously in new technology, vehicles, uniforms, and enforcement tools without reliance on external financing.

Financial statements (including audited balance sheets and income statements for the last two fiscal years) will be provided under separate confidential cover to substantiate LAZ's financial stability and capacity to fulfill all contractual obligations.

No subcontractors are proposed for this project. All services including staffing, training, supervision, equipment, and administration will be provided directly by LAZ Parking using existing local and regional resources, ensuring complete accountability and seamless operational continuity.

Lawsuits or Litigation Disclosure

LAZ Parking affirms that there are no lawsuits, claims, or settlements within the past five (5) years arising from any public project undertaken by LAZ Parking or its subcontractors that would have any material impact on the company's ability to perform the required services under this contract.

Like most national service providers operating in multiple jurisdictions, LAZ occasionally encounters minor employment related or contract interpretation matters that are typical for organizations of our size. None of these have resulted in any findings or settlements that affect LAZ's financial stability, reputation, or capacity to deliver municipal parking services.

To date, LAZ has never defaulted on, been terminated from, or failed to complete any municipal or public-sector contract. Our record of performance and renewal with public agencies including the City of San Francisco, City of Berkeley, City of Palo Alto, and others demonstrates our consistent compliance, accountability, and commitment to our municipal partners.

3. QUALIFICATIONS OF THE FIRM

As a full-service parking management company with more than four decades of municipal experience, LAZ Parking fully understands the transformative impact of a well-managed parking program on community accessibility, quality of life, and economic vitality. Since 2016, LAZ has proudly partnered with the City of Salinas, delivering professional, consistent, and customer-focused parking enforcement services that have strengthened compliance, supported Public Works initiatives, and improved neighborhood livability. Across California, LAZ has earned a reputation as the trusted partner of choice for dozens of cities nationwide; each partnership reflecting our ability to adapt to local needs, maintain operational excellence, and deliver measurable results.

Our Government Services Division is recognized nationally for its unparalleled expertise in municipal parking operations. We currently manage more than 550,000 parking spaces and issue over 1.5 million citations for public agencies across the United States, providing enforcement, permit management, and technology integration services for municipalities, transit authorities, and state and federal agencies. Our government portfolio includes high-demand downtowns, residential permit zones, and citywide enforcement programs comparable in scale and complexity to Salinas.

Our comprehensive approach combines data-driven enforcement, advanced technology, and community engagement to promote compliance and improve the parking experience for residents, businesses, and visitors. LAZ's services encompass full lifecycle parking management; from enforcement and citation issuance to permit administration and mobile payment integration supported by robust revenue integrity controls, transparent reporting, and superior customer service. We bring the resources of a national operator with the accountability and responsiveness of a local partner, ensuring each program operates efficiently, cost-effectively, and in full compliance with City policies and state laws.

With extensive experience managing long-term municipal contracts, LAZ has developed industry-leading systems for performance measurement, staff training, and service quality assurance. Our focus on sustainability, safety, and operational integrity ensures that every dollar entrusted to us delivers visible community benefit. For the City of Salinas, LAZ offers not only proven capability but also a deep, ongoing commitment to being a responsive, innovative, and reliable partner dedicated to enhancing the City's parking enforcement program today and into the future.

Government Sector Experience

Our experience, leadership and philosophy have made LAZ Parking one of the nation's premier operators specializing in parking services for municipalities and government agencies. We have an unmatched track record operating municipal parking systems and currently manage **more than 550,000** parking spaces for **over 150** government agencies, cities and counties.

The following is provided as a sample of LAZ Parking's public sector clients, including the approximate number of spaces for each:

California Partnerships

- City of Long Beach (10,300)
- Long Beach Municipal Airport (1,550)
- City of San Francisco On Street (28,800)
- City of Inglewood, (12,750)
- City of Stockton (6,145)
- City of Burbank (1,475)
- City of Malibu (1,950)
- City of Newport Beach (4,100)
- City of Glendale (3,008)
- City of Los Angeles / LADOT (38,000)
- City of West Hollywood (3,360)
- City of San Francisco Off Street (3,115)
- California State Parks (2,665)
- City of San Mateo (2,610)
- County of Alameda (2,500)
- City of Calabasas (1,100)
- LA Beaches & Harbors (10,000)
- LAX IT (1,500)
- City of San Bruno (1,820)
- City of San Leandro (1,450)
- City of San Marcos (1,200)
- City of South San Francisco (2,100)
- City of Santa Ana (2,500)

National Partnerships

- Washington Metro Area Transit Auth (59,000)
- City of Las Vegas (NV) (3,000)
- Volusia County, FL (2,100)
- City of Baton Rouge, LA (2,000)
- City of Coral Gables, FL (1,775)
- City of Baltimore, MD (1,440)
- City of South Miami, FL (1,400)
- City of Arvada, CO (1,100)
- Cobb County, GA (1,380)
- City of Chicago Meters System (36,000)
- Montgomery County, MD (21,500)
- NY City Housing Authority (20,000)
- NY Metro Transit Authority (16,600)
- City of Lincoln, NE (14,780)
- Rhode Island State Beaches (8,100)
- City of Kansas City, MO (6,600)
- City of Miami Beach, FL (6,000)
- City of New Rochelle, NY (5,868)
- City of Lowell, MA (5,566)
- Norwalk Parking Authority (4,233)
- City of Stamford, CT (3,400)
- Birmingham Jefferson Conv. Complex (2,700)
- City of Syracuse, NY (2,525)
- City of Westminster, CO (2,500)

Unparalleled Parking Enforcement Experience

LAZ Parking is a national leader in municipal parking enforcement with a dedicated Parking Enforcement Business Segment operating within our Government Services Division. Since 1988, we have delivered reliable, professional enforcement services to municipalities across the United States, issuing nearly 1.5 million citations each year while maintaining an industry-leading accuracy rate with fewer than three percent of citations dismissed. This level of performance reflects our commitment to precision, accountability, and service quality.

With more than four decades of experience supporting local governments, LAZ has successfully transitioned numerous enforcement programs from internally managed or police-led operations to efficient, transparent, and technology-enabled contracted services. These partnerships have allowed cities to strengthen compliance, reduce administrative costs, and improve community satisfaction through professionalized operations and clear communication with the public.

Today, LAZ manages more than 150 government contracts nationwide and maintains a record of 100 percent contract renewals, a reflection of our clients' trust and the consistent results we deliver. Our expertise includes the design and operation of complex enforcement programs that require extensive coordination with city departments, law enforcement, and public works divisions to align with local objectives and maintain community confidence.

LAZ's longstanding presence in California includes partnerships with cities such as **Salinas, San Mateo, Palo Alto, San Bruno, South San Francisco, San Leandro in Northern CA** and over a dozen cities in Southern California. These relationships demonstrate our ability to deliver high-performing programs in dynamic, high-density environments where parking enforcement directly supports mobility, safety, and quality of life.

Technology and innovation are central to LAZ's enforcement success. We utilize License Plate Recognition (LPR) systems, electronic handheld citation devices, and fully integrated cloud-based citation management and enforcement systems that streamline operations and increase accuracy. All enforcement data flows into LAZ's Business Intelligence (BI) platform, a unified reporting system that gives our municipal partners real-time insight into enforcement activity, citation trends, and compliance patterns. This allows cities like Salinas to make informed, data-driven decisions and refine parking policies to better serve residents, visitors, and businesses.

LAZ brings a proven record of success, supported by technology integration, advanced training, and real-time operational oversight. Our enforcement programs utilize license plate recognition technology, cloud-based citation management systems, and data-driven reporting tools that provide full transparency and actionable insights. These capabilities will enable Salinas to efficiently manage 24/7 enforcement operations, ensure compliance with municipal codes, and maintain the integrity of its street sweeping and general enforcement programs.

Above all, LAZ's approach to enforcement is citizen centric and community-focused. We emphasize professionalism, consistency, and respect in every interaction while upholding the City's parking regulations and public safety goals. Our proven experience, dedicated personnel, and technology-driven solutions position LAZ Parking as the ideal partner to support the City of Salinas in delivering a modern, efficient, and service-oriented parking enforcement program.

The table below highlights a selection of municipalities where LAZ Parking provides parking enforcement and compliance management services. These programs represent a wide range of enforcement models, from street sweeping and general parking enforcement to citation processing, permit management, and technology integration. Each example reflects LAZ's ability to adapt to the unique needs of our municipal partners and deliver efficient, transparent, and community-oriented enforcement operations consistent with the goals of the City of Salinas.

	ANNUAL CITATIONS ISSUED	OPERATIONS/MANAGEMENT	PARKING ENFORCEMENT	ELECTRONIC HANDHELDS	SMART TECHNOLOGY	LPR TECHNOLOGY	ENFORCE ALL MCS & STATE CVC	PERMIT ENFORCEMENT	ON STREET ENFORCEMENT	OFF-STREET ENFORCEMENT	SURFACE LOTS	STREET SWEEPING ENFORCE	CUSTOMER PHONE SUPPORT	TOWING AND BOOTING	TRAFFIC DISPATCH SERVICES	TRAFFIC CONTROL SERVICES
California Municipal Enforcement Clients																
City of West Hollywood	200,000	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
City of Inglewood	90,000	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
City of Santa Ana	45,000	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓		
CA State Parks	30,000	✓	✓	✓	✓		✓	✓		✓	✓					
City of Salinas	20,000	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓		
City of Palo Alto	10,500	✓	✓	✓	✓			✓			✓		✓			
City of San Mateo	32,500	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Newport Beach	70,000	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓				
City of San Marcos	10,000	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓		
City of San Leandro	15,000	✓	✓	✓	✓			✓			✓		✓			
City of Burbank	45,000	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
National Municipal Enforcement Clients																
City of Chicago, IL	550,000	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓			
Montgomery County, MD	150,000	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	
New York MTA	50,000	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓		
South Miami, FL	45,000	✓	✓	✓	✓	✓	✓	✓	✓		✓			✓		
Norwalk, CT	40,000	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓		
City of Arvada, CO	10,500	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		

ATTACHMENT D

SAMPLE TABLE FORMAT - QUALIFICATIONS OF FIRM RELATIVE TO CITY'S NEEDS

Project Name	Client	Description of work performed	Total Project Cost	Percentage of work firm as responsible for	Period work was completed	Client contact information*
San Mateo Enforcement Program	**City of San Mateo / San Mateo Police Department**	Citywide parking enforcement services.	$7.1M	100%	Nov 2019 - Present	Sgt. Craig Collum Phone: 650-522-7742 ccollom@cityofsanmateo.org

Did your firm meet the project schedule (Circle one): (Yes) No

Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.

West Hollywood Enforcement Program	**City of West Hollywood**	Citywide parking enforcement services.	$14M	100%	July 2020 – Present	Vince Guarino Phone: 323-848-6426 vguarino@weho.org

Did your firm meet the project schedule (Circle one): (Yes) No

Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.

Burbank Enforcement Program	**City of Burbank / Burbank Police Department**	Citywide parking enforcement services.	$6.5M	100%	April 2023 - Present	Emil Brimway Phone: 818.238.3106 EBrimway@burbankca.gov

Did your firm meet the project schedule (Circle one): (Yes) No

Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.

Santa Ana Enforcement	**City of Santa Ana / Santa Ana Police Department**	Citywide parking enforcement services.	$4.7M	100%	July 2018	Yolanda Bautista Phone: 714.245.8225 ybautista@santa-ana.org

Did your firm meet the project schedule (Circle one): (Yes) No

Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.

* Include Name, Title, and Phone Number

4. WORK PLAN OR PROPOSAL

4.1. Understanding of the City's Objectives

Since 2016, **LAZ Parking has proudly partnered with the City of Salinas** to deliver professional, courteous, and effective parking enforcement services that promote compliance, maintain public trust, and support the City's quality-of-life goals. Our understanding of the City's objectives is shaped by nearly a decade of hands-on collaboration with City leadership, Public Works, and community stakeholders.

The City's parking enforcement program plays a vital role in:

- Supporting **street sweeping and public works operations** to maintain clean, safe neighborhoods.
- Ensuring **turnover and accessibility in commercial districts**, supporting economic vitality and fairness for local businesses.
- Encouraging **voluntary compliance** through consistent, fair, and transparent enforcement practices.
- Delivering **exceptional customer service** to residents and visitors while maintaining enforcement integrity.
- Promoting **data-driven management and accountability**, enabling the City to make informed operational decisions.

LAZ recognizes that the City's program is not just about enforcement; it's about stewardship, public service, and maintaining the balance between regulation and accessibility. Our approach is built to meet these goals through seamless continuity, operational excellence, and community-oriented service delivery.

4.2. Service Delivery Approach

As the incumbent provider, LAZ brings a fully operational, trained, and equipped team that already understands the City's enforcement environment, geography, and regulations. This allows us to continue service **without any transition period or learning curve**, ensuring uninterrupted enforcement from day one of the contract.

Our service approach is anchored on five key pillars: continuity, professionalism, accountability, transparency, and adaptability.

Task 1: Program Continuity and Transition Management

- **Seamless Service Continuation:** LAZ's current enforcement team, vehicles, and systems are fully in place, allowing operations to continue without disruption.
- **Route Review and Optimization:** Within the first 15 days, LAZ will conduct a comprehensive route analysis to ensure efficient coverage of street sweeping areas, school zones, business districts, and residential permit zones.
- **Coordination with PMB:** As the City's citation processing vendor, Parking Management Bureau (PMB) will remain fully integrated with LAZ's handheld citation systems for uninterrupted data transfer and reporting.
- **Kickoff and Calibration:** An operational kickoff meeting will be held with City staff to review enforcement priorities, communication protocols, and performance benchmarks for the new contract term.

Task 2: Daily Parking Enforcement Operations

- **Coverage and Schedules:** Enforcement operations will continue **Monday through Friday, from 5:00 a.m. to 3:30 p.m.**, in alignment with the City's street sweeping and maintenance schedule.
- **Focused & Consistent Enforcement:** Officers will monitor time-restricted, residential permit, and street sweeping zones, issuing citations for violations while maintaining a respectful and educational approach with the public.
- **Patrol Efficiency:** Route optimization software and GPS tracking will ensure balanced coverage and efficient patrol patterns throughout the City.
- **Supervisor Oversight:** Field supervisors will conduct random audits, ride-alongs, and field evaluations to maintain quality control and accountability.
- **Special Requests:** LAZ will respond promptly to City requests for targeted enforcement (e.g., during events, street maintenance, or community complaints).

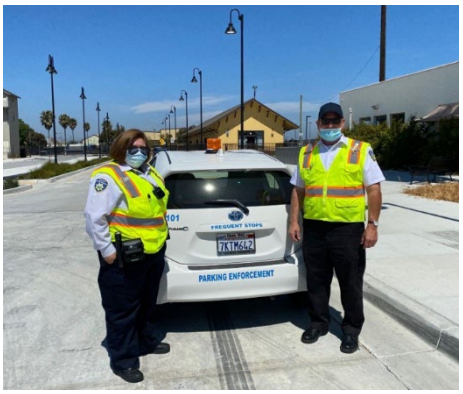
Task 3: Personnel Recruitment, Training, and Management

- **Experienced Local Team:** LAZ will retain and expand upon its existing enforcement team led by our current Project Manager, many of whom are long-standing employees familiar with Salinas's neighborhoods and community expectations.
- **Comprehensive Training:** Every officer undergoes training in Salinas's Municipal Code, citation issuance procedures, customer service, conflict resolution, defensive driving, and safety.
- **Customer-Centered Approach:** Our "Ambassador Enforcement" philosophy emphasizes education, respect, and positive community interaction, reinforcing compliance through understanding, not confrontation.
- **Ongoing Development:** Officers receive quarterly refresher courses on operational updates, legal changes, and de-escalation tactics to maintain peak performance and professionalism.
- **Performance Monitoring:** Supervisors will use a structured performance review system with metrics such as accuracy rate, coverage efficiency, and customer interaction quality.

Task 4: Equipment, Vehicles, and Technology

- **Fleet Management:** LAZ's dedicated enforcement vehicles will remain deployed in Salinas. Each vehicle will be clearly marked per City standards, equipped with amber safety lighting, and maintained to ensure reliability and public safety.
- **Handheld Technology:** Enforcement officers use state-of-the-art handheld ticket writers with photo capture and GPS time-stamping for citation integrity and dispute resolution.
- **Integration with PMB:** Data is automatically uploaded to PMB's system, allowing real-time visibility into citation issuance, trends, and compliance rates.
- **Preventative Maintenance:** Regular inspection schedules ensure all vehicles and devices remain operational with no downtime. Replacement equipment is deployed immediately if needed.

Task 5: Quality Assurance, Reporting, and Communication



- **Dedicated Project Manager: Mike Harper** will continue as the on-site Project Manager, serving as the primary liaison to City staff and responsible for daily operations oversight.
- **Real-Time Performance Monitoring:** LAZ's Business Intelligence (BI) dashboard aggregates citation, patrol, and coverage data, providing actionable insights and performance metrics.
- **Regular Reporting:** Weekly operational reports and monthly performance summaries will be provided to the City, covering citation activity, complaints, staffing, and KPIs.
- **Performance Audits:** Supervisors and regional management will conduct regular audits to ensure compliance with City standards, safety requirements, and customer service expectations.
- **Open Communication:** LAZ maintains 24/7 availability for City staff to address urgent requests or operational adjustments.

Task 6: Community Engagement and Customer Service

- **Ambassador Philosophy:** LAZ's officers act as City ambassadors, helping visitors, answering questions, and reinforcing the City's commitment to service and fairness.
- **Public Education:** LAZ will support the City in public education campaigns related to parking rules, street sweeping schedules, and voluntary compliance programs.
- **Complaint Resolution:** All complaints are logged, reviewed, and resolved promptly, with documented outcomes shared in regular City reports.
- **Partnership Culture:** Our local team collaborates closely with Public Works, Police, and other City departments to ensure coordinated enforcement and shared success.

4.3. Meeting the City's Schedule and Deliverables

Because LAZ is the incumbent provider, **service continuity will be immediate upon award**, eliminating transition time or onboarding delays.

Implementation Timeline Overview

- **Day 1–5:** Contract execution, kickoff meeting, and operational continuity verification.
- **Day 6–15:** Route review, schedule optimization, and initial quality audit.
- **Day 16–30:** Full deployment of updated BI dashboard and reporting framework.
- **Ongoing:** Weekly reports, bi-monthly coordination meetings, and continuous improvement reviews.

Our well-established structure ensures the City's enforcement operations continue smoothly, consistently, and efficiently from contract award through completion without gaps or performance decline.

4.4. Proven Ability to Deliver

LAZ's nine-year record of performance in Salinas reflects our commitment to operational excellence, collaboration, and accountability. We have consistently met or exceeded City expectations in coverage, accuracy, and responsiveness. Our national resources, combined with our local presence, provide unmatched reliability and depth of expertise.

With a **97%+ citation accuracy rate**, **zero service interruptions**, and a **100% municipal contract renewal rate**, LAZ has demonstrated its ability to deliver on schedule, within budget, and in full compliance with municipal standards. Our strength lies in consistency, proven processes, dependable staffing, and transparent reporting that build trust and deliver results.

4.5. Summary

LAZ Parking's Work Plan is a proven blueprint for successful municipal parking enforcement; one that has already delivered measurable results in the City of Salinas. Our continued partnership ensures no transition risk, immediate operational readiness, and the benefit of a trusted team deeply familiar with the City's policies, geography, and community.

Through advanced technology, disciplined operations, and an ambassador-style service model, LAZ will continue to provide enforcement that enhances compliance, maintains clean and safe streets, and supports the City's broader goals of livability and community pride.

Simply put, no other proposer can match LAZ's continuity, local experience, and established partnership with the City of Salinas.

5. PROPOSED INNOVATIONS

Technical & Procedural Innovations

Introducing Mobile License Plate Recognition (LPR) Technology for Enhanced Enforcement and Data-Driven Management

As the City of Salinas's parking enforcement partner since 2016, LAZ Parking continually seeks opportunities to leverage proven technology to improve operational efficiency, compliance accuracy, and customer experience. One such innovation we propose for future integration into the City's enforcement operations is mobile License Plate Recognition (LPR) technology—mounted on enforcement vehicles to automate enforcement of time-limited zones, residential parking districts, and other regulated areas.

Proven Technology – Trusted by Municipal Clients Nationwide

LAZ has successfully deployed mobile and fixed LPR systems across multiple municipal programs nationwide, including San Mateo, Inglewood and West Hollywood, where these systems have dramatically improved efficiency, coverage, and enforcement accuracy. By scanning and matching license plates in real time, LPR technology allows enforcement officers to quickly identify vehicles in violation, confirm parking compliance, and collect valuable data to support broader parking management objectives.

Benefits of Mobile LPR for the City of Salinas

The integration of LPR into Salinas's parking program would immediately enhance service delivery and long-term planning capabilities in several key areas:

1. Increased Efficiency and Coverage

- LPR-equipped vehicles can capture thousands of license plates per shift, covering significantly more area than manual patrols.
- Officers can focus on confirming and issuing citations, while the system automatically records time-stamped photographic evidence for accuracy and transparency.
- Routes can be optimized using real-time data to ensure balanced enforcement coverage throughout all City zones.

2. Enhanced Timed Zone Enforcement

- LPR technology automatically records the location and time a vehicle was first observed, enabling precise monitoring of time-limited parking zones.
- This eliminates the need for manual chalking or digital marking, ensuring greater consistency, fairness, and productivity.
- The system's accuracy minimizes human error, providing an objective and auditable record that strengthens citation integrity.

3. Support for Occupancy and Utilization Studies

- In addition to enforcement, mobile LPR provides the City with valuable analytical data on parking patterns, turnover, and utilization across different districts and times of day.

- This data can be easily visualized through LAZ's Business Intelligence (BI) platform, empowering the City to make data-driven decisions on policy, pricing, and infrastructure investments.
- Over time, these insights help identify high-demand areas, optimize enforcement schedules, and guide parking resource allocation.

4. Foundation for Residential Permit District Expansion

- As the City considers expanding its Residential Parking Permit Districts, LPR offers a scalable solution for efficient permit validation.
- Vehicles registered to permitted residents are automatically recognized and verified, streamlining enforcement and reducing administrative burden.
- LPR minimizes manual permit checks and improves compliance rates while maintaining a positive resident experience.
- The system can easily integrate with existing permit management platforms (such as Passport or PMB), ensuring seamless data flow between enforcement and permit administration.

5. Transparency, Accountability, and Public Confidence

- Each scan includes a GPS location, time stamp, and image, creating an indisputable record that supports fairness and transparency in enforcement.
- The City gains access to accurate performance reports, complaint validation tools, and operational insights, enhancing public confidence in enforcement practices.
- LPR also improves officer safety by reducing the need for manual documentation in high-traffic or constrained environments.

Integration and Implementation Approach

Should the City wish to pursue this innovation, LAZ can implement mobile LPR technology without disruption to current enforcement operations. Our approach includes:

- **Program Implementation:** Launching an initial LPR vehicle within 60 days of approval to demonstrate performance and refine operational settings.
- **Integration with PMB:** Configuring LPR data feeds to integrate with the City's existing citation and permit management system.
- **Officer Training:** Providing comprehensive training to enforcement personnel on LPR operations, data accuracy, and field validation.
- **Data Security and Privacy:** Ensuring all captured data complies with State and City privacy requirements and is retained in accordance with local regulations.

A Future-Ready Parking Program for Salinas

By integrating LPR technology, the City of Salinas would take a proactive step toward a modern, efficient, and data-informed parking management system. This innovation not only enhances current enforcement effectiveness but also builds the technological foundation for future initiatives such as dynamic curb management, residential permitting expansion, and real-time occupancy tracking.

LAZ Parking's experience deploying and managing LPR technology across California ensures the City will benefit from a proven, reliable, and scalable system tailored to Salinas's specific needs. Our commitment to partnership and innovation positions LAZ to help the City advance its mobility goals while maintaining the fairness, integrity, and community-centered approach that have defined our successful collaboration since 2016.

6. PROJECT STAFFING

As the City of Salinas's long-standing parking enforcement partner since 2016, LAZ Parking maintains a dedicated, experienced team fully assigned to the City's program. Our staffing model ensures consistent citywide coverage, balanced workloads, and clear accountability through direct on-site supervision and strong communication with City staff.

Staffing Structure

The Salinas enforcement program is led by **Mike Harper**, a highly experienced Project Manager who has overseen the contract since its inception. Mike provides daily oversight of all operations, supervises enforcement staff, coordinates with City departments, and ensures all service standards and performance metrics are met or exceeded.

Below is the current staffing structure for the City of Salinas program:

Position	Name	Role & Responsibilities
Project Manager	**Mike Harper**	Oversees all contract operations, supervises enforcement officers, manages scheduling and route assignments, ensures compliance with City expectations, and serves as the primary point of contact for the City of Salinas.
Parking Enforcement Officer	**Shawna Parker**	Provides daily enforcement coverage across assigned beats, ensures adherence to parking regulations, and supports special enforcement assignments.
Parking Enforcement Officer	**Anthony Galvan**	Conducts patrols, enforces time-limited, permit, and street sweeping zones, and supports customer service and citation accuracy.
Parking Enforcement Officer	**Melissa Boen**	Responsible for enforcement patrols, documentation accuracy, and community interaction, focusing on compliance and fairness.
Parking Enforcement Officer	**Mark Boehme**	Ensures consistent enforcement coverage, assists with route optimization, and provides field support during high-demand periods.

All officers are **uniformed, trained, and equipped** to meet City standards and maintain a professional public presence. LAZ ensures full coverage through efficient scheduling, cross-training, and operational oversight.

Daily Enforcement Beats

To ensure equitable citywide coverage and consistent enforcement presence, LAZ divides the City of Salinas into **eight primary enforcement beats**. Each beat is strategically designed to reflect parking demand, zoning priorities, and street sweeping schedules.

Beat No.	Beat Name / Area	Description of Coverage
1	Downtown	Central business district, retail corridors, and high-turnover parking zones.
2	Hospital	Surrounding medical facilities and adjacent residential areas.
3	Eastside	Residential and mixed-use areas requiring consistent compliance monitoring.
4	Northeast	Primarily residential districts and school zones.
5	Northwest	Residential and arterial streets supporting access to local businesses.
6	Mid-Town North	Mixed commercial-residential corridors, including transitional areas.
7	Southeast	Residential neighborhoods with periodic enforcement and school support.
8	Mid-Town South	Combination of residential and light commercial zones, including secondary corridors.

Each officer is assigned to designated beats daily to ensure balanced workload distribution and comprehensive citywide coverage. Routes and assignments are periodically reviewed and adjusted by the Project Manager in coordination with City staff to address evolving priorities and community feedback.

Organizational Summary

Under LAZ's structure, all field staff report directly to Project Manager Mike Harper, who in turn reports to Regional Operations Management for oversight and support. This alignment ensures accountability, quick decision-making, and consistent communication between the City and LAZ. This structure refined and proven over nine years of continuous service ensures that the City of Salinas receives efficient, transparent, and community-oriented enforcement coverage every day.

Organizational Chart

LAZ Parking brings an extensive history of success in both parking operations and customer service, backed by decades of experience managing municipal enforcement programs throughout California. Our national network provides strategic resources, technical expertise, and analytical support to strengthen every local partnership we maintain.

The following team represents the dedicated professionals who will continue leading the City of Salinas Citywide Parking Enforcement Program, ensuring efficient operations, exceptional service quality, and seamless communication with City staff. The organizational chart below illustrates our structure and highlights the strong local leadership supported by regional and national resources.

Biographies of key management personnel are provided on the following pages, demonstrating the depth of experience and commitment that LAZ brings to the City of Salinas.

Local Management Team

Mike Harper, Project Manager – Salinas Enforcement Program

Mike Harper brings over 20 years of experience in parking enforcement and transportation operations, with a proven record of leading municipal programs across California. He began his career managing toll operations for PRWT Services under the Lockheed Martin Transportation Corridor Agency contract and advanced through senior operational roles at Central Parking System overseeing multiple enforcement programs throughout Southern California. Since 2016, Mike has successfully managed the City of Salinas parking enforcement program, serving as the primary point of contact for LAZ Parking and City staff. His hands-on leadership, deep local knowledge, and commitment to partnership have been instrumental in the ongoing success and responsiveness of the City's parking program.

Anthony Hamilton, Director of Operations

Anthony brings more than 12 years of progressive experience in parking operations and municipal enforcement management. Beginning his career as a parking cashier, his strong work ethic and leadership have propelled him into regional management, where he now oversees multiple LAZ Parking operations across Northern California, including enforcement programs throughout the Peninsula and South Bay. Anthony provides ongoing regional operational support to the City of Salinas enforcement program, ensuring consistency, efficiency, and adherence to City performance standards. His experience spans municipal enforcement, commercial parking, special events, hospitals, luxury hotels, and large mixed-use developments. Known for his ability to manage complex, high-volume operations with professionalism and precision, Anthony excels in optimizing service delivery, strengthening client relationships, and implementing strategic initiatives that drive operational success across LAZ's Northern California portfolio.

Steve Mooney PTMP, Regional General Manager

Steve Mooney joined LAZ Parking's Northern California management team in 2021, bringing over 17 years of experience in the transportation and hospitality industries. His background includes commercial parking operations, municipal on-street enforcement, stadium and special event parking, and luxury hotel valet management. Steve began his career with The Ritz-Carlton Hotel Company, where his leadership and commitment to service excellence led to multiple management roles. Since transitioning to the parking and transportation sector in 2013, Steve has built a strong reputation for developing high-performing teams, strengthening client relationships, and driving operational efficiency across diverse portfolios. Steve continues to provide strategic and operational support for LAZ's municipal and commercial programs throughout Northern California, including ongoing oversight assistance for the City of Salinas enforcement program.

Cindy Hefner, Regional Vice President

Cindy joined LAZ Parking in 2014 and brings over 18 years of parking industry experience and a proven record of operational excellence and leadership. As Regional Vice President, she provides strategic direction and operational support to ensure contract performance and client satisfaction in the region. Her expertise spans automated parking systems, enforcement operations, valet, and self-park management. Cindy's focus on efficiency, team development, and service quality has driven consistent growth and client retention throughout her career. She plays an active role in supporting the City of Salinas parking enforcement program, working closely with the Contract Manager to sustain operational excellence and ensure alignment with the City's goals.

Government Services Team

Carrie Ann Verge, Director of Finance & Compliance

Carrie Ann Verge joined LAZ Parking in 2021 as part of the acquisition of Serco Parking Services. In her role as Director of Finance, she plays a vital role in ensuring the financial oversight and compliance of our national municipal portfolio. With over two decades of experience in the Transportation Industry, Carrie Ann has a strong background in supporting and managing government, state, and local contracts. She has a proven track record in developing price-to-win strategies, conducting P&L forecasting and analysis, ensuring contract compliance, and overseeing internal audits. Carrie Ann holds a Bachelor of Science degree from Middle Tennessee State University (MTSU). Her expertise and dedication make her an invaluable asset to our team, contributing to our continued success.

Peter Cho PTMP, Senior Operations Manager

During his 24 years of parking management experience, Peter has been instrumental in providing measured leadership and guidance to his operational team by implementing proven systems to achieve optimal efficiency. Peter has implemented multiple municipal programs including first-time outsourced enforcement programs. He has worked closely with clients to develop policies and procedures that provide the operations with a consistent level of service. Peter has led the transition of several enforcement programs, most notably, Santa Ana, Newport Beach, San Marcos, San Leandro and San Mateo. His local knowledge and in-depth experience working in similar environments makes him a valuable resource to City of Salinas. Peter will serve in the dual role of a Transition Manager and then as the Operations Resource Manager for this program

Conor Buckley, VP - Municipal Operations

Conor joins the LAZ Family from Passport where he was one of their most tenured and trusted Client Success and Sales Executives. Conor prides himself on adopting the client's perspective to secure a full analysis and delivery of enterprise solutions. Since 2015, Conor has worked closely with some of Passport's largest and most complex municipal clients, including the cities of Toronto, Portland, Boston, and Montreal. As an Account Executive, Conor has built lasting partnerships with public and private parking operators by offering innovative technology and scalable solutions that are focused on client success. His impact on the industry goes beyond helping cities adopt technologies that address their parking and mobility needs. Conor has worked directly with Parking Authorities and City Councils throughout North America to gain approval and support for modern curb management policies and practices aimed at improving accessibility, reducing congestion, and enhancing customer experience. Conor is from Chapel Hill, NC, and received his bachelor's degree from the University of North Carolina, Wilmington. Conor will provide an extra layer of technical support to the City of Salinas City-Wide Parking Enforcement program, with a main focus on ensuring the success of the City-Wide Parking Enforcement program.

Muhammad Mansoor PTMP, VP - Municipal Operations

In his 22-year parking career, Muhammad has led the implementation of multiple parking enforcement programs throughout CA. He started his parking career with Central Parking System. While at Central Parking, he was responsible for the management of multiple municipal parking management contracts including Newport Beach, Santa Ana, Long Beach, Anaheim, Carson, and Riverside. Since joining LAZ, Muhammad has spearheaded transitions of 8 new CA based contracts in the past five years, namely, Inglewood, Palo Alto, Salinas, Santa Ana, Manhattan Beach, San Leandro, San Marcos, and San Mateo. As a subject matter expert across a broad range of parking programs, Muhammad is often called on to assess operational efficiencies and the application of new technologies. Muhammad will provide regional project oversight required to ensure City of Salinas.needs are met throughout the life of the contract. Muhammad has access to all LAZ's parking contracts, bringing best practices and lessons learned to City of Salinas and to the City-Wide Parking Enforcement program.

Robert Maroney PTMP, Executive VP - Government Services

Rob Maroney joined LAZ Parking in 2015 as the Vice President of Government Services. Rob is responsible for overseeing and supporting our rapidly expanding Government Services market, which includes municipal agencies and public private partnerships. With over 20 years of experience, Rob brings extensive experience in government operations, management, and consulting. He started his career in municipal government, and during his 12+ year career with Norfolk, VA, he served as the Director of Parking. Rob was also the Director of Parking and Transportation for Virginia Commonwealth University, overseeing the university's parking, transportation, and fleet management programs. Rob has access to all municipal contracts currently managed by LAZ and will bring his expertise to the City of Salinas City-Wide Parking Enforcement program, if LAZ is awarded this contract.

Resumes

Anthony Hamilton

Newark, CA | ahamilton@lazparking.com | (510) 301-4215

Experience

LAZ PARKING

Regional Director of Operations *2024-Present*

- Build and maintain strong client relationships, ensuring contractual obligations, operational delivery, and client expectations are consistently met or exceeded
- Drive financial performance through P&L oversight, budget forecasting, variance analysis, expense management, and revenue optimization
- Lead, mentor, and develop managers, supervisors, and frontline employees; identify and cultivate high-potential talent to support organizational growth and succession planning.
- Recruit, hire, train, and onboard employees using the LAZ Way approach; ensure timely orientation and cultural alignment within two weeks of hire.
- Oversee workforce planning, scheduling, payroll compliance, and overtime management to maximize efficiency and control labor costs
- Ensure operational excellence by maintaining compliance with company policies, client agreements, federal/state/local regulations, and audit procedures
- Deliver accurate daily, weekly, monthly, and annual financial and operational reporting to clients and regional leadership
- Champion continuous improvement, process innovation, and technology adoption to increase scalability, efficiency, and customer satisfaction
- Partner with regional leadership, clients, and vendors to execute strategic projects, programs, and initiatives that advance business objectives
- Manage safety, claims, and risk management initiatives, ensuring employees adhere to company SOPs and proper reporting procedures
- Actively participate in leadership, operational, and client meetings to align priorities, resolve challenges, and support long-term success

Regional Portfolio Manger *2023-2024*

- Directed comprehensive portfolio management strategies encompassing Commercial, Hospitality, Enforcement, Valet, Traffic, Transportation, and Parking Operations, ensuring optimal efficiency and client satisfaction
- Implemented innovative solutions tailored to streamline operations across diverse sectors, resulting in substantial revenue growth and cost savings
- Conducted rigorous budgeting and forecasting for each sector, aligning financial goals with operational objectives and achieving budgetary targets consistently
- Rolled out and reviewed bonus metrics with managers to ensure compliance with company values, culture, financial targets, client relations, operational standards, audits, safety protocols, and regulatory compliance
- Cultivated and maintained strong client relationships through strategic planning and effective communication strategies
- Led a team of eleven managers specializing in various operational areas, providing guidance and support to enhance team performance and project success

- Collaborated cross-functionally with senior leadership to identify and capitalize on opportunities for business growth and operational improvement

Operations Manager- Valet, Traffic, & Parking Operations *2021-2023*

- Implement Parking Access Revenue Control Systems: SKIDATA at Westfield Valley Fair
- Operate a cashless yet ticketless valet system: SMS Valet
- Manage a team of 40+ employees who enhance the customer experience
- Oversees financials and operations of a luxury mall to ensure professional valet, traffic, and parking management
- Weekly meetings with the mall GM & AGM to ensure service, and safety standards are met
- Manage Holiday Traffic needs around the property
- Radio etiquette when communicating with security, mall management, housekeeping, engineering, and team
- Organize daily huddles to review safety, performance expectations, and areas for improvement
- Weekly meetings with supervisors for updates on events in the mall, staffing needs, aging report, revenue goals
- Work close with SKIDATA to repair revenue control systems to maximize revenue at location
- Report recommendations to the center management to maintain a safe, clean, and fun environment for guests
- Implement LAZ Go in our surface lots to monetize the outskirts of the mall
- Build incentive programs to increase productivity and morale in the workplace
- Assist over 2,500 monthly parkers with any changes in their contract, and billing

Education

- BA – Broadcast & Electronic Communication Arts – San Francisco State
- AA – Radio & Television Broadcasting - Chabot College

Resume: Michael Harper

Orange, CA | mharper@lazparking.com | (949) 244-0382

Experience

LAZ PARKING

Operations Manager – City of Salinas / On Street Parking Enforcement *2016-Present*

- Oversee the enforcement of parking regulations throughout the city
- Educating the public as it pertains to parking regulations,
- Managing eight surface lots, two parking garages, hourly and permit parking
- Achieving high level of customer service and interaction with the public
- Supervising a staff of 5 citation officers
- Hiring, training and mentoring all staff

CPS / SP PLUS

Facility Manager – City of Newport Beach / City of Santa Ana *2014-2016*

- Oversee the collection of cash / meter maintenance and property repair, issuance of parking citations for the City of Newport Beach. Over 1500 on street meters, 30 pay stations, 10 surface lots. High summer traffic involving intense customer service including city related special events and requests
- Supervise and responsible for a staff of 20 which includes citation officers, maintenance crew, supervisors
- Responsible for the hiring, training and mentoring of staff
- Oversee the collection and deposit of cash from on street meters and surface
- Responsible for the daily supervision of 8 citation officers for the City of Santa Ana's street sweeping program

Operations Manager – The Toll Roads *2008-2014*

- Responsible for 54 miles of toll roads, ten toll plazas, 46 toll lanes while managing a yearly budget of $3.2 million dollars at a 24/7 operation
- Manage and responsible for a staff of 86 employees including hiring, training and mentoring of staff.
- In FY13 the operation collected over $32 million dollars in cash tolls while processing over 12 million customer transactions while maintaining an error rate of 0.08% error rate

LOCKHEED-MARTIN / PRWT

Shift Manager – The Toll Roads *1996-2008*

- Oversee the day to day operation of the San Joaquin Hills Corridor
- 24/7 operation with a staff of 35 employees
- Responsible for the collection, processing and deposit of high volumes of cash collection and while maintaining a high level of customer service
- Hiring, training and mentoring of staff

R. A. MARTIN CO

Senior Right of Way Agent / Supervisor *1988-1996*

- Managed office and field employees handling various power projects in Southern California
- Responsible for procuring property easements, permits, supervised survey teams in the field, and obtaining legal agreement contracts from both public and private property owners
- maintaining a high level of customer service.
- Hiring, training and mentoring of staff

Education

- Fullerton College Fullerton, CA
  - Associate of Arts Degree
  - Fred Pryer management courses

Interests

- Volunteer for animal rescue
- Senior citizen physical rehab
- Camping
- Backpacking

7. PROPOSAL EXCEPTIONS

LAZ Parking has reviewed the City of Salinas's Request for Proposals, including all stated conditions, requirements, and the Sample Agreement for Services (Attachment C). After careful review, LAZ Parking takes no exceptions or requests for changes to the City's RFP documents or Sample Agreement.

