

Tuesday, February 15, 2022, 7:00 P.M.

Tracy City Hall Chambers, 333 Civic Center Plaza, Tracy

Web Site: [www.cityoftracy.org](http://www.cityoftracy.org)

**THIS MEETING WILL BE OPEN TO THE PUBLIC FOR IN-PERSON AND REMOTE PARTICIPATION PURSUANT TO GOVERNMENT CODE SECTION 54953(e).**

**THIS MEETING WILL BE OPEN TO THE PUBLIC FOR IN-PERSON AND REMOTE PARTICIPATION. IN ACCORDANCE WITH THE CALIFORNIA DEPARTMENT OF PUBLIC HEALTH GUIDELINES, MASKS ARE REQUIRED FOR ALL INDIVIDUALS IN INDOOR PUBLIC SETTINGS INCLUDING ALL OF CITY HALL AND THE COUNCIL CHAMBERS.**

**MEMBERS OF THE PUBLIC MAY PARTICIPATE REMOTELY IN THE MEETING VIA THE FOLLOWING METHOD:**

*As always, the public may view the City Council meetings live on the City of Tracy's website at [CityofTracy.org](http://CityofTracy.org) or on Comcast Channel 26/AT&T U-verse Channel 99. To view from the City's website, open the "Government" menu at the top of the City's homepage and select "[City Council Meeting Videos](#)" under the "City Council" section.*

*If you only wish to watch the meeting and do not wish to address the Council, the City requests that you stream the meeting through the City's website or watch on Channel 26.*

**Remote Public Comment:**

*During the upcoming City Council meeting public comment will be accepted via the options listed below. If you would like to comment remotely, please follow the protocols below:*

- *Comments via:*
  - **Online by visiting** <https://cityoftracyevents.webex.com> and using the following **Event Number: 2550 336 0703** and **Event Password: TracyCC**
  - **If you would like to participate in the public comment anonymously**, you may submit your comment in WebEx by typing "Anonymous" when prompted to provide a First and Last Name and inserting [Anonymous@example.com](mailto:Anonymous@example.com) when prompted to provide an email address.
  - Join by phone by dialing +1-408-418-9388, enter 25503360703#8722922# Press \*3 to raise the hand icon to speak on an item.
  
- *Protocols for commenting via WebEx:*
  - *If you wish to comment on the "Consent Calendar", "Items from the Audience/Public Comment" or "Regular Agenda" portions of the agenda:*
    - *Listen for the Mayor to open that portion of the agenda for discussion, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.*
    - *If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.*

- *Comments for the “Consent Calendar” “Items from the Agenda/Public Comment” or “Regular Agenda” portions of the agenda will be accepted until the public comment for that item is closed.*

*Comments received on Webex outside of the comment periods outlined above will not be included in the record.*

**Americans With Disabilities Act** - The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in Council meetings. Persons requiring assistance or auxiliary aids should call City Hall (209/831-6105) 24 hours prior to the meeting.

**Addressing the Council on Items on the Agenda** - The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. To facilitate the orderly process of public comment and to assist the Council to conduct its business as efficiently as possible, members of the public wishing to address the Council are requested to, but not required to, hand a speaker card, which includes the speaker's name or other identifying designation and address to the City Clerk prior to the agenda item being called. Generally, once the City Council begins its consideration of an item, no more speaker cards will be accepted. An individual's failure to present a speaker card or state their name shall not preclude the individual from addressing the Council. Each citizen will be allowed a maximum of five minutes for input or testimony. In the event there are 15 or more individuals wishing to speak regarding any agenda item including the “Items from the Audience/Public Comment” portion of the agenda and regular items, the maximum amount of time allowed per speaker will be three minutes. When speaking under a specific agenda item, each speaker should avoid repetition of the remarks of the prior speakers. To promote time efficiency and an orderly meeting, the Presiding Officer may request that a spokesperson be designated to represent similar views. A designated spokesperson shall have 10 minutes to speak. At the Presiding Officer's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

**Consent Calendar** - All items listed on the Consent Calendar are considered routine and/or consistent with previous City Council direction. One motion, a second, and a roll call vote may enact the items listed on the Consent Calendar. No separate discussion of Consent Calendar items shall take place unless a member of the City Council, City staff or the public request discussion on a specific item.

**Addressing the Council on Items not on the Agenda** – The Brown Act prohibits discussion or action on items not on the posted agenda. The City Council's Meeting Protocols and Rules of Procedure provide that in the interest of allowing Council to have adequate time to address the agendized items of business, “Items from the Audience/Public Comment” following the Consent Calendar will be limited to 15-minutes maximum period. “Items from the Audience/Public Comment” listed near the end of the agenda will not have a maximum time limit. A five-minute maximum time limit per speaker will apply to all individuals speaking during “Items from the Audience/Public Comment”. For non-agendized items, Council Members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to Council. When members of the public address the Council, they should be as specific as possible about their concerns. If several members of the public comment on the same issue an effort should be made to avoid repetition of views already expressed.

**Notice** - A 90 day limit is set by law for filing challenges in the Superior Court to certain City administrative decisions and orders when those decisions or orders require: (1) a hearing by law, (2) the receipt of evidence, and (3) the exercise of discretion. The 90 day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge a City Council action in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised during the public hearing, or raised in written correspondence delivered to the City Council prior to or at the public hearing.

Full copies of the agenda are available on the City's website: [www.cityoftracy.org](http://www.cityoftracy.org)

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL

PRESENTATIONS:

1. Grand Foundation Donation of Tree of Life Heart Sculpture

1. CONSENT CALENDAR

- 1.A. ADOPTION OF FEBRUARY 1, 2022 CLOSED SESSION AND REGULAR MEETING MINUTES
- 1.B. APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH A NOT TO EXCEED AMOUNT OF \$3,343,519 WITH LPA, INC., A CALIFORNIA CORPORATION, FOR THE CITY OF TRACY MULTI-GENERATIONAL RECREATION CENTER AND AUTHORIZE THE CITY MANAGER TO APPROVE CHANGE ORDERS UP TO THAT AMOUNT
- 1.C. ADOPT A RESOLUTION ACCEPTING THE CITY OF TRACY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2021
- 1.D. ACCEPT THE DEDICATION OF THE IMPROVED FIRE STATION 95 SITE AND ALL EQUIPMENT, FURNISHINGS AND SITE IMPROVEMENTS FROM THE TRACY HILLS DEVELOPERS; AUTHORIZE CONVEYANCE OF THE IMPROVED STATION 95 SITE, EQUIPMENT, FURNISHINGS, SITE IMPROVEMENTS, AND AN ASSOCIATED FIRE ENGINE APPARATUS TO THE TRACY RURAL FIRE PROTECTION DISTRICT; AND AUTHORIZE EXECUTION OF A JOINT COMMUNITY FACILITIES AGREEMENT
- 1.E. APPROVE A GENERAL SERVICES AGREEMENT WITH PATRIOT ENVIRONMENTAL SERVICES, OF CALIFORNIA FOR ON-CALL SERVICES FOR REMOVAL OF FATS, OIL AND GREASE AT VARIOUS FACILITIES FOR A NOT TO EXCEED AMOUNT OF \$200,000 PER YEAR FOR A PERIOD OF THREE YEARS, AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT
- 1.F. APPROVE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH TERRACARE ASSOCIATES, TO AMEND THE ANNUAL 'NOT TO EXCEED' AMOUNT TO \$1,230,000, FOR LANDSCAPE, PARK AND CHANNELWAY MAINTENANCE SERVICES FOR THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT AND COMMUNITY FACILITY DISTRICTS
- 1.G. ADOPT THE NOTICE OF INTENT TO COMPLY WITH SB 1383 FOR CALRECYCLE APPROVAL PURSUANT TO THE STATUTE AND REGULATIONS TO SECURE ADMINISTRATIVE CIVIL PENALTY RELIEF FROM ANY CONTINUING VIOLATIONS FOR THE 2022 CALENDAR YEAR

- 1.H. AUTHORIZE SUBMITTAL OF APPLICATION(S) FOR ALL CALRECYCLE GRANT AND PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS FOR WHICH THE CITY OF TRACY IS ELIGIBLE AND AUTHORIZE THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS AND AMENDMENTS
- 1.I. ADOPT A RESOLUTION MAKING FINDINGS AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE CITY COUNCIL AND ALL LEGISLATIVE BODIES OF THE CITY OF TRACY FOR THE PERIOD FROM FEBRUARY 20, 2022 THROUGH MARCH 21, 2022 PURSUANT TO THE BROWN ACT
- 1.J. APPROVE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF TRACY AND WRT, LLC FOR ADDITIONAL SERVICES RELATED TO THE UPDATE OF THE CITYWIDE PARKS, RECREATION, AND TRAILS MASTER PLAN
- 1.K. APPROVE AN APPROPRIATION OF \$2,085,000 FROM GENERAL FUND (F101) TO GENERAL PROJECTS FUND (F301) FOR CIP 71111 THE GRAND THEATRE CENTER FOR THE ARTS EXTERIOR REPAIRS PROJECT, AND APPROVE CONTINGENCY AMOUNT FOR THE PROJECT
- 1.L. AUTHORIZE THE ACCEPTANCE OF DONATION OF TREE OF LIFE HEART SCULPTURE FROM THE GRAND FOUNDATION, AND DISPLAY IN CITY HALL
2. ITEMS FROM THE AUDIENCE
3. REGULAR AGENDA
  - 3.A. DISCUSS CITY'S RESPONSE TO COVID-19 (VERBAL REPORT)
  - 3.B. PUBLIC HEARING TO CONSIDER AMENDING THE ZONE DISTRICT OF APPROXIMATELY 4.6 ACRES NORTHWEST OF THE INTERSECTION OF THIRD STREET AND EVANS STREET – APPLICANT IS JUAN BAUTISTA – APPLICATION NUMBER R21-0002
  - 3.C. RECEIVE THE ANNUAL REPORT OF THE TRACY ARTS COMMISSION
  - 3.D. RECEIVE AND DISCUSS RESULTS OF 2021 NATIONAL COMMUNITY SURVEY™
  - 3.E. DISCUSS AND APPROVE UPCOMING OUT-OF-STATE TRAVEL FOR CITY COUNCIL MEMBERS, INCLUDING TRAVEL TO WASHINGTON, D.C. FOR NATIONAL LEAGUE OF CITIES CONFERENCE AND TRAVEL TO DALLAS, TEXAS FOR PUBLIC-PRIVATE PARTNERSHIP (P3) CONFERENCE AND EXPO; AND CONSIDER ALTERNATIVES TO MARCH 15, 2022 CITY COUNCIL MEETING
4. ITEMS FROM THE AUDIENCE
5. STAFF ITEMS
6. COUNCIL ITEMS
7. ADJOURNMENT



TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

February 1, 2022, 6:30 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy

1. CALL TO ORDER – Mayor Young called the meeting to order at 6:31 p.m. for the purpose of a closed session to discuss the items outlined below.
2. ROLL CALL – Roll call found Council Members Arriola, Davis, and Mayor Young present.

Mayor Pro Tem Vargas arrived at 6:33 p.m.

Council Member Bedolla arrived at 6:35 p.m.

3. ITEMS FROM THE AUDIENCE – None.
4. Request to Conduct Closed Session

A. Conference with Legal Counsel – Existing Litigation (Gov. Code Section 54956.9(d)(1))

- i. Case Title: MARY MITRACOS, v. CITY OF TRACY, and SURLAND COMMUNITIES, LLC, CASE NO. C093383; COURT OF APPEAL, STATE OF CALIFORNIA THIRD APPELLATE DISTRICT

Council Member Davis announced she will be recusing herself from item 4.A pending determination from the FPPC.

**ACTION:** Motion was made by Council Member Davis and seconded by Council Member Arriola to recess to closed session. Roll call found all in favor; passed and so ordered. Time: 6:34 p.m.

5. Mayor Young reconvened the meeting to open session at 7:17 p.m.
6. REPORT OF FINAL ACTION – There was no reportable action.
7. COUNCIL ITEMS AND COMMENTS – Mayor Pro Tem Vargas referred to a Council request made in February 2019 by Council Member Ransom to bring back discussion on MOU's and JPA's. Although staff reported to Council in a memo in April 2020, Mayor Pro Tem Vargas wanted to remind staff that it was a discussion item and requested support to discuss setting policies to have equitable representation with how MOU's and JPA's are being negotiated regarding governance, terms and conditions. Typically, the Council authorizes the Mayor or City Manager to sign an agreement but there is no bringing it back to Council to say this is what we understand. Mayor Young supported looking into the request.

Mayor Pro Tem Vargas requested a closed session to discuss the impact of Transparent Tracy and the City employees working environment including their health and wellness. Mayor Pro Tem Vargas stated a while back Council Member Davis had mentioned that she was the creator or has Transparent Tracy management of the page.

Council Member Davis responded to Mayor Pro Tem Vargas's comment stating that is incorrect, she is not the manager of Transparent Tracy, has nothing to do with Transparent Tracy, and Mayor Pro Tem Vargas may be referring to Tracy Triangle News Share.

Mayor Pro Tem Vargas responded she wanted to ask if Council Member Davis had any ownership of the Transparent Tracy page, and Council Member Davis responded she did not. Mayor Pro Tem Vargas requested to discuss the impact of Transparent Tracy on the City employees, the work environment and health and wellness and how those articles are impacting or preventing the good work to transpire.

Greg Rubens, Interim City Attorney stated he would be glad to talk with Mayor Pro Tem Vargas about what she has in mind, but what is being described is not a closed session item.

Mayor Young stated there will be an opportunity during a break in between meetings for Mayor Pro Tem Vargas to talk with counsel to understand how to frame her request in a way that it can be done.

Mayor Pro Tem Vargas stated it should be known who is involved and manages Transparent Tracy. Transparency is not there when you are not giving your name when you are putting articles that are not factual in the media.

Council Member Davis stated she has nothing to do with Transparent Tracy and did not appreciate Mayor Pro Tem Vargas putting her name with that publicly and added Mayor Pro Tem Vargas could have approached her about Transparent Tracy.

Mayor Pro Tem Vargas responded that she had approached Council Member Davis.

Council Member Davis responded that Mayor Pro Tem Vargas had not approached her about Transparent Tracy but had approached her regarding a post on Tracy Triangle News Share which she does own. Council Member Davis added she has nothing to hide from anyone, and reiterated she has nothing to do with Transparent Tracy.

Mr. Rubens stated Council items is for brief discussions for an agenda setting and we need to get back to those types of items.

Mayor Pro Tem Vargas responded she is trying to get clarification and know who is Transparent Tracy.

8. ADJOURNMENT- Time: 7:26 p.m.

**ACTION:** Motion was made by Mayor Pro Tem Vargas and seconded by Council Member Arriola to adjourn.

The agenda was posted at City Hall on January 27, 2022. The above are action minutes.

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

February 1, 2022, 7:00 p.m.

City Hall, 333 Civic Center Plaza, Tracy

Web Site: [www.cityoftracy.org](http://www.cityoftracy.org)

Mayor Young called the meeting to order at 7:35 p.m.

Mayor Young asked for a moment of silence to recognize the recent loss of two dedicated public servants - Michael Scriven, who was a construction Inspector in the Developments Services Department, tragically lost his life on January 18. Captain Max Fortuna, the Stockton Fire Captain who was killed in the line of duty on January 31, 2022.

Mayor Young led the Pledge of Allegiance.

Pastor Kevin James, New Creation Bible Fellowship offered the invocation.

Roll call found Council Members Arriola, Bedolla, Davis, Mayor Pro Tem Vargas and Mayor Young present.

Michael Rogers, City Manager presented the Employee of the Month Award for February to Carissa Lucas, City Manager's Office.

Mayor Young presented a proclamation for Black History Month to Yolande Barial Knight, President of Tracy African American Association.

Gurneel Boparai, Field Representative from Assemblymember Carlos Villapudua's office provided a legislative update.

1. CONSENT CALENDAR – Following the removal of consent item 1.D by Council Member Davis motion was made by Mayor Pro Tem Vargas and seconded by Council Member Arriola to adopt the consent calendar. Roll call found all in favor, passed and so ordered.
  - 1.A ADOPTION OF JANUARY 18, 2022 CLOSED SESSION AND REGULAR MEETING MINUTES – Minutes were adopted.
  - 1.B ADOPT A RESOLUTION AMENDING THE CITY'S CONFLICT OF INTEREST CODE FOR DESIGNATED CITY OFFICERS AND EMPLOYEE CLASSIFICATIONS AS REQUIRED BY THE POLITICAL REFORM ACT - Resolution 2022-009 approved the amendment to the City's Conflict of Interest Code.
  - 1.C AUTHORIZE THE APPROPRIATION OF \$760,000 FROM AMERICAN RESCUE PLAN ACT (ARPA) FUNDS FOR RESIDENTIAL AND COMMERCIAL SOLID WASTE AND STORM DRAIN ARREARAGES – Resolution 2022-010 authorized the appropriation from ARPA funds for the arrearages.
  - 1.D AUTHORIZE AMENDMENTS TO THE CITY'S CLASSIFICATION AND COMPENSATION PLANS AND MASTER SALARY SCHEDULE RELATING TO THE HOMELESS SERVICES MANAGER

JoAnn Weberg, Human Resources Manager provided the staff report and responded to questions.

Council Member Davis pulled the item to state she would have liked a conversation with the Homeless Advisory Committee about the rate and job duties, and asked if the position requires outside help from consultants, who did staff compare this with (agencies and cities), would the person be responsible for writing and seeking grants and how would they have any oversight with the opening of the facility.

Midori Lichtwardt, Assistant City Manager responded to Council questions.

Alice English asked what City the one comparison was from, what warrants having \$120,000 a year for this position, is it a permanent position, and stated Police Officers deserve more and are under paid.

Dan Evans stated the Homeless Services Manager is a position 27% higher than starting for Police Officer. The City has a crime issue that needs to be addressed, and place public safety as a priority. The City has money available to go into Police salaries and for training. Homelessness is a problem, and we need to get a handle on the homeless shelter project now.

Burnell Shull suggested the position should not be paid over \$80,000 a year because it is unknown what they can produce, should not be a permanent position, and give the rest of the money to Police. Someone needs to work on crime in Tracy.

Council questions and comments followed.

**ACTION:** Motion was made by Council Member Arriola and seconded by Council Member Bedolla to adopt **Resolution 2022-011** authorizing amendments to the City's Classification and Compensation Plans and Master Salary Schedule relating to the Homeless Services Manager. Roll call found all in favor; passed and so ordered.

2. ITEMS FROM THE AUDIENCE – Mary Mitracos announced the Tracy Tree Foundation has received a donation of \$20,000 from the California Foundation for Stronger Communities and intends to use the money to foster trees to plant at the Nature Park.

Dotty Nygard, Director of Tracy Earth Project stated they have partnered with Tracy Bike Rides, HUD and Trips for Kids and spoke about a youth program and a bike repair program they will be launching. Ms. Nygard added they have been advocating for the last six months for the need for a bike park and in the past three weeks have petitioned 550 signatures from the community asking that we look at our community improvement projects addressing the refurbishing of a park and to designate for a pump track for our youth. Ms. Nygard submitted the Bike Park Proposal Packet and petition to the Clerk and announced that Tracy Earth Day will be celebrated April 23, 2022.

Mitchell Harnett supported the Tracy Bike Life and Ms. Nygard's initiatives. Mr. Harnett provided statistics on the growing cycling industry, shared the benefits of bike parks, and asked Council to hear their voice.

Mayor Pro Tem Vargas asked if staff has received information about the cost of a bike park. Mayor Pro Tem Vargas clarified Mr. Harnett's comment from the audience that the cost of a bike park is approximately \$50,000.

Robert Tanner referred to a letter to the Editor regarding a resident calling the Police Department to do enforcement of masks in church and the response by Police was they do not work for the Governor. This City said they were not going to enforce mask mandates, so Police should have said they work for the City Manager and Council and if they desire to enforce it they should have said something. Mr. Tanner shared his concerns regarding fireworks, seven cannabis consortiums looking downtown without restrictions, Council approving a \$200,000 fence to put on CIP list as did not have funds but in the first quarter update it was announced the City has \$5 million in sales tax.

Mayor Young responded to Mr. Tanner's comments regarding the fence.

Alex Monceaux stated on December 13, 2021, cannabis applicants had to submit what their community benefit was going to be and was told they would hear back on January 24, 2022 but have not heard back yet. Mr. Monceaux asked about the updated time regarding the community benefit.

Michael Rogers, City Manager stated he would get that information and report back and also when CUP applications will be accepted as requested by Mayor Pro Tem Vargas.

Alice English stated there is still time for input on the State Route 239 project and shared information regarding the project and route. There may be one more workshop through NEPA and encouraged input by February 4, 2022 under website: SR239project.net.

Burnell Shull shared her concerns regarding the scheduled 7:00 p.m. regular meetings starting late due to earlier meetings. Ms. Shull suggested giving the homeless new tents on that land, bring them food and portapotties. It would cost less money per month and find out who really wants to live out there. Also, there is no reason the City cannot have transportation for those who want counselling.

Mayor Young responded to Ms. Shull's comments and clarified the agenda process.

Karen Moore, Tracy Earth Project stated she supported creating a CIP for one of the parks that is slated for an upgrade for a bike park. Ms. Moore explained the difference between a bike park and trail. The cost depends on the amenities and size and provided some cost examples. Ms. Moore also provided a website address for more information: [Tracyearthproject.com](http://Tracyearthproject.com).

Kyle Surkovich stated he builds bike parks, and shared the benefits of a bike park, and added regarding the cost there is a lot the City can do to get grants and donations to build a bike park. It is a great investment for the City.

### 3. REGULAR AGENDA

#### 3.A RECEIVE THE ANNUAL REPORT ON SENIOR SERVICES FOR THE 2020 AND 2021 CALENDAR YEARS

Amanda Jensen, Recreation Coordinator and Jolene Jauregui-Correll, Recreation Services Manager provided the staff report.

There was no public comment.

Council accepted the report.

Council questions and comments followed.

Michael Rogers, City Manager stated staff will summarize a list of senior issues and provide to Council as requested by Council Member Arriola and Mayor Pro Tem Vargas.

Jolene Jauregui-Correll, Recreation Services Manager responded to Council questions regarding the process for seniors that have issues and the ability to get information/notifications in Spanish and English. Ms. Jauregui-Correll also stated Exhibit B to the staff report contains the summary of the current senior needs, concerns, and recommendations.

Council accepted the Annual Report on Senior Services for the 2020 and 2021 calendar years.

3.B RECEIVE THE ANNUAL REPORT OF THE YOUTH ADVISORY COMMISSION

Amanda Jensen, Recreation Coordinator introduced Youth Advisory Commissioners Manasvini Kala and Sashank Kala who provided the staff report and responded to questions.

There was no public comment.

Council questions and comments followed.

Council accepted the Youth Advisory Commission Annual Report.

3.C RECEIVE THE ANNUAL REPORT OF THE TRANSPORTATION ADVISORY COMMISSION

Gary Cooper, Transportation Advisory Commissioner provided the staff report and responded to questions.

There was no public comment.

Council questions and comments followed.

Council accepted the Transportation Advisory Commission Annual Report.

3.D RECEIVE THE ANNUAL REPORT OF THE PARKS AND COMMUNITY SERVICES COMMISSION

Todd Lieberg, Parks and Community Services Commission Chair and Vice Chair  
Jacy Krogh provided the staff report and responded to questions.

There was no public comment.

Council questions and comments followed.

Karen Moore clarified her previous comment about the bike park stating it was \$3.5 million for San Jose. This Commission has been helpful in directing us on what to do and how to get support, and hoped the bike park ends up in a CIP this year.

Council accepted the Parks and Community Services Commission Annual Report.

3.E APPOINTMENT OF CITY COUNCIL SUBCOMMITTEES AND AN ALTERNATE TO INTERVIEW APPLICANTS TO FILL TWO TERM EXPIRATIONS ON THE BOARD OF APPEALS, THREE TERM EXPIRATIONS ON THE PLANNING COMMISSION AND ONE VACANCY AND ONE TERM EXPIRATION ON THE MEASURE V RESIDENTS' OVERSIGHT COMMITTEE

Adrienne Richardson, City Clerk provided the staff report.

William Muetzenberg requested that whoever is on the subcommittee consider what kind of qualities the City is looking for in a Planning Commissioner – are they going to look at sustainability, walkability, alternatives to car use as the City expands. The current model of master plan communities affects the daily lives of our community members, and urged Council to think about the questions they ask applicants and are they looking to advance equity, advance sustainability and environmental justice.

Mayor Pro Tem Vargas asked if staff could develop interview questions that are unique to each board and include equity, connectivity as it is time to update. Michael Rogers, City Manager agreed.

Mayor Young responded maybe there is an opportunity to also send the questions to Council to weigh in on.

Council questions and comments followed.

**ACTION:** Motion was made by Mayor Pro Tem Vargas and seconded by Council Member Arriola to appoint the following Council subcommittees and alternates to interview applicants for the following Board/Commissions/Committee: **Board of Appeals** – Council Member Arriola and Council Member Davis. Council Member Bedolla as alternate. **Planning Commission** – Mayor Pro Tem Vargas and Council Member Bedolla. Council Member Arriola as alternate. **Measure V Residents' Oversight Committee** – Council Member Davis and Mayor Young. Mayor Pro Tem Vargas as alternate. Roll call found all in favor; passed and so ordered.

4. ITEMS FROM THE AUDIENCE – There was no public comment.



5. STAFF ITEMS – Michael Rogers referred to agenda item 3.B on the January 18, 2022 agenda and stated he was proud to report back that both developers have been reimbursed.

Michael Rogers, City Manager stated there are five draft infrastructure master plans open for public comment period. Virtual public meeting for Water and Storm Drainage Master Plans will be held on February 14, 2022, 4:00 p.m. – 5:30 p.m. and virtual public meeting for Parks Public Facilities, and Public Safety Master Plans will be held on February 16, 2022, 4:00 p.m. – 5:30 p.m. Additional information available on the City's website.

6. COUNCIL ITEMS – Council Member Davis paid respects to the family of Mr. Almason who was killed on his ranch and asked for an update or report on statistics for violent crimes and plans for addressing violent crimes as the City grows. Council Member Davis attended the vigil on Saturday at St. Paul's Church, and thanked the Police Chief and Police officers that attended to show respect and support for the family. The update on statistics for violent crimes could be through memo or discussion. Mayor Pro Tem Vargas supported the request.

Council Member Davis stated there was a Point-In-Time count in Tracy on February 23, 2022 which was facilitated through multiple agencies and was particularly happy to participate in the outreach and learned a lot. There is more work to do to address needs including mental health and substance abuse services. Great job by everyone who participated and community members who came out to support.

Council Member Davis stated she supported the bike park and hoped a Council Member would support a conversation. Mayor Pro Tem Vargas stated she has it on her list.

Council Member Davis asked for clarification regarding delaying the temporary housing facility and asked to be addressed by staff to keep the citizens and Council first, abreast of what is happening with the housing facility. Is it being delayed, can staff do a better job keeping the public informed via the City's website. Council Member Arriola supported the request.

Council Member Davis stated it is Black History Month and she hoped everyone has an opportunity to learn about Black History.

Council Member Davis also gave condolences to the family of the firefighter who lost his life.

Mayor Young confirmed with Michael Rogers, City Manager that the violent crime statistics will be included in the Police Department's Annual Report on March 15, 2022. Council Member Davis agreed that would suffice.

Mayor Young stated Council received an updated email from Ms. Carrera regarding the timing for the temporary shelter but did not know what has been done for the public and a homelessness update on the website.

Council Member Arriola wanted to commemorate Black History Month and stated it is great the City raised the Pan-African flag. In regard to the shelter, Council Member

Arriola requested some kind of PR notice or update on the website. Biweekly or monthly updates were previously requested which Council has not yet seen. Council Member Arriola added the website was updated to have a section about the homelessness strategic plan but was hoping to get updates on the shelter space as well. Council Member Arriola requested adding to the CIP list the bike park and pump track park. Council Member Bedolla seconded the request.

Mayor Pro Tem Vargas referred to the Mayor's written report regarding all meetings she has attended over the past month and asked about the Megaregional Transportation meeting adding it was interesting reading the notes and highlights of projects in Tracy.

Mayor Young spoke about the I-205 expansion. Included is the I-205 off ramp at IPC. It was brought up about how to interlink Valley Link within the megaregion, how to include and involve Valley Link.

Mayor Pro Tem Vargas asked Mayor Young about the summary on the South San Joaquin County Fire Authority special meeting and the meeting topic.

Mayor Young responded it was a special closed session on personnel issues. Nothing City Council should know at this time. Whenever anything comes up, she will start including in the report and is trying to make it simpler and consolidate to monthly instead of every Council meeting.

Mayor Pro Tem Vargas stated she reconvened with the City Attorney to seek advice on how to word her previous request and requested support to agendize a review of options to regulate groups attempting to influence legislation in the City. This covers our employees and how they could be affected by statements made on social media that are not true and influence on how people can do their work.

Mayor Young asked the City Attorney if the policy we have regarding people registering as lobbyist, is something that could be expanded on.

Greg Rubens, Interim City Attorney responded that is part of it - influencing the legislation. The reason it is described that way is to make it broad enough to look into the different areas that might encompass and report back to Council. Mr. Rubens added he wanted to look at what other cities are doing and see if there is a way to include in that definition some of the activities that Mayor Pro Tem Vargas is talking about. It may not be possible to do that because there are some significant issues involving media organizations where there might be limitations. Mayor Young supported looking into it.

Mayor Pro Tem Vargas supported the bike park and asked the City Manager about trees being removed and not replaced stating there were a bunch of non-fruiting pear trees being cut and removed at City Hall. The same request happened a couple of years ago in Ritter Park where they cut all the eucalyptus trees and Plascencia Fields where all the redwoods were cut due to not watering during the drought. Mayor Pro Tem Vargas wanted a memo or discussion to understand why they are being cut and if there is any kind of replacement. Council Member Arriola seconded the request.

Mayor Pro Tem Vargas sent condolences to Eric Almason's family and friends and loved ones, shared the sentiment of Council about the passing of the senseless killing of

Stockton firefighter adding her heart goes to Stockton community, family and loved ones, and wished everyone a happy Valentine's Day and celebration of love.

Council Member Bedolla stated the open Council item #468 about a proposal for permanent support of housing to see if there are property owners who are interested in selling to the City or to a development partner. If it gets approved by Council, could one of the respondents to that be the City (city owned land). From what he read the answer is yes, could tiny homes count as permanent supportive housing. Is that Council item broad enough to include the City responding if there are opportunities and if it could be tiny homes.

Midori Lichtwardt, Assistant City Manager asked for clarification if there is City owned land and if the City could build tiny homes and have that qualify as permanent supportive housing.

Council Member Bedolla responded eventually yes that is what he would be asking. There is an open Council item and wanted to see if that is broad enough to get the process going to see if there are private parties willing to work with the City. If it goes out to proposal could the City be one of the respondents and do tiny homes count as permanent supportive housing. Mayor Pro Tem Vargas supported clarification.

