

Salinas Californian Soapbox  
By: Salinas City Councilman Steve McShane  
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### **Setting the Record Straight on Measure G Funds**

Salinas has wrangled with a public safety problem since I arrived in town over 15 years ago. It was actually crime that motivated me to public service when I joined the City's Police Community Advisory Committee.

As with all things in government, there are always different opinions on how to solve the many challenges cities face. Even after a general tax to aid public safety and City services passed last November, the debate surrounding a special tax vs. general tax continues. Much of it is centered on a few things I wanted to clear up. Specifically, I engaged the City Finance Director on five points that continue to be raised by opponents to our local leaders and government as follows:

- 1.) No decisions or allocations have been made regarding Measure G funds yet. The City appreciates all of the interest from the public regarding how Measure G funding is spent. Like Measure V, Measure G is a major historic event and should be handled carefully and responsibly. The City is following a process for determining how Measure G funding is spent. The process was summarized in the March 31, 2015 presentation before City Council:
  - Gather Community input and capture City Council goals
  - Departments prepare proposed budget that is aligned to Council goals and considers community input (Due April 16 to City Manager and Finance Director)
  - City Manager reviews and makes final budget package for City Council
  - Measure V and G committee meets to review proposal and recommendation for Council (two dates in May)
  - City Council reviews (May 26) and adopts (June 9) budget
- 2.) To date, no official / legitimate specifics exist from City Administration or Elected City Leaders regarding Measure G funds. Anything reported on prior to the release of the official city budget is speculation.
- 3.) It has been asserted that the first \$10 Million of \$20 Million raised by the passage of a general tax will be spent on deferred compensation for employees. This has been re-stated several times. If this was said, it was incorrect. As recently shared with me by the City Finance Director, " No proposal has been made for Measure G funding. The goal is to spend 100% on new services to the Community; services that would most likely not be occurring had it not been for Measure G."

- 4.) It has also been asserted that Councilman Barrera stated that City employee pay concessions over the last five years would be repatriated to them using Measure G funds. When I recently asked the City Finance Director about this, he shared the following: “ Concessions were agreed to by City labor groups during negotiations and expire at different times. The goal is to fund all of the non-furlough concessions out of the Fund that is currently funding the related staff. The General Fund has the greatest share (approx. 85%). I do not anticipate the City funding non-furlough concessions with Measure G. The City will most likely propose to fund the increase in services, by lifting the furlough, with Measure G. “ The Finance Director went on to explain, “ At the time of concessions, raises were due to employees, but the employees agreed to forgo the raises to help the City balance the budget and avoid layoffs. Going forward, at the point their agreement with the City expires, the employees will not receive any compensation for the past raises forgone, but will be compensated at the new rate going forward. “
- 5.) Finally, it has been said that Measure G funds will go to pay for CalPERS benefits, employee healthcare costs and workers compensation insurance. When asked about this, the City Finance Director replied with the following: “ As shared, no proposal has been made for Measure G funding. The goal is to spend 100% of Measure G on new services to the Community, not for existing staff costs and existing time worked. Correct, the City Manager cited PERS retirement, Health costs and Workers Comp as the major drivers of the increase in cost of running the City. After all, 80% of the City’s budget is for staff. We are a service oriented business. The City’s budget deficit was estimated to increase from about \$7 million to \$12 million, which is an increase of \$5 million. Most of that increase is from those three cost items. The final exact dollars will be itemized so that the public and City Council can clearly see what Measure G will fund and how the General fund deficit will be addressed.”

Government would cease without interest and active participation from the public. As you can probably pick up, City finance is not simple either. Thanks to interest in this subject, Councilman Barrera and I have scheduled a Community Meeting at the City Hall Rotunda on Monday, May 11<sup>th</sup> from 6-8PM. We intend to “de-mystify” the City budget process and invite you to attend. The following day, the City Council will get it’s first view of the 2015-2016 budget itself at City Council. Again, we invite you to attend.

*Steve McShane serves as City Councilman for District 3 representing South Salinas including Oldtown and much of our industrial space. He can be contacted at [steve@mcshanesnursery.com](mailto:steve@mcshanesnursery.com) or (831) 970-4141.*