

EXHIBIT A
PROPOSED MID-YEAR BUDGET ADJUSTMENTS
FY 2016-17

Police Department (Safe, Livable Community)

Mid-Year Budget Requests

1. **Police Officer Recruitment Marketing Plan (\$100,000)**
1000.40.4112-64.1200 - Other Charges Advertising - Recruitment
(PBB Program #170-Officer Recruiting and Selection, Quartile D)

With amount of officer vacancies that need to be filled, the department would like to increase the advertising and promotion of these positions. Exact plans are still being formulated but it will involve additional ideas (at minimum) such as billboards, “shell” vehicles, increased presence at police academies around the state, freebies and promotional materials, posters, and movie theater ads outside of the area. Each of these has associated costs that are outside the scope of the current hiring budget. The department is expecting that this money will allow for these additional efforts for the end of the fiscal year.

2. **Police Vehicle Replacement (\$80,000)**
5800.40.9579-66.5540 - Capital Outlays Police Vehicles
(PBB Program #210-Patrol/Calls for Services, Quartile A)
General Fund

In 2016, the department lost four cars that were totaled due to collisions. The department would like to replace these four vehicles (three patrol cars and one K-9 unit). At the mid-year, one of the four will be replaced and the remaining will be funded as part of FY 2017-18.

3. **Cell Phones (\$5,000)**
2502.40.4380-63.1160 - Outside Services Cell Phones
(PBB Program #210-Patrol/Calls for Services, Quartile A)
Asset Seizure Funds

Cell phones are in need of replacement and asset seizure funds are available to fund the replacement.

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Fire Department (Safe, Livable Community)

Mid-Year Budget Requests

1. Fire Station 5 Overages (\$180,000)

5800.45.9235-66.4000 - \$120,000 – Cover Overages and Complete the Project
5800.45.9541-66.3010 - \$60,000 – Replace Transfers from Station Maintenance Account
(PBB Program #92 – Facility Maintenance – Quartile C)
Measure G

This funding will backfill these accounts which were drained to ensure all building systems and updates to house Truck 2 were completed at Fire Station No. 5. Multiple overages, construction delays and unplanned needs require this funding be appropriated.

2. EMS Chief Officer (\$80,000)

1000.45.4520-61.1100
(PBB Program #111 –EMS, Quartile A)

Additional budget allocation for one (1) FTE Chief Officer assigned to the EMS Division is needed to provide daily duties in the EMS System Re-Design, EMS Strategic Plan and coordinate all tasks necessary to bring ALS Emergency Ambulance Transport to the City of Salinas. This funding will be utilized for all payroll costs for the remainder of FY 16/17. The position and regional emergency medical project is contingent upon further consideration and direction by the City Council. A presentation and report will be presented to the City Council within 60 days of the adoption of the mid-year budget.

3. EMS Strategic Plan (\$50,000)

1000.45.4520-63.5900 - \$20,000
1000.45.4520-64.2000 - \$15,000
1000.45.4520-64.2500 - \$15,000
(PBB Program #111 – EMS, Quartile A)

This Fund will be utilized to secure and implement all training, travel, outside consulting and other expenses relative to the SFD EMS Transport Program and EMS Chief Officer for the remainder of FY 16/17.

4. EMS Billing Fees (\$36,000)

1000.45.4505-63.6010
(PBB Program #111 – EMS, Quartile A)

EMS Billing fees to Wittman (our EMS billing contractor) are currently being charged to a General Fund line. Those fees should be charged to the EMS/VAC Cost Recovery Fund. Requested funds will restore this account to the approved Fiscal Year 16/17 budget level.

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Fire Department (Safe, Livable Community)

5. Shortfall in Fire Mitigation Fees (\$294,000)

5203.00.0000-90.1200 - Transfers In Measure G (\$-250,000)

1200.00.0000-95.5203 - Transfers Out Special Const Assist - Others (\$250,000)

**5800.45.9210-66.5500 - Capital Outlays Vehicles (\$44,000) (Measure G)
(PBB Program #111 – EMS, Quartile A)**

The city currently has a number of lease obligations for fire vehicles. It was anticipated that fire mitigations fees would cover the cost of such leases. Due to the lack of development to pay these fees, there is a shortfall of funding and an alternative source of funding is needed. Measure G is proposed as the alternative funding source.

6. Fire Prevention Staffing (\$103,000)

1000.45.9210-66.5500 - Capital Outlays Vehicles (\$44,000)

(PBB Program #111 – EMS, Quartile A)

As we have discussed, the Fire Prevention Division would like to resurrect the Business Inspection Program. Over the years, this program fell victim to the budgetary axe, but with our ability to recover the costs through fees, we feel this is an important facet to our overall fire prevention strategy and long-term sustainability of the Fire Prevention Division.

As outlined in our January 2016 Fire Prevention Division internal study, we concluded that there are approximately 12,000 licensed businesses in the City, with the acknowledgment that not all are businesses are associated with physical properties to inspect. That said, we based revenue projections on 6,000 – 12,000 physical inspections with an average inspection fee of \$100 to \$150. The projected revenue potential from these inspections ranges from \$600,000 to \$1,800,000. While these are annual estimates, we concede that the workload generated by this program is significant and unattainable given our current staffing model, and that our priority remains focused on State mandated inspections of multi-family dwellings, and permit inspections for construction projects.

The primary focus of business inspections in any jurisdiction is public safety driven. That is to say that routine inspections of brick and mortar businesses where employees are located, or the public has access to, should be periodically inspected to assure the adequacy of emergency access and egress, basic fire protection devices such as fire extinguishers are present and serviceable, and that fire hazards are mitigated.

In order to accomplish this goal, it is proposed that this program be implemented as soon as practical with the addition of a part-time temporary classification of “Fire Protection Aid”. This would be an entry level position within the Division of Fire Prevention with a recommended salary range of \$21 to \$26 per hour. This salary is consistent with similar current job classifications in the City of Salinas, and commensurate with that of similar

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Fire Department (Safe, Livable Community)

classifications in other jurisdictions. This position is proposed as a non-public safety civilian position without organized labor representation.

It is proposed that this program be initiated with 2-3 personnel assigned exclusively to business inspections with performance measures put in place to assure positive results. With an annual cap of 1,000 hrs. or 25 hrs./wk. for part-time temporary employees, the annual personnel costs for this program are estimated to be approximately \$45,000 per employee with one-time capital expenditures of approximately \$31,000 per employee for a vehicle, uniforms and training. The annual program total expenditure for 3 PT personnel is estimated at \$135,000 with \$93,000 in one-time capital outlays.

This position would likely attract local candidates seeking a foothold into the fire service with aspirations of becoming a full-time Salinas Firefighter. This program would afford the opportunity for the Salinas Fire Department to broaden its' pool of potential entry-level firefighters, and perhaps offer cost savings in recruitment. The opportunity to evaluate individuals for extended periods of time and streamline the firefighter recruiting process for qualified individuals holding this position could be a very positive additional benefit of the program.

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Mid-Year Budget Requests

At the end of last fiscal year, three purchase orders tied to existing contracts were inadvertently cancelled totaling \$105,000. Mid-Year Request #1-3 represent these purchase orders. It should be noted that both the Downtown Historic Survey and Small Business Support were specifically identified in the operating budget narrative.

1. General Plan Update Support (\$65,000)

**1000.30.3461-63.5900 - Outside Services Professional Services
(PBB Program #720 – General Plan Update, Quartile A)
(PBB Program #721 – General Plan Implementation, Quartile A)
(PBB Program #726 – Housing Element & Annual Update, Quartile B)**

As described above, this purchase order totaling \$65,000 was mistakenly closed out. This PO represented an existing professional service contract that was extended through the end of this fiscal year. Professional services related to this contract include, but is not limited to, project management for the Farmworker Housing Study associated with the Housing Element, preparation of the Annual Housing Element Report, and assistance with the General Plan Update/Implementation.

2. Downtown Historic Survey (\$15,000)

**1000.30.3462-63.6010 - Outside Services Professional Services
(PBB Program #700 – Economic Development Element, Quartile A)
(PBB Program #742 – Historical Resources Board, Quartile B)**

This purchase order represented an existing professional service contract for \$15,000 to complete a historic survey of Downtown coinciding with the Salinas City Center Improvement Association (SCCIA). The survey will assist in the review of historic buildings to streamline permitting and facilitate future Mills Act applications to incentivize historic preservation.

3. Small Business Support (\$25,000)

**1000.30.3111-63.6010 - Outside Services Professional Services
(PBB Program #700 – Economic Development Element, Quartile A)
(PBB Program #708 – Business Retention and Expansion, Quartile A)**

This purchase order totaling \$25,000 is tied to a contract with El Pajaro CDC, a non-profit organization specifically working in the Alisal to support small business expansion. El

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Community Development Department

Pajaro is also helping the City identify possible tenants for Tynan Village, development of retail marketplaces, and creation of a community commercial kitchen.

Although noted in this fiscal year's budget narrative, funding for two part-time positions in the Department were erroneously left out of the budget itself. This was partially a result of the learning curve related to the switch to New World.

