



## **CITY OF SALINAS FINANCE COMMITTEE**

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**DATE:** NOVEMBER 4, 2019

**DEPARTMENT:** FINANCE DEPARTMENT

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

**TITLE:** SALINAS PLAN IMPLEMENTATION UPDATE – PRODUCTIVITY BANK STATUS UPDATE

**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 brings 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 “IN02 – Productivity Bank” recommendation 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”. Departments have the opportunity to compete for “Productivity Bank” monies. The purpose of the Productivity Bank is to provide one-time seed money for investments that will lead to increased revenue and/or reduced ongoing operating costs. The following steps have been taken to implement the Salinas Plan recommendation:

- An Administrative Memorandum was prepared describing the Productivity Bank and how it would work
- The program was vetted with employee union representatives, department heads changes were made based on the input
- \$500,000 productivity bank reserve balance was approved as part of the FY 2019-20 adopted budget resolution
- Productivity Bank Guidelines were developed including evaluation criteria that the Loan Review Committee would use to evaluate the proposed ideas
- A productivity bank Loan Application was developed
- An announcement regarding the productivity bank has been sent to employees
- The Loan Review Committee was selected and notified

- The first loan review committee is scheduled for November 21, 2019 to provide an overview and orientation of their role

**FISCAL AND SUSTAINABILITY IMPACT:**

The initial seed funding of \$500,000 has already been established as part of the FY 2019-20 adopted budget resolution.

**ATTACHMENTS:**

1. Productivity Bank Guide
2. Productivity Bank Application - Fiscal 2020
3. Productivity Bank - 7 Member Review Committee List