As the current parking enforcement services provider for the City of Salinas since 2016, LAZ Parking has been operating successfully under the same terms and conditions outlined in this solicitation. Our long-standing partnership with the City has been built on mutual trust, transparency, and compliance with all contractual obligations.

LAZ fully understands and accepts all provisions of the City's RFP, Scope of Services, and Sample Agreement, and is prepared to continue performance under these same terms without modification. This approach ensures seamless contract continuity, uninterrupted service delivery, and the continued success of the City's parking enforcement program.

Accordingly, LAZ Parking respectfully confirms that no exceptions, revisions, or alternative language are proposed to the City's RFP or Sample Agreement.

8. PROPOSAL COSTS SHEET & RATES

Please see our attached cost proposal, in the format requested by the City.

We have also included this form, as well as our audited financial statements, in the required attachments section at the end of this proposal document

Scope	Labor Categories (e.g., Consultant, Sr. Consultant, etc.)	Est. Hours	Hourly Rate	Extended Rate
Task 1	Parking Manager	1,920	$45.80	$87,936
	Burdens and Fees	1,920	$32.80	$62,976
TOTAL NOT TO EXCEED, TASK 1	Parking Manager (fully burdened)	1,920	$78.60	$150,912
Task 2	Parking Enforcement Officer	9,600	$18.96	$181,968
	Burdens and Fees	9,600	$13.53	$129,840
TOTAL NOT TO EXCEED, TASK 2	Parking Enforcement Officer (fully burdened)	9,600	$32.48	$311,808
Task 3	ODCs / Materials to include: vehicles, uniforms, ticket stock, cell phones, and other misc. supplies (Flat Monthly Fee)	N/A		$103,800
	Burdens and Fees	N/A		
	G&A	N/A		
TOTAL NOT TO EXCEED, TASK 3	ODCs and Materials (fully burdened)	N/A		$103,800
TOTAL NOT TO EXCEED (TASKS 1 – 3)	Parking Manager (1), Parking Enforcement Officers ( ), and ODCs / Materials (all fully burdened)	N/A		$566,520

9. ATTACHMENTS

AUDITED FINANCIALS 2023 & 2024

Laz Karp Associates, LLC and Subsidiaries

Consolidated Financial Statements
and Independent Auditor's Report

December 31, 2024 and 2023

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Laz Karp Associates, LLC and Subsidiaries

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Independent Auditor's Report

To Management
LAZ Karp Associates, LLC

Opinion

We have audited the consolidated financial statements of LAZ Karp Associates, LLC and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, changes in members' deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of LAZ Karp Associates, LLC and its subsidiaries as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of LAZ Karp Associates, LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about LAZ Karp Associates, LLC's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LAZ Karp Associates, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about LAZ Karp Associates, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

CohnReznick LLP

Hartford, Connecticut
April 2, 2025

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Laz Karp Associates, LLC and Subsidiaries

Consolidated Balance Sheets
December 31, 2024 and 2023

Assets

	2024	2023
Current assets		
Cash	$ 8,491,511	$ 13,077,230
Accounts receivable, net of allowance for credit losses of $843,504 and $1,049,122, respectively	71,684,121	79,451,089
Prepaid expenses and other current assets	12,852,487	12,127,732
Current portion of other receivables	15,917,013	1,608,921
Total current assets	108,945,132	106,264,972
Property, equipment and leasehold improvements		
Leasehold improvements	4,657,947	4,488,670
Equipment	17,949,727	17,889,030
Furniture and fixtures	4,154,546	3,814,028
Vehicles	35,740,804	30,499,201
Computer equipment	6,244,257	5,582,293
Computer software	15,137,640	12,549,579
Land	4,155,357	4,155,357
Building	39,905,073	39,813,995
	127,945,351	118,792,153
Accumulated depreciation and amortization	(54,612,692)	(44,569,330)
	73,332,659	74,222,823
Construction in progress	2,776,433	2,017,958
Total property, equipment and leasehold improvements	76,109,092	76,240,781
Other assets		
Right-of-use assets	35,416,773	27,334,016
Other receivables, net of current portion	17,985,658	2,850,816
Deposits and other assets	12,664,125	7,292,564
Goodwill	14,037,362	14,037,362
Intangibles, net	26,133,199	13,161,520
Total other assets	106,237,117	64,676,278
Total assets	$ 291,291,341	$ 247,182,031

See Notes to Consolidated Financial Statements.

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Laz Karp Associates, LLC and Subsidiaries

Consolidated Balance Sheets
December 31, 2024 and 2023

Liabilities and Members' Deficit

	2024	2023
Current liabilities		
Accounts payable	$ 13,453,663	$ 11,105,695
Accrued expenses	48,096,378	43,648,300
Deferred revenue	4,338,604	4,937,815
Line of credit payable	35,000,000	18,000,000
Current portion of deferred compensation	8,533,905	-
Current portion of long-term debt	9,645,339	4,254,175
Current portion of finance lease liabilities	5,727,046	6,301,151
Current portion of operating lease liabilities	7,648,907	7,557,347
Current portion of contingent consideration	96,453	75,256
Total current liabilities	132,540,295	95,879,739
Long-term liabilities		
Long-term debt, net of current portion	79,814,795	65,062,188
Non-current finance lease liabilities	7,772,786	9,370,424
Non-current operating lease liabilities	31,420,407	25,083,409
Mortgage loan payable	26,400,000	26,400,000
Contingent consideration, net of current portion	208,981	263,396
Self-insured claims reserve	35,138,821	26,698,486
Deferred compensation, net of current portion	17,067,810	18,772,316
Other long-term liabilities	3,037,541	1,820,741
Total long-term liabilities	200,861,141	173,470,960
Total liabilities	333,401,436	269,350,699
Members' deficit		
Members' deficit	(42,276,936)	(22,344,756)
Accumulated other comprehensive income	7,174	-
LAZ Karp Associates, LLC members' deficit	(42,269,762)	(22,344,756)
Noncontrolling interest	159,667	176,088
Total members' deficit	(42,110,095)	(22,168,668)
Total liabilities and members' deficit	$ 291,291,341	$ 247,182,031

See Notes to Consolidated Financial Statements.

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Laz Karp Associates, LLC and Subsidiaries

Consolidated Statements of Income
Years Ended December 31, 2024 and 2023

	2024	2023
Parking services revenue		
Lease type contracts	$ 361,595,193	$ 312,863,141
Management type contracts	110,826,238	118,558,651
Reimbursed management contract revenue	376,502,680	331,623,984
Total parking services revenue	848,924,111	763,045,776
Cost of parking services		
Lease type contracts	307,592,119	267,772,553
Management type contracts	14,007,531	29,732,530
Reimbursed management type contract expenses	376,502,680	331,623,984
Total cost of parking services	698,102,330	629,129,067
Gross profit	150,821,781	133,916,709
Deferred compensation	6,829,399	10,326,088
Selling, general and administrative expenses	86,422,673	71,852,156
Operating income	57,569,709	51,738,465
Other expense		
Interest expense, net	(7,077,887)	(8,292,026)
Loss on disposal of investment	-	(1,394,399)
Realized loss on foreign currency exchange	(620)	-
Unrealized loss on foreign currency exchange	(103,949)	-
Total other expense	(7,182,456)	(9,686,425)
Consolidated net income	50,387,253	42,052,040
Net loss attributable to noncontrolling interest	(3,424)	(1,189)
Net income attributable to LAZ Karp Associates, LLC	$ 50,390,677	$ 42,053,229

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See Notes to Consolidated Financial Statements.

Laz Karp Associates, LLC and Subsidiaries

Consolidated Statements of Comprehensive Income
Years Ended December 31, 2024 and 2023

	2024	2023
Consolidated net income	$ 50,387,253	$ 42,052,040
Foreign currency translation gain	7,174	-
Comprehensive income	50,394,427	42,052,040
Comprehensive loss attributable to noncontrolling interest	(3,424)	(1,189)
Comprehensive income attributable to LAZ Karp Associates, LLC	$ 50,397,851	$ 42,053,229

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See Notes to Consolidated Financial Statements.

Laz Karp Associates, LLC and Subsidiaries

Consolidated Statements of Changes in Members' Deficit
Years Ended December 31, 2024 and 2023

	Laz Karp Associates, LLC Members' Deficit	Noncontrolling Interest	Accumulated Other Comprehensive Income	Total Members' Deficit
Balance December 31, 2022	$ (15,797,819)	$ 183,277	$ -	$ (15,614,542)
Net income (loss)	42,053,229	(1,189)	-	42,052,040
Member distributions	(48,600,166)	-	-	(48,600,166)
Distributions to noncontrolling interest	-	(6,000)	-	(6,000)
Balance December 31, 2023	(22,344,756)	176,088	-	(22,168,668)
Net income (loss)	50,390,677	(3,424)	-	50,387,253
Member distributions	(70,322,857)	-	-	(70,322,857)
Distributions to noncontrolling interest	-	(12,997)	-	(12,997)
Foreign currency translation	-		7,174	7,174
Balance December 31, 2024	$ (42,276,936)	$ 159,667	$ 7,174	$ (42,110,095)

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See Notes to Consolidated Financial Statements.

Laz Karp Associates, LLC and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Consolidated net income	$ 50,387,253	$ 42,052,040
Adjustments to reconcile consolidated net income to net cash provided by operating activities		
Depreciation and amortization	15,429,555	12,290,171
Amortization of deferred financing costs	199,694	143,724
Provision for credit losses	4,181	292,732
Net gain on disposal of fixed assets	(103,954)	(970)
Net loss on disposal of investment	-	1,394,399
Unrealized loss on foreign currency exchange	103,949	-
Deferred compensation	6,829,399	10,326,088
Changes in operating assets and liabilities		
Accounts receivable	7,449,133	(17,931,927)
Prepaid expenses and other current assets	(2,199,651)	(5,956,935)
Deposits and other assets	(4,990,961)	689,484
Accounts payable	2,640,433	(1,133,098)
Accrued expenses	4,424,560	10,857,625
Lease-related liabilities	(472,993)	108,618
Deferred revenue	(599,211)	621,659
Self-insured claims reserve	8,440,335	12,588,379
Other long-term liabilities	1,216,800	1,820,742
Net cash provided by operating activities	88,758,522	68,162,731
Cash flows from investing activities		
Capital expenditures	(12,234,333)	(7,412,079)
Acquisition of business	(14,000,000)	-
Proceeds received from sale of fixed assets	435,649	43,685
Advance of other receivables	(31,462,142)	(386,808)
Repayment of other receivables	1,639,597	286,651
Other investing activities, net	(2,284,868)	(619,888)
Net cash used in investing activities	$ (57,906,097)	$ (8,088,439)

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See Notes to Consolidated Financial Statements.

Laz Karp Associates, LLC and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from financing activities		
Advance under lines of credit	$ 226,000,000	$ 30,000,000
Repayments of lines of credit	(209,000,000)	(42,000,000)
Proceeds from finance lease obligations	3,522,382	-
Repayments of long-term debt and finance lease obligations	(10,529,036)	(11,138,420)
Payment of contingent consideration	(33,218)	(617,064)
Cash distributions to members	(70,322,857)	(48,600,166)
Cash distributions to noncontrolling interest	(12,997)	(6,000)
Proceeds from note payable	6,941,120	300,000
Net cash used in financing activities	(53,434,606)	(72,061,650)
Effect of exchange rate changes on cash	(27,179)	-
Net decrease in cash	(4,585,719)	(11,987,358)
Beginning cash	13,077,230	25,064,588
Ending cash	$ 8,491,511	$ 13,077,230
Supplemental disclosure of cash flow information		
Interest paid	$ 6,878,193	$ 8,148,302
Supplemental disclosure of noncash investing and financing activities		
Capital expenditures financed through finance leases	$ (4,520,492)	$ (6,182,105)

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See Notes to Consolidated Financial Statements.

ATTACHMENT A – PROPOSER'S INFORMATION FORM

Attachment A

Proposer's Information Form

PROPOSER (please print):

Name: LAZ Parking California, LLC

Address: 5901 Christie Ave •Suite 202• Emeryville, CA 94608

Telephone: (510) 250-2052 Email: smooney@lazparking.com

Contact person, title, email, and telephone: Cindy Hefner, Regional VP, NorCal chefner@lazparking.com (510) 250-2052 x7352

Proposer, if selected, intends to carry on the business as (check one):

☐ Individual ☐ Joint Venture

☐ Partnership

☑ Corporation

When incorporated? 12/14/2009

In what state? Connecticut

When authorized to do business in California? 02/04/2010

☑ Other (explain): Limited Liability Company

ADDENDA

To assure that all Proposers have received each addendum, check the appropriate box(es) below. Failure to acknowledge receipt of an addendum/addenda may be considered an irregularity in the Proposal:

Addendum number(s) received: ☐1; ☐2; ☐3; ☐4; ☐5; ☐6;

Or ☑ _____No Addendum/Addenda Were Received (**check and initial**).

PROPOSER'S SIGNATURE
No proposal shall be accepted which has not been signed in ink in the appropriate space.

Attachment A – Proposer Information continued…

1. If Proposer is **INDIVIDUAL**, sign here:

Date:_____ _____
Proposer's Signature

_____
Proposer's typed name and title

2. If Proposer is **PARTNERSHIP** or **JOINT VENTURE;** at least two (2) Partners shall sign here:

_____
Partnership or Joint Venture Name (type or print)

Date:_____ _____
Member of the Partnership or Joint Venture signature

Date:_____ _____
Member of the Partnership or Joint Venture signature

3. If Proposer is a **CORPORATION**, the duly authorized officer shall sign as follows: The undersigned certify that he/she is respectively:

Cindy Hefner and Regional VP, NorCal
Signature Title

Of the corporation named below; that they are designated to sign the Proposal Cost Form by resolution (attach a certified copy, with corporate seal, if applicable, notarized as to its authenticity or Secretary's certificate of authorization) for and on behalf of the below named CORPORATION, and that they are authorized to execute same for and on behalf of said CORPORATION.

LAZ Parking California, LLC
Corporation Name (type or print)

By: Cindy Hefner & Muhammad Mansoor Date: 10/29/2025

Title: Regional VP, NorCal & VP, Enforcement & Municipal Operations

COMPANY RESOLUTION

OF

MEMBERS OF LAZ PARKING CALIFORNIA, LLC

THE UNDERSIGNED, LAZ KARP ASSOCIATES, LLC, being the sole member of LAZ PARKING CALIFORNIA, LLC, a limited liability company organized and existing under the laws of the State of Connecticut and authorized to do business in the State of California ("the "Company") hereby represents that:

A Meeting of the Members of the Company was held on October 24, 2025.

At said meeting after motion duly made and seconded, the following Resolutions were unanimously adopted:

RESOLVED, that the Company is hereby authorized to sign any and all documents, contracts and agreements in regard to the Salinas City-Wide Parking Enforcement RFP

FURTHER RESOLVED, that Cindy Hefner, Regional Vice President and Muhammad Mansoor, Vice President, are authorized to sign such documents, contracts and agreements and such documents, contracts and agreements shall be binding upon the Company.

DATED at Hartford, Connecticut, this 24th day of October, 2025

Glenn T. Terk, General Counsel

Articles of Organization

ARTICLES OF ORGANIZATION
Limited Liability Company-DOMESTIC
C.G.S. §§34-120; 34-121

FEE: $120.00
Make checks payable to
"Secretary of the State"

Website Address: www.concord.sots.ct.gov **Telephc**
Mailing Address: Connecticut Secretary of the State, C
Courier Delivery Address ONLY: (i.e. FedEx, UPS, etc

FILING #0004065352 PG 01 OF 02 VOL B-01354
FILED 12/14/2009 11:58 AM PAGE 02768
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

USE INK. COMPLETE ALL SECTIONS. PRINT OR TYPE. (Attach 8 ½ x 11 sheets if necessary)

1. Complete name of Limited Liability Company-**REQUIRED**: *(Must include business designation i.e. LLC, L.L.C., etc.)*
LAZ Parking California, LLC

2. Description of business to be transacted or purpose to be promoted-**REQUIRED**:
See attached Exhibit A

3. LLC's principal office address-**REQUIRED**: *(No P.O. Box)*
c/o LAZ Karp Associates, LLC
15 Lewis Street
Hartford, CT 06103

4. Mailing address, if different than #3:

5. Appointment of statutory agent for service of process-**REQUIRED**: *Complete A or B, not both*

EITHER ☐ A. If agent is an individual:

Print or type full legal name:
John Beck

Business Address: *(No P.O. Box)*
c/o Siegel, O'Connor, O'Donnell & Beck, P.C. 150 Trumbull Street
Hartford CT 06103
If none, MUST state "NONE"

Signature accepting appointment:
X

CT Residence Address: *(No P.O. Box)*
464 South River Road
Tolland, CT 06084

OR ☐ B. If agent is a business:

Print or type name of business as it appears on our records:

CT Business Address: *(No P.O. Box)*

Signature accepting appointment on behalf of agent:
X

Print name & title:

6. Manager or member information-**REQUIRED**: *(Must list at least one manager or member of the LLC.)*

Name	Title	Business Address: *(No P.O. Box)*	Residence Address: *(No P.O. Box)*
LAZ Karp Associates, LLC	Member	15 Lewis Street Hartford, CT 06103 If none, MUST state "NONE"	NONE
		If none, MUST state "NONE"	

7. Management -*Place a check next to the following statement ONLY if it applies*
☐ Management of the limited liability company shall be vested in a manager or managers.

8. Execution-**REQUIRED**: *(Subject to penalty of false statement.)*

Print or type name of organizer:	Signature:	Date:
John Beck	X	12/14/09

- An annual report will be due yearly in the anniversary month that the LLC was formed/registered and can be easily filed online @ www.concord.sots.ct.gov. If you are no longer transacting business in Connecticut you must file the appropriate document with our office.
- Contact your tax advisor or the Taxpayer Service Center at the Department of Revenue Services as to any potential tax liability relating to your business, including questions about the Business Entity Tax.
- **Taxpayer Service Center: (800) 382-9463 or (860) 297-5962 or go to www.ct.gov/drs**

Revised 12/07/09

FILED 12/14/2009 11:58 AM PAGE 02769
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

SCHEDULE A

ATTACHMENT
TO
ARTICLES OF ORGANIZATION
OF
LAZ Parking California, LLC

Item 7: **Nature of Business:**

(a) To accomplish any lawful business whatsoever, or which shall, at any time, appear conducive to or expedient for, the protection or benefit of the Company and its assets;

(b) To exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Connecticut Act;

(c) To engage in all activities necessary, customary, convenient and incident to any of the foregoing.

G:\Agreements\JWB\Miscellaneous Client Agmts\Attachment to Articles of Organization.doc

STATE OF CONNECTICUT
OFFICE OF THE SECRETARY OF THE STATE } SS. HARTFORD

I hereby certify that this is a true copy of record in this Office

In Testimony whereof, I have hereunto set my hand, and affixed the Seal of said State, at Hartford, this 22nd day of December A.D. 2009

SW

Susan Bysiewicz

SECRETARY OF THE STATE

ATTACHMENT D – SAMPLE TABLE, QUALIFICATIONS OF FIRM RELATIVE TO CITY'S NEEDS

Project Name	Client	Description of work performed	Total Project Cost	Percentage of work firm as responsible for	Period work was completed	Client contact information*
San Mateo Enforcement Program	**City of San Mateo / San Mateo Police Department**	Citywide parking enforcement services.	$7.1M	100%	Nov 2019 - Present	Sgt. Craig Collum Phone: 650-522-7742 ccollom@cityofsanmateo.org

Did your firm meet the project schedule (Circle one): (Yes) No

Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.

West Hollywood Enforcement Program	**City of West Hollywood**	Citywide parking enforcement services.	$14M	100%	July 2020 – Present	Vince Guarino Phone: 323-848-6426 vguarino@weho.org

Did your firm meet the project schedule (Circle one): (Yes) No

Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.

Burbank Enforcement Program	**City of Burbank / Burbank Police Department**	Citywide parking enforcement services.	$6.5M	100%	April 2023 - Present	Emil Brimway Phone: 818.238.3106 EBrimway@burbankca.gov

Did your firm meet the project schedule (Circle one): (Yes) No

Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.

Santa Ana Enforcement	**City of Santa Ana / Santa Ana Police Department**	Citywide parking enforcement services.	$4.7M	100%	July 2018	Yolanda Bautista Phone: 714.245.8225 ybautista@santa-ana.org

Did your firm meet the project schedule (Circle one): (Yes) No

Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.

* Include Name, Title, and Phone Number

ATTACHMENT E – COST PROPOSAL FORMAT

(The City is looking for a submittal in this format. Content should match cost for services required)

Scope	Labor Categories (e.g., Consultant, Sr. Consultant, etc.)	Est. Hours	Hourly Rate	Extended Rate
Task 1	Parking Manager	1,920	$45.80	$87,936
	Burdens and Fees	1,920	$32.80	$62,976
TOTAL NOT TO EXCEED, TASK 1	Parking Manager (fully burdened)	1,920	$78.60	$150,912
Task 2	Parking Enforcement Officer	9,600	$18.96	$181,968
	Burdens and Fees	9,600	$13.53	$129,840
TOTAL NOT TO EXCEED, TASK 2	Parking Enforcement Officer (fully burdened)	9,600	$32.48	$311,808
Task 3	ODCs / Materials to include: vehicles, uniforms, ticket stock, cell phones, and other misc. supplies (Flat Monthly Fee)	N/A		$103,800
	Burdens and Fees	N/A		
	G&A	N/A		
TOTAL NOT TO EXCEED, TASK 3	ODCs and Materials (fully burdened)	N/A		$103,800
TOTAL NOT TO EXCEED (TASKS 1 – 3)	Parking Manager (1), Parking Enforcement Officers ( ), and ODCs / Materials (all fully burdened)	N/A		$566,520

File #: ID#25-539, **Version:** 1

..Title
Zoning Code Amendment 2025-001; Rescind Section 37-50.250 (Accessory Dwelling Units) of Chapter 37 of the Salinas Municipal Code (Zoning Code), remove and modify applicable Zoning Code Accessory Dwelling Unit (ADU) definitions and development regulations and apply applicable State ADU law for the processing of ADU applications
..Recommended Action
Consider finding Zoning Code Amendment 2025-001 categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15305; and adopt an Ordinance to comply amending Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify the ADU development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State ADU Law to process ADU applications.

CITY OF SALINAS
COUNCIL STAFF REPORT

DATE: **DECEMBER 9, 2025**

DEPARTMENT: **COMMUNITY DEVELOPMENT DEPARTMENT**

FROM: **LISA BRINTON, DIRECTOR**

THROUGH: **COURTNEY GROSSMAN, PLANNING MANAGER**

BY: **THOMAS WILES, SENIOR PLANNER**

TITLE: **ZONING CODE AMENDMENT 2025-001; RESCIND SECTION 37-50.250 (ACCESSORY DWELLING UNITS) OF CHAPTER 37 OF THE SALINAS MUNICIPAL CODE (ZONING CODE), REMOVE AND MODIFY APPLICABLE ZONING CODE ACCESSORY DWELLING UNIT (ADU) DEFINITIONS AND DEVELOPMENT REGULATIONS AND APPLY APPLICABLE STATE ADU LAW FOR THE PROCESSING OF ADU APPLICATIONS**

RECOMMENDED MOTION:

A motion that the City Council 1) find Zoning Code Amendment 2025-001 categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15305 and 2) adopt an Ordinance to amend Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify the ADU development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State ADU Law to process ADU applications.

EXECUTIVE SUMMARY:

The City's ADU Ordinance is out of compliance with State ADU Law. Chapter 37, Article VI, Division 14 provides for a process whereby all Zoning Code Amendments are brought before the City Council for a final decision. The proposed Zoning Code Amendment amends Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify the ADU development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State standards for the processing of ADU applications. An updated ADU ordinance is being prepared as part of Phase One of the Zoning Code Update currently underway and scheduled for completion in spring 2026.

As the proposed action involves the adoption of an ordinance, should the City Council unanimously vote in favor of adoption the ordinance would be adopted on the same night as its introduction. (Salinas Charter section 11.3) If the City Council does not vote unanimously in favor

of adoption, the ordinance would come back at the City Council's next meeting for adoption.

BACKGROUND:

Zoning Code Amendment 2025-001 (ZCA 2025-001) rescinds Section 37-50.250 [(Accessory Dwelling Units) (ADU)] of Chapter 37 of the Salinas Municipal Code (Zoning Code). Both Zoning Code Sections 37-10.250 and 37-50.250 were originally established pursuant to Ordinance No. 2463 (Zoning Code), which was adopted by the City Council on November 7, 2006. Zoning Code Section 37-10.250 was subsequently amended by the City Council pursuant to Ordinances 2507 which was adopted on May 18, 2010, No. 2581 which was adopted on December 6, 2016, and No. 2605 on July 3, 2018. Zoning Code Section 37-50.250 was also amended by above referenced Ordinance No. 2581 and No. 2626 which was adopted by the Council on November 5, 2019.

State ADU Law:

On January 1, 2020, after the latest City revision to Zoning Code Section 37-50.250, California Government Code Sections 65852.2 and 65852.22 became effective. Section 65852.2 allowed for the development of ADUs and Section 65852.22 allowed for the development of Junior Accessory Dwelling Units (JADUs). On March 25, 2024, these Government Code Sections were renamed to the following:

Government Code Sections 66314 – 66332 (ADUs)
Government Code Sections 66333 – 66339 (JADUs)
Government Code Sections 66340 – 66342 (ADU Home Sales)

Per State law, Junior Accessory Dwelling Units (JADUs) are allowed to be created within the walls of a proposed or existing single-family residence and shall contain no more than 500 square feet. JADUs offer additional housing options. They may share central systems, contain a basic kitchen utilizing small plug-in appliances, may share a bathroom with the primary dwelling, all to reduce development costs. JADUs present no additional stress on utility services or infrastructure because they simply repurpose existing space within the residence and do not expand the dwellings planned occupancy. JADUs are only allowed for owner-occupied properties unless the owner is another governmental agency, land trust, or housing organization. ADUs have no owner-occupied requirements. Development of JADUs are governed by Government Code Section 66333 through 66339.

The above referenced California Government Code Sections are not consistent with the City's current ADU Ordinance (Zoning Code Sections 37-50.250). Because of this inconsistency, since 2020, staff has processed both ADUs and JADUs pursuant to State ADU Law and the administrative building permit process. To avoid confusion, the State Housing and Community Development Department (HCD) recommends that the City rescind the current ADU Ordinance and follow the State ADU Law and guidelines until a compliant ADU ordinance is adopted.

Analysis:

The rescinding of the ADU Ordinance requires that the existing ADU definitions and development

regulations be modified to comply with State ADU Law. Currently, ADUs are defined in Zoning Code Section 37-10.250 as either "Interior" or "Other" as stated below. The revisions in the ADU definitions would remove the "Interior" and "Other" definitions and modify the ADU definition so that it is consistent with State ADU Law. In addition, the use classifications of Agricultural, Residential, Public/Semipublic, and New Urbanism Zoning District would be modified to be consistent with the new ADU definitions and State ADU Law.

The Amendment would modify and remove the following "Accessory Dwelling Unit" definitions from Section 37-10.250 ("A" definitions) as follows (changes in strikethrough/underline format):

"Sec. 37-10.250. – "A" definitions.

Accessory Dwelling Unit. An attached or a detached residential dwelling unit defined as either an Accessory Dwelling Unit (ADU) or a Junior Accessory Dwelling (JADU) that is constructed in compliance with State ADU Law. ~~which provides complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation, which is located on the same parcel as a single-family detached dwelling unit. An accessory dwelling unit must contain at least one hundred fifty square feet of floor area and may consist of an efficiency unit, as defined in Section 17958.1 of Health and Safety Code; or a manufactured home, as defined in Section 18007 of the Health and Safety Code.~~

~~**Accessory Dwelling Unit, Interior.** An accessory dwelling unit which is constructed in the R-L district entirely within the existing and legally created space of a single-family detached dwelling unit or accessory structure.~~

~~**Accessory Dwelling Unit, Other.** An accessory dwelling unit which is constructed either as a new detached accessory structure; as an addition to an existing single-family detached dwelling unit or an existing accessory structure; or entirely within the existing and legally created space of a single-family detached dwelling unit or accessory structure but not in the R-L district.~~

The Amendment would modify Zoning Code Section 37-30-020, Table 37-30.10, and Footnote 6 [Agricultural (A) Zoning District] as follows (changes in strikethrough/underline format):

Table 37-30.10

Agricultural (A) District Use Classifications

Land Use	**A**	**Additional Use Regulations**
Residential Uses		
Accessory Dwelling Units~~, Other~~	P	(6)

(6)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,*~~*. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling*~~ *shall be permitted pursuant to State ADU Law.*

The Amendment would modify Zoning Code Section 37-30-060, Table 37-30.30, and Footnote 5 [Residential Low Density (R-L-5.5) Zoning District] as follows (changes in strikethrough/underline format):

Table 37-30.30 Residential Low District (R-L) Use Classifications		
Land Use	**R-L-5.5**	**Additional Use Regulations**
Residential Uses		
Accessory Dwelling Units~~, Interior~~	P	(5)
~~Accessory Dwelling Units, Other~~	~~P~~	~~(5)~~

(5)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~*. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling* *shall be permitted pursuant to State ADU Law.*

The Amendment would modify Zoning Code Section 37-30-110, Table 37-30.50, and Footnote 7 [Residential Medium Density (R-M) Zoning District] as follows (changes in strikethrough/underline format):

Table 37-30.50 Residential Medium Density (R-M) Districts Use Classifications			
Land Use	**R-M-3.6**	**R-M-2.9**	**Additional Use Regulations**
Residential Uses			
Accessory Dwelling Units, ~~Other~~	P	P	(7)

(7)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~*. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling* *shall be permitted pursuant to State ADU Law.*

The Amendment would modify Zoning Code Section 37-30-160, Table 37-30.70, and Footnote 8 [Residential High Density (R-H) Zoning District] as follows (changes in strikethrough/underline format):

Table 37-30.70 Residential High Density (R-H) Districts Use Classifications			
Land Use	**R-H-2.1**	**R-H-1.8**	**Additional Use**

			Regulations
Residential Uses			
Accessory Dwelling Units, ~~Other~~	P	P	(8)

(8)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~*. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling*~~ *shall be permitted pursuant to State ADU Law.*

The Amendment would modify Zoning Code Section 37-30-390, Table 37-30.170, delete Footnote 12 applicability to Accessory Dwelling Units and add Footnote 15 [Public/Semipublic (PS) Zoning District] as follows (changes in strikethrough/underline format):

Table 37-30.170

Public/Semipublic (PS) Use Classifications

Land Use	**PS**	**Additional Use Regulations**
Residential Uses		
Accessory Dwelling Units~~, Other~~	~~CUP~~ P	(~~12~~)(13)(15)

(15)	*Accessory dwelling units shall be permitted pursuant to State ADU Law.*

The Amendment would modify Zoning Code Section 37-30-430, Table 37-30.190, and Footnote 6 [New Urbanism (NU) Zoning Districts] as follows (changes in strikethrough/underline format):

Table 37-30.190

New Urbanism (NU) Districts Use Classifications

Land Use	**NE (Low)**	**NG-1 (Medium)**	**NG-2 (High)**	**VC**	**Additional Use Regulations**
Residential Uses					
Accessory Dwelling Units~~, Other~~	P	P	P	NP	(6)

(6)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~*. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling*~~ *shall be permitted pursuant to State ADU Law.*

The Amendment would also rescind Section 37-50.250 (Accessory Dwelling Units) of Chapter 37 of the Salinas Municipal Code (Zoning Code) as follows (changes in strikethrough/underline

format):

"~~Sec. 37-50.250. - Accessory dwelling units.~~

~~(a) **Purpose.** The purpose of this section is to comply with the requirements of the California Government Code relating to accessory dwelling units. In the event of any conflict between this section and the California Government Code, the California Government Code shall prevail. An accessory dwelling unit conforming to the provisions of this section shall be approved ministerially within the time limits specified by Government Code Section 65852.2 or any successor provisions.~~

(b) ~~Where Permitted.~~

~~(1) Accessory dwelling units, interior are allowed as a permitted use in the R-L district.~~

~~(2) Accessory dwelling units, other are allowed as a permitted use in an A, R, or NU district, subject to subsection (d) below. All accessory dwelling units are permitted only on lots with one single-family detached dwelling unit and no other dwelling units.~~

~~(3) No accessory dwelling units shall be permitted in a development subject to a planned unit development permit approved under Article IV, Division 13 of Chapter 37, or any applicable predecessor or successor sections of this Code, unless accessory dwelling units are expressly authorized by such planned unit development permit.~~

~~(4) A maximum of one accessory dwelling unit shall be permitted per lot or parcel. An accessory dwelling unit shall not be sold separately from the principal dwelling unit.~~

~~(c) Development Regulations and Design Standards - Accessory dwelling unit, interior.~~

~~(1) The accessory dwelling unit must have exterior access independent from the existing single-family detached dwelling unit.~~

~~(2) Side and rear setbacks must be determined to be sufficient for fire safety by the building official.~~

~~(3) No new or separate utility connection directly between the accessory dwelling unit and the utility may be required.~~

~~(4) Sprinklers may not be required for the accessory dwelling unit unless they are required for the existing single-family detached dwelling unit.~~

~~(5) The total floor area of an accessory dwelling unit, interior, shall not exceed the greater of one-thousand two-hundred square feet or fifty percent of the existing living area of the primary residence.~~

~~(d) Development Regulations and Design Standards - Accessory dwelling unit, other.~~

~~(1) Floor Area.~~

~~(A) The total floor area of a detached accessory dwelling unit shall not exceed a maximum of one-thousand two-hundred square feet of gross floor area.~~

~~(B) The total floor area of an attached accessory dwelling unit shall not exceed a maximum of fifty-percent of the existing living area of the~~

primary residence, not to exceed a maximum of one-thousand two-hundred square feet.

(C) Accessory dwelling units that require additional floor area for the unit are prohibited on the second floor of a single-family detached dwelling unit. Accessory dwelling units may be located within an existing second floor of a single-family detached dwelling unit subject to the requirements of subsection (c) of this section.

(2) Design. The exterior design of the accessory dwelling unit shall be in harmony with the principal dwelling unit. This shall be accomplished through the use of building materials, architectural design, height, scale, exterior colors, and finishes that are compatible with the principal dwelling unit. Accessory dwelling units shall be designed so as not to adversely affect the character of the surrounding neighborhood. The design standards of the base zoning district shall apply. No passageway shall be required in conjunction with the construction of an accessory dwelling unit.

(3) Sprinklers. Sprinklers may not be required for the accessory dwelling unit unless they are required for the existing single-family detached dwelling unit.

(e) **Other Development Standards.** Except as modified by this section, the accessory dwelling unit shall conform to all applicable development regulations established for single-family detached dwelling units in the underlying zoning district, including without limitation, the maximum height, required yards, minimum usable open space requirements for single-family detached dwelling units in the applicable zoning district, and distance between structures.

(f) **Parking.** One off-street parking space shall be provided for each bedroom in the accessory dwelling unit, and parking required for the single-family dwelling units shall be provided on the same site in accordance with Section 37-50.360, off-street parking and loading spaces regulations. A minimum of one off-street parking space shall be provided for an efficiency unit off-street parking for accessory dwelling units may be provided as tandem parking on an existing legal driveway or in setbacks, excluding the front or side-corner setbacks of a site; however off-street parking spaces for accessory dwelling units are not required in any of the following instances:

(1) The accessory dwelling unit is located within one-half mile of a public transit stop.

(2) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(3) The accessory dwelling unit is an "accessory dwelling unit, interior" as defined in this Chapter 37.

(4) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

(5) When there is a car share vehicle pickup location located within one block of the accessory dwelling unit.