4. Part-time Accountant (\$25,000)

1000.30.3111-63.6010 - Outside Services Professional Services

(PBB Program #796 – CDBG Program, Quartile A)

(PBB Program #798 – HOME Investment Partnership Program, Quartile A)

(PBB Program #800 – Emergency Solutions Grant (ESG) – Entitlement City, Quartile A)

(PBB Program #801 – Emergency Solutions Grant (ESG) – State Allocation, Quartile A)

The Housing and Community Development Division of the Department needs to hire a part-time accountant as outlined in the Operating Budget Narrative to ensure that the City's records match up with HUD accounting records. This reconciliation is critical to fully utilize grant funding in compliance with the new CFR 200 regulations and with HUD's IDIS program. This will also take pressure off of the Finance Department, which has to spend a lot of time reviewing HUD records and Finance ledgers to align the records. As noted above, this item was outlined in the budget narrative approved by City Council, but was not reflected in the actual New World budget.

5. Administrative Secretary (\$25,000)

1000.30.3462-61.2000 - Salaries & Benefits Temporary Pay

(PBB Program #700 – Economic Development Element, Quartile A)

(PBB Program #741 – Planning Commission, Quartile B)

Although included in budget narrative approved by City Council, this expense was not reflected in the actual New World budget. For many years, Current Planning had its own clerical support. Unfortunately, fiscal challenges resulted in elimination of clerical support, shifting more of these duties onto planners. As caseload has increased, planners have had difficulty keeping up with records management, required notification, and planning commission support. The Administrative Secretary will assist the Division in improving records management, maintaining accurate minutes, improving communication, thereby allowing technical staff to process cases more expeditiously.

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6. Intermodal Transit Center Master Plan (\$30,000)

1000.30.3111-63.6010 - Outside Services Professional Services

(PBB Program #700 – Economic Development Element, Quartile A)

(PBB Program #702 – Downtown Vibrancy Plan Implementation, Quartile A)

(PBB Program #805 – Chinatown Revitalization Plan, Quartile A)

As the City undertakes the implementation of the Economic Development Element and Downtown Vibrancy Plan, it is clear that the Intermodal Transit Center (ITC) is one of the City's best opportunity sites. Although numerous proposals have been floated while existing uses struggle to succeed, it is important that the City take a more comprehensive approach to redevelop this site. This Master Plan will be a critical tool in conversations with TAMC to complete the Lincoln re-alignment and re-imagining housing in both Downtown and Chinatown. Funding would be utilized to hire a consultant to help the City create a vision for the site and craft an implementation strategy to help the City fund its development.

7. Code Enforcement Administrative Aide (\$40,000)

1000.30.3353-61.1100 - Salaries & Benefits Regular Pay

(PBB Program #777 – Housing Code Violations, Quartile A)

(PBB Program #779 – Abandoned Vehicles, Quartile B)

(PBB Program #786 – Zoning Violations, Quartile A)

(PBB Program #781 – Weed Abatement, Quartile A)

As Code Enforcement has become more effective, the Division is receiving more complaints than ever especially from the Police and Fire Departments. The Division has been working with the Police Department on a pilot abandoned vehicle program. Code Enforcement is also working with the Legal and Police Departments to address nuisance properties. Although the Division needs more officers, it is clear that the more immediate need is for administrative support. The Division was able to recently hire temporary, part-time support, but is requesting to convert this to a full-time position. It should be noted that the increase in revenues can help offset this cost.

8. Technology Upgrades to the Permit Center (\$50,000)

5800.30.9093-63.5900 Outside Services Professional Services

(CIP 9093 – Permit Center Technology Upgrade)

2502 – Special Construction Fund (TrackIt fees)

The Permit Services Division is requesting that \$50,000 in technology funds are added to the Permit Center Technology CIP. These funds have already been collected through a surcharge, but just need to be added to the budget to allow the Department to hire a consultant to evaluate and implement necessary systems to prevent future IT disruptions

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from shutting down the Permit Center. The consultant also would work with the IT Division under the Finance Department to evaluate existing internet capacity and determine needed upgrades to transition to web-based services. This is a critical component in improving customer service at the Permit Center.

9. Staffing at Permit Center (\$0)

Over the last year, we have been assessing services at the Permit Center to determine staffing needs and limit our dependence on contractors. We have also been evaluating job descriptions and performance agreements to ensure alignment between these documents and what each individual actually does. After completing this analysis, we have determined that Kristy Parker should be re-classified and the vacant Permit Clerk position should be changed to a Building Permit Specialist. Due to increasing workload at the Permit Center, we need to make these adjustments immediately and are requesting consideration through the mid-year budgetary process. It should be noted that due to existing vacant positions, we would not require changes to our actual budget. This modification does not involved an increase in staff and funding would come from permit revenue.

