



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: APRIL 9, 2024

FROM: JIM PIA, INTERIM CITY MANAGER

BY: SELINA ANDREWS, ASSISTANT FINANCE DIRECTOR

TITLE: POTENTIAL MEASURE G EXTENSION AND BALLOT MEASURE FEASIBILITY ASSESSMENT

RECOMMENDATION:

Staff recommends that the City Council approve the attached Resolution approving the Phase One Feasibility Assessment and budget from TeamCivX regarding the potential renewal of Measure G and authorizing the Interim City Manager to enter into an agreement with TeamCivX in an amount not to exceed \$54,300. Staff also recommends that the City Council provide additional direction regarding the possibility of placing an extension of Measure G on the November 2024 ballot.

EXECUTIVE SUMMARY:

Following the City Council's placement of this one cent transactions and use tax measure on the 2014 November ballot, Salinas residents approved the measure on November 4, 2014, establishing Measure G for a period of fifteen (15) years. Since its inception, Measure G has provided for ongoing staffing and capital project needs. In FY 2023-24, for example, nearly \$24 million was appropriated to provide the operating budget expenditure for services, including 107 City staff positions, and projects which align with City Council's goals and objectives. Additional Measure G funds are utilized for other important costs including, debt service, internal service needs and Capital Improvement Projects (CIP's). In the ninth year of Measure G, the City continues to allocate its resources to Citywide operational needs while sustaining staffing levels and services.

City staff is recommending that the City Council review and provide feedback and authorize the initial step of this survey proposal. This phase examines ballot measure feasibility, including a scientific survey of likely November 2024 voters. In an initial discussion with the City's Finance Committee on February 6, staff discussed the possibility of placing an extension of Measure G on the ballot in November 2024, and the Committee recommended the item be brought to the full City Council for consideration. Since that time, staff received the attached survey proposal that will need Council approval. Once this first phase is completed by early June, staff will come back to the Council for a discussion on next steps. Although there is still the possibility for future election year ballot placement, staff strongly believes that 2024 provides an important general election year opportunity (Presidential election year) for the City to act in extending this measure.

BACKGROUND:

On December 2, 2014, City Council adopted a resolution declaring the results of the November 4, 2014, election, which included the election for Salinas Mayor and City Councilmembers for District 2,

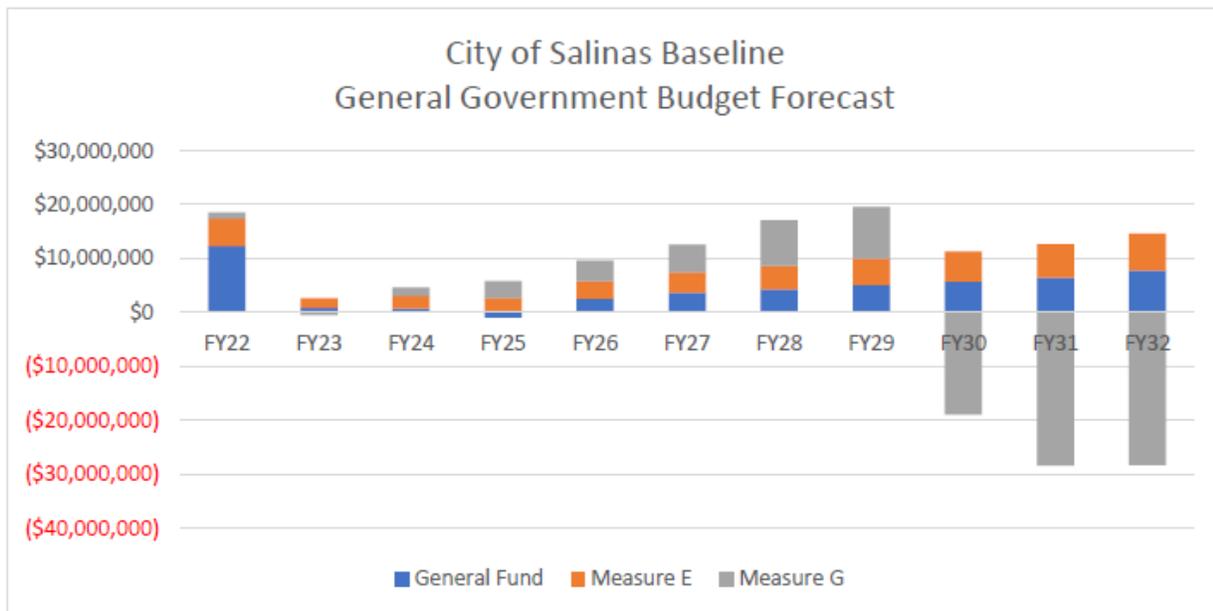
District 3, and District 5; and the adoption of the Ordinance establishing Measure G. Following ordinance adoption, the tax collection began in the Spring of 2015, and is scheduled to sunset after a period of fifteen (15) years, unless extended by a majority of the voters of the City.

Over the years, the City has taken steps to reduce costs and protect vital services, including:

- Adopting long-term pension reform;
- Reducing the size of some government expenditures, consolidating some department efforts, and working through the Salinas Plan to identify cost savings as appropriate;
- Implementing employee contributions to the City’s health program;
- Leveraging existing public, private, and non-profit partnerships to supplement City services; and
- Leveraging grants to support public safety, economic development, and capital maintenance.

The City’s structural budget deficit as identified in the Salinas Plan, assumes the sunset of Measure G in the second half of FY 2029/2030. Based on the current budget and assumptions for future growth, the City should expect positive net revenue through 2029. However, in FY 2030, there would be a significant drop in net revenue based on the current expiration schedule of Measure G. If Measure G is not extended, the City will have significant issues funding operations at current levels.

The chart below illustrates the approximate impacts of Measure G on the general government budget forecast. The chart includes a snapshot estimate of revenues and expenditures combined, with the noted budget problem shown, should Measure G sunset in FY30.



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

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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.

STRATEGIC PLAN INITIATIVE:

This memorandum aligns with City Council’s Strategic Goal of striving for Economic Development - Sustain, encourage, and develop a diverse and thriving economy that benefits all Salinas residents and businesses and that contributes to the community’s economic health and social well-being. Another aligning goal is the ongoing need for Effective and Culturally Responsive Government and helping to make services more accessible to all.

DEPARTMENTAL COORDINATION:

The Departments of Finance, Administration and the City Attorney’s office have coordinated on this item.

FISCAL AND SUSTAINABILITY IMPACT:

The approximate cost of Phase One is \$54,300 and will be paid with funds available and appropriated in the current Fiscal Year budget.

ATTACHMENTS:

Resolution
Scope of Work, TeamCivX

RESOLUTION _____ (N.C.S.)

**RESOLUTION APPROVING PHASE ONE OF THE TEAMCIVX PROPOSAL FOR THE
POTENTIAL RENEWAL OF MEASURE G**

IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF SALINAS that the City Council hereby approves the Phase One Feasibility Assessment and budget received from TeamCivX, which includes fees and research costs for scientific survey of registered voters; and

BE IT FURTHER RESOLVED that the Interim City Manager is authorized to enter into an agreement with TeamCivX on behalf of the City in an amount not to exceed \$54,300.

PASSED AND APPROVED this 9th day of April 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk