



**CITY OF SALINAS
FINANCE COMMITTEE**

DATE: FEBRUARY 3, 2020

DEPARTMENT: FINANCE DEPARTMENT

FROM: MATT N. PRESSEY, CPA, FINANCE DIRECTOR

TITLE: CALIFORNIA STATE AUDITOR'S FISCAL HEALTH ANALYSIS OF CALIFORNIA CITIES

RECOMMENDED MOTION:

No motion is required for this item.

DISCUSSION:

The California State Auditor has created an interactive web page reporting on the fiscal health of the state's over 470 cities. This online dashboard is part of its high-risk local government agency audit program to identify cities that could be facing fiscal challenges by assessing their levels of risk using various financial indicators. Through this transparent interface, California residents, state and local policymakers, and interested parties will have a data driven view of each city's risk assessment.

The City of Salinas ranks #112 out of approximately 470 cities (#1 ranking indicates highest risk, #470 lowest risk). At the Finance Committee, I will be navigating through the web pages and dashboards and highlighting how Salinas compares, ranks and scores. The State Auditor looks at the following factors in California Cities:

1. ***Cash Position/Liquidity*** – Is the city able to pay its bills in the coming fiscal year?
2. ***Debt Burden*** – How is the City's level of debt compared to its income?
3. ***Financial Reserves*** – Does the city have sufficient financial reserves to cover unexpected costs or shortfall in revenue?
4. ***Revenue Trends*** – Is the city's revenue going down over time?
5. ***Retirement Obligations*** – Does the city have the ability to pay for retirement benefits promised its employees?

The online dashboard can be accessed at: http://www.auditor.ca.gov/bsa/cities_risk_index

ATTACHMENTS:

None