Notwithstanding the above, if the accessory dwelling unit replaces an existing garage, carport, or covered parking structure, replacement spaces must be provided

~~to meet the requirements of *Division 2 of this Chapter 37* . Such replacement spaces may be provided as garaged spaces, covered spaces, uncovered spaces on a legal driveway, tandem spaces, or mechanical parking lifts on the same lot as the primary residence. As used in this subsection (f), "driveway" shall mean a private roadway or travel way and its access point from a public street for the exclusive use of the occupants of a property and their guests.~~

~~(g) **Density.** An accessory dwelling unit which conforms to the requirements of this section shall not be considered to exceed the allowable density for the lot upon which it is located, and shall be deemed to be a residential use, consistent with the Salinas general plan and zoning designation for the lot.~~

~~(h) **Deed Restriction.** The owner of the parcel of land upon which the accessory dwelling unit is proposed to be located shall execute a deed restriction, running with the land, in a form satisfactory to and approved by the city, which states that the second dwelling unit shall not be rented for terms less than thirty days, that the lot shall be developed and maintained in conformance with this section, and that the requirements of this section are binding upon any successor in ownership of the property. Such deed restriction shall be filed by the city planner for recordation by the Monterey County recorder's office prior to issuance of any building permits for the accessory dwelling unit.~~

~~(i) **Administrative Fee.** The city may charge an administrative fee for monitoring compliance with the provisions of this section as determined by the city council."~~

The rescinding of Zoning Code Section 37-50.250 requires the City to continue to process applications for ADUs and JADUs pursuant to State law as per Government Code Section 66316 until a City Ordinance for the processing of ADUs is approved by the State.

Findings:

Findings in support of the Amendment are incorporated in the attached draft Ordinance. The City Council may approve Zoning Code Amendment 2025 if the findings set forth in the proposed Ordinance are established.

November 19, 2025, Planning Commission Meeting:

On November 19, 2025, the Planning Commission recommended that the City Council find Zoning Code Amendment 2025-001 exempt from the California Environmental Quality Act (CEQA) and recommended that the Council approve the Amendment (see attached Planning Commission Resolution 2025-12).

Noticing:

On November 27, 2025, a Notice of Public Hearing was published in the Monterey County Weekly, a newspaper of general circulation. As per Zoning Code Section 37-60.400(c), it was published as a 1/8th page notice. On November 20, 2025, a Notice of Public Hearing was also posted at City Hall and the Permit Center.

Time Consideration:

The proposed project is a Zoning Code Amendment, which is a legislative act and is not subject to the Permit Streamlining Act (PSA).

Alternatives Available to the Council:

The City Council has the following alternatives:

1. Affirm the findings set forth in the attached Ordinance, find the Amendment exempt from CEQA and introduce and then adopt the Ordinance with modifications; or

2. Find that the Amendment is not appropriate and establish findings at the public hearing denying the Amendment.

CEQA CONSIDERATION:

The environmental impacts of the project have been analyzed in accordance with the California Environmental Quality Act (CEQA). The proposed Zoning Code Amendment is categorically exempt (Class 5) from further environmental analysis per CEQA Guidelines Section 15305 (Minor Alterations in Land Use Limitations).

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

Yes.

STRATEGIC PLAN INITIATIVE:

This action supports the Council's Strategic Goal of Housing/Affordable Housing by clarifying guidelines for processing the entitlement and construction of Accessory Dwelling Units (ADUs).

DEPARTMENTAL COORDINATION:

The Community Development Department and the City Attorney's Office coordinated on the preparation of the proposed Zoning Code Amendment.

FISCAL AND SUSTABILITY IMPACT:

There is no direct impact to the General Fund associated with this Amendment.

ATTACHMENTS:

Draft City Council Ordinance
Planning Commission Resolution No. 2025-12
Planning Commission Staff Report dated November 19, 2025 without attachments

ORDINANCE NO. _____ (N.C.S)

AN ORDINANCE AMENDING CHAPTER 37 OF THE SALINAS MUNICIPAL CODE (ZONING CODE) TO RESCIND SECTION 37-50.250 (ACCESSORY DWELLING UNITS), REMOVE AND MODIFY ACCESSORY DWELLING UNIT (ADU) DEFINITIONS OF SECTION 37-10.250 ("A" DEFINITIONS), AND MODIFY THE ADU DEVELOPMENT REGULATIONS OF SECTIONS 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, AND 37-30.430, AND APPLY APPLICABLE STATE ADU LAW FOR THE PROCESSING OF ADU APPLICATIONS (ZCA 2025-001)

City Attorney Impartial Analysis

The proposed ordinance amends the Salinas Zoning Code to delete the provisions applicable to Accessory Dwelling Units (ADUs). The deletions are necessary to bring the Salinas Zoning Code's regulations of ADUs into compliance with State law. By deleting the provisions applicable to ADUs, the City would apply the State's regulations related to ADUs.

WHEREAS, on November 7, 2006, the Salinas City Council, adopted Ordinance Number 2463 replacing the then existing Zoning Code; and

WHEREAS, the Salinas City Council has amended various provisions of Chapter 37 of the Salinas Municipal Code ("Zoning Code") to allow for general changes, language clarification, and minor corrections; and

WHEREAS, On January 1, 2020, after the latest City revision to Zoning Code Section 37-50.250, California Government Code Sections 65852.2 and 65852.22 became effective; and

WHEREAS, Section 65852.2 allowed for the development of ADUs and Section 65852.22 allowed for the development of Junior Accessory Dwelling Units (JADUs). On March 25, 2024, these Government Code Sections were renamed Government Code Sections 66314 – 66332 (ADUs), Government Code Sections 66333 – 66339 (JADUs), and Government Code Sections 66340 – 66342 (ADU Home Sales); and

WHEREAS, the City's ADU Ordinance has not been updated to be compliant with State ADU Law; and

WHEREAS, to avoid confusion, the State Housing and Community Development Department (HCD) recommends that the City rescind the current ADU Ordinance and follow the State ADU Law and guidelines until a compliant ADU ordinance is adopted; and

WHEREAS, an updated ADU ordinance is being prepared as part of Phase One of the Zoning Code Update currently underway and scheduled for completion in spring 2026; and

WHEREAS, on November 19, 2025, at a duly noticed public hearing, the Salinas Planning Commission recommended that the City Council introduce and adopt Zoning Code Amendment 2025-001, to amend Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section

37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State standards for the processing of Accessory Dwelling Unit (ADU) applications; and

WHEREAS, on December 9, 2025, at a duly noticed public hearing, the City Council weighed the evidence, including the Staff Report which is on file at the Community Development Department together with the record of environmental review and hereby finds that the following amendment will not have the effect of reversing policies of the Salinas General Plan or other plans and policies previously adopted by the City Council and the City Council finds the project to be categorically exempt from the California Environmental Quality Act (CEQA), as follows:

Categorical Exemption:

1. ***The project has been found to be a Class 5 Categorical Exemption pursuant to Guidelines Section 15305 of the Guidelines to the California Environmental Quality Act (CEQA);***

   The proposed Zoning Code Amendment is a response to a request from the State of California to amend Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State standards for the processing of Accessory Dwelling Unit (ADU) applications.

WHEREAS, the Salinas City Council adopts the following findings, as set forth in Zoning Code Section 37-60.1120, as the basis for its introduction and adoption of the proposed Zoning Code Amendment:

Zoning Code Amendment 2025-001:

1. ***The Amendment is consistent with the Salinas General Plan and other plans and policies adopted by the Salinas City Council.***

   The proposed Zoning Code Amendment amends Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State ADU Law and guidelines for the processing of Accessory Dwelling Unit (ADU) applications.

   The proposed Zoning Code Amendment would remove the existing Accessory Dwelling Unit (ADU) Ordinance along with removal and modification of ADU definitions and the modification of Zoning Code development regulations for ADU so that the Zoning Code is in consistent with applicable State ADU law. As a result, ZCA 2025-001 would be consistent with the General Plan and Zoning Code.

2. ***The Amendment will not have the effect of reversing the policies of the Salinas General Plan, any applicable Specific Plan, and other plans and policies adopted by the Salinas City Council.***

   The proposed Zoning Code Amendment amends Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State ADU Law and guidelines for the processing of Accessory Dwelling Unit (ADU) applications.

   The Zoning Code Amendment would be consistent with Goal H-1 of the General Plan Housing Element by providing a range of housing types and a variety of affordability levels to address existing and projected housing construction needs in Salinas. It would also be consistent with Goal H-3 of the General Plan Housing Element by assisting in ensuring that all segments of the community have access to safe and decent housing that meets their diverse needs. The Zoning Code Amendment would allow for the continued processing of ADU applications pursuant to applicable State ADU Law. In addition, the City is currently drafting a new ADU Ordinance which would be consistent with State ADU Law.

3. ***The Amendment would not create an isolated district unrelated to adjacent zoning districts.***

   The Zoning Code Amendment is an amendment to the text of the Zoning Code and would not rezone or create new zoning districts. Therefore, the Zoning Code Amendment would not create any isolated districts unrelated to adjacent zoning districts.

4. ***The City has the capability to provide public utilities, roads, and services to serve the uses allowed by the proposed amendment.***

   Salinas is an urbanized area and public infrastructure is presently in place to serve most uses. The proposed Amendment would not create the need for additional infrastructure.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF SALINAS AS FOLLOWS: (Revisions are shown in <u>underline</u>/~~strikethrough~~ text)

SECTION 1. Remove the following definitions from Zoning Code Section 37-10.250 as follows:

"Sec. 37-10.250. – "A" definitions.

Accessory Dwelling Unit. An attached or a detached residential dwelling unit <u>defined as either an Accessory Dwelling Unit (ADU) or a Junior Accessory Dwelling (JADU) that is constructed in compliance with State ADU law.</u> ~~which provides complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation, which is located on the same parcel as a single-family detached dwelling unit. An accessory dwelling unit must contain at least one hundred fifty square feet of floor area and may consist of an efficiency unit, as defined in~~

~~Section 17958.1 of Health and Safety Code; or a manufactured home, as defined in Section 18007 of the Health and Safety Code.~~

~~**Accessory Dwelling Unit, Interior.** An accessory dwelling unit which is constructed in the R-L district entirely within the existing and legally created space of a single-family detached dwelling unit or accessory structure.~~

~~**Accessory Dwelling Unit, Other.** An accessory dwelling unit which is constructed either as a new detached accessory structure; as an addition to an existing single-family detached dwelling unit or an existing accessory structure; or entirely within the existing and legally created space of a single-family detached dwelling unit or accessory structure but not in the R-L district.~~

SECTION 2. Modify Zoning Code Section 37-30-020, Table 37-30.10, and Footnote 6 [Agricultural (A) Zoning District] as follows:

Table 37-30.10

Agricultural (A) District Use Classifications

Land Use	**A**	**Additional Use Regulations**
Residential Uses		
Accessory Dwelling Units~~, Other~~	P	(6)

(6)	*~~See Section 37-50.250~~, Accessory dwelling units,~~. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling~~ shall be permitted pursuant to State ADU law.*

SECTION 3. Modify Zoning Code Section 37-30-060, Table 37-30.30, and Footnote 6 [Residential Low Density (R-L-5.5) Zoning District] as follows:

Table 37-30.30

Residential Low District (R-L) Use Classifications

Land Use	**R-L-5.5**	**Additional Use Regulations**
Residential Uses		
Accessory Dwelling Units~~, Interior~~	P	(5)
~~Accessory Dwelling Units, Other~~	~~P~~	~~(5)~~

(5)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling~~ shall be permitted pursuant to State ADU law.*

SECTION 4. Modify Zoning Code Section 37-30-110, Table 37-30.50, and Footnote 7 [Residential Medium Density (R-M) Zoning District] as follows:

Table 37-30.50

Residential Medium Density (R-M) Districts Use Classifications

Land Use	**R-M-3.6**	**R-M-2.9**	**Additional Use Regulations**
Residential Uses			
Accessory Dwelling Units, ~~Other~~	P	P	(7)

(7)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling~~ shall be permitted pursuant to State ADU law.*

SECTION 5. Modify Zoning Code Section 37-30-160, Table 37-30.70, and Footnote 8 [Residential High Density (R-H) Zoning District] as follows:

Table 37-30.70

Residential High Density (R-H) Districts Use Classifications

Land Use	**R-H-2.1**	**R-H-1.8**	**Additional Use Regulations**
Residential Uses			
Accessory Dwelling Units, ~~Other~~	P	P	(8)

(8)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling~~ shall be permitted pursuant to State ADU law.*

SECTION 6. Modify Zoning Code Section 37-30-390, Table 37-30.170, delete Footnote 12 applicability to Accessory Dwelling Units and add Footnote 15 [Public/Semipublic (PS) Zoning District] as follows:

Table 37-30.170

Public/Semipublic (PS) Use Classifications

Land Use	**PS**	**Additional Use Regulations**

Residential Uses		
Accessory Dwelling Units~~,~~ ~~Other~~	~~CUP~~ P	(~~12~~)(13)(15)

(15)	*Accessory dwelling units shall be permitted pursuant to State ADU law.*

SECTION 7. Modify Zoning Code Section 37-30-430, Table 37-30.190, and Footnote 6 [New Urbanism (NU) Zoning Districts] as follows:

Table 37-30.190

New Urbanism (NU) Districts Use Classifications

Land Use	**NE (Low)**	**NG-1 (Medium)**	**NG-2 (High)**	**VC**	**Additional Use Regulations**
Residential Uses					
Accessory Dwelling Units~~,~~ ~~Other~~	P	P	P	NP	(6)

(6)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling~~ shall be permitted pursuant to State ADU law.*

SECTION 8. Rescind Section 37-50.250 (Accessory Dwelling Units) of Chapter 37 of the Salinas Municipal Code (Zoning Code) as follows:

~~**"Sec. 37-50.250. - Accessory dwelling units.**~~

~~(a) **Purpose.** The purpose of this section is to comply with the requirements of the California Government Code relating to accessory dwelling units. In the event of any conflict between this section and the California Government Code, the California Government Code shall prevail. An accessory dwelling unit conforming to the provisions of this section shall be approved ministerially within the time limits specified by Government Code Section 65852.2 or any successor provisions.~~

~~(b) **Where Permitted.**~~

~~(1) Accessory dwelling units, interior are allowed as a permitted use in the R-L district.~~

~~(2) Accessory dwelling units, other are allowed as a permitted use in an A, R, or NU district, subject to subsection (d) below. All accessory dwelling units are permitted only on lots with one single-family detached dwelling unit and no other dwelling units.~~

~~(3) No accessory dwelling units shall be permitted in a development subject to a planned unit development permit approved under Article IV, Division~~

13 of Chapter 37, or any applicable predecessor or successor sections of this Code, unless accessory dwelling units are expressly authorized by such planned unit development permit.

(4) A maximum of one accessory dwelling unit shall be permitted per lot or parcel. An accessory dwelling unit shall not be sold separately from the principal dwelling unit.

(c) **Development Regulations and Design Standards – Accessory dwelling unit, interior.**

(1) The accessory dwelling unit must have exterior access independent from the existing single-family detached dwelling unit.

(2) Side and rear setbacks must be determined to be sufficient for fire safety by the building official.

(3) No new or separate utility connection directly between the accessory dwelling unit and the utility may be required.

(4) Sprinklers may not be required for the accessory dwelling unit unless they are required for the existing single-family detached dwelling unit.

(5) The total floor area of an accessory dwelling unit, interior, shall not exceed the greater of one-thousand two-hundred square feet or fifty percent of the existing living area of the primary residence.

(d) **Development Regulations and Design Standards – Accessory dwelling unit, other.**

(1) Floor Area.

(A) The total floor area of a detached accessory dwelling unit shall not exceed a maximum of one-thousand two-hundred square feet of gross floor area.

(B) The total floor area of an attached accessory dwelling unit shall not exceed a maximum of fifty-percent of the existing living area of the primary residence, not to exceed a maximum of one-thousand two-hundred square feet.

(C) Accessory dwelling units that require additional floor area for the unit are prohibited on the second floor of a single-family detached dwelling unit. Accessory dwelling units may be located within an existing second floor of a single-family detached dwelling unit subject to the requirements of subsection (c) of this section.

(2) Design. The exterior design of the accessory dwelling unit shall be in harmony with the principal dwelling unit. This shall be accomplished through the use of building materials, architectural design, height, scale, exterior colors, and finishes that are compatible with the principal dwelling unit. Accessory dwelling units shall be designed so as not to adversely affect the character of the surrounding neighborhood. The design standards of the base zoning district shall apply. No passageway shall be required in conjunction with the construction of an accessory dwelling unit.

(3) Sprinklers. Sprinklers may not be required for the accessory dwelling unit unless they are required for the existing single-family detached dwelling unit.

(e) **Other Development Standards.** Except as modified by this section, the accessory dwelling unit shall conform to all applicable development regulations established for single-family detached dwelling units in the underlying zoning district,

including without limitation, the maximum height, required yards, minimum usable open space requirements for single-family detached dwelling units in the applicable zoning district, and distance between structures.

(f) **Parking.** One off-street parking space shall be provided for each bedroom in the accessory dwelling unit, and parking required for the single-family dwelling units shall be provided on the same site in accordance with Section 37-50.360, off-street parking and loading spaces regulations. A minimum of one off-street parking space shall be provided for an efficiency unit off-street parking for accessory dwelling units may be provided as tandem parking on an existing legal driveway or in setbacks, excluding the front or side-corner setbacks of a site; however off-street parking spaces for accessory dwelling units are not required in any of the following instances:

(1) The accessory dwelling unit is located within one-half mile of a public transit stop.

(2) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(3) The accessory dwelling unit is an "accessory dwelling unit, interior" as defined in this Chapter 37.

(4) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

(5) When there is a car share vehicle pickup location located within one block of the accessory dwelling unit.

Notwithstanding the above, if the accessory dwelling unit replaces an existing garage, carport, or covered parking structure, replacement spaces must be provided to meet the requirements of *Division 2 of this Chapter 37* . Such replacement spaces may be provided as garaged spaces, covered spaces, uncovered spaces on a legal driveway, tandem spaces, or mechanical parking lifts on the same lot as the primary residence. As used in this subsection (f), "driveway" shall mean a private roadway or travel way and its access point from a public street for the exclusive use of the occupants of a property and their guests.

(g) **Density.** An accessory dwelling unit which conforms to the requirements of this section shall not be considered to exceed the allowable density for the lot upon which it is located, and shall be deemed to be a residential use, consistent with the Salinas general plan and zoning designation for the lot.

(h) **Deed Restriction.** The owner of the parcel of land upon which the accessory dwelling unit is proposed to be located shall execute a deed restriction, running with the land, in a form satisfactory to and approved by the city, which states that the second dwelling unit shall not be rented for terms less than thirty days, that the lot shall be developed and maintained in conformance with this section, and that the requirements of this section are binding upon any successor in ownership of the property. Such deed restriction shall be filed by the city planner for recordation by the Monterey County recorder's office prior to issuance of any building permits for the accessory dwelling unit.

(i) **Administrative Fee.** The city may charge an administrative fee for monitoring compliance with the provisions of this section as determined by the city council."

SECTION 9. This Ordinance shall take effect and be in force thirty days from and after its adoption.

SECTION 10. The Salinas City Clerk is hereby directed to cause the following summary of this ordinance to be published by one (1) insertion in The Monterey Herald, a newspaper of general circulation published and circulated in the City of Salinas and hereby designated for that purpose by the Salinas City Council:

> "An Ordinance amending Chapter 37 of the Salinas Municipal Code (Zoning Code) to comply with a State request to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify the ADU development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State standards for the processing of ADU applications. (ZCA 2025-001)."

SECTION 11. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Salinas City Council hereby declares that it would have passed this ordinance, and each and every section, subsection, clause and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

This Ordinance was introduced and read on the 9th of December 2025, and passed and adopted on December 9, 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED

_____
Dennis Donohue, Mayor

ATTEST

_____
Patricia M. Barajas, City Clerk

APPROVED AS TO FORM

_____
Christopher A. Callihan, City Attorney

SALINAS PLANNING COMMISSION
RESOLUTION NO. 2025-12

RESOLUTION RECOMMENDING THE CITY COUNCIL ADOPT AN ORDINANCE TO AMEND CHAPTER 37 OF THE SALINAS MUNICIPAL CODE (ZONING CODE) TO RESCIND SECTION 37-50.250 (ACCESSORY DWELLING UNITS) , REMOVE AND MODIFY ACCESSORY DWELLING UNIT (ADU) DEFINITIONS OF SECTION 37-10.250 ("A" DEFINITIONS), AND MODIFY THE ADU DEVELOPMENT REGULATIONS OF SECTIONS 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, AND 37-30.430, AND APPLY APPLICABLE STATE ADU LAW FOR THE PROCESSING OF ADU APPLICATIONS
(ZCA 2025-001)

WHEREAS, on November 7, 2006, the Salinas City Council, adopted Ordinance Number 2463 replacing the existing Zoning Code; and

WHEREAS, the Salinas City Council has amended various provisions of Chapter 37 of the Salinas Municipal Code ("Zoning Code") to allow for general changes, language clarification, and minor corrections; and

WHEREAS, On January 1, 2020, after the latest City revision to Zoning Code Section 37-50.250, California Government Code Sections 65852.2 and 65852.22 became effective; and

WHEREAS, Section 65852.2 allowed for the development of ADUs and Section 65852.22 allowed for the development of Junior Accessory Dwelling Units (JADUs). On March 25, 2024, these Government Code Sections were renamed Government Code Sections 66314 – 66332 (ADUs), Government Code Sections 66333 – 66339 (JADUs), and Government Code Sections 66340 – 66342 (ADU Home Sales); and

WHEREAS, the City's ADU Ordinance has not been updated to be compliant with State ADU Law; and

WHEREAS, to avoid confusion, the State Housing and Community Development Department (HCD) recommends that the City rescind the current ADU Ordinance and follow the State ADU Law and guidelines until a compliant ADU ordinance is adopted; and

WHEREAS, an updated ADU ordinance is being prepared as part of Phase One of the Zoning Code Update currently underway and scheduled for completion in spring 2026; and

WHEREAS, on November 19, 2025, at a duly noticed public hearing, the Salinas Planning Commission recommended that the City Council introduce and adopt Zoning Code Amendment 2025-001, to amend Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State standards for the processing of Accessory Dwelling Unit (ADU) applications; and

WHEREAS, on November 19, 2025, the Salinas Planning Commission weighed the evidence presented at hearing, including the Staff Report which is on file at the Community Development Department together with the record of environmental review and hereby finds that the following amendment will not have the effect of reversing policies of the Salinas General Plan

or other plans and policies previously adopted by the City Council and finds the project to be categorically exempt from the California Environmental Quality Act (CEQA), as follows:

NOW, THEREFORE, BE IT RESOLVED by the Salinas Planning Commission that the Commission recommends that the City Council find the project to be categorically exempt from the California Environmental Quality Act and introduce and then adopt Zoning Code Amendment 2025-001; and

BE IT FURTHER RESOLVED that the Salinas Planning Commission adopts the following findings as the basis for its determination, and that the foregoing recitations are true and correct, and are included herein by reference as findings:

Categorical Exemption:

1. ***The project has been found to be a Class 5 Categorical Exemption pursuant to Guidelines Section 15305 of the Guidelines to the California Environmental Quality Act (CEQA).***

   The proposed Zoning Code Amendment amends Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State ADU Law and guidelines for the processing of Accessory Dwelling Unit (ADU) applications.

WHEREAS, the Salinas Planning Commission adopts the following findings, as set forth in Zoning Code Section 37-60.1120, as the basis for its introduction and adoption of the proposed Zoning Code Amendment:

Zoning Code Amendment 2025-001:

1. ***The Amendment is consistent with the Salinas General Plan and other plans and policies adopted by the Salinas City Council.***

   The proposed Zoning Code Amendment amends Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State ADU Law and guidelines for the processing of Accessory Dwelling Unit (ADU) applications.

   The proposed Zoning Code Amendment would remove the existing Accessory Dwelling Unit (ADU) Ordinance along with removal and modification of ADU definitions and the modification of Zoning Code development regulations for ADU so that the Zoning Code is in consistent with applicable State ADU law. As a result, ZCA 2025-001 would be consistent with the General Plan and Zoning Code.

2. ***The Amendment will not have the effect of reversing the policies of the Salinas General Plan, any applicable Specific Plan, and other plans and policies adopted by the Salinas City Council.***

   The proposed Zoning Code Amendment addresses non-compliance with State ADU law. The Amendment amends Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), removes and modifies Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modifies development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and applies applicable State ADU law and guidelines for the processing of Accessory Dwelling Unit (ADU) applications.

   The Zoning Code Amendment would be consistent with Goal H-1 of the General Plan Housing Element by providing a range of housing types and a variety of affordability levels to address existing and projected housing construction needs in Salinas. It would also be consistent with Goal H-3 of the General Plan Housing Element by assisting in ensuring that all segments of the community have access to safe and decent housing that meets their diverse needs. The Zoning Code Amendment would allow for the continued processing of ADU applications pursuant to applicable State ADU Law. In addition, the City is currently drafting a new ADU Ordinance which would be consistent with State ADU Law as part of Phase One of the Zoning Code Update.

3. ***The Amendment would not create an isolated district unrelated to adjacent zoning districts.***

   The Zoning Code Amendment amends Zoning Code text and would not rezone or create new zoning districts. Therefore, the Zoning Code Amendment would not create any isolated districts unrelated to adjacent zoning districts.

4. ***The City has the capability to provide public utilities, roads, and services to serve the uses allowed by the proposed amendment.***

   Salinas is an urbanized area and public infrastructure is presently in place to serve most uses. The proposed Amendment would not create the need for additional infrastructure.

PASSED AND APPROVED this 19th day of November 2025, by the following vote:

AYES: Chairperson McKelvey Day, Commissioners Meeks, Purnell, Rocamora, Wruck

NOES: None

ABSTAIN: None

ABSENT: Commissioners Almanza-Larios, Gutierrez

THIS IS TO CERTIFY that the foregoing is a full, true, and correct copy of a Resolution of the Planning Commission of the City of Salinas, that said Resolution was passed and approved by the affirmative and majority vote of said Planning Commission at a meeting held on November 19, 2025, and that said Resolution has not been modified, amended, or rescinded, and is now in full force and effect.

SALINAS PLANNING COMMISSION

Date: 11/20/25

Courtney Grossman
Secretary

I:\ComDev\Planning Share Space\Zoning Code Amendments\ZCA 2025-001 - Rescind ADU Ordinance (Sec. 37-50.250)\PC Resolution 2025-12.docx

CITY OF SALINAS
PLANNING COMMISSION REPORT

DATE: **NOVEMBER 19, 2025**

TO: **PLANNING COMMISSION**

FROM: **LISA BRINTON, DIRECTOR**
COURTNEY GROSSMAN, PLANNING MANAGER

BY: **THOMAS WILES, SENIOR PLANNER**

TITLE: **ZONING CODE AMENDMENT 2025-001; RESCIND SECTION 37-50.250 (ACCESSORY DWELLING UNITS) OF CHAPTER 37 OF THE SALINAS MUNICIPAL CODE (ZONING CODE), REMOVE AND MODIFY APPLICABLE ZONING CODE ACCESSORY DWELLING UNIT (ADU) DEFINITIONS AND DEVELOPMENT REGULATIONS AND APPLY APPLICABLE STATE ADU LAW FOR THE PROCESSING OF ADU APPLICATIONS**

RECOMMENDED MOTION:

A motion to recommend that the City Council 1) find Zoning Code Amendment 2025-001 categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15305 and 2) adopt an Ordinance to comply amending Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify the ADU development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State ADU Law to process ADU applications.

EXECUTIVE SUMMARY:

The City's ADU Ordinance is out of compliance with State ADU Law. Chapter 37, Article VI, Division 14 provides for a process whereby all Zoning Code Amendments are brought before the City Council for a final decision. The proposed Zoning Code Amendment amends Chapter 37 of the Salinas Municipal Code (Zoning Code) to rescind Section 37-50.250 (Accessory Dwelling Units), remove and modify Accessory Dwelling Unit (ADU) definitions of Section 37-10.250 ("A" definitions), modify the ADU development regulations of Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, and apply applicable State standards for the processing

of ADU applications. An updated ADU ordinance is being prepared as part of Phase One of the Zoning Code Update currently underway and scheduled for completion in spring 2026.

DISCUSSION:

Background:
Zoning Code Amendment 2025-001 (ZCA 2025-001) rescinds Section 37-50.250 [(Accessory Dwelling Units) (ADU)] of Chapter 37 of the Salinas Municipal Code (Zoning Code). Both Zoning Code Sections 37-10.250 and 37-50.250 were originally established pursuant to Ordinance No. 2463 (Zoning Code), which was approved by the City Council on November 7, 2006. Zoning Code Section 37-10.250 was subsequently amended by the City Council pursuant to Ordinances 2507 which was approved on May 18, 2010, No. 2581 which was approved on December 6, 2016, and No. 2605 on July 3, 2018. Zoning Code Section 37-50.250 was also amended by above referenced Ordinance No. 2581 and No. 2626 which was approved by the Council on November 5, 2019.

State ADU Law:
On January 1, 2020, after the latest City revision to Zoning Code Section 37-50.250, California Government Code Sections 65852.2 and 65852.22 became effective. Section 65852.2 allowed for the development of ADUs and Section 65852.22 allowed for the development of Junior Accessory Dwelling Units (JADUs). On March 25, 2024, these Government Code Sections were renamed to the following:

Government Code Sections 66314 – 66332 (ADUs)
Government Code Sections 66333 – 66339 (JADUs)
Government Code Sections 66340 – 66342 (ADU Home Sales)

Per State law, Junior Accessory Dwelling Units (JADUs) are allowed to be created within the walls of a proposed or existing single-family residence and shall contain no more than 500 square feet. JADUs offer additional housing options. They may share central systems, contain a basic kitchen utilizing small plug-in appliances, may share a bathroom with the primary dwelling, all to reduce development costs. JADUs present no additional stress on utility services or infrastructure because they simply repurpose existing space within the residence and do not expand the dwellings planned occupancy. JADUs are only allowed for owner-occupied properties unless the owner is another governmental agency, land trust, or housing organization. ADUs have no owner-occupied requirements. Development of JADUs are governed by Government Code Section 66333 through 66339.

The above referenced California Government Code Sections are not consistent with the City's current ADU Ordinance (Zoning Code Sections 37-50.250). Because of this inconsistency, since 2020, staff has processed both of ADUs and JADUs pursuant to State ADU Law and the administrative building permit process. To avoid confusion, the State Housing and Community Development Department (HCD) recommends that the City rescind the current ADU Ordinance and follow the State ADU Law and guidelines until a compliant ADU ordinance is adopted.

Analysis:

The rescinding of the ADU Ordinance requires that the existing ADU definitions and development regulations be modified so that they comply with State ADU Law. Currently, ADU's in the City are defined in Zoning Code Section 37-10.250 as either "Interior" or "Other" as stated below. The revisions in the ADU definitions would remove the "Interior" and "Other" definitions and modify the ADU definition so that it is consistent with State ADU Law. In addition, the classifications of Agricultural, Residential, Public/Semipublic, and New Urbanism Zoning District use classifications have been modified so that they are consistent with the new ADU definitions and State ADU Law.

The Amendment would modify and remove the following "Accessory Dwelling Unit" definitions from Section 37-10.250 ("A" definitions) as follows (changes in strikethrough/underline format):

"Sec. 37-10.250. – "A" definitions.

Accessory Dwelling Unit. An attached or a detached residential dwelling unit defined as either an Accessory Dwelling Unit (ADU) or a Junior Accessory Dwelling (JADU) that is constructed in compliance with State ADU Law. ~~which provides complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation, which is located on the same parcel as a single-family detached dwelling unit. An accessory dwelling unit must contain at least one hundred fifty square feet of floor area and may consist of an efficiency unit, as defined in Section 17958.1 of Health and Safety Code; or a manufactured home, as defined in Section 18007 of the Health and Safety Code.~~

~~**Accessory Dwelling Unit, Interior.** An accessory dwelling unit which is constructed in the R-L district entirely within the existing and legally created space of a single-family detached dwelling unit or accessory structure.~~

~~**Accessory Dwelling Unit, Other.** An accessory dwelling unit which is constructed either as a new detached accessory structure; as an addition to an existing single-family detached dwelling unit or an existing accessory structure; or entirely within the existing and legally created space of a single-family detached dwelling unit or accessory structure but not in the R-L district.~~

The Amendment would modify Zoning Code Section 37-30-020, Table 37-30.10, and Footnote 6 [Agricultural (A) Zoning District] as follows (changes in strikethrough/underline format):

Table 37-30.10

Agricultural (A) District Use Classifications

Land Use	**A**	**Additional Use Regulations**

Residential Uses		
Accessory Dwelling Units~~, Other~~	P	(6)

(6)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~*. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling*~~ *shall be permitted pursuant to State ADU Law.*

The Amendment would modify Zoning Code Section 37-30-060, Table 37-30.30, and Footnote 6 [Residential Low Density (R-L-5.5) Zoning District] as follows (changes in strikethrough/underline format):

Table 37-30.30 Residential Low District (R-L) Use Classifications		
Land Use	**R-L-5.5**	**Additional Use Regulations**
Residential Uses		
Accessory Dwelling Units~~, Interior~~	P	(5)
~~Accessory Dwelling Units, Other~~	~~P~~	~~(5)~~

(5)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~*. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling*~~ *shall be permitted pursuant to State ADU Law.*

The Amendment would modify Zoning Code Section 37-30-110, Table 37-30.50, and Footnote 7 [Residential Medium Density (R-M) Zoning District] as follows (changes in strikethrough/underline format):

Table 37-30.50 Residential Medium Density (R-M) Districts Use Classifications			
Land Use	**R-M-3.6**	**R-M-2.9**	**Additional Use Regulations**
Residential Uses			
Accessory Dwelling Units, ~~Other~~	P	P	(7)

(7)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~*. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling*~~ *shall be permitted pursuant to State ADU Law.*

The Amendment would modify Zoning Code Section 37-30-160, Table 37-30.70, and Footnote 8 [Residential High Density (R-H) Zoning District] as follows (changes in strikethrough/underline

format):

Table 37-30.70 Residential High Density (R-H) Districts Use Classifications			
Land Use	**R-H-2.1**	**R-H-1.8**	**Additional Use Regulations**
Residential Uses			
Accessory Dwelling Units, ~~Other~~	P	P	(8)

(8)	~~*See Section 37-50.250,*~~ *Accessory dwelling units,~~. An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling~~ shall be permitted pursuant to State ADU Law.*

The Amendment would modify Zoning Code Section 37-30-390, Table 37-30.170, delete Footnote 12 applicability to Accessory Dwelling Units and add Footnote 15 [Public/Semipublic (PS) Zoning District] as follows (changes in strikethrough/underline format):

Table 37-30.170 Public/Semipublic (PS) Use Classifications		
Land Use	**PS**	**Additional Use Regulations**
Residential Uses		
Accessory Dwelling Units~~, Other~~	~~CUP~~ P	(~~12~~)(13)(15)

(15)	*Accessory dwelling units shall be permitted pursuant to State ADU Law.*

The Amendment would modify Zoning Code Section 37-30-430, Table 37-30.190, and Footnote 6 [New Urbanism (NU) Zoning Districts] as follows (changes in strikethrough/underline format):

Table 37-30.190 New Urbanism (NU) Districts Use Classifications					
Land Use	**NE (Low)**	**NG-1 (Medium)**	**NG-2 (High)**	**VC**	**Additional Use Regulations**
Residential Uses					
Accessory Dwelling	P	P	P	NP	(6)

Units~~, Other~~					

(6)	~~*See Section 37-50.250, Accessory dwelling units, An accessory dwelling unit shall only be permitted on a lot with a single-family detached dwelling*~~ *shall be permitted pursuant to State ADU Law.*

The Amendment would also rescind Section 37-50.250 (Accessory Dwelling Units) of Chapter 37 of the Salinas Municipal Code (Zoning Code) as follows (changes in strikethrough/underline format):

“~~Sec. 37-50.250. - Accessory dwelling units.~~

~~(a) **Purpose.** The purpose of this section is to comply with the requirements of the California Government Code relating to accessory dwelling units. In the event of any conflict between this section and the California Government Code, the California Government Code shall prevail. An accessory dwelling unit conforming to the provisions of this section shall be approved ministerially within the time limits specified by Government Code Section 65852.2 or any successor provisions.~~

~~(b) **Where Permitted.**~~

~~(1) Accessory dwelling units, interior are allowed as a permitted use in the R-L district.~~

~~(2) Accessory dwelling units, other are allowed as a permitted use in an A, R, or NU district, subject to subsection (d) below. All accessory dwelling units are permitted only on lots with one single-family detached dwelling unit and no other dwelling units.~~

~~(3) No accessory dwelling units shall be permitted in a development subject to a planned unit development permit approved under Article IV, Division 13 of Chapter 37, or any applicable predecessor or successor sections of this Code, unless accessory dwelling units are expressly authorized by such planned unit development permit.~~

~~(4) A maximum of one accessory dwelling unit shall be permitted per lot or parcel. An accessory dwelling unit shall not be sold separately from the principal dwelling unit.~~

~~(c) **Development Regulations and Design Standards—Accessory dwelling unit, interior.**~~

~~(1) The accessory dwelling unit must have exterior access independent from the existing single-family detached dwelling unit.~~

~~(2) Side and rear setbacks must be determined to be sufficient for fire safety by the building official.~~

~~(3) No new or separate utility connection directly between the accessory dwelling unit and the utility may be required.~~

~~(4) Sprinklers may not be required for the accessory dwelling unit unless they are required for the existing single-family detached dwelling unit.~~

(5) The total floor area of an accessory dwelling unit, interior, shall not exceed the greater of one-thousand two-hundred square feet or fifty percent of the existing living area of the primary residence.

(d) **Development Regulations and Design Standards – Accessory dwelling unit, other.**

(1) Floor Area.

(A) The total floor area of a detached accessory dwelling unit shall not exceed a maximum of one-thousand two-hundred square feet of gross floor area.

(B) The total floor area of an attached accessory dwelling unit shall not exceed a maximum of fifty percent of the existing living area of the primary residence, not to exceed a maximum of one-thousand two-hundred square feet.

(C) Accessory dwelling units that require additional floor area for the unit are prohibited on the second floor of a single-family detached dwelling unit. Accessory dwelling units may be located within an existing second floor of a single-family detached dwelling unit subject to the requirements of subsection (c) of this section.

(2) Design. The exterior design of the accessory dwelling unit shall be in harmony with the principal dwelling unit. This shall be accomplished through the use of building materials, architectural design, height, scale, exterior colors, and finishes that are compatible with the principal dwelling unit. Accessory dwelling units shall be designed so as not to adversely affect the character of the surrounding neighborhood. The design standards of the base zoning district shall apply. No passageway shall be required in conjunction with the construction of an accessory dwelling unit.

(3) Sprinklers. Sprinklers may not be required for the accessory dwelling unit unless they are required for the existing single-family detached dwelling unit.