Reclassification (Building Permit Specialist to CDD Administrative Supervisor)

Kristy Parker is currently a Building Permit Specialist, but the job description does not align well with her responsibilities. One reason for this is that over time, we have shifted to a more complex database and permit processing system known as Trakit. Currently, Ms. Parker serves as the Trakit Administrator for the entire Permit Center and as such is in charge of maintaining the system, training staff, and developing crystal reports, which requires some knowledge of Sequel. She also is in charge of producing financial reports, tracking revenue, and ensuring that funds are accurately paid and transferred to the Finance Department. Ms. Parker supervises four (1 vacant) staff responsible for providing services at the public counter and helps trouble shoot customer problems. She is also part of the Permit Center Management Group and is responsible for crafting and implementing policies to improve productivity and customer service. After reviewing the existing classifications, her position is very closely aligned with the Public Works Administrative Supervisor. I recommend that we use this position as the basis for a re-classification.

Permit Clerk to Building Permit Specialist

The Citygate Report recommended having staff with technical knowledge at the public counter who can help customers navigate the system similar to a position observed in San Jose. Ultimately, the City modified this position to a much lower level part-time clerk. While a part-time receptionist may always be needed due to the volume at the Permit Center, the clerk can only provide minimal support and is not able to serve in the

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“conductor” role envisioned in the Citygate Report. Ironically, the City used to employ a Building Permit Specialist who actually fulfilled this role. She had enough knowledge to answer basic questions, direct customers to the right staff, and process easy over the counter permits and complete simple plan reviews. Over time, the administrative demands of the Permit Center changed especially with the use of Trakit. As a result, Ms. Parker who was placed in the role Building Permit Specialist position ended up having much different responsibilities.

After surveying several internal staff to determine what is most needed to create a high-performing public counter, there was general consensus that we need to revive the Building Permit Specialist as originally intended. Because we have three effective Permit Clerks, it was determined that the vacant position could be re-classified to a Building Permit Specialist. This is my recommendation and would involve no increase in the number of FTEs.

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Public Works (Excellent Infrastructure)

Mid-Year Budget Requests

1. Homeless and Cleanup Efforts (\$150,000)

(PBB Program #498 Warming Shelter Quartile "A")

**(PBB Program # "NEW" Homeless Encampment Mitigation, No Quartile Assigned)
Measure G**

\$80,000 for 5800.50.9068.63.4900 Outside Services Maintenance and Repairs- Other
\$70,000 for 5800.50.9206.63.6010 Outside Services-Other Outside Services

The City has three ongoing expenses related to homeless services and cleanups: 1) cleanups budgeted at \$250,000 annually (CIP 9068- a balance of \$60,000); 2) warming shelter (CIP 9206- a balance of \$13,000), and 3) rent and taxes at 113-125 East Lake Street (CIP 9205- a balance of \$43,000). In CIP 9068, the City is spending \$26,500 per month for weekly clean-ups and will require another \$80,000 to continue doing so through June 30. The majority of the funds in 9205 are surplus funds from the Health Center renovation, and \$37,000 of these are requested to be moved to CIP 9206 for the warming shelter. This provides then \$50,000 for the warming shelter and the Council approved \$120,000 requiring another \$70,000 for CIP 9206.

2. Facility and Park Renovations (\$165,000)

5800.50.9670.63.3010 - Outside Services Rents (\$30,000)

5800.50.9052-63.5900 - Outside Services Other Outside Services (\$115,000)

5800.50.xxxx.63.6010 - Outside Services Professional Services (\$20,000)

**PBB Program #504 - Capital Improvement and Design Quartile "A"
General Fund**

\$30,000 for 5800.50.9670.63.3010- El Dorado Park

This will complete the improvements started in 2016, by extending irrigation to the newly installed bio-retention ponds so they function properly under dry conditions.

\$115,000 for 5800.50.9052- Women's Club Renovations Phase 1

Having submitted plans for a building permit last month, the architect's estimate plus hazardous materials abatement take the first Phase of this project \$115,000 over budget (\$515,000). The project construction cost estimate of \$386,000 was reduced \$60,000 by removing the exterior improvements including paint and sidewalk work. Another expense of \$10,000 in permit fees will be picked up by the Department's Operation Budget. If the

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Public Works (Excellent Infrastructure)

project bids at or below \$326,000 and can be built without too many change orders, the contingency can be used to pick up paint and sidewalk work.

