



**CITY OF SALINAS  
FINANCE COMMITTEE**

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**DATE: MAY 6, 2019**

**DEPARTMENT: FINANCE DEPARTMENT**

**FROM: MATT N. PRESSEY, CPA, FINANCE DIRECTOR**

**TITLE: SALINAS PLAN – PRODUCTIVITY BANK**

**RECOMMENDED MOTION:**

No motion is required for this item. Comments and feedback from the Finance Committee on the implementation of this Salinas Plan initiative is requested.

**DISCUSSION:**

Each month, staff has planned to bring at least one item from the Salinas Plan as an update on implementation of the Salinas Plan.

The Salinas Plan has 32 recommendations, seven of which are categorized as “Investment Strategies”. Investment strategies are initiatives that help close the budget gap but require an initial investment of funds in order to reap longer-term benefits that pay for themselves and more. The productivity bank is one of the seven investment strategy recommendations. The Salinas Plan recommends the City create an internal revolving loan program. The revolving loans would be funded from funds set aside into a “Productivity Bank”. The bank would be used to provide loans to Salinas City departments that can justify projects and/or initiatives that will generate additional revenues, and/or will generate savings, in order to help the City reach fiscal sustainability. Generally, ideas that cost more money to implement can go untested because there is no funding to give the ideas a chance. Having a formal program provides a forum for employees and departments to pursue cost-saving measures in a structured fashion. The productivity bank promotes a strategic approach to the way in which City government conducted its business by encouraging innovation, accountability, and entrepreneurship.

A three member team has worked on drafting a program, policy and procedures. During the last month and a half, the team met with the bargaining group representatives twice and the executive team to receive comments and suggestions. The attached PowerPoint summarizes the proposed program. The draft policy and procedures, in the form of an administrative memorandum, is also attached.

**FISCAL AND SUSTAINABILITY IMPACT:**

The initial seed funding of \$500,000 will come from one-time unallocated General Fund resources.

ATTACHMENTS:

1. PowerPoint Summarizing the Productivity Bank Policy and Procedures
2. Administrative Memorandum – Productivity Bank