

# MEASURE V

Over a period of three fiscal years beginning in April 2003, the Salinas City Council reduced City programs and services funded by the General Fund budget a total of \$15.3 million dollars or 24%. The reductions were required to maintain the City's financial solvency. The financial crisis was the result of a combination of factors including a weak economy evidenced by sales tax actually decreasing for two years, State raids on local revenue, increasing charges assessed by the County of Monterey, increasing retirement costs and increasing employee health insurance costs.

The required reductions included the elimination of 123.50 authorized positions, the layoff of employees and broadly impacted services throughout the City. Staff reported to City Council that absent a new, guaranteed source of General fund revenue, the City would not be able to restore the services that had been cut for at least 8-10 years.

At the City Council's May 3, 2005 meeting, members of the public expressed their view that the City must be able to provide adequate police, fire and street and park maintenance services, and that the libraries and recreation centers should remain open. The public requested that Council consider placing a tax measure on the ballot so that revenue could be provided to restore vital services.

On May 17, 2005, the City Council received a report regarding its options for placing a tax measure before the City's voters to generate sufficient revenue to maintain minimal levels of service for the public welfare. Members of the public reiterated their support for such a measure, indicated that the community would suffer if services were further curtailed.

On June 7 and June 14, 2005, the Council reviewed and approved the FY 2005-06 budget, and confirmed the on-going reductions in services previously approved. On July 12, 2005, the Council adopted a resolution calling for an election to take place on November 8, 2005 to ask City voters to approve a half-cent transactions and use tax. The proposed tax measure also included a ten (10) year sunset provision and mandated the appointment of an independent committee with authority to both recommend the use of the tax revenue and provide oversight as to the use of funds.

On November 8, 2005, the voters of Salinas approved (61.74%) the ordinance establishing a Temporary Transactions and Use Tax at the rate of one-half of one percent (0.50%) to be in effect for a period of ten (10) years. Initial collection of the tax began April 1, 2006 with the first receipt of revenues from the tax to occur in July 2006.

The tax approved by the voters is a general tax. As such, the City may use the revenue from the tax for any general governmental purpose, including without limitation police, fire safety, paramedics, libraries, crossing guards, graffiti removal, anti-gang programs, and street and park maintenance.

In order to assure full compliance with the intent of the ordinance, the tax proceeds from this ordinance will be separately received and accounted for in the City's financial reporting system (Fund 11.00). The Finance Director will report at least quarterly regarding the use of tax proceeds to the Oversight Committee. The Oversight Committee will report annually to the City Council regarding the use of tax proceeds.

The Oversight Committee is a fundamental provision in the voter-approved ordinance. The ordinance states that:

The Mayor and City Council shall each annually appoint one member of the public to serve as an oversight committee for the revenue that the City receives from the tax. The committee shall prepare an annual report on the revenue received and recommend the use thereof. The City Manager shall provide staff for the committee, and the Finance Director shall provide all relevant data regarding revenue from the tax and expenditure thereof.

# MEASURE V

During May 2006, the Measure V Oversight Committee completed its work identifying \$10,000,000 in on-going programs and services to be funded by Measure V revenue. The process began with the first meeting of the Measure V Oversight Committee in January 2006 and ended with the Committee's May 8 unanimous recommendations for services and the City's Council unanimous acceptance of the Measure V Committee recommendations when the FY 2006-2007 Operating Budget was adopted on May 16. The intervening time period (January to May) included community meetings in each Council district, separately sponsored community meetings, two (2) joint City Council / Measure V Oversight Committee meetings, City department presentations of "essential" and "preferred" programs and service level recommendations, and numerous Measure V Oversight Committee meetings to consider and approve recommendations for the use of Measure V funds.

The approved on-going (annual appropriations) departmental use of Measure V funds is as follows:

Administration	\$ 295,000
Development & Engineering & Permit Services	595,000
Finance	185,600
Fire	332,500
Legal	181,900
Library	3,600,000
Maintenance Services	834,100
Parks and Recreation	1,145,900
Police	<u>2,830,000</u>
Total	<u>\$10,000,000</u>

With the approval of the Measure V allocation, City Council also asked the Measure V Oversight Committee to establish a priority for additional Police Officer positions in Fiscal Year 2007-08 if Measure V revenues exceed \$10,000,000 annually. The earliest staff will know if there is potential for permanent annual revenue above the \$10,000,000 base will be in January 2007 when the City will have six (6) months actual payments from the State Board of Equalization.

Significant savings are forecasted during the first year (FY 2006-07) of Measure V funding. The primary reason for the savings will be the time necessary to complete the hiring process required to restore services. It is essential these one-time savings are used for one-time capital outlay or capital improvement investments.

The approved departmental use of one-time funds for FY2006-2007 is as follows:

Administration	\$40,000
Development & Engineering & Permit Services	337,500
Fire	170,000
Library	463,000
Maintenance Services	1,333,000
Police	<u>2,830,000</u>
Total	<u>\$2,743,500</u>

# MEASURE V

The number of positions funded by Measure V during FY 2006-07 is summarized as follows:

Administration	2.5
Development and Engineering	3.0
Finance	2.5
Fire	1.0
Legal	1.5
Library	39.5
Maintenance	12.0
Parks and Recreation	4.0
Police	<u>24.0</u>
Total	<u>90.0</u>

A final Measure V allocation decision made by the Oversight Committee and approved by the City Council is a \$1,000,000 capital outlay / capital improvement allocation for library operations. It is anticipated that funds will be used over a four-year period for library improvements. The source of funds will be Measure V savings that will accrue from hiring lags and vacancies during the next four (4) years.

The following page details operating and one-time / capital expenditures approved and budgeted in Fiscal Year 2006-07.

# MEASURE V

	Base Annual Operating	One-time Expenditures & Capital Outlay
<b>Administration</b>		
Two (2) Neighborhood Services Coordinators	87,000	
Half Time Clerical Support	37,900	
Additional Grants Capacity	50,000	
Community Cleanups (12 per year)	48,200	
Human Resource Technician	71,900	
Recruitment & Adverting		40,000
<b>Total Administration</b>	<b>295,000</b>	<b>40,000</b>
<b>Development &amp; Engineering &amp; Permit Services</b>		
Sr Code Enforcement Officer	97,600	
Code Enforcement Officer	83,500	
Engineering Technician	76,400	
Street Maintenance	212,500	212,500
Sidewalk Maintenance	125,000	125,000
<b>Total Development &amp; Engineering</b>	<b>595,000</b>	<b>337,500</b>
<b>Finance</b>		
Senior Account Clerk	63,200	
Half Time Web Master	46,400	
Computer Operator	76,000	
<b>Total Finance</b>	<b>185,600</b>	-
<b>Fire</b>		
Battalion Chief	185,000	
Paramedic Program Funding	147,500	
Two (2) Mobile Command Vehicles		170,000
<b>Total Fire</b>	<b>332,500</b>	<b>170,000</b>
<b>Legal</b>		
Assistant City Attorney	147,300	
Half-Time Clerical Support	34,600	
<b>Total Legal</b>	<b>181,900</b>	-

# MEASURE V

	Base Annual Operating	One-time Expenditures & Capital Outlay
<b>Library</b>		
117 Public Service Hours		
37 Full Time Positions	2,531,400	
2.5 Temporary Positions	40,000	
Supplies and Materials	656,500	
Program Development/Grant Writer	75,000	
Library Director	185,000	
Information Systems Support		
Half Time Library Systems Analyst	47,100	
Library Contract Helpdesk (Library 130 workstations)	65,000	
One-time expenditures/Capital outlay		
Delivery Van		25,000
Computer Equipment		21,000
Computer Software Upgrades (Catalog System)		117,000
Community Planning Process		50,000
Additional \$1,000,000 (for one-time expenditures / capital outlay & improvements) to be phased over 4 years, with annual appropriations reviewed at each mid-year		250,000
<b>Total Library</b>	<b>3,600,000</b>	<b>463,000</b>
<b>Maintenance Services</b>		
Graffiti Abatement Program		
Maintenance Technician	64,300	
Supplies & Materials	29,000	
Park Maintenance		
Eight (8) Park Maintenance Workers	506,400	
Urban forestry		
Three (3) Urban Forestry Workers	204,500	
Supplies & Materials	29,900	
Power Turf Mower		80,000
Streets/Sidewalks/Street Trees/Landscape Maintenance		1,253,000
<b>Total Maintenance Services</b>	<b>834,100</b>	<b>1,333,000</b>
<b>Recreation Parks</b>		
Closter Park		
Recreation Coordinator	85,000	
El Dorado Park		
Recreation Coordinator	92,800	
Central Park		
Sr Recreation Assistant	59,000	
Restore Hours of Operations (Temporary Employees)	110,300	

# MEASURE V

	Base Annual Operating	One-time Expenditures & Capital Outlay
Facilities Operating & Maintenance Costs	51,800	
Restore Marketing/Training	17,000	
After School Programs (Twelve Sites)- Includes one Rec Coordinator	730,000	
<b>Total Recreation Parks</b>	<b>1,145,900</b>	-
<b>Police</b>		
Ten (10) Community Service Officers	667,000	
Five (5) Police Officers	555,300	
Equipment, Uniforms & Academy @ \$10,000 per officer		50,000
Seven (7)Vehicles		350,000
Crossing Guard Program		
25 Crossing Guards	200,000	
Uniforms & Equipment (Annual Costs)	15,000	
Community Service Officer	67,000	
Gang Task Force-Six (6) Police Officers	920,300	
Gang Task Force-Overtime	180,000	
Animal Control Officer	65,500	
Records Clerk	57,200	
Supplies & Materials	102,700	
<b>Total Police</b>	<b>2,830,000</b>	<b>400,000</b>
<b>Total All Departments</b>	<b>10,000,000</b>	<b>2,743,500</b>