\$20,000 for– Sanitary Sewer Pumps for City Hall (new CIP)

The two sanitary sewer pumps located in the garage of City Hall are more than 35-years old. One has failed. If both fail, City Hall has to be closed until repairs can be made. A local mechanic can rebuild both pumps at a cost of \$20,000.

**3. Traffic Engineer’s Office (\$50,000)
1000.50.5120-66.3010 - Capital Outlays Remodeling & Alteration
PBB Program #504- Capital Improvement and Design Quartile “A”**

When Public Works remodeled its offices the Traffic Engineer position has not been approved. Working with our interior design contractor, we have agreed to the size and location of the new office, but do not have funds to build it. The recruitment has been open since early December and we hope to fill it within the next two months. The design and build estimate is \$50,000 to include furnishings and IT costs.

Revenue Off-Set \$75,000

**4. Parking Enforcement Supplemental Appropriation (\$75,000)
6801.50.5446-63.5900 - Outside Services Other Professional Services**

The cost of the two-year SERCO parking enforcement contract executed October 3, 2016 is \$269,359. This equals \$135,000 per year, or \$101,250 to complete the fiscal year. Only \$25,000 was appropriated leaving a gap for the first year of \$75,000. City Council agreed to appropriate \$75,000 from the parking revenue generated from the program to pay for the balance of the Fiscal Year.

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Public Works (Excellent Infrastructure)

**5. Street And Sidewalks Improvements (\$1,445,000)
 PBB Program #504- Capital Improvement and Design Quartile “A”
 Various CIPs as indicated all funded with Measure X**

The City has spent its allocations for FY 2016/17 for street, sidewalk and traffic calming repairs. It has also experienced a demand for two new projects (signal at St Edwards and East Laurel Drive, and the re-striping of various arterial streets) to be designed and implemented. It also needs to replenish the contingency fund for the Elvee Drive project. These priorities are listed in the table below and recommended for funding as an advance to the Measure X revenue expected to begin arriving in April.

MEASURE X			
CIP	Project	Project description	Amount
9438	Re-striping city streets and crosswalks	Re-striping the various faded street pavement marking and crosswalks in various City streets	\$ 100,000
CIP#?	Traffic calming	Evaluate and implement traffic calming in neighborhoods within the City	\$ 100,000
9220	East Laurel Drive and St. Edwards Traffic Signal Project	To oversee, review and coordinate the design of the traffic signal at East Laurel and ST. Edwards project	\$ 30,000
9720	Tyler Street sidewalk repairs	Tyler Street sidewalk repairs and tree replacement	\$ 500,000
9720	Central Avenue sidewalk repairs	Central Avenue for sidewalk repairs and tree replacement	\$ 400,000
9117	Sanborn Road /Elvee Road	The project contingencies have been spent on contract change orders that included the wick drains and	\$ 300,000
9220	Saint Edwards/East Laurel Drive Signal Design	Funding for the staff costs associated with project management	\$ 15,000
TOTAL			\$ 1,445,000

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Library and Community Services (Quality of Life)

Mid-Year Budget Requests

1. Recreation Center Fencing (\$40,000)

1100.55.6239-63.4100 – Outside Services Maint & Repairs Bldg & Grounds

PBB Programs: Youth Volleyball #327 & Youth Basketball #312

One-time funding

Over the last few months, there has been an increase in drug use and sales around the Lincoln Recreation Center. Staff proposes to fence off the alleyway between MP Printing and enclose the courtyard to the North of the facility facing the John Steinbeck Library. Doing so will eliminate access to the alleyway which has been used by people who want to engage in drug use. In addition, this request also includes repair of the concrete in the courtyard area which will allow for an outdoor warm up area for teams to use prior to their volleyball or basketball games, as well as hardscaping (boulders, etc.) in the areas adjacent to the fence and the library parking lot. Currently, teams use the grass area in front of the facility adjacent to the street and while we have not had any accidents, this project will help to mitigate the risk associate with kids playing near the street. The hardscaping at the edge of the library parking lot will limit the opportunity for people to congregate in this area as they do currently.

2. Purchase of New Sound Console for Sherwood Hall (\$7,000)

1100.55.6243-66.5410 - Capital Outlays Audio/Digital/Video

PBB Program Facility Rentals/leases #307

Onetime funding

The existing sound console at Sherwood Hall has been in operation since 1975. Last summer, the City installed solar panels in the Sherwood Hall parking lot. Shortly after the installation, staff discovered that the sound console no longer worked. Based on staff's best judgment, it appears that a power surge occurred sometime during the installation and damaged the console. Over the last six months, we have been renting equipment to meet the sound needs of our clients beyond that of a basic P.A. In addition to the console we need to purchase the required lamps, snake cables, storage boxes and cable racks.

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Library and Community Services (Quality of Life)

Mid-Year Budget Requests - Library

3. Library positions changes – reduction in funding

1100.60.(Multiple Divisions): Salaries & Benefits (Multiple accounts): (-\$123,147)

PBB Program: Multiple programs

Ongoing funding

Currently the Library has the following vacant (or soon to be vacant) positions, funded through Measure V:

Position	FTE	Recruiting history
Librarian II (Adult Services	1	Recruiting since March 2016, briefly filled in August/Sept. 2016
Librarian II (Children’s Services	1	Recruiting since March 2016 (filled currently since 11/21/16, but incumbent has resigned effective 1/31/2017 due to a new job at a significantly higher salary)
Library Technician	1	Not currently approved to fill
Library Clerk	1	Not currently approved to fill
Librarian I	1	A .5 Librarian I position was previously filled in March 2016, but vacated in August 2017. The remaining .5 was not approved to fill.

It should be noted in the above table that department management has been recruiting for the Librarian II positions for almost 12 months, with little success and a great expense in time and effort. In talking with applicants and incumbents, it has become apparent that the salary level for this position does not seem to be in synch with what is accepted practice for this level of responsibility in the public library field at this time. In studying the position classifications available to us in our department, it would seem that a Senior Librarian position may match up better with the salary level expected for the types of responsibilities assigned.

In addition, this seems to be an appropriate time to finalize our position allocations and ensure that our Divisions are appropriately staffed for current and projected business levels. There seems little to gain (other than always having salary savings available) for having unfilled positions in the budget that have little chance of being approved to fill.

As a result, our recommendation (outlined in the table below) is to make the following revisions to our positions allocation and to receive authorization to fill these positions in the current fiscal year. Note that these changes are expected to reduce our annual salaries

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Library and Community Services (Quality of Life)

& benefits by \$123,147, thereby contributing to budget reduction strategies and allowing for the possibility of General Fund Recreation expenses to be transferred to Measure V.

Current positions	FTE	Revised position	FTE
Librarian II (Adult Services)	1	Senior Librarian (Adult Services)	1
Librarian II (Children's Services)	1	Senior Librarian (Children's Services)	1
Library Technician	1	Library Technician	1
Library Clerk	1	Eliminate position	0
Librarian I	1	Librarian I (PT)	.5
TOTAL VACANT FTE	5	REVISED VACANT FTE	3.5

4. Security Cameras (\$-0- impact)

1100.60.6009-66.5810 - Capital Outlays Computer Equipment - \$75,000

PBB Programs: ALL Programs

Funding redirected from 1100.60.6012-69.5900

Security for both library staff and library customers is our highest priority. Several incidents have occurred in the last year where having security cameras present might have deterred the undesirable behavior, or led to the resolution of a problem. This project will incorporate technology of similar functionality as the system in place at the Animal Services Center. The amount estimated above is a very rough estimate and additional funding may be added if available from other sources.

5. Library Furnishings (\$-0- impact)

1100.60.6009-66.5200 - Capital Outlays Furniture - \$40,000

PBB Programs #351 Public Technology Access, #345 STEAM Programming,

Funding redirected from 1100.60.6013-69.5900

Several initiatives are in the planning stages for implementing new functionality for existing space. These include: 1) Purchasing new furniture for the Cesar Chavez Library Homework Center that allows for greater flexibility in use; 2) Implementing a "Maker space" for STEAM programming in the basement of the John Steinbeck Library; 3) Reconfiguring the public computing area at the John Steinbeck Library. If additional funding can be shifted from other existing sources, additional projects that provide increased programming capacity and customer satisfaction may be added.

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Administration (Sustainable, Effective Government)

Mid-Year Budget Requests

Economic Development Division

1. FORBES Summit (\$250,000)

1000.12.1355-63.6010 - Outside Services Other Professional Services

Staff is proposing that the budget be augmented to cover the costs of supporting the Forbes Summit for 2017. The City has supported the Forbes Summit for the past two years by paying Forbes \$50,000 and paying the costs for specified local vendors. Last year, this resulted in total costs to the City of \$232,133. Forbes has announced that they intend on hosting the event in Salinas on June 28-29, and will be increasing the projected attendance from 550 to 650 persons.