(e) **Other Development Standards.** Except as modified by this section, the accessory dwelling unit shall conform to all applicable development regulations established for single-family detached dwelling units in the underlying zoning district, including without limitation, the maximum height, required yards, minimum usable open space requirements for single-family detached dwelling units in the applicable zoning district, and distance between structures.

(f) **Parking.** One off-street parking space shall be provided for each bedroom in the accessory dwelling unit, and parking required for the single-family dwelling units shall be provided on the same site in accordance with Section 37-50.360, off-street parking and loading spaces regulations. A minimum of one off-street parking space shall be provided for an efficiency unit off-street parking for accessory dwelling units may be provided as tandem parking on an existing legal driveway or in setbacks, excluding the front or side-corner setbacks of a site; however off-street parking spaces for accessory dwelling units are not required in any of the following instances:

(1) The accessory dwelling unit is located within one-half mile of a public transit stop.

(2) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(3) The accessory dwelling unit is an "accessory dwelling unit, interior" as defined in this Chapter 37.

(4) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

(5) When there is a car share vehicle pickup location located within one block of the accessory dwelling unit.

Notwithstanding the above, if the accessory dwelling unit replaces an existing garage, carport, or covered parking structure, replacement spaces must be provided to meet the requirements of *Division 2 of this Chapter 37* . Such replacement spaces may be provided as garaged spaces, covered spaces, uncovered spaces on a legal driveway, tandem spaces, or mechanical parking lifts on the same lot as the primary residence. As used in this subsection (f), "driveway" shall mean a private roadway or travel way and its access point from a public street for the exclusive use of the occupants of a property and their guests.

(g) **Density.** An accessory dwelling unit which conforms to the requirements of this section shall not be considered to exceed the allowable density for the lot upon which it is located, and shall be deemed to be a residential use, consistent with the Salinas general plan and zoning designation for the lot.

(h) **Deed Restriction.** The owner of the parcel of land upon which the accessory dwelling unit is proposed to be located shall execute a deed restriction, running with the land, in a form satisfactory to and approved by the city, which states that the second dwelling unit shall not be rented for terms less than thirty days, that the lot shall be developed and maintained in conformance with this section, and that the requirements of this section are binding upon any successor in ownership of the property. Such deed restriction shall be filed by the city planner for recordation by the Monterey County recorder's office prior to issuance of any building permits for the accessory dwelling unit.

(i) **Administrative Fee.** The city may charge an administrative fee for monitoring compliance with the provisions of this section as determined by the city council."

The rescinding of Zoning Code Section 37-50.250 requires the City to continue to process applications for ADUs and JADUs pursuant to State law as per Government Code Section 66316 until a City Ordinance for the processing of ADUs is approved by the State.

The revision of the "Accessory Dwelling Unit" (ADU) definitions from Zoning Code Section 37-10.250 are proposed because they are not consistent with the State definitions of "Accessory Dwelling Unit" and "Junior Accessory Dwelling Unit". The revisions to Zoning Code Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430 are also required for Zoning Code consistency with the modified definitions and State ADU Law.

CONCLUSION:

The proposed Zoning Code Amendment would modify "Accessory Dwelling Unit" definitions of Section 37-10.250 ("A" definitions), modify Sections 37-30.020, 37-30-060, 37-30-110, 37-30.160, 37-30.390, and 37-30.430, rescind Section 37-50.250 (Accessory Dwelling Units), and apply applicable State standards for the processing of Accessory Dwelling Unit (ADU) applications. Findings in support of the Amendment are incorporated in the attached Planning Commission Resolution.

CEQA CONSIDERATION:

The environmental impacts of the project have been analyzed in accordance with the California Environmental Quality Act (CEQA). The proposed Zoning Code Amendment is categorically exempt (Class 5) from further environmental analysis per CEQA Guidelines Section 15305 (Minor Alterations in Land Use Limitations).

TIME CONSIDERATION:

The proposed project is a request for a Zoning Code Amendment, which is a legislative act and not subject to the Permit Streamlining Act (PSA).

ALTERNATIVES AVAILABLE TO THE COMMISSION:

The Planning Commission has the following alternatives:

1) Affirm the findings set forth in the attached Resolution, recommending that the City Council find the Amendment exempt from CEQA and introduce and then adopt the Amendment with modifications; or

2) Find that the Amendment is not appropriate and establish findings at the public hearing recommending that the City Council deny the Amendment.

ATTACHMENTS:

Draft Planning Commission Resolution
Draft City Council Ordinance

File #: ID#26-022, **Version:** 1

..Title
Ordinance amending Articles XIV and XIII of Chapter 16 of the Salinas Municipal Code
..Recommended Action
Adopt an Ordinance amending Article XIV of Chapter 16 of the Salinas Municipal Code to update regulations prohibiting camping on public property; adopt an Ordinance Amending Article XIII of Chapter 16 of the Salinas Municipal Code related to the storage of personal property on public property.

CITY OF SALINAS
COUNCIL STAFF REPORT

DATE: **FEBRUARY 3, 2026**

DEPARTMENT: **CITY ADMINISTRATION**

FROM: **LISA MURPHY, ASSISTANT CITY MANAGER**

TITLE: **ADOPTION OF ORDINANCES AMENDING ARTICLES XIV AND XIII OF CHAPTER 16 OF THE SALINAS MUNICIPAL CODE, AND A RESOLUTION UPDATING ADMINISTRATIVE PROCEDURES PERTAINING TO UNLAWFUL CAMPING AND STORAGE OF PERSONAL PROPERTY**

RECOMMENDED MOTION:

A motion to take the following actions:

1. Adopt an Ordinance amending Article XIV of Chapter 16 of the Salinas Municipal Code to update regulations prohibiting camping on public property;

2. Adopt an Ordinance Amending Article XIII of Chapter 16 of the Salinas Municipal Code related to the storage of personal property on public property; and

3. Approve a Resolution approving updated Administrative Procedures for the Removal of Unlawful Campsites, Bulky Items, and Personal Belongings.

EXECUTIVE SUMMARY:

The proposed Ordinance amendments and Resolution establish a coordinated regulatory and administrative framework to address encampments, and storage of personal property on public and certain private property within the City of Salinas. These actions recognize that individuals experiencing homelessness are members of our community who are facing complex and challenging circumstances. At the same time, the City has a responsibility to protect public health and safety, preserve access to public facilities, prevent damage to City infrastructure and environmental resources, and ensure that enforcement and removal activities are carried out in a clear, consistent, and legally compliant manner, with dignity and care.

BACKGROUND:

Over the past several years, the City of Salinas has experienced a significant increase in the number and size of encampments located on public property, waterways, parks, sidewalks, rights-of-way, and adjacent to public facilities. While these encampments reflect the very real housing and social

service needs within the community, their location and conditions have created challenges that affect both individuals living in encampments and the broader public, including:

- Obstruction of sidewalks, streets, and access to public buildings;
- Accumulation of human waste, trash, hazardous materials, and drug paraphernalia;
- Environmental degradation of creeks and waterways;
- Increased fire risk and damage to public infrastructure; and
- Diminished quality of life for residents, businesses, and visitors.

The City Council previously adopted Ordinances and Resolutions intended to address these issues. Since that time, legal standards have changed through court cases, operational experience, and ongoing impacts to public health and safety. These changes require updates to both the Municipal Code and the City's administrative procedures to ensure that our actions are lawful, effective and carried out with compassion.

Ordinance Amending Article XIV of Chapter 16 - Prohibition Against Camping.

The proposed Ordinance amending Article XIV of Chapter 16 of the Salinas Municipal Code is intended to clarify and strengthen prohibitions against camping on public property and other specified locations. The updates are aligned with the Governor's recommendations regarding camping restrictions and are intended to balance compassion for individuals experiencing homelessness with the need to protect public spaces. The amendments are intended to:

- Clearly define prohibited camping activities and structures on public property at any time;
- Protect critical infrastructure and sensitive environmental areas;
- Reduce public health and safety hazards associated with encampments; and
- Ensure public spaces remain available for their intended public use.

Ordinance Amending Article XIII of Chapter 16 – Storage of Personal Property

The proposed Ordinance amending Article XIII of Chapter 16 of the Salinas Municipal Code updates regulations governing storage of personal property on public property. Key updates include:

- Reducing the noticing requirement regarding removal of an encampment from 72 hours to 48 hours. This is in alignment with the Governor of California recommendations;
- Preventing obstruction of sidewalks, streets and public rights-of-way; and
- Addressing public safety and sanitation concerns related to unattended or excessive property storage.

Resolution Updating City Administrative Procedures

The Resolution adopts updated Administrative Procedures to guide how City staff implements the above Ordinances. These procedures are designed to ensure that encampment removals are carried

out in a consistent, transparent, and coordinated manner, with an emphasis on outreach and engagement. The procedures provide guidance regarding:

- Outreach efforts and notice requirements;
- Identification and handling of hazardous materials;
- Removal of unlawful encampments;
- Storage, retrieval, and disposal of belongings; and
- Coordination among City departments and service providers.

Adoption of the two Ordinances and approval of the Resolution provide a comprehensive, coordinated approach to addressing encampments and storage of personal property on public property and other locations while balancing compassion for individuals experiencing homelessness with the City's obligation to maintain safe, accessible and healthy public spaces for the entire community.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No, Government Code §84308/Levine Act applies does not apply to this item.

STRATEGIC PLAN INITIATIVE:

Adoption of the Ordinances and approval of the Resolution meet the City Council strategic goal of promoting the health and safety of unsheltered residents, and increased collaboration with partner agencies to address public safety and public health issues.

DEPARTMENTAL COORDINATION:

This was a collaborative effort between City Administration, City Attorney, Public Works, Community Development, Fire, and Public Works departments.

FISCAL AND SUSTAINABILITY IMPACT:

Implementation of the proposed amendments and the resolution will require ongoing staff time and resources related to outreach, enforcement, cleanup, storage and disposal activities. These costs are anticipated to be absorbed within existing departmental budgets.

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:

Ordinance Amendment Article XIV
Ordinance Amendment Article XIII
Resolution Updating Administrative Procedures

ORDINANCE NO. ____ (N.C.S.)

AN ORDINANCE AMENDING ARTICLE XIV OF CHAPTER 16 OF THE SALINAS MUNICIPAL CODE RELATED TO THE PROHIBITION AGAINST CAMPING

City Attorney Impartial Analysis

This ordinance amends Article XIV of Chapter 16 of the Salinas Municipal Code by prohibiting camping on public property at any time. This ordinance also makes clear that camping in or along waterways, in or on stormwater facilities, or in surface channels and outfalls is prohibited.

WHEREAS, Salinas is a Charter city organized and operating pursuant to Article 7 of the California Constitution; and

WHEREAS, through previous legislative enactments (Ordinance No. 2564, Ordinance No. 2567, Ordinance No. 2599 and Resolution Nos. 20884 and 20908), the City Council declared its intent to prevent the misappropriation of City property for personal use and the proliferation of encampments on public property that have a significant adverse effect on public health, safety, and welfare and impede or entirely obstruct access by emergency responders when responding to emergencies; and

WHEREAS, through its previous legislative enactments, the City Council made clear its intent to prevent the misappropriation of City property for personal use and to promote the public health, safety, and welfare by ensuring that City property remains accessible and usable by all members of the public for the purposes for which such public property is intended and by ensuring that City property remains in a clean, sanitary, and accessible condition; and

WHEREAS, the public areas within the city, including streets, sidewalks, parks, public buildings, and public land, should be readily accessible, free from obstruction, and available to the public at large for use in a safe and healthy manner; and

WHEREAS, the use of these areas for overnight camping purposes interferes with the ability of residents and the public at large to use the areas in the healthy and safe manner for the uses intended; and

WHEREAS, such camping activity can constitute a public health and safety hazard, which adversely impacts other members of the public, neighborhoods, industrial, agricultural, and commercial areas; and

WHEREAS, in addition to the proliferation of camping and encampments on public property in the city of Salinas which has obstructed access by pedestrians and users of City facilities, individuals camping on public property and/or residing in encampments on public property frequently urinate and defecate on City property (and nearby private property) and have been observed using and distributing narcotics and alcohol causing unsafe and unsanitary conditions to persist around and within the areas of the camps and/or the encampments creating an environment for the spread of disease and bacteria and an environment which prevents Salinas's residents from using and accessing City facilities, including the City libraries and recreation centers; and

WHEREAS, City employees and members of the public at large have reported that overnight camping on City property has specifically interfered with their use of public buildings, public sidewalks, public streets, parking lots, parking garages, and other open spaces, including the public space surrounding the library and the public space in front of City Hall; and

WHEREAS, City employees leaving City Hall have been confronted by overnight campers screaming, yelling, and displaying other aggressive and erratic behavior that has made those employees fear for their safety upon egress of the building; and

WHEREAS, City employees have been confronted by overnight campers subjecting them to unwanted sexual comments; and

WHEREAS, City employees have observed individuals around the City Permit Center and the adjacent parking structure engage in sexual activity, as well as illegal drug use; and

WHEREAS, members of the public as well as City employees have complained about the smell of public places, including the area in front of City Hall and the areas around the City libraries (particularly the John Steinbeck Library) and City Permit Center and adjacent parking structure, as a result of individuals loitering in and around those areas and as a result of overnight camping activity, including urination and defecation by overnight campers; and

WHEREAS, drug paraphernalia has been found at the site of the overnight camp in front of City Hall; and

WHEREAS, it has been reported that public spaces can no longer be used by residents and the public at large for the manner and uses in which they were intended, including specific complaints that outdoor public spaces, including, but not limited to, the space in front of City Hall, the space around the City Permit Center and adjacent parking structure, and the space around the John Steinbeck Library, including the grass areas in front of the John Steinbeck Library, that were once used by residents and the public at large to recreate, eat lunch, and take breaks can no longer be used for those purposes as a result of the litter, urine and feces left by individuals loitering in and around those areas and as a result of the overnight campers in those areas; and

WHEREAS, the lawn areas and other spaces on or around City property, including most-notably the lawn areas in front of City Hall and in front of the John Steinbeck Library are frequently used by persons in such a manner that they have been damaged and or destroyed and in some cases present a danger to the health and safety of the community and of the patrons of those facilities; and

WHEREAS, City employees must regularly clean up and remove human waste from areas used for overnight camping including, but not limited to, the space in front of City Hall, the space surrounding the John Steinbeck Library, recreation centers, public parking lots, and public parking garages; and

WHEREAS, residents and the public at large are prevented from the use of the public areas within and around the city, including streets, sidewalks, parks, public building and public land when those areas are obstructed by a gathering preventing the free passage by use of any street, sidewalk, alley, public way, ingress to any public building, or place used by members of the public to go from place to place; and

WHEREAS, the abuse or mutilation of trees, plants, and lawn prevents residents and the public at large from the reasonable use and enjoyment of those items while costing the City substantial money and resources for the restoration of those items; and

WHEREAS, urination and defecation outside of urinals, toilets, or commodes located in bathrooms, restrooms, or other structures specifically designated for the purpose of urination and defecation poses a significant health and safety problem to residents and the public at large as well as costing the city substantial money and resources to clean; and

WHEREAS, from 2020-2023, an encampment within the Carr Lake area grew to over one hundred separate encampments causing the degradation of waterways through trash accumulation. The adjacent neighborhoods saw an increase in criminal activity during this same time period including, but not limited to, acts of indecent exposure and gang-related crimes (homicides, drug dealing, human trafficking, and gambling). In November 2023, the City removed approximately two hundred tons of debris from this area. A wooden walkway (commonly known as the "boardwalk") that runs along East Laurel Drive on Carr Lake's south end suffered structural damage by unsheltered individuals removing the wooden planks and digging underneath the boardwalk to establish encampments, thereby undermining the structural integrity of this pedestrian walkway; and

WHEREAS, encampments along the Alisal Creek have caused degradation of water quality due to human feces and trash entering the waterway; and

WHEREAS, between 2020-2023, the waterway near Casentini Street and Main Street 2020-2023, became polluted as a result of trash and human waste being deposited into the waterway. The City cleaned out approximately ten tons of debris from this waterway. During this same time period, multiple fires occurred that were caused by individuals living in encampments along this waterway endangering nearby residential structures. Accumulated flammable debris have heightened fire risks within this area; and

WHEREAS, during the period 2020-2025, the number of unsheltered individuals living in encampments in the Circle Drive and Cesar Chavez Park areas has significantly increased and impacted adjacent residential neighborhoods. Criminal activity including drug trafficking and residential theft has increased as a result, in addition to incidents of indecent exposure and evidence of drug use; and

WHEREAS, numerous shopping carts and camping paraphernalia routinely block the dead end of East San Luis Street as a result of the growing unsheltered population establishing encampments in this area; and

WHEREAS, the number of encampments in the CreekBridge area, from Veterans Parkway at East Laurel Drive to the rear of the Safeway grocery store on Constitution Boulevard has grown substantially. Public defecation and disposal of trash by the unsheltered living in these encampments into the waterway have caused degradation of water quality. Drug sales, drug use, and human trafficking are common within this encampment area. Residential theft and robberies have risen as a result of the growing encampment area; and

WHEREAS, the roadway underpass at Market Street is a focal point for unsheltered encampments leading to significant public health, safety, and quality of life concerns for nearby residents and commuters. The underpass' location along a major roadway creates an intensified risk for residents of the encampment and for drivers as individuals from the encampment frequently walk into the roadway into traffic, endangering themselves and drivers. Fires started within the encampment cause damage to the roadway underpass threatening the structural integrity of the roadway. The proximity of this encampment to residential neighborhoods has lead to increased theft and vandalism, coupled with an increased insecurity among residents of the neighborhood. The visual blight of encampments adjacent to and within the residential neighborhood diminishes the quality of life for residents of the neighborhood; and

WHEREAS, during the period 2020-2023, the number of encampments within the Chinatown area has increased significantly resulting in an equally significant deterioration of the neighborhood due to increased crime; increased threats to public health from the presence of human waste, trash, rodents and vermin, drugs, and toxic waste. Police operations within this area during this time period and to the present have uncovered extensive drug use and possession (including methamphetamine and fentanyl), possession of dangerous weapons (including knives, guns, and a hand grenade), and signs of gang control (where gangs exploit the unsheltered population by imposing "taxes" and coercing unsheltered into drug trafficking and other criminal activities). Local business are impacted by the presence of encampments by the blockage of sidewalks and entryways, which deter customers and visitors; and

WHEREAS, the waterway on the Rico Street and West Lake Street area has been plagued by encampments leading to significant environmental issues. The waterway, vital for local agricultural and natural systems, has suffered contamination due to widespread drug use and the presence of human waste; and

WHEREAS, activities within Sherwood Park have been negatively affected by the presence of encampments, rendering it unsafe for use by the community. Widespread defecation and urination have created unhealthy conditions within the area set up with tables and benches for park users. Drug paraphernalia is present throughout the park posing a threat to the health, safety, and welfare of park users; and

WHEREAS, the City Council finds and determines that it is necessary to maintain public and private lands, streets, sidewalks, alleys, ways, creeks, waterways, parks, playgrounds, recreation areas, plazas, open spaces, lots, parcels and other public and private areas within the city, in a clean, sanitary and accessible condition and to protect the health, safety and welfare of the community, while recognizing that, subject to reasonable conditions, camping and camping facilities associated with special events can be beneficial to the cultural and educational well-being of the city; and

WHEREAS, private property owners have complained to the City about the scope, size, and number of encampments on their property and the negative health and safety consequences

associated with those encampments and have regularly requested the City's assistance in cleaning up those encampments; and

WHEREAS, it is necessary and urgent for the immediate preservation of the public peace, health, and safety of the residents of the city and the public at large to enact an emergency measure to address the negative health and safety consequences associated with overnight encampments, including, but not limited to the health and safety consequences created by the accumulation of human waste, the accumulation of garbage, including used needles used for the administration of drugs intravenously, and the safety of city employees from aggressive behavior and unwanted sexual comments; and

WHEREAS, updates to the Salinas Municipal Code are necessary in order to address issues associated with individuals loitering in and around public spaces and also associated with overnight camping within the city and the establishment of encampments on public property and private property; and

WHEREAS, the potential destruction of, damage to, or interference with, infrastructure that is critical to the provision of public services such as law enforcement, fire prevention, transportation, and utilities, including water and waste disposal is a principal threat to the public health, safety, and welfare. Destruction of, damage to, or interference with, critical infrastructure is caused by fire, contamination, restricting access, or other causes. Destruction of, damage to, or interference with, critical infrastructure is often caused by persons whose activities are not permitted or authorized in, on, or near critical infrastructure;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF SALINAS as follows:

SECTION 1. Article XIV of Chapter 16 of the Salinas Municipal Code is hereby amended as follows:

Article XIV. Prohibition Against Camping

Sec. 16-140.010. Purpose.

The public areas within the city, including streets, sidewalks, parks, public building and public land, should be readily accessible and available to residents and the public at large for use in a clean, safe, and healthy manner. The use of these areas by campers interferes with the ability of residents and the public at large to use the areas in the clean, healthy, and safe manner for the uses intended. Such camping and the attendant negative effects can constitute a public health and safety hazard, which adversely impacts other members of the public and neighborhoods, as well as industrial, agricultural, and commercial areas. Nonetheless, sleeping and resting are universal and unavoidable consequences of being human. For individuals with no access to private spaces, sleeping and resting can only be done in public. A purpose of this article is to strike a balance between the need of residents and the public at large to clean, reasonable, safe access to public spaces and the needs of individuals without access to private spaces to sleep and rest. It is necessary to maintain public and private lands, streets, sidewalks, alleys, ways, creeks, waterways, parks, playgrounds, recreation areas, plazas, open spaces, lots, parcels and other public and private areas within the city, in a clean, sanitary and accessible condition. It is necessary to protect the health,

safety and welfare of the community. It is necessary for all humans to sleep and rest, and for those individuals without access to private spaces, to do so in public spaces. Nothing in this article is intended to interfere with otherwise lawful and ordinary uses of public or private property.

Sec. 16-140.020. Definitions.

For the purposes of this article, the following terms shall have the following definitions:

(a) "Camp" means to place, pitch or occupy camp facilities; to live temporarily in a camp facility or outdoors; to use camp paraphernalia.
(b) "Camp facilities" include, but are not limited to, tents, sleeping bags, blankets, huts, yurts, vehicles, vehicle camping outfits, temporary shelters, or other materials (whether hand-built or otherwise) for the purpose of sleeping, lying, or sheltering one or more persons .
(c) "Camp paraphernalia" includes, but is not limited to, bedrolls, air mattresses, tarpaulins, cots, beds, sleeping bags, hammocks and similar equipment.
(d) "City facilities" are city hall, public libraries, the public service yard, police stations, public safety facilities, fire stations, airports, sports complexes, recreation center, the armory building, permit center, pump station, golf course, stormwater facility, sewage treatment plant, and parking garages owned or operated by the city of Salinas.
(e) "Community development director" is the community development director or designee.
(f) “Critical Infrastructure” means real property or a facility, whether privately or publicly owned, as approved by resolution of the City Council, that the City Manager designates as being so vital and integral to the operation or functioning of the city that its damage, incapacity, disruption, or destruction would have a debilitating impact on the public health, safety, or welfare. Critical infrastructure may include, but is not limited to, government buildings, such as fire stations, police stations, libraries; structures such as antennas, bridges, roads, sidewalks, train tracks, drainage systems, surface channels, outfalls, or stormwater facilities; or systems, such as computer networks, public utilities, electrical wires, natural gas pipes, telecommunications facilities, or water sources.
(g) "Education facilities" are public or private schools, libraries, sports complexes, and recreation centers at which children regularly gather.
(h) "Establish" means to set up or move equipment, supplies or materials on to public or private property to camp or operate camp facilities.
(i) "Maintain" means to keep or permit equipment, supplies or materials to remain on public or private property in order to camp or operate camp facilities.
(j) "Operate" means to participate or assist in establishing or maintaining a camp or camp facility.
(k) "Private property" means all private property including, but not limited to, streets, sidewalk, alleys, and improved or unimproved land.
(l) "Public property" means any real or personal property owned or controlled by the city and includes, but is not limited to, any publicly-owned park, building, street, sidewalk, way, path, alley, park, parking lot or other public property owned or controlled by the city and located within the city of Salinas. Public property includes City facilities as defined in this section.
(m) “Stormwater facility” means any constructed component of a stormwater system, whether public or private, designed or constructed to perform a particular function or multiple functions. Stormwater facilities include, but are not limited to, pipes, swales, ditches, culverts,

street gutters, detention basins, constructed wetlands, infiltration devices, catch basins, oil/water separators, and sediment basins.

(n) "Street" means streets, avenues, highways, lanes, alleys, ways, crossings or intersections, co-routes and cul-de-sacs.

Sec. 16-140.030. Unlawful camping.

Except as may otherwise be specifically permitted in the Salinas Municipal Code, it is unlawful and a public nuisance for any person to camp, establish, maintain, operate or occupy camping facilities, or use camp paraphernalia:

(a) On any public property;

(b) On any critical infrastructure; within 25-feet of critical infrastructure; within 25-feet of a vehicular or pedestrian entrance or exit of critical infrastructure; on those portions of a right-of-way that are required by state, local, or federal law to be free of obstruction to first responders, including but not limited to members of law-enforcement, fire-prevention, or emergency medical services agencies; or within a wildfire risk area (as defined in California Code of Regulations, title 24, part 9, section 202).

(c) Any private property, improved or unimproved.

(d) The prohibition set forth in this section does not apply to:

(1) Overnight camping on private residential property, by no more than six people, with the consent of the property owner or a person in lawful possession of the property, provided the property owner or a person in lawful possession provides onsite access to flush toilets and onsite refuse disposal, and the camping does not pose a threat to the public's health, safety, welfare, or otherwise create a public or private nuisance;

(2) Mobile home parks and special occupancy parks;

(3) Camping on public or private property pursuant to a permit issued under Salinas Municipal Code Section 16-140.040; and

(4) Day use for lawful activities on public property where authorized.

(e) Within 200 feet of any posted notice to vacate or to remove personal property posted pursuant to Salinas Municipal Code Section 16-130.040 or other official signage designating a location for enforcement action or otherwise prohibiting sleeping, sitting, lying, camping, or placing personal property in that location.

A violation of this section is a misdemeanor. In addition to the remedies set forth in Penal Code section 370, the city may institute civil actions to abate a public nuisance pursuant to Section 1-8.1.

Sec. 16-140.040. Overnight event permit.

The city manager may promulgate regulations to establish a program pursuant to which a permit may be issued to establish, maintain and operate a camp or a camp facility in connection with a special overnight event. A special overnight event is intended to include, but is not limited to, programs operated by departments of the city, events organized by nonprofit or community-based organizations, organized youth or school events, and sporting events. The regulations shall be published on the city's website. Regulations promulgated by the city manager shall have the same force and effect of law and become effective upon date of publication.

Any person who establishes, maintains or operates a camp or camp facility without a permit may be subject to a misdemeanor. Such activity constitutes a public nuisance. In addition to the remedies set forth in Penal Code section 370, the city may institute civil actions to abate a public nuisance pursuant to Salinas Municipal Code Section 1-8.1.

Sec. 16-140.050. Posting of overnight event permit.

It is unlawful for any person to establish, maintain, conduct or carry on any camp or camp facility unless there shall be at all times posted in a conspicuous place upon the area or tract of land upon which the camp or camp facility is located a permit obtained from the city in accordance with the provisions of Section 16-140.040 of this chapter.

A violation of this section is a misdemeanor. In addition to the remedies set forth in Penal Code section 370, the city may institute civil actions to abate a public nuisance pursuant to Section 1-8.1.

Sec. 16-140.060. Conduct on public property, monuments, and lawns.

No person, after having been notified by a police officer or other city employee or official that he or she is in violation of the prohibition in this section shall:

(a) Walk, stand, sit, or lie upon any monument, vase, decorative fountain, drinking fountain, bike rack, trash receptacle, median, fire hydrant, street-tree planter, berm, utility cabinet, railing, fence, planter, stairwell, parking lot, or parking structure;
(b) Walk, stand, sit, or lie upon any public lawn or planted area that is posted with signs that forbid such conduct;

A violation of this section is a misdemeanor.

Sec. 16-140.070. Conduct on private property.

The city council finds and determines that encampments located on private property have at least the same health, safety, and welfare concerns as encampments on public property and find the same to constitute a nuisance. The city manager is authorized to promulgate all regulations necessary to provide for city clean-up and removal of encampments located on private property and for the recovery of all costs and expenses associated therewith. The regulations shall be published on the city's website. Regulations promulgated by the city manager shall have the same force and effect of law and become effective upon date of publication.

Sec. 16-140.080. Noticed cleanup of public property.

It is necessary to periodically close public property for cleaning and removal of accumulated garbage, refuse, hypodermic needles, and debris. The city council shall approve, by resolution, a

form and procedure the promulgation of public notice for the closing of public property for such cleanings. On no one day shall the city close for cleaning more than one fourth of the sidewalks in the city for cleaning.

SECTION 2. All ordinances and parts of ordinances and all resolutions and parts of resolutions in conflict herewith are hereby repealed as of the effective date of this ordinance.

SECTION 3. Publication. The City Clerk shall cause a summary of this ordinance to be published once in a newspaper published and circulated in Salinas within fifteen (15) days after adoption. (Salinas Charter Section 11.9)

SECTION 4. CEQA Compliance. The City Council's adoption of this ordinance is not a project subject to environmental review under the California Environmental Quality Act (CEQA Guidelines Section 15061(b)(3) because it would not have a significant effect on the environment. Additionally, the City Council's adoption of this ordinance is exempt because it does not meet the definition of a "project" under CEQA, pursuant to CEQA Guidelines sections 15060(c)(1) and 15378(a), because it has no potential to result in a direct or reasonably foreseeable physical change in the environment.

SECTION 5. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Salinas City Council hereby declares that it would have passed this ordinance and each and every section, subsection, clause, and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 6. Effective Date. This ordinance will take effect thirty (30) days from and after its adoption.

PASSED AND ADOPTED this _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
Dennis Donohue, Mayor

APPROVED AS TO FORM:

_____
Christopher A. Callihan, City Attorney

ATTEST:

_____
Patricia M. Soratos, City Clerk

ORDINANCE NO. _____ (N.C.S.)

AN ORDINANCE AMENDING ARTICLE XIII OF CHAPTER 16 OF THE SALINAS MUNICIPAL CODE RELATED TO THE STORAGE OF PERSONAL BELONGINGS ON CITY PROPERTY

City Attorney Impartial Analysis

This ordinance amends Article XIII of Chapter 16 of the Salinas Municipal Code by prohibiting the storage of any personal property on City property and by redefining what personal property will be collected and stored as a part of the City's enforcement of the Ordinance by cleaning-up an encampment. This ordinance also reduces the pre-cleanup noticing requirement to twenty-four hours and reduces the length of time personal belongings collected at a cleanup will be stored to sixty (60) days. This ordinance also allows for removal of personal property without prior notice in exigent circumstances involving an imminent threat to life, safety, health, or infrastructure.

WHEREAS, Salinas is a Charter city organized and operating pursuant to Article 7 of the California Constitution; and

WHEREAS, through previous legislative enactments (Ordinance No. 2564, Ordinance No. 2567, Ordinance No. 2599, and Resolution Nos. 20884 and 20908), the City Council declared its intent to prevent the misappropriation of City property for personal use and the proliferation of encampments on public property that have a significant adverse effect on public health, safety, and welfare and impede or entirely obstruct access by emergency responders when responding to emergencies; and

WHEREAS, through its previous legislative enactments, the City Council made clear its intent to prevent the misappropriation of City property for personal use and to promote the public health, safety, and welfare by ensuring that City property remains accessible and usable by all members of the public for the purposes for which such public property is intended and by ensuring that City property remains in a clean, sanitary, and accessible condition; and

WHEREAS, the public areas within the city, including streets, sidewalks, parks, public buildings, and public land, should be readily accessible, free from obstruction, and available to the public at large for use in a safe and healthy manner; and

WHEREAS, the use of these areas for overnight camping purposes interferes with the ability of residents and the public at large to use the areas in the healthy and safe manner for the uses intended; and

WHEREAS, such camping activity can constitute a public health and safety hazard, which adversely impacts other members of the public, neighborhoods, industrial, agricultural, and commercial areas; and

WHEREAS, in addition to the proliferation of camping and encampments on public property in the city of Salinas which has obstructed access by pedestrians and users of City facilities, individuals camping on public property and/or residing in encampments on public property frequently urinate and defecate on City property (and nearby private property) and have been observed using and distributing narcotics and alcohol causing unsafe and unsanitary conditions

to persist around and within the areas of the camps and/or the encampments creating an environment for the spread of disease and bacteria and an environment which prevents Salinas's residents from using and accessing City facilities, including the City libraries and recreation centers; and

WHEREAS, City employees and members of the public at large have reported that overnight camping on City property has specifically interfered with their use of public buildings, public sidewalks, public streets, parking lots, parking garages, and other open spaces, including the public space surrounding the library and the public space in front of City Hall; and

WHEREAS, City employees leaving City Hall have been confronted by overnight campers screaming, yelling, and displaying other aggressive and erratic behavior that has made those employees fear for their safety upon egress of the building; and

WHEREAS, City employees have been confronted by overnight campers subjecting them to unwanted sexual comments; and

WHEREAS, City employees have observed individuals around the City Permit Center and the adjacent parking structure engage in sexual activity, as well as illegal drug use; and

WHEREAS, members of the public as well as City employees have complained about the smell of public places, including the area in front of City Hall and the areas around the City libraries (particularly the John Steinbeck Library) and City Permit Center and adjacent parking structure, as a result of individuals loitering in and around those areas and as a result of overnight camping activity, including urination and defecation by overnight campers; and

WHEREAS, drug paraphernalia has been found at the site of the overnight camp in front of City Hall; and

WHEREAS, it has been reported that public spaces can no longer be used by residents and the public at large for the manner and uses in which they were intended, including specific complaints that outdoor public spaces, including, but not limited to, the space in front of City Hall, the space around the City Permit Center and adjacent parking structure, and the space around the John Steinbeck Library, including the grass areas in front of the John Steinbeck Library, that were once used by residents and the public at large to recreate, eat lunch, and take breaks can no longer be used for those purposes as a result of the litter, urine and feces left by individuals loitering in and around those areas and as a result of the overnight campers in those areas; and

WHEREAS, the lawn areas and other spaces on or around City property, including most-notably the lawn areas in front of City Hall and in front of the John Steinbeck Library are frequently used by persons in such a manner that they have been damaged and or destroyed and in some cases present a danger to the health and safety of the community and of the patrons of those facilities; and

WHEREAS, City employees must regularly clean up and remove human waste from areas used for overnight camping including, but not limited to, the space in front of City Hall, the space surrounding the John Steinbeck Library, recreation centers, public parking lots, and public parking garages; and

WHEREAS, residents and the public at large are prevented from the use of the public areas within and around the city, including streets, sidewalks, parks, public building and public land when those areas are obstructed by a gathering preventing the free passage by use of any street,

sidewalk, alley, public way, ingress to any public building, or place used by members of the public to go from place to place; and

WHEREAS, the abuse or mutilation of trees, plants, and lawn prevents residents and the public at large from the reasonable use and enjoyment of those items while costing the City substantial money and resources for the restoration of those items; and

WHEREAS, urination and defecation outside of urinals, toilets, or commodes located in bathrooms, restrooms, or other structures specifically designated for the purpose of urination and defecation poses a significant health and safety problem to residents and the public at large as well as costing the city substantial money and resources to clean; and

WHEREAS, from 2020-2023, an encampment within the Carr Lake area grew to over one hundred separate encampments causing the degradation of waterways through trash accumulation. The adjacent neighborhoods saw an increase in criminal activity during this same time period including, but not limited to, acts of indecent exposure and gang-related crimes (homicides, drug dealing, human trafficking, and gambling). In November 2023, the City removed approximately two hundred tons of debris from this area. A wooden walkway (commonly known as the "boardwalk") that runs along East Laurel Drive on Carr Lake's south end suffered structural damage by unsheltered individuals removing the wooden planks and digging underneath the boardwalk to establish encampments, thereby undermining the structural integrity of this pedestrian walkway; and

WHEREAS, encampments along the Alisal Creek have caused degradation of water quality due to human feces and trash entering the waterway; and

WHEREAS, between 2020-2023, the waterway near Casentini Street and Main Street 2020-2023, became polluted as a result of trash and human waste being deposited into the waterway. The City cleaned out approximately ten tons of debris from this waterway. During this same time period, multiple fires occurred that were caused by individuals living in encampments along this waterway endangering nearby residential structures. Accumulated flammable debris have heightened fire risks within this area; and

WHEREAS, during the period 2020-2025, the number of unsheltered individuals living in encampments in the Circle Drive and Cesar Chavez Park areas has significantly increased and impacted adjacent residential neighborhoods. Criminal activity including drug trafficking and residential theft has increased as a result, in addition to incidents of indecent exposure and evidence of drug use; and

WHEREAS, numerous shopping carts and camping paraphernalia routinely block the dead end of East San Luis Street as a result of the growing unsheltered population establishing encampments in this area; and

WHEREAS, the number of encampments in the CreekBridge area, from Veterans Parkway at East Laurel Drive to the rear of the Safeway grocery store on Constitution Boulevard has grown substantially. Public defecation and disposal of trash by the unsheltered living in these encampments into the waterway have caused degradation of water quality. Drug sales, drug use,

and human trafficking are common within this encampment area. Residential theft and robberies have risen as a result of the growing encampment area; and

WHEREAS, the roadway underpass at Market Street is a focal point for unsheltered encampments leading to significant public health, safety, and quality of life concerns for nearby residents and commuters. The underpass' location along a major roadway creates an intensified risk for residents of the encampment and for drivers as individuals from the encampment frequently walk into the roadway into traffic, endangering themselves and drivers. Fires started within the encampment cause damage to the roadway underpass threatening the structural integrity of the roadway. The proximity of this encampment to residential neighborhoods has lead to increased theft and vandalism, coupled with an increased insecurity among residents of the neighborhood. The visual blight of encampments adjacent to and within the residential neighborhood diminishes the quality of life for residents of the neighborhood; and

WHEREAS, during the period 2020-2023, the number of encampments within the Chinatown area has increased significantly resulting in an equally significant deterioration of the neighborhood due to increased crime; increased threats to public health from the presence of human waste, trash, rodents and vermin, drugs, and toxic waste. Police operations within this area during this time period and to the present have uncovered extensive drug use and possession (including methamphetamine and fentanyl), possession of dangerous weapons (including knives, guns, and a hand grenade), and signs of gang control (where gangs exploit the unsheltered population by imposing "taxes" and coercing unsheltered into drug trafficking and other criminal activities). Local business are impacted by the presence of encampments by the blockage of sidewalks and entryways, which deter customers and visitors; and

WHEREAS, the waterway on the Rico Street and West Lake Street area has been plagued by encampments leading to significant environmental issues. The waterway, vital for local agricultural and natural systems, has suffered contamination due to widespread drug use and the presence of human waste; and

WHEREAS, activities within Sherwood Park have been negatively affected by the presence of encampments, rendering it unsafe for use by the community. Widespread defecation and urination have created unhealthy conditions within the area set up with tables and benches for park users. Drug paraphernalia is present throughout the park posing a threat to the health, safety, and welfare of park users; and

WHEREAS, the City Council finds and determines that it is necessary to maintain public and private lands, streets, sidewalks, alleys, ways, creeks, waterways, parks, playgrounds, recreation areas, plazas, open spaces, lots, parcels and other public and private areas within the city, in a clean, sanitary and accessible condition and to protect the health, safety and welfare of the community, while recognizing that, subject to reasonable conditions, camping and camping facilities associated with special events can be beneficial to the cultural and educational well-being of the city; and

WHEREAS, private property owners have complained to the City about the scope, size, and number of encampments on their property and the negative health and safety consequences associated with those encampments and have regularly requested the City's assistance in cleaning up those encampments; and

WHEREAS, it is necessary and urgent for the immediate preservation of the public peace, health, and safety of the residents of the city and the public at large to enact an emergency measure to address the negative health and safety consequences associated with overnight encampments, including, but not limited to the health and safety consequences created by the accumulation of human waste, the accumulation of garbage, including used needles used for the administration of drugs intravenously, and the safety of city employees from aggressive behavior and unwanted sexual comments; and

WHEREAS, updates to the Salinas Municipal Code are necessary in order to address issues associated with individuals loitering in and around public spaces and also associated with overnight camping within the city and the establishment of encampments on public property and private property; and

WHEREAS, the potential destruction of, damage to, or interference with, infrastructure that is critical to the provision of public services such as law enforcement, fire prevention, transportation, and utilities, including water and waste disposal is a principal threat to the public health, safety, and welfare. Destruction of, damage to, or interference with, critical infrastructure is caused by fire, contamination, restricting access, or other causes. Destruction of, damage to, or interference with, critical infrastructure is often caused by persons whose activities are not permitted or authorized in, on, or near critical infrastructure;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF SALINAS as follows:

SECTION 1. Article XIII of Chapter 16 of the Salinas Municipal Code is hereby amended as follows:

Article XIII. Storage of Personal Property on City Property

Sec. 16-130.010. Purpose.