Michael Rogers, City Manager responded based on the open item, what you are saying is clarification. This is very important as it is another item that is on the list to make sure that staff has clear direction on many of these items, so you have helped staff to get to a good rapport that is meaningful for this body.

Council Member Bedolla asked if Council has the policy discretion to prevent or divest funds managed by the Treasurer from fossil fuel companies that is their main business, not like conglomerates. Council Member Arriola seconded a memo to investigate that.

Mr. Rubens responded we could start with a memo to look at what kind of authority or discretion we have to direct some investments or prohibit investments in fossil fuel companies.

Council Member Bedolla requested support to agendaize a discussion for the City's residential power supplier to the City of Tracy switched to Brilliant 100 program with a grace period for businesses. Council Member Arriola supported the request.

Council Member Arriola added there are multiple options the City can do for public properties. Right now we are set at the lowest one that has more renewable energy than PG&E. There is a higher option that costs a few dollars more and it provides all carbon free energy. It is an option for cities, commercial and residential and confirmed with Council Member Bedolla that was what he wanted. Council Member Arriola seconded that request.

Mayor Young stated she will be providing her report in written form and can be attached to the agenda and planned to put links in the electronic copy and people can go online to see the agendas of the meetings she is a part of.

Mayor Young acknowledged Black History Month and raising of the Pan-African flag. Mayor Young also offered condolences to Eric Almason's family and spoke about not

receiving information regarding his vigil. Mayor Young also offered condolences to the many other ones that are in between the cracks that someone did not put out there and a number of people have passed from various things over the past month including the ones we did a moment of silence for at the beginning of the meeting.

Mayor Young wished everyone a happy Valentines and her daughter a happy 25th birthday for February 7, 2022.

7. ADJOURNMENT – Time: 10:29 p.m.

**ACTION:** Motion was made by Mayor Pro Tem Vargas and seconded by Council Member Arriola to adjourn. Roll call found all in favor; passed and so ordered.

The above agenda was posted at the Tracy City Hall on January 27, 2022. The above are action minutes. A recording is available at the office of the City Clerk.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 1.B

REQUEST

**APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH A NOT TO EXCEED AMOUNT OF \$3,343,519 WITH LPA, INC., A CALIFORNIA CORPORATION, FOR THE CITY OF TRACY MULTI-GENERATIONAL RECREATION CENTER AND AUTHORIZE THE CITY MANAGER TO APPROVE CHANGE ORDERS UP TO THAT AMOUNT**

EXECUTIVE SUMMARY

On October 15, 2021, the City of Tracy issued a Request for Proposals (RFP) to obtain a consultant team to provide professional services for architectural, engineering, and associated design services related to the development of a 30,000+/- square foot Multi-Generational Recreation Center. Eleven (11) proposals were submitted by the established deadline of November 16, 2021. Staff evaluated the proposals using explicit criteria, including related experience, understanding of the RFP requirements, proposed timeline, and proposed methodology. After review of all proposals and short-list interviews, staff determined that LPA, Inc. (LPA) a California Corporation, was most responsive to the City's needs.

Staff is now requesting that City Council approve a Professional Services Agreement, with a not to exceed amount of \$3,343,519 between the City and LPA and authorize the City Manager to approve change orders up to that amount.

DISCUSSION

In 2018, the City Council approved the Multi-Generational Recreation Center (Rec Center) as a major amenity that would be funded by Measure V sales tax revenue providing a space to serve a broad spectrum of the City's demographics, including families, teens, seniors and commuters. At this time, the Council also allocated \$4 million to a capital improvement project for planning and design of this facility (Resolution 2018-043). Following that decision, the City hired the Dahlin Group to complete a Needs Assessment for the Rec Center, which was completed in mid-2018.

In early 2021, the City Council approved a new timeline and funding plan for Measure V projects, including prioritizing the Rec Center. At the August 31, 2021 City Council Special Meeting, the Council agreed to bi-furcate the Rec Center project, which created opportunities for smaller sites to be considered. Joseph Ceciliani Park was identified as a preferred location by staff that met all of the preferred location characteristics identified in the Needs Assessment. The Council also confirmed their priorities for the project as:

1. Gymnasium
2. Outdoor Recreation Facilities
3. Multi-purpose Room
4. Library and Education Spaces
5. Lounge/Lobby
6. Teaching Kitchen

On October 15, 2021, the City of Tracy issued a Request for Proposals (RFP) to obtain a consultant team to provide professional services for architectural, engineering, and associated design services related to the development of a 30,000+/- square foot Multi-Generational Recreation Center. The RFP was posted on the City's website and the

local newspaper. Eleven (11) proposals were submitted to the City on or before the established deadline of November 16, 2021. The following firms submitted proposals:

- LPA, Inc.
- Dahlin Group
- ELS Architecture and Urban Design
- Barker Rinker Seacat (BRS) Architecture
- Noll & Tam Architects
- Group 4
- WRNS Studio
- Form4 Architecture
- AC Martin
- Ratliff
- LDA Partners

Based on the scoring criteria, staff found the proposal from LPA, Inc., ELS Architecture and Urban Design, and Noll & Tam Architects were the most responsive to the City’s needs and a short-list was created. Staff conducted approximately 1-hour long interviews with each firm on December 13, 2021, evaluating each proposer again based on explicit criteria including: qualifications of key personnel, related experience, quality of responses to pre-determined agenda items and City questions, and quality/delivery of presentation. At the completion of this process, staff determined that LPA, Inc. (LPA) a California Corporation, was most responsive to the City’s needs.

Staff has negotiated a Professional Services Agreement (Exhibit “A”) with LPA. The “Not to Exceed” fee for the project is \$3,343,519. The scope of work for this project will include a site feasibility study of Joseph Ceciliani Park as well as one other city-owned site to be determined, community engagement, conceptual site planning, financial analysis, a traffic study, environmental review, schematic design, construction documents, bidding support, design support and project closeout.

*Leadership in Energy and Environmental Design (LEED)*

LEED is the most widely used green building rating system in the world. Available for virtually all building types, LEED provides a framework for healthy, highly efficient, and cost-saving green building. LEED certification is globally recognized symbol of sustainability achievement and leadership. To achieve certification, a project earns points by adhering to prerequisites and credits that address carbon, energy, water, waste, transportation, materials, health and indoor environmental quality. Projects go through a verification process and awarded points that correspond to a level of LEED certification: Platinum (80+ points earned), Gold (60-79 points earned), Silver (50-59 points earned) and Certified (40-49 points earned). Staff is planning to target a Gold certification for this facility.

The tentative timeline for this scope of work is shown below:

| <b>Description</b>                                | <b>Time Frame</b> |
|---|-------------------|
| <b>Preliminary Conceptual Design Phase</b>        |                   |
| Task 1 – Project Kickoff and Site Tours           | 2/16-3/18/22      |
| Task 2 – Conceptual Design and Financial Analysis | 3/21-6/17/22      |
| Task 3 – Traffic Study and Environmental Support  | 6/17-08/26/22     |
| <b>Documentation Phase</b>                        |                   |

|   |                |
|---|----------------|
| Task 1 – Schematic Design                 | 6/20-9/2/22    |
| Task 2 – Construction Documents & Bidding | 9/5/22-6/30/23 |

The total not-to-exceed amount for this contract includes a 15% design contingency above the fees identified in Attachment A to provide flexibility during the design process to keep the project moving. Design contingency is a common budgetary item for projects of this magnitude, especially considering the final project location has yet to be determined. Staff recommends adding this buffer to facilitate unforeseen circumstances during the feasibility and design process.

During contract negotiations with LPA, staff has determined that several services need to be done through separate agreements. It is important to note that staff is planning to return to Council at a future date(s) to request approval of additional professional services agreements for the following services related to the project:

- Geotechnical Services
- Leadership in Energy and Environmental Design (LEED) Commissioning Agent
- Construction Management & Constructability Review

### STRATEGIC PLAN

This agenda item supports the City of Tracy’s Quality of Life Strategic Priority, and specifically implements the following goals:

Goal 2: Facilitate the Completion of Measure V Amenities; Objective 2: Advance Measure V amenity planning.

### FISCAL IMPACT

This project was previously approved by the City Council as CIP 78178. The cost of this contract is covered by funds already allocated to the project for design via Resolution 2018-043.

### RECOMMENDATION

Approve a Professional Services Agreement with a not to exceed amount of \$3,343,519 with LPA, Inc., a California Corporation, for the Multi-Generational Recreation Center Project CIP 78178.

Prepared by: Richard Joaquin, Parks Planning & Development Manager

Reviewed by: Brian MacDonald, Parks and Recreation Director  
Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

### ATTACHMENT

Attachment “A” – Professional Services Agreement with LPA, Inc.

**CITY OF TRACY  
PROFESSIONAL SERVICES AGREEMENT  
MULTI-GENERATIONAL RECREATION CENTER  
FEASIBILITY STUDY, CONCEPTUAL PLANNING, AND DESIGN  
WITH LPA, INC.**

This Professional Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and LPA, Inc. (**Consultant**). City and Consultant are referred to individually as “Party” and collectively as “Parties.”

**Recitals**

- A.** City desires to retain Consultant to conduct feasibility studies, community engagement, conceptual site planning, financial analysis, a traffic study, environmental review, schematic design, construction documents, bidding support, design support and project closeout related to the construction of a multi-generational recreation center in the City of Tracy (hereinafter “Project”); and
- B.** On October 15, 2021 the City issued a Request for Proposals (RFP) for the development of a 30,000+/- square foot Multi-Generational Recreation Center CIP 78178 (Project). Eleven (11) proposals were submitted to the City on or before the established deadline of November 16, 2021. City has determined that the Consultant possesses the skills, experience and certification required to provide the requested services.
- C.** After negotiations between the City and Consultant, the Parties have reached an agreement for the performance of services in accordance with the terms set forth in this Agreement.
- D.** The Agreement is being executed pursuant to Resolution No. \_\_\_\_ approved by Tracy City Council on February 15, 2022.

**Now therefore, the Parties mutually agree as follows:**

- 1. Scope of Work.** Consultant shall perform the services described in Exhibit “A” attached and incorporated by reference. The services shall be performed by, or under the direct supervision of, Consultant’s Authorized Representative: **Arash Izadi**. Consultant shall not replace its Authorized Representative, nor shall Consultant replace any of the personnel listed in Exhibit “B”, nor shall Consultant use or replace any subcontractor or subconsultant, without City’s prior written consent. A failure to obtain the City’s prior written consent for any change or replacement in personnel or subcontractor/subconsultant may result in the termination of this Agreement.
- 2. Time of Performance.** Time is of the essence in the performance of services under this Agreement and the timing requirements set forth shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement, provided that Consultant shall not be liable for i) delays caused by the City, the City’s contractors or other consultants, or third parties for whom Consultant is not legally liable, ii) or for other delays caused by circumstances beyond the reasonable control of Consultant. Consultant shall begin performance, and shall complete all required services no later than the dates set forth in Exhibit “A.” Any services for which times for performance are not specified in this Agreement shall be started and completed by Consultant in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the Consultant. Consultant shall submit all requests for time extensions to the City in writing no later than ten days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. City shall grant or deny such requests at its sole discretion.



## Attachment A

**3. Compensation.** City shall pay Consultant on a fixed fee, percentage complete basis for its Basic Services. For Additional Services, City shall pay on a time and expense basis at the billing rates set forth in Exhibit "B," attached and incorporated by reference, or as the parties may agree on a percentage complete fixed fee.

**3.1 Not to Exceed Amount.** Consultant's total compensation under this Agreement shall not exceed \$3,343,519. For Additional Services performed on a time and expense basis, Consultant's billing rates shall cover all costs and expenses for Consultant's performance of the Additional Services. No work shall be performed by Consultant in excess of the total compensation amount provided in this section without the City's prior written approval.

**3.2 Invoices.** Consultant shall submit monthly invoice(s) to the City that describe the Additional Services (performed on a time and expense basis) including times, dates, and names of persons performing the services.

**3.2.1** Consultant's failure to submit invoice(s) in accordance with these requirements may result in the City rejecting said invoice(s) and thereby delaying payment to Consultant.

**3.3 Payment.** Within 30 days after the City's receipt of invoice(s), City shall make payment to the Consultant based upon the services described on the invoice(s) and approved by the City. After receipt of Consultant's invoices, City shall make good faith efforts to promptly review and advise Consultant of any disputed amounts

**4. Indemnification.** Consultant shall, to the fullest extent permitted by law, indemnify, defend (with independent counsel approved by the City), and hold harmless the City from and against any claims arising out of Consultant's performance or failure to comply with obligations under this Agreement, except to the extent caused by the sole, active negligence or willful misconduct of the City.

In this section, "City" means the City, its officials, officers, agents, employees and volunteers; "Consultant" means the Consultant, its employees, agents and subcontractors; "Claims" includes claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses) and any allegations of these; and "Arising out of" includes "pertaining to" and "relating to".

(The duty of a "design professional" to indemnify and defend the City is limited to claims that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the design professional, under Civ. Code § 2782.8.)

The provisions of this section survive completion of the services or the termination of this Agreement, and are not limited by the provisions of Section 5 relating to insurance.

**5. Insurance.** Consultant shall, throughout the duration of this Agreement, maintain insurance to cover Consultant, its agents, representatives, and employees in connection with the performance of services under this Agreement at the minimum levels set forth herein.

**5.1 Commercial General Liability** (with coverage at least as broad as ISO form CG 00 01 01 96) "per occurrence" coverage shall be maintained in an amount not less than \$4,000,000 general aggregate and \$2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

**5.2 Automobile Liability** (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") "claims made" coverage shall be maintained in an amount not less than \$1,000,000 per accident for bodily injury and property damage.

**5.3 Workers' Compensation** coverage shall be maintained as required by the State of California.

**5.4 Professional Liability** "claims made" coverage shall be maintained to cover

**Attachment A**

damages that may be the result of errors, omissions, or negligent acts of Consultant in an amount not less than \$1,000,000 per claim.

**5.5 Endorsements.** Consultant shall obtain endorsements to the automobile and commercial general liability insurance policies with the following provisions:

**5.5.1** The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."

**5.5.2** For any claims related to this Agreement, Consultant's coverage shall be primary insurance with respect to the City. Any insurance maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

**5.6 Notice of Cancellation.** Consultant shall notify the City if the policy is canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation. Consultant shall immediately obtain a replacement policy.

**5.7 Authorized Insurers.** All insurance companies providing coverage to Consultant shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

**5.8 Insurance Certificate.** Consultant shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance and endorsements, in a form satisfactory to the City, before the City signs this Agreement.

**5.9 Substitute Certificates.** Consultant shall provide a substitute certificate of insurance no later than 5 days prior to the policy expiration date of any insurance policy required by this Agreement.

**5.10 Consultant's Obligation.** Maintenance of insurance by the Consultant as specified in this Agreement shall in no way be interpreted as relieving the Consultant of any responsibility whatsoever (including indemnity obligations under this Agreement), and the Consultant may carry, at its own expense, such additional insurance as it deems necessary. Failure to provide or maintain any insurance policies or endorsements required herein may result in the City terminating this Agreement.

**6. Termination.** The City may terminate this Agreement by giving ten days' written notice to Consultant. Upon termination, Consultant shall give the City all original documents, including preliminary drafts and supporting documents, prepared by Consultant for this Agreement following payment to Consultant for all services satisfactorily performed in accordance with this Agreement up to the effective date of termination. Consultant may suspend this Agreement by giving thirty (30) days' written notice to the City if the City fails to pay any undisputed amounts when due. In the event of a suspension of services, Consultant shall have no liability to the City for delay or damage caused the City because of such suspension of services.

**7. Dispute Resolution.** If any dispute arises between the City and Consultant that cannot be settled after engaging in good faith negotiations, City and Consultant agree to resolve the dispute in accordance with the following:

**7.1** Each Party shall designate a senior management or executive level representative to negotiate the dispute;

**7.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

**7.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiations between legal counsel. If the aforementioned process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

**7.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested attorney or retired judge as mediator, and unless the parties agree otherwise shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

**7.5** The Parties shall equally bear the costs of any third party in any alternative

**Attachment A**

dispute resolution process.

**7.6** The dispute resolution process is a material condition to this Agreement and must be exhausted prior to either Party initiating legal action. This dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

**8. Ownership of Work.** All original documents prepared by Consultant for this Agreement, whether complete or in progress, are the property of the City, and shall be given to the City at the completion of Consultant's services, or upon demand from the City and upon payment to Consultant for all services satisfactorily performed in accordance with this Agreement. No such documents shall be revealed or made available by Consultant to any third party without the City's prior written consent. However, under any circumstances, in the event of any reuse or modification of the Consultant's drawings, specifications or other documents the names and seals of the Consultant and sub-consultants, if any, shall first be removed from the drawings, specifications or other documents. The City further agrees to indemnify, defend and hold the Consultant harmless from and against any and all claims, liabilities, suits, demands, losses, costs and expenses, including, but not limited to, reasonable attorneys' fees accruing to or resulting from any damage or loss to property or persons, including, but no limited to, death, arising out of such use, reuse or modifications of the Consultant's drawings, specifications or other documents.

**9. Independent Contractor Status.** Consultant is an independent contractor and is solely responsible for the acts of its employees or agents, including any negligent acts or omissions. Consultant is not City's employee and Consultant shall have no authority, express or implied, to act on behalf of the City as an agent, or to bind the City to any obligation, unless the City provides prior written authorization. Consultant is free to work for other entities while under contract with the City. Consultant, and its agents or employees, are not entitled to City benefits.

**10. Conflicts of Interest.** Consultant (including its employees, agents, and subconsultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. If Consultant maintains or acquires such a conflicting interest, the City may terminate any contract (including this Agreement) involving Consultant's conflicting interest.

**11. Rebates, Kickbacks, or Other Unlawful Consideration.** Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful consideration either promised or paid to any City official or employee. For breach of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

**12. Notices.** All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the other party to the addresses listed below. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated below, or (2) three working days after the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

To City:  
City of Tracy  
Attn: Richard Joaquin, Parks & Recreation  
333 Civic Center Plaza  
Tracy, CA 95376

To Consultant:  
LPA, Inc.  
Attn: Arash Izadi  
60 S. Market Street, Suite 1250  
San Jose, CA 95113

**Attachment A**

With a copy to:  
City Attorney  
333 Civic Center Plaza  
Tracy, CA 95376

With a copy to:  
LPA, Inc.  
Attn: Jon Mills, Chief Operating Officer  
5301 California Avenue, Suite 100  
Irvine, CA 92617

**13. Miscellaneous.**

**13.1 Standard of Care.** Unless otherwise specified in this Agreement, the standard of care applicable to Consultant's services will be the degree of skill and diligence ordinarily used by reputable professionals performing in the same or similar time and locality, and under the same or similar circumstances.

**13.2 Amendments.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

**13.3 Waivers.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

**13.4 Assignment and Delegation.** Consultant may not assign, transfer or delegate this Agreement or any portion of it without the City's written consent. Any attempt to do so will be void. City's consent to one assignment shall not be deemed to be a consent to any subsequent assignment.

**13.5 Jurisdiction and Venue.** The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.

**13.6 Compliance with the Law.** Subject to the standard of care in Section 13.1, Consultant shall comply with all applicable local, state, and federal laws whether or not those laws are expressly stated in this Agreement.

**13.6.1 Prevailing Wage Laws.** Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates; employment of apprentices (§ 1777.5), certified payroll records (§1776), hours of labor (§1813 and §1815), debarment of contractors and subcontractors (§1777.1) and the performance of other requirements on "public works" and "maintenance" projects. If the services being performed under this Agreement are part of a "public works" or "maintenance" project, as defined in the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. These prevailing rates are on file with the City and are available online at <http://www.dir.ca.gov/DLSR>. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents, harmless from any and all claims, costs, penalties, or interests arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

**13.6.2 Non-discrimination.** Consultant represents and warrants that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Consultant shall also comply with all applicable anti-discrimination federal and state laws, including but not limited to, the California Fair Employment and Housing Act (Gov. Code 12990 (a-f) et seq.).

**13.7 Business Entity Status.** Consultant is responsible for filing all required documents and/or forms with the California Secretary of State and meeting all requirements of the Franchise Tax Board, to the extent such requirements apply to Consultant. By entering into this Agreement, Consultant represents that it is not a suspended corporation. If Consultant is a suspended corporation at the time it enters this Agreement, City may take steps to have this Agreement declared voidable.

**13.8 Business License.** Before the City signs this Agreement, Consultant shall obtain a City of Tracy Business License. Consultant shall maintain an active City of Tracy Business License during the term of this Agreement.

**13.9 Successors and Assigns.** This Agreement shall inure to the benefit of and be binding

**Attachment A**

upon the Parties hereto and their respective successors and assigns.

**13.10 Construction of Agreement.** Each Party hereto has had an equivalent opportunity to participate in the drafting of this Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting Party shall not apply hereto.



**13.11 Severability.** If a term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in effect.

**13.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Consultant's proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Consultant's proposal (if any), the Exhibits shall control.

**13.13 Entire Agreement.** This Agreement and the attached Exhibits comprise the entire integrated understanding between the Parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations or agreements. All exhibits attached hereto are incorporated by reference herein.

**14. Signatures.** The individuals executing this Agreement on behalf of Consultant represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of Consultant.


The Parties agree to the full performance of the terms set forth here.

DS  DS 

**City of Tracy**

**Consultant**

By: Nancy D. Young  
Title: Mayor  
Date: \_\_\_\_\_

DocuSigned by:  
  
By: Jon Mills  
Title: Chief Operating Officer  
Date: January 24, 2022

Federal Employer Tax ID No. 95-2693579

Attest:

\_\_\_\_\_  
Adrienne Richardson, City Clerk

Approved as to form:

\_\_\_\_\_  
Gregory J. Rubens, Interim City Attorney

Exhibits:

- A Scope of Work, including personnel and time of performance (See Agreement sections 1 and 2.)
- B Compensation (See Agreement section 3.)

**SCOPE OF WORK (BASIC SERVICES)****0 - GENERAL**

During the project, certain activities occur in each phase. These activities, described below, are non-sequential and may not be applicable to all phases of the project. These activities include:

- 0.01 Project Administration services including:
  - .01 Initial consultation in development of the Project.
  - .02 Preparation of compensation estimates and professional services agreement(s).
  - .03 Project-related research.
  - .04 Conferences.
  - .05 Communications.
  - .06 Travel time.
  - .07 Direction of the work of in-house personnel.
- 0.02 Disciplines Coordination/Document Checking services consisting of:
  - .01 Coordination between LPA's work and the work of other involved disciplines for the Project.
  - .02 Review and checking of documents prepared for the Project.
- 0.03 Agency Consulting/Review/Approval services including:
  - .01 Agency consultations.
  - .02 Research of critical applicable regulations.
  - .03 Preparation of written and graphic explanatory materials.
- 0.04 City-Supplied Data Coordination services including:
  - .01 Review and coordination of data furnished for the Project as a responsibility of the City.

**PHASE 1****TASK 1 - PREDESIGN SERVICES / PROJECT KICKOFF / SITE TOURS**

In the Predesign Phase, LPA, INC. shall provide those services necessary for LPA to assist the City in conducting a kickoff meeting to help establish time

commitments, facilitating a Project Kickoff and attending Site Tours for the Project prior to beginning design. The following descriptions shall apply to those services.

- 1.01 Project Kickoff services required to establish the following detailed requirements for the Project.
  - .01 Initial meeting to review project process, schedule, goals, sustainability, budget, and milestones.
  - .02 Review existing project information including existing surveys, program information, record drawings, entitlements data, and other available information.
- 1.02 Site Tour services consisting of visiting similar facilities to review alternate program options, materials, spatial requirements, and design alternatives. Allow one day to visit various sites within the local area.
  - .01 Discuss goals and requirements for site tours.
  - .02 Establish a list of potential sites to visit.
  - .03 Visit site(s).
  - .04 Develop list of program and design preferences based on observations at each site.
- 1.03 Project Development Scheduling services consisting of establishing a tentative schedule for predesign services, decision-making, design, documentation, contracting and construction, based on determination of LPA's services, City responsibilities and proposed design and construction procedures.
- 1.04 Summary of Meetings: services consisting of meeting attendance and presentations of Predesign Phase analyses and recommendations by LPA, INC. as follows:
  - .01 One (1) – Kickoff Meeting.
  - .02 One (1) – Facility Tour (One Day).
- 1.05 Summary of Deliverables:
  - .01 Schedule.
  - .02 Meeting Minutes.
  - .03 Site Visit Summary.

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## TASK 2 – SITE FEASIBILITY / CONCEPTUAL DESIGN / COMMUNITY OUTREACH/FINANCIAL ANALYSIS

In the Site Feasibility / Conceptual Design / Community Outreach / Financial Analysis Phase, LPA, INC. shall provide those services necessary for LPA to assist the City in establishing a program and developing high level spatial requirements, as noted, for Joseph Ceciliani Park and one secondary site of similar size and scale and with the same established program. The following descriptions shall apply to those services.

- 2.01 Programming Confirmation services required to establish the program requirements for the Project in a meeting with the City Oversight Committee.
  - .01 Obtain and review existing program information from the City.
  - .02 Meet with Oversight Committee to confirm program requirements and obtain direction on proposed program.
  - .03 Design objectives, limitations, and criteria.
  - .04 Space requirements.
  - .05 Space relationships.
  - .06 Number and functional responsibilities of personnel.
  - .07 Flexibility and expandability.
  - .08 Site requirements.
  - .09 Prioritization of program elements.
- 2.02 Existing Facilities Surveys services consisting of researching, assembling, review and supplemental information for Projects and visiting Ceciliani Park and one other potential site:
  - .01 Photography.
  - .02 Review of existing design data.
  - .03 Review of existing drawings.
- 2.03 Site Analysis: Conduct analysis of the existing two sites and record:
  - .01 Circulation – Vehicular and pedestrian connections relative to the existing improvements.
  - .02 Existing trees to be protected in place.
  - .03 Existing utilities (where visible and appropriate).
- .04 Adjacent land uses, their relationships and edge conditions.
- .05 Natural elements: sun, wind, soils, etc.
- .06 Opportunities and constraints.
- 2.04 Community Workshop #1: The first community workshop will be a “Visioning Session” where the following will be discussed:
  - .01 City wide “Visioning Session” where the information from the past outreach process will be shared, current priorities conveyed, and priorities established. Attendees will have an opportunity to discuss program elements and share their priorities for the new facility.
  - .02 The information derived from this Outreach Meeting will help inform the final site selection and final facility program.
- 2.05 General Space Planning Conceptual Diagram / Test Fit services consisting of diagrammatic studies and pertinent descriptive text to help identify general organization for the two sites.
  - .01 General space allocations and organization of primary building blocks.
  - .02 Adjacency.
- 2.06 Oversight Committee Meeting: In this meeting, the results of the first outreach meeting will be discussed, preliminary diagrams for the two sites will be shared and feedback obtained in preparation for the second community meeting.
- 2.07 Community Workshop 2: In the second workshop, a summary of the first outreach meeting, conceptual diagrams, a final conceptual program, and two potential sites will be shared. Feedback will be recorded and reviewed with the City for final direction and development of a consensus plan.



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- 2.08 Financial Analysis services consisting of providing information for the City to determine what operational model will be needed to provide the Project with the greatest opportunity for cost recovery based on the City's desired outcomes based on the following scope:
- .01 Market Study:
    - a. Analyze major direct and indirect service providers.
    - b. Direct and indirect service providers in the service area will be based on typical services/programs administered in similar facilities.
    - c. The data will be utilized to compare against the activities and programs identified in the Market Definition.
    - d. An inventory of comparable facilities will be performed on a regional basis to attempt to quantify market share.
    - e. An analysis of competition will include location, service offering, pricing, and attraction.
  - .02 Operational Standards and Costs for the Multi-Generational Recreation Center, for the two sites, will be based on set standards for the full operations including:
    - a. Hours of operation.
    - b. Maintenance standards.
    - c. Staffing levels need.
    - d. Technology requirements.
    - e. Customer service requirements based on established and agreed upon outcomes.
    - f. After consultation with the City, operational costs will be finalized.
  - .03 Pricing Strategy: Based on the design a pricing strategy and program services will be established. Pricing strategies could include:
    - a. Access fees.
    - b. Program fees.
    - c. Rental Space.
    - d. Concession pricing.
    - e. Catering for both prime and non-prime time use.
    - f. This will be converted into six-year pro forma and operating budget.
  - g. Funding options will be identified and evaluated against their potential support and success. These options will include a combination of partnerships and sponsorships, ancillary revenue generation opportunities, and other available resources.
  - h. The material developed for the Financial Analysis will be developed for one overall building program with a primary focus on Cecilian Park and minor adjustments, if any, related to a second site (if appropriate).
- 2.09 Rough Order of Magnitude (ROM) Cost services consisting of development of a conceptual cost range, based on the approved concept for the two sites.
- 2.10 Arts Commission Meeting: Prepare for and attend a preliminary Arts Commission Meeting to obtain initial input and criteria for the arts program at the Multi-Generational Recreation Center.
- 2.11 Parks and Rec Commission Meeting: Prepare for and attend a Parks and Recreation Commission Meeting to:
- .01 Review the process and results of the Community Outreach process.
  - .02 Review and obtain feedback on the two sites considered in preparation for a City Council Presentation.
  - .03 Incorporate minor comments from the P&R Commission in preparation for a City Council Presentation.
- 2.12 City Council Study Session: Upon completion of the Community Meetings, Financial Analysis, Rough Order of Magnitude Cost Range, and Commission Meetings the team will prepare for and attend a City Council Study Session to share the development of material and to allow the Council Members to review and ask questions related to the concepts.
- 2.13 City Council Presentation: Prepare for and attend a City Council Meeting to:
- .01 Review the process and results of the Community Outreach process and P&R Commission Meeting.



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- .02 Review and obtain feedback on concepts and data for the two sites in preparation for the development of a final Consensus Plan.
- 2.14 Additional Meeting: An allowance for one (1) additional Council or Commission presentation (if req'd).
- 2.15 Consensus Plan: A Consensus Plan (if req'd) will be developed based on City Council feedback and direction on one (1) final selected site.
- 2.16 Survey/Base Map Preparation for a one (1) final site.
  - .01 Aerial topographical survey and boundary delineation at 40 scale with one-foot contours based on owner-provided title report.
  - .02 Supplement aerial survey with field survey to provide accurate design and ADA compliance.
  - .03 Field verify and identify site features dimensionally on topo.
  - .04 Identify easements, setbacks, and site constraints such as high-tension power lines and setbacks, based on owner-provided title report.
  - .05 Collect existing drawings from City for all affected off-site improvements including streets, drainage, traffic signals, street lighting, etc. Provide drafting services to add additional information to Base Map.
- 2.17 Project Development Scheduling services consisting of refining the schedule for design and documentation services, decision-making, design, documentation, contracting and construction, based on determination of LPA's services, City responsibilities and proposed design and construction procedures.
- 2.18 Summary of Meetings: services consisting of meeting attendance and presentations of Predesign Phase analyses and recommendations by LPA, INC. as follows:
  - .01 One (1) – Site Visit for up to two sites (one site to be Cecilian Park).
  - .02 Two (2) – Community Outreach Meetings.
  - .03 One (1) – Virtual Market Study Presentation.
  - .04 One (1) – Virtual Operational Standards Presentation.
  - .05 One (1) – City Oversight Committee Meeting.
  - .06 One (1) – P&R Commission Meeting.
  - .07 One (1) – Arts Commission Meeting.
  - .08 One (1) – City Council Study Session.
  - .09 One (1) – City Council Presentation.
  - .10 One (1) – Additional Council or Commission Meeting (if req'd).
- 2.19 Summary of Deliverables:
  - .01 Program.
  - .02 Schedule.
  - .03 Meeting Minutes.
  - .04 Site Analysis of up to two sites (one being Cecilian Park).
  - .05 Concept Plan for up to two sites (one being Cecilian Park).
  - .06 Consensus Plan.
  - .07 Community Outreach Presentations.
  - .08 P&R Commission Presentation.
  - .09 City Council Presentation.
  - .10 ROM Estimate for two sites.
  - .11 Market Study, Operational Standards and Pricing Strategy.