As the final site layout is still being determined and costs are difficult to estimate at this time, the City of Salinas and Forbes have tentatively agreed, subject to availability of funds, for the City to sponsor the event for a flat rate of \$250,000. This new structure results in a number of benefits to the City: the proposed costs are likely less than would result from continuing under the previous terms (due to the projected attendance increase), Forbes will maintain local vendors but will take up contract management responsibilities from the City (which will greatly save staff time in the administration of those contracts), and the City will be considered to be the highest possible level sponsor (meaning that Forbes will make additional effort to demonstrate the City's importance in the event).

Last year, although the City contributed \$232,133, the total expenditures spent at local businesses exceeded \$280,000, meaning that about \$50,000 was spent at local businesses beyond the total contribution from the City of Salinas. Given the larger audience and projected higher expenditures, it is expected that the entire \$250,000 would be spent at local businesses that are located in and/or employ residents of the City of Salinas. Additionally, the Summit will provide another opportunity for the City to market itself as an AgTech hub: last year the Western Grower's Center for Innovation and Technology saw its membership rise from 16 to 25 businesses in the time period just before and after the Summit. Finally, it is expected that the City will receive significant media exposure through the event – last year the coverage had an estimated editorial impact of \$4.1 million.

Given the benefits that the Summit will provide for the City of Salinas, as well as the fact that the entirety of the money provided by the City will be reinvested into our local businesses, staff recommends approval of the budget adjustment.

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Administration (Sustainable, Effective Government)

Human Resources Division

1. **Labor Attorney (\$120,000)**
1000.12.1140-63.6010 - Outside Services Other Outside Services
(PBB Program #9008 – Employee Relations, Quartile A)

The Human Resources Division requests an increase of \$120,000 to cover the cost of the labor attorney, Donna Williamson with Liebert Cassidy Whitmore to represent the City Council in labor negotiations.

City Clerks Division

1. **West Wing Conference Room and Rotunda Exterior Paint (\$50,000)**
5800.12.xxxx-63.6010 - Outside Services Other Outside Services
(PBB Program #9007 – Council/Intergovernmental Relations, Quartile A)
General Fund

Upgrades to West Wing Conference Room are needed to create a more functional meeting room space. This includes addition of glass panic bar doors to separate the room, signage, and audio/smart technology. The exterior of the Rotunda is in need of paint, which required a specialized contractor due to the existing led based paint.

EXHIBIT A
PROPOSED MID-YEAR BUDGET ADJUSTMENTS
FY 2016-17

Finance Department (Sustainable, Effective Government)

Mid-Year Budget Requests

1. Consulting Services – Sales Tax Audit Services (\$34,000)

**1000.20.2034-63.5900 – Outside Services Other Professional Services
(PBB Program #9027 – Revenue Collection, Quartile A)**

The City contracts with HdL Company to perform sales tax audits and discover miss allocated sales tax revenue that should be allocated to the City of Salinas. Their fee is 25% of what they discover and what the City actually collects once corrected. This year, an old class action claim was finalized and the fees paid to HdL totaled \$34,000, which was well beyond what is normally budgeted for. This budget adjustment has a corresponding portion of the sales tax revenue that more than offsets this fee for service costs.

2. Business License Software Implementation (\$50,000)

**5800.20.9146-63.5900 – Outside Services Other Professional Services
General Fund**

Staff is ready to work on the next phase of the New World project, which includes implementing the Business License module. The module has been purchased. The budget will cover the consulting fee needed to help implement.

3. Information Systems (IS) – Help Desk Services (\$0)

It is long over-due to bring the help desk function in-house. We expect the level of service and overall management of the help desk function to improve, while saving the City at least \$100,000 per year. Two Computer Operator positions will replace the two contract staff.

4. Revenue Division – Business License Discovery (\$0)

The City currently contracts with MuniServices to find businesses who should have a business license but do not. The City pays a 35% commission to MuniServices for every dollar that is collected related to their discovery efforts. The goal is to reclass the current Sr. Accounting Clerk, as a Revenue Technician, and have her begin to do in-house discovery. The revenue generated and the savings of 35% will be at least 3 or 4 times the cost of the reclassification. The reclassification will be subject to HR review.

EXHIBIT A
PROPOSED MID-YEAR BUDGET ADJUSTMENTS
FY 2016-17

City Attorney Department (Sustainable, Effective Government)

Mid-Year Budget Requests

1. HdL Contract for Cannabis (\$100,000)

1000.14.1400-63.5900 – Outside Services Other Professional Services

The City contracted with HdL Company to assist the City with implementing and regulating the new cannabis business tax. These costs are offset by the fees collected.

2. Cannabis Fee Revenue (\$68,400)

1000.14.1400-56.1141 – Charges for Services Commercial Cannabis App. Fee

The amount of cannabis fees budgeted is equal to the amount actually received year-to-date. At the time of engaging HdL, more applicants and more fees were anticipated.

EXHIBIT A
PROPOSED MID-YEAR BUDGET ADJUSTMENTS
FY 2016-17

Non-Departmental (Effective, Sustainable Government)

Mid-Year Budget Requests

1. Software Maintenance (\$120,000)

**1000.80.8005-63.4980 – Outside Services Maintenance - Software
(PBB Program #9035 – Application Support, Quartile B)**

This allocation will cover the Tyler New World software maintenance agreement, Granicus maintenance, and other new software maintenance agreements.

2. Interpreting Services (\$10,000)

**1000.80.8005-63.5380 – Outside Services Interpreting Services
(PBB Program #9002 – Agenda/Council Meeting Administration, Quartile A)**

The City has been working with other local public entities and organizations to increase public participation at community meetings and City Council meetings as a means to increase transparency and outreach to the Spanish speaking population. In order to do so efficiently, the City must contract with outside agencies for certified translation services for all public meetings. Staff requests a total of \$10,000 for FY 2016/17 to cover the cost of translation services.

3. Other Charges Special Community Events – City Sponsor (\$25,000)

**1000.80.8005-64.7160 – Other Charges Special Comm Events-City Sponsor
(PBB Program #989 – Community Events, Quartile A)**

Throughout the year the City is approached to support community events in either in-kind services or financial support. The City Manager and Council have authorized such expenditures via Council action or City Manager’s authority. Staff is requesting \$25,000 to support community events including but not limited to Ciclovía, the Veteran’s Day Parade, Holiday Parade of Lights, and Food and Wine Festival.

4. Election Cost (\$210,000)

**1000.80.8002-63.6010 – Outside Services Other Outside Services
(PBB Program #443 – Election Services, Quartile C)**

The June election was \$382,274 and November election will be about \$300,000 to \$337,000. An additional \$210,000 is needed to cover both elections.

EXHIBIT A
PROPOSED MID-YEAR BUDGET ADJUSTMENTS
FY 2016-17

Non-Departmental (Effective, Sustainable Government)

5. Ground Water Sustainability JPA (\$330,000)

1000.80.8005-64.xxxx – Outside Services

(PBB Program #503 – Intergovernmental Relations, Quartile B)

In the fall of 2014, the California legislature adopted, and the Governor signed into law, three bills (SB 1168, AB 1739, and SB 1319) collectively referred to as the “Sustainable Groundwater Management Act” (“SGMA”) that initially became effective on January 1, 2015, and are amended from time-to-time thereafter. SGMA requires the designation of Groundwater Sustainability Agencies (“GSAs”) for the purpose of achieving groundwater sustainability through the adoption and implementation of Groundwater Sustainability Plans (“GSPs”) for all medium and high priority basins as designated by the California Department of Water Resources.

Following extensive negotiations over a fourteen-month period a twenty-five-member stakeholder team developed a JPA agreement and governance model that was agreed to by the City Council on December 13, 2016. Salinas’ share of the annual cost for the next two years is \$330,000.

6. Monterey Bay Housing Trust (\$100,000)

1000.80.8005-64.xxxx – Outside Services

(PBB Program #807 – Housing Trust Fund, Quartile B)

The City Council approved a partnership with the Monterey Bay Economic Partnership (MBEP) and Housing Trust Silicon Valley and contribute to the Monterey Bay Housing Trust (MBHT), a revolving loan fund created to increase the supply of affordable housing for low-income households. Through this agreement, projects within the City of Salinas would be eligible for MBHT loans to finance acquisition, predevelopment or construction of affordable housing. The City’s contribution of \$500,000 over the next three years, beginning with \$100,000, would leverage a lending capacity of \$2 million dollars for projects in Salinas.

MBEP has partnered with the Housing Trust Silicon Valley (HTSV) to identify qualifying affordable housing projects and provide 20% of the loans to approved projects. HTSV will provide 80% of the loans to approved projects. HTSV will also provide all credit analysis, underwriting, loan processing, and any default workout as needed. Founded in 1998 and having invested nearly \$100 million to create over 12,000 housing opportunities in Silicon Valley, HTSV has a long and successful track record as a housing trust. This partnership brings together two capable organizations: MBEP to provide technical support through advocacy and coordination and to identify loan applications and the Housing Trust Silicon Valley to deliver high quality loan processing, credit approval, and loan administration.