The public areas within the city, including streets, sidewalks, parks, public buildings, and public land, should be readily accessible and available to residents and the public at large for use in a safe and healthy manner. The use of these areas for the storage of personal property interferes with the ability of residents and the public at large to use the areas in the healthy and safe manner for the uses intended. Such storage and the attendant negative effects can constitute a public health and safety hazard, which adversely impacts other members of the public and neighborhoods, as well as industrial, agricultural, and commercial areas. Nonetheless, individuals who have no access to private spaces, nonetheless need to retain access to a limited amount of personal property in public areas. A purpose of this article is to strike a balance between the need of residents and the public at large to reasonable, safe access to public spaces and the needs of individuals without access to private spaces to retain access to a limited amount of personal property. It is necessary to maintain public and private lands, streets, sidewalks, alleys, ways, creeks, waterways, parks, playgrounds, recreation areas, plazas, open spaces, lots, parcels and other public infrastructure and public and

private areas within the city, in a safe, clean, sanitary and accessible condition. It is necessary to protect the health, safety and welfare of the community. It is necessary for all humans to sleep and rest, and for those individuals without access to private spaces, to do so in public spaces. Nothing in this article is intended to interfere with otherwise lawful and ordinary uses of public or private property.

Sec. 16-130.020. Definitions.

The definitions contained in this subsection shall govern the construction, meaning, and application of words and phrases used in this article.

(a) "Administrative procedure" means the city's administrative procedure for the removal of personal property.

(b) "Bulky item" means any item that is too large to fit into a ninety-gallon container with the lid closed, including, but not limited to, a shed, structure, mattress, couch, chair, other furniture or appliance. A container with a volume of no more than ninety gallons used by an individual to hold his or her personal property shall not in itself be considered a bulky item.

(c) "City property" means any real or personal property owned or controlled by the city and includes, but is not limited to, any publicly-owned park, building, street, sidewalk, way, path, alley, park, parking lot or other public property owned or controlled by the city and located within the city of Salinas.

(d) "Critical Infrastructure" means real property or a facility, whether privately or publicly owned, as approved by resolution of the City Council, that the City Manager designates as being so vital and integral to the operation or functioning of the city that its damage, incapacity, disruption, or destruction would have a debilitating impact on the public health, safety, or welfare. Critical infrastructure may include, but is not limited to, government buildings, such as fire stations, police stations, libraries; structures such as antennas, bridges, roads, sidewalks, train tracks, drainage systems, surface channels, outfalls, or stormwater facilities; or systems, such as computer networks, public utilities, electrical wires, natural gas pipes, telecommunications facilities, or water sources.

(e) "Person" means any individual, group, business, company, corporation, joint venture, partnership or other entity or association composed of two or more individuals.

(f) "Personal belongings" means items (i) items with an apparent value of $50 or more; (ii) items of apparent personal value, including, but not limited to: eyeglasses; operational wheelchairs, walkers, crutches, or other medical equipment; habitable tents; personal papers (such as photographs, albums, IDs, bank statements, and legal papers); backpacks; containers; and operational bicycles, scooters, and strollers.

(g) "Personal property" means any and all tangible property, and includes, but is not limited to, goods, materials, merchandise, tents, tarpaulins, bedding, sleeping bags, hammocks, and personal belongings, as defined in this subsection.

(h) "Store", "stored", "storing" or "storage" means to put personal property aside or accumulate for use when needed, to put for safekeeping, and/or to place or leave in a public area. Moving personal property to another location in a public area or returning personal property to the same block on a daily or regular basis shall be considered storing and shall not be considered to be removing the personal property from a public area. This definition shall not include any

personal property that, pursuant to statute, ordinance, permit, regulation or other authorization by the city or state, is stored with the permission of the city or state on real property that is owned or controlled by the city.

(i) "Tent" means any tent, as that term is generally understood, and also includes any tarpaulin, cover, structure or shelter, made of any material which is not open on all sides and which hinders an unobstructed view behind or into the area surrounded by the tarpaulins, cover, structure or shelter.

(j) "Unattended" means no person is present with the personal property who asserts or claims ownership over the personal property. Unattended personal property is considered to be abandoned. Conversely, property is considered "attended" if a person is present with the personal property and the person claims ownership over the personal property.

Sec. 16-130.030. Regulation, collection and storage, and discarding of stored personal property.

(a) No person shall store any personal property on city property.

(b) No person shall store any personal property on critical infrastructure; within 25-feet of critical infrastructure; within 25-feet of a vehicular or pedestrian entrance or exit of critical infrastructure; on those portions of a right-of-way that are required by local, state, or federal law to be free of obstruction to first responders, including but not limited to members of law-enforcement, fire-prevention, or emergency medical services agencies; or within a wildfire risk area (as defined in California Code of Regulations, title 24, part 9, section 202). Any violation of this subsection 16-130.030(b) may be abated immediately by the City without prior notice, if the violation poses an imminent threat to public health or safety. Abatement pursuant to this subsection may include, but is not limited to, removal of camp facilities, camp paraphernalia, personal property, garbage, hazardous waste, junk, or debris; and securing the permimeter of the property with fencing, gates, or barricades to prevent further occurrences of the nuisance activity.

(c) Except as my otherwise be provided in this Article, with pre-removal notice as specified in Section 16-130.040(a), the city may collect and store any unattended personal belongings that are not a health or safety hazard . Any other personal property will be disposed of and not collected and stored.

(1) Items that constitute a health or safety hazard and will not be collected and stored include, but are not limited to, (i) toxic sharps: needles, scissors, knives; (ii) chemicals: bleach, paint, oils, etc.; (iii) items (including bedding and clothing) that appear soiled, including, but not limited to, by human waste, dirt, or bodily fluids; (iv) moldy, mildewed items; (v) items that may be infested by rodents or insects: rats, mice, fleas, lice, or bed bugs; and (vi) items that may pose a risk of fire or explosion, combustibles, and propane tanks or any item containing fuel or corrosives or other unidentified liquids.

(2) If personal belongings are co-mingled or littered with needles, human waste, or other health risks, the entire pile of personal belongings may be disposed of.

(3) Bulky items, perishable items such as food, and trash or debris will be disposed of and will not be collected and stored.

(c) No person shall store any personal property on city property in such a manner that it does not allow for passage as required by the Americans with Disabilities Act of 1990, Pub. L. No. 101-336, 104 Stat. 328 (1990), as amended from time to time (ADA). Without prior notice, the city may move and may immediately collect and store any personal belongings that are not a health and safety hazard and may immediately discard any other personal property, whether attended or unattended, stored in a public area in such a manner that it does not allow for passage as required by the ADA. Post-removal notice shall be provided as set forth in Section 16-130.040(b).

(d) No person shall store any personal property on city property within ten feet of any operational and utilizable entrance, exit, driveway or loading dock. Without prior notice, the city may move and may immediately collect and store any personal property, whether attended or unattended, stored in a public area within ten feet of any operational and utilizable entrance, exit, driveway or loading dock. Post-removal notice shall be provided as set forth in Section 16-130.040(b).

(e) No person shall store personal property on city property that has a clearly posted closure time at any after the posted closure time. Without prior notice, the city may collect and store personal property, whether attended or unattended, stored on city property that has a clearly posted closure time, provided the personal property is removed and impounded after the posted closure time. Post-removal notice shall be provided as set forth in Section 16-130.040(b).

(f) No person shall store personal property on city property that has been noticed for a cleanup pursuant to Salinas City Code Section 16-140.080. Without additional notice to that notice required by Section 16-140.080, the city may collect and remove personal property, whether attended or unattended, stored on city property that has been noticed for a cleanup, provided the personal property is collected and stored during the time of the noticed enforcement action or within twenty-four hours following any noticed enforcement action. Post-removal notice shall be provided as set forth in Section 16-130.040(b).

(g) No person shall store any personal property on public property if the personal property, whether attended or unattended, constitutes an immediate threat to the health or safety of the public. Without prior notice, the city may remove and may discard any personal property stored in a public area if the personal property poses an immediate threat to the health or safety of the public.

(h) No person shall store any personal property in a public area if the personal property, whether attended or unattended, constitutes an evidence of a crime or contraband. Without prior notice, the city may remove and may discard any personal property that constitutes evidence of a crime or contraband, as permissible by law.

(i) No person shall store any bulky item on city property. Without prior notice, the city may remove and may discard any bulky item, whether attended or unattended, stored in on city property unless the bulky item is designed to be used as a shelter. For any bulky item that is designed to be used as a shelter, but does not constitute a Tent as defined in Section 16-130.020, with pre-removal notice as specified in Section 16-130.040(a), the city may remove and discard the bulky item, whether attended or unattended. If the bulky item violates another subsection herein, even if it is designed to be used as a shelter, the city may collect and store or discard the bulky item pursuant to that subsection.

Sec. 16-130.040. Enforcement Action; Notices.

(a) Pre-Removal Notice. Except in exigent circumstances involving an imminent threat to life, safety, health, or infrastructure, the City, or an agent acting on its behalf, shall post a notice to vacate and to remove all personal property. Pre-removal notice shall be deemed provided if a written notice is provided to the person who is storing or claims ownership of the personal property, or is posted conspicuously by the City, or any agent acting on their behalf, on or near the personal property at least forty-eight (48) hours prior to the enforcement action by collection and storage of personal belongings and disposal of personal property.. No enforcement actions shall begin earlier than the date and time on the per-removal notice, If the enforcement operations do not begin within forty-eight (48) hours of the date written on the pre-removal notice, a new pre-removal notice must be posted a minimum of twenty-four (24) hours before enforcement actions may begin. The written notice shall contain the following:

(1) The location from which the personal property will be removed.
(2) The date and time the notice was posted.
(3) A statement that the personal belongings have been stored in violation of Salinas City Code Section 16-130.030.
(4) A statement that the personal property may be impounded if not removed from public areas within twenty-four hours.
(5) A statement that moving personal property to another location in a public area shall not be considered removal of personal property from a public area.
(6) The address where the personal belongings that have been collected will be stored, including a telephone number and the internet website of the city through which a person may receive information as to collected and stored personal belongings, as well as information as to voluntary storage location(s).
(7) A statement that collected and stored personal belongings may be discarded if not claimed within sixty (60) days after collection and storage.

(b) Post-Removal Notice. Upon removal of stored personal belongings, written notice shall be conspicuously posted in the area from which the personal belongings were removed. The written
(2) The date and approximate time the personal belongings were removed.
(3) A statement that the personal belongings have been stored in violation of Salinas City Code Section 16-130.030.
(4) The address where the personal belongings will be located, including a telephone number and internet website of the city through which a person may receive information as to collected and stored personal belongings.

(5) A statement that collected and stored personal belongings may be discarded if not claimed within sixty (60) days after collection and storage.

(c) Where exigent circumstances requiring less than forty-eight (48) hours' notice the City, or any agent acting on their behalf, shall provide as much notice as reasonably possible under the circumstances and, as reasonably possible following enforcement action, shall post post-removal notice at or near the site of the enforcement operation.

Sec. 16-130.050. Storage, disposal, and repossession of collected and stored property.

(a) Except as specified herein, the city shall move personal belongings that have been collected and stored to a place of storage.
(b) Except as specified herein, the city shall store personal belongings that have been collected and stored for sixty (60) days, after which time, if not claimed, it will be discarded. The city shall not be required to undertake any search for, or return, any impounded personal belongings stored for longer than sixty (60) days.
(c) The city shall maintain a record of the date any impounded personal belongings were discarded.
(d) The owner of personal belongings that have been collected and stored may repossess the personal belongings prior to their disposal upon submitting satisfactory proof of ownership. A person may establish satisfactory proof of ownership by, among other methods, describing the location from and date when the personal belongings were impounded from a public area, and providing a reasonably specific and detailed description of the personal belongings. Valid, government-issued identification is not required to claim impounded personal belongings.

Sec. 16-130.060. Ban on attachments to public and private property.

(a) Public Property. No person shall erect any barrier against or lay string or join any wires, ropes, chains or otherwise attach any personal property to any public property, including, but not limited to, a building or portion or protrusion thereof, fence, bus shelter, trash can, mail box, pole, bench, news rack, sign, tree, bush, shrub or plant, without the city's prior written consent.
(b) Private Property. No person shall erect any barrier against or lay string or join any wires, ropes, chains or otherwise attach any personal property to any private property in such a manner as to create an obstruction on or across any street or area where the public may travel.
(c) Removal. Without prior notice, the city may remove any barrier, string, wires, ropes, chains or other attachment of personal property, whether attended or unattended, to any public property, or to any private property which creates an obstruction to any street or area where the public may travel.

Sec. 16-130.070. Illegal dumping.

Nothing herein precludes the enforcement of any law prohibiting illegal dumping.

Sec. 16-130.080. Unlawful conduct.

Salinas City Code Section 1-01.08 shall not apply to violations of this section except as follows:

(a) No person shall willfully resist, delay or obstruct a city employee from moving, removing, impounding or discarding personal property stored on city property in violation of Salinas City Code Section 16-130.030.

(b) No person shall refuse to take down, fold, deconstruct or otherwise put away any tent erected or configured in violation of Salinas City Code Section 16-140.030, or willfully resist, delay or obstruct a city employee from taking down, folding, deconstructing, putting away, moving, removing, impounding or discarding the tent, including by refusing to vacate or retreat from the tent.

(c) No person shall refuse to remove any barrier, string, wire, rope, chain or other attachment that violates Salinas City Code Section 16-130.060, or willfully resist, delay or obstruct a city employee from deconstructing, taking down, moving, removing, impounding or discarding the barrier, string, wire, rope, chain or other attachment, including by refusing to vacate or retreat from an obscured area created by the attachment.

(d) No person shall willfully resist, delay or obstruct a city employee from removing or discarding a bulky item stored in violation of Salinas City Code Section 16-130.030, including by refusing to vacate or retreat from within the bulky item or from an obscured area created by the bulky item.

(f) A violation of Salinas City Code Section 16-130.070 prohibiting illegal dumping.

SECTION 2. All ordinances and parts of ordinances and all resolutions and parts of resolutions in conflict herewith are hereby repealed as of the effective date of this ordinance.

SECTION 3. Publication. The City Clerk shall cause a summary of this ordinance to be published once in a newspaper published and circulated in Salinas within fifteen (15) days after adoption. (Salinas Charter Section 11.9)

SECTION 4. CEQA Compliance. The City Council's adoption of this ordinance is not a project subject to environmental review under the California Environmental Quality Act (CEQA Guidelines Section 15061(b)(3) because it would not have a significant effect on the environment. Additionally, the City Council's adoption of this ordinance is exempt because it does not meet the definition of a "project" under CEQA, pursuant to CEQA Guidelines sections 15060(c)(1) and 15378(a), because it has no potential to result in a direct or reasonably foreseeable physical change in the environment.

SECTION 5. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Salinas City Council hereby declares that it would have passed this ordinance and each and every section, subsection, clause, and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 6. Effective Date. This ordinance will take effect thirty (30) days from and after its adoption.

PASSED AND ADOPTED this _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
Dennis Donohue, Mayor

APPROVED AS TO FORM:

_____
Christopher A. Callihan, City Attorney

ATTEST:

_____
Patricia M. Soratos, City Clerk

RESOLUTION NO. _____

A RESOLUTION UPDATING THE ADMINISTRATIVE PROCEDURES FOR THE REMOVAL OF UNLAWFUL CAMPSITES, BULKY ITEMS, AND PERSONAL BELONGINGS

WHEREAS, Salinas is a Charter city organized and operating pursuant to Article 7 of the California Constitution; and

WHEREAS, through previous legislative enactments (Ordinance No. 2564, Ordinance No. 2567, Ordinance No. 2599 and Resolution Nos. 20884 and 20908), the City Council declared its intent to prevent the misappropriation of City property for personal use and the proliferation of encampments on public property that have a significant adverse effect on public health, safety, and welfare and impede or entirely obstruct access by emergency responders when responding to emergencies; and

WHEREAS, through its previous legislative enactments, the City Council made clear its intent to prevent the misappropriation of City property for personal use and to promote the public health, safety, and welfare by ensuring that City property remains accessible and usable by all members of the public for the purposes for which such public property is intended and by ensuring that City property remains in a clean, sanitary, and accessible condition; and

WHEREAS, the public areas within the city, including streets, sidewalks, parks, public buildings, and public land, should be readily accessible, free from obstruction, and available to the public at large for use in a safe and healthy manner; and

WHEREAS, the use of these areas for overnight camping purposes interferes with the ability of residents and the public at large to use the areas in the healthy and safe manner for the uses intended; and

WHEREAS, such camping activity can constitute a public health and safety hazard, which adversely impacts other members of the public, neighborhoods, industrial, agricultural, and commercial areas; and

WHEREAS, in addition to the proliferation of camping and encampments on public property in the city of Salinas which has obstructed access by pedestrians and users of City facilities, individuals camping on public property and/or residing in encampments on public property frequently urinate and defecate on City property (and nearby private property) and have been observed using and distributing narcotics and alcohol causing unsafe and unsanitary conditions to persist around and within the areas of the camps and/or the encampments creating an environment for the spread of disease and bacteria and an environment which prevents Salinas's residents from using and accessing City facilities, including the City libraries and recreation centers; and

WHEREAS, City employees and members of the public at large have reported that overnight camping on City property has specifically interfered with their use of public buildings, public sidewalks, public streets, parking lots, parking garages, and other open spaces, including the public space surrounding the library and the public space in front of City Hall; and

WHEREAS, City employees leaving City Hall have been confronted by overnight campers screaming, yelling, and displaying other aggressive and erratic behavior that has made those employees fear for their safety upon egress of the building; and

WHEREAS, City employees have been confronted by overnight campers subjecting them to unwanted sexual comments; and

WHEREAS, City employees have observed individuals around the City Permit Center and the adjacent parking structure engage in sexual activity, as well as illegal drug use; and

WHEREAS, members of the public as well as City employees have complained about the smell of public places, including the area in front of City Hall and the areas around the City libraries (particularly the John Steinbeck Library) and City Permit Center and adjacent parking structure, as a result of individuals loitering in and around those areas and as a result of overnight camping activity, including urination and defecation by overnight campers; and

WHEREAS, drug paraphernalia has been found at the site of the overnight camp in front of City Hall; and

WHEREAS, it has been reported that public spaces can no longer be used by residents and the public at large for the manner and uses in which they were intended, including specific complaints that outdoor public spaces, including, but not limited to, the space in front of City Hall, the space around the City Permit Center and adjacent parking structure, and the space around the John Steinbeck Library, including the grass areas in front of the John Steinbeck Library, that were once used by residents and the public at large to recreate, eat lunch, and take breaks can no longer be used for those purposes as a result of the litter, urine and feces left by individuals loitering in and around those areas and as a result of the overnight campers in those areas; and

WHEREAS, the lawn areas and other spaces on or around City property, including most-notably the lawn areas in front of City Hall and in front of the John Steinbeck Library are frequently used by persons in such a manner that they have been damaged and or destroyed and in some cases present a danger to the health and safety of the community and of the patrons of those facilities; and

WHEREAS, City employees must regularly clean up and remove human waste from areas used for overnight camping including, but not limited to, the space in front of City Hall, the space

surrounding the John Steinbeck Library, recreation centers, public parking lots, and public parking garages; and

WHEREAS, residents and the public at large are prevented from the use of the public areas within and around the city, including streets, sidewalks, parks, public building and public land when those areas are obstructed by a gathering preventing the free passage by use of any street, sidewalk, alley, public way, ingress to any public building, or place used by members of the public to go from place to place; and

WHEREAS, the abuse or mutilation of trees, plants, and lawn prevents residents and the public at large from the reasonable use and enjoyment of those items while costing the City substantial money and resources for the restoration of those items; and

WHEREAS, urination and defecation outside of urinals, toilets, or commodes located in bathrooms, restrooms, or other structures specifically designated for the purpose of urination and defecation poses a significant health and safety problem to residents and the public at large as well as costing the city substantial money and resources to clean; and

WHEREAS, from 2020-2023, an encampment within the Carr Lake area grew to over one hundred separate encampments causing the degradation of waterways through trash accumulation. The adjacent neighborhoods saw an increase in criminal activity during this same time period including, but not limited to, acts of indecent exposure and gang-related crimes (homicides, drug dealing, human trafficking, and gambling). In November 2023, the City removed approximately two hundred tons of debris from this area. A wooden walkway (commonly known as the "boardwalk") that runs along East Laurel Drive on Carr Lake's south end suffered structural damage by unsheltered individuals removing the wooden planks and digging underneath the boardwalk to establish encampments, thereby undermining the structural integrity of this pedestrian walkway; and

WHEREAS, encampments along the Alisal Creek have caused degradation of water quality due to human feces and trash entering the waterway; and

WHEREAS, between 2020-2023, the waterway near Casentini Street and Main Street 2020-2023, became polluted as a result of trash and human waste being deposited into the waterway. The City cleaned out approximately ten tons of debris from this waterway. During this same time period, multiple fires occurred that were caused by individuals living in encampments along this waterway endangering nearby residential structures. Accumulated flammable debris have heightened fire risks within this area; and

WHEREAS, during the period 2020-2025, the number of unsheltered individuals living in encampments in the Circle Drive and Cesar Chavez Park areas has significantly increased and impacted adjacent residential neighborhoods. Criminal activity including drug trafficking and

residential theft has increased as a result, in addition to incidents of indecent exposure and evidence of drug use; and

WHEREAS, numerous shopping carts and camping paraphernalia routinely block the dead end of East San Luis Street as a result of the growing unsheltered population establishing encampments in this area; and

WHEREAS, the number of encampments in the CreekBridge area, from Veterans Parkway at East Laurel Drive to the rear of the Safeway grocery store on Constitution Boulevard has grown substantially. Public defecation and disposal of trash by the unsheltered living in these encampments into the waterway have caused degradation of water quality. Drug sales, drug use, and human trafficking are common within this encampment area. Residential theft and robberies have risen as a result of the growing encampment area; and

WHEREAS, the roadway underpass at Market Street is a focal point for unsheltered encampments leading to significant public health, safety, and quality of life concerns for nearby residents and commuters. The underpass' location along a major roadway creates an intensified risk for residents of the encampment and for drivers as individuals from the encampment frequently walk into the roadway into traffic, endangering themselves and drivers. Fires started within the encampment cause damage to the roadway underpass threatening the structural integrity of the roadway. The proximity of this encampment to residential neighborhoods has lead to increased theft and vandalism, coupled with an increased insecurity among residents of the neighborhood. The visual blight of encampments adjacent to and within the residential neighborhood diminishes the quality of life for residents of the neighborhood; and

WHEREAS, during the period 2020-2023, the number of encampments within the Chinatown area has increased significantly resulting in an equally significant deterioration of the neighborhood due to increased crime; increased threats to public health from the presence of human waste, trash, rodents and vermin, drugs, and toxic waste. Police operations within this area during this time period and to the present have uncovered extensive drug use and possession (including methamphetamine and fentanyl), possession of dangerous weapons (including knives, guns, and a hand grenade), and signs of gang control (where gangs exploit the unsheltered population by imposing "taxes" and coercing unsheltered into drug trafficking and other criminal activities). Local business are impacted by the presence of encampments by the blockage of sidewalks and entryways, which deter customers and visitors; and

WHEREAS, the waterway on the Rico Street and West Lake Street area has been plagued by encampments leading to significant environmental issues. The waterway, vital for local agricultural and natural systems, has suffered contamination due to widespread drug use and the presence of human waste; and

WHEREAS, activities within Sherwood Park have been negatively affected by the presence of encampments, rendering it unsafe for use by the community. Widespread defecation and urination have created unhealthy conditions within the area set up with tables and benches for

park users. Drug paraphernalia is present throughout the park posing a threat to the health, safety, and welfare of park users; and

WHEREAS, the City Council finds and determines that it is necessary to maintain public and private lands, streets, sidewalks, alleys, ways, creeks, waterways, parks, playgrounds, recreation areas, plazas, open spaces, lots, parcels and other public and private areas within the city, in a clean, sanitary and accessible condition and to protect the health, safety and welfare of the community, while recognizing that, subject to reasonable conditions, camping and camping facilities associated with special events can be beneficial to the cultural and educational well-being of the city; and

WHEREAS, private property owners have complained to the City about the scope, size, and number of encampments on their property and the negative health and safety consequences associated with those encampments and have regularly requested the City's assistance in cleaning up those encampments; and

WHEREAS, it is necessary and urgent for the immediate preservation of the public peace, health, and safety of the residents of the city and the public at large to enact an emergency measure to address the negative health and safety consequences associated with overnight encampments, including, but not limited to the health and safety consequences created by the accumulation of human waste, the accumulation of garbage, including used needles used for the administration of drugs intravenously, and the safety of city employees from aggressive behavior and unwanted sexual comments; and

WHEREAS, updates to the Salinas Municipal Code are necessary in order to address issues associated with individuals loitering in and around public spaces and also associated with overnight camping within the city and the establishment of encampments on public property and private property; and

WHEREAS, the potential destruction of, damage to, or interference with, infrastructure that is critical to the provision of public services such as law enforcement, fire prevention, transportation, and utilities, including water and waste disposal is a principal threat to the public health, safety, and welfare. Destruction of, damage to, or interference with, critical infrastructure is caused by fire, contamination, restricting access, or other causes. Destruction of, damage to, or interference with, critical infrastructure is often caused by persons whose activities are not permitted or authorized in, on, or near critical infrastructure.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF SALINAS as follows:

1. The Administrative Procedures for the Removal of Unlawful Campsites, Bulky Items, and Personal Property attached hereto are hereby approved.

2. All resolutions and parts of resolutions and all administrative procedures in conflict herewith are hereby repealed as of the effective date of this resolution.

PASSED AND APPROVED this _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
Dennis Donohue, Mayor

ATTEST:

_____
Patricia M. Soratos, City Clerk

Attachment A:

Administrative Procedure: Removal of Unlawful Campsites, Bulky Items, and Personal Belongings; Administrative Procedure

City of Salinas
OFFICE OF THE CITY MANAGER • 200 Lincoln Ave • Salinas, California 93901
(831) 758-7201 (P) • (831) 758-7368 (F) • cityofsalinas.org

Administrative Procedure: Removal of Unlawful Campsite, Bulky Items, and Personal Belongings

This is the Administrative Procedure ("Policy") for the City's response to and removal of unlawful homeless encampments and the implementation of Article XIII and Article XIV of Chapter 16 of the Salinas Municipal Code.

Purpose
The purpose of this Policy is to establish a clear and compassionate approach for City staff when addressing homeless encampments located on public property within the city of Salinas. This Policy outlines the steps for proper notification, the removal of encampments, and the provision of resources to individuals experiencing homelessness in accordance with applicable laws, including the U.S. Constitution, California Constitution and State law, and local ordinances.

Homeless encampments on private property are handled by private property owners and may be handled by the Salinas Police Department pursuant to California Penal Code 602(o).

Scope
This Policy applies to all City staff involved in the identification, notification, and removal of homeless encampments, including the Public Works Department, Salinas Outreach & Response Team (SORT), Law Enforcement, Code Enforcement, and other relevant departments.

1. Identification and Documentation of Encampments

1.1. **Initial Identification**
Homeless encampments may be identified through reports from the public, City staff, or routine inspections by the Public Works Department, Code Enforcement, SORT, or Law Enforcement and shared at the Encampment Response Team (ERT) Assessment meetings.

1.2. **Assessment**
Before any enforcement action is taken, City staff will assess and discuss the location and size of the encampment, the number of individuals impacted and their service needs, and any potential safety hazards or highly vulnerable individuals (e.g., medically fragile, seniors, children, etc.).

City staff will work together in the identification, notification, and removal of homeless encampments

1.3. **Encampment Documentation**
City SORT staff will document the location, size, number of occupants, and conditions of the encampment, including photographs and maps of tent structures, if appropriate. A report shall be generated to provide a record of the encampment for future reference and coordination of resources. This information will be shared as soon as possible with the ERT

2. Notification Requirements

2.1. **Notice to Individuals in Encampments**
At least **48 hours** prior to the removal of any encampment, Public Works staff will provide a written notice. When an encampment has 10 or more people, every effort will be made to provide at least a 15-day notice to allow for a coordinated "Health and Safety Day".

Pre-Removal Notice: Regardless of the amount of notice time, the notice must be filled out completely and include:

- The removal date, time and location of the planned removal.
- Contact information including address and telephone number for property collection and notice that personal property may be stored for up to sixty (60) days.
- A statement that moving personal property to another location in a public area will not be considered removal of personal property from a public area.
- Instructions on how to contact Salinas Homeless Services Information Line (HSIL) and the Coalition of Homeless Service Providers (CHSP) for assistance in accessing resources and emergency shelters.
- A reminder that personal belongings should be removed prior to the scheduled removal to avoid disposal.

Post-Removal Notice: Written notice will be posted in the area from which the personal property was removed. The Notice will contain the following:

- The date and approximate time the personal property was removed.
- Information on where the personal property was stored including address and telephone number for property collection.
- A statement that the personal property will be discarded after sixty (60) days.

2.2. **Language Access**

Notices shall be provided in English and Spanish to help ensure that all individuals can understand the information being provided.

2.3. **Alternative Notice Methods**

If providing written notice is not feasible (e.g., if the encampment is inaccessible), City staff will attempt to notify individuals via other means.

Notification will also be provided to the Coalition of Homeless Service Providers (CHSP) to activate the CoC Encampment Response Notification.

2.4. **Special Circumstances**

If the encampment is located in an area with known public health or safety concerns (e.g., near hazardous materials, water sources, or areas with frequent criminal activity), the timeline for removal may be shortened, but every effort will be made to provide as much notice as possible.

3. Removal of Homeless Encampments

3.1. **Safety and Health Considerations**

- Removal of encampments must be done in a manner that ensures the safety and well-being of individuals, City staff, and the general public.
- Special consideration should be given to vulnerable individuals, including those with disabilities, elderly persons, or those experiencing severe mental illness, who may require additional assistance.
- Personal belongings should be handled with care. Except as otherwise provided in this Policy, City staff must ensure that personal items are not destroyed or discarded without prior written notification.

3.2. **Coordination with Homeless Outreach Services**

Prior to removal, Public Works and Police Department will coordinate with the SORT to ensure that outreach services are offered to individuals, providing them with information about available shelters, housing, and other support services, including the coordination of personal belonging

storage support through the Public Works Department.

3.3. **Removal Process**

- If individuals refuse to relocate or accept services, the removal process will continue.
- Public Works staff or a contractor will clear the site of the enforcement action of waste, debris, and any hazardous materials, in accordance with City protocols.
- The site of the enforcement action should be cleaned up as soon as possible to avoid public health risks and to restore the space for general public use.

3.4**. Personal Belongings.**

Personal belongings collected at the encampment site that are not a health or safety hazard shall be tagged and stored for not less than sixty (60) days following an enforcement action.

a. Items that constitute a health or safety hazard and will not be collected and stored include, but are not limited to, (i) toxic sharps: needles, scissors, knives; (ii) chemicals: bleach, paint, oils, etc.; (iii) items (including bedding and clothing) that appear soiled, including, but not limited to, by human waste, dirt, or bodily fluids; (iv) moldy, mildewed items; (v) items that may be infested by rodents or insects: rats, mice, fleas, lice, or bed bugs; and (vi) items that may pose a risk of fire or explosion, combustibles, and propane tanks or any item containing fuel or corrosives or other unidentified liquids.

b. If personal belongings are co-mingled or littered with needles, human waste, or other health risks, the entire pile of personal belongings may be disposed of.

c. Bulky items, perishable items such as food, and trash or debris will be disposed of and will not be collected and stored.

4. Record Keeping

Documentation of encampment removals must be stored in a shared drive. Each file should be retained for a minimum of three (3) years and should contain:

- Any photographs taken in connection to the encampment;
- Writings reflecting assessments, evaluations, summaries, receipts and notices, items collected, and items retrieved, if any;
- Name(s) of the contractor(s) involved in the removal;
- Name(s) of the social service providers; and
- Any information regarding personal property

Conclusion

The City of Salinas is committed to addressing homelessness in a manner that is respectful, compassionate, and compliant with legal standards. This Policy seeks to balance public safety and cleanliness with the rights and dignity of those experiencing homelessness, ensuring that individuals are provided with opportunities for services and housing in a manner that fosters their well-being.

This Policy would be reviewed and updated periodically to stay aligned with evolving state laws, court rulings, and best practices for homeless outreach and care.

SALINAS

RICH IN LAND | RICH IN VALUES

City Ordinance Amendments pertaining to Camping and Storage of belongings

Feb. 3, 2026

City Council

.

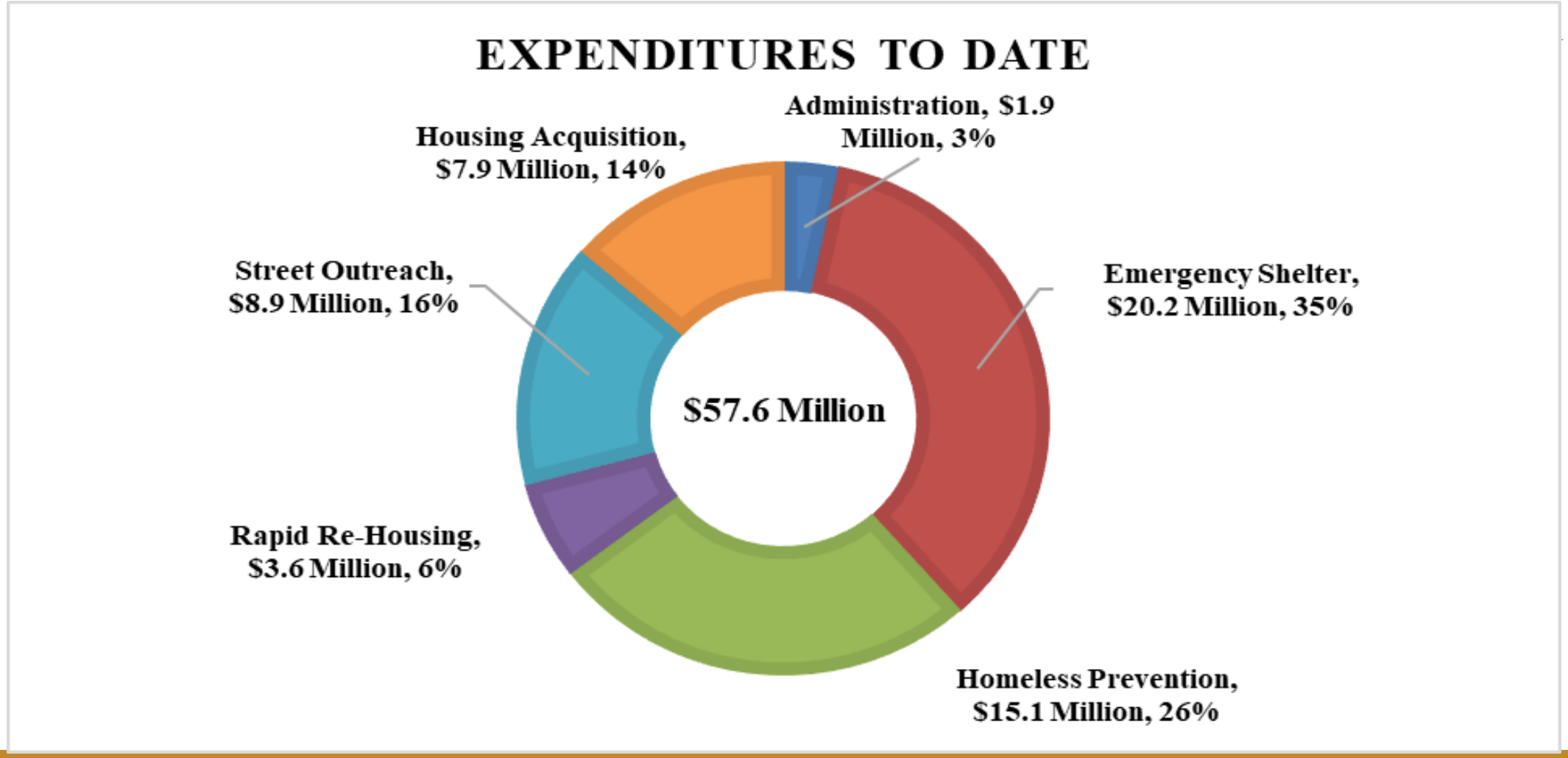
Salinas Homeless Response

The City of Salinas is home to 50% of the County's homeless population, 1,240

In response to this pressing issue, the City has initiated various programs and services that form our strategy.