## TASK 3 – TRAFFIC STUDY

In the Traffic Study Phase, LPA, INC. shall provide those services designated necessary to prepare a screening level comparative analysis of two alternate sites and a detailed analysis of one selected site.

- 3.01 Comparative Analysis: The objective of the initial analysis will be to assess two alternate sites. The evaluation will contribute to the overall multi-topic assessment of the two sites. The purpose of this initial assessment is to assist the City in selecting one of two alternate sites. We will qualitatively assess the following for each of the two sites:
  - .01 Vehicle, pedestrian, and bicycle access.
  - .02 Current and future traffic operations.
  - .03 Physical or roadway geometric features that could impair some access.
  - .04 Compatibility of project-related traffic with adjacent surrounding land uses.

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- .05 Future land use development assumptions and traffic operations will be based on the City of Tracy General Plan (GP) and the GP environmental impact report (EIR).
- 3.02 Transportation Analysis: The objective of Transportation analysis will be to conduct a detailed quantitative evaluation of the site selected by the City of Tracy as a result of the Comparative Analysis. The following is a brief summary of the analysis that will be conducted:
  - .01 Evaluate Level Of Service (LOS) at four study intersections.
  - .02 To facilitate use of the transportation analysis in the California Environmental Quality Act (CEQA) environmental compliance document, the intersection LOS analysis will be conducted for the following four development scenarios:
    - a. Existing Conditions.
    - b. Existing Plus Project Conditions.
    - c. Cumulative No Project Conditions.
    - d. Cumulative Plus Project Conditions.
  - .03 The intersection LOS analysis will be conducted for two peak hours. Because of the anticipated uses of the Recreation Center Project, initially these two peak hours are assumed to be a weekday evening peak hour and a weekend daytime peak hour.
  - .04 Evaluate the adequacy of proposed parking facilities.
  - .05 Evaluate the effects of the Recreation Center Project on vehicle miles traveled (VMT).
- 3.03 Summary of Presentations / Meetings services consisting of meeting attendance and presentation of Traffic Analysis by LPA to the City will be coordinated with the Conceptual Design Phase:
- 3.04 Summary of Deliverables consisting of:
  - .01 Comparative Analysis for two (2) sites.
  - .02 Transportation Analysis for one (1) site.

## TASK 4 - ENVIRONMENTAL NEGATIVE DECLARATION PREPARATION

Based on the review of the RFP and limited information known at the time of the preparation of this Scope of Services, we believe that preparation of an Initial Study/Mitigated Negative Declaration (IS/MND) may be the appropriate environmental document to satisfy the requirements of CEQA. Should significant environmental effects be identified during the course of this evaluation, we will discuss the implications regarding the appropriate CEQA document and whether additional analysis is warranted. This scope is based on the assumption that the project will not result in significant environmental impacts that cannot be mitigated, and that additional environmental analysis and documentation (beyond an IS/MND) will not be required. The City is the Lead Agency for purposes of CEQA.

- 4.01 Project Initiation tasks will include collecting and reviewing all the information developed by the design team on one (1) final design, as well as applicable planning and regulatory documents.

Once the preferred design alternative is selected, we will work with the Project team to develop reasonable assumptions for the environmental analysis, including proposed uses and programming, hours of operation, anticipated use/visitation, as well as construction schedule and data to the level known at the time of development. A location map and graphics illustrating the project will also be prepared based on materials developed as part of the other tasks noted. A draft project description will be developed for City staff review and comment. A final draft project description will be developed for distribution to the technical specialists prior to beginning of their analysis.

- 4.02 Conduct Evaluation of Environmental Effects: An IS/MND will be prepared in accordance with CEQA and the CEQA Guidelines and will utilize the most recent Environmental checklist form. We will respond to the checklist questions for the various impact topics and add explanatory comments related to each topic. The City's standard conditions of approval and mitigation measures identified in the General Plan EIR and Parks Master Plan

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IS/MND will be applied where possible to reduce impacts to a level of less than significance. The following environmental topics will be evaluated in the IS/MN, consistent with the requirement of CEQA.

- .01 Aesthetics.
- .02 Air Quality
- .03 Biological Resources.
- .04 Cultural Resources.
- .05 Energy.
- .06 Geology and Soils.
- .07 Greenhouse Gas Emissions.
- .08 Hydrology / Water Quality
- .09 Land Use and Planning.
- .10 Mineral Resources.
- .11 Noise.
- .12 Population and Housing.
- .13 Public Services.
- .14 Recreation.
- .15 Transportation and Traffic.
- .16 Tribal Cultural Resources.
- .17 Utilities and Service Systems.
- .18 Mandatory Findings of Significance.

- 4.03 Prepare Initial Study / Mitigated Negative Declaration: We will prepare the draft of the Initial Study; and Administrative Draft, a Screen Check Draft, and a Public Review Draft. The Final Initial Study / Mitigated Neg Dec (IS/MND) will include responses to comments, as necessary and a Mitigation Monitoring and Reporting Program (MMRP), as described below:

- .01 Administrative Draft IS/MND: Using the setting and analysis prepared previously, we will prepare an Administrative Draft Initial Study with the following components. Figures and tables will be provided as appropriate to illustrate the project site, the proposed project, and the study's findings.
  - a. Project Description.
  - b. CEQA Environmental Checklist Form.
  - c. Mandatory Findings of Significance.
  - d. Contracts and Bibliography.
  - e. Mitigated Negative Declaration.
  - f. Technical Appendices.
- .02 Screencheck Draft IS/MND.
- .03 Public Review Draft IS/MND.
- .04 Response to Comments / Final MND.

- .05 Mitigation Monitoring and Reporting Program.

- 4.04 Project Management and Meetings: We anticipate that the CEQA effort will require attendance at three (3) project team meetings and one (1) public hearing.

- 4.05 Summary of Meetings:

- .01 Three (3) – Project Team Meetings.
- .02 One (1) – Public Hearing.

- 4.06 Summary of Deliverables:

- .01 Administrative Draft Initial Study.
- .02 Administrative Draft Mitigation.

## PHASE 1

### 5 - SCHEMATIC DESIGN SERVICES

In the Schematic Design Phase, LPA, INC. shall provide those services designated necessary to prepare Schematic Design Documents consisting of drawings and other documents illustrating the general scope, scale, and relationship of Project components for approval by the City, based on program requirements provided by the City, and reviewed and agreed upon by LPA for the final Consensus Plan for one (1) site. The following descriptions shall apply to those services.

- 5.01 Architectural and Interior Design/ Documentation services responding to program requirements and consisting of preparation of preliminary documents the Project:

- .06 Conceptual site and floor plans.
- .07 Preliminary sections and elevations.
- .08 Preliminary selection of building systems and materials.

- 5.02 Structural Design/Documentation services consisting of recommendations regarding basic structural materials and systems, analyses, and development of conceptual design solutions for the specified structures.

- .06 A preliminary structural system concept.
- .07 Preliminary structural design criteria.

- 5.03 Electrical Design/Documentation services consisting of consideration of alternate

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- systems, recommendations regarding basic electrical materials, systems and equipment, analyses, and development of conceptual design solutions for:
- .01 Power service and distribution.
  - .02 Interior/exterior lighting.
  - .03 Fire detection and alarms requirements.
  - .04 Communication systems requirements.
  - .05 Special electrical systems (excluding A/V).
  - .06 General space requirements for electrical equipment and BDF/IDF rooms.
- 5.04 Mechanical and Plumbing Design/Documentation services consisting of consideration of alternate materials, systems and equipment, and development of conceptual design solutions for:
- .01 Energy source(s).
  - .02 Heating, ventilating and air conditioning.
  - .03 Energy management and controls.
  - .04 Plumbing.
  - .05 Fire protection.
- 5.05 Civil Design/Documentation services consisting of development of conceptual design solutions for site components. Off-site areas, areas outside the property line, city sidewalks and areas within the public Right of Way are not included. Design solutions will be developed for the following:
- .01 On-site utility systems exhibit.
  - .02 Fire department access exhibit.
  - .03 Drainage systems concept.
  - .04 Conceptual grading concept exhibit.
  - .05 Stormwater management requirements.
  - .06 Limits of demolition delineation.
  - .07 Parking lot layout.
  - .08 Off-site work limited to curb cuts and curb returns only.
- 5.06 Landscape Design/Documentation services consisting of alternate materials, systems and equipment and development of conceptual design solutions for the following:
- .01 Material selection and plans
  - .02 Irrigation system concepts.
  - .03 Planting concept plan.
- .04 Hardscape areas and materials.
  - .05 Parking lot design.
- 5.07 Project Development Scheduling services consisting of reviewing and updating previously established Project Schedules for decision-making, design, documentation, contracting and construction.
- 5.08 Arts Commission Presentation services including presenting the design during the Schematic Design Phase to obtain input on the scope and incorporation of public art into the project.
- 5.09 Statement of Probable Construction Cost services consisting of development of a probable construction cost range for the Project based on the most recent schematic design studies, current and historic area, volume, or other unit costs, expected Project delivery process, and appropriate contingencies.
- 5.10 Summary of Presentations / Meetings services consisting of meeting attendance and presentation of Schematic Design Documents by LPA to the following City representatives:
- .01 Two (2) – Oversight Committee.
  - .02 Up to Two (2) – City Staff Meetings.
  - .03 One (1) – Arts Commission Meeting.
- 5.11 Summary of Deliverables consisting of:
- .01 Schematic Design architectural and structural for the structures.
  - .02 Schematic Design for civil engineering, electrical, and landscape architecture for the site.
  - .03 Updated Project Schedule (if applicable).
  - .04 Statement of Probable Construction Cost.
  - .05 Meeting Minutes.
- 6 - DESIGN DEVELOPMENT SERVICES (30% CD's)**
- In the Design Development Phase, LPA, INC. shall provide those services designated necessary to prepare from the approved Schematic Design Documents, for approval by the City, the Design Development Documents consisting of drawings and other documents to fix and describe the size and character of the entire Project, including

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- architectural, structural, landscape architecture, mechanical, aquatics and plumbing systems, materials and such other elements as may be appropriate. Consideration shall be given to availability of materials, equipment and labor, construction sequencing and scheduling, maintenance requirements and energy conservation. The following descriptions shall apply to those services.
- 6.01 Architectural Design/Documentation services consisting of continued development and expansion of architectural Schematic Design Documents to establish the final relationships, forms, size, and appearance of the Project architectural components described in Section 3 through the preparation of the following exhibits:
- .01 Plans, sections, and exterior elevations.
  - .02 Typical construction details.
  - .03 Interior elevations.
  - .04 Final materials selections.
  - .05 Equipment layouts.
- 6.02 Structural Design/Documentation services consisting of continued development of the specific basic structural system(s) and Schematic Design Documents in sufficient details to establish:
- .01 Final structural design criteria.
  - .02 Foundation and framing sizes.
  - .03 Lateral load resisting system.
  - .04 Critical coordination clearances.
  - .05 Outline specifications of material lists.
- 6.03 Mechanical and Plumbing Design/Documentation services consisting of continued development and expansion of mechanical Schematic Design Documents and development of Outline Specifications or materials lists to establish:
- .01 Preliminary site utility connections.
  - .02 Approximate equipment sizes, weights, and capacities.
  - .03 Preliminary equipment layouts.
  - .04 Required chases and clearances.
  - .05 Preliminary distribution and routing.
  - .06 Visual impacts.
  - .07 Energy conservation measures.
  - .08 Plumbing requirements and equipment.
- .09 Preliminary energy calculations for code compliance.
- 6.04 Electrical Design/Documentation services consisting of continued development and expansion of electrical Schematic Design Documents and development of Outline Specifications or materials lists to establish:
- .01 Criteria for lighting, electrical and communications systems.
  - .02 Approximate sizes and capacities of major components.
  - .03 Preliminary electrical/low voltage/fire alarm device layouts.
  - .04 Interior/exterior lighting fixture layouts, control locations, and base specifications.
  - .05 Required chases and clearances.
- 6.05 Civil Design/Documentation services consisting of continued development and expansion of civil Schematic Design Documents and development of Outline Specifications or materials lists to establish the final scope and preliminary details for the specified areas.
- 6.06 Landscape Design/Documentation services consisting of continued development and expansion of landscape Schematic Design Documents and development of Outline Specifications or materials lists to establish final scope and preliminary details for landscape work for the Project landscape architecture components described in Section 3 through the preparation of the following exhibits:
- .01 Hardscape Plan.
  - .02 Typical Construction Details.
  - .03 Applicable Elevations.
  - .04 Planting Plans and Details.
- 6.07 Interior Design/Documentation services consisting of development of Outline Specifications or materials lists to establish the final scope and preliminary details.
- 6.08 Project Development Scheduling services consisting of reviewing and updating previously established schedules of the Project.
- 6.09 Statement of Probable Construction Costs services consisting of updating and refining

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the Schematic Design Phase Statement of Probable Construction Cost of the Project, taken into consideration:

- .01 Availability of materials and labor.
- .02 Project delivery procedures.
- .03 Construction scheduling.
- .04 Changes in scope of the Project.
- .05 Adjustments in materials.

6.10 Summary of Presentations/Meetings services consisting of presentation of Design Development Drawings and other documents by LPA to the following City representatives:

- .01 Three (3) – Oversight Committee Meetings.

6.11 Summary of Deliverables consisting of:

- .01 Building Design Development drawings of architecture, interiors, structural, mechanical, and electrical design.
- .02 Site Design Development drawings of civil, site electrical and landscape architecture requirements.
- .03 Outline specification.
- .04 Schedule update.
- .05 Updated Statement of Probable Construction Cost.

**7 - CONSTRUCTION DOCUMENTS SERVICES (60%, 90% and 100%)**

In the Construction Documents Phase, LPA, INC. shall provide those services designated necessary to prepare, from the approved Design Development documents, for approval by the City, Construction Documents consisting of Drawings, Specifications and other documents setting forth in detail the requirements for construction of the Project and bidding and contracting for the construction of the Project. The following descriptions shall apply to those services:

7.01 Architectural Design/Documentation services consisting of preparation of Drawings based on approved Design Development Documents setting forth in detail the architectural construction requirements for the Project including the following:

- .01 Final site plan.
- .02 Floor plans.

- .03 Sections/elevations.
- .04 Details.
- .05 Building systems/materials.
- .06 Kitchen consultant coordination.
- .07 Specifications.

7.02 Structural Design/Documentation services consisting of preparation of final structural engineering calculations, Drawings and Specifications based on approved Design Development documents, setting forth in detail the structural construction requirements for the Project including the following:

- .01 Structural details and systems.
- .02 Structural calculations.
- .03 Specifications.

7.03 Mechanical Design/Documentation services consisting of preparation of final mechanical engineering calculations, Drawings and Specifications based on approved Design Development documents, setting forth in detail the mechanical construction requirements for the Project including the following:

- .01 Mechanical details and plans.
- .02 Details and systems.
- .03 Calculations.
- .04 Specifications.

7.04 Electrical Design/Documentation services consisting of preparation of final electrical engineering calculations, Drawings and Specifications based on approved Design Development Documents including the following:

- .01 Electrical plans.
- .02 Calculations.
- .03 Details and schedules.
- .04 Specifications.

NOTE: Security system design and engineering are not included.

7.05 Civil Design/Documentation services consisting of preparation of final civil engineering calculations, Drawings and Specifications based on approved Design Development documents, setting forth in detail the civil construction requirements for the Project including the following:

- .01 Demolition Plan.



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- .02 Horizontal Plan.
  - .03 Pavement Plan.
  - .04 Wet Utilities Plan.
  - .05 Final Grading Plan.
  - .06 Specifications.
- 7.06 Landscape Design/Documentation services consisting of preparation of Drawings and Specifications based on approved Design Development Documents, setting forth in detail the landscape requirements for the Project including the following:
- .01 Materials and layout plans.
  - .02 Details.
  - .03 Sections and elevations.
  - .04 Planting plans and details.
  - .05 Irrigation plans and details.
  - .06 Specifications.
- 7.07 Interior Design/Documentation services consisting of preparation of Drawings and Specifications based on approved Design Development documents, setting forth in detail the requirements for interior construction for the Project including the following:
- .01 Finish plans.
  - .02 Reflected ceiling plans.
  - .03 Plan enlargements.
  - .04 Elevations.
  - .05 Details.
  - .06 Kitchen consultant coordination.
  - .07 Specifications.
- 7.08 Materials Research/Specifications during the Construction Documents Phase consisting of:
- .01 Assistance to the City in development of Bidding documents.
  - .02 Assistance to the City in development of their prepared Conditions of the Contract (General, Supplementary, and other Conditions).
  - .03 Development and preparation of Specifications describing materials, systems and equipment, workmanship, quality, and performance criteria required for the construction of the Project.
  - .04 Compilation of Project Manual including Conditions of the Contract, Bidding Documents and Specifications.
- 7.09 Statement of Probable Construction Cost services consisting of updating of the Design Development Phase Statement of Probable Construction Cost of the Project, taking into account:
- .01 Changes in materials, systems or details of construction which have occurred during preparation of the Construction Documents.
  - .02 Known changes in the cost of materials, labor, and services since preparation of the previous Statement of Probable Construction Cost.
  - .03 Adjustments for known or anticipated changes in the bidding market relative to the Project.
- 7.10 Summary of Presentations / Meetings services consisting of meeting attendance and presentations of Construction Documents and special presentation graphics by LPA to the following City representatives:
- .01 One (1) – 60% Document Review.
  - .02 One (1) – 90% (Agency Submittal) Review.
  - .03 One (1) – Bid Set Review.
- 7.11 Summary of Deliverables consisting of:
- .01 60% Coordination Set.
  - .02 Agency Submittal (90% Set).
  - .03 Bid-ready (100%) construction plans and specifications.
  - .04 Statement of Probable Construction Cost at 60% and 90%.
- ## 8 - BIDDING / NEGOTIATION SERVICES
- In the Bidding or Negotiations Phase, LPA, INC., following the City approval of the Construction Documents and of the most recent Statement of Probable Construction Cost, shall provide those services designated necessary for LPA to assist the City in obtaining bids or negotiated proposals and in awarding and preparing contracts for construction. The following descriptions shall apply to those services assigned as the responsibility of the party indicated therein.
- 8.01 Bidding Materials services consisting of assisting the City with:

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- .01 Coordination.
  - .02 Reproduction.
  - .03 Completeness review.
- 8.02 Addenda services consisting of preparation and distribution of Addenda as may be required during bidding or negotiation and including supplementary Drawings, Specifications, instructions, and notice(s) of changes in the bidding schedule and procedure based on the approved Construction Documents.
- 8.03 Bidding/Negotiations services consisting of:
- .01 Assistance to the City in establishing a list of Bidders or proposers.
  - .02 Prequalification of Bidders or proposers.
  - .03 Participation in pre-bid conference.
  - .04 Responses to questions from Bidders or proposers and clarifications or interpretations of the Bidding Documents.
  - .05 Attendance at bid opening.
- 8.04 Analysis of Alternates/Substitutions services consisting of consideration, analyses, comparisons, and recommendations relative to alternates or substitutions proposed by Bidders or proposers prior to receipt of Bids or proposals.
- 8.05 Bid Evaluation services consisting of:
- .01 Participation in reviews of Bids or proposals.
  - .02 Recommendation on award of Contract.
  - .03 Participation in negotiations prior to or following decisions on award of the Contract(s) for Construction.
- 8.06 Construction Contract Agreements services consisting of:
- .01 Notification of Contract award(s).
  - .02 Preparation and distribution of sets of Contract Documents for execution by parties to the Contract(s).
- 8.07 Summary of Presentations / Meetings services consisting of presentation of Construction Documents and other documents by LPA to the following City representatives:

- .01 One (1) – Prebid Conference
- .02 One (1) – Bid Opening

## 8.08 Summary of Deliverables consisting of:

- .01 Bid documents.
- .02 Addenda.

**9 –CONSTRUCTION CONTRACT OBSERVATION SERVICES**

In the Construction Contract Observation Phase, LPA, INC. shall provide those services designated necessary for the administration of the construction contract as set forth in the General Conditions of the Contract for Construction. Unless otherwise provided in the Scope of Services, LPA duties and responsibilities during construction shall be as set forth in the Agreement between the City and Architect for Designated Services. The following descriptions shall apply to those services:

- 9.01 Office Construction Administration services consisting of:
- .01 Processing of submittals, including receipt, review of, and appropriate action on Shop Drawings, Product Data, Samples, and other submittals required by the Contract Documents.
  - .02 Distribution of submittals to the City, Contractor and/or LPA's field representative, as required.
  - .03 Maintenance of master file of submittals.
  - .04 Related communications.
- 9.02 Construction Field Observation services consisting of visits to the site as noted below to become generally familiar with the progress and quality of the Work and to determine in general if the Work is proceeding in accordance with the Contract Documents and preparing related reports and communications. Site visits are based on bi-weekly meetings for Seventy-eight (78) weeks of construction for a total of Thirty-nine (39) meetings. Structural observation field visits will be based on the critical stage of construction.
- 9.03 Supplemental Documents services consisting of:
- .01 Preparation, reproduction and distribution of supplemental



## SCOPE OF SERVICES | MULTI-GENERATIONAL RECREATION CENTER

- clarification Drawings, Specifications, and interpretations in response to requests for information by Contractor or the City and, as required, by construction.
- .02 Forwarding the City's instructions and providing guidance to the Contractor on the City's behalf relative to changed requirements and schedule revisions.
- 9.04 Quotation Requests/Change Orders services consisting of:
- .01 Preparation, reproduction and distribution of Drawings and Specifications to describe Work to be added, deleted, or modified.
- .02 Review of proposals from Contractor(s) for reasonableness of quantities and costs of labor and materials.
- .03 Review and recommendations relative to changes in time for Substantial Completion.
- .04 Coordination of communications, approvals, notifications, and record-keeping relative to changes in the Work.
- 9.05 Project Schedule Monitoring services consisting of monitoring the progress of the Contractor(s) relative to established schedules and making status reports to the City.
- 9.06 Construction Cost Accounting services consisting of evaluation of Applications for Payment and certification thereof.
- 9.07 Project Closeout services initiated upon notice from the Contractor(s) that the Work, is sufficiently complete, in accordance with the Contract Documents, to permit occupancy or utilization for the use for which it is intended, and consisting of:
- .01 A review with the City's representative for conformity of the Work to the Contract Documents to verify the list submitted by the Contractor of items to be completed or corrected.
- .02 Determination of the amounts to be withheld until final completion.
- .03 Issuance of Certificate of Substantial Completion.
- .04 Review upon notice by the Contractor that the Work is ready for final review and acceptance.
- .05 Notification to the City and Contractor of deficiencies found in follow-up review, if any.
- .06 Final review with the City representative to verify final completion of the Work.
- .07 Receipt and transmittal of warranties, affidavits, receipts, releases and waivers of lien or bonds indemnifying the City against liens.
- .08 Issuance of final Certificate for Payment.
- 9.08 Record Drawings services consisting of:
- .01 Making arrangements for obtaining from Contractor(s) and other parties information certified by them on all changes made during construction from the initial Contract Documents and on the location of concealed systems as installed during construction.
- .02 Review of general accuracy of information submitted and certified to by the Contractor(s).
- .03 Transmittal of record drawings and general data, appropriately identified, to the City and others, as directed.
- .04 Preparation of final Mylars as a reimbursable expense from the contractor's final record drawings.
- 9.09 Summary of Meetings services consisting of presentation of Construction Documents and other documents by LPA to the following City representatives:
- .01 Thirty-nine (39) – Bi-Weekly Meetings.
- .02 Two (2) – Project Close Out Reviews.
- .03 One (1) – Post 90 Day Maintenance Landscape Walk.
- 9.10 Summary of Deliverables:
- .01 Field Reports/communications.
- .02 Mylars.
- 10 – LEED SERVICES/SUSTAINABLE DESIGN

## SCOPE OF SERVICES | MULTI-GENERATIONAL RECREATION CENTER

In addition to the general sequential phases described above, LPA, INC. will provide the following services that will occur during several phases in the project's pursuit of LEED Gold certification from the U.S. Green Building Council.

- 10.01 Project Registration services consisting of registering LPA will register the Project with the USGBC and managing the LEED On-Line service for the Project. Registration and Certification Fees are to be paid by the City.
- 10.02 Owner's Project Requirements and Basis of Design services consisting of:
- .01 Developing a preliminary Owner's Project Requirements (OPR) Document (required for the LEED Commissioning Prerequisite), defining key performance requirements for building systems and serves as a basis for evaluating potential sustainable design ideas.
  - .02 Developing a narrative Basis of Design (BOD) that documents the significant programming and design assumptions and strategies for the Project.
- 10.03 Design Development LEED services consisting of:
- .01 Facilitating discussion to refine project goals for sustainability and LEED certification.
  - .02 Brainstorming green building design strategies.
  - .03 Refining the LEED assessment, roles, and responsibilities.
  - .04 Leading the team in a discussion of the design and construction strategies that are most effective for the Project and the corresponding LEED points associated with each strategy.
- 10.04 LEED Design Review services consisting of reviewing major design milestone submittals for compliance with targeted LEED credits, Owners Project Requirements, and established sustainable design goals.
- 10.05 LEED Specification Review services consisting of reviewing the project specifications for compliance with the targeted LEED credit requirements, as well as general contractor instructions regarding LEED certification.
- 10.06 Design Phase LEED Documentation services consisting of:
- .01 Managing the LEED On-Line design-phase submittal to the USGBC.
  - .02 Tracking the status of every document (including narratives, calculations, photographs, drawings, diagrams, LEED templates, and other information) required for the LEED design phase application.
  - .03 Coordinating the LEED submittal documents prepared by the City and by design consultants.
  - .04 Reviewing all LEED submittals for quality assurance prior to submittal to USGBC.
- 10.07 LEED On-Line Design Phase Submittal services consisting of:
- .01 Managing the LEED On-Line design-phase submittal to the USGBC.
  - .02 Tracking the status of every document (including narratives, calculations, photographs, drawings, diagrams, LEED templates, and other information) required for the LEED design phase application.
  - .03 Reviewing all LEED submittals for quality assurance prior to submittal to USGBC.
- 10.08 LEED Construction Phase Kickoff Meeting services including:
- .01 Facilitating a kick-off meeting, inclusive of the City, the General Contractor, major sub-contractors, and the Commissioning Agent (Coordination of the sub-contractors will be a responsibility of the general contractor).
  - .02 Communicating the Project's sustainability goals, the status of the LEED process and the roles and responsibilities regarding LEED construction phase requirement
- 10.09 Construction Phase LEED Support services including supporting the construction team in the interpretation and implementation of LEED credit and documentation

## SCOPE OF SERVICES | MULTI-GENERATIONAL RECREATION CENTER

requirements (excluding the contractor's requirement to document and implement their own requirements for certification).

10.10 LEED On-Line Construction Phase Submittal services including:

- .01 Managing the LEED On-Line construction-phase submittal to USGBC.
- .02 Tracking the status of every document (including narratives, calculations, photographs, drawings, diagrams, LEED templates, and other information) required for the LEED construction phase application.
- .03 Reviewing all LEED submittals for quality assurance prior to submittal to USGBC.

10.11 Preliminary Review services including receipt of the USGBC's Preliminary Review of the project and coordinating the project response for any required clarifications.

10.12 Final LEED Submittal services including:

- .01 Assembling and transmitting the final LEED submittals to the USGBC within 30 days of receiving the Preliminary Review.
- .02 Receipt of the USGBC's Final Review of the project within 30 days after receipt of the Final Application.

10.13 Base LEED Commissioning (Cx) services is used to verify and ensure that fundamental building elements and systems are designed, installed, and calibrated to operate as intended

- .01 Engage Cx team.
- .02 Review the design intent and the basis of design documentation.
- .03 Incorporate Cx requirements into the construction documents.
- .04 Develop and utilize a Cx plan.
- .05 Verify Installation and functional performance of equipment.
- .06 Complete a Cx report.

## 11 - SUPPLEMENTAL SERVICES

In addition to the generally sequential services chronologically arranged and described in Tasks 1

through 10, LPA, Inc. will provide the following services in addition to the Basic Services noted.

- 11.01 Fire Alarm / Low Voltage / Technology
- 11.02 Fire Sprinkler
- 11.03 SWPPP / WQMP including preparation of Storm Water Pollution Plan and a Water Quality Plan.
- 11.04 Photovoltaic Design: Design of photovoltaics as required for LEED Gold Design.

## STANDARD ASSUMPTIONS

The following are Scope of Services assumptions:

1. **BUDGET:** The Budget is based on an assumed project budget of \$40 Million Dollars, a construction budget of up to \$26 Million and a roughly 30,000 sf facility. The budget will be preliminarily confirmed at the end of the Conceptual Design Phase and the proposed fee updated to reflect an approved budget. The final fee will be confirmed at the end of Design Development based on the cost estimate prepared by LPA. At the end of Design Development, the Budget will be adjusted to reflect a final estimate. If the budget exceeds the agreed upon number developed at the end of Conceptual Design, LPA's fees shall be adjusted up and fixed based on 8% of the Construction Budget, including profit and overhead, for basic services (excluding optional, supplemental, augmented or specialty services and consultants).
2. **CONSULTANTS:** The work of the aforementioned consultants is included as part of this Scope of Services and will be billed at their fee plus 20% for LPA's coordination.
3. **SURVEY:** An allowance has been provided for an aerial, limited ground survey and plotting of the record boundary for one (1) site (based on a City provided Title Report required to provide an accurate topographical survey, including legal boundaries, spot elevations, existing utilities, and existing improvements).

