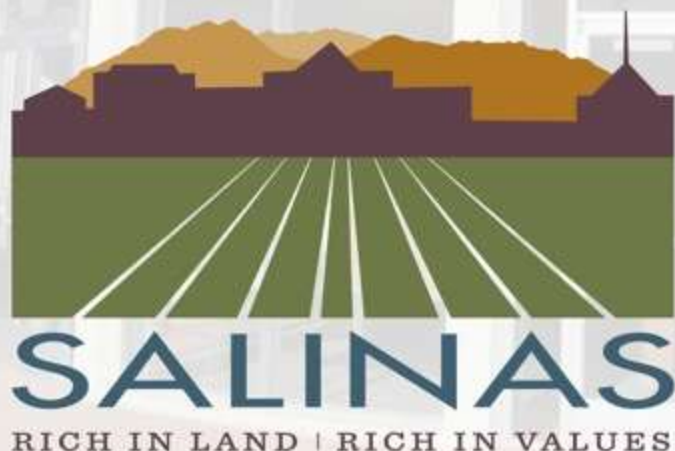


Building a Successful Revenue Measure

Matt N. Pressey, CPA
Finance Director
City of Salinas

Jared Boigon
Partner
TBWB Strategies



Thursday, February 19, 2015, 4:00 p.m. to 5:15 p.m.