- Prevention
- Outreach
- Shelter
- Collaboration with Community Based Organizations
- Encampment Removal

Homeless Response – Grant Expenditures



Homeless Response -Permanent Supportive Housing

Permanent Supportive/Transition Housing	# of Units	Funding Amount	Funding Source
Salinas Inn (Fairview)	45	$3.68 M	Combination of multiple grants for purchase. Future funding for rental assistance is included ($1.18M)
El Rey Motel (transitional housing)	25	$3.64 M	ARPA used to purchase.
Single Family Home- Completed	4	$2.83 M	Family Homeless Challenge/ARPA
Single Family Home – Pending	2	$2.8 M	Family Homeless Challenge
TOTAL UNITS	222	$14.3 M	

General Fund Cost & Data

STAFFING COST	FY26/27	FY27/28
• 1 Public Works Staff Assigned • Public Works Staff – Support as needed • Police: No assigned Staff • Police Overtime • SORT • Community Development • City Attorney • Assistant City Manager		
ENCAMPMENT CLEANUP		
▪ Contractor ▪ City Staff: Public Works/PD/SORT		
CALLS FOR SERVICE -		
Police Fire		

Homeless Response – Ordinance Amendments

- City has a responsibility to protect public health & safety
- Preserve access to public facilities
- Prevent damage to city infrastructure & environmental resources

BALANCED WITH

- Compassion and kindness for people experiencing homelessness

Ordinance Amendments

- Salinas has experienced an increase in number & size of homeless encampments
- Created challenges that affect both the unhoused and the broader community
  - Obstruction of sidewalks, streets & public buildings
  - Accumulation of human waste, trash hazardous materials
  - Increased fire risk
  - Diminished quality of life for residents, businesses and visitors

Ordinance Amendments

Chapter 16

Prohibition Against Camping

Clearly defines prohibited camping activities and structures on public property at any time by removing ability to camp from 7pm and 7am.

Protect critical infrastructure and sensitive environmental areas by preventing camping withing 25 feet of critical infrastructure.

Reduces public health and safety hazards associated with encampments

Ensures public spaces remain available for their intended public use

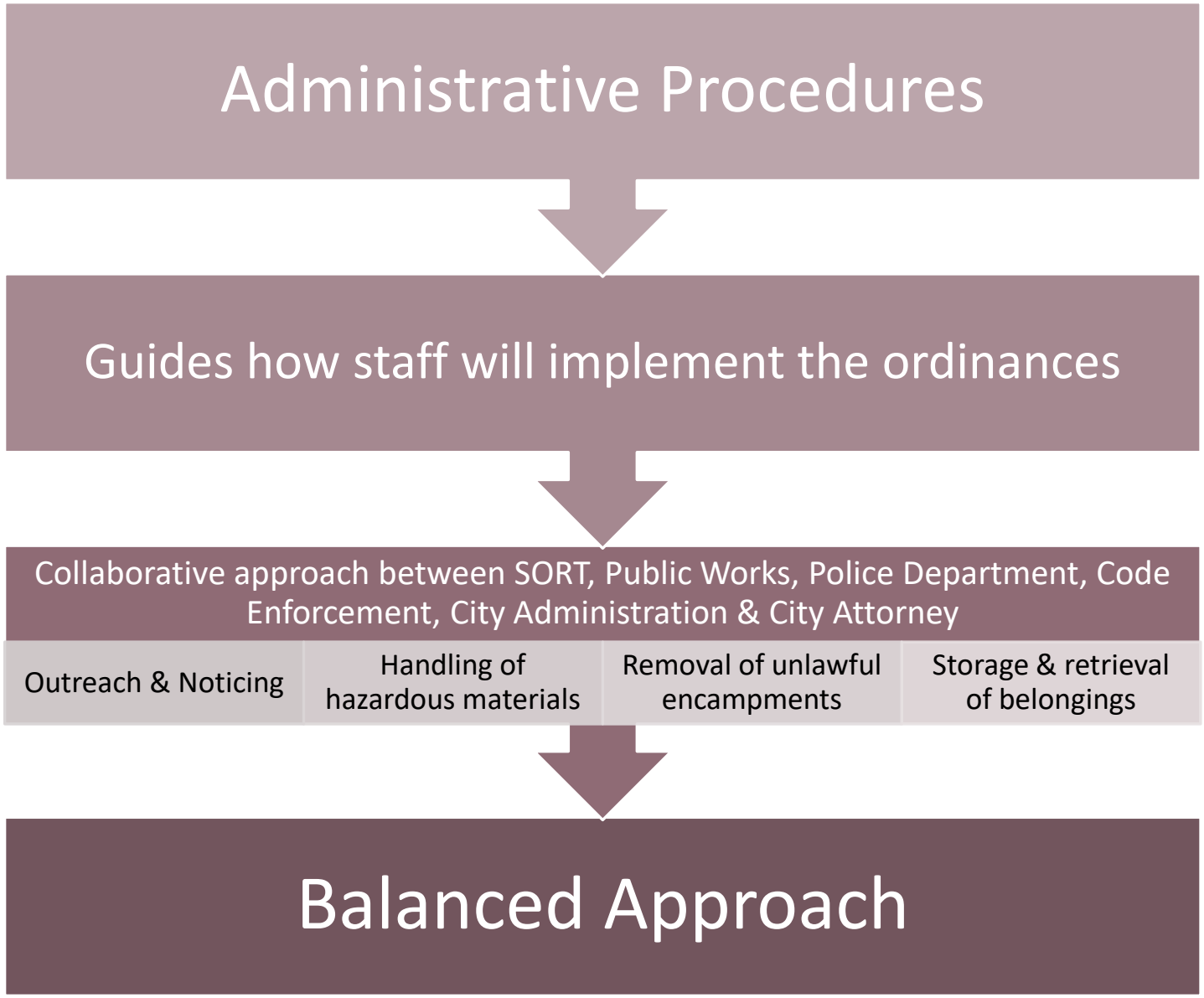
Ordinance Amendments Chapter 16 Storage of Personal Property

Reducing the noticing requirements removing encampments from 72 hours to 48 hours

Preventing obstruction of sidewalks, streets and public rights-of-way

Addressing public safety and sanitation concerns related to unattended or excessive property storage

Homeless Response Encampment Cleanup Procedures



SALINAS

RICH IN LAND | RICH IN VALUES

Questions?

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AGREEMENT FOR SERVICES BETWEEN THE CITY OF SALINAS AND LAZ PARKING CALIFORNIA, LLC.

City-Wide Parking Enforcement Services

THIS AGREEMENT is executed this 1st day of January 2026, ("Agreement" or "Contract") between the City of Salinas, a California Charter city and municipal corporation (hereinafter "City") and LAZ Parking California, LLC., a limited liability company (hereinafter "Contractor").

IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

1. Scope. Contractor hereby agrees to provide to the City, as the scope of services under this Agreement, the following services: City-Wide Parking Enforcement with additional ALPR camera system. Scope of work is further discussed in City-Wide Parking Enforcement Request for Proposal, Attachment B and Contractor's Proposal dated 10/30/25, Attachment C.

2. Timeliness. Contractor shall perform all tasks in a timely fashion, as set forth more specifically in Section 3 below. Failure to so perform is hereby deemed a material breach of this Agreement, and City may terminate this Agreement with no further liability hereunder, or the city may agree in writing with Contractor to an extension of time.

3. Term. The work under this Agreement shall commence January 1, 2026, and shall be completed by January 1, 2029, unless City grants a written extension of time as set forth in Section 2 above.

4. Payment. City agrees to pay, and Contractor agrees to accept as full and fair consideration for the performance of this Agreement, an annual not-to-exceed amount of Six Hundred Forty-Nine Thousand Seven Hundred Twenty-Five Dollars ($649,725.00) as more fully described in title of Contractor's fee schedule, Attachment C. Contractor has no right of reimbursement for expenses under this Agreement. Compensation shall become due and payable 30 days after City's approval of Contractor's submission of monthly written invoices to the City. The payment of any compensation shall be contingent upon performance of the terms and conditions of this Agreement to the satisfaction of the City. If City determines that the work set forth in the written invoice has not been performed in accordance with the terms of this Agreement, City shall not be responsible for payment until such time as the work has been satisfactorily performed.

5. Meet & Confer. Contractor agrees to meet and confer with City or its agents or employees with regard to services as set forth herein as may be required by City to insure timely and adequate performance of this Agreement.

6. Insurance. Contractor shall procure and maintain for the duration of this Agreement insurance meeting the requirements specified in Attachment A hereto.

7. Indemnification. Contractor shall hold harmless, defend at its own expense, and

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indemnify City and its officers, officials, employees, agents, and volunteers from and against all liability, claims, damages, losses, and/or expenses including reasonable City attorney fees arising from all acts or omissions of Contractor or its officers, agents, or employees arising out of the performance of the work under this Contract, caused in whole or in part by any negligent act or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, except where caused by the sole negligence or willful misconduct of the City.

8. Licensing. Contractor warrants that it is properly licensed to perform the work specified under this Agreement, including but not limited to possession of a current City business license.

9. Termination. City may terminate this Agreement upon ten days' written notice. The amount of damages, if any, as a result of such termination may be decided by negotiations between the parties or before a court of competent jurisdiction.

10. Agency. In performing the services specified under this Agreement, Contractor is hereby deemed to be an independent contractor and not an agent or employee of City.

11. Non-Assignability. The rights and obligations of Contractor hereunder are not assignable and cannot be delegated without written consent of City.

12. Entire Agreement. This Agreement constitutes the entire Agreement between the parties hereto and supersedes any and all prior agreements, whether oral or written, relating to the subject matter thereof. Any modification of the Agreement will be effective only if it is in writing signed by both parties hereto.

13. Validity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force without being impaired or invalidated in any way.

14. Counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

15. Laws. Contractor agrees that in the performance of this Agreement it will comply with all applicable State, Federal and local laws and regulations. This Agreement shall be governed by and construed in accordance with the laws of the State of California, County of Monterey, and City of Salinas.

16. Subject to Availability of Funds. In the event that the City Council, or other governing body, fails to appropriate or budget sufficient funds for the continuation of this agreement, or should funds become unavailable for any other reason, the City reserves the right to terminate this agreement upon written notice. This termination shall be effective as of the last day of the fiscal year for which funds were appropriated. Upon such termination, the Contractor will be

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limited to compensation for satisfactory services rendered up to the termination date.

17. Levine Act Disclosure Compliance (Cal Government Code Sec. 84308). Contractor hereby affirms and warrants that it has not contributed to the campaign of any elected or appointed City official an amount totaling more than $500 within twelve (12) months of the effective date of this Agreement, except as Contractor has disclosed within its Levine Act Disclosure Form submitted by Contractor to the City. Contractor agrees, that in the event it makes any contributions subject to the Levine Act's disclosure requirements within twelve (12) months of the effective date of this Agreement, that it will file a Levine Act Disclosure Form (or Forms). Contractor acknowledges this duty of disclosure and that the City has made the Levine Act Disclosure Form(s) readily available on the City's public internet site under Your Government / Transparency section for Contractor's continuous compliance.

18. Electronic Execution of Agreement. The words "execution," "signed," "signature," and words of like import in this Agreement and shall be deemed to include electronic signatures or electronic records (including, without limitation, DocuSign and AdobeSign), each of which shall be of the same legal effect, validity, enforceability, and admissibility as a handwritten signature.

IN WITNESS WHEREOF, this Agreement is entered into by the parties hereto on the day and year first written above.

CITY OF SALINAS

_____
René Mendez, City Manager

APPROVED AS TO FORM:

_____
Christopher A. Callihan, City Attorney, or
Rhonda Combs, Assistant City Attorney

CONTRACTOR:
LAZ Parking California, LLC.

DocuSigned by:
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By (Printed Name): ___Mike Kuziak_____

Its (Title): ___Chief Operating Officer_____

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Attachment A

Insurance Requirements

Contractor shall procure and maintain for the duration of the contract, and for three years thereafter, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his/her/its officers, agents, representatives, employees, and/or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE
Coverage shall be at least as broad as:
1. **Commercial General Liability** ("CGL"): Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an occurrence basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO Form CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability**: ISO Form CA 0001 covering Code 1 (any auto), with limits no less than **$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation**: as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than $1,000,000 per accident for bodily injury or disease.
4. **Contractors' Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions** (if project involves environmental hazards): with limits no less than $1,000,000 per occurrence or claim, and $2,000,000 policy aggregate, on an annual basis.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the Contractor requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Self-Insured Retentions
Self-insured retentions must be declared to and approved by the City. At the option of the City, either: the Contractor shall cause the insurer to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

Other Insurance Provisions
The insurance policies are to contain, or be endorsed to contain, the following provisions:
1. **The City, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by

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or on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

2. For any claims related to this project, the **Contractor's insurance coverage shall be primary** and insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with notice to the City.

4. A copy of the claims reporting requirements must be submitted by Contractor to the City.

5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractor's Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the City.

Waiver of Subrogation

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

Verification of Coverage

Contractor shall furnish the City with original Certificates of Insurance including an additional insured endorsement and all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

Maintenance of Insurance

Maintenance of insurance by Contractor as specified shall in no way be interpreted as relieving

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Contractor of its indemnification obligations or any responsibility whatsoever and the Contractor may carry, at its own expense, such additional insurance as it deems necessary.

Special Risks or Circumstances
City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

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Attachment B

Public Works Department

Request for Proposal (RFP) for Professional Services

City-Wide Parking Enforcement

RFP Issued:	**Monday, October 13, 2025**
Submit Written Questions regarding RFP:	**2:00 p.m.** **Friday, October 17, 2025**
RFP submittal deadline:	**2:00 p.m.** **Friday, October 24, 2025**
Contact:	Jenny Davila Public Works Admin. Supervisor

CITY OF SALINAS
PUBLIC WORKS DEPARTMENT
ENVIRONMENTAL MAINTENANCE
426 WORK STREET
SALINAS, CA 93901

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REQUEST FOR PROPOSAL (RFP) FOR PROFESSIONAL SERVICES

TITLE: CITY-WIDE PARKING ENFORCEMENT

1. INTRODUCTION

The City of Salinas is seeking proposals from qualified firms to provide services for efficient and professional parking enforcement operations citywide and wishes to engage these services without incurring capital outlay or adding City employees. Therefore, the city is seeking proposals from organizations that can provide Parking Enforcement Services. The City is seeking a multi-year contract with a qualified, professional and highly motivated firm or consortium to perform daily parking enforcement services. The required services and performance conditions are described in the Scope of Work (or Services).

2. ATTACHMENTS

The attachments below are included with this Request for Proposals (RFP) for your review and submittal (see asterisk):

Attachment A – Proposer's Information Form*
Attachment B – Scope of Work/Services
Attachment C – Sample Agreement for Professional Services
Attachment D – Sample Table, Qualifications of Firm Relative to City's Needs*
Attachment E – Cost Proposal Format*

The items identified with an asterisk (*) shall be filled out, signed by the appropriate representative of the company and returned with submittal.

3. INSTRUCTIONS TO PROPOSERS

3.1 Examination of Proposal Documents

The submission of a proposal shall be deemed a representation and certification by the Proposer that they:

3.1.1 Have carefully read and fully understand the information that was provided by the City to serve as the basis for submission of this proposal.
3.1.2 Have the capability to successfully undertake and complete the responsibilities and obligations of the proposal being submitted.
3.1.3 Represent that all information contained in the proposal is true and correct.
3.1.4 Did not, in any way, collude, conspire to agree, directly or indirectly, with any person, firm, corporation or other Proposer in regard to the

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amount, terms or conditions of this proposal.

3.1.5 Acknowledge that the City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Proposer, and Proposer hereby grants the City permission to make these inquiries, and to provide any and all related documentation in a timely manner.

No request for modification of the proposal shall be considered after its submission on grounds that Proposer was not fully informed to any fact or condition.

3.2 Addenda/Clarifications

Should discrepancies or omissions be found in this RFP or should there be a need to clarify this RFP, questions or comments regarding this RFP must be put in writing and submitted on Planetbids no later than 2:00 p.m., Friday, October 17, 2025. All Communications regarding this RFP, including all questions, should be submitted through the Q&A section of the project page (on PlanetBids). The City will respond to all questions submitted prior to the communication deadline. All addenda shall become a part of this RFP and shall be acknowledged on the Proposer's Form.

The City shall not be responsible for nor be bound by any oral instructions, interpretations or explanations issued by the City or its representatives.

3.3 Submission of Proposals

All proposals shall be submitted electronically on the PlanetBids project page. Proposals must be received no later than 2:00 p.m. on Friday, October 24, 2025. All proposals received after that time will be rejected for non-compliance. Proposal should bear Proposer's name and address, clearly marked, "RFP – City-Wide Parking Enforcement".

3.4 Withdrawal of Proposals

A Proposer may withdraw its proposal **at any time before the expiration of the time for submission of proposals as provided in the RFP** by emailing the City Project Manager for a request to withdrawal signed by, or on behalf of, the Proposer.

3.5 Rights of the City of Salinas

This RFP does not commit the City to enter into a contract, nor does it obligate the City to pay for any costs incurred in preparation and submission of proposals or in anticipation of a contract. The City reserves the right to:

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- Make the selection based on its sole discretion;
- Reject any and all proposals;
- Issue subsequent Requests for Proposals;
- Postpone opening for its own convenience;
- Remedy technical errors in the Request for Proposals process;
- Approve or disapprove the use of particular subconsultants;
- Negotiate with any, all or none of the Proposers;
- Accept other than the lowest offer;
- Waive informalities and irregularities in the Proposals and/or
- Enter into an agreement with another Proposer in the event the originally selected Proposer defaults or fails to execute an agreement with the City.

An agreement shall not be binding or valid with the City unless and until it is executed by authorized representatives of the City and of the Proposer.

4. PROPOSED TENTATIVE TIMELINE

The tentative RFP timeline is as follows:

RFP Issued	Monday, October 13, 2025
Deadline for questions, clarifications	2:00 p.m., Friday, October 17, 2025
Proposals Due	2:00 p.m., Friday, October 24, 2025
Interviews (if needed)	Week of October 27, 2025
Proposal Selection and Contract Preparation	Week of November 2, 2025
Contract Awarded	November 2025 (tentative)
Work Commences	December 2025 (tentative)

5. INFORMATION TO BE SUBMITTED (to be submitted in this order only)

These instructions outline the guidelines governing the format and content of the proposal and the approach to be used in its development and presentation. The intent of the RFP is to encourage responses that clearly communicate the Proposer's understanding of the City's requirements and its approach to successfully provide the products and/or services on time and within budget. Only that information which is essential to an understanding and evaluation of the proposal should be submitted. Items not specifically and explicitly related to the RFP and proposal, e.g. brochures, marketing material, etc. will not be considered in the evaluation.

All proposals shall address the following items in the order listed below and shall be numbered 1 through 8 in the proposal document.

5.1 Section 1 – Proposal Summary

This Chapter shall discuss the highlights, key features and distinguishing points of the Proposal. A separate sheet shall include a list of individuals and

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contacts for this Proposal and how to communicate with them. Limit this Chapter to a total of three (3) pages including the separate sheet.

5.2 Section 2 – Profile on the Proposing Firm(s)

This Chapter shall include a brief description of the Prime Proposer's firm size as well as the proposed local organization structure. Include a discussion of the Prime Proposer firm's financial stability, capacity and resources. Include all other firms participating in the Proposal, including similar information about the firms.

Additionally, this section shall include a listing of any lawsuit or litigation and the result of that action resulting form (a) any public project undertaken by the Proposer or by its subcontractors where litigation is still pending or has occurred within the last five years or (b) any type of project where claims or settlements were paid by the consultant or its insurers within the last five years.

5.3 Section 3 – Qualifications of the Firm

This Chapter shall include a brief description of the Proposer's and sub-Proposer's qualifications and previous experience on similar or related projects. Provide in a table format (see Sample Table, Attachment D) descriptions of pertinent project experience with other public municipalities and private sector that includes a summary of the work performed, the total project cost, the percentage of work the firm was responsible for, the period over which the work was completed, and the name, title, and phone number of client's to be contacted for references. Give a brief statement of the firm's adherence to the schedule and budget for the project.

This chapter shall include information regarding any relationships with firms and/or individuals who may submit proposals in response to the RFPs being developed.

5.4 Section 4 – Work Plan or Proposal

This Chapter shall present a well-conceived service plan. Include a full description of major tasks and subtasks. This section of the proposal shall establish that the Proposer understands the City's objectives and work requirements and Proposer's ability to satisfy those objectives and requirements. Succinctly describe the proposed approach for addressing the required services and the firm's ability to meet the City's schedule, outlining the approach that would be undertaken in providing the requested services.

5.5 Section 5 – Proposed Innovations

This Chapter shall discuss Proposers technical or procedural innovations that have been used successfully on other engagements, and which may provide

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the City with better service delivery. In section should discuss any ideas, innovative approaches, or specific new concepts included in the Proposal that would provide benefit to the City.

5.6 Section 6 – Project Staffing

This Chapter shall discuss how the Proposer would propose to staff this project. Key project team members shall be identified by name, title and specific responsibilities on the project. An organizational chart for the project team and resumes for key Proposer personnel shall be included. Key personnel will be an important factor considered by the review committee. Changes in key personnel may be cause for rejection of the proposal.

5.7 Section 7 – Proposal Exceptions

This Chapter shall discuss any exceptions or requested changes that Proposer has to the City's RFP conditions, requirements and sample contract. If there are no exceptions noted, it is assumed the Proposer will accept all conditions and requirements identified in the Attachment C – "Sample Agreement for Services." Items not excepted will not be open to later negotiation.

5.8 Section 8 – Proposal Costs Sheet and Rates

The fee information is relevant to a determination of whether the fee is fair and reasonable in light of the services to be provided. Provision of this information assists the City in determining the firm's understanding of the project, and provides staff with tools to negotiate the cost, provide in a table (See Table, Attachment E).

Consultant shall provide the following information

5.8.1 Direct labor rates for proposed staff;
5.8.2 Overhead rate and breakdown of overhead elements;
5.8.3 Subconsultant billing rates and mark-up percentage for ODC's (other direct costs); and identify all reimbursable expenses.
Most recent complete financial instrument that would establish Proposer's ability to complete the obligations of the contract resulting from this solicitation. Proposers need to submit their last two audited financial statements (e.g., balance sheet, income statement, and statement of cash flow).

This Chapter shall include the proposed costs to provide the services desired. Include any other cost and price information, plus a not-to-exceed amount, that would be contained in a potential agreement with the City. The hourly rates may be used for pricing the cost of additional services outlined in the Scope of Work.

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PLEASE NOTE: The City of Salinas will not pay for services before it receives them. Therefore, do not propose contract terms that call for upfront payments or deposits.

6. CONTRACT TYPE AND METHOD OF PAYMENT

It is anticipated that the agreement resulting from this solicitation, if awarded, will be a not-to-exceed budget per task form of contract. Contract term shall be three years (3) with an opportunity to extend two additional one (1) year terms. A Sample Agreement for Professional Services is provided as Attachment C. The method of payment to the successful Proposer shall be on a per task basis with a maximum "not to exceed" fee as set by the Proposer in the proposal or as negotiated between the Proposer and the City as being the maximum cost to perform all work. This figure shall include direct costs and overhead, such as, but limited to, transportation, communications, subsistence and materials and any subcontracted items of work. Progress payments will be based on a percentage of project completed.

Proposers shall be prepared to accept the terms and conditions of the Agreement, including Insurance Requirements in Attachment C. If a Proposer desires to take exception to the Agreement, Proposer shall provide the following information in Section 7 of their submittal package. Please include the following:

- Proposer shall clearly identify each proposed change to the Agreement, including all relevant Attachments.
- Proposer shall furnish the reasons for, as well as specific recommendations, for alternative language.

The above factors will be taken into account in evaluating proposals. Proposals that take substantial exceptions to the proposed Agreement may be determined by the City, at its sole discretion, to be unacceptable and no longer considered for award.

Insurance Requirements

The selected Proposer(s), at Proposer's sole cost and expense and for the full term of the Agreement or any extension thereof, shall obtain and maintain, at a minimum, all of the insurance requirements outlined in Attachment C.

All policies, endorsements, certificates and/or binders shall be subject to the approval of the City Attorney as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Attorney. The selected Proposer agrees to provide the City with a copy of said policies, certificates and/or endorsement upon award of contract.

7. REVIEW AND SELECTION PROCESS

City staff will evaluate the proposals provided based on the following criteria:

7.1 Cost of services;

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7.2 References from similar programs, indicating that contractor has performed services professionally with a positive impact on the community;
7.3 Training program;
7.4 Experience;
7.5 Level of customer service;
7.6 Implementation Plan;

A selection committee will make a recommendation to the City Council. The acceptance of the proposal will be evidenced by written Notice of Award from the City Public Works Department to the successful Proposer after Council approval.

8. ORAL INTERVIEWS

Proposers may be required to participate in an oral interview. The oral interview will be a panel comprised of members of the selection committee.

Proposers may only ask questions that are intended to clarify the questions that they are being asked to respond.

Each Proposer's time slot for oral interviews will be determined randomly. Proposers who are selected shall make every effort to attend. If representatives of the City experience difficulty on the part of any Proposer in scheduling a time for the oral interview, it may result in disqualification from further consideration.

9. PUBLIC NATURE OF MATERIALS

Responses to this RFP become the exclusive property of the City of Salinas. All proposals received in response to this RFP becomes a matter of public record and shall be regarded as public records, with the exception of those elements in each proposal which are defined by the Proposer as business or trade secrets and plainly marked as "Confidential," "Trade Secret," or "Proprietary". The City shall not in any way be liable or responsible for the disclosure of any such proposal or portions thereof, if they are not plainly marked as "Confidential," "Trade Secret," or "Proprietary" or if disclosure is required under the Public Records Act. Any proposal which contains language purporting to render all or significant portions of the proposal "Confidential," "Trade Secret," or "Proprietary" shall be regarded as non-responsive.

Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City of Salinas may not accept or approve that the information that a Proposer submits is a trade secret. If a request is made for information marked "Confidential," "Trade Secret," or "Proprietary," the City shall provide the Proposer who submitted the information with reasonable notice to allow the Proposer to seek protection from disclosure by a court of competent jurisdiction.

10. COLLUSION

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By submitting a proposal, each Proposer represents and warrants that its proposal is genuine and not a sham or collusive or made in the interest of or on behalf of any person not named therein; that the Proposer has not directly induced or solicited any other person to submit a sham proposal or any other person to refrain from submitting a proposal; and that the Proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a proposal.

11. DISQUALIFICATION

Factors such as, but not limited to, any of the following may be considered just cause to disqualify a proposal without further consideration:

11.1 Evidence of collusion, directly or indirectly, among Proposers in regard to the amount, terms or conditions of this proposal;

11.2 Any attempt to improperly influence any member of the evaluation team;

11.3 Existence of any lawsuit, unresolved contractual claim or dispute between Proposer and the City;

11.4 Evidence of incorrect information submitted as part of the proposal;

11.5 Evidence of Proposer's inability to successfully complete the responsibilities and obligation of the proposal; and

11.6 Proposer's default under any previous agreement with the City, which results in termination of the Agreement.

12. NON-CONFORMING PROPOSAL

A proposal shall be prepared and submitted in accordance with the provisions of these RFP instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from or to a proposal may be sufficient grounds for non-acceptance of the proposal, at the sole discretion of the City.

13. GRATUITIES

No person shall offer, give or agree to give any City employee any gratuity, discount or offer of employment in connection with the award of contract by the city. No city employee shall solicit, demand, accept or agree to accept from any other person a gratuity, discount or offer of employment in connection with a city contract.

14. FIRMS OR PERSONS NOT ELIGIBLE TO SUBMIT A PROPOSAL

In order to avoid any conflict of interest or perception of a conflict of interest, Proposer(s) selected to provide professional services under this RFP will be subject to the following requirements:

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14.1 The Proposer(s) who works on the procurement will be precluded from submitting proposals or bids as a prime contractor or subcontractor in the ultimate procurement.
14.2 The Proposer(s) may not have interest in any potential Proposer for the ultimate procurement.

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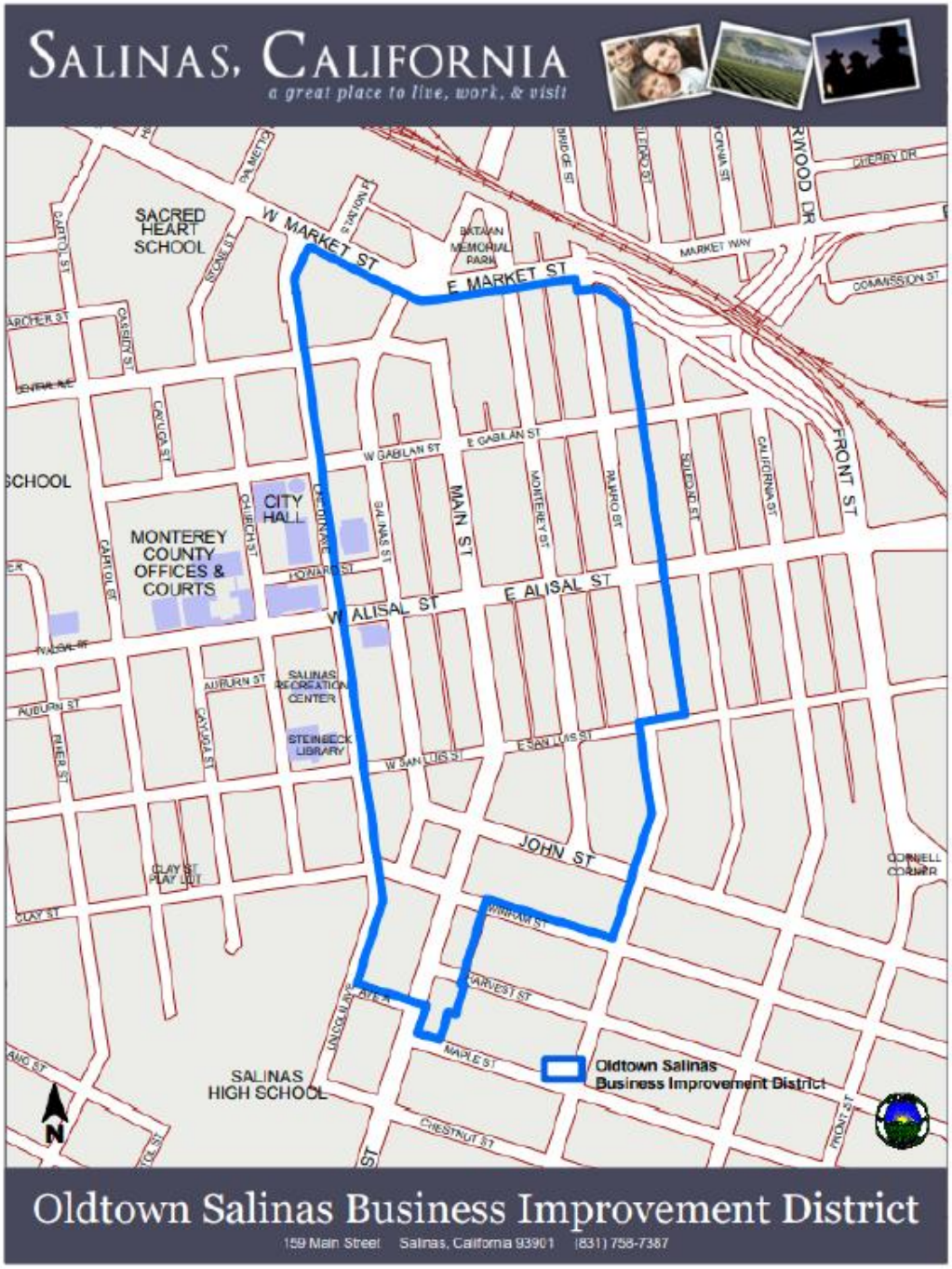

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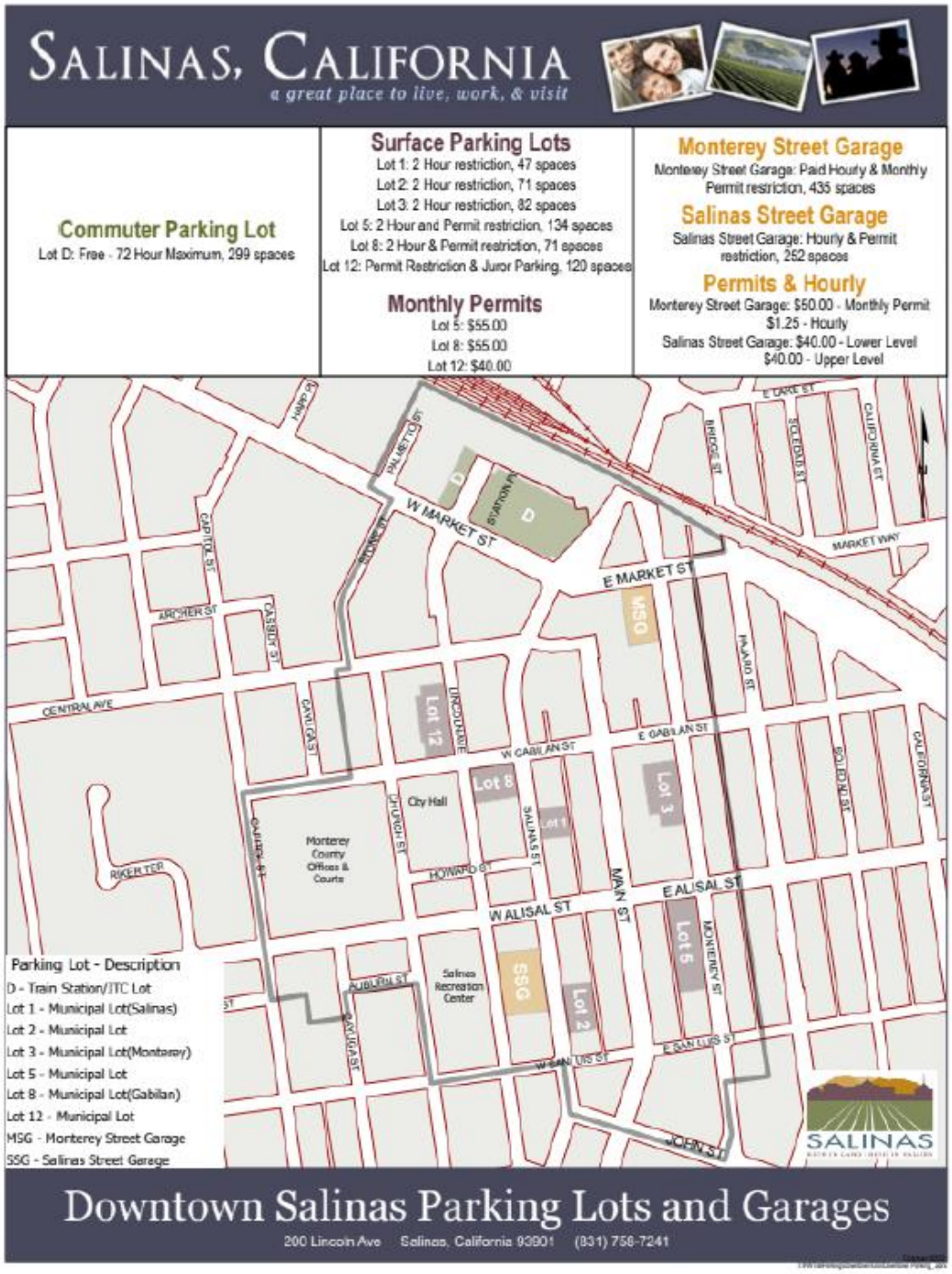

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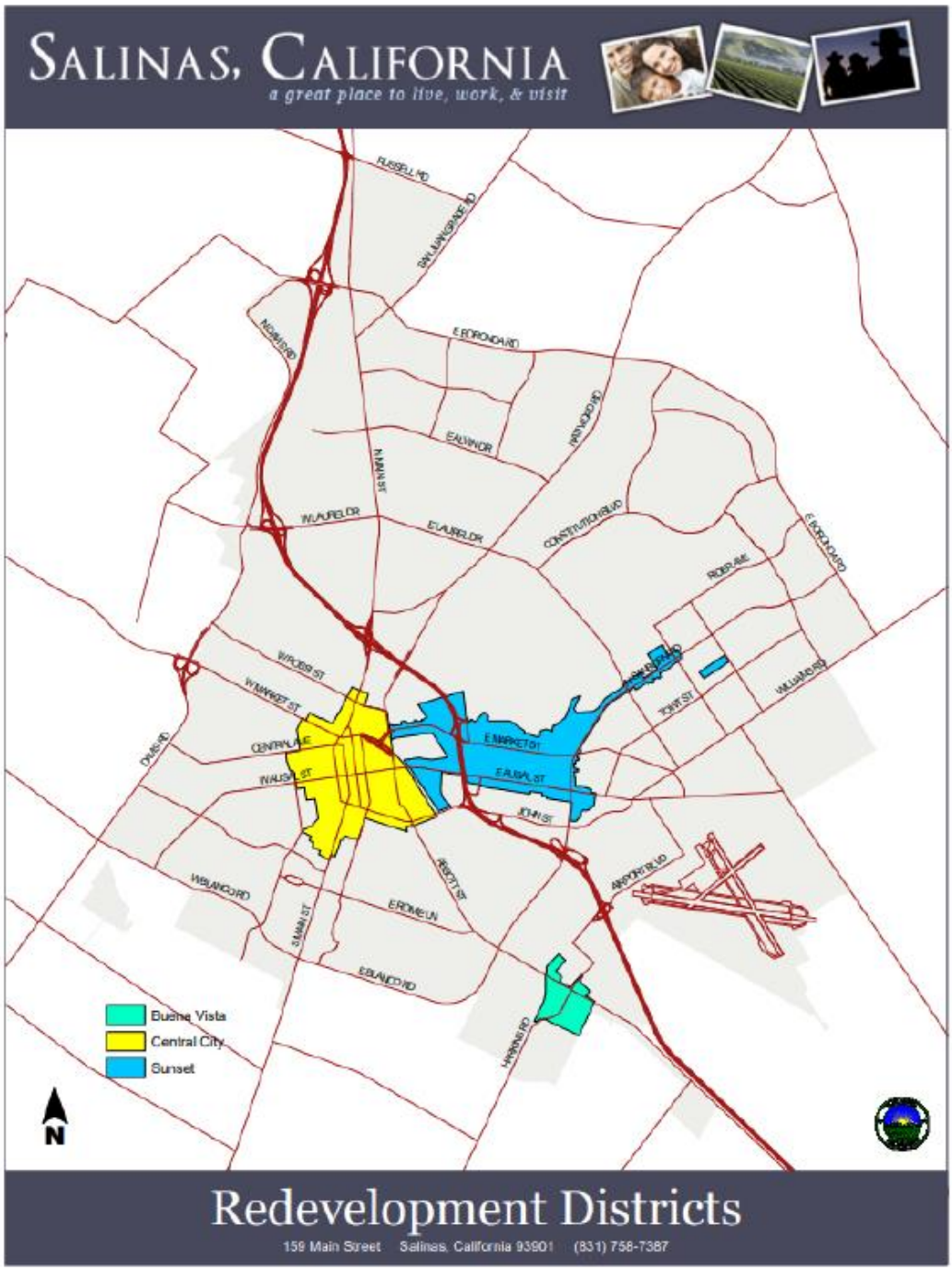