## SCOPE OF SERVICES | MULTI-GENERATIONAL RECREATION CENTER

4. TITLE REPORT: City to provide a recent title report that shows the recorded property boundary along with easements and any other special provisions. The Title Report is current, and in open order with the respective Title Company.
5. COMMUNITY OUTREACH: Based on discussions with the City, Community Outreach is limited to two meetings/presentations. The first will be a Visioning Session and the second will be an update presentation. The City has requested no surveys. Noticing will be done by the City, however LPA will assist in preparing required explanatory materials.
6. AGENCY APPROVAL: This scope of services assumes the project will be processed through the City of Tracy or the DSA and not both agencies.
7. CONCEPTUAL PLAN(S): It is our understanding Ceciliani Park is the primary site for the Project. A second undetermined site may be identified. Conceptual Diagram/Test Fit will be prepared for up to two sites and a final Consensus Plan for one of the two sites.
8. FF&E: Due to the limited information available, no fee has been identified for FF&E Design and procurement including but not limited to the general building, fitness equipment and kitchen equipment. A fee may be provided for these services upon clarification of the scope and at the city's request, as an additional service.
9. SKATE PARK: Due to the variability of program and delivery methods related to Skate Parks, no specific fee has been identified. LPA will review various options related to the development of the skate park component of the project and will submit a fee as an additional service pending confirmation of project specifics and requirements.
10. KITCHEN CONSULTANT: A kitchen consultant has been included for the purposes of the development of a design. The City may be required to provide equipment and design criteria for the project. Design and procurement of equipment is not included in this Scope of Services.
11. BUILDING SIZE: This proposal is based on a building size and program appropriate for a 30,000 square foot facility. Building programming and documentation for a building larger than this square footage may be provided as an additional service.
12. APPROVAL: The City's verbal request to commence each task constitutes approval of prior work. Changes in subsequent work will be considered additional services, documented, and billed on an hourly basis.
13. CONSULTANTS: The work of the Architect, Landscape Architect, Structural Engineer, Civil Engineer, Mechanical Engineer, Electrical Engineer, Cost Estimator, Financial Consultant, Environmental Consultant, Kitchen Consultant, Surveyor, Traffic Consultant, and the Irrigation Consultant are included as part of this contract. Any other necessary consultants are in addition to the contract and will be billed at fee, plus 20% for coordination.
14. REIMBURSABLES: All project expenses shall be reimbursed to LPA by the Owner at a multiple of 1.10. Project expenses include, but are not necessarily limited to, all normal costs involving models, renderings, document reproduction, plotting, deliveries, mileage, and approved travel. Unless otherwise agreed to in writing, all governmental taxes and fees will be paid directly by the City. These taxes and fees are separate and are not a part of LPA's reimbursable allowance. Unless specifically noted as being included in a 'stipulated sum', all consultant fees shall be subject to a multiple of 1.25.
15. GEOTECHNICAL ENGINEERING: The City shall provide a geotechnical report from which all structural and stormwater information shall be based.
16. RESPONSIBILITIES: LPA will be responsible for Design, Construction Documents, Bid Negotiations, and Construction Administration for the development of the site areas as stated on this contract. Signage, street work, and any other site related engineering or reports outside this

## SCOPE OF SERVICES | MULTI-GENERATIONAL RECREATION CENTER

- scope of work shall be by others and are not included in this scope of work.
17. OFFSITE AND UTILITY COMPLIANCE: The coordination and review of designs with any outside agency for compliance with code requirements and obtaining of any necessary approvals shall be by others. The design, analysis and coordination of offsite improvements are not included and may be provided as an additional service.
  18. PHASING/MULTIPLE PACKAGES: Documentation of phases or development of multiple packages (and related scope) is excluded and may be provided as an additional service. The Construction Documents will be developed as one set of documents. The scope of work does not include a separate set of off-site improvements. If the City requires a separate set of documents for off-site, etc., LPA will provide these drawings as an additional service.
  19. CEQA / ENVIRONMENTAL: Due to the limited information known at the time of this proposal, all CEQA related services are limited to the Initial Study and Mitigated Neg. Dec. on one site. Additional analysis, EIR services or analysis are excluded and may be provided as an additional service.
  20. TRAFFIC: Traffic engineering and analysis are limited to those identified and to one site as noted. Additional analysis or documentation required based on the final approved design, such as inclusion of offsite traffic signals, is excluded and may be provided as an optional service.
  21. COMMISSIONING: Base Commissioning is included. Enhanced commissioning as required by the City and/or LEED shall be provided by the City directly including but not including a LEED consultant (if required) and Commissioning agent.
  22. CONSTRUCTION ADMINISTRATION AND DURATION: Construction Contract Observation related services are as noted and are limited to Seventy-eight (78) weeks (18 months). Services beyond this sequential duration are excluded and may be provided as an additional service.
  23. RATE SCHEDULE: The attached LPA hourly rate schedule became effective January 2020. However, is subject to change without notification.
  24. ADDITIONAL SERVICES: Tasks not included in this Scope of Services but requested by the City shall be identified as such and billed at an hourly rate unless a detailed scope of services proposal is requested.
  25. SPECIFICATIONS: The City shall provide the Standard General Conditions, Special Conditions, and Bidding Instructions.
  26. FEES: The City shall pay all government fees, permits, assessments, etc.
  27. SPECIAL MEETINGS: Necessary preparation time and attendance at public hearings or agency meetings by LPA, INC., other than those noted, are not within this Scope of Services.
  28. PROJECT PHASES: This proposal is based on the assumption that the project shall be installed in one phase. Additional phasing of the project shall require changes to the Construction Documentation, Bid Negotiation and Construction Administration phases of work. Additional work due to phasing of the project shall be considered as additional services.
  29. QA/QC: LPA will provide typical in-house quality control and assurance processes. Any constructability reviews provided by the City must be reasonable and at appropriate milestones.
  30. CONSTRUCTION DOCUMENTS: The Construction Documents will be developed as one set of documents. The scope of work does not include a separate set of off-site improvements. If the City requires a separate set of documents for off-site, etc., LPA will provide these drawings as an additional service.
  31. ELECTRICAL EXCLUSIONS: Temporary power design is excluded.
  32. CITY STREET IMPROVEMENT EXCLUSIONS: Improvements to adjacent city streets are excluded.

## SCOPE OF SERVICES | MULTI-GENERATIONAL RECREATION CENTER

33. PROJECT SIZE: Total proposed improvement area is approximately five to ten (5-10) acres.
34. OFF-SITE: Off-site infrastructure is in place and adequate connection points for storm drain, water, and sewer are available at the project boundary (or on-site) to serve the proposed development. No studies of utilities beyond the limit of the site are included.
35. BASE MAPPING: Mapping will be based on available local agency vertical datum and assumed horizontal datum, unless specifically requested otherwise.
36. FLOOD PLAIN: The site is not located within the limits of a 100-year flood plain and will not include any new regional drainage improvements. No on-site retention is anticipated.
37. RECORD DRAWINGS: Information is to be provided by the Contractor. Any drafting services required by the City can be provided on an additional service.
38. FIELD SURVEY STAKING: Project General Contractor will provide all field survey staking, as-built survey, and plans, and grading and wet utilities substantial conformance letter.
39. MEETINGS: Where the maximum number of meetings to be included in Architect's services is specified herein, Architect and architect's consultants agree to attend, and participate in, as many meetings as specified as part of the Basic Services. Meetings in excess of those specified will be billed as Additional Services.
40. DELIVERABLES: The preceding description of services general outlines the activities associated with executing each phase of work. The necessity for, and the extent to which, the Architect and Architect's consultants must commit time and resources to any specific activity will vary depending on the needs of the project. Consequently, the description of services does not represent a comprehensive list of deliverables.
41. CONSULTATION AND COORDINATION: All consultations and coordination not associated with specific meetings shall be conducting at the sole discretion of the Architect and Architect's consultants, and only as necessary for the Architect and Architect's consultants to complete the professional services of this agreement.
42. DOCUMENTS: Documents described in the preceding description of services shall be provided, as appropriate, for the needs of the project and to a level of detail consistent with the standard of practice for this type of project and for the geographical area and regulatory jurisdiction(s) in which the project is located.
43. PROJECT CONTROL: The Architect shall not have control over or charge of and shall not be responsible for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's responsibility under the Contract for construction. Without in any way limiting the Architect's responsibilities and obligations under Title 21 of the California Code of Regulations or the Building Standards published by the ICBO (formerly Title 24 of the California Code of Regulations), the Architect shall not otherwise be responsible for the Contractor's schedules or failure to carry out the work in accordance with the Contract Documents. The Architect shall not have control over or charge of acts or omissions of the Contractor, Subcontractors, or their agents or employees, or of any other persons performing portions of the Work.





## PROPOSED COMPENSATION

CITY OF TRACY MULTI-GENERATIONAL RECREATION CENTER (REVISED)  
JAUARY 12, 2022

### PROPOSED COMPENSATION

The following is the proposed compensation for an assumed scope of service which will be clarified with a full scope of services up on selection. The total dollar amount is an estimated fee based on an assumed Project Cost of \$40 Million and a construction cost of up to \$26 Million.

#### Phase 1 and 2 (Basic Services)

|   |                     |
|---|---------------------|
| Phase 1 Tasks 1-4:                          | \$ 179,000          |
| Schematic Design                            | \$ 249,000          |
| Construction Documents (DD-CD)              | \$1,040,000         |
| Bidding Support                             | \$ 62,400           |
| Construction Administration                 | \$ 624,000          |
| <b>Total Phase 1 and 2 (Basic Services)</b> | <b>\$ 2,155,000</b> |

#### Supplemental / Enhanced Services (Not Included in Basic Services)

|                                 |            |
|---------------------------------|------------|
| Topographic Survey Allowance:   | \$ 54,000  |
| Traffic Design Allowance:       | \$ 63,312  |
| Financial Analysis:             | \$ 42,096  |
| Environmental / CEQA Allowance: | \$ 50,000- |
|                                 | \$ 150,000 |
| Fire Alarm:                     | \$ 42,000  |
| Low Voltage / Technology:       | \$ 66,000  |
| Fire Sprinkler:                 | \$ 66,000  |
| Basic Commissioning:            | \$ 42,000  |
| SWPPP Allowance:                | \$ 6,000   |
| WQMP / SWMP Allowance:          | \$ 6,000   |
| LEED Services:                  | \$ 80,000  |
| Photovoltaics Design:           | \$ 25,000  |
| <br>                            |            |
| Reimbursable Allowance          | \$ 110,000 |

**Supplemental Services:** The RFP has indicated the requirement for several enhanced services that are in addition to and not included in the Basic Services. While much of the criteria is defined, there are significant variables that may impact the scope and fee such as the number of sites, design of the facility, selection of preliminary concepts and other unknowns. As an example, depending on the site selection, the environmental scope may vary dramatically. To provide the greatest flexibility to the City, we have provided an allowance and/or range where feasible as a preliminary budget placeholder. Upon preliminary selection, LPA will coordinate with the City to further define the requirements and develop a more concise budgetary fee, where feasible.

**Scope of Services:** Due to the limited number of pages allowed within the RFP, a concise Scope of Services and exclusions have not been provided or noted. Upon preliminary selection, LPA will coordinate with the City in a "Plan the Plan" meeting to further define the required scope and provide a final Scope of Services and related fee. The fee currently shown, is preliminary and pending confirmation with the Scope as indicated in Section 15 of the RFP.

**Reimbursables:** Reimbursable expenses are in addition to compensation noted and typically run approximately 5% - 10% of a total project fee. They include costs for reproduction, plotting, express mailing, delivery charges, mileage, travel, hotel and overhead on consultant invoices.

**Basis of Compensation:** The Fee noted is based on an assumed project budget of \$40 Million and a construction value of \$26 million at an initial 8% fee for Basic Services. Upon confirmation of the budget and subsequent scope, LPA's fees will be adjusted up at the end of Design Development (30% CD's) to reflect the revised budget, based on a cost estimate developed by the Cost Estimator noted for the project.

**LEED Services:** The fee for LEED services is based on a LEED Gold target with approximately 35 credits. This includes typical scorecards and documentation for architectural services. Enhanced Commissioning will be required, should be provided by the City and is not included in this proposed fee.

**BASIC HOURLY RATE SCHEDULE**

|                       |          |
|-----------------------|----------|
| Principal             | \$265.00 |
| Director              | \$240.00 |
| Discipline Director   | \$230.00 |
| Project Director      | \$220.00 |
| Project Leader        | \$185.00 |
| Design Coordinator II | \$160.00 |
| Manager               | \$155.00 |
| Design Coordinator I  | \$135.00 |
| Senior Specialist     | \$125.00 |
| Designer III          | \$125.00 |
| Specialist III        | \$105.00 |
| Designer II           | \$110.00 |
| Specialist II         | \$95.00  |
| Designer I            | \$100.00 |
| Specialist I          | \$85.00  |
| Intern                | \$75.00  |

NOTE: These rates become effective January 2020  
and are subject to change annually.

**PROPOSED CONSULTANT/DISCIPLINES**

|                         |                 |
|-------------------------|-----------------|
| Architecture:           | LPA             |
| Landscape Architecture: | LPA             |
| Interior Design:        | LPA             |
| Structural:             | LPA             |
| Civil:                  | LPA             |
| Mechanical/Plumbing:    | LPA             |
| Topographic Survey:     | Guida Surveying |
| Cost Estimating:        | HLCM            |
| Financial Analysis:     | Pros Consulting |
| Traffic Design:         | Ken Anderson    |
| Environmental:          | LSA             |
| Low Voltage / FA/FS:    | LP Engineers    |
| Base Commissioning:     | LP Engineers    |



RESOLUTION 2022-\_\_\_\_\_

APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH A NOT TO EXCEED AMOUNT OF \$3,343,519 WITH LPA, INC., A CALIFORNIA CORPORATION, FOR THE CITY OF TRACY MULTI-GENERATIONAL RECREATION CENTER AND AUTHORIZE THE CITY MANAGER TO APPROVE CHANGE ORDERS UP TO THAT AMOUNT

WHEREAS, In 2018, the City Council approved the Multi-Generational Recreation Center (Rec Center) as a major amenity that would be funded by Measure V sales tax revenue providing a space to serve a broad spectrum of the City’s demographics, including families, teens, seniors and commuters, and

WHEREAS, On October 15, 2021 the City of Tracy issued a Request for Proposals (RFP) to obtain a consultant team to provide professional services for architectural, engineering, and associated design services related to the development of a 30,000+/- square foot Multi-Generational Recreation Center, and

WHEREAS, Eleven proposals were received and the proposal submitted by LPA, Inc., a California Corporation, was determined to be the most responsive to the City’s needs, and

WHEREAS, A Professional Services Agreement was negotiated with a not-to-exceed amount of \$3,343,519;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves a Professional Services Agreement with LPA, Inc., in the amount not-to-exceed of \$3,343,519 for the City of Tracy Multi-Generational Recreation Center project.

\*\*\*\*\*

The foregoing Resolution 2022-\_\_\_\_\_ was adopted by the Tracy City Council on the 15<sup>th</sup> day of February, 2022, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.C

REQUEST

**ADOPT A RESOLUTION ACCEPTING THE CITY OF TRACY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

EXECUTIVE SUMMARY

The City's auditor, The Pun Group, has completed the review of the annual financial statements for the fiscal year ending June 30, 2021. The audited financial statements are incorporated into an Annual Comprehensive Financial Report (ACFR). The auditors have issued an unmodified ("clean") audit opinion. An unmodified opinion indicates that the financial data of the City is fairly presented in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States. These standards require that they plan and perform the audits to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

DISCUSSION

The City Council, on January 19, 2021, authorized the appointment of The Pun Group as the City's Auditor for fiscal years 2020-2021 through 2022-2023. The City is required to have an independent audit of its financial records conducted on an annual basis. The auditors have completed their review of the June 30, 2021 financial statements and have issued an unmodified opinion stating that the "financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tracy..."

The audited financial statements are incorporated into an Annual Comprehensive Financial Report, which provides additional analytical and statistical information to fully describe the City's financial condition. The ACFR is submitted to the Government Financial Officers Association of the United States and Canada (GFOA) for consideration of Award of the Certificate of Achievement for Excellence in Financial Reporting. The City has received this award for 32 consecutive years.

At June 30, 2021, the City's governmental funds reported combined fund balances of \$265.7 million, which is an increase of \$69.2 million or 35.2%, from \$196.5 million at June 30, 2020. Total revenues increased by \$21.8 million or 9.4%, from \$232.5 million at June 30, 2020 to \$254.3 million at June 30, 2021. Of this total, \$105 million was in the General Fund. Total expenditures increased by \$2.4 million or 1.3%, from \$189.5 million at June 30, 2020 to \$191.9 million at June 30, 2021. Of this total, \$76.9 million was in the General Fund. Expenditures increased in relation to capital outlay for capital improvement projects and the addition of City staff. Staffing levels expanded by an average of 2% annually throughout the organization.

|                           | FY 2021       | FY 2020       | Difference   |
|---------------------------|---------------|---------------|--------------|
| Governmental Fund Balance | \$265,746,600 | \$196,576,925 | \$69,169,675 |
| Total City Revenues       | \$254,376,380 | \$232,531,097 | \$21,845,283 |
| Total City Expenditures   | \$191,910,542 | \$189,501,158 | \$ 2,409,384 |

At June 30, 2021, the General Fund balance of \$34.0 million, was comprised of \$.04 million in non-spendable balances, \$2.3 million restricted funds for medical leave banks, \$16.4 million committed funds for Contingency/Emergency reserve (17% of operating revenues), and \$11.3 million in assigned funds. Included in this amount is \$10.9 million for Economic/Budget stability (13% of operating revenues) and \$0.3 million for carryover to balance FY21. There were \$4 million in unassigned funds at June 30, 2021. Fund balances have been classified in accordance with generally accepted accounting principles.

| (in thousands)     | Fiscal Year |           |           |           |           |
|--------------------|-------------|-----------|-----------|-----------|-----------|
|                    | 2021        | 2020      | 2019      | 2018      | 2017      |
| General Fund:      |             |           |           |           |           |
| Non-spendable      | \$ 40       | \$ 40     | \$ 470    | \$ 1,525  | \$ 5,117  |
| Restricted         | \$ 2,348    | -         | -         | -         |           |
| Committed          | \$16,401    | \$14,479  | \$14,883  | \$14,961  | \$11,716  |
| Assigned           | \$11,277    | \$6,112   | \$15,213  | \$20,997  | \$11,455  |
| Unassigned         | \$3,964     | -         | -         | \$842     | \$12,483  |
| Total General Fund | \$ 34,030   | \$ 20,631 | \$ 30,566 | \$ 38,325 | \$ 40,771 |

Fiscal Year 2020-21 was the sixth year of “Measure V” collection; a voter approved additional half cent sales tax approved in the November 2016 elections. The amount of Measure V tax proceeds received and recorded during fiscal year 2020-21 was \$13,843,143. The City Council has committed Measure V funds toward the development of a new aquatic center and multi-generational community gymnasium center, and improvements at Legacy Fields Sports Complex.

*Measure V Capital Funded City Amenities*

| Project                      | Accumulated Fund Balance as of June 30, 2021 |
|------------------------------|--|
| Aquatic Center               | \$15M  |
| Multi-Gen Rec Center-Phase 1 | \$18M  |
| Multi-Gen Rec Center-Phase 2 | \$0M   |
| Legacy Fields-Phase 1E       | Debt Finance                                 |
| Nature Park                  | \$0M   |
| Operations & Maintenance     | \$0.7M                                       |

STRATEGIC PLAN

This agenda item addresses Goal 2 of the Governance Strategy to ensure continued fiscal sustainability through financial and budgetary stewardship.

FISCAL IMPACT

There is no fiscal impact associated with this action.

RECOMMENDATION

It is recommended that City Council adopt a resolution accepting the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021.

Prepared by: Sara Cowell, Accounting Manager

Reviewed by: Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

ATTACHMENTS

Attachment A –Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021

# ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED ~ June 30, 2021



CITY OF  
**TRACY** CALIFORNIA  
Think Inside the Triangle™

333 Civic Center Plaza  
Tracy, Ca 95376  
209.831.6800





**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

of the

**CITY OF TRACY, CALIFORNIA**

For the fiscal year ended  
June 30, 2021

Prepared by the  
Finance Department

**KARIN SCHNAIDER**  
Finance Director

**SARA COWELL**  
Accounting Manager

**ROBERT HARMON, CPA (Inactive)**  
Senior Accountant

**FELICIA GALINDO**  
Budget Officer

**GUADALUPE PENA**  
Senior Accountant

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# Introductory Section



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**City of Tracy**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2021**  
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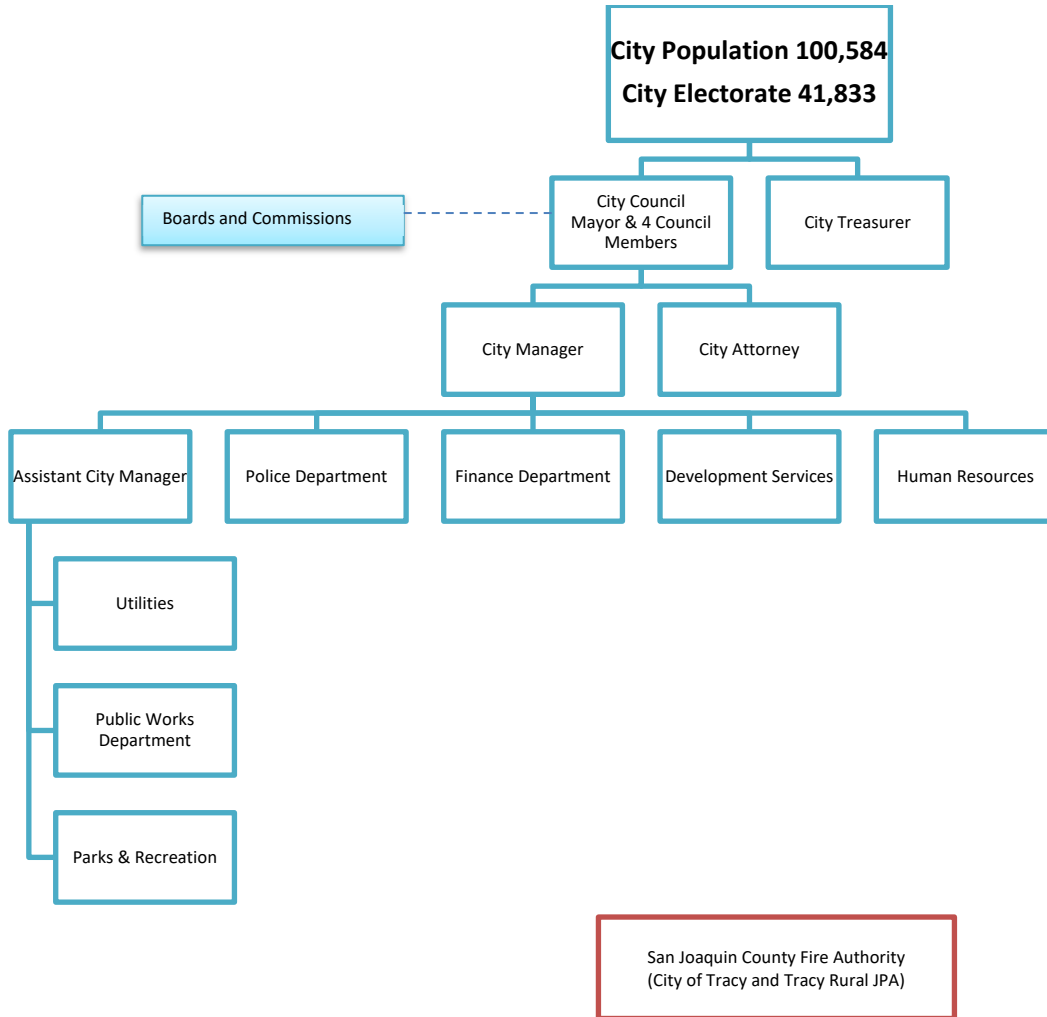
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**CITY OF TRACY  
ORGANIZATIONAL CHART**

**FISCAL YEAR 2020-2021**



**CITY OF TRACY, CALIFORNIA**

**COUNCIL – MANAGER FORM OF GOVERNMENT**

June 30, 2021

**CITY COUNCIL**

**NANCY YOUNG**

Mayor

**VERONICA VARGAS**

Mayor Pro Tem

**DAN ARRIOLA**

Council Member

**ELEASSIA DAVIS**

Council Member

**MATEO BEDOLLA**

Council Member

**OTHER ELECTED OFFICIAL**

**RAYMOND MCCRAY**

City Treasurer



# **CITY OF TRACY, CALIFORNIA**

## **EXECUTIVE TEAM**

**MICHAEL ROGERS**

City Manager

**MIDORI LICHTWARDT**

Assistant City Manager

**GREG RUBENS**

Interim City Attorney

**KARIN SCHNAIDER**

Director of Finance

**SEKOU MILLINGTON**

Chief of Police

**RANDALL BRADLEY**

Fire Chief

**KIMBERLY MURDAUGH**

Director of Human Resources

**DONALD SCHOLL**

Director of Public Works

**BRIAN MACDONALD**

Director of Parks & Recreation

**KULDEEP SHARMA**

Director of Utilities

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City of Tracy  
333 Civic Center Plaza  
Tracy, CA 95376

CITY MANAGER'S OFFICE

MAIN 209.831.6000  
FAX 209.830.6120  
[www.cityoftracy.org](http://www.cityoftracy.org)

January 31, 2022

Honorable Mayor and City Council Members  
Citizens of the City of Tracy:

We are pleased to present the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report fulfills that requirement for the fiscal year ended June 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report; based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The data in this report is presented in a manner that is designed to fairly set forth the financial position and results of operations of the City of Tracy (the City). It contains the disclosures necessary to promote in-depth understanding of the City's financial affairs and evaluate its financial condition. The City annually publishes a complete set of financial statements, presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited by an independent, certified public accounting firm.

The City's financial statements have been audited by The Pun Group, Accountants & Advisors of San Diego, Ca. The independent auditors concluded, based on their audit, that there was a reasonable basis for rendering an unmodified opinion; the City's financial statements for the fiscal year (FY) ended June 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is the first item presented in the financial section of this report.

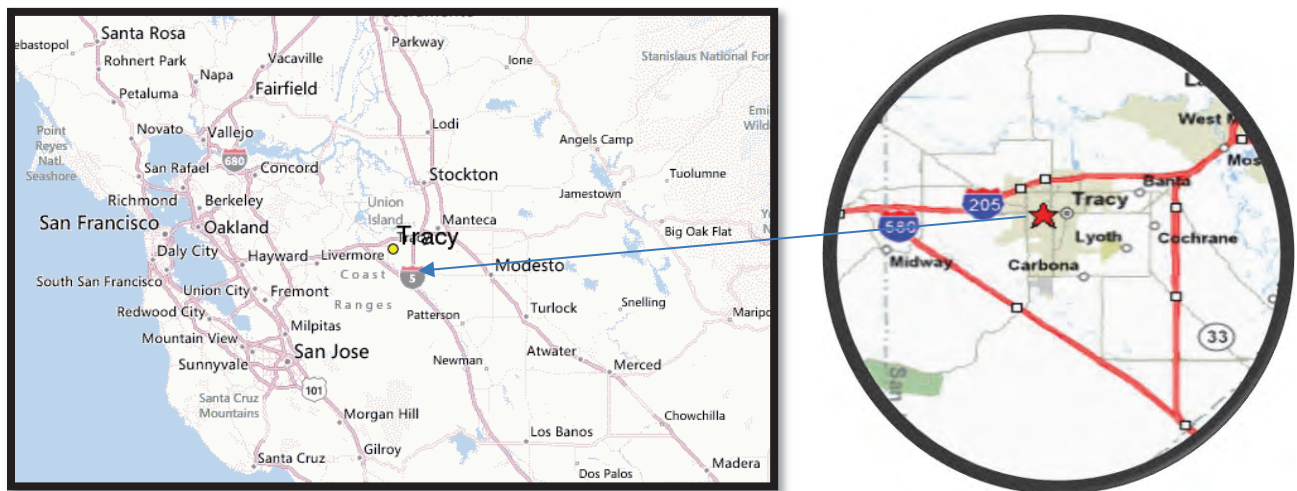
In addition to the financial audit, each year the City is required to undergo an audit of federal grant expenditures. That report is commonly referred to as a Single Audit report and is issued as a separate document and is not included herein. The Single Audit report includes the Schedule of Expenditures of Federal Awards, Findings and Recommendations, and an auditor's report on the internal control structure and compliance with applicable laws and regulations.

GAAP and Management require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements entitled, "Management Discussion & Analysis" (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors in the financial section of the ACFR.

**Profile of the Government:** Tracy is located on the western edge of the Central Valley in San Joaquin County. The City is 60 miles east of San Francisco and 70 miles south of Sacramento. The City is situated within a triangle formed by three interstate freeways: I-5, I-205 and I-580.

Tracy was founded in 1878 as a railroad center and was incorporated as a city in 1910. For many decades, it served both as a railroad center and farm market town. After World War II, the US Army opened and continues to operate a defense supply center, which shifted transportation of goods and people from railway to highways as the interstate system was developed. By 1960, the City's employment base included a few food-processing plants and small-related manufacturing operations. Over the decades, the City saw growth that has reflected the progression of suburban areas in the Bay Area; with large expansion in the 1980's, 2000's and now again as the housing markets have rebounded after the Great Recession. The City's economy has diversified into local and international manufacturing, commercial and distribution centers.

The City's proximity to three major highway systems has promoted the City's motto of "Think Inside the Triangle" where Interstate 5, 580, and 205 create a triangle of transportation around the city's sphere of influence.



Situated as the first major city east of the Altamont Pass, Tracy is considered an outer suburb of the Bay Area. It is the second largest City in San Joaquin County, and although the Stockton-Lodi Metropolitan Statistical Area (MSA) does not directly border San Francisco, it has now been added to the San Jose – San Francisco – Oakland Combine Statistical Area (CSA) due to being economically connected to the other nine counties in the region. The population and size of Tracy has increased from 18,428 and 7.0 square miles in 1980 to over 92,000 and 29.1 square miles in 2021. The San Joaquin Council of Governments (SJCOG) forecasts that Tracy's population is anticipated to grow to nearly 130,000-150,000 by 2040. The SJCOG population projections are based on the growth projections developed by the Eberhardt School of Business at University of the Pacific (UOP) in collaboration with SJCOG.

The City operates under the council-manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and a four-member Council. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for

overseeing the day-to-day operations of the government, and for appointing the heads of the government's departments. The Council is elected on a non-partisan basis. Council members are elected to four-year staggered terms, with two Council members elected every two years. The Mayor is elected every two years.

**Economic Conditions and Outlook:** Working with our local and regional partners, the City continued to actively promote itself as an ideal place for residential and commercial investment. The City's economic development efforts continued to succeed with the expansion of several existing businesses, the construction of new distribution facilities and office space, and the opening of new retail opportunities. In addition, the City's housing stock is rising as multiple housing developments are currently under construction. Historically, San Joaquin County and the City of Tracy economies were agricultural-based businesses and small manufacturing; however, the need for affordable housing and vast land opportunities, Tracy has been transforming into a city with multiple residential, multi-residential, and commercial prospects, such as, advanced manufacturing, technology and business start-ups, e-commerce distribution centers, retail opportunities, and cannabis businesses.

Tracy's growth is attributed to its strategic location at the gateway to the Tri-Valley portion of the Bay Area. Residents tend to work in the Livermore Valley, East Bay, and San Jose, but relocate to Tracy for the wide range of housing options, business-friendly environment, and high quality of life. The transit linkage to the Tri-Valley and the Silicon Valley with the ACE line and future Valley Link plan, combined with investment into historic downtown has created a buzz about the City's emergence as a great place to live, work, and play.

Tracy's affordable housing prices are below that of the San Francisco Bay Area, which along with low interest rates, has been driving demand in the City housing market for more than a decade. The City has the strongest housing and commercial market in San Joaquin County with the lowest vacancies, reflective of its strong desirability and pent-up demand. Tracy has also developed a retail corridor, adjacent to the highways, that has become a regional destination. Development of new hotel inventory and adoption of cannabis regulations are also expected to diversify the City's tax base and increase respective revenues, and businesses continue to view Tracy as a "smart money" investment. COVID created unprecedented demand for logistics, cold storage, and other e-commerce facilities, which drove industrial rents and values to record levels and put pressure on new development. The City has worked closely with developers to enable significant infrastructure investment to continue stimulating building construction and attraction of new companies to Tracy. The City's Sales Tax revenues growth are reflective of the investment in e-commerce businesses.

Tracy has historically been a regional retail destination with some of the highest per capita sales in the County. This is in part attributed to diversity of the local retail base ranging from regional retail (e.g., West Valley Mall and surrounding retail cluster) to smaller niche retail offerings in the City's historic downtown. The strength of the local retail market is evidenced by relatively low and decreasing vacancies over the last decade. Even after COVID-19 forced many national retail chains into bankruptcies, the City was able to offset some of the vacancies with new business openings. For example, a national craft retail chain, Hobby Lobby, plans to start its retail operation at the former JCPenney location in early 2022.

Continuing vibrant outward expansion of the Bay Area has pushed industrial, warehousing, and logistics growth into the region. New warehouse and industrial commercial space inventories continue to increase throughout the City. For example, Prologis is currently developing an 800,000-square foot state of the art e-commerce facility called Big Bird located at the North East

Industrial area, which represents the future in industrial technology and design. The City's growth, combined with strong residential and industrial markets, have strengthened the City's property tax revenue production. The City's International Park of Commerce (IPC), an 1,800-acre master planned business park and regional cradle of economic activity, is more than half built out. As the largest asset in Prologis' global portfolio and one of the largest business parks across the Country, it is home to Amazon, FedEx, Medline, Smuckers, Thermo Fisher Scientific and Zinus. In 2021, they added three new warehouse/e-commerce businesses: Ghirardelli, Lowes, and Home Depot. Also, in 2021, Prologis opened a new office park. This 35,000 square foot building is the first office development in Tracy since 2004 and will be the first office building in Prologis' global portfolio. Under development is a retail/hotel site adjacent to the IPC area that will generate additional tax dollars to support City services. At buildout, IPC is expected to support 30,000 jobs.

The diversity of Tracy's economy and limited reliance on tourism resulted in the economic contraction below that was experienced by many coastal communities. Compared to regional and statewide sales tax demographics, the City's sales tax (pre-COVID-19) has been dominated by Business and Industry, which almost all have remained open in some capacity during this emergency. The second two dominant sales tax generators for Tracy are auto and general consumer goods. These sectors are expected to recover relatively swiftly. This is also true of Transient Occupancy Tax (TOT) revenues related to hotel stays. The City's hotel tax is dominated by business travel and industry support. As travel restrictions ease, it is expected that hotel occupancy will rise.

While Statewide retail, tourism, and restaurants were disproportionately affected by COVID-induced restrictions, the impacts were not as severe in Tracy. The City encouraged parklets to expand outdoor dining and did regular campaigns to encourage support for the local restaurants. Many residents who previously worked outside of the City, found themselves teleworking, which reflected in more local retail sales. Housing also saw a boom from telework employees who could remote to work in a larger more affordable housing environment. Nationally, the use of e-commerce shopping boosted the sales coming from the various distribution centers located in Tracy. Tracy's financial condition is expected to continue to improve as the economy is stimulated by pent-up demand from the COVID-induced closures, restrictions, and supply chain shortages.

Over the last year, the City made significant investments in business retention efforts to preserve its small business ecosystem from COVID-induced challenges, while continuing to recruit new businesses and diversifying its the economic base. This included funding \$500,000 in General Fund: Measure V Sales Tax dollars in a \$5,000 small business grant: helping 100 businesses in need of support. In 2020, the Federal government allocated approximately \$1.1 million in CARES funding and the City is expected to receive over \$15 million in stimulus from the American Rescue Plan Act (ARPA) funding over two fiscal-years. The funds have supported the City's response to the impacts of the pandemic and provided assistance to residents and local business in their fiscal recovery. These development and preservation strategies continue to expand the City's growing economy, which contributes the growing tax and employment base.

**General Fund Fiscal Challenges:** Almost two years ago, the world as we knew it changed. COVID-19 emerged, causing a global pandemic that turned humanity's life upside down. From individual isolation to an abrupt disruption of international economies, uncertainty became the new normal. This uncertainty eventually extended to the City's ability to address its existing budgetary shortfall given the fiscal impact on Tracy's local economy. Before the pandemic, the



City's expenditures were increasing faster than the revenue to support them. The City was projected to have a third year of drawing down reserves in FY 2020-21 and was at risk of having reserves drop below the City's General Fund reserve policy. This challenge coupled with the economic impacts of the pandemic only highlighted the City's structural deficit.

In light of the impacts anticipated from COVID-19 and the existing structural deficit, the proposed FY 2020-21 Operating and Capital General Fund budget shortfall had a projected deficit of \$11.0 million during the early drafts of the budget development. The City Manager compiled approximately \$6.4 million in budget reductions to close the budget gap. The following is a list of budget strategies that were adopted in the FY 2020-21 General Fund budget:

- Implement citywide hiring freeze of select vacant positions (\$3.5 million)
- Defer vehicle and equipment contributions and purchases (\$2.1 million)
- Delay the allocation of Mayor's Community Youth Support Network (MCYSN) Grant Program (\$200,000)
- Reduce professional services contracts and supplies citywide by 10% (\$600,000)

On June 16, 2020, the City Council adopted the FY 2020-21 Operating and Capital budget, which showed a projected deficit of \$4.6 million in the General Fund for June 30, 2021. The City Council authorized the use of the Economic/Budget Stabilization Reserves as a funding source for the General Fund and Measure V Capital funds; both required a resolution to ensure the funds were restored if used. As part of the FY 2020-21 budget planning, the City Council formed a Council Fiscal Sustainability Ad-Hoc Committee to guide the development of a long-term strategic plan to ensure the City can meet the growing service needs of the community. The Committee's scope was to provide policy guidance as it relates to the development of a multi-year fiscal sustainability plan to address the City's structural deficit and impacts associated with COVID-19. The Ad-Hoc Committee considered a variety of short- and long-term budget strategies. The Committee's effort resulted in the development and Council adoption of twelve key budget principles and multiple revenue enhancing and expenditure reducing budget strategies totaling nearly \$18 million; of which, \$13 million are actively being pursued.

**General Fund Fiscal Highlights:** New housing units being added to the assessor's roll, coupled with commercial developments in the community, and higher property values, have led to a steady increase in local property tax revenues. Developments in the community, in conjunction with increased consumer confidence and a strong labor market, have all contributed to the strengthening of the General Fund. Property Tax revenue increased in FY 2020-21 over FY 2019-20 by \$2.3 million, approximately 9%. The City estimates it will continue to grow another 5% annually over the next 3-5 years.

In addition to the growth in commercial and residential, the City Council and voters passed in November 2016 an additional ½ cent local sales tax (known as Measure V) that has a twenty-year sunset (expires April 2037). Over the last four years, the City Council has adopted several resolutions, which prioritized Measure V Sales Tax to fund four amenities located in the City: The Aquatic Center, Multigenerational Recreation Center, Legacy Fields Sports Complex, and the Nature Park.

Below is the City Council’s priorities (in no particular order) and the projected timelines of the projects, based on a hybrid of debt and pay-as-you-go funding.

*Measure V Funded City Amenities*

| Project                      | Measure V Budget | Accumulated Fund Balance as of June 30, 2021 | Pay-Go Funding Timeline*            |
|------------------------------|------------------|--|-------------------------------------|
| Aquatic Center               | \$55M            | \$15M  | 2019-2026                           |
| Multi-Gen Rec Center-Phase 1 | \$20M            | \$18M  | 2019-2022                           |
| Multi-Gen Rec Center-Phase 2 | \$20M            | \$0M   | 2027-2029                           |
| Legacy Fields-Phase 1E       | \$21M            | Debt finance                                 | 2022<br>(debt is fifteen-year term) |
| Nature Park                  | Unfunded         | \$0  | After 2030                          |
| Operations & Maintenance     | \$40M            | \$.7M  | 2019-2037                           |

*Note: Timelines may shift based on future Council direction regarding pay-go projects. Projects may have multiple phases and/or funding during timeline.*

As mentioned above, at the beginning of FY 2020-21, the City’s ten-year forecast showed year over year decline in reserves. The City’s expenses were outpacing revenues despite a thriving housing and commercial market. Fast forward one year to the last quarter of FY 2020-21, the City received the January-March 2021 Sales tax disbursement from the State of California Department of Tax Franchise Administration (CDTFA), which resulted in a significant change in the City’s estimated General Fund revenues. The result was due to a recent change in tax reporting by a predominant e-commerce business located within Tracy. This reporting change shifted the tax allocation directly to Tracy as the point-of-sale jurisdiction. Prior to this, the e-commerce business reported California Bradley Burns Sales Tax through the County sales tax pool where the tax was distributed pro-rata throughout the State regardless of the location of the distribution center from which the goods shipped. The change will have a significant and material impact on the City’s General Fund revenues; nearly doubling the current Sales Tax revenues for the City. The estimated revenues from the reporting change are expected to grow an average of over \$5 million a quarter.

Despite the restrictive economic conditions brought on by the pandemic, the City General Fund is expected to have an annual surplus of almost \$20 million for the next three years. The City Council and staff are developing fiscal sustainable strategies to fund liabilities, invest in infrastructure maintenance and new capital, and developing new or expanded programs to serve the community and businesses in Tracy. These funding strategies will reflect the communities’ input gathered from the National Community Survey, which will be underway in FY 2021-22; and incorporated into the FY 2022-23 budget process.

**Other Fund Fiscal Highlights:** The Council has been committed to having development pay its own way. The City continues to review and update the developer impact fees throughout the City to ensure adequate infrastructure is in place to meet the demands of an ever-growing city. The Council also adopted a Citywide Services Community Facilities District, CFD 2018-1, in January of 2018. It will be superseded by Citywide Services Community Facilities District, CFD



2021-2, which provides for a broader use of funded services. Any new development of 5 or more units is expected to join or mitigate the costs associated with the Police and Public Works services demands connected to new development. The CFD taxes are set at \$70 per parcel, per year and has an inflation rate set to the Consumer Price Index; and will offset the costs associated with adding personnel to meet future population growth in the developing communities of Tracy. Moreover, the City conditions new commercial development to fund street improvements and both residential and commercial to fund street and traffic light costs.

Development throughout the City has resulted in an increase in planning, engineering, and building revenues over prior year, \$3.4 million or 14%.

In addition, the City has adopted several financing infrastructure plans (FIPs) and Master Plan Impact Fees to fund the improvements for new road, expansion of utility services, and enlargement of facilities needs that are brought on by new development. For example, the City's Master Plan fees provided over \$30 million in funding for two major Wastewater Treatment Plant expansion and outflow projects in the last two years. The City is also in the design and construction of several roadway and highway widening projects. These projects will be paired with regional impact fees, State and Federal grants and are estimated at \$100 million over the next several years. The FY 2020-21 revenues increased approximately \$16 million in total for all project areas, which is nearly a 100% increase over FY 2019-20. For more information on City impact fees and authorized projects, please see the City's website for the annual [AB 1600 report](#).

The City reported a new Major Fund in the Governmental Funds as a result in two large Federal stimulus grants, CARES and ARPA. The City received approximately \$8.5 million in FY 2020-21 and anticipates the second payment for \$7 million in FY 2021-22. These funds have been used to offset the fiscal impacts of the pandemic. The City's Airport and Transit Enterprise Funds also received Federal CARES grants to mitigate loss revenues due to the pandemic.

The City of Tracy has four utilities, Water, Wastewater, Solid Waste, and Storm Drain with approximately 27,000 customers depending on the service. The growth in residential and commercial development translated to a growth of 700 customers, or 2.5%. Since March 2020, the State has mandated a no shut-off and penalty moratorium. This resulted in customer arrearages growing to over 2000 accounts (approximately 7%) at an estimated value of \$2.3 million over all utilities. In past years, the City delinquent accounts have remained under 3% with an estimated value of \$800,000 for all accounts. In FY 2021-22, the City applied and qualified for A Water Customer Arrearage Grant and is expected to receive \$700,000 from the State Water Board to apply to delinquent water accounts. The State Water Board may also open a grant for Wastewater arrearage accounts; however, this grant will not be announced until Spring 2022. The City will be considering additional funding options to assist utility customers unpaid account balances.

**Budgetary Controls:** The Tracy Municipal Code requires that the City Council adopt a budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund (i.e. General Fund, Enterprise Fund, etc.), by department (e.g. Police, Fire, etc.), and by program (i.e. Patrol Services, Traffic Enforcement, Fire Support, etc.). Department heads may transfer resources within a department as they see fit with the approval of the City Manager. Amendments to total fund appropriations or transfers between funds; however, need approval from the City Council.

Quarterly, staff prepares a report to the City Council on the year-to-date revenues and expenditures as compared to the adopted and amended budget as part of the on-going budget monitoring process. These reports provide timely updates to the City Council on operating and capital budgets and provides the opportunity for consideration of budget augmentations.

**Long-term Fiscal Planning:** The City Council of Tracy remains committed to maintaining fiscal sustainability while providing high quality public safety, public works, and community development to meet its existing and future needs. In 2020, the Council adopted a two-year Strategic Priority Work plan and identified desired outcomes related to the City's social, economic, organizational, and environmental landscape. The Council adopted a governance strategy designed to retain and attract talent, enhance fiscal stability, improve the use of technology, and enhance transparency for the betterment of the community. In response, a set of strategic priorities, goals and objectives were adopted to carry out the vision of the City Council. The Council's strategic priorities, along with their goals and objectives, are the foundation for development of the budget and forecast.

The City prepares a ten-year fiscal plan annually as a tool for the Council to meet these strategic priorities and budget development. The City's fiscal strategy includes the creation of a financial forecast to evaluate current and future fiscal conditions and is to guide policy and programmatic decisions. As part of building the multi-year forecast, the City uses information based on past, current, and projected financial conditions. As part of the strategic planning and long-term forecasts, the City has developed and maintains several tools to provide analytic measurements of future fiscal impacts. First, the ten-year forecast includes two separate actuarial studies to analyze the impacts of employee retirement benefits on the City's finances over time. One is focused on the fiscal impacts of pension and one on retiree medical costs. Secondly, the City has three separate studies on revenue forecasts based on economic trends surrounding short and long-term retail and housing markets. The City overlays each of these studies into the planning documents to create a multi-faceted approach to fiscal analysis and planning.

The goal of the City's annual Operating and Capital budget is to provide a plan that allocates resources to meet the needs and desires of Tracy's residents. It balances City revenues and costs with community priorities and requirements. In preparing the FY 2020-21 Operating and Capital Budget, City staff reviewed the FY 2019-20 budget and estimated the expenditures and revenues anticipated for the next year, FY 2020-21.

The economy is recovering both in housing prices that bolster property tax and diversification in commercial and retail that grows and strengthens our sales tax revenue. With that being said, the economy has natural growth and contractions that are outside of the City's control. Even with solid financial planning and long-term forecasting, not all future outcomes can be predicted. Knowing that, the City has positioned itself well by building financial reserves, adopting strong fiscal policies, and passing important revenue measures to support City services. However, even with these proactive steps, the City, like other agencies, will continue to be faced with unmet needs in an environment where resources are limited.

This has helped identify future revenue and expenditure trends that may have an immediate or long-term influence on government policies, strategic goals, funding obligations, or community services. The City uses the five-year financial forecast as a management tool to best anticipate inflows and outflows of City resources in the short-term, then projects out these trends into the longer ten-year model to ensure budget sustainability. Modeling of long-term strategies also allows marginal shifts to occur over time to maintain healthy reserves while still actively

improving services to the public. The forecast has become an integral part of the annual and mid-budget process.

**City Council Strategic Priorities and Major Initiatives in 2021-2023:** The Annual Comprehensive Financial Report echoes our continued investment in City services to our residents and businesses, but also to those we invite to work in and/or visit the City of Tracy. There are a number of economic development efforts that have been a City focus for several years, with job creation and growth being at the forefront. This continues to be a priority for the City, including ensuring a positive working relationship with the business community, so that the City's business attraction efforts successfully bring targeted industries and retailers to our community. Tracy strives to provide services that promote a safe community for our residents, businesses, and visitors. This remains a high priority to our City Council and City Administration. The financials reflect the desired operational outcomes of each City department as they relate to the City Council's 2021-2023 Strategic Priorities Work Plan:

### **Economic Development**

*To enhance the competitiveness of the City while developing a strong and diverse economic base.*

- Approved over 150 zoning/land use/development-related permits, including more than 15 major projects requiring Commission or Council action in the Tracy Hills Specific Plan, Cordes Ranch Specific Plan, Ellis Specific Plan, I-205 Corridor Specific Plan, Infill, Northeast Industrial Area, and South Industrial Areas Specific Plan areas.
- Building valuation for construction work completed totaled \$1,233 million
- Approved Scope of Work to begin Transit Oriented Development (TOD) Plan to develop land use planning and investment strategy to further revitalize Downtown by maximizing zoning opportunities on vacant lands, identifying greater connectivity options for access to Downtown and planning for successful integration of transit (including possible train station) into the Downtown fabric.
- Developed and directed the implementation of the City's COVID-19 Community Recovery Plan. This effort established clear guidelines for the Tracy business community to access financial and public-health related information resources to ensure business continuity in a fast-changing regulatory environment related to the pandemic. It also included strategies to keep local businesses open by flexing local zoning laws/permitting related to outdoor dining and temporary land uses.
- Awarded FY 2020-21 and FY 2021-22 Community Development Block Grant Funding (CDBG). This effort promoted continued success of various non-profit organizations assisting broad ranges of household in Tracy.
- Completed seven Specific Plan Amendments (SPA), including Tracy Hills KT revision, Tracy Hills Phase 1B/1C, Tracy Hills 35-Acre Annexation, Tracy Hills garage requirements, Tracy Hills Phase 1A Village 7C, Project Big Bird in the NEI Specific Plan, and combining Ellis Specific Plan with the Avenues Specific Plan; and completed four General Plan Amendments (GPA), including GPAs for Tracy Hills Phase 1B/1C, Tracy Hills 35-Acre Annexation, Tracy Hills Phase 1A Village 7C, and the Ellis Specific Plan. Collectively, this represented the zoning and land use permits for hundreds of acres of additional new development of residential, commercial, and industrial uses throughout the community, furthering the City's economic development objectives and widening opportunities for sales and property tax enhancement.
- Implemented the first round of cannabis business permit applications, including review of 41 applications and approving 11 retail permits to proceed to Conditional Use Permit process
- Created a downtown parklet program to secure funding for continued outside dining opportunities in downtown.

- Awarded 100 \$5000 small business forgiveness loans to provide fiscal relief to the impacts of pandemic, totaling \$500,000

## **Public Safety**

*To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education and prevention, intervention, and suppression services that meet the needs of our community, inclusive of businesses and residents.*

- Secured capital funding to begin the planning and design of the City's Temporary Emergency Housing Facility Project; including awarded \$329K in Homeless Housing, Assistance and Prevention grant (HHAP) from San Joaquin County; partnered with a local non-profit to stand up a temporary seasonal warming center.
- Completed and presented a Fiscal Analysis of the South San Joaquin County Fire Authority (SJCFA) Personnel Transition Plan (Phase 2) and coordinated the transition of personnel from the City of Tracy to SSJCFA effective January 2, 2022
- Replaced West Covina Computer Aided Dispatch (CAD/RMS) with new Mark43 CAD/RMS to meet Department of Justice (DOJ) compliance and upgraded router to improve DOJ connectivity and meet new security requirements.
- Added three new police officers with partial funding received from DOJ Community Oriented Policing (COPs) grant
- Awarded \$42,500 from Office of Traffic Safety to fund community outreach and additional enforcement for traffic related issues, such as driving under the influence (DUIs) and distracted driving.
- Seized 4,160 marijuana plants, 55 lbs. of processed marijuana for sale, 96.54 grams of Cocaine, 21.21 lbs. of methamphetamine, 387 illegal pills, 11 firearms, and \$132,910 in cash.

## **Quality of Life**

*To provide an outstanding quality of life by enhancing the City's amenities, business mix and services, and cultivating connections to promote a positive change and progress in our community.*

- Completed 32,785 building-related inspections; processed 3,808 building permits and issued 3,691 building permits; completed Planning review of 786 building permits, including 1,329 total rounds of review; generated \$11.4 million in building permit/plan review revenue.
- Engaged in legislative advocacy efforts that support the City's fiscal foundation and quality of life.
- Developed and directed the implementation of the City's COVID-19 Community Recovery Plan, while coordinating with San Joaquin County Public Health and Office of Emergency Services to disseminate information on COVID-19 to the public.
- Awarded two grants, totaling \$610,000, for affordable housing related projects.
- Accepted Park 1, Park 2, and Park 3 of Tracy Hills Phase 1A development adding approximately 11 acres of parkland.
- Completed construction of \$5M Legacy Fields Sports Complex Phase 1D-CIP 78164 for electrical upgrades with Stadium lighting and pedestrian lighting for eight soccer and five baseball fields, installation of shade structures, security system, perimeter paving and site furnishing improvements, landscape, and irrigation.
- Completed construction of \$6M for MacArthur Drive widening (Valpico Road to Schulte Road) from two lanes to four lanes with median island, streetlights, and landscaping.
- Completed construction of \$130,000 sidewalk, curb/gutter repairs for various streets.
- Converted the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs to a fully electronic process using the City's new Ecivis Grant Management System.

- Awarded \$498,077 in CDBG funding to local non-profits and \$163,461 in HOME funding to support the construction of the Tracy Homeless Shelter project.
- Began construction of Alden & Yasui Park Playground Renovations.
- Completed construction on the Legacy Fields Pump Station Improvements.
- The Senior Center welcomed 350 new seniors who registered as new participants and awarded scholarships to 38 seniors to use for various classes for meal programs.
- Implemented Tracer Plus pilot program, an on-demand service to provide public transit on Sundays and outside of normal fixed route hours on Saturdays.
- Received a grant from Caltrans to provide free bus rides for students.
- Rebel Services completed the install of the self-serve Jet A point fueling system to the airport fuel island, which over \$25,000 in new revenue from fuel sales
- Developed and implemented an online Distance Learning platform in the Arts Education Program and Senior and Youth Recreation
- Established a Police Youth Advisory Board.
- Began construction for the Wastewater Treatment Plant Expansion, Phase 2B Project; constructed and began supplying water to Tracy Hills from new Booster Pump Station; began design work of the Tracy Hills Phase 5 Water Pump Station; continued the connection of the Outfall Effluent Pipeline Project and the rehabilitation of the Lewis Manor Well #5.

## Governance

*To retain and attract new talent, enhance fiscal sustainability, improve the use of technology, and enhance transparency for the betterment of the Tracy community.*

- Launched DocuSign e-signature platform.
- Launched new City website and provided staff training.
- Assisted with the completion of a rate study for water and wastewater funds to maintain operations, debt, capital, and reserve levels to maintain the sustainability of these utilities.
- Monitored, applied for, and was awarded over a \$1 million in grants to allocate towards COVID mitigation efforts.
- Developed and implemented a Grant Management Program, Policy and Procedures.
- Improved budget process and assisted departments in budget implementation process.
- Increased the number of electronic transaction options for customers.
- Completed the full implementation of the Fire Authority's fee schedule to assist in cost recovery measures.
- Hired 51 new employees and promoted 34 City of Tracy employees in calendar year 2021.
- Successfully negotiated with seven represented bargaining units to update the Memorandum of Understanding (MOU's) for two-year contracts from July 1, 2021 to June 30, 2023 with employee cost of living adjustments of 3% each fiscal year.
- Streamlined the Administrative Citation Process in collaboration with Animal Services, Finance, and Code Enforcement to ensure timely collection of revenue.
- Completed Groundwater Sustainability Plan.
- Received Environmental Laboratory Accreditation Program (ELAP) Certification from the State Water Board

**GASB 54:** The City is required to produce its financial statements in conformity with GASB 54. This GASB requirement concerns mainly the designation of fund balance into use categories. In addition, Statement 54 clarifies how rainy-day amounts are reported by treating stabilization arrangements as a specified purpose. Consequently, amounts constrained to stabilization must be reported as "committed" or "assigned" fund balance in the General Fund if they meet the other criteria for those classifications. In October 2014, the City Council adopted a stabilization



policy and created three stabilization reserves and revised the policy in June 2020. Please refer to Note # 9 for more information.

**Summary of the General Fund Reserves as of June 30, 2021**

|               |                                  |                          |
|---------------|----------------------------------|--------------------------|
| Non-Spendable | Loans Receivable                 | \$ 40,000                |
| Restricted    | Fire Medical Leave Bank          | 974,652                  |
|               | Medical Leave Bank               | 1,373,412                |
| Committed     | 17% Reserve                      | 16,401,047               |
| Assigned      | 13% Reserve (Economic Stability) | 10,934,031               |
|               | Prior Year Re-Appropriations     | 320,865                  |
|               | Animal Control                   | 22,193                   |
| Unassigned    |                                  | <u>3,964,054</u>         |
|               |                                  | <u><u>34,030,254</u></u> |

**GASB 68 & 71:** These accounting standards deal with reporting of pension liabilities. These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. These standards were designed to improve and provide transparency to the accounting and financial reporting for state and local government defined benefit pension plans and to bring governmental employer accounting and reporting standards closer in line with private sector requirements. The City implemented GASB Statement No. 68 and GASB Statement No. 71 in FY 2014-15.

Prior to FY 2014-15, information on the pension liabilities were disclosed in the note disclosure and required supplementary information sections of the ACFR. With the implementation of GASB 68, the net pension liability is reported on the face of the Statement of Net Position, effectively reducing an entity’s overall net position. Thus, GASB 68 changed the accounting and financial reporting requirements of pension obligations by reporting pension obligations not only on the note disclosure and required supplementary information sections but also on the face of the basic financial statements. GASB 68 affected the reporting and accounting “presentation” of the City’s pension liability; however, it is not a new liability and the City has been disclosing and is profoundly aware of this liability.

**GASB 75 – Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions:** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaced the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 75, Financial Reporting for Postemployment Benefit Plans Other Than

Pension Plans, established new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB are also addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity. The City implemented GASB 75 in FY 2017-18.

**Gann Limit vs. Appropriations Subject to Limit:** Proposition 4, the "Gann Initiative," was passed by California voters in 1978, and is intended to limit government appropriations. The appropriations limit is calculated each year based upon fiscal year 1978-79 appropriations, which is modified by the composite consumer price index and population changes that have occurred in subsequent years. The City's appropriations limit and the estimated appropriations subject to the limit for the FY 2020-21 amounted to \$72,717,205 and \$60,747,828 respectively. City appropriations subject to the limit have consistently remained far below the appropriation limits and are not expected to deviate from this trend in the foreseeable future.

**Awards and Acknowledgements:** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tracy for its comprehensive annual financial report (ACFR) for the fiscal year ended June 30, 2020. This was the 33<sup>rd</sup> consecutive year that the government has received this prestigious award. To be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire Finance Department staff. Each member of the Department has my appreciation for the contributions made in the preparation of this report. We would also like to recognize the Mayor and City Council for their guidance and support in the City's pursuit of excellence in financial reporting.

Respectfully submitted,

DocuSigned by:  
  
2454197F06FE485...  
Michael Rogers  
City Manager

DocuSigned by:  
  
80832973E47C485...  
Karin Schnaider  
Finance Director

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# Financial Section



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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members  
of the City Council of the City of Tracy  
Tracy, California

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tracy, California (the "City"), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of South San Joaquin County Fire Authority (the "Authority"), which represent 100% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mayor and Members  
of the City Council of the City of Tracy  
Tracy, California  
Page 2

### **Emphasis of a Matter**

#### *Implementation of GASB Statement No. 84*

As discussed in Note 1 to the financial statements, the City implemented GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation, the City converted the former agency funds, which previously reported assets and liabilities only, to custodial funds and reported a restatement of its net position in the amount of \$41,943,929. The Regional Transportation Impact fund was reclassified to capital projects fund and reported a restatement of its net position in the amount of \$11,036,853. In addition, the payroll-related funds (Medical Leave Bank Fund, Payroll Clearing Fund, and Post Employment Benefit Trust Fund) were reclassified and reported in the general fund and governmental activities and reported restatements of the fund balance/net position in the amounts of \$2,415,718 and \$3,189,083, respectively. Our opinion is not modified with respect to this matter.

#### *South San Joaquin County Fire Authority*

As discussed in Note 1 to the financial statements, the City determined the South San Joaquin County Fire Authority (SSJCFA) should be reported as a discretely presented component unit in the basic financial statements. In the prior year the SSJCFA was reported as a blended component unit in the special revenue funds. As a result of the change in the reporting entity, the City reported restatements of the fund balance/net position in the South San Joaquin County Fire Authority special revenue fund and governmental activities in the amounts of \$2,760,535 and \$2,805,923, respectively. Our opinion is not modified with respect to this matter.

### **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules of Changes in Net Pension Liability and Related Ratios, Schedules of Contributions – Pension, and Schedule of Changes in Total OPEB Liability and Related Ratios and Schedule of Contributions – OPEB, on pages 5 through 19 and 121 through 133 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Mayor and Members  
of the City Council of the City of Tracy  
Tracy, California  
Page 3

***Other Information***

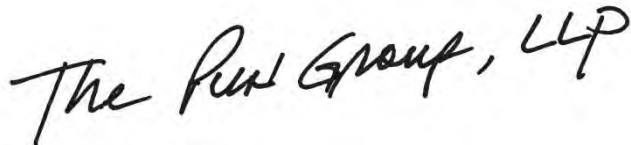
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules, and Statistical Section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California  
January 31, 2022

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**City of Tracy**  
**Management Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2021**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis provide an overview of the City of Tracy's financial performance for the fiscal year ended June 30, 2021. This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). We encourage our readers to consider this information in conjunction with the information provided in the accompanying basic financial statements and notes thereto.

