CITY OF SALINAS
FINANCE COMMITTEE

DATE: **JANUARY 13, 2026**

DEPARTMENT: **FINANCE DEPARTMENT**

FROM: **SELINA ANDREWS, FINANCE DIRECTOR**

BY: **CARLOS ORTEGA, INFORMATION SYSTEMS MANAGER**

TITLE: **ARTIFICIAL INTELLIGENCE TECHNOLOGY UPDATE**

RECOMMENDED MOTION:

No action is required. Receive an Administrative Report on Artificial Intelligence (AI) technology.

EXECUTIVE SUMMARY:

The City is committed to responsible AI adoption, mitigating data quality and security risks in compliance with ethical, social, legal, and regulatory standards to support operational efficiencies and improve public service delivery to constituents.

BACKGROUND

On October 14, 2025, staff provided an update on the AI governance and the approval process for the responsible adoption of AI technologies to the Finance Committee.

AI presents unique opportunities for local governments and public organizations to create efficiencies, service delivery, and support decision-making. The Information Technology Division (ITD) plays a crucial role in the implementation of AI applications by ensuring that the technology is integrated effectively into the organization's systems. This involves:

- Data Management
- Integration
- Governance
- Risk Management
- Continuous Learning

Salinas Strategy

The AI application approval process outlines principles, guidelines, and procedures governing the City's acquisition, development, deployment, and adoption of all AI use cases, which includes GovAI Coalition's best practices for assessing AI solutions.

To support efforts and enhance capabilities, ITD participates in organizations such as the GovAI Coalition and the Central Coast IT Leadership Collaborative. With members from the local, state, and federal governments, the GovAI Coalition fosters cross-agency collaboration to protect communities from AI risks and promote responsible and purposeful AI practices.

Additionally, ITD is a founding member of the Central Coast IT Leadership Collaborative, a group of neighboring agencies focused on emerging technologies and knowledge sharing.
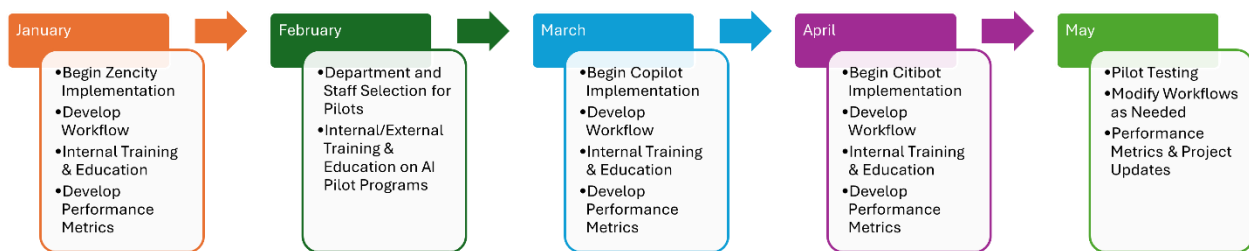
Current Initiatives

- AI Governance and Policy Implementation
- Social Media Management and Sentiment Measuring (Zencity)
- AI Chatbot and Webservices (Citibot)
- Integrated AI Productivity and Assistant (Microsoft Copilot)

Next Steps

Include publishing the AI policy and selecting a department and a group of leaders across the City for the pilot phase of the Citibot and Microsoft Copilot projects.

Timeline

January	February	March	April	May
•Begin Zencity Implementation •Develop Workflow •Internal Training & Education •Develop Performance Metrics	•Department and Staff Selection for Pilots •Internal/External Training & Education on AI Pilot Programs	•Begin Copilot Implementation •Develop Workflow •Internal Training & Education •Develop Performance Metrics	•Begin Citibot Implementation •Develop Workflow •Internal Training & Education •Develop Performance Metrics	•Pilot Testing •Modify Workflows as Needed •Performance Metrics & Project Updates

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.*

STRATEGIC PLAN INITIATIVE:

Current City AI initiatives focus on providing equitable access to high-quality services, engaging residents, and improving community communication.

DEPARTMENTAL COORDINATION:

The Information Technology Governance and Steering Committee (ITGSC) is responsible for reviewing and approving all AI use cases, whether developed internally, hosted on-premises, delivered through a third party, or delivered via a cloud-based service. The committee consists of City department heads, with the Information Systems Manager acting as a facilitator.

FISCAL AND SUSTAINABILITY IMPACT:

There is no direct cost associated with receiving this Administrative Report.

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:

Artificial Intelligence Technology Update Presentation