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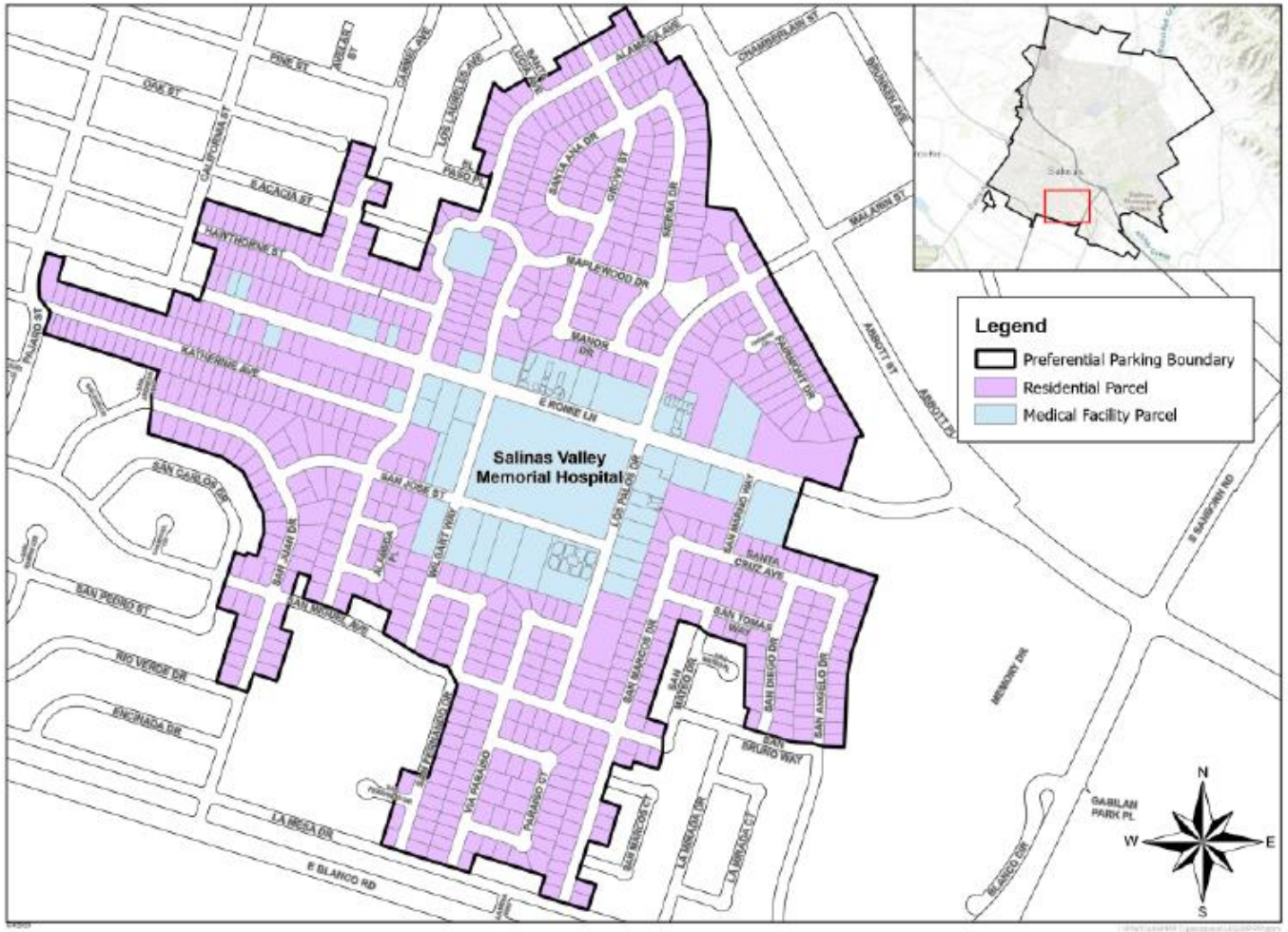
Residential Parking Permit Program Map



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ATTACHMENT A – PROPOSER'S INFORMATION FORM

Attachment A
Proposer's Information Form

PROPOSER (please print):

Name: LAZ Parking California, LLC

Address: 5901 Christie Ave •Suite 202• Emeryville, CA 94608

Telephone: (510) 250-2052 Email: smooney@lazparking.com

Contact person, title, email, and telephone: Cindy Hefner, Regional VP, NorCal
chefner@lazparking.com (510) 250-2052 x7352

Proposer, if selected, intends to carry on the business as (check one):

☐ Individual ☐ Joint Venture

☐ Partnership

☑ Corporation

When incorporated? 12/14/2009

In what state? Connecticut

When authorized to do business in California? 02/04/2010

☑ Other (explain): Limited Liability Company

ADDENDA

To assure that all Proposers have received each addendum, check the appropriate box(es) below. Failure to acknowledge receipt of an addendum/addenda may be considered an irregularity in the Proposal:

Addendum number(s) received: ☐1; ☐2; ☐3; ☐4; ☐5; ☐6;

Or ☑ _____ No Addendum/Addenda Were Received (**check and initial**).

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PROPOSER'S SIGNATURE
No proposal shall be accepted which has not been signed in ink in the appropriate space.

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Attachment A – Proposer Information continued…

1. If Proposer is **INDIVIDUAL**, sign here:

Date:_____ _____
Proposer's Signature

_____
Proposer's typed name and title

2. If Proposer is **PARTNERSHIP** or **JOINT VENTURE;** at least two (2) Partners shall sign here:

_____
Partnership or Joint Venture Name (type or print)

Date:_____ _____
Member of the Partnership or Joint Venture signature

Date:_____ _____
Member of the Partnership or Joint Venture signature

3. If Proposer is a **CORPORATION**, the duly authorized officer shall sign as follows: The undersigned certify that he/she is respectively:

Cindy Hefner and Regional VP, NorCal
Signature Title

Of the corporation named below; that they are designated to sign the Proposal Cost Form by resolution (attach a certified copy, with corporate seal, if applicable, notarized as to its authenticity or Secretary's certificate of authorization) for and on behalf of the below named CORPORATION, and that they are authorized to execute same for and on behalf of said CORPORATION.

LAZ Parking California, LLC
Corporation Name (type or print)

By: Cindy Hefner & Muhammad Mansoor Date: 10/29/2025

Title: Regional VP, NorCal & VP, Enforcement & Municipal Operations

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ATTACHMENT B – SCOPE OF WORK

Project Background:
The City of Salinas desires efficient and professional parking enforcement operations citywide which includes the city's commercial districts, residential permit parking program, schools, street sweeping restrictions, and parking restrictions and wishes to engage these services without incurring capital outlay or adding City employees. Therefore, the city is seeking proposals from organizations that can provide Parking Enforcement Services with the goal to increase parking citation issuance. The City is seeking a multi-year contract with a qualified, professional and highly motivated firm or consortium to perform daily permit parking enforcement services. The selected provider shall work with the City's Citation Processing and Administrative Review contractor, including provision of compatible equipment with their systems.

Description of Project:
The City of Salinas seeks to further enhance the effectiveness of its downtown parking management program, which encompasses several city-operated parking lots and two parking garages. The City is pleased with the progress achieved under its current parking management provider and is now inviting proposals that will build upon this success to deliver innovative, efficient, and cost-effective parking management solutions. The City aims to improve revenue collection through effective citation issuance and enforcement practices, while continuing to strengthen on-street parking management in its commercial areas and within the existing residential permit parking district near one of its major hospitals. In addition, the City anticipates expanding enforcement efforts in school zones during pick-up and drop-off times and implementing new parking restrictions to support street sweeping operations.

The attached maps show commercial areas throughout the City and the location of the residential permit parking program.

The commercial or business districts generally have 2-hour parking. However, certain street segments may have 20-minute zones to 90-minute zones as well as reverse parking zones.

Term of Contract shall be for three (3) years with an opportunity to extend for two additional one (1) year terms.

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Scope of Services

Contract Parking Enforcement personnel will provide enforcement services citywide, issuing parking citations to violators. The chosen contractor is expected to provide all equipment needed for enforcement operation, including but not limited to vehicles, handheld devices for uploading citation information, license plate readers, uniforms, and company issued photo identification cards. Said equipment shall be compatible with systems of the City's citation processing contractor, Parking Management Bureau (PMB).

Issuance of Parking Citations

The contractor's staff will be responsible for issuing citations for parking permit violations citywide. Citations must include the make, model, color, and style of vehicle, license tag number or Vehicle Identification Number (VIN), violation code number and description, base fine amount and additional fine amount in the event there is a failure to respond timely, badge number, the location of the parking offense, type of offense (e.g. permit incorrectly displayed, no valid permit, not parked in the right location) and the time and date of the offense. The contractor should supply handheld ticket writers which are capable of capturing digital photos and voice recordings associated with a violation. If a manual paper citation is used, it will be filled out in a complete and legible manner. All citations must be placed on the windshield of the offending vehicle, as required by the California vehicle code. The Contractor is required to provide handheld devices, ticket writer ticket stock, envelopes, and manual citation books.

The City would like the vendor to perform all enforcement services, but for citation processing and payments to occur via the City's existing citation management vendor and the revenue collections division in the City's Finance Department.

The Contractor is required to supply all vehicles needed and will be responsible for all on-going operating expenses including insurance, fuel, maintenance, and repairs. All vehicles used by enforcement shall be clearly identifiable as performing parking enforcement for the City. Vehicle markings shall indicate the operator is a private company authorized to provide services in the City of Salinas. Marking and color should distinguish Contractor's vehicles from official City vehicles, and the vehicle markings must be approved by the City Manager and the Chief of Police or his/her designee. Parking enforcement and parking meter operations staff shall operate all vehicles at all times in compliance with all state and local motor vehicle and emissions laws. Vehicles shall not have missing parts or dents, and the rear of all patrol vehicles shall have a sign warning of frequent vehicle stops. All vehicles used by Contractor's personnel shall have blinking flasher lights installed on each vehicle's roof.

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Personnel

The firm selected for the contract, and all of its personnel, should demonstrate an exceptional familiarity with parking enforcement rules and regulations, laws, statues, ordinances, policies, parking program technologies and management as well as hearing procedures. Most importantly, the firm chosen should demonstrate a superior understanding of operational requirements, public relations, and customer service practices.

The contractor will be responsible for all aspects of recruitment, selection, and initial and on-going training of parking enforcement personnel, so the contractor shall employ only persons competent and skilled and shall provide responsible supervision for each individual employed. The contract service provider shall not use discriminatory hiring practices in regard to ethnic origin, race, religion, gender, sexual orientation, and physical or mental disability. The contractor must adhere to all existing Government Code and City nondiscrimination policies, and the contractor's personnel shall at all times be polite and courteous to all citizens and City staff. The contractor's personnel shall be required to speak and write and communicate effectively to the City's customers, residents and visitors and bilingual skills are recommended to better serve the City's Spanish speaking community. The contractor will be responsible for assuring employee compliance with all laws and regulations, responding to inspections/audits by regulatory agencies, and paying any fines or assessments levied by regulatory agencies. In addition, the contract service provider will be responsible for all personnel supervision, discipline, and termination actions. However, the City may require the removal of any Contractor's personnel, when it is determined to be in the best interest of the City, at any time.

The contractor must provide a thorough background investigation on all potential employees, including but not limited to criminal/driving history, outstanding violations, polygraph and/or psychological exams, medical history, prior work issues and a skills assessment test. As the individuals selected for the process will be representing the City of Salinas on a day-to-day basis, the selection criteria are expected to be stringent. Employees should also be interviewed by City of Salinas staff prior to approval.

All personnel are to be provided with professional appearing uniforms, badges, and ID tags. Logos should appear on shirt and jacket sleeves, and hats should have an emblem designating them as official RPP parking enforcement personnel. The City must approve the color and design of uniforms, and it is important that uniformed personnel shall not resemble a City of Salinas Police Department uniform. All personnel are to be in complete uniform at any time during duty hours including time in court and must carry a company-issued photo identification at all times.

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The contractor shall be responsible for the conduct, demeanor, and appearance of all employees. All employees shall act in a courteous and respectable manner while on duty, and during any interactions with the public. The City of Salinas seeks to maintain the highest level of customer service, and employees must be attentive, alert, and responsive when dealing with customers' issues, needs, or complaints. As may be occasionally required, the contract service provider will be responsible for having their employees appear in court, on-time, and prepared to testify on parking-related cases in a professional manner.

Training

The contractor will provide reasonable and necessary training to their employees who work for the City, relevant to their respective job duties. The training program should provide the Contractor's personnel with sufficient understanding of the RPP District as well as operation of required equipment and enforcement protocol. All personnel are to complete and pass the training course prior to starting service, and the training procedures must be approved by the City.

The contractor shall maintain complete training records for each employee, as well as any other records prescribed by law or City policy as appropriate. The training must include, but is not limited to, the following:

Enforcing permit violations by the issuance of citations

- Marking and tagging of vehicles
- Responding to calls for service
- Customer service delivery and expectations
- Conflict resolution management
- City Municipal code, state statute, and ordinances relating to parking enforcement and related activities
- Giving testimony and courtroom procedures
- Job procedures and emergency protocol
- Job safety
- Civil rights law and procedures
- Job procedures and emergency protocols

The Contractor shall select and hire only persons who are well-qualified to perform the duties for their respective job positions and should provide classifications of all employee positions within their proposal, including a job description.

Classifications might include, but are not limited to:

- Parking Enforcement Supervisor/Manager: Assist the parking enforcement staff with day-to-day operations and staffing issues. Supervisor shall be responsible to report with the City on a bi-monthly basis and provide updates on the enforcement process, any feedback from the public, incidents and

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number of citations issued. A supervisor should possess sufficient IT knowledge to be able to handle employee equipment issues in the field, and the capability of working with the citation processing agency for any citation issues.

- Parking Enforcement Staff: Responsible for the day-to-day management, supervision, and operation of parking enforcement services. These individuals must have the capacity to act as "Ambassadors" for the City, providing information about parking enforcement practices and other information pertinent to the areas where they are working.

The contractor should provide performance metrics for each position so that performance evaluations may take place.

Routes

The Contractor is expected to familiarize themselves with the City prior to submitting a proposal and should provide a schedule of estimated patrol routes and frequency recommendations. The City seeks to ensure that coverage is adequate, fair, regular, and consistent, although it is also expected that the Contractor will alternate the patrol routes on a regular basis to eliminate predictability. The contractor can propose changes to routes and schedules to the City as part of their performance reporting meetings and documentation.

Record Keeping and Reporting

The proposer will be responsible for maintaining records of employment and, upon request, provide the City with personnel and training information for each employee. In addition, the contractor will be responsible for preparing and maintaining records, including logs of parking enforcement activities. Supervisor shall be responsible for attending weekly meetings with the City to provide updates on parking activity and issues. The Contractor will also be expected to purchase parking permits for any employees driving to Salinas.

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Proposal Requirements

A. Cover Letter: Each Proposer shall submit with their proposal a cover letter identifying the Proposer and the proposal package being submitted. An authorized representative of the Proposer must sign the cover letter. Proposer's representative shall identify name, title, office location, telephone number, fax number and e- mail address.
B. Table of Contents: Include a Table of Contents listing the various sections included in the proposal.
C. Description of Services

The description of services shall be prepared in accordance with the following sections:

Section I: Executive Summary
Proposers shall include in their Proposal, an Executive Summary that indicates the firm's expertise and strengths. Additionally, this section must include a brief statement of the firm's background and examples of accomplishments that distinguish the firm from other enforcement firms and enable your firm to be the most competitive for this RFP.

Section II: Proposed Approach
Proposers shall describe their approach to meeting the scope of work. The following areas must be addressed in the scope of work:

1) An explanation of the firm's approach to organizing and implementing the parking enforcement and services.
2) Description of the firm's approach in working with cities and their staff members.
3) Description of the firm's management philosophy and strategy for an agreement with the City of Salinas.
4) Examples of parking enforcement and meter operations contracting services and accomplishments, past and present that may be of similar nature to this scope of work. Include names and contacts in association with those contracts for references.
5) Areas not in this RFP, but which the Proposer believes are essential to the effective performance and completion of the services should also be addressed in the proposal.

In this section, the proposing company should also demonstrate their specific capabilities to fulfill the requirements for performance of this contract. The response should include details on the service level proposed for parking enforcement citywide and staffing proposal.

Section III: Staffing
The City desires a single source of contract accountability through the proposing organization, so acknowledgement of this requirement is needed if subcontractors are proposed. Also, each service provider should state the on-site and off-site personnel

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who will have responsibility for administration of this contract. This section should include the names of any proposed subcontractors that the prime Contractor plans to use.

Section III should include a project organizational chart with the following information:
1) Names and titles of individuals; and
2) Names and titles of possible subcontractors who may be involved in providing the required services.

Section IV: Proposer's Business Information
Proposal must include the following:
1) Identify the firm's business structure (i.e. whether the firm is a corporation, limited partnership, sole proprietorship, etc.), location of headquarters office and location of any local offices, telephone number, fax number and e-mail address.
2) Identify the names of general partners or owner(s) of the firm, their titles, office location, telephone number, fax number and e-mail address.
3) List the name, title, address, telephone number, background and responsibilities of the lead management person who will be onsite full time to direct the operations of the outsource services.
4) Include a responsibility matrix indicating the reporting structure and responsibilities of each member of the proposed outsource services project team.
5) Identify each possible subcontractor by firm's name, primary representative and title, telephone number, fax number, e-mail address, location of office headquarters and location of any local offices.

Section V: Team Experience and Accomplishments
Proposal must include the following information:
A. Project Manager:
Describe the professional qualifications, capabilities, project experience, education, training and the present office location. Provide a list of specific examples of the Project Manager's qualifications, experience and accomplishment in any relevant past or ongoing projects, for a minimum of three projects. Describe each project in detail, including when the project was completed and where it was located, the name of the company and contact person, including his/her current telephone number, fax number, e-mail address and any other reference information. Describe any experience that required auditing services.

B. Other Key Personnel:

- Include the names and resumes of all key personnel (e.g. supervisors, staff) who are employed by Vendor and who may be assigned to perform services pursuant to a subsequent contract.
- Provide a complete statement of qualifications and experience to accomplish the required scope of work. Include any accomplishments, background and a description of that person's strengths and skills relative to the work to be performed. This statement must include degrees and certifications obtained

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and other function while gaining the experience; contract amount managed; what was accomplished; and the beginning and ending dates of the projects cited for relevant experience.

Section VI: Contracting Track Record and Accomplishments

Proposers must list a minimum of three (3) most recent contracts with other cities or private groups performing similar services to what are described in this RFP, including a description of the work and the name, address and telephone number of client's representative responsible for administering the contract.

Section VII: Contractor's Project Management Responsibilities

The City wants a clear understanding of the individual(s) who will be designated as responsible for planning, organizing, directing, and controlling the resources for the parking enforcement program. The contractor should include in their recommendation a discussion of their strategy for meeting the following responsibilities:

- Management of Operations
- Status Reporting
- Human Resources
- Accounting Reports
- Staff Supervision
- Equipment and Supplies Management
- Issue Resolution
- Billing Process

In addition to these areas, the responsibilities of the Contractor's Project Manager(s) and supervising staff will include the following tasks:

- Managing risk and escalating issues to the City in a timely manner
- Providing a quality assurance mechanism for all Contractor activities and deliverables.
- Assisting in the development of the services implementation plan.

Section VIII: Implementation Plan

The contractor shall include a proposed implementation plan and schedule outlining all aspects of the work:

The contractor shall plan to utilize both the City's existing citation processing vendor and the existing process for managing payments of citations. The vendor should outline the strategy for engagement in these existing processes.

The projected schedule should include any tasks and responsibilities of City staff and departments involved in the implementation process (e.g. Police Department, Parking and Transportation). The City's desired timeframe is to be operational with the Contractor sixty (60) to ninety (90) days from contract award. If Contractor does not

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believe this timeframe is achievable, they should state why and submit an alternative implementation schedule.

Contractors should propose standard procedures for handling the City's support calls and customer service-related complaints and how they relate to their existing staffing and resource models. Contractor should discuss their proposed call and complaint tracking mechanisms for tracking and reporting on critical events, commitments, and problem transactions.

Contractor should discuss methods and procedures it will use to secure parking enforcement equipment, parking meter equipment, and collected parking meter revenues. The contractor should discuss any physical requirements, including how and where employees will meet at the beginning of a shift.

Section IX: Fee Schedule

The contractor shall submit a proposed project budget itemized by task and total project cost stated as a fixed fee. Labor and direct costs should be identified by task. Hourly rates for project staff shall also be provided.

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Attachment C – SAMPLE AGREEMENT

AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF SALINAS AND [CONTRACTOR'S LEGAL NAME]

This Agreement for Professional Services (the "Agreement" and/or "Contract") is made and entered into this ____ day of _____, 20_, between the City of Salinas, a California Charter city and municipal corporation (hereinafter "City"), and Contractor's legal name, a California corporation/limited liability company/dba/etc. (hereinafter "Consultant").

RECITALS

WHEREAS, Consultant represents that he, she, or it is specially trained, experienced, and competent to perform the special services which will be required by this Agreement; and

WHEREAS, Consultant is willing to render such professional services, as hereinafter defined, on the following terms and conditions.

NOW, THEREFORE, City and Consultant agree as follows:

TERMS

1. Scope of Service. The project contemplated and the scope of Consultant's services are described in Exhibit B, attached hereto and incorporated herein by reference. Proposal for City-Wide Parking Enforcement issued by Consultant incorporated by reference and attached hereto, also at **Exhibit B**.

2. Term; Completion Schedule. This Agreement shall commence on [xxx], and shall terminate on [xxx], unless extended in writing by either party upon (30) days written notice. This Agreement may be extended only upon mutual written consent of the parties and may be terminated only pursuant to the terms of this Agreement.

3. Compensation. City hereby agrees to pay Consultant for services rendered the City pursuant to this Agreement on a time and materials basis according to the rates of compensation as set forth in Exhibit B. The total amount of compensation to be paid under this Agreement shall not exceed $.

4. Billing. Consultant shall submit to City an itemized invoice, prepared in a form satisfactory to City, describing its services and costs for the period covered by the invoice. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person. Consultant's bills shall include the following information to which such services cost or pertain:

(A) A brief description of services performed;

(B) The date the services were performed;

(C) The number of hours spent and by whom;

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(D) A brief description of any costs incurred; and

(E) The Consultant's signature.

Any such invoices shall be in full accord with any and all applicable provisions of this Agreement.

City shall make payment on each such invoice within thirty (30) days of receipt; provided, however, that if Consultant submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, City shall not be obligated to process any payment to Consultant until thirty (30) days after a correct and complying invoice has been submitted by Consultant. The City shall process undisputed portion immediately.

5. Meet & Confer. Consultant agrees to meet and confer with City or its agents or employees with regard to services as set forth herein as may be required by the City to ensure timely and adequate performance of the Agreement.

6. Additional Copies. If City requires additional copies of reports, or any other material which Consultant is required to furnish as part of the services under this Agreement, Consultant shall provide such additional copies as are requested, and City shall compensate Consultant for the actual costs related to the production of such copies by Consultant.

7. Responsibility of Consultant. By executing this Agreement, Consultant agrees that the services to be provided and work to be performed under this Agreement shall be performed in a fully competent manner. By executing this Agreement, Consultant further agrees and represents to City that the Consultant possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide the City the services contemplated under this Agreement and that City relies upon the professional skills of Consultant to do and perform Consultant's work. Consultant further agrees and represents that Consultant shall follow the current, generally accepted practices in this area to the profession to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding the projects for which the services are rendered under this Agreement.

8. Responsibility of City. To the extent appropriate to the projects to be completed by Consultant pursuant to this Agreement, City shall:

(A) Assist Consultant by placing at its disposal all available information pertinent to the projects, including but not limited to, previous reports and any other data relative to the projects. Nothing contained herein shall obligate City to incur any expense in connection with completion of studies or acquisition of information not otherwise in the possession of City.

(B) Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Consultant, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of Consultant.

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(C) City Manager, or his designee, shall act as City's representative with respect to the work to be performed under this Agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to materials, equipment, elements, and systems pertinent to Consultant's services. City may unilaterally change its representative upon notice to the Consultant.

(D) Give prompt written notice to Consultant whenever City observes or otherwise becomes aware of any defect in a project.

9. Acceptance of Work Not a Release. Acceptance by the City of the work to be performed under this Agreement does not operate as a release of Consultant from professional responsibility for the work performed.

10. Indemnification and Hold Harmless.

Consultant shall defend, indemnify, and hold harmless the City and its officers, officials, employees, volunteers, and agents from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Consultant's performance of work hereunder, including the performance of work of any of Consultant's subcontractors or agents, or Consultant's failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City.

11. Insurance. Consultant shall procure and maintain for the duration of this Agreement insurance meeting the requirements specified in Exhibit A hereto.

12. Access to Records. Consultant shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials including but not limited to calculation and survey notes relating to work performed for the City under this Agreement on file for at least three (3) years following the date of final payment to Consultant by City. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit, and copying at reasonable times during Consultant's usual and customary business hours. Consultant shall provide proper facilities to City's representative(s) for such access and inspection.

13. Non-Assignability. It is recognized by the parties hereto that a substantial inducement to City for entering into this Agreement was, and is, the professional reputation and competence of Consultant. This Agreement is personal to Consultant and shall not be assigned by it without express written approval of the City.

14. Changes to Scope of Work. City may at any time, and upon a minimum of ten (10) days written notice, seek to modify the scope of services to be provided for any project to be completed under this Agreement. Consultant shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify City in writing. Upon agreement between City and Consultant as to the extent of said impacts to time and

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compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of the amendment by City and Consultant shall constitute the Consultant's notice to proceed with the changed scope.

15. Ownership of Documents. Title to all final documents, including drawings, specifications, data, reports, summaries, correspondence, photographs, computer software (if purchased on the City's behalf), video and audio tapes, software output, and any other materials with respect to work performed under this Agreement shall vest with City at such time as City has compensated Consultant, as provided herein, for the services rendered by Consultant in connection with which they were prepared. City agrees to hold harmless and indemnify the Consultant against all damages, claims, lawsuits, and losses of any kind including defense costs arising out of any use of said documents, drawings, and/or specifications on any other project without written authorization of the Consultant.

16. Termination.

(A) City shall have the authority to terminate this Agreement, upon ten days written notice to Consultant, as follows:

(1) If in the City's opinion the conduct of the Consultant is such that the interest of the City may be impaired or prejudiced, or

(2) For any reason whatsoever.

(B) Upon termination, Consultant shall be entitled to payment of such amount as fairly compensates Consultant for all work satisfactorily performed up to the date of termination based upon the Consultant's rates shown in Exhibit B and/or Section 3 of this Agreement, except that:

(1) In the event of termination by the City for Consultant's default, City shall deduct from the amount due Consultant the total amount of additional expenses incurred by City as a result of such default. Such deduction from amounts due Consultant are made to compensate City for its actual additional costs incurred in securing satisfactory performance of the terms of this Agreement, including but not limited to, costs of engaging another consultant(s) for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to Consultant hereunder, Consultant shall pay City the full amount of such expense.

(C) In the event that this Agreement is terminated by City for any reason, Consultant shall:

(1) Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by City; and

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(2) Deliver to City all documents, data, reports, summaries, correspondence, photographs, computer software output, video and audio tapes, and any other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement. Such material is to be delivered to City in completed form; however, notwithstanding the provisions of Section 15 herein, City may condition payment for services rendered to the date of termination upon Consultant's delivery to the City of such material.

(D) In the event that this Agreement is terminated by City for any reason, City is hereby expressly permitted to assume the projects and complete them by any means, including but not limited to, an agreement with another party.

(E) The rights and remedy of the City and Consultant provided under this Section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this Agreement.

17. Compliance with Laws, Rules, and Regulations. Services performed by Consultant pursuant to this Agreement shall be performed in accordance and full compliance with all applicable federal, state, and City laws and any rules or regulations promulgated thereunder.

18. Exhibits Incorporated. All exhibits referred to in this Agreement and attached to it are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of this Agreement and any of the terms of any exhibit to the Agreement, the terms of the Agreement shall control the respective duties and liabilities of the parties.

19. Independent Contractor. It is expressly understood and agreed by both parties that Consultant, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the City. Consultant expressly warrants not to represent, at any time or in any manner, that Consultant is an employee or servant of the City.

20. Integration and Entire Agreement. This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters contained herein. This Agreement may not be modified or altered except by amendment in writing signed by both parties.

21. Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, County of Monterey, and City of Salinas. Jurisdiction of litigation arising from this Agreement shall be in the State of California, in the County of Monterey or in the appropriate federal court with jurisdiction over the matter.

22. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

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23. Notices.

(A) Written notices to the City hereunder shall, until further notice by City, be addressed to:

City Manager or Department Director
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

With a copy to:

City Attorney
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

(B) Written notices to the Consultant shall, until further notice by the Consultant, be addressed to:

Consultant Name
Address
Address 2

(C) The execution of any such notices by the City Manager or Department Director shall be effective as to Consultant as if it were by resolution or order of the City Council, and Consultant shall not question the authority of the City Manager to execute any such notice.

(D) All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

24. Nondiscrimination. During the performance of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability. Consultant shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability.

25. Conflict of Interest. Consultant warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required under the provisions of this Agreement a violation of any applicable local, state or federal law. Consultant further declares that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed. In the.

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event that any conflict of interest should nevertheless hereinafter arise, Consultant shall promptly notify City of the existence of such conflict of interest so that City may determine whether to terminate this Agreement. Consultant further warrants its compliance with the Political Reform Act (Government Code section 81000 et seq.) and Salinas City Code Chapter 2A that apply to Consultant as the result of Consultant's performance of the work or services pursuant to the terms of this Agreement.

26. Headings. The section headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement.

27. Attorneys' Fees. In case suit shall be brought to interpret or to enforce this Agreement, or because of the breach of any other covenant or provision herein contained, the prevailing party in such action shall be entitled to recover their reasonable attorneys' fees in addition to such costs as may be allowed by the Court. City's attorneys' fees, if awarded, shall be calculated at the market rate.

28. Non-Exclusive Agreement. This Agreement is non-exclusive and both City and Consultant expressly reserves the right to contract with other entities for the same or similar services.

29. Rights and Obligations Under Agreement. By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

30. Licenses. If a license of any kind, which term is intended to include evidence of registration, is required of Consultant, its representatives, agents or subcontractors by federal, state or local law, Consultant warrants that such license has been obtained, is valid and in good standing, and that any applicable bond posted in accordance with applicable laws and regulations.

31. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

32. Legal Representation. Each party affirms that it has been represented, if it so chose, by legal counsel of its own choosing regarding the preparation and the negotiation of this Agreement and the matters and claims set forth herein, and that each of them has read this Agreement and is fully aware of its contents and its legal effect. Neither party is relying on any statement of the other party outside the terms set forth in this Agreement as an inducement to enter into this Agreement.

33. Joint Representation. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall be applicable or invoked.

SAMPLE

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34. Warranty of Authority. Each party represents and warrants that it has the right, power, and authority to enter into this Agreement. Each party further represents and warrants that it has given any and all notices, and obtained any and all consents, powers, and authorities, necessary to permit it, and the persons entering into this Agreement for it, to enter into this Agreement.

35. No Waiver of Rights. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement. The failure to provide notice of any breach of this Agreement or failure to comply with any of the terms of this Agreement shall not constitute a waiver thereof. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. A waiver by the City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the date first written above.

CITY OF SALINAS

_____
René Mendez, City Manager

APPROVED AS TO FORM:

_____
☐ Christopher A. Callihan, City Attorney, or
☐ Rhonda Combs, Assistant City Attorney

CONSULTANT

_____

By (Printed Name): _____
Its (Title): _____

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Insurance Requirements

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, his agents, representatives, employees, or subcontractors. With respect to General Liability and Professional Liability, coverage should be maintained for a minimum of five (5) years after Agreement completion.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

(A) **Commercial General Liability** ("CGL"): Insurance Services Office Form ("ISO") CG 00 01 covering CGL on an occurrence basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than **$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

(B) **Automobile Liability:** ISO Form CA 0001 covering any auto, or if Consultant has no owned autos, hired and non-owned, with limits no less than **$1,000,000** per accident for bodily injury and property damage.

(C) **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than **$1,000,000** per accident for bodily injury or disease.

(D) **Professional Liability** (also known as Errors and Omissions) insurance appropriate to the work being performed, with limits no less than **$1,000,000** per occurrence or claim, **$2,000,000** aggregate per policy period of one year.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City of Salinas requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City of Salinas, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10, CG 11 85, or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

Primary Coverage

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For any claims related to this Agreement or the project described within this Agreement, the **Consultant's insurance coverage shall be primary coverage** at least as broad as ISO Form CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation
Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

Waiver of Subrogation
Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Salinas for all work performed by the Consultant, its employees, agents, and subcontractors.

Self-Insured Retentions
Self-insured retentions must be declared by Consultant to and approved by the City. At the option of the City, Consultant shall provide coverage to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the consultant shall provide evidence satisfactory to the City guaranteeing payment of losses and related investigations, claim administrations, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

Acceptability of Insurers
Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Claims Made Policies
If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of this Agreement or the beginning of Agreement work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the Agreement of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the Agreement effective date, the Consultant must purchase "extended reporting" coverage for a minimum of ***five (5)*** years after completion of Agreement work.
4. A copy of the claims reporting requirements must be submitted to the City for review.

Verification of Coverage
Consultant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable insurance language effecting coverage required by this Agreement. All

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certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors
Consultant shall require and verify that all sub-consultants and/or subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from such sub-consultants and/or subcontractors.

Special Risks or Circumstances
City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Maintenance of Insurance
Maintenance of insurance by Consultant as specified shall in no way be interpreted as relieving Consultant of its indemnification obligations or any responsibility whatsoever and the Consultant may carry, at its own expense, such additional insurance as it deems necessary.

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Attachment C

ATTACHMENT D

SAMPLE TABLE FORMAT - QUALIFICATIONS OF FIRM RELATIVE TO CITY'S NEEDS

Project Name	Client	Description of work performed	Total Project Cost	Percentage of work firm as responsible for	Period work was completed	Client contact information*
San Mateo Enforcement Program	**City of San Mateo / San Mateo Police Department**	Citywide parking enforcement services.	$7.1M	100%	Nov 2019 - Present	Sgt. Craig Collum Phone: 650-522-7742 ccollom@cityofsanmateo.org
Did your firm meet the project schedule (Circle one): (Yes) No Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.						
West Hollywood Enforcement Program	**City of West Hollywood**	Citywide parking enforcement services.	$14M	100%	July 2020 – Present	Vince Guarino Phone: 323-848-6426 vguarino@weho.org
Did your firm meet the project schedule (Circle one): (Yes) No Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.						
Burbank Enforcement Program	**City of Burbank / Burbank Police Department**	Citywide parking enforcement services.	$6.5M	100%	April 2023 - Present	Emil Brimway Phone: 818.238.3106 EBrimway@burbankca.gov
Did your firm meet the project schedule (Circle one): (Yes) No Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.						
Santa Ana Enforcement	**City of Santa Ana / Santa Ana Police Department**	Citywide parking enforcement services.	$4.7M	100%	July 2018	Yolanda Bautista Phone: 714.245.8225 ybautista@santa-ana.org
Did your firm meet the project schedule (Circle one): (Yes) No Give a brief statement of the firm's adherence to the schedule and budget for the project: LAZ Parking has consistently delivered all contracted services for this City on schedule, within budget, and without a single cost overrun or service interruption, demonstrating our disciplined project management and unwavering commitment to operational excellence.						

* Include Name, Title, and Phone Number

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ATTACHMENT E – COST PROPOSAL FORMAT

Scope	Labor Categories (e.g., Consultant, Sr. Consultant, etc.)	Est. Hours	Hourly Rate	Extended Rate
Task 1	Parking Manager	1,920	$45.80	$87,936
	Burdens and Fees	1,920	$32.80	$62,976
TOTAL NOT TO EXCEED, TASK 1	Parking Manager (fully burdened)	1,920	$78.60	$150,912
Task 2	Parking Enforcement Officer	9,600	$18.96	$181,968
	Burdens and Fees	9,600	$13.53	$129,840
TOTAL NOT TO EXCEED, TASK 2	Parking Enforcement Officer (fully burdened)	9,600	$32.48	$311,808
Task 3	ODCs / Materials to include: vehicles, uniforms, ticket stock, cell phones, and other misc. supplies (Flat Monthly Fee)	N/A		$103,800
	Mobile LPR Technology & Support Services	N/A		$83,205
	Burdens and Fees	N/A		
	G&A	N/A		
TOTAL NOT TO EXCEED, TASK 3	ODCs and Materials (fully burdened)	N/A		$187,005
TOTAL NOT TO EXCEED (TASKS 1 – 3)	Parking Manager (1), Parking Enforcement Officers ( ), and ODCs / Materials (all fully burdened)	N/A		$649,725

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CITY BUSINESS CONTRACT ROUTING FORM

Instructions: City business contracts, regardless of value, are to be routed through the originating Department, Finance Department for Purchasing policy compliance and signatory authorization review, City Attorneys' Office for legal evaluation as to the contract form, and the Mayor, City Manager, or authorized Department signatory for review and processing. This form standardizes that process and is to be used as the cover sheet to ensure the complete review by appropriate City staff.