**FINANCIAL HIGHLIGHTS**

- The City's assets and deferred outflows of resources exceeds its liabilities and deferred inflows of resources at the close of the 2020-21 fiscal year by \$1,336 million Net Position. Of this amount, \$53.2 million Unrestricted Net Position is designated to be used to meet ongoing obligations to citizens and creditors.
- The City's total net position increased by \$62.4 million, with \$58.5 million attributable to governmental activities and \$3.9 million attributable business-type activities.
- As of June 30, 2021, the City's combined governmental funds reported fund balance of \$265.7 million, of which \$68.0 million is committed (\$16.4 million), assigned (\$49.8 million), or available (\$1.8 million) to meet the City's current and future needs.
- As of June 30, 2021, the fund balance for the General Fund was \$34 million of which \$40 thousand is designated as Non-Spendable for items such as deposits, prepaid assets, inter-fund advances, and inventory. Restricted fund balance was \$2.3 million, designated for medical leave bank. Committed fund balance was \$16.4 million, designated for Contingency/Emergency. Assigned fund balance was \$11.3 million, designated for items such as prior reappropriation and fiscal sustainability. Unassigned funds were \$4 million as of June 30, 2021.

**OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT**

The Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of the following sections:

- 1) Introductory Section, which includes the Transmittal Letter and general information,
- 2) Management's Discussion and Analysis,
- 3) The Basic Financial Statements, which include the Government-wide and the Fund Financial Statements, along with the Notes to these financial statements,
- 4) Required Supplemental Information,
- 5) Combining Statements for Non-major Governmental Funds and Internal Service Funds,
- 6) Statistical Information

**The Basic Financial Statements**

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position.

**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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**OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONTINUED)**

*Government-wide Financial Statements*

The Government-wide Financial Statements provide a longer-term view of the City's activities as a whole and are presented in a manner similar to a private-sector business. These statements are comprised of:

*Statement of Net Position* – Presents information on all City assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as *Net Position*. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

*Statement of Activities* – Presents information reflecting any change in the government's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs (regardless of the timing of related cash flows). Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and compensated time leaves).

Both of the Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

- Governmental activities – All of the City's basic services are considered to be governmental activities, including general government, public safety, public ways and facilities/transportation, public works, and culture and leisure. These services are supported by general city revenues such as taxes, and by specific program revenues such as developer fees.
- The City's governmental activities include not only the City of Tracy (known as the primary government), but also the activities of the Tracy Operating Partnership Joint Powers Authority, Tracy Public Financing Authority, and the Tracy Industrial Development Authority, which are controlled by and dependent on the City. While they are separate legal entities, City Council serves in separate sessions as the governing body of the Tracy Operating Partnership Joint Powers Authority, the Tracy Public Financing Authority, and the Tracy Industrial Development Authority; and the City is financially accountable for those entities. The financial activities of all three entities have been aggregated and merged, termed "blended", with those of the City in the accompanying financial statements.
- Pursuant to ABX 1 26 ("AB 26"), approved by Governor Brown on June 28, 2011 and upheld by the California State Supreme Court on December 29, 2011, the Tracy Community Development Agency ("Agency") was dissolved on January 31, 2012. The former Agency is now administered under the name of Successor Agency to the Community Development Agency of the City of Tracy. The activities of the Successor Agency can be found in the Fiduciary Fund Section of the Financial Statements.
- Business-type activities – All of the City's enterprise activities are reported here, including water, wastewater, drainage, solid waste, transit, and airport. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.



**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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**OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONTINUED)**

*Fund Financial Statements*

The Fund Financial Statements report the City's operations in more detail than the Government-wide Statements and focus primarily on the short-term activities of the City's General Fund and major funds. The Governmental Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt, and other long-term amounts. Enterprise and Internal Service Fund Financial Statements are prepared on the full accrual basis and include all their assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both current and long-term. Each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Supplementary combining schedules present the detail of these non-major funds. Major funds present the major activities of the City for the year and may change from year to year as a result of changes in the pattern of the City's activities.

A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- Governmental Funds – These funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources and are therefore prepared on the modified accrual basis. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

The City of Tracy has 32 governmental funds of which 6 are considered major funds for presentation purposes. Each major fund is presented separately in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances. The financial information for the remaining non-major governmental funds is combined into a single, aggregated presentation.

- Proprietary Funds – The City maintains two different types of proprietary funds; Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as "business-type activities" in the Government-wide Financial Statements. Internal Service Funds account for the financial activity of the City's central garage, central services departments, equipment replacement, building maintenance, and self-insurance. Financial statements for proprietary funds are prepared on the full accrual basis and include all their assets and liabilities, current and long-term.

Since the City's Internal Service Funds provide goods and services only to the City's governmental activities, their activities are reported only in the government-wide financial statements as governmental activities. Internal Service Funds may not be major funds because their revenues are derived from other City funds. These revenues are eliminated in the City-wide financial statements and any related profits or losses are returned to the activities which created them.

**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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**OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONTINUED)**

- Fiduciary Funds – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is similar to that used for Proprietary Funds. With the dissolution of the Community Development Agency per ABX 1 26 and AB 1484, the activities of the Successor Agency to the Tracy Community Development Agency are reported as a Private Purpose Trust Fund in the Fiduciary Fund section.
- Custodial Funds – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is similar to that used for Proprietary Funds. These funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. The City's custodial funds includes various Community Facilities Districts and Assessments Districts.

***Notes to the Financial Statements***

The Notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements.

***Required Supplemental Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning budgetary comparison schedules for the General Fund and other major funds that are Special Revenue Funds, along with schedules related to the City's net pension liabilities, total OPEB liability and contributions.

***Combining Statements***

This section of the report includes additional detailed information about non-major governmental, internal service and agency funds.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position** – The net position for the City as a whole increased by \$62 million or 4.9%, from \$1,274 million at June 30, 2020 to \$1,337 million at June 30, 2021. Restricted net position accounted for \$217 million restricted for capital projects, debt service and legally segregated taxes, grants, and fees. The unrestricted net position increased by \$27 million, from \$26 million in at June 30, 2020 to \$53 million at June 30, 2021 and is designated to be used to meet ongoing obligations to citizens and creditors. The Unrestricted Net Position reflects the inclusion of a Net Pension Liability of \$100.1 million and Net OPEB Liability of \$6.4 million in accordance with Generally Accepted Accounting Principles.

**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The following table reflects the Summary of Net Position for the fiscal year ended June 30, 2021 with comparative data for the fiscal year ended June 30, 2020.

**Statement of Net Position**  
**Fiscal Year Ended June 30**  
(in thousands of dollars)

|                           | Governmental<br>Activities |                   | Business-Type<br>Activities |                   | Total               |                     |
|---------------------------|----------------------------|-------------------|-----------------------------|-------------------|---------------------|---------------------|
|                           | 2021                       | 2020              | 2021                        | 2020              | 2021                | 2020                |
| Cash and Investments      | \$ 285,127                 | \$ 217,276        | \$ 50,066                   | \$ 63,062         | \$ 335,193          | \$ 280,338          |
| Other Assets              | 54,344                     | 42,211            | 18,171                      | 18,514            | 72,515              | 60,725              |
| Capital Assets            | 674,737                    | 660,155           | 441,183                     | 428,144           | 1,115,920           | 1,088,299           |
| Total Assets              | <u>1,014,208</u>           | <u>919,642</u>    | <u>509,420</u>              | <u>509,720</u>    | <u>1,523,628</u>    | <u>1,429,362</u>    |
| Deferred Outflows         |                            |                   |                             |                   |                     |                     |
| Related to Pension/OPEB   | 24,054                     | 20,075            | 2,757                       | 2,186             | 26,811              | 22,261              |
| Current Liabilities       | 43,483                     | 24,870            | 8,231                       | 11,959            | 51,714              | 36,829              |
| Non-Current Liabilities   | 121,111                    | 107,781           | 39,423                      | 39,158            | 160,534             | 146,939             |
| Total Liabilities         | <u>164,594</u>             | <u>132,651</u>    | <u>47,654</u>               | <u>51,117</u>     | <u>212,248</u>      | <u>183,768</u>      |
| Deferred Inflows          |                            |                   |                             |                   |                     |                     |
| Related to Pension/OPEB   | 1,638                      | 3,729             | 98                          | 288               | 1,736               | 4,017               |
| Net Investment in Capital |                            |                   |                             |                   |                     |                     |
| Assets                    | 653,646                    | 638,464           | 412,464                     | 397,488           | 1,066,110           | 1,035,952           |
| Restricted                | 217,130                    | 201,439           | -                           | 517               | 217,130             | 201,956             |
| Unrestricted              | 1,254                      | (36,566)          | 51,961                      | 62,496            | 53,215              | 25,930              |
| Total Net Position        | <u>\$ 872,030</u>          | <u>\$ 803,337</u> | <u>\$ 464,425</u>           | <u>\$ 460,501</u> | <u>\$ 1,336,455</u> | <u>\$ 1,263,838</u> |

**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The City's Government-wide Net Position as of June 30, 2021, comprised of the following:

- Cash and investments combined increased by \$54.9 million or 19.6%, from \$280.3 million at June 30, 2020 to \$335.2 million at June 30, 2021. The \$335.2 million of cash and investments is in the city treasury and investments.
- Receivables decreased by \$0.1 million, from \$57.1 million at June 30, 2020 to \$57.0 million at June 30, 2021. Receivables were comprised of \$37.4 million of current receivables and \$19.6 million of long-term receivables. Current receivables are primarily related to sales tax and grants; and long-term receivables are related to housing loans provided by the former Community Development Agency. The grants and loans have varying repayment terms and interest rates.
- Capital assets increased by \$27.6 million or 2.5%, from \$1,088 million at June 30, 2020 to \$1,116 million at June 30, 2021. Net capital assets of \$1,116 million include the City's infrastructure in addition to all other City assets.
- Restricted Net Position increased \$15.2 million or 7.5%, from \$202 million at June 30, 2020 to \$217.1 million at June 30, 2021. Restricted Net Position is restricted for capital projects \$168.5 million; low-moderate income housing projects \$17.3 million; debt service \$6.8 million; and \$24.5 million may be spent on other projects as specified by funding source restrictions.
- Unrestricted Net Position increased by \$27.3 million or 105.2%, from \$25.9 million at June 30, 2020 to \$53.2 million at June 30, 2021. The unrestricted net position is available to be used to finance day to day operations without constraints established by debt covenants or other legal requirements or restrictions. While these assets are technically unrestricted, most of these assets are committed or assigned for a specific use.

**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The Change in Net Position expressed as the change in revenues and expenses through June 30, 2021 is reflected in the Statement of Changes in Net Position.

**Statement of Net Position**  
**Fiscal Year Ended June 30**  
(in thousands of dollars)

|  | Governmental<br>Activities |                   | Business-Type<br>Activities |                   | Total               |                     |
|--|----------------------------|-------------------|-----------------------------|-------------------|---------------------|---------------------|
|  | 2021                       | 2020              | 2021                        | 2020              | 2021                | 2020                |
| <b>Revenues</b>  |                            |                   |                             |                   |                     |                     |
| Program Revenues:  |                            |                   |                             |                   |                     |                     |
| Charges for Services                                       | \$ 22,823                  | \$ 19,139         | \$ 64,432                   | \$ 59,454         | \$ 87,255           | \$ 78,593           |
| Operating Contributions and Grants                         | 8,330                      | 14,969            | 6,988                       | 4,263             | 15,318              | 19,232              |
| Capital Grants and Contributions                           | 52,673                     | 39,662            | 5,801                       | 22,818            | 58,474              | 62,480              |
| Total Program Revenues                                     | <u>83,826</u>              | <u>73,770</u>     | <u>77,221</u>               | <u>86,535</u>     | <u>161,047</u>      | <u>160,305</u>      |
| General Revenues:  |                            |                   |                             |                   |                     |                     |
| Property Taxes   | 25,736                     | 24,082            | -                           | -                 | 25,736              | 24,082              |
| Other Taxes  | 65,709                     | 44,669            | -                           | -                 | 65,709              | 44,669              |
| Other General Revenues                                     | 1,700                      | 1,629             | 185                         | 1,845             | 1,885               | 3,474               |
| Total General Revenues                                     | <u>93,145</u>              | <u>70,380</u>     | <u>185</u>                  | <u>1,845</u>      | <u>93,330</u>       | <u>72,225</u>       |
| Total Revenues   | <u>176,971</u>             | <u>144,150</u>    | <u>77,406</u>               | <u>88,380</u>     | <u>254,377</u>      | <u>232,530</u>      |
| <b>Expenses</b>  |                            |                   |                             |                   |                     |                     |
| General Government   | 22,135                     | 14,660            | -                           | -                 | 22,135              | 14,660              |
| Police   | 38,346                     | 36,551            | -                           | -                 | 38,346              | 36,551              |
| Fire   | 17,849                     | 23,573            | -                           | -                 | 17,849              | 23,573              |
| Development & Engineering                                  | 12,571                     | 11,815            | -                           | -                 | 12,571              | 11,815              |
| Public Works   | 19,463                     | 22,336            | -                           | -                 | 19,463              | 22,336              |
| Parks & Community Services                                 | 3,848                      | 4,044             | -                           | -                 | 3,848               | 4,044               |
| Interest on Long-term Debt                                 | 675                        | 1,339             | -                           | -                 | 675                 | 1,339               |
| Water  | -                          | -                 | 21,177                      | 21,458            | 21,177              | 21,458              |
| Wastewater   | -                          | -                 | 21,238                      | 18,991            | 21,238              | 18,991              |
| Solid Waste  | -                          | -                 | 25,987                      | 25,275            | 25,987              | 25,275              |
| Storm Drainage   | -                          | -                 | 2,195                       | 2,610             | 2,195               | 2,610               |
| Airport  | -                          | -                 | 1,144                       | 1,363             | 1,144               | 1,363               |
| Transit  | -                          | -                 | 5,352                       | 5,485             | 5,352               | 5,485               |
| Total Expenses   | <u>114,887</u>             | <u>114,318</u>    | <u>77,093</u>               | <u>75,182</u>     | <u>191,980</u>      | <u>189,500</u>      |
| Changes in net position before transfers and Special Items | 62,084                     | 29,832            | 313                         | 13,198            | 62,397              | 43,030              |
| Transfers  | (3,609)                    | (27,355)          | 3,609                       | 27,355            | -                   | -                   |
| Special Item*  | -                          | (2,098)           | -                           | -                 | -                   | (2,098)             |
| Change in Net Position                                     | <u>58,475</u>              | <u>379</u>        | <u>3,922</u>                | <u>40,553</u>     | <u>62,397</u>       | <u>40,932</u>       |
| Net Position, Beginning, as restated                       | 813,985                    | 802,958           | 460,501                     | 419,948           | 1,274,486           | 1,222,906           |
| Net Position, Ending                                       | <u>\$ 872,460</u>          | <u>\$ 803,337</u> | <u>\$ 464,423</u>           | <u>\$ 460,501</u> | <u>\$ 1,336,883</u> | <u>\$ 1,263,838</u> |

\* Special Item in fiscal year 2020 was for loss on reimbursement agreement amendment

**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

Revenues

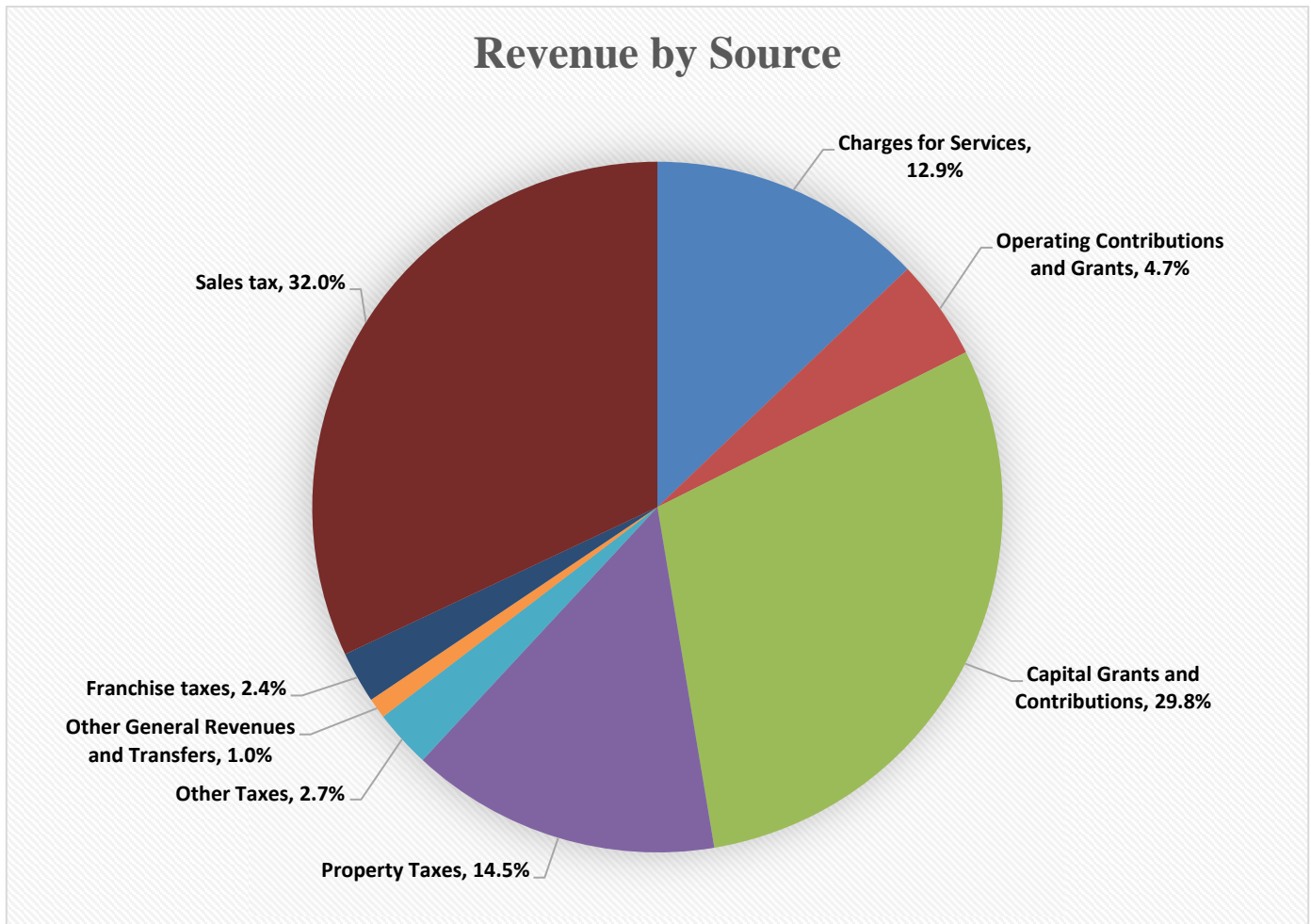
Total revenues increased by \$21.8 million or 9.4%, from \$232.5 million at June 30, 2020 to \$254.3 million at June 30, 2021. Total governmental activity revenues increased by \$32.8 million, largely due to grants. Total governmental general revenues increased by \$22.7 million related to property tax and general sales tax.

Expenses

Total expenses for the City increased by \$2.4 million or 1.3%, from \$189.5 million at June 30, 2020 to \$191.9 million at June 30, 2021. Governmental activities incurred \$114.8 million of expenses while business-type activities incurred \$77.1 million. Of the Governmental Activities, the largest expenses were in Public Safety \$56.2 million; Public Works \$19.5 million; and General Government \$22.1 million.

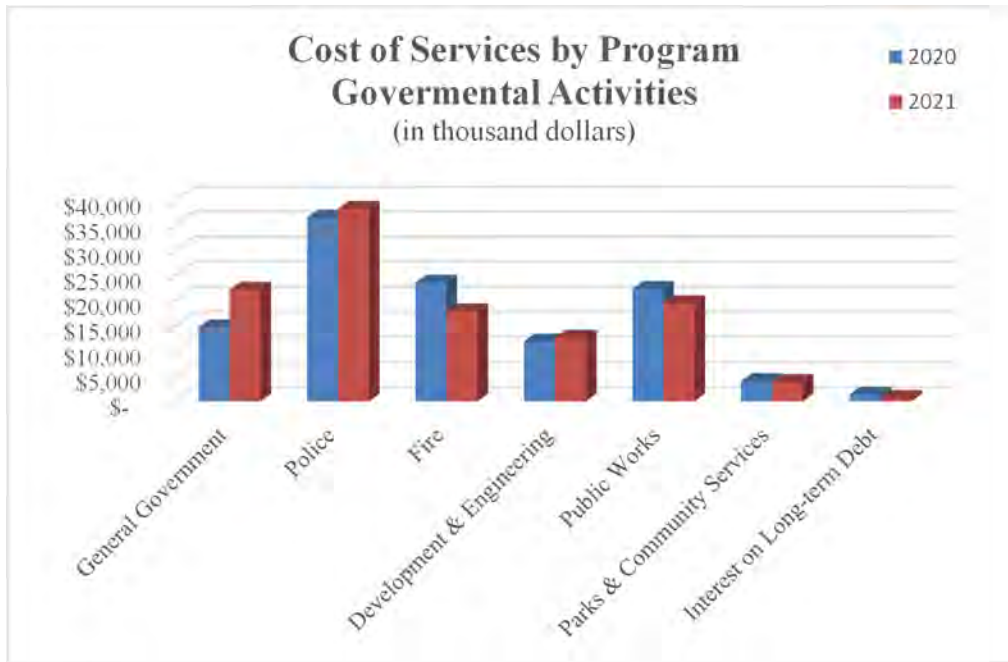
**Governmental Activities**

Total resources available during the year to finance governmental operations were \$401.1 million consisting of net position at June 30, 2020 of \$227.8 million, program revenues of \$83.8 million and general revenues, net of transfers, in the amount of \$89.5 million. Government Activities revenue is graphed below by the source of funding, followed by the expenses by program.



**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**



**Changes in Business-Type Activities by Program**  
**Fiscal Year Ended June 30**  
(in thousands of dollars)

|   | Business-type Activities |                  |
|---|--------------------------|------------------|
|   | 2021                     | 2020             |
| Net Revenue (Expense)<br>from Business-type Activities: |                          |                  |
| Water   | \$ 3,852                 | \$ 9,676         |
| Wastewater  | (4,333)                  | 3,592            |
| Solid Waste   | (352)                    | (2,141)          |
| Drainage  | 2,775                    | (1,850)          |
| Airport   | (1,658)                  | 1,019            |
| Transit   | (155)                    | 1,056            |
| <b>Total Business-type Activities</b>                   | <b>\$ 129</b>            | <b>\$ 11,352</b> |

Program revenues of Business-type Activities decreased \$9.3 million or 10.8%, from a total of \$86.5 million at June 30, 2020 to a total of \$77.2 million at June 30, 2021. This was a result of a decrease in capital grants received.

**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds**

The focus of the City's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The classification of spendable fund balances to committed, assigned, and unassigned, is intended to be helpful in measuring the resources available for spending at the end of the fiscal year. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending.

At June 30, 2021, the City's governmental funds reported combined fund balances of \$265.7 million, which is an increase of \$69.1 million or 35.2%, from \$196.6 million at June 30, 2020. Total revenues increased by \$22.6 million or 16%, from \$141.7 million at June 30, 2020 to \$164.4 million at June 30, 2021. Of this total, \$104.9 million was in the General Fund. Total expenditures decreased by \$42.0 million or -28%, from \$149.3 million at June 30, 2020 to \$107.3 million at June 30, 2021. Of this total, \$76.9 million was in the General Fund.

**General Fund**

At June 30, 2021, the General Fund balance of \$34.0 million, was comprised of \$.04 million in non-spendable balances, \$16.4 million committed funds for contingency/emergency reserve, and \$11.3 million in assigned funds. Included in this amount is \$10.9 million for Economic/Budget stability and \$0.3 million for reappropriation to balance FY20, and \$.02 million for Animal Control Trust. Restricted funds were \$2.3 million for medical leave bank. Unassigned funds at June 30, 2021 were \$4 million. Fund balances have been classified in accordance with generally accepted accounting principles. While amounts have been categorized as unassigned, they may be informally earmarked by the City Council for specific purposes.

**Housing Successor Special Revenue Fund**

On June 28, 2011 the State of California adopted ABx1 26, amended by AB 1484 on June 27, 2012, which dissolved redevelopment agencies as of January 31, 2012. All assets of the former Redevelopment Agency were transferred as prescribed by law to either the Housing Successor or to the Successor Agency.

The City of Tracy elected to become the Housing Successor and established the Housing Successor Special Revenue Fund to account for the housing assets and activities previously provided by the Tracy Community Development Agency. As of June 30, 2021, the fund balance of the Housing Successor Special Revenue Fund was \$4.9 million.



**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)**

**Community Development Fees Special Revenue Fund**

The Community Development Fees Special Revenue Fund had revenues of \$11.2 million, transfers in of \$2.1 million and expenditures of \$12.0 million. The ending fund balance increased from (\$0.4) million at June 30, 2020 to \$0.8 million at June 30, 2021.

**CARES/ARPA Grant Fund**

The fund balance of the CARES/ARPA Grant Fund increased by \$1.0 million over the prior year. Fund balance was \$0 at June 30, 2020 comparable to \$1.0 million at June 30, 2021.

**General Projects Capital Fund**

The General Projects Fund had revenues of \$.08 million, transfers in of \$13.1 million, and expenditures of \$0.9 million. The fund balance increased \$12.3 million from \$26.2 million at June 30, 2020 to \$38.5 million at June 30, 2021. Funding for the General Project Fund is transferred from the City's General Fund. Capital project expenses included Larsen Park Improvements (CIP 78157), Corral Hollow Widening I580/Linne (CIP 73161). Future projects include Legacy Fields (1E), the Aquatic Center, and Multi-Generational Gymnasium.

**Tracy Infrastructure Master Plan Capital Fund**

The Tracy Infrastructure Master Plan (TIMP) Fund had revenues of \$24.7 million and expenditures of \$2.8 million. The fund balance increased \$23.3 million from \$35 million at June 30, 2020 to \$58.3 million at June 30, 2021. TIMP Funds cover areas of the City not covered by their own financing plan. Project expenditures included the Over cross upgrade I580 and Mountain House Parkway (CIP 73147), the Over cross upgrade at I205 and Mountain House Parkway (CIP 73146), and Traffic Signal at Lammers and West Schulte (CIP 72068). Future projects include the Waste Water Treatment Expansion and Water Lines along Lammers Road.

**Enterprise Funds**

The City's Enterprise Funds provide the same type of information found in the Government-wide Financial Statements, but in more detail. The City's Enterprise Funds are comprised of the Water Utility Fund, the Wastewater Utility Fund, Drainage Fund, Solid Waste Fund, Municipal Airport and Municipal Transit Funds. Enterprise Fund net position totaled \$464.4 million at June 30, 2021. Enterprise operating revenues were \$64.5 million and operating expenses were \$75.9 million in fiscal year 2021. Operating expenses included \$13.5 million in depreciation expense. Future projects include the Wastewater treatment expansion.

**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)**

**Water Fund**

The net position of the Water Fund at June 30, 2021 was \$196.8 million, an increase of \$4.6 million over the prior fiscal year. The net position of the Water fund at June 30, 2020 was \$192.2 million. Approximately \$9.3 million of the Fund's net position was unrestricted at the fiscal year end with a net investment in capital assets of \$187.5 million. Activities for the year were comprised of \$23.4 million in operating revenues for the current year and \$20.9 million in operating expenses including \$4.6 million in depreciation expense.

**Wastewater Fund**

The net position of the Wastewater Fund at June 30, 2021 was \$169.4 million, a decrease of \$4 million over the prior fiscal year. The net position of the Wastewater fund at June 30, 2020 was \$173.4 million. Approximately \$26.4 million of the Fund's net position was unrestricted at the fiscal year end with a net investment in capital assets of \$143.1 million. Activities for the year were comprised of \$15.1 million in operating revenues for the current year and \$20.2 million in operating expenses including \$5.7 million in depreciation expense.

**Solid Waste Fund**

The net position of the Solid Waste Fund at June 30, 2021 was \$14.1 million, a decrease of \$1.7 million over the prior fiscal year. The net position of the Solid Waste fund at June 30, 2020 was \$15.8 million. The Fund's net position was unrestricted at the end of the fiscal year. Activities for the year were comprised of \$24.3 million in operating revenues for the current year and \$26.0 million in operating expense.

**Drainage Fund**

The net position of the Drainage Fund at June 30, 2021 was \$51.1 million, an increase of \$2.1 million over the prior fiscal year. The net position of the Drainage fund at June 30, 2020 was \$49 million. Approximately \$(0.6) million of the Fund's net position was unrestricted at the fiscal year end with a net investment in capital assets of \$51.7 million. Activities for the year were comprised of \$.7 million in operating revenues for the current year and \$2.2 million in operating expenses including \$1.6 million in depreciation expenses.

**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The final amended budget for the General Fund totaled \$75.1 million. The difference in appropriations between the original budget and the final amended budget was -\$2 million, largely due to various programming not offered during the pandemic. At the end of the fiscal year, the total actual expenses of the General Fund were \$76.9 million; the General Fund's assigned fund balance reappropriations were \$0.3 million for items that began in 2021 but remained in progress in 2022.

**CAPITAL ASSETS**

At the end of fiscal 2021, the City had \$1.1 billion, net of depreciation, invested in a broad range of capital assets used in governmental and business type activities, as shown below. During fiscal year 2017, the City completed a full physical inventory of its capital assets that included determining the historical cost or acquisition value and accumulated depreciation. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are valued at their estimated acquisition value on the date of contribution.

|                                 | Governmental Activities |            | Business-type Activities |            | Totals       |              |
|---------------------------------|-------------------------|------------|--------------------------|------------|--------------|--------------|
|                                 | 2021                    | 2020       | 2021                     | 2020       | 2021         | 2020         |
| Non-depreciable assets          |                         |            |                          |            |              |              |
| Land                            | \$ 179,311              | \$ 177,773 | \$ 19,057                | \$ 18,292  | \$ 198,368   | \$ 196,065   |
| Streets and Roads               | 320,140                 | 305,042    | -                        | -          | 320,140      | 305,042      |
| Construction in-Progress        | 33,214                  | 45,215     | 54,686                   | 55,957     | 87,900       | 101,172      |
| Total                           | 532,665                 | 528,030    | 73,743                   | 74,249     | 606,408      | 602,279      |
| Depreciable assets              |                         |            |                          |            |              |              |
| Buildings and Improvements      | 143,616                 | 134,076    | 169,888                  | 169,452    | 313,504      | 303,528      |
| Improvements                    | 49,515                  | 46,556     | 3,571                    | 3,571      | 53,086       | 50,127       |
| Grading, Curbs & Gutters        | 32,135                  | 32,130     | -                        | -          | 32,135       | 32,130       |
| Sidewalks & Driveway Approaches |                         |            |                          |            |              |              |
| Traffic Signals                 | 27,150                  | 23,026     | -                        | -          | 27,150       | 23,026       |
| Equipment                       | 35,506                  | 34,366     | 44,678                   | 44,703     | 80,184       | 79,069       |
| Infrastructure                  | 12,219                  | 12,219     | 368,706                  | 342,085    | 380,925      | 354,304      |
| Intangible Assets               | 973                     | 610        | 72,883                   | 72,883     | 73,856       | 73,493       |
| Less: accumulated depreciation  | (159,042)               | (150,858)  | (292,286)                | (278,799)  | (451,328)    | (429,657)    |
| Net depreciable assets          | 142,072                 | 132,125    | 367,440                  | 353,895    | 509,512      | 486,020      |
| Total Capital Assets            | \$ 674,737              | \$ 660,155 | \$ 441,183               | \$ 428,144 | \$ 1,115,920 | \$ 1,088,299 |

**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

**CAPITAL ASSETS (CONTINUED)**

The City depreciates all its capital assets over their estimated useful lives, except for roads, which are reported using the Modified Approach. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives may be found in Note 1 to the financial statements. The Modified Approach requires the City to employ an asset management system that maintains a current inventory of these assets, estimates annual costs to maintain them, and assesses the condition of the assets in a replicable way.