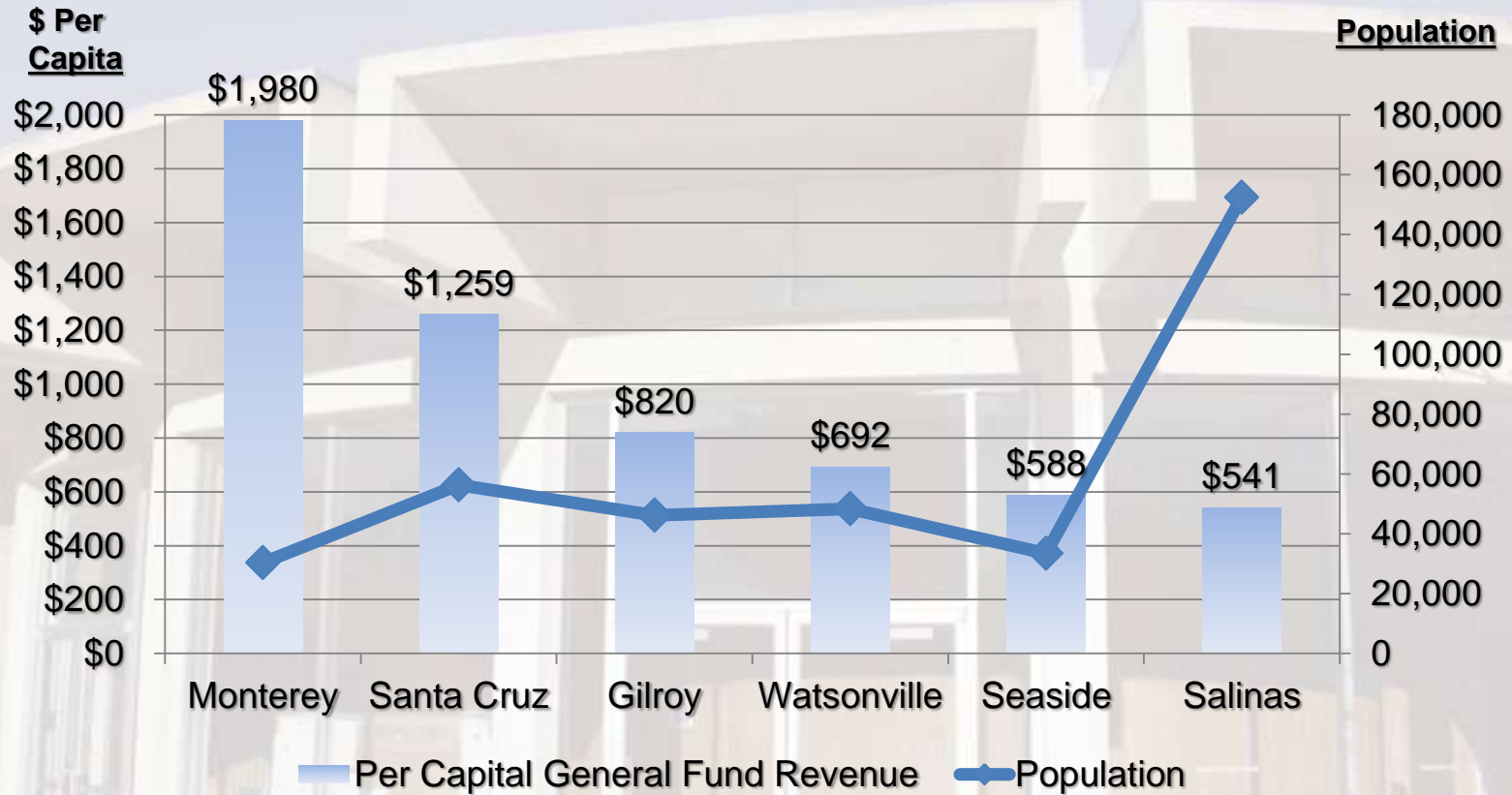
Survey Results

The results of the CSMFO Revenue Measure
online survey will be published at this
conference session,
Thursday, February 19, 2015,
4:00 p.m. to 5:15 p.m.

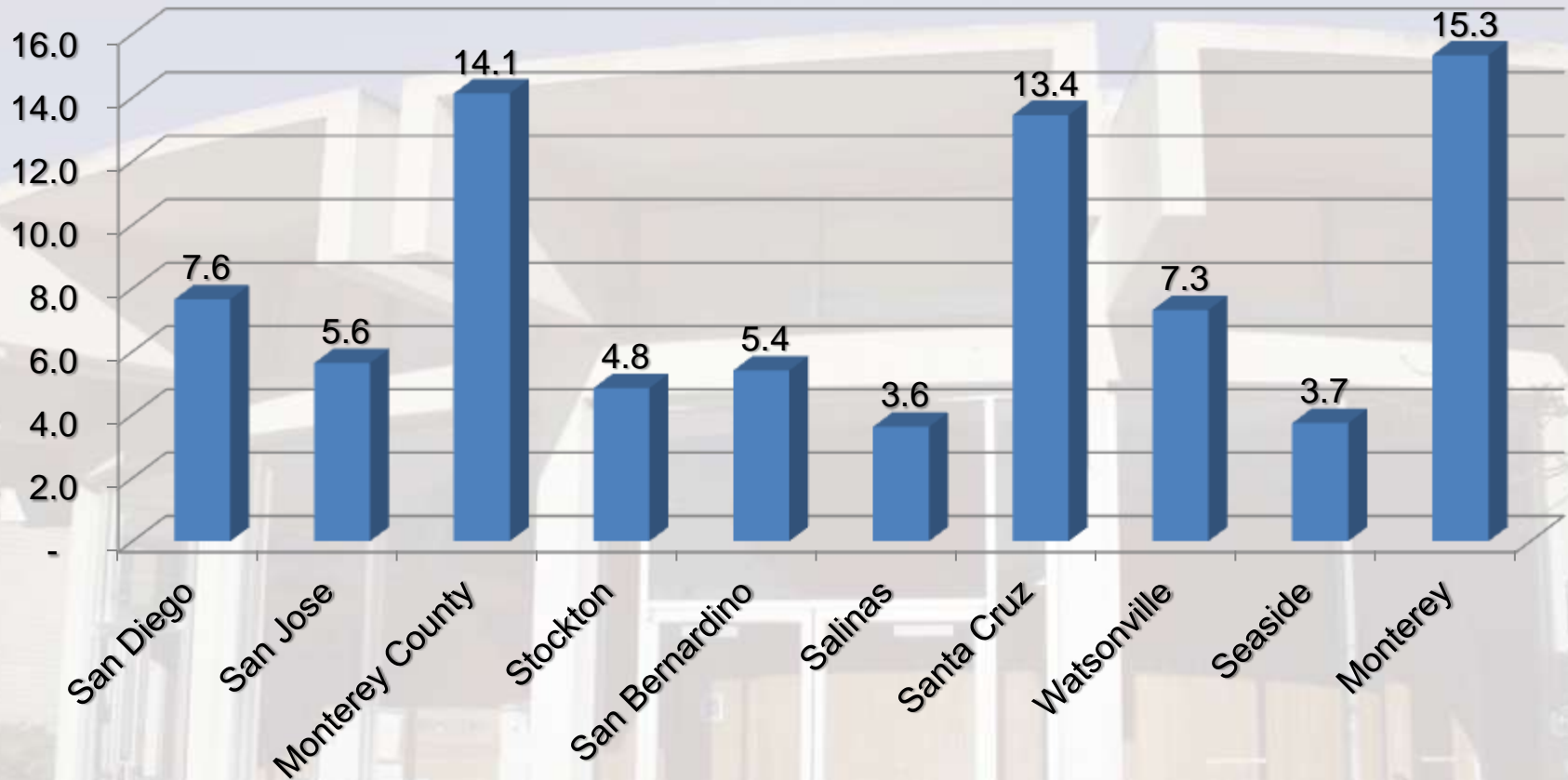
Salinas Challenge: 2011-12

- Budget situation in 2011-12
- Structural deficit
- High demands for services
- Deteriorating infrastructure
- Needed to stabilize the future with Measure V sun setting
- Built a track record

Per Capita General Revenue Fund



Employees per 1,000 Population



Measure V: Looming Expiration

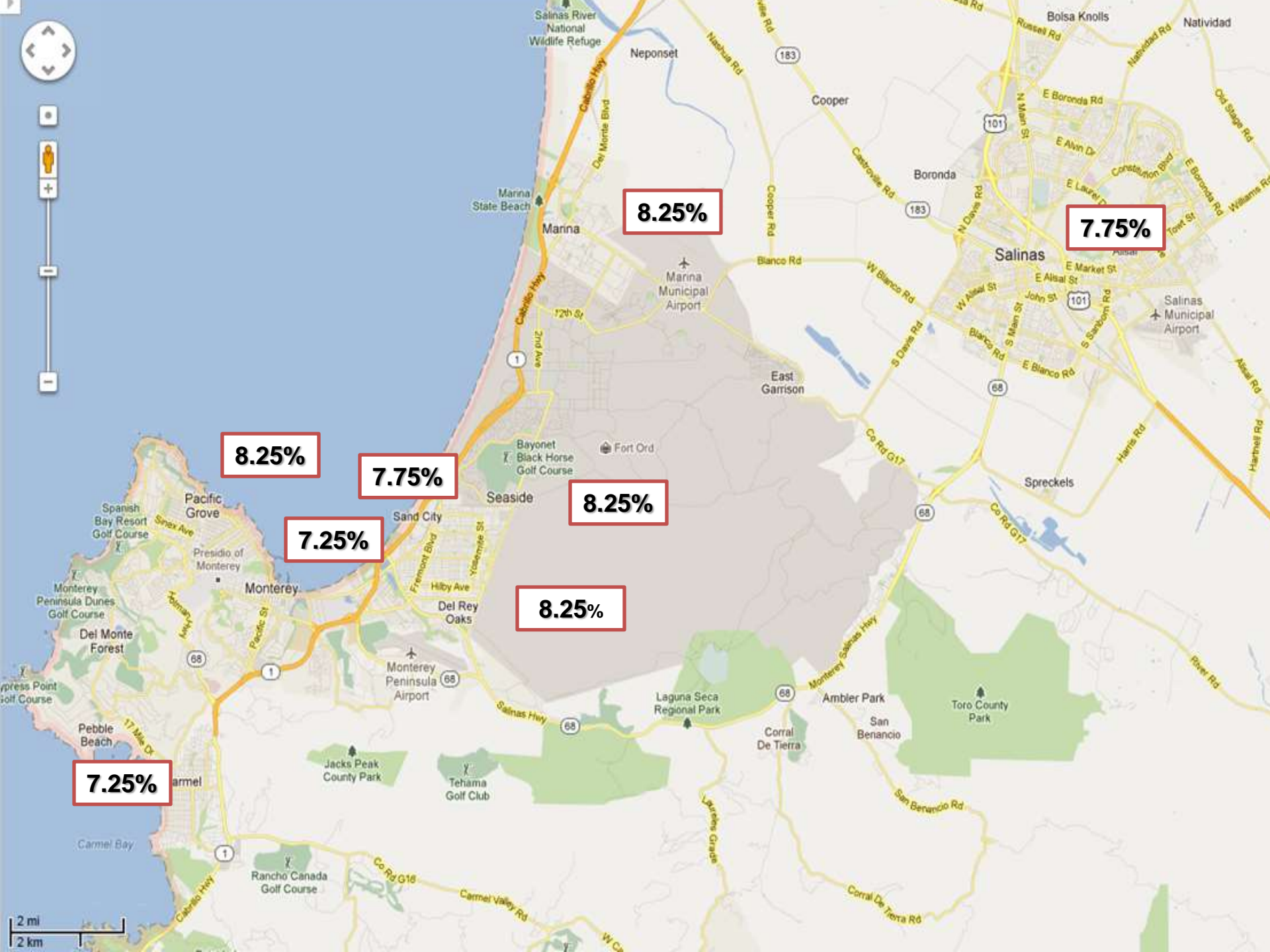
- ½ cent sales tax for General Fund
- Passed with 62% approval in Nov. 2005
- Before passage, City had cut General Fund by \$15.3 million, forcing Council to declare a state of fiscal emergency
- Sunset in 2016
- Sales tax measure rejected by voters in 2009

2012: Polling Attributes

- Maintain rapid response times for police, fire and paramedic programs and neighborhood patrol
- Enhance anti-gang and youth violence prevention programs
- Keep libraries open
- Repair & upgrade aging recreation centers and parks to provide safe places for children and teens to play
- Maintain senior services and senior center facilities
- Fix potholes, repair and maintain streets and roads
- Support activities for children and teens
- Maintain crime and gang prevention programs

2012: The Road to Measure E

- Polling was positive for a new tax measure (simple majority) and even stronger for a renewal of Measure V
- “Safer, Better Salinas” messaging emerges



Public Communication



Lessons from Vargas—The “Can Do’s”

Informational communication and materials, embodied by a “fair presentation of the facts,” including:

- Studies of the measure and its impact
- Presentation of next steps for passage or failure
- Formal vote to support the measure
- Informational mailers to constituents

Lessons from Vargas—The “Can’t Do’s”

Public resources cannot be used to advocate on behalf of the measure in any way. Public resources include:

- City funds
- City facilities and equipment
- “On the clock” staff

Lessons from Vargas—The Gray Area

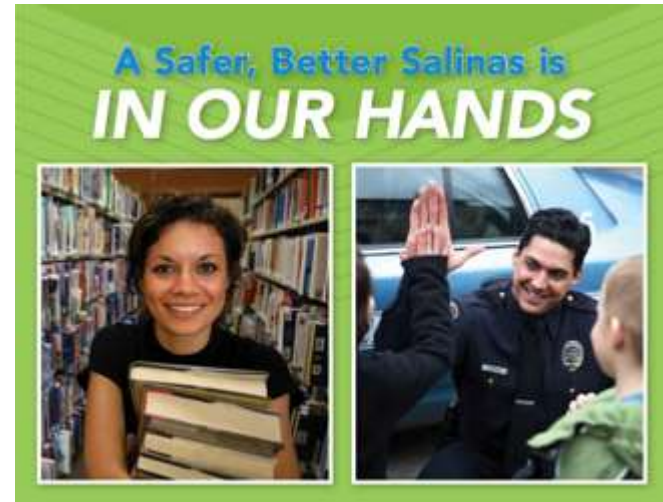
When the line between information and advocacy is blurred, the “style, tenor and timing of the publication” draws the line.

- Helpful tips:
 - Provide *factual, unbiased* information about the needs of the city and what will happen if the measure passes or fails
 - Never urge voters to support the measure when on the clock
 - Schedule time before or after work, or on your breaks to advocate for the measure

Council Opted for Renewal Only; No Added Revenue

- Couldn't unify Council, business, Labor unions and neighborhood coalitions around a new tax
- Lack of lead-in time was a big factor
- Measure E removed sunset, "evergreen" funding

Strategic Messaging



2012: Measure E Passes

- Measure E passes with 78% approval, renewing Measure V permanently
- Critical messages affirmed
- No new revenue
- Clear, positive message from voters to Council

Setting the Stage for 2014

- Renewal of Measure V was an important step, but there was still no new money
- Budget cuts and structural deficit worsening
- Growing concern about crime rates and homicide

City Efficiency and Cost Cutting

- **Department Consolidations**
- **\$6 Million in Annual Employee Concessions:** 13% Salary Reductions; no cost of living increase since 2008; Over \$24 million of employee concessions already given
- **Reduced Benefits level** – 4th tier of pension reform
- **135 Layoffs**
- **Fiscal Management** – Development of a five-year forecast; Bond refinancings saving millions; Rebuild reserves

Sought All Possible Outside Funding

Over \$45.4 Million in Grants

- **Police Public Safety & Crime Prevention**
- **Fire Department**
- **Economic Development**
- **Library & Community Services**
- **Infrastructure**

Changes in Leadership

- Mayor Gunther and some new council members elected in Nov. 2012
- Most show willingness to address budget issues with strong civic engagement
- Combatting growing crime rate head on

Emerging Need for UUT Modernization

- Reduce the rate
- Need to modernize
- Expand the base to include cell phones

2013: The Road to Measures G & H

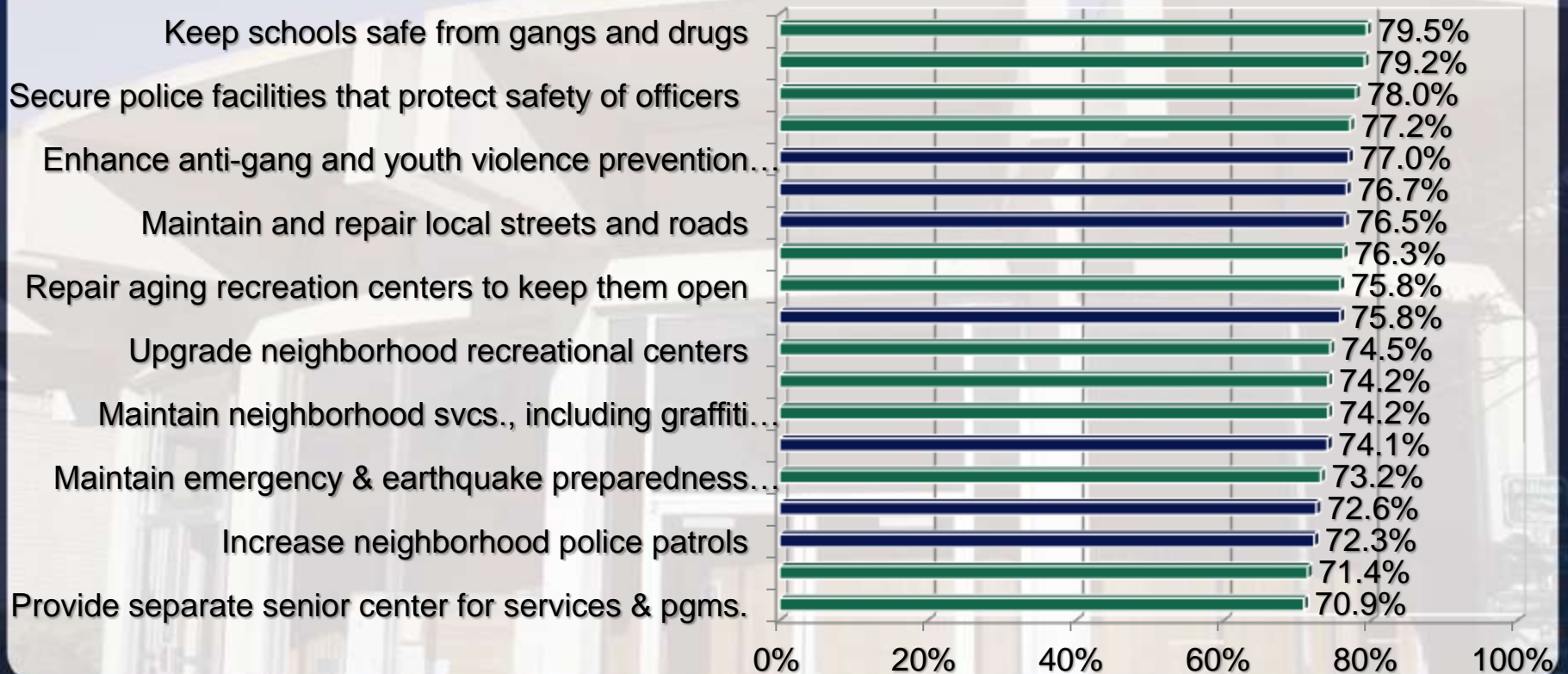
- Polling similarly positive to that of 2012
 - **1 cent Sales Tax**—62.6% Yes
 - **½ cent Sales Tax**—64.1% Yes
 - **UUT Modernization**—67.9% Yes
- 1 cent sales tax and UUT modernization recommended action
- City voters had rejected new tax measures in 2004 and 2009, despite strong polling

October 2013

Revenue Measures Feasibility Survey (Polling)

- **18 minute** telephone interview
- **600 households** out of 28,063 likely November 2014 voters
- **English and Spanish**
- **Strong support** for a sales (68.3% for 1 cent) and utility users tax (70.1%) measures
- **Broad range** of support for important services and facilities
 - 19 funding areas scored above 70%; top 10 were >75%

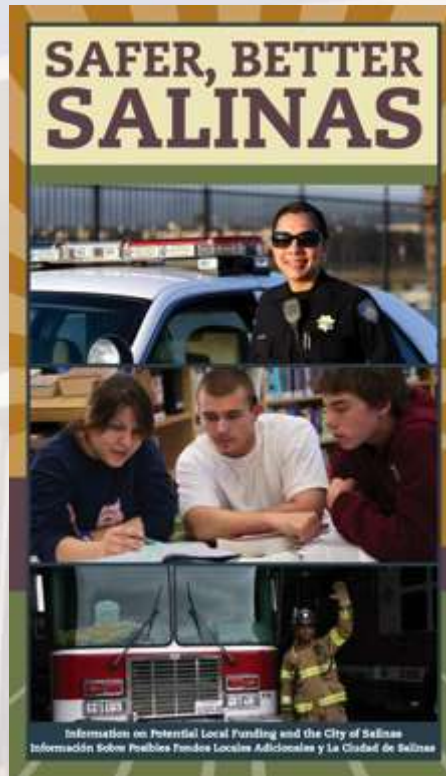
Features of the Measures – (Polling Results)



Key Differences from 2012

- **Longer lead time** for political outreach
 - Informational mailer, online and mail-in surveys
 - Town Halls and Civic Engagement Efforts
 - Coalition building
- **Strong Measure E results** “encouraged” Council in the right direction

Informational Outreach



Please rate the following priorities from 1 to 4, with 4 being the most important and 1 being least important.

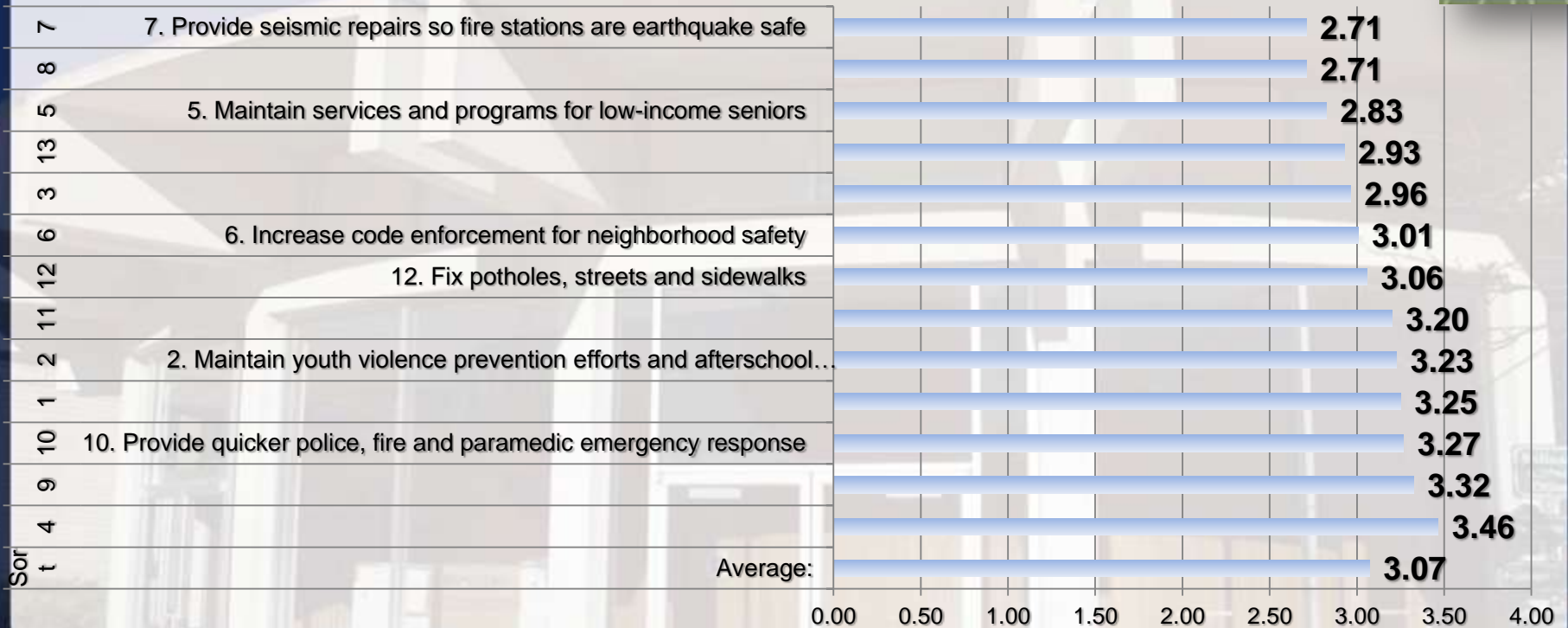
Califique usted las siguientes prioridades del 1-4, con 4, siendo el más importante y 1 siendo menos importante.

	1	2	3	4
Improve current levels of neighborhood patrols and community policing. <i>Mejorar los niveles actuales de patrullaje de vecindario y vigilancia comunitaria</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Maintain youth violence prevention efforts and afterschool reading, homework and sports programs. <i>Mantener los esfuerzos de prevención de violencia juvenil y programas de lectura, asistencia de tarea y programas deportivos</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Upgrade life-saving firefighter equipment and 50-year-old fire stations. <i>Mejorar el equipo de bomberos para salvar vidas y las estaciones de bomberos construidas hace mas de 50 años</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expand anti-gang efforts and programs to shut down drug and gang houses. <i>Ampliar los esfuerzos antipandillas y programas para cerrar casas de venta de drogas y donde se reúnen los pandilleros</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Maintain services and programs for low-income seniors. <i>Mantener programas y servicios para personas de la tercera edad de bajos ingresos</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increase code enforcement for neighborhood safety. <i>Aumentar el cumplimiento de código de reglas para la seguridad del vecindario</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide seismic repairs so fire stations are earthquake safe. <i>Hacer modificaciones antisísmicas para que las estaciones de bomberos sean seguras durante terremotos</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Upgrade neighborhood recreational centers, parks, playgrounds and sports fields. <i>Mejorar centros recreativos, parques, campos deportivos</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



2014 Mail-In/Online Survey

834 Survey Participants



Coalition Building

- By starting earlier, we were able to unify key groups, including:
 - Associations & bargaining units
 - Neighborhoods
 - Faith Leaders
 - Business Groups (Chamber of Commerce)
 - Labor
 - Agriculture
- Allowed us to withstand distraction of police shootings and competing measure filed by opposition
- Strong leadership from the new mayor led the way

Key Campaign Themes

All campaign efforts were committed towards Measure G, the sales tax

- Broad set of needs
- Safety is high priority
- Youth guidance and prevention programs
- Street and sidewalk repair
- Economic development and job creation

UUT (Measure H) “along for the ride”

- Much less revenue at stake
- Polling indicated distraction was worse than “non-advocacy”

Campaign Messaging



2014: Both Measures Successful

Measure G - City of Salinas

50/50 100.00%

	Vote Count	Percent
YES	11,227	62.41%
NO	6,762	37.59%
Total	17,989	100.00%

Measure H - City of Salinas

50/50 100.00%

	Vote Count	Percent
YES	10,807	61.14%
NO	6,869	38.86%
Total	17,676	100.00%

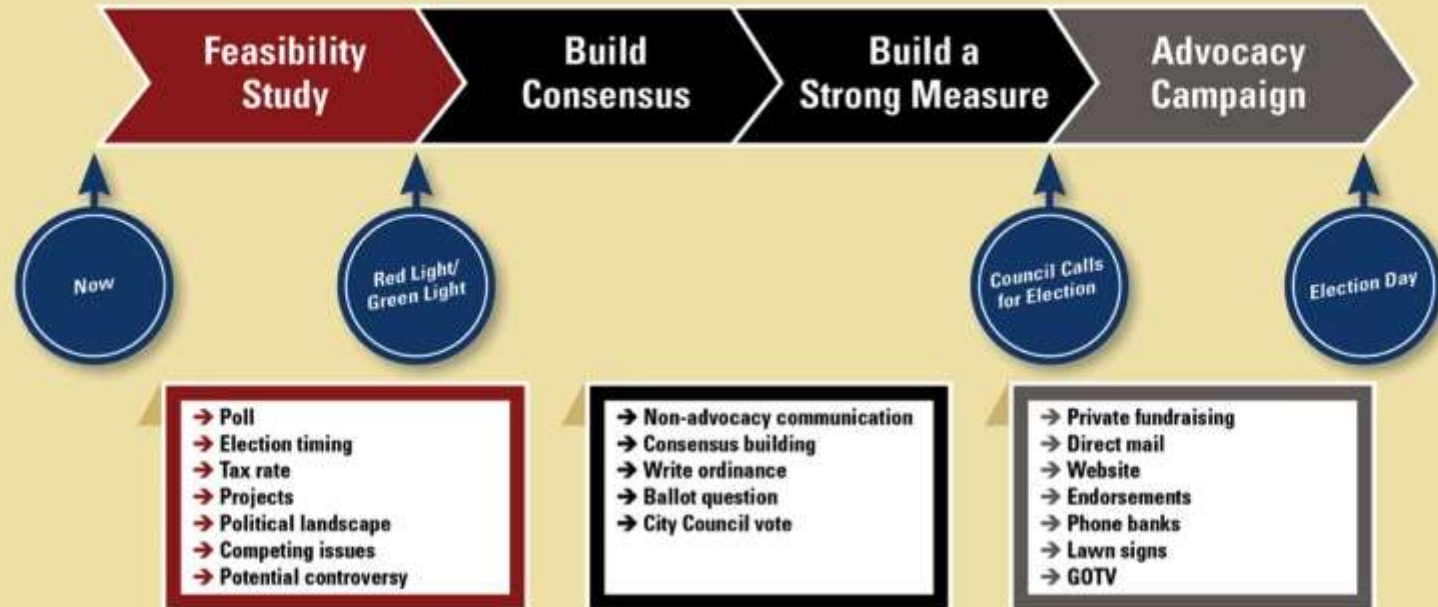
2015 Outlook

- There is a much brighter outlook for the City of Salinas' budget situation
- There are proven, unifying messages that can be used by city leaders going forward
- **Biggest lessons**—start early to allow these strategies:
 - Coalition – Meet face to face regularly
 - Focus on Needs – Not the allocation
 - Stay on Positive Message – If you have to respond to negative, respond with the positive messages

Strategic Takeaways

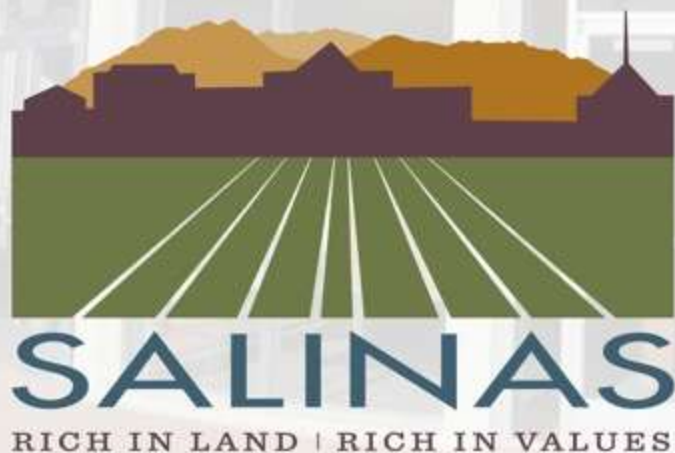
- Start early
- Poll to identify key messages and tax tolerance
- Political leadership from Council and Mayor
- Transparent public outreach
- Coalition building is key
- Honest assessment of strengths and weaknesses
- Adequate time to solve political obstacles and prevent opposition

Potential Bond or Tax Election Planning Timeline



Questions?

Thank you for your time!



T B W B
S T R A T E G I E S