Please route contract routing form and agreements electronically to Krystall@ci.salinas.ca.us until further notice

REQUESTING DEPARTMENT			
Department Name	Public Works - Street Maintenance		
Staff Member Responsible for Contract ("DSMR")	Francisco Aguilar	**Tel#**	758-7275
Dept. Primary Point of Contact for Contracts ("DPPC")	Jenny Davila	**Tel#**	758-7108

CONTRACTOR/VENDOR/COMPANY INFORMATION			
Contractor Name	ST Francis Electric, LLC.	**Email**	mkint@sfe-inc.com
Contact Person	Monica Kint	**Tel#**	510-725-5185
Address	975 Carden Street		
City, State, Zip	San Leandro, Ca 94577		

CONTRACT DESCRIPTION/INFORMATION				
Purpose of Contract (Brief description)	RFP – On-Call Streetlight Maintenance Services			
Term of Contract	**Start Date**	12/05/2023	**End Date**	12/05/2025
Contract Amount	**$50,000**	**Account No**	1000.50.5235-63.4900	
Type of Funding	☒ General Funds ☐ Grant Funds/Federal ☐ Grant Funds/State ☐ Restricted Funds ☐ Revenue Generating ☐ Other: _____			

Type of Contract (Check all that apply)		
	☐ Personal/Professional/Consultant	☐ Construction
	☐ Amendment/Renewal	☐ Goods/Materials and Devices
	☐ Contract for Workshop/Seminar	☐ Services - General
	☐ Non-Standard (Vendor-Generated template)	☒ Services - Repair &/or Maintenance
	☐ License / Lease / Use of Facility	☐ Memorandum of Understanding

Attachment Checklist (Check all that are attached)		
	☒ Request for Proposal (usually an attachment/exhibit to professional services contract) ☐ Bid Tabulation (Bid Opening results or Quotes received formal or informal) ☒ City Council Reso ☒ Original contract (Required for Routing Amendments or Renewals)	* Alternatively, if no attachment regarding purchasing process complete this section: ☐ Purchase of $30,000+ general purchases; PW Projects $100,000+, adjusted to index annually, or __ Informal Purchase quotes or bids obtained. 1) Vendor: _____ Quote: _____ 2) Vendor: _____ Quote: _____ 3) Vendor: _____ Quote: _____ __ Exception to Competitive Purchasing – Sole Source Form (attached) __ Exception to Competitive Purchasing – Cooperative Form (attached) (piggybacking not authorized under existing City Code)
	☐ Certificates of Insurance: ____GL ____Auto ___ WC __ Other: _____ ☒ Endorsements to Insurance _x_ General Liability Additional Insured _x_ Workers Comp Waiver of Subrogation	
	☐ Bonds __ Payment __ Performance	☐ Warranties __ Sample __ Actual

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CERTIFICATION & APPROVALS

Requesting DSMR, DCPP, and Department Head each certify that he/she:
(1) has read the attached contract/agreement and that the requesting department will comply with all its requirements
(2) recognize that while Legal may review the contract from a legal and/or policy perspective, it is the requesting department's responsibility to ensure the business terms and specifications are sufficient and/or practical for departmental needs
(3) is responsible to monitor the contract for compliance, payment obligations, and to obtain effective evidence of insurance, and any required bonds at contract initiation.

	PRINT NAME	SIGNATURE	Date
Dept. Staff Member Responsible for Contract	Francisco Aguilar		3/4/24
Dept. Primary Point of Contact for Contracts	Jenny Davila		3.4.24
Department Head	David Jacobs		3-7-24

FINANCE/PURCHASING REVIEWED FOR COMPLIANCE
Point of Contact: Assistant Finance Director, Selina Andrews

□ Reviewed for Compliance with City Purchasing Code and Policy □ Confirmed an authorized signer (title and name) is on contract	Selina Andrews		3/15/24

LEGAL

Approved as to Form	Christopher Callihan	DocuSigned by: Christopher A. Callihan DF000E62071044E...	3/24/2024 | 11:06 A

Comments respecting Contract being routed that may be helpful to reviews, notifications respecting non-approvals, and/or recommendations for additional City Departments to review (or attached memo):

Council approved

Note: Please do not send the routing form or any comments or advice from the City Attorney's Office to any third parties/contractor(s) when negotiating or corresponding. Those communications may be attorney-client privileged, and by forwarding them, you could be waiving that protective privilege, and/or doing so could affect negotiations with a third party. **Further Note:** If contractor requests an originally executed contract two (2) contract originals must attached to the City Business Contract Routing Form of a two-party contract.

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AGREEMENT FOR SERVICES BETWEEN THE CITY OF SALINAS AND ST FRANCIS ELECTRIC, LLC.

ON-CALL STREETLIGHT MAINTENANCE SERVICES

THIS AGREEMENT is executed this 5th day of December 2023 ("Agreement" or "Contract") between the **City of Salinas**, a California Charter city and municipal corporation (hereinafter "City"), and St Francis Electric, LLC., a Limited Liability Company, (hereinafter "Contractor").

IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

1. **Scope.** Contractor hereby agrees to provide to the City, as the scope of services under this Agreement, services related to On-Call Streetlight Maintenance.

It is understood by City and Contractor that Contractor performs or secures the performance of On-Call Streetlight Maintenance and related services for the City on an on-going basis. On each occasion Contractor performs services for City, Contractor shall advise the City in writing of the scope of services to be provided, and the cost of, and estimated time to perform the services. Contractor shall not proceed to perform any such service until City and Contractor have established a project cost, a completion schedule or a time period for performance, and the City has given its written authorization to perform. Written approval for performance and compensation may be granted by the appointed City Project Manager.

2. **Term; Completion Schedule.** This Agreement shall commence on December 5, 2023, and shall terminate on December 5, 2025, unless extended in writing by either party upon (30) days written notice. This Agreement may be extended only upon mutual written consent of the parties and may be terminated only pursuant to the terms of this Agreement and the original RFQ.

3. **Compensation.** City hereby agrees to pay Contractor for services rendered the City pursuant to this Agreement on a time and materials basis according to the rates of compensation as shown on **Exhibit B** and an amount not to exceed Fifty Thousand ($50,000) Dollars.

4. **Billing.** Contractor shall submit to City an itemized invoice, prepared in a form satisfactory to City, describing its services and costs for the period covered by the invoice. Except as specifically authorized by City, Contractor shall not bill City for duplicate services performed by more than one person. Contractor's bills shall include the following information to which such services cost or pertain:

(A) A brief description of services performed;

(B) The date the services were performed;

(C) The number of hours spent and by whom;

(D) A brief description of any costs incurred; and

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(E) The Contractor's signature.

Any such invoices shall be in full accord with any and all applicable provisions of this Agreement.

City shall make payment on each such invoice within thirty (30) days of receipt; provided, however, that if Contractor submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, City shall not be obligated to process any payment to Contractor until thirty (30) days after a correct and complying invoice has been submitted by Contractor. The City shall process undisputed portion immediately.

5. Meet and Confer. Contractor agrees to meet and confer with City or its agents or employees with regard to services as set forth herein as may be required by the City to ensure timely and adequate performance of the Agreement.

6. Additional Copies. If City requires additional copies of reports, or any other material which Contractor is required to furnish as part of the services under this Agreement, Contractor shall provide such additional copies as are requested, and City shall compensate Contractor for the actual costs related to the production of such copies by Contractor.

7. Responsibility of Contractor. By executing this Agreement, Contractor agrees that the services to be provided and work to be performed under this Agreement shall be performed in a fully competent manner. By executing this Agreement, Contractor further agrees and represents to City that the Contractor possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide the City the services contemplated under this Agreement and that City relies upon the professional skills of Contractor to do and perform Contractor's work. Contractor further agrees and represents that Contractor shall follow the current, generally accepted practices in this area to the profession to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding the projects for which the services are rendered under this Agreement.

8. Responsibility of City. To the extent appropriate to the projects to be completed by Contractor pursuant to this Agreement, City shall:

(A) Assist Contractor by placing at its disposal all available information pertinent to the projects, including but not limited to, previous reports and any other data relative to the projects. Nothing contained herein shall obligate City to incur any expense in connection with completion of studies or acquisition of information not otherwise in the possession of City.

(B) Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Contractor, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.

(C) Jim Pia, Interim City Manager, or his designee, shall act as City's representative with respect to the work to be performed under this Agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret and define City's

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policies and decisions with respect to materials, equipment, elements, and systems pertinent to Contractor's services. City may unilaterally change its representative upon notice to the Contractor.

(D) Give prompt written notice to Contractor whenever City observes or otherwise becomes aware of any defect in a project.

9. Acceptance of Work Not a Release. Acceptance by the City of the work to be performed under this Agreement does not operate as a release of Contractor from professional responsibility for the work performed.

10. Indemnification and Hold Harmless. Contractor shall defend, indemnify, and hold harmless the City and its officers, officials, employees, volunteers, and agents from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Contractor's performance of work hereunder, including the performance of work of any of Contractor's subcontractors or agents, or Contractor's failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City.

11. Insurance. Contractor shall procure and maintain for the duration of this Agreement insurance meeting the requirements specified in Exhibit A hereto.

12. Access to Records. Contractor shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials including but not limited to calculation and survey notes relating to work performed for the City under this Agreement on file for at least three (3) years following the date of final payment to Contractor by City. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit, and copying at reasonable times during Contractor's usual and customary business hours. Contractor shall provide proper facilities to City's representative(s) for such access and inspection.

13. Non-Assignability. It is recognized by the parties hereto that a substantial inducement to City for entering into this Agreement was, and is, the professional reputation and competence of Contractor. This Agreement is personal to Contractor and shall not be assigned by it without express written approval of the City.

14. Changes to Scope of Work. City may at any time, and upon a minimum of ten (10) days written notice, seek to modify the scope of services to be provided for any project to be completed under this Agreement. Contractor shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify City in writing. Upon agreement between City and Contractor as to the extent of said impacts to time and compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of the amendment by City and Contractor shall constitute the Contractor's notice to proceed with the changed scope.

15. Ownership of Documents. Title to all final documents, including drawings, specifications, data, reports, summaries, correspondence, photographs, computer software (if

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purchased on the City's behalf), video and audio tapes, software output, and any other materials with respect to work performed under this Agreement shall vest with City at such time as City has compensated Contractor, as provided herein, for the services rendered by Contractor in connection with which they were prepared. City agrees to hold harmless and indemnify the Contractor against all damages, claims, lawsuits, and losses of any kind including defense costs arising out of any use of said documents, drawings, and/or specifications on any other project without written authorization of the Contractor.

16. Termination.

(A) City shall have the authority to terminate this Agreement, upon ten days written notice to Contractor, as follows:

(1) If in the City's opinion the conduct of the Contractor is such that the interest of the City may be impaired or prejudiced, or

(2) For any reason whatsoever.

(B) Upon termination, Contractor shall be entitled to payment of such amount as fairly compensates Contractor for all work satisfactorily performed up to the date of termination based upon the Contractor's rates shown in **Exhibit B** and/or Section 3 of this Agreement, except that:

(1) In the event of termination by the City for Contractor's default, City shall deduct from the amount due Contractor the total amount of additional expenses incurred by City as a result of such default. Such deduction from amounts due Contractor are made to compensate City for its actual additional costs incurred in securing satisfactory performance of the terms of this Agreement, including but not limited to, costs of engaging another Contractor(s) for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to Contractor hereunder, Contractor shall pay City the full amount of such expense.

(C) In the event that this Agreement is terminated by City for any reason, Contractor shall:

(1) Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by City; and

(2) Deliver to City all documents, data, reports, summaries, correspondence, photographs, computer software output, video and audio tapes, and any other materials provided to Contractor or prepared by or for Contractor or the City in connection with this Agreement. Such material is to be delivered to City in completed form; however, notwithstanding the provisions of Section 15 herein, City may condition payment for services rendered to the date of termination upon Contractor's delivery to the City of such material.

(D) In the event that this Agreement is terminated by City for any reason, City is hereby expressly permitted to assume the projects and complete them by any means, including but not limited to, an agreement with another party.

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(E) The rights and remedy of the City and Contractor provided under this Section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this Agreement.

17. Compliance with Laws, Rules, and Regulations. Services performed by Contractor pursuant to this Agreement shall be performed in accordance and full compliance with all applicable federal, state, and City laws and any rules or regulations promulgated thereunder.

18. Exhibits Incorporated. All exhibits referred to in this Agreement and attached to it are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of this Agreement and any of the terms of any exhibit to the Agreement, the terms of the Agreement shall control the respective duties and liabilities of the parties.

19. Independent Contractor. It is expressly understood and agreed by both parties that Contractor, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the City. Contractor expressly warrants not to represent, at any time or in any manner, that Contractor is an employee or servant of the City.

20. Integration and Entire Agreement. This Agreement represents the entire understanding of City and Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters contained herein. This Agreement may not be modified or altered except by amendment in writing signed by both parties.

21. Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, County of Monterey, and City of Salinas. Jurisdiction of litigation arising from this Agreement shall be in the State of California, in the County of Monterey or in the appropriate federal court with jurisdiction over the matter.

22. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

23. Notices.

(A) Written notices to the City hereunder shall, until further notice by City, be addressed to:

City Manager
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

With a copy to:

City Attorney

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City of Salinas
200 Lincoln Avenue
Salinas, California 93901

(B) Written notices to the Contractor shall, until further notice by the Contractor, be addressed to:

Guy Smith, President
ST Francis Electric, LLC.
975 Carden Street
San Leandro, CA 94577

(C) The execution of any such notices by the City Manager shall be effective as to Contractor as if it were by resolution or order of the City Council, and Contractor shall not question the authority of the City Manager to execute any such notice.

(D) All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

24. Nondiscrimination. During the performance of this Agreement, Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability.

25. Conflict of Interest. Contractor warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required under the provisions of this Agreement a violation of any applicable local, state or federal law. Contractor further declares that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed. In the event that any conflict of interest should nevertheless hereinafter arise, Contractor shall promptly notify City of the existence of such conflict of interest so that City may determine whether to terminate this Agreement. Contractor further warrants its compliance with the Political Reform Act (Government Code section 81000 et seq.) and Salinas City Code Chapter 2A that apply to Contractor as the result of Contractor's performance of the work or services pursuant to the terms of this Agreement.

26. Headings. The section headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement.

27. Attorneys' Fees. In case suit shall be brought to interpret or to enforce this Agreement, or because of the breach of any other covenant or provision herein contained, the prevailing party in such action shall be entitled to recover their reasonable attorneys' fees in addition to such costs

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as may be allowed by the Court. City's attorneys' fees, if awarded, shall be calculated at the market rate.

28. Non-Exclusive Agreement. This Agreement is non-exclusive and both City and Contractor expressly reserves the right to contract with other entities for the same or similar services.

29. Rights and Obligations Under Agreement. By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

30. Licenses. If a license of any kind, which term is intended to include evidence of registration, is required of Contractor, its representatives, agents or subcontractors by federal, state or local law, Contractor warrants that such license has been obtained, is valid and in good standing, and that any applicable bond posted in accordance with applicable laws and regulations.

31. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

32. Legal Representation. Each party affirms that it has been represented, if it so chose, by legal counsel of its own choosing regarding the preparation and the negotiation of this Agreement and the matters and claims set forth herein, and that each of them has read this Agreement and is fully aware of its contents and its legal effect. Neither party is relying on any statement of the other party outside the terms set forth in this Agreement as an inducement to enter into this Agreement.

33. Joint Representation. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall be applicable or invoked.

34. Warranty of Authority. Each party represents and warrants that it has the right, power, and authority to enter into this Agreement. Each party further represents and warrants that it has given any and all notices, and obtained any and all consents, powers, and authorities, necessary to permit it, and the persons entering into this Agreement for it, to enter into this Agreement.

35. No Waiver of Rights. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement. The failure to provide notice of any breach of this Agreement or failure to comply with any of the terms of this Agreement shall not constitute a waiver thereof. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. A waiver by the City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

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IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the date first written above.

CITY OF SALINAS

DocuSigned by:
Jim Pia
95AF7118EAC649A...

Jim Pia
Interim City Manager

APPROVED AS TO FORM:

DocuSigned by:
Christopher A. Callihan
DF600E62871844E...

□ Christopher A. Callihan, City Attorney or
□ Rhonda Combs, Assistant City Attorney

CONTRACTOR

By (Printed Name): Guy Smith
Its (Title): President

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Insurance Requirements

Contractor shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees, or subcontractors. With respect to General Liability, coverage should be maintained for a minimum of five (5) years after Agreement completion.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability ("CGL"):** Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form CA 0001 covering any auto, or if Contractor has no owned autos, hired and non-owned autos, with limits no less than **$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than $1,000,000 per accident for bodily injury or disease.
4. **Professional Liability (also known as Errors and Omissions):** Insurance appropriate to the work being performed, with limits no less than $1,000,000 per occurrence or claim, and $2,000,000 aggregate per policy period of one year.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City of Salinas requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. At the option of the City, the Contractor shall provide coverage to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the Contractor shall provide evidence satisfactory to the City guaranteeing payment of losses and related investigations, claim

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administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

Other Insurance Provisions

A. The General Liability, Automobile Liability, Contractors Pollution Liability, and/or Asbestos Pollution policies are to contain, or be endorsed to contain, the following provisions:

1. **The City of Salinas, its officers, officials, employees, and volunteers are to be covered as additional insureds** with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Forms CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
2. For any claims related to this project, **the Contractor's insurance coverage shall be primary insurance** coverage at least as broad as ISO CG 20 01 04 13 as respects the City of Salinas, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

B. The Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance, covering materials to be transported by Contractor pursuant to the contract. This coverage may also be provided on the Contractor's PLL policy.

C. If General Liability, Contractors Pollution Liability and/or Asbestos Pollution Liability and/or Errors & Omissions coverages are written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of Agreement of work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the Agreement of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase an extended period coverage for a minimum of five (5) years after completion of Agreement work.
4. A copy of the claims reporting requirements must be submitted to the City for review.
5. If the services involve lead-based paint or asbestos identification / remediation, the Contractor's PLL policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification / remediation, the Contractor's PLL shall not contain a mold exclusion and the definition of "Pollution" shall include microbial matter including mold.

Acceptability of Insurers

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Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII if admitted in the State of California. If Contractor's Pollution Liability, Asbestos Pollution and/or Errors & Omissions coverages are not available from an admitted insurer, the coverage may be written by a non-admitted insurance company. A non-admitted company should have an A.M. Best rating of A:X or higher. Exception may be made for the California State Compensation Insurance Fund if not rated.

Verification of Coverage

Contractor shall furnish the City with original certificates of insurance and amendatory endorsements, or copies of the applicable insurance policy language effecting coverage required by this contract and a copy of the Declarations and Endorsements page of the policy listing all policy endorsements. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Waiver of Subrogation

Contractor hereby grants to City a waiver of subrogation which any insurer may acquire against City, its officers, officials, employees, and volunteers, from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Salinas for all work performed by the Contractor, its employees, agents, and subcontractors.

Subcontractors

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City of Salinas is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a form at least as broad as ISO CG 20 38 04 13.

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Maintenance of Insurance

Maintenance of insurance by Contractor as specified shall in no way be interpreted as relieving Contractor of its indemnification obligations or any responsibility whatsoever and the Contractor may carry, at its own expense, such additional insurance as it deems necessary.

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Exhibit B- Fee Schedule

CITY OF SALINAS

RATE SHEET

Journeyman Electrician - Traffic Signal Maintenance and Repair	
Hourly Straight Time	$ 119.00 per hr.
Hourly Overtime	$ 160.00 per hr.
Hourly Doubletime	$ 200.00 per hr.
Foreman Electrician - Traffic Signal Maintenance and Repair	
Hourly Straight Time	$ 130.00 per hr.
Hourly Overtime	$ 178.00 per hr.
Hourly Doubletime	$ 225.00 per hr.
Laborer - Excavation, Jackhammer and General Laborer Work	
Hourly Straight Time	$ 85.00 per hr.
Hourly Overtime	$ 105.00 per hr.
Bucket Truck	
Hourly Rate	$ 40.00 per hr.
Mobile Crane	
Hourly Rate	$ 65.00 per hr.
Flatbed/Utility Truck	
Hourly Rate	$ 25.00 per hr.

The confidential data and information contained in SFE's proposals/offers, any and all oral discussion or comment relating to the confidential data and information and any information derived therefrom shall be maintained in the strictest confidence and shall not be released, sold, disseminated, transferred or otherwise disclosed by any means to any person, firm, corporation, or third party without the prior written approval of SFE.

ST. FRANCIS ELECTRIC | 975 CARDEN ST. | SAN LEANDRO, CA. 94577 | OFF: 510-639-0639 | FAX: 510-639-4653

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/08/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CA LIC 0B29370 1-925-798-3334 Edgewood Partners Insurance Center (EPIC) [Concord - Branch ID 15469] P.O. Box 5668 Concord, CA 94524	CONTACT NAME: Sara Dorrisey PHONE (A/C, No, Ext): 925-822-9009 FAX (A/C, No): 925-887-6815 E-MAIL ADDRESS: sara.dorrisey@epicbrokers.com
INSURED St. Francis Electric, LLC PO Box 2057 San Leandro, CA 94577	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: NATIONAL UNION FIRE INS CO OF PITTS — 19445 INSURER B: ALLIED WORLD NATL ASSUR CO — 10690 INSURER C: NEW HAMPSHIRE INS CO — 23841 INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** 70547718 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [X] PRO-JECT LOC OTHER:	X	X	GL5342018	04/01/23	04/01/24	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG 	$ 2,000,000 $ 500,000 $ 25,000 $ 2,000,000 $ 4,000,000 $ 4,000,000 $
A	AUTOMOBILE LIABILITY X ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY	X	X	CA4773676	04/01/23	04/01/24	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) 	$ 2,000,000 $ $ $ $
B	UMBRELLA LIAB [X] OCCUR X EXCESS LIAB CLAIMS-MADE DED RETENTION $			03102673	04/01/23	04/01/24	EACH OCCURRENCE AGGREGATE 	$ 10,000,000 $ 10,000,000 $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [Y] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	X	WC022298334	04/01/23	04/01/24	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
B	Pollution Liability			03092664	04/01/23	04/01/24	Ea. Occ/Aggregate	5,000,000
B	Professional Liability			03092664	04/01/23	04/01/24	Ea Occ/Aggregate	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: SFE Job #24-0507, On-Call Streetlight Maintenance Services.
Additional Insured(s): The City of Salinas, its officers, officials, employees, and volunteers.
When required by written contract, Additional Insured status with Primary & Non-Contributory coverage applies to General Liability and Auto Liability and Waiver of Subrogation applies to General Liability, Auto Liability and Workers Compensation, all as per the attached endorsements.
30 days notice of cancellation, as per the attached endorsements.
Excess Liability underlying policies include General Liability, Automobile Liability and Employers Liability.

CERTIFICATE HOLDER

SFE Job #24-0507

City of Salinas

200 Lincoln Avenue

Salinas, CA 93901 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE
02/08/2024

NAME OF INSURED: St. Francis Electric, LLC

Additional Description of Operations/Remarks from Page 1:

Additional Information:

Continued...

SUPP (05/04)

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ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

policy No. CA 477-36-76 issued to ST. FRANCIS ELECTRIC, LLC

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - WHERE REQUIRED UNDER CONTRACT OR AGREEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

SCHEDULE

ADDITIONAL INSURED:
Any person or organization for whom you are contractually bound to provide Additional Insured status but only to the extent of such person's or organization's liability arising out of the use of a covered "auto".

I. **SECTION II - LIABILITY COVERAGE, A. Coverage, 1. - Who Is Insured,** is amended to add:

d. Any person or organization, shown in the schedule above, to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of use of a covered "auto". However, the insurance provided will not exceed the lesser of:

(1) The coverage and/or limits of this policy, or

(2) The coverage and/or limits required by said contract or agreement.

Authorized Representative or Countersignature (in States Where Applicable)

87950 (10/05)

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ENDORSEMENT #

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

Policy No. CA 477-36-76 issued to ST. FRANCIS ELECTRIC, LLC

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED ADVICE OF CANCELLATION PROVIDED VIA E-MAIL TO ENTITIES OTHER THAN THE FIRST NAMED INSURED

This policy is amended as follows:

In the event that the **Insurer** cancels this policy for any reason other than non-payment of premium, and

1. the cancellation effective date is prior to this policy's expiration date;

2. the **First Named Insured** is under an existing contractual obligation to notify a certificate holder when this policy is canceled (hereinafter, the "Certificate Holder(s)") and has provided to the **Insurer**, either directly or through its broker of record, the email address of a contact at each such entity; and

3. the **Insurer** received this information after the **First Named Insured** receives notice of cancellation of this policy and prior to this policy's cancellation effective date, via an electronic spreadsheet that is acceptable to the **Insurer,**

the **Insurer** will provide advice of cancellation (the "Advice") via e-mail to each such Certificate Holders within 30 days after the **First Named Insured** provides such information to the **Insurer**; provided, however, that if a specific number of days is not stated above, then the Advice will be provided to such Certificate Holder(s) as soon as reasonably practicable after the **First Named Insured** provides such information to the **Insurer**.

Proof of the **Insurer** emailing the Advice, using the information provided by the **First Named Insured**, will serve as proof that the **Insurer** has fully satisfied its obligations under this endorsement.

This endorsement does not affect, in any way, coverage provided under this policy or the cancellation of this policy or the effective date thereof, nor shall this endorsement invest any rights in any entity not insured under this policy.

The following Definitions apply to this endorsement:

1. **First Named Insured** means the Named Insured shown on the Declarations Page of this policy.
2. **Insurer** means the insurance company shown in the header on the Declarations page of this policy.

All other terms, conditions and exclusions shall remain the same.

Authorized Representative

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ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

policy No. CA 477-36-76 issued to ST. FRANCIS ELECTRIC, LLC

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INSURANCE PRIMARY AS TO CERTAIN ADDITIONAL INSUREDS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, B., General Conditions, 5., Other Insurance, c., is amended by the addition of the following sentence:

The insurance afforded under this policy to an additional insured will apply as primary insurance for such additional insured where so required under an agreement executed prior to the date of accident. We will not ask any insurer that has issued other insurance to such additional insured to contribute to the settlement of loss arising out of such accident.

All other terms and conditions remain unchanged.

Authorized Representative or Countersignature (in States Where Applicable)

74445 (10/99)

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ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

policy No. CA 477-36-76 issued to ST. FRANCIS ELECTRIC, LLC

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, A. - Loss Conditions, 5. - Transfer of Rights of Recovery Against Others to Us, is amended to add:

However, we will waive any right of recover we have against any person or organization with whom you have entered into a contract or agreement because of payments we make under this Coverage Form arising out of an "accident" or "loss" if:

(1) The "accident" or "loss" is due to operations undertaken in accordance with the contract existing between you and such person or organization; and

(2) The contract or agreement was entered into prior to any "accident" or "loss".

No waiver of the right of recovery will directly or indirectly apply to your employees or employees of the person or organization, and we reserve our rights or lien to be reimbursed from any recovery funds obtained by any injured employee.

AUTHORIZED REPRESENTATIVE

62897 (6/95)

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POLICY NUMBER: GL 534-20-18

COMMERCIAL GENERAL LIABILITY
CG 20 10 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	PER THE CONTRACT OR AGREEMENT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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POLICY NUMBER: GL 534-20-18

COMMERCIAL GENERAL LIABILITY
CG 20 37 12 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	PER THE CONTRACT OR AGREEMENT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

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ENDORSEMENT#

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

Policy No. GL 534-20-18 issued to ST. FRANCIS ELECTRIC, LLC

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED ADVICE OF CANCELLATION PROVIDED VIA E-MAIL TO ENTITIES OTHER THAN THE FIRST NAMED INSURED

This policy is amended as follows:

In the event that the **Insurer** cancels this policy for any reason other than non-payment of premium, and

1. the cancellation effective date is prior to this policy's expiration date;

2. the **First Named Insured** is under an existing contractual obligation to notify a certificate holder when this policy is canceled (hereinafter, the "Certificate Holder(s)") and has provided to the **Insurer**, either directly or through its broker of record, the email address of a contact at each such entity; and

3. the **Insurer** received this information after the **First Named Insured** receives notice of cancellation of this policy and prior to this policy's cancellation effective date, via an electronic spreadsheet that is acceptable to the **Insurer,**

the **Insurer** will provide advice of cancellation (the "Advice") via e-mail to each such Certificate Holders within 30 days after the **First Named Insured** provides such information to the **Insurer**; provided, however, that if a specific number of days is not stated above, then the Advice will be provided to such Certificate Holder(s) as soon as reasonably practicable after the **First Named Insured** provides such information to the **Insurer**.

Proof of the **Insurer** emailing the Advice, using the information provided by the **First Named Insured**, will serve as proof that the **Insurer** has fully satisfied its obligations under this endorsement.

This endorsement does not affect, in any way, coverage provided under this policy or the cancellation of this policy or the effective date thereof, nor shall this endorsement invest any rights in any entity not insured under this policy.

The following Definitions apply to this endorsement:

1. **First Named Insured** means the Named Insured shown on the Declarations Page of this policy.
2. **Insurer** means the insurance company shown in the header on the Declarations page of this policy.

All other terms, conditions and exclusions shall remain the same.

Authorized Representative

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ENDORSEMENT

This endorsement, effective 12:01 A.M. 04/01/2023 forms a part of

policy No. GL 534-20-18 issued to ST. FRANCIS ELECTRIC, LLC

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIMITS OF INSURANCE
(Per Project or Per Location Aggregate Limit)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

I. Your policy is amended to include either a Per Project General Aggregate Limit, a Per Location General Aggregate Limit or a Per Project and Per Location General Aggregate Limit. Please select only *one* of the following:

[X] **Per Project General Aggregate Limit**	$ 2,000,000
[ ] **Per Location General Aggregate Limit**	$
[ ] **Per Project and Per Location General Aggregate Limit**	$

IF NEITHER OF THESE BOXES ARE CHECKED, THIS ENDORSEMENT IS VOID. IF MORE THAN ONE OF THE THESE BOXES ARE CHECKED, THIS ENDORSEMENT IS VOID.

II. **SECTION III - LIMITS OF INSURANCE** , is amended to include the following:

1. The Limits of Insurance and the rules below fix the most we will pay regardless of the number of:

   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

   a. Medical expenses under Coverage **C**;
   b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the products-completed operations hazard"; and
   c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to **2.** above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

   a. Damages under Coverage **A**; and
   b. Medical expenses under Coverage **C**

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because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to **5.** above, the Damage to Premises Rented To You Limit is the most we will pay under Coverage **A** because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

8. Subject to **2.**, **4.**, **5.**, **6.**, and/or **7.** above, the Per Project Aggregate Limit is the most we will pay under Coverages **A**, **B**, and **C** combined for the sum of:

   a. Damages under Coverage **A**;
   b. Damages under Coverage **B**; and
   c. Medical Expenses under Coverage **C**

   arising out of any single Project described above.

9. Subject to **2.**, **4.**, **5.**, **6.**, and/or **7.** above, the Per Location Aggregate Limit is the most we will pay under Coverages **A**, **B**, and **C** combined for the sum of:

   a. Damages under Coverage **A**;
   b. Damages under Coverage **B**; and
   c. Medical expenses under Coverage **C**

   arising out of the any single Location described above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

III. The Limits of Insurance shown in the Declarations are deleted in their entirety and replaced by the Limits of Insurance set forth below.

	Limits of Insurance
General Aggregate Limit	$ 10,000,000
Each Occurrence Limit	$ 2,000,000
Products-Completed Operations Aggregate Limit	$ 4,000,000
Personal & Advertising Injury Limit	$ 2,000,000
Damage to Premises Rented to You	$ 500,000
Medical Expense Limit	$ 25,000
Per Project General Aggregate Limit, Per Location General Aggregate Limit or Per Project and Per Location General Aggregate Limit	$ 4,000,000

IV. SECTION V - DEFINITIONS, is amended to include the following:

23. "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway, or right-of-way railroad.

All other terms and conditions of this policy remain the same.

Authorized Representative or Countersignature (in States Where Applicable)

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Policy # GL 534-20-18

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

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POLICY NUMBER: GL 534-20-18

COMMERCIAL GENERAL LIABILITY
CG 24 17 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTUAL LIABILITY - RAILROADS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Scheduled Railroad:	Designated Job Site:
ANY RAILROAD ORGANIZATION WHOM HAS GRANTED YOU AN EASEMENT FOR ANY JOB SITE TO PERMIT YOU TO PERFORM WORK AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to operations performed for, or affecting, a Scheduled Railroad at a Designated Job Site, the definition of "insured contract" in the Definitions section is replaced by the following:

9. "Insured Contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;

(2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph **(1)** above and supervisory, inspection, architectural or engineering activities.

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POLICY NUMBER: GL 534-20-18

COMMERCIAL GENERAL LIABILITY
CG 24 04 12 19

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART DESIGNATED SITES
POLLUTION LIABILITY LIMITED COVERAGE PART DESIGNATED SITES
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY DESIGNATED TANKS

SCHEDULE

Name Of Person(s) Or Organization(s):
PURSUANT TO APPLICABLE WRITTEN CONTRACT OR AGREEMENT YOU ENTER INTO.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery against the person(s) or organization(s) shown in the Schedule above because of payments we make under this Coverage Part. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such person(s) or organization(s) prior to loss. This endorsement applies only to the person(s) or organization(s) shown in the Schedule above.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 04/01/2023 forms a part of Policy No. WC 022-29-8334

Issued to ST. FRANCIS ELECTRIC, LLC

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

LIMITED ADVICE OF CANCELLATION PROVIDED VIA E-MAIL TO ENTITIES OTHER THAN THE NAMED INSURED (WORKERS' COMPENSATION ONLY)

This policy is amended as follows:

In the event that the **Insurer** cancels this policy for any reason other than non-payment of premium, and

1. the cancellation effective date is prior to this policy's expiration date;

2. the **Named Insured** or, if applicable, any other employers named in Item 1 of the Information Page is under an existing contractual obligation to notify a certificate holder when this policy is canceled (hereinafter, the "Certificate Holder(s)") and the **Named Insured** has provided to the **Insurer**, either directly or through its broker of record, the email address of a contact at each such entity; and

3. the **Insurer** received this information after the **Named Insured** receives notice of cancellation of this policy and prior to this policy's cancellation effective date, via an electronic spreadsheet that is acceptable to the **Insurer**,

the **Insurer** will provide advice of cancellation (the "Advice") via e-mail to each such Certificate Holders within 30 days after the **Named Insured** provides such information to the **Insurer**; provided, however, that if a specific number of days is not stated above, then the Advice will be provided to such Certificate Holder(s) as soon as reasonably practicable after the **Named Insured** provides such information to the **Insurer**.

Proof of the **Insurer** emailing the Advice, using the information provided by the **First Named Insured**, will serve as proof that the **Insurer** has fully satisfied its obligations under this endorsement.

This endorsement does not affect, in any way, coverage provided under this policy or the cancellation of this policy or the effective date thereof, nor shall this endorsement invest any rights in any entity not insured under this policy.

The following definitions apply to this endorsement:

1. **Named Insured** means the insured first named employer in Item 1 of the Information Page of this policy.

2. **Insurer** means the insurance company shown in the header on the Information Page of this policy.

All other terms, conditions and exclusions shall remain the same.

AUTHORIZED REPRESENTATIVE

WC 99 00 56
(Ed. 04/11)

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BLANKET WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 04/01/2023 forms a part of Policy No. WC 022-29-8334

Issued to ST. FRANCIS ELECTRIC, LLC

By NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

We have a right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against any person or organization with whom you have a written contract that requires you to obtain this agreement from us, as regards any work you perform for such person or organization.

The additional premium for this endorsement shall be 2.00 % of the total estimated workers compensation premium for this policy.

WC 04 03 61
(Ed. 11/90)

Countersigned by _____

Authorized Representative

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AGREEMENT —AMENDMENT NO. 2 TO
ON-CALL STREETLIGHT MAINTENANCE SERVICES
BETWEEN CITY OF SALINAS AND ST FRANCIS ELECTRIC, LLC.

This Amendment No. 2 to the On-Call Streetlight Maintenance Services Agreement (the "Amendment") is entered into this 8th day of September 2025, by and between the City of Salinas (the "City") and St. Francis Electric, LLC., (the "Contractor"). City and Contractor may be individually referred to herein as a "Party" and collectively the City and Contractor may be referred to as the "Parties."

RECITALS

WHEREAS, the City and Contractor first entered into a/an Agreement for Services for On-Call Streetlight Maintenance effective December 5, 2023, pursuant to which Contractor agreed to act as and provide certain services to the City for compensation (the "Agreement"); and

WHEREAS, the City and Contractor desire to amend the Agreement to reflect the City and Contractors desire to increase the compensation not to exceed amount to $250,000 and to extend the terms of the agreement.

NOW, THEREFORE, in mutual consideration of the terms and conditions set forth below, the Parties agree as follows:

TERMS

1. The Agreement, Term, Section 2, is amended to replace completion date to the following: The work under this Agreement shall commence December 5, 2023, and shall terminate on December 5, 2026, unless extended in writing by either party upon (30) days written notice.

2. The Agreement, Compensation, Section 3, is amended to replace the not to exceed amount to the following: not to exceed Two Hundred Fifty Thousand ($250,000).

3. All other covenants, terms, and conditions set forth in the Agreement and not amended by this Amendment shall remain in full force and effect as if fully set forth herein.

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the City and Contractor have entered into this Agreement as of the date first written above.

CITY OF SALINAS

_____
René Mendez, City Manager

APPROVED AS TO FORM:

_____
□ Christopher A. Callihan, City Attorney
□ Rhonda Combs, Assistant City Attorney

St. FRANCIS ELECTRIC, LLC.

Signed by:
Guy Smith
F338564B18FB48C...

Printed name: __Guy Smith_____

Title: ____President_____