The City has elected to use the modified approach discussed above with respect to its roads, most of which are relatively new. The City's policy is to maintain these roads at an overall condition index level averaging 69, instead of providing depreciation. During fiscal year 2021, the City expended \$7,827,339 to preserve its roads, and the condition index level was 69. The City estimates that it will be required to expend approximately \$10,175,540 in fiscal year 2022 to maintain its roads at a condition level of 69.

**DEBT SERVICE ADMINISTRATION**

Each of the City's debt issues is discussed in detail in Note 8 in the Notes to the Basic Financial Statements. The City's Governmental Activities long-term debt outstanding decreased by \$0.6 million or -2.8%, from \$21.7 million at June 30, 2020 to \$21.1 million at June 30, 2021. The City's long debt outstanding decreased by \$1.9 million or -6.3%, from \$30.7 million at June 30, 2020 to \$28.7 million at June 30, 2021, in debt associated with Business-Type Activities.

**Outstanding Debt**  
**Fiscal Year Ended June 30**  
(in thousands of dollars)

|   | Governmental Activities |                  | Business-type Activities |                  | Totals           |                  |
|---|-------------------------|------------------|--------------------------|------------------|------------------|------------------|
|   | 2021                    | 2020             | 2021                     | 2020             | 2021             | 2020             |
| 2020 Lease Revenue Refunding Bonds 3%-4%                  | \$ 17,635               | \$ 18,190        | \$ -                     | \$ -             | \$ 17,635        | \$ 18,190        |
| 2020 Lease Revenue Refunding Bonds Premium                | 3,455                   | 3,501            | -                        | -                | 3,455            | 3,501            |
| 2004 Wastewater Revenue Bonds                             | -                       | -                | 21,175                   | 22,050           | 21,175           | 22,050           |
| State of California-Department of<br>Health Services Loan | -                       | -                | 7,544                    | 8,607            | 7,544            | 8,607            |
| <b>Total Long-Term Debt</b>                               | <b>\$ 21,090</b>        | <b>\$ 21,691</b> | <b>\$ 28,719</b>         | <b>\$ 30,657</b> | <b>\$ 49,809</b> | <b>\$ 52,348</b> |

**City of Tracy**  
**Management Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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**ECONOMIC OUTLOOK AND MAJOR INITIATIVES**

Throughout fiscal year 2020-21, the City's economic development continued to grow through expansion of several existing businesses, construction of new distribution facilities, and office space, and the opening of new retail businesses. Property tax revenues steadily increased as a result of new residential and commercial development and higher property values. The City's property tax revenue increased by \$1.6 million, or 7% over fiscal year 2019-2020 and is expected to continue to grow by 5% annually over the next 3-5 years. General Fund revenues saw an increase over the prior fiscal year as a result of a recent change in tax reporting by a predominant e-commerce business located within Tracy. The estimated revenues from the reporting change are expected to grow an average of \$5 million per quarter.

During FY2020-21, the City received over \$8.5 million in Federal CARES and ARPA stimulus funding. These funds will be used to offset the impacts of the COVID-19 pandemic within the City of Tracy. The City has positioned itself well by building financial reserves, adopting strong fiscal policies, and passing important revenue measures to support City services. Over the next year, staff will continue to evaluate many options to balance resources and ensure Council priorities are met. More detail about the City's economic outlook is discussed in the accompanying transmittal letter.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to the Finance Department, at 333 Civic Center Plaza, Tracy, CA 95376.

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Tracy**  
**Statement of Net Position**  
**June 30, 2021**

|   | Primary Government         |                             |                      | Component Unit                                |
|---|----------------------------|-----------------------------|----------------------|---|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total                | South San<br>Joaquin County<br>Fire Authority |
| <b>ASSETS</b>                               |                            |                             |                      |   |
| Current assets:                             |                            |                             |                      |   |
| Cash and investments                        | \$ 285,127,287             | \$ 50,065,985               | \$ 335,193,272       | \$ 8,087,283                                  |
| Cash and investments with fiscal agents     | 3                          | 8                           | 11                   | -   |
| Accounts receivable, net                    | 22,045,916                 | 20,051,263                  | 42,097,179           | 790,983                                       |
| Interest receivable                         | 547,070                    | 113,820                     | 660,890              | -   |
| Deposits                                    | 1,000,000                  | -                           | 1,000,000            | -   |
| Inventory                                   | -                          | 570,994                     | 570,994              | -   |
| Due from Fiduciary Funds                    | 5,192,100                  | -                           | 5,192,100            | -   |
| Internal balances                           | 2,565,369                  | (2,565,369)                 | -                    | -   |
| Due from Component Unit                     | 8,719,171                  | -                           | 8,719,171            | -   |
| Total current assets                        | <u>325,196,916</u>         | <u>68,236,701</u>           | <u>393,433,617</u>   | <u>8,878,266</u>                              |
| Noncurrent assets:                          |                            |                             |                      |   |
| Loans receivable                            | 14,274,466                 | -                           | 14,274,466           | -   |
| Capital assets:                             |                            |                             |                      |   |
| Non-depreciable                             | 532,665,133                | 73,743,061                  | 606,408,194          | -   |
| Depreciable, net                            | <u>142,071,407</u>         | <u>367,439,756</u>          | <u>509,511,163</u>   | <u>-</u>                                      |
| Total capital assets, net                   | <u>674,736,540</u>         | <u>441,182,817</u>          | <u>1,115,919,357</u> | <u>-</u>                                      |
| Total noncurrent assets                     | <u>689,011,006</u>         | <u>441,182,817</u>          | <u>1,130,193,823</u> | <u>-</u>                                      |
| <b>Total assets</b>                         | <u>1,014,207,922</u>       | <u>509,419,518</u>          | <u>1,523,627,440</u> | <u>8,878,266</u>                              |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                            |                             |                      |   |
| Related to OPEB                             | 467,642                    | 23,122                      | 490,764              | -   |
| Related to pensions                         | <u>23,586,486</u>          | <u>2,734,015</u>            | <u>26,320,501</u>    | <u>-</u>                                      |
| <b>Total deferred outflows of resources</b> | <u>24,054,128</u>          | <u>2,757,137</u>            | <u>26,811,265</u>    | <u>-</u>                                      |

**City of Tracy**  
**Statement of Net Position (Continued)**  
**June 30, 2021**

|   | Primary Government         |                             |                         | Component Unit                                |
|---|----------------------------|-----------------------------|-------------------------|---|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total                   | South San<br>Joaquin County<br>Fire Authority |
| <b>LIABILITIES</b>                                |                            |                             |                         |   |
| Current liabilities:                              |                            |                             |                         |   |
| Accounts payable                                  | 10,132,623                 | 3,860,995                   | 13,993,618              | 159,095                                       |
| Accrued payroll                                   | 5,671,644                  | 456,636                     | 6,128,280               | -   |
| Deposits  | 12,579,485                 | 83,000                      | 12,662,485              | -   |
| Interest payable                                  | 121,568                    | 1,450,364                   | 1,571,932               | -   |
| Unearned revenue                                  | 12,034,365                 | 91,397                      | 12,125,762              | -   |
| Due to Primary Government                         | -                          | -                           | -                       | 8,719,171                                     |
| Sick leave conversion - due within one year       | 785,367                    | -                           | 785,367                 | -   |
| Compensated absences - due within one year        | 1,562,838                  | 285,678                     | 1,848,516               | -   |
| Long-term debt - due within one year              | 595,000                    | 2,002,711                   | 2,597,711               | -   |
| <b>Total current liabilities</b>                  | <b>43,482,890</b>          | <b>8,230,781</b>            | <b>51,713,671</b>       | <b>8,878,266</b>                              |
| Noncurrent liabilities:                           |                            |                             |                         |   |
| Total OPEB liability                              | 6,051,636                  | 299,223                     | 6,350,859               | -   |
| Aggregate net pension liability                   | 88,339,386                 | 11,749,890                  | 100,089,276             | -   |
| Sick leave conversion - due in more than one year | 3,141,469                  | -                           | 3,141,469               | -   |
| Compensated absences - due in more than one year  | 3,083,512                  | 658,080                     | 3,741,592               | -   |
| Long-term debt - due in more than one year        | 20,495,106                 | 26,716,524                  | 47,211,630              | -   |
| <b>Total noncurrent liabilities</b>               | <b>121,111,109</b>         | <b>39,423,717</b>           | <b>160,534,826</b>      | <b>-</b>                                      |
| <b>Total liabilities</b>                          | <b>164,593,999</b>         | <b>47,654,498</b>           | <b>212,248,497</b>      | <b>8,878,266</b>                              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>              |                            |                             |                         |   |
| Related to OPEB                                   | 1,108,192                  | 54,795                      | 1,162,987               | -   |
| Related to pensions                               | 529,485                    | 43,367                      | 572,852                 | -   |
| <b>Total deferred inflows of resources</b>        | <b>1,637,677</b>           | <b>98,162</b>               | <b>1,735,839</b>        | <b>-</b>                                      |
| <b>NET POSITION</b>                               |                            |                             |                         |   |
| Net investment in capital assets                  | 653,646,434                | 412,463,582                 | 1,066,110,016           | -   |
| Restricted:                                       |                            |                             |                         |   |
| Debt service                                      | 6,849,329                  | 8                           | 6,849,337               | -   |
| Public safety                                     | 1,012,314                  | -                           | 1,012,314               | -   |
| Streets and roads                                 | 12,561,369                 | -                           | 12,561,369              | -   |
| Community development                             | 1,720,077                  | -                           | 1,720,077               | -   |
| Special districts                                 | 9,186,208                  | -                           | 9,186,208               | -   |
| Projects  | 168,500,226                | -                           | 168,500,226             | -   |
| Housing services                                  | 17,300,198                 | -                           | 17,300,198              | -   |
| <b>Total restricted</b>                           | <b>217,129,721</b>         | <b>8</b>                    | <b>217,129,729</b>      | <b>-</b>                                      |
| Unrestricted (deficit)                            | 1,254,219                  | 51,960,405                  | 53,214,624              | -   |
| <b>Total net position</b>                         | <b>\$ 872,030,374</b>      | <b>\$ 464,423,995</b>       | <b>\$ 1,336,454,369</b> | <b>\$ -</b>                                   |

**City of Tracy**  
**Statement of Activities and Changes in Net Position**  
**For the Year Ended June 30, 2021**

| <b>Functions/Programs</b>               | Expenses              | Program Revenues        |  |  | Total                 |
|---|-----------------------|-------------------------|--|--|-----------------------|
|   |                       | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |                       |
| <b>Primary government:</b>              |                       |                         |  |  |                       |
| Governmental activities:                |                       |                         |  |  |                       |
| General government                      |                       |                         |  |  |                       |
| Economic development                    | \$ 1,965,780          | \$ 145                  | \$ 111,258                               | \$ 1,591,714                           | \$ 1,703,117          |
| General government                      | 12,137,078            | 7,667,224               | -  | 50,754                                 | 7,717,978             |
| Finance                                 | 5,122,963             | -                       | -  | -                                      | -                     |
| Non-departmental                        | 2,909,677             | 213,398                 | 71,568                                   | 192,074                                | 477,040               |
| Public safety                           |                       |                         |  |  |                       |
| Police                                  | 38,345,009            | 846,376                 | 505,726                                  | 569,915                                | 1,922,017             |
| Fire                                    | 17,848,516            | -                       | -  | -                                      | -                     |
| Public ways and facilities              |                       |                         |  |  |                       |
| Development and engineering             | 12,570,957            | 11,151,348              | 20,000                                   | -                                      | 11,171,348            |
| Public works                            | 19,463,144            | 2,721,400               | 7,620,990                                | 49,729,835                             | 60,072,225            |
| Community development                   |                       |                         |  |  |                       |
| Parks and community services            | 3,848,103             | 222,446                 | -  | 539,026                                | 761,472               |
| Interest and fiscal charges             | 674,822               | -                       | -  | -                                      | -                     |
| Total governmental activities           | 114,886,049           | 22,822,337              | 8,329,542                                | 52,673,318                             | 83,825,197            |
| Business-type activities:               |                       |                         |  |  |                       |
| Water                                   | 21,176,505            | 23,405,580              | -  | 1,622,986                              | 25,028,566            |
| Wastewater                              | 21,237,582            | 15,051,361              | -  | 1,853,262                              | 16,904,623            |
| Solid waste                             | 25,986,333            | 24,309,501              | -  | 19,099                                 | 24,328,600            |
| Drainage                                | 2,195,402             | 749,475                 | -  | 1,093,879                              | 1,843,354             |
| Municipal airport                       | 1,143,965             | 854,122                 | -  | 134,673                                | 988,795               |
| Municipal transit                       | 5,352,359             | 62,390                  | 6,988,106                                | 1,077,010                              | 8,127,506             |
| Total business-type activities          | 77,092,146            | 64,432,429              | 6,988,106                                | 5,800,909                              | 77,221,444            |
| <b>Total primary government</b>         | <b>\$ 191,978,195</b> | <b>\$ 87,254,766</b>    | <b>\$ 15,317,648</b>                     | <b>\$ 58,474,227</b>                   | <b>\$ 161,046,641</b> |
| Component unit:                         |                       |                         |  |  |                       |
| South San Joaquin County Fire Authority | \$ 23,542,488         | \$ 1,920,578            | \$ 21,588,976                            | \$ -                                   | \$ 23,509,554         |
| <b>Total component unit</b>             | <b>\$ 23,542,488</b>  | <b>\$ 1,920,578</b>     | <b>\$ 21,588,976</b>                     | <b>\$ -</b>                            | <b>\$ 23,509,554</b>  |

**City of Tracy**  
**Statement of Activities and Changes in Net Position (Continued)**  
**For the Year Ended June 30, 2021**

| <b>Functions/Programs</b>                   | Net (Expense) Revenue<br>and Changes in Net Position |                             |                         | Component Unit                                |
|---|--|-----------------------------|-------------------------|---|
|   | Governmental<br>Activities                           | Business-Type<br>Activities | Total                   | South San<br>Joaquin County<br>Fire Authority |
| <b>Primary government:</b>                  |  |                             |                         |   |
| Governmental activities:                    |  |                             |                         |   |
| General government                          |  |                             |                         |   |
| Economic development                        | \$ (262,663)   | \$ -                        | \$ (262,663)            | \$ -  |
| General government                          | (4,419,100)  | -                           | (4,419,100)             | -   |
| Finance                                     | (5,122,963)  | -                           | (5,122,963)             | -   |
| Non-departmental                            | (2,432,637)  | -                           | (2,432,637)             | -   |
| Public safety                               |  |                             |                         |   |
| Police                                      | (36,422,992)   | -                           | (36,422,992)            | -   |
| Fire  | (17,848,516)   | -                           | (17,848,516)            | -   |
| Public ways and facilities                  |  |                             |                         |   |
| Development and engineering                 | (1,399,609)  | -                           | (1,399,609)             | -   |
| Public works                                | 40,609,081   | -                           | 40,609,081              | -   |
| Community development                       |  |                             |                         |   |
| Parks and community services                | (3,086,631)  | -                           | (3,086,631)             | -   |
| Interest and fiscal charges                 | (674,822)  | -                           | (674,822)               | -   |
| Total governmental activities               | <u>(31,060,852)</u>                                  | <u>-</u>                    | <u>(31,060,852)</u>     | <u>-</u>                                      |
| Business-type activities:                   |  |                             |                         |   |
| Water                                       | -  | 3,852,061                   | 3,852,061               | -   |
| Wastewater                                  | -  | (4,332,959)                 | (4,332,959)             | -   |
| Solid waste                                 | -  | (1,657,733)                 | (1,657,733)             | -   |
| Drainage operations                         | -  | (352,048)                   | (352,048)               | -   |
| Municipal airport                           | -  | (155,170)                   | (155,170)               | -   |
| Municipal transit                           | -  | 2,775,147                   | 2,775,147               | -   |
| Total business-type activities              | <u>-</u>   | <u>129,298</u>              | <u>129,298</u>          | <u>-</u>                                      |
| <b>Total primary government</b>             | <u>(31,060,852)</u>                                  | <u>129,298</u>              | <u>(30,931,554)</u>     | <u>-</u>                                      |
| Component unit:                             |  |                             |                         |   |
| South San Joaquin County Fire Authority     | -  | -                           | -                       | (32,934)                                      |
| <b>Total component unit</b>                 | <u>-</u>   | <u>-</u>                    | <u>-</u>                | <u>(32,934)</u>                               |
| General Revenues and Transfers:             |  |                             |                         |   |
| General revenues:                           |  |                             |                         |   |
| Taxes:                                      |  |                             |                         |   |
| Property taxes                              | 25,735,540   | -                           | 25,735,540              | -   |
| Sales and use taxes                         | 56,648,873   | -                           | 56,648,873              | -   |
| Franchise taxes                             | 4,257,868  | -                           | 4,257,868               | -   |
| Transient occupancy tax                     | 1,702,313  | -                           | 1,702,313               | -   |
| Business license tax                        | 1,016,050  | -                           | 1,016,050               | -   |
| Transfer tax                                | 2,084,113  | -                           | 2,084,113               | -   |
| Total taxes                                 | <u>91,444,757</u>                                    | <u>-</u>                    | <u>91,444,757</u>       | <u>-</u>                                      |
| Motor vehicle in lieu, unrestricted         | 70,359   | -                           | 70,359                  | -   |
| Investment income (loss)                    | 241,790  | 144,421                     | 386,211                 | 32,934  |
| Gain on sale of capital assets              | -  | 20,200                      | 20,200                  | -   |
| Other income                                | 1,388,191  | 20,021                      | 1,408,212               | -   |
| <b>Transfers</b>                            | <u>(3,609,360)</u>                                   | <u>3,609,360</u>            | <u>-</u>                | <u>-</u>                                      |
| <b>Total general revenues and transfers</b> | <u>89,535,737</u>                                    | <u>3,794,002</u>            | <u>93,329,739</u>       | <u>32,934</u>                                 |
| <b>Change in net position</b>               | <u>58,474,885</u>                                    | <u>3,923,300</u>            | <u>62,398,185</u>       | <u>-</u>                                      |
| <b>Net Position:</b>                        |  |                             |                         |   |
| Beginning of year, as restated (Note 20)    | <u>813,555,489</u>                                   | <u>460,500,695</u>          | <u>1,274,056,184</u>    | <u>-</u>                                      |
| End of year                                 | <u>\$ 872,030,374</u>                                | <u>\$ 464,423,995</u>       | <u>\$ 1,336,454,369</u> | <u>\$ -</u>                                   |

See accompanying Notes to the Basic Financial Statements.

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**FUND FINANCIAL STATEMENTS**

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## **Governmental Funds Financial Statements**

***General Fund*** - This fund is used to account for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

***Housing Successor Special Revenue Fund*** - This fund is used to accounts for the revenues and expenditures of the Housing Successor Agency. This fund was established to account for housing activities assumed by the City from the former Tracy Community Development Agency and revenues and expenditures related to the low and moderate income housing program.

***Community Development Fees Special Revenue Fund*** - This fund is used to account for restricted revenues and specific activities of the Building, Engineering and Planning Divisions.

***CARES/ARPA Grants Special Revenue Fund*** - This fund accounts for the grant revenues and expenditures received through the CARES act and the American Rescue Plan act.

***General Project Capital Projects Fund*** - This fund is used to account for the construction of the capital project financed through transfers from the General Fund.

***Tracy Infrastructure Master Plans Capital Projects Fund*** - This fund is used to account for construction projects within Tracy Infrastructure Master Plan. The Tracy Infrastructure Master Plans were approved in 2012 and 2013 and cover all subsequent new development in areas of the City not covered by their own financing plan. Capital development fees are levied on developments in these areas and expenditures for various capital facilities to support the developments are accounted for in six functional categories.

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**City of Tracy**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

|  | Major Funds          |                              |                                       |                     |
|--|----------------------|------------------------------|---------------------------------------|---------------------|
|  | General<br>Fund      | Housing<br>Successor<br>Fund | Community<br>Development Fees<br>Fund | CARES/ARPA<br>Fund  |
| <b>ASSETS</b>  |                      |                              |                                       |                     |
| Cash and investments   | \$ 12,032,304        | \$ 4,947,045                 | \$ 7,142,489                          | \$ 8,430,388        |
| Cash and investments with fiscal agents                                    | -                    | -                            | -                                     | -                   |
| Accounts receivable, net   | 18,638,260           | -                            | 1,950,161                             | -                   |
| Interest receivable  | 109,559              | 9,867                        | 24,013                                | -                   |
| Due from other funds   | 2,869,971            | -                            | -                                     | -                   |
| Deposits   | -                    | -                            | -                                     | -                   |
| Loans receivable   | 69,270               | 12,396,246                   | -                                     | -                   |
| Due from Fiduciary Funds   | -                    | -                            | -                                     | -                   |
| Due from Component Unit  | 8,719,171            | -                            | -                                     | -                   |
| <b>Total assets</b>  | <b>\$ 42,438,535</b> | <b>\$ 17,353,158</b>         | <b>\$ 9,116,663</b>                   | <b>\$ 8,430,388</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                      |                              |                                       |                     |
| <b>Liabilities:</b>  |                      |                              |                                       |                     |
| Accounts payable   | \$ 2,908,630         | \$ 52,960                    | \$ 1,217,184                          | \$ 1,257            |
| Accrued payroll  | 5,201,160            | -                            | 233,522                               | 2,005               |
| Due to other funds   | -                    | -                            | -                                     | -                   |
| Deposits payable   | 189,139              | -                            | 2,292,138                             | -                   |
| Unearned revenues  | 80,082               | -                            | 4,477,550                             | 7,399,274           |
| <b>Total liabilities</b>   | <b>8,379,011</b>     | <b>52,960</b>                | <b>8,220,394</b>                      | <b>7,402,536</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                      |                              |                                       |                     |
| Unavailable revenue  | 29,270               | 12,396,246                   | -                                     | -                   |
| <b>Total deferred inflows of resources</b>                                 | <b>29,270</b>        | <b>12,396,246</b>            | <b>-</b>                              | <b>-</b>            |
| <b>Fund Balances:</b>  |                      |                              |                                       |                     |
| Nonspendable   | 40,000               | -                            | -                                     | -                   |
| Restricted   | 2,348,064            | 4,903,952                    | 896,269                               | 1,027,852           |
| Committed  | 16,401,047           | -                            | -                                     | -                   |
| Assigned   | 11,277,089           | -                            | -                                     | -                   |
| Unassigned (deficit)   | 3,964,054            | -                            | -                                     | -                   |
| <b>Total fund balances</b>   | <b>34,030,254</b>    | <b>4,903,952</b>             | <b>896,269</b>                        | <b>1,027,852</b>    |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 42,438,535</b> | <b>\$ 17,353,158</b>         | <b>\$ 9,116,663</b>                   | <b>\$ 8,430,388</b> |

**City of Tracy**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2021**

|  | Major Funds                         |  |                                    |                                |
|--|-------------------------------------|--|------------------------------------|--------------------------------|
|  | General<br>Capital Projects<br>Fund | Tracy Infrastructure<br>Master Plans<br>Fund | Non-major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|  |                                     |  |                                    |                                |
| <b>ASSETS</b>  |                                     |  |                                    |                                |
| Cash and investments   | \$ 40,657,791                       | \$ 60,511,784                                | \$ 137,209,661                     | \$ 270,931,462                 |
| Cash and investments with fiscal agents                                    | -                                   | -  | 3                                  | 3                              |
| Accounts receivable, net   | 61,911                              | 201,089                                      | 1,126,495                          | 21,977,916                     |
| Interest receivable  | -                                   | 117,780                                      | 257,940                            | 519,159                        |
| Due from other funds   | -                                   | -  | 2,139,931                          | 5,009,902                      |
| Deposits   | -                                   | -  | 1,000,000                          | 1,000,000                      |
| Loans receivable   | -                                   | -  | 1,808,950                          | 14,274,466                     |
| Due from Fiduciary Funds   | -                                   | -  | 5,192,100                          | 5,192,100                      |
| Due from Component Unit  | -                                   | -  | -                                  | 8,719,171                      |
| <b>Total assets</b>  | <b>\$ 40,719,702</b>                | <b>\$ 60,830,653</b>                         | <b>\$ 148,735,080</b>              | <b>\$ 327,624,179</b>          |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                                     |  |                                    |                                |
| <b>Liabilities:</b>  |                                     |  |                                    |                                |
| Accounts payable   | \$ 1,461,389                        | \$ 2,503,005                                 | \$ 1,712,581                       | \$ 9,857,006                   |
| Accrued payroll  | 1,363                               | 2,516  | 101,816                            | 5,542,382                      |
| Due to other funds   | -                                   | -  | 2,444,533                          | 2,444,533                      |
| Deposits payable   | 749,191                             | -  | 9,342,259                          | 12,572,727                     |
| Unearned revenues  | -                                   | -  | 77,459                             | 12,034,365                     |
| <b>Total liabilities</b>   | <b>2,211,943</b>                    | <b>2,505,521</b>                             | <b>13,678,648</b>                  | <b>42,451,013</b>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                                     |  |                                    |                                |
| Unavailable revenue  | -                                   | -  | 7,001,050                          | 19,426,566                     |
| <b>Total deferred inflows of resources</b>                                 | <b>-</b>                            | <b>-</b>                                     | <b>7,001,050</b>                   | <b>19,426,566</b>              |
| <b>Fund Balances:</b>  |                                     |  |                                    |                                |
| Nonspendable   | -                                   | -  | -                                  | 40,000                         |
| Restricted   | -                                   | 58,325,132                                   | 130,231,156                        | 197,732,425                    |
| Committed  | -                                   | -  | -                                  | 16,401,047                     |
| Assigned   | 38,507,759                          | -  | -                                  | 49,784,848                     |
| Unassigned (deficit)   | -                                   | -  | (2,175,774)                        | 1,788,280                      |
| <b>Total fund balances</b>   | <b>38,507,759</b>                   | <b>58,325,132</b>                            | <b>128,055,382</b>                 | <b>265,746,600</b>             |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 40,719,702</b>                | <b>\$ 60,830,653</b>                         | <b>\$ 148,735,080</b>              | <b>\$ 327,624,179</b>          |

**City of Tracy**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2021**

|   |                              |
|---|------------------------------|
| <b>Total Fund Balances - Total Governmental Funds</b>   | <u>\$ 265,746,600</u>        |
| Amounts reported for Governmental Activities in the Statement of Net Position were different because  |                              |
| Unavailable revenues reported on the Governmental Fund Financial Statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.  | <u>19,426,566</u>            |
| Capital Assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.  |                              |
| Government-Wide Statement of Net Position   | 674,736,540                  |
| Less: capital assets reported in Internal Service Funds   | <u>(11,607,564)</u>          |
| Total capital assets  | <u>663,128,976</u>           |
| Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.  |                              |
| Amount reported in Government-Wide Statement of Net Position  |                              |
| Sick leave conversion - due within one year   | (785,367)                    |
| Sick leave conversion - due in more than one year   | (3,141,469)                  |
| Compensated absences - due within one year  | (1,562,838)                  |
| Compensated absences - due in more than one year  | (3,083,512)                  |
| Long-term debt - due within one year  | (595,000)                    |
| Long-term debt - due in more than one year  | (20,495,106)                 |
| Less: amount reported in Internal Service Funds:  |                              |
| Compensated absences - due within one year  | 85,843                       |
| Compensated absences - due in more than one year  | <u>277,010</u>               |
| Total long-term liabilities   | <u>(29,300,439)</u>          |
| Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.  | <u>(121,568)</u>             |
| Aggregate net pension liability and total OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.  |                              |
| Total OPEB liability  | (6,051,636)                  |
| Net pension liability   | (88,339,386)                 |
| Less: amount reported in Internal Service Funds:  |                              |
| Total OPEB liability  | 208,553                      |
| Net pension liability   | <u>3,420,090</u>             |
| Total OPEB/pension liability  | <u>(90,762,379)</u>          |
| Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.  |                              |
| Amount reported in Government-Wide Statement of Net Position  |                              |
| Deferred outflows of resources related to OPEB  | 467,642                      |
| Deferred outflows of resources related to pensions  | 23,586,486                   |
| Less: amount reported in Internal Service Funds:  |                              |
| Deferred outflows of resources related to OPEB  | (16,117)                     |
| Deferred outflows of resources related to pensions  | <u>(795,801)</u>             |
| Total deferred outflows of resources  | <u>23,242,210</u>            |
| Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.   |                              |
| Amount reported in Government-Wide Statement of Net Position  |                              |
| Deferred inflows of resources related to OPEB   | (1,108,192)                  |
| Deferred inflows of resources related to pensions   | (529,485)                    |
| Less: amount reported in Internal Service Funds:  |                              |
| Deferred inflows of resources related to OPEB   | 38,191                       |
| Deferred inflows of resources related to pensions   | <u>12,624</u>                |
| Total deferred inflows of resources   | <u>(1,586,862)</u>           |
| Internal service funds are used by management to charge the cost of fleet management, risk management, information technology, and building maintenance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. | <u>22,257,270</u>            |
| <b>Net Position of Governmental Activities</b>  | <u><u>\$ 872,030,374</u></u> |

**City of Tracy**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

|   | Major Funds          |                              |                                       |                     |
|---|----------------------|------------------------------|---------------------------------------|---------------------|
|   | General<br>Fund      | Housing<br>Successor<br>Fund | Community<br>Development Fees<br>Fund | CARES/ARPA<br>Fund  |
| <b>REVENUES:</b>                              |                      |                              |                                       |                     |
| Taxes   | \$ 86,616,285        | \$ -                         | \$ -                                  | \$ -                |
| Licenses, permits and fees                    | 4,554,069            | -                            | 5,295,336                             | -                   |
| Fines and penalties                           | 779,652              | -                            | -                                     | -                   |
| Investment income (loss)                      | 253,920              | 75,160                       | 51,621                                | -                   |
| Intergovernmental                             | 861,444              | -                            | -                                     | 1,184,473           |
| Charges for current services                  | 10,264,482           | -                            | 5,852,738                             | -                   |
| Special assessments                           | 454,147              | -                            | -                                     | -                   |
| Contributions                                 | 155,698              | -                            | -                                     | -                   |
| Other revenue                                 | 1,020,172            | 19,288                       | 3,274                                 | -                   |
| <b>Total revenues</b>                         | <b>104,959,869</b>   | <b>94,448</b>                | <b>11,202,969</b>                     | <b>1,184,473</b>    |
| <b>EXPENDITURES:</b>                          |                      |                              |                                       |                     |
| Current:                                      |                      |                              |                                       |                     |
| General government                            |                      |                              |                                       |                     |
| Economic development                          | 1,146,152            | -                            | -                                     | -                   |
| General government                            | 7,659,534            | -                            | -                                     | -                   |
| Finance                                       | 5,122,963            | -                            | -                                     | -                   |
| Non-departmental                              | 1,498,300            | -                            | 891,540                               | -                   |
| Public safety                                 |                      |                              |                                       |                     |
| Police  | 35,188,494           | -                            | -                                     | 77,994              |
| Fire  | 15,854,221           | -                            | -                                     | 78,627              |
| Public ways and facilities                    |                      |                              |                                       |                     |
| Development and engineering                   | 265,249              | -                            | 11,133,223                            | -                   |
| Public works                                  | 7,083,249            | -                            | -                                     | -                   |
| Community development                         |                      |                              |                                       |                     |
| Parks and community services                  | 3,038,091            | -                            | -                                     | -                   |
| Capital outlay                                | -                    | 53,460                       | -                                     | -                   |
| Debt service:                                 |                      |                              |                                       |                     |
| Principal                                     | -                    | -                            | -                                     | -                   |
| Interest and fiscal charges                   | -                    | -                            | -                                     | -                   |
| <b>Total expenditures</b>                     | <b>76,856,253</b>    | <b>53,460</b>                | <b>12,024,763</b>                     | <b>156,621</b>      |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>28,103,616</b>    | <b>40,988</b>                | <b>(821,794)</b>                      | <b>1,027,852</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                      |                              |                                       |                     |
| Transfers in                                  | 56,230               | -                            | 2,088,186                             | -                   |
| Transfers out                                 | (17,176,542)         | -                            | -                                     | -                   |
| <b>Total other financing sources (uses)</b>   | <b>(17,120,312)</b>  | <b>-</b>                     | <b>2,088,186</b>                      | <b>-</b>            |
| <b>NET CHANGE IN FUND BALANCES</b>            | <b>10,983,304</b>    | <b>40,988</b>                | <b>1,266,392</b>                      | <b>1,027,852</b>    |
| <b>FUND BALANCES:</b>                         |                      |                              |                                       |                     |
| Beginning of year, as restated (Note 20)      | 23,046,950           | 4,862,964                    | (370,123)                             | -                   |
| End of year                                   | <b>\$ 34,030,254</b> | <b>\$ 4,903,952</b>          | <b>\$ 896,269</b>                     | <b>\$ 1,027,852</b> |

See accompanying Notes to the Basic Financial Statements.

