FY 2010-11 Budget Process

- Blue Ribbon Committee
  - Expertise
  - Work differently
  - Preserve services
  - Employee MOUs

FY 2010-11 Budget Balanced

- Adopted June 8, 2010
Restructuring/Organizational Assessment

- **Avery & Associates: Highlights**
  - Increase reserves
  - Invest in critical areas:
    - Economic Development
    - Training
    - Information systems
    - Neighborhood services/volunteerism
- **Complete five year forecast**
- **Negotiate salary and benefit reductions**
Long–Term Budget Issues

- Not On Sustainable Public Safety Course
- Expiration of Measure V (March 2016)
- Low/Unpredictable Tax Base

Services:

- What levels?
- What services?
- How do we pay?
Per Capita Revenues: 2010/11

City of Salinas 2011 Annual Budget Message
Sales Tax Decline: 2007 - 2009

$24.0 Million

$19.2 Million
Sales Tax Changes
2007 - 2009

City of Salinas 2011 Annual Budget Message
2009 Sales Tax: Major Business Groups

- Consumer Goods: $5.0 million
- Autos & Transportation: $2.6 million
- Fuel & Service Stations: $2.8 million
- Business & Industry: $2.5 million
- Out of State Purchases: $1.9 million
- Building & Construction: $1.5 million
- Restaurants & Hotels: $1.6 million
- Food & Drugs: $1.3 million
Changes in Revenue Sources: 1990/91 - Present

1990/91

Sales Tax, 29.6%
Property Tax, 16.9%
Utility Users, 10.2%
Charges for Services, 9.4%
Other Revenue & Transfers, 8.0%
Bldg Permits/Plan Checks, 1.8%
Franchise Fees, 4.1%
(MV Transaction & Use Tax, 0.0%)

Present

Sales Tax, 25.2%
Property Tax, 26.6%
Utility Users, 10.8%
Franchise Fees, 8.5%
Business License, 5.2%
Charges for Services, 5.3%
Other Revenue & Transfers, 4.3%
From Other Agencies, 1.3%
MV Transaction & Use Tax, 11.3%
PERS Contribution Rates: 2007/08 – 2012/13

- Police
- Fire
- Non-Safety

PERS Contribution Rate Comparison:

- 2007/08
- 2012/13
FY 2010-11 Budget Process

- Projected Shortfall: $7 Million
- What Is Needed
  - Organizational assessment/complete work
  - Implement changes
  - Shared sacrifice today
  - Reform moving forward
  - City re-design
Core Issues

- Must Address Core Issues
  - How to become safe
  - How to provide customer oriented services
  - How to sustain services
  - 5-year forecast?
City of Salinas

Annual Budget Message

Mayor Dennis Donohue

January 24, 2011