**City of Tracy**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

|   | Major Funds                         |  |                                    |                                |
|---|-------------------------------------|--|------------------------------------|--------------------------------|
|   | General<br>Capital Projects<br>Fund | Tracy Infrastructure<br>Master Plans<br>Fund | Non-major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|   |                                     |  |                                    |                                |
| <b>REVENUES:</b>                              |                                     |  |                                    |                                |
| Taxes   | \$ -                                | \$ -   | \$ 2,009,868                       | \$ 88,626,153                  |
| Licenses, permits and fees                    | -                                   | -  | 165,834                            | 10,015,239                     |
| Fines and penalties                           | -                                   | -  | 317,827                            | 1,097,479                      |
| Investment income (loss)                      | 16,448                              | 109,418                                      | (23,153)                           | 483,414                        |
| Intergovernmental                             | 61,911                              | 201,089                                      | 5,912,216                          | 8,221,133                      |
| Charges for current services                  | -                                   | 24,407,461                                   | 9,605,452                          | 50,130,133                     |
| Special assessments                           | -                                   | -  | 3,850,506                          | 4,304,653                      |
| Contributions                                 | -                                   | -  | -                                  | 155,698                        |
| Other revenue                                 | -                                   | -  | 310,457                            | 1,353,191                      |
| <b>Total revenues</b>                         | <b>78,359</b>                       | <b>24,717,968</b>                            | <b>22,149,007</b>                  | <b>164,387,093</b>             |
| <b>EXPENDITURES:</b>                          |                                     |  |                                    |                                |
| Current:                                      |                                     |  |                                    |                                |
| General government                            |                                     |  |                                    |                                |
| Economic development                          | -                                   | -  | 819,628                            | 1,965,780                      |
| General government                            | -                                   | -  | -                                  | 7,659,534                      |
| Finance                                       | -                                   | -  | -                                  | 5,122,963                      |
| Non-departmental                              | -                                   | -  | 519,837                            | 2,909,677                      |
| Public safety                                 |                                     |  |                                    |                                |
| Police  | -                                   | -  | 668,995                            | 35,935,483                     |
| Fire  | -                                   | -  | -                                  | 15,932,848                     |
| Public ways and facilities                    |                                     |  |                                    |                                |
| Development and engineering                   | -                                   | -  | 1,014,303                          | 12,412,775                     |
| Public works                                  | -                                   | -  | 4,913,822                          | 11,997,071                     |
| Community development                         |                                     |  |                                    |                                |
| Parks and community services                  | -                                   | -  | -                                  | 3,038,091                      |
| Capital outlay                                | 903,194                             | 2,763,079                                    | 5,388,447                          | 9,108,180                      |
| Debt service:                                 |                                     |  |                                    |                                |
| Principal                                     | -                                   | -  | 555,000                            | 555,000                        |
| Interest and fiscal charges                   | -                                   | -  | 719,665                            | 719,665                        |
| <b>Total expenditures</b>                     | <b>903,194</b>                      | <b>2,763,079</b>                             | <b>14,599,697</b>                  | <b>107,357,067</b>             |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>(824,835)</b>                    | <b>21,954,889</b>                            | <b>7,549,310</b>                   | <b>57,030,026</b>              |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                                     |  |                                    |                                |
| Transfers in                                  | 13,721,318                          | 1,782,150                                    | 2,840,869                          | 20,488,753                     |
| Transfers out                                 | (581,750)                           | (399,473)                                    | (6,404,445)                        | (24,562,210)                   |
| <b>Total other financing sources (uses)</b>   | <b>13,139,568</b>                   | <b>1,382,677</b>                             | <b>(3,563,576)</b>                 | <b>(4,073,457)</b>             |
| <b>NET CHANGE IN FUND BALANCES</b>            | <b>12,314,733</b>                   | <b>23,337,566</b>                            | <b>3,985,734</b>                   | <b>52,956,569</b>              |
| <b>FUND BALANCES:</b>                         |                                     |  |                                    |                                |
| Beginning of year, as restated (Note 20)      | 26,193,026                          | 34,987,566                                   | 124,069,648                        | 212,790,031                    |
| End of year                                   | <b>\$ 38,507,759</b>                | <b>\$ 58,325,132</b>                         | <b>\$ 128,055,382</b>              | <b>\$ 265,746,600</b>          |

**City of Tracy**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position**  
**For the Year Ended June 30, 2021**

|  |                      |
|--|----------------------|
| <b>Total Fund Balances - Total Governmental Funds</b>  | <b>\$ 52,956,569</b> |
| Amounts reported for Governmental Activities in the Statement of Net Position were different because:  |                      |
| Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position the cost of those assets was allocated over their estimated useful lives as depreciation expenses. This is the amount of capital assets recorded in the current period (net of \$3,235,246 added in internal service funds) (\$639,630 of the governmental fund capital outlay balance were for repairs and maintenance expenditures). | 8,468,550            |
| In the Government-Wide Statement of Activities, donated assets are reported as a capital contribution.   | 12,807,453           |
| Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation expense, net of internal service funds of \$1,789,470, was not reported as expenditures in the Governmental Funds.  | (8,125,763)          |
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.   | (14,675)             |
| Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position   |                      |
| Principal payment of long-term debt  | 555,000              |
| Amortization of bond premium   | 46,069               |
| Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.  | (1,226)              |
| Sick leave conversion expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.   | (737,753)            |
| Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, net of \$58,412 in internal service funds.   | (110,947)            |
| Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.   | (744,208)            |
| Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.  |                      |
| Changes in pension related deferred outflows of resources, net of \$194,961 in internal service funds  | 3,776,415            |
| Changes in net pension liabilities, net of \$911,129 in internal service funds   | (9,701,271)          |
| Changes in pension related deferred inflows of resources, net of \$30,377 in internal service funds  | 2,694,308            |
| Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.   |                      |
| Changes in OPEB related deferred outflows of resources, net of \$778 in internal service funds   | 8,550                |
| Changes in total OPEB liabilities, net of \$15,184 in internal service funds   | (179,790)            |
| Changes in OPEB related deferred inflows of resources, net of \$20,296 in internal service funds   | (612,994)            |
| The internal service funds are used by management to charge the costs of fleet maintenance, facilities maintenance, and technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.  | (2,609,402)          |
| <b>Change in Net Position of Governmental Activities</b>   | <b>\$ 58,474,885</b> |



## Proprietary Funds Financial Statements

**Water Fund** - This fund is used to account for provision of water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including administrative, operations, capital improvements, maintenance, financing, and related debt service, and billing and collection.

**Wastewater Fund** - This fund is used to account for the activities associated with operating and maintaining the City's sewer and surface drainage system. All activities necessary to provide such services are accounted for in this fund including administration, operations, capital improvements, maintenance, financing, and related debt service, and billing and collection.

**Solid Waste Fund** - This fund is used to account for the provision of refuse collection services to residents of the City, accomplished through a franchised operator. This fund is also used to account for the activities of the City's recycling program.

**Drainage Fund** - This fund is used to account for the activities of the City's storm drainage operations are accounted for in this fund.

**Internal Service Funds** - These funds are used to provide goods and services by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

**City of Tracy**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

|  | Major Funds           |                       |                      |                      |
|--|-----------------------|-----------------------|----------------------|----------------------|
|  | Water<br>Fund         | Wastewater<br>Fund    | Solid Waste<br>Fund  | Drainage<br>Fund     |
| <b>ASSETS</b>                                    |                       |                       |                      |                      |
| Current assets:                                  |                       |                       |                      |                      |
| Cash and investments                             | \$ 11,289,119         | \$ 26,739,391         | \$ 11,805,460        | \$ 232,015           |
| Cash and investments with fiscal agents          | -                     | 8                     | -                    | -                    |
| Accounts receivable, net                         | 5,068,678             | 3,382,796             | 5,069,016            | 120,502              |
| Interest receivable                              | 22,652                | 66,012                | 24,690               | 466                  |
| Due from other funds                             | -                     | -                     | -                    | -                    |
| Prepaid items                                    | -                     | -                     | -                    | -                    |
| Inventories                                      | 570,994               | -                     | -                    | -                    |
| <b>Total current assets</b>                      | <b>16,951,443</b>     | <b>30,188,207</b>     | <b>16,899,166</b>    | <b>352,983</b>       |
| Noncurrent assets:                               |                       |                       |                      |                      |
| Advances from other funds                        | -                     | 2,006,600             | -                    | -                    |
| Capital assets:                                  |                       |                       |                      |                      |
| Non-depreciable                                  | 5,026,835             | 41,953,039            | -                    | 16,819,144           |
| Depreciable, net                                 | 189,998,733           | 122,278,057           | -                    | 34,860,299           |
| <b>Total capital assets, net</b>                 | <b>195,025,568</b>    | <b>164,231,096</b>    | <b>-</b>             | <b>51,679,443</b>    |
| <b>Total noncurrent assets</b>                   | <b>195,025,568</b>    | <b>166,237,696</b>    | <b>-</b>             | <b>51,679,443</b>    |
| <b>Total assets</b>                              | <b>211,977,011</b>    | <b>196,425,903</b>    | <b>16,899,166</b>    | <b>52,032,426</b>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>             |                       |                       |                      |                      |
| Related to OPEB                                  | 8,414                 | 8,852                 | 1,963                | 521                  |
| Related to pensions                              | 1,002,040             | 1,254,710             | 250,510              | 62,628               |
| <b>Total deferred outflow of resources</b>       | <b>1,010,454</b>      | <b>1,263,562</b>      | <b>252,473</b>       | <b>63,149</b>        |
| <b>LIABILITIES</b>                               |                       |                       |                      |                      |
| Current liabilities:                             |                       |                       |                      |                      |
| Accounts payable                                 | 965,846               | 754,972               | 1,833,100            | 11,423               |
| Accrued payroll                                  | 175,740               | 199,591               | 43,049               | 11,464               |
| Due to other funds                               | -                     | -                     | -                    | -                    |
| Interest payable                                 | -                     | 83,000                | -                    | -                    |
| Deposits payable                                 | 706,112               | 500                   | -                    | 688,969              |
| Unearned revenue                                 | -                     | -                     | 29,690               | -                    |
| Compensated absences - due within one year       | 105,381               | 128,613               | 25,079               | 7,384                |
| Long-term debt - due within one year             | 1,087,711             | 915,000               | -                    | -                    |
| <b>Total current liabilities</b>                 | <b>3,040,790</b>      | <b>2,081,676</b>      | <b>1,930,918</b>     | <b>719,240</b>       |
| Noncurrent liabilities:                          |                       |                       |                      |                      |
| Advances from other funds                        | 2,006,600             | -                     | -                    | -                    |
| Net OPEB liability                               | 108,879               | 114,551               | 25,410               | 6,750                |
| Net pension liability                            | 4,306,437             | 5,392,327             | 1,076,609            | 269,152              |
| Compensated absences - due in more than one year | 223,038               | 335,700               | 49,901               | 15,665               |
| Long term debt - due in more than one year       | 6,456,524             | 20,260,000            | -                    | -                    |
| <b>Total noncurrent liabilities</b>              | <b>13,101,478</b>     | <b>26,102,578</b>     | <b>1,151,920</b>     | <b>291,567</b>       |
| <b>Total liabilities</b>                         | <b>16,142,268</b>     | <b>28,184,254</b>     | <b>3,082,838</b>     | <b>1,010,807</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                       |                       |                      |                      |
| Related to OPEB                                  | 19,938                | 20,977                | 4,653                | 1,237                |
| Related to pensions                              | 15,894                | 19,902                | 3,974                | 993                  |
| <b>Total deferred inflows of resources</b>       | <b>35,832</b>         | <b>40,879</b>         | <b>8,627</b>         | <b>2,230</b>         |
| <b>NET POSITION</b>                              |                       |                       |                      |                      |
| Net investment in capital assets                 | 187,481,333           | 143,056,096           | -                    | 51,679,443           |
| Restricted                                       | -                     | 8                     | -                    | -                    |
| Unrestricted (deficit)                           | 9,328,032             | 26,408,228            | 14,060,174           | (596,905)            |
| <b>Total net position</b>                        | <b>\$ 196,809,365</b> | <b>\$ 169,464,332</b> | <b>\$ 14,060,174</b> | <b>\$ 51,082,538</b> |

See accompanying Notes to the Basic Financial Statements.

**City of Tracy**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2021**

|  | Non-major<br>Funds   | Total                 | Governmental<br>Activities<br>Internal<br>Service Funds |
|--|----------------------|-----------------------|---|
| <b>ASSETS</b>                                    |                      |                       |   |
| Current assets:                                  |                      |                       |   |
| Cash and investments                             | \$ -                 | \$ 50,065,985         | \$ 14,195,825   |
| Cash and investments with fiscal agents          | -                    | 8                     | -   |
| Accounts receivable, net                         | 6,410,271            | 20,051,263            | 68,000  |
| Interest receivable                              | -                    | 113,820               | 27,911  |
| Due from other funds                             | -                    | -                     | -   |
| Prepaid items                                    | -                    | -                     | -   |
| Inventories                                      | -                    | 570,994               | -   |
| <b>Total current assets</b>                      | <b>6,410,271</b>     | <b>70,802,070</b>     | <b>14,291,736</b>                                       |
| Noncurrent assets:                               |                      |                       |   |
| Advances from other funds                        | -                    | 2,006,600             | -   |
| Capital assets:                                  |                      |                       |   |
| Non-depreciable                                  | 9,944,043            | 73,743,061            | -   |
| Depreciable, net                                 | 20,302,667           | 367,439,756           | 11,607,564  |
| <b>Total capital assets, net</b>                 | <b>30,246,710</b>    | <b>441,182,817</b>    | <b>11,607,564</b>                                       |
| <b>Total noncurrent assets</b>                   | <b>30,246,710</b>    | <b>443,189,417</b>    | <b>11,607,564</b>                                       |
| <b>Total assets</b>                              | <b>36,656,981</b>    | <b>513,991,487</b>    | <b>25,899,300</b>                                       |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>             |                      |                       |   |
| Related to OPEB                                  | 3,372                | 23,122                | 16,117  |
| Related to pensions                              | 164,127              | 2,734,015             | 795,801   |
| <b>Total deferred outflow of resources</b>       | <b>167,499</b>       | <b>2,757,137</b>      | <b>811,918</b>  |
| <b>LIABILITIES</b>                               |                      |                       |   |
| Current liabilities:                             |                      |                       |   |
| Accounts payable                                 | 295,654              | 3,860,995             | 275,617   |
| Accrued payroll                                  | 26,792               | 456,636               | 129,262   |
| Due to other funds                               | 2,565,369            | 2,565,369             | -   |
| Interest payable                                 | -                    | 83,000                | -   |
| Deposits payable                                 | 54,783               | 1,450,364             | 6,758   |
| Unearned revenue                                 | 61,707               | 91,397                | -   |
| Compensated absences - due within one year       | 19,221               | 285,678               | 85,843  |
| Long-term debt - due within one year             | -                    | 2,002,711             | -   |
| <b>Total current liabilities</b>                 | <b>3,023,526</b>     | <b>10,796,150</b>     | <b>497,480</b>  |
| Noncurrent liabilities:                          |                      |                       |   |
| Advances from other funds                        | -                    | 2,006,600             | -   |
| Net OPEB liability                               | 43,633               | 299,223               | 208,553   |
| Net pension liability                            | 705,365              | 11,749,890            | 3,420,090   |
| Compensated absences - due in more than one year | 33,776               | 658,080               | 277,010   |
| Long term debt - due in more than one year       | -                    | 26,716,524            | -   |
| <b>Total noncurrent liabilities</b>              | <b>782,774</b>       | <b>41,430,317</b>     | <b>3,905,653</b>  |
| <b>Total liabilities</b>                         | <b>3,806,300</b>     | <b>52,226,467</b>     | <b>4,403,133</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                      |                       |   |
| Related to OPEB                                  | 7,990                | 54,795                | 38,191  |
| Related to pensions                              | 2,604                | 43,367                | 12,624  |
| <b>Total deferred inflows of resources</b>       | <b>10,594</b>        | <b>98,162</b>         | <b>50,815</b>   |
| <b>NET POSITION</b>                              |                      |                       |   |
| Net investment in capital assets                 | 30,246,710           | 412,463,582           | 11,607,564  |
| Restricted                                       | -                    | 8                     | -   |
| Unrestricted (deficit)                           | 2,760,876            | 51,960,405            | 10,649,706  |
| <b>Total net position</b>                        | <b>\$ 33,007,586</b> | <b>\$ 464,423,995</b> | <b>\$ 22,257,270</b>                                    |

**City of Tracy**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

|   | Major Funds           |                       |                      |                      |
|---|-----------------------|-----------------------|----------------------|----------------------|
|   | Water<br>Fund         | Wastewater<br>Fund    | Solid Waste<br>Fund  | Drainage<br>Fund     |
| <b>OPERATING REVENUES:</b>                                      |                       |                       |                      |                      |
| Sales and charges for services                                  | \$ 23,405,580         | \$ 15,051,361         | \$ 24,309,501        | \$ 749,475           |
| Other operating revenue   | -                     | -                     | -                    | -                    |
| <b>Total operating revenues</b>                                 | <u>23,405,580</u>     | <u>15,051,361</u>     | <u>24,309,501</u>    | <u>749,475</u>       |
| <b>OPERATING EXPENSES:</b>                                      |                       |                       |                      |                      |
| Purchase of water   | 5,084,814             | -                     | -                    | -                    |
| Maintenance and operation                                       | 10,175,760            | 11,497,160            | 23,795,360           | 565,033              |
| Administration  | 1,128,280             | 2,987,962             | 2,190,973            | (1,728)              |
| Insurance costs and claims                                      | -                     | -                     | -                    | -                    |
| Depreciation  | 4,585,829             | 5,735,509             | -                    | 1,632,097            |
| <b>Total operating expenses</b>                                 | <u>20,974,683</u>     | <u>20,220,631</u>     | <u>25,986,333</u>    | <u>2,195,402</u>     |
| <b>OPERATING INCOME (LOSS)</b>                                  | <u>2,430,897</u>      | <u>(5,169,270)</u>    | <u>(1,676,832)</u>   | <u>(1,445,927)</u>   |
| <b>NONOPERATING REVENUES (EXPENSES):</b>                        |                       |                       |                      |                      |
| Operating grants  | -                     | -                     | -                    | -                    |
| Capital grants  | -                     | -                     | 19,099               | -                    |
| Investment income (loss)  | 43,767                | 150,155               | (44,946)             | 694                  |
| Interest expense  | (201,822)             | (1,016,951)           | -                    | -                    |
| Gain on sale of capital assets                                  | 8,900                 | -                     | -                    | -                    |
| <b>Total nonoperating revenues (expenses)</b>                   | <u>(149,155)</u>      | <u>(866,796)</u>      | <u>(25,847)</u>      | <u>694</u>           |
| <b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b> | <u>2,281,742</u>      | <u>(6,036,066)</u>    | <u>(1,702,679)</u>   | <u>(1,445,233)</u>   |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>                      |                       |                       |                      |                      |
| Capital contributions   | 1,622,986             | 1,853,262             | -                    | 1,093,879            |
| Transfers in  | 706,178               | 276,145               | -                    | 2,476,837            |
| <b>Total capital contributions and transfers</b>                | <u>2,329,164</u>      | <u>2,129,407</u>      | <u>-</u>             | <u>3,570,716</u>     |
| <b>Changes in net position</b>                                  | 4,610,906             | (3,906,659)           | (1,702,679)          | 2,125,483            |
| <b>NET POSITION:</b>  |                       |                       |                      |                      |
| Beginning of year   | <u>192,198,459</u>    | <u>173,370,991</u>    | <u>15,762,853</u>    | <u>48,957,055</u>    |
| End of year   | <u>\$ 196,809,365</u> | <u>\$ 169,464,332</u> | <u>\$ 14,060,174</u> | <u>\$ 51,082,538</u> |

**City of Tracy**  
**Statement of Revenues, Expenses, and Changes in Net Position (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

|   | Non-major<br>Funds   | Total                 | Governmental<br>Activities<br>Internal<br>Service Funds |
|---|----------------------|-----------------------|---|
| <b>OPERATING REVENUES:</b>  |                      |                       |   |
| Sales and charges for services                                      | \$ 916,512           | \$ 64,432,429         | \$ 12,354,479   |
| Other operating revenue   | 20,021               | 20,021                | 466,203   |
| <b>Total operating revenues</b>                                     | <b>936,533</b>       | <b>64,452,450</b>     | <b>12,820,682</b>                                       |
| <b>OPERATING EXPENSES:</b>  |                      |                       |   |
| Purchase of water   | -                    | 5,084,814             | -   |
| Maintenance and operation   | 4,252,069            | 50,285,382            | 7,694,721   |
| Administration  | 685,347              | 6,990,834             | 1,318,592   |
| Insurance costs and claims  | -                    | -                     | 5,192,556   |
| Depreciation  | 1,558,908            | 13,512,343            | 1,789,470   |
| <b>Total operating expenses</b>                                     | <b>6,496,324</b>     | <b>75,873,373</b>     | <b>15,995,339</b>                                       |
| <b>OPERATING INCOME (LOSS)</b>                                      | <b>(5,559,791)</b>   | <b>(11,420,923)</b>   | <b>(3,174,657)</b>                                      |
| <b>NONOPERATING REVENUES (EXPENSES):</b>                            |                      |                       |   |
| Operating grants  | 6,988,106            | 6,988,106             | -   |
| Capital grants  | 1,211,683            | 1,230,782             | 56,327  |
| Investment income (loss)  | (5,249)              | 144,421               | (38,950)  |
| Interest expense  | -                    | (1,218,773)           | -   |
| Gain on sale of capital assets                                      | 11,300               | 20,200                | 47,405  |
| <b>Total nonoperating revenues (expenses)</b>                       | <b>8,205,840</b>     | <b>7,164,736</b>      | <b>64,782</b>   |
| <b>INCOME (LOSS) BEFORE CAPITAL<br/>CONTRIBUTIONS AND TRANSFERS</b> | <b>2,646,049</b>     | <b>(4,256,187)</b>    | <b>(3,109,875)</b>                                      |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>                          |                      |                       |   |
| Capital contributions   | -                    | 4,570,127             | 36,376  |
| Transfers in  | 150,200              | 3,609,360             | 464,097   |
| <b>Total capital contributions and transfers</b>                    | <b>150,200</b>       | <b>8,179,487</b>      | <b>500,473</b>  |
| <b>Changes in net position</b>                                      | <b>2,796,249</b>     | <b>3,923,300</b>      | <b>(2,609,402)</b>                                      |
| <b>NET POSITION:</b>  |                      |                       |   |
| Beginning of year   | 30,211,337           | 460,500,695           | 24,866,672  |
| End of year   | <u>\$ 33,007,586</u> | <u>\$ 464,423,995</u> | <u>\$ 22,257,270</u>                                    |

**City of Tracy**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

|  | Major Funds          |                      |                      |                                |
|--|----------------------|----------------------|----------------------|--------------------------------|
|  | Water<br>Fund        | Sewer<br>Fund        | Solid Waste<br>Fund  | Drainage<br>Operations<br>Fund |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                     |                      |                      |                      |                                |
| Cash received from customers   | \$ 22,411,509        | \$ 16,821,322        | \$ 22,942,042        | \$ 722,419                     |
| Cash payments to suppliers for goods and services                                | (11,154,158)         | (10,119,091)         | (24,731,747)         | (213,985)                      |
| Cash payments to employees for services  | (5,477,454)          | (5,758,050)          | (1,234,178)          | (367,400)                      |
| Other operating revenues and expenses  | -                    | -                    | -                    | -                              |
| <b>Net cash provided by (used in) operating activities</b>                       | <u>5,779,897</u>     | <u>944,181</u>       | <u>(3,023,883)</u>   | <u>141,034</u>                 |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                          |                      |                      |                      |                                |
| Operating grants   | -                    | -                    | -                    | -                              |
| Borrowing from other funds   | -                    | 1,100,241            | -                    | -                              |
| Repayment to other funds   | (22,800)             | -                    | -                    | -                              |
| Transfers from other funds   | 706,178              | 276,145              | -                    | 2,476,837                      |
| <b>Net cash provided by (used in) noncapital financing activities</b>            | <u>683,378</u>       | <u>1,376,386</u>     | <u>-</u>             | <u>2,476,837</u>               |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                 |                      |                      |                      |                                |
| Capital grants   | -                    | -                    | 19,099               | -                              |
| Capital contributions from developers and others                                 | 1,622,986            | 1,853,262            | -                    | 1,093,879                      |
| Acquisition of capital assets  | (1,290,386)          | (18,201,994)         | -                    | (3,580,375)                    |
| Proceeds from the sale of assets   | 8,900                | -                    | -                    | -                              |
| Principal payment of long-term debt  | (1,062,698)          | (875,000)            | -                    | -                              |
| Interest paid on debt  | (201,822)            | (1,018,519)          | -                    | -                              |
| <b>Net cash provided by (used in) capital and related financing activities</b>   | <u>(923,020)</u>     | <u>(18,242,251)</u>  | <u>19,099</u>        | <u>(2,486,496)</u>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                     |                      |                      |                      |                                |
| Interest from investments  | 42,000               | 240,964              | (15,915)             | 644                            |
| <b>Net cash provided by investing activities</b>                                 | <u>42,000</u>        | <u>240,964</u>       | <u>(15,915)</u>      | <u>644</u>                     |
| <b>Net change in cash and cash equivalents</b>                                   | 5,582,255            | (15,680,720)         | (3,020,699)          | 132,019                        |
| <b>CASH AND CASH EQUIVALENTS:</b>  |                      |                      |                      |                                |
| Beginning of year  | 5,706,864            | 42,420,119           | 14,826,159           | 99,996                         |
| End of year  | <u>\$ 11,289,119</u> | <u>\$ 26,739,399</u> | <u>\$ 11,805,460</u> | <u>\$ 232,015</u>              |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:</b> |                      |                      |                      |                                |
| Cash and cash investments  | \$ 11,289,119        | \$ 26,739,391        | \$ 11,805,460        | \$ 232,015                     |
| Restricted cash and investments  | -                    | 8                    | -                    | -                              |
| <b>Total cash and cash equivalents</b>   | <u>\$ 11,289,119</u> | <u>\$ 26,739,399</u> | <u>\$ 11,805,460</u> | <u>\$ 232,015</u>              |

(Continued)

**City of Tracy**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

|  | Major Funds                |                          |                              |                                |
|--|----------------------------|--------------------------|------------------------------|--------------------------------|
|  | Water<br>Fund              | Sewer<br>Fund            | Solid Waste<br>Fund          | Drainage<br>Operations<br>Fund |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b> |                            |                          |                              |                                |
| Operating income (loss)  | \$ 2,430,897               | \$ (5,169,270)           | \$ (1,676,832)               | \$ (1,445,927)                 |
| Adjustments to reconcile operating (loss) to net<br>cash provided by (used in) operating activities:         |                            |                          |                              |                                |
| Depreciation   | 4,585,829                  | 5,735,509                | -                            | 1,632,097                      |
| Changes in operating assets and liabilities, and<br>deferred outflows and inflows of resources:              |                            |                          |                              |                                |
| Accounts receivable, net   | (865,667)                  | 2,286,276                | (1,395,129)                  | (26,408)                       |
| Prepaid items  | -                          | -                        | -                            | 13,629                         |
| Deferred outflows - OPEB related   | 16,300                     | 18,522                   | 3,088                        | 2,553                          |
| Deferred outflows - pension related  | 74,110                     | (454,783)                | (213,995)                    | 33,927                         |
| Accounts payable   | 301,519                    | (2,837,717)              | (531,801)                    | 4,076                          |
| Accrued payroll  | 8,397                      | 33,897                   | 4,023                        | (3,323)                        |
| Deposits payable   | (128,404)                  | (516,315)                | -                            | (648)                          |
| Unearned revenue   | -                          | -                        | 27,670                       | -                              |
| Compensated absences   | 25,445                     | 156,925                  | (1,624)                      | 3,625                          |
| Net OPEB liability   | (183,141)                  | (227,236)                | (31,213)                     | (37,983)                       |
| Net pension liability  | (296,232)                  | 1,918,064                | 790,857                      | (32,285)                       |
| Deferred inflows - OPEB related  | (10,746)                   | (13,612)                 | (1,410)                      | (2,913)                        |
| Deferred inflows - pension related   | (178,410)                  | 13,921                   | 2,483                        | 614                            |
| Total adjustments  | <u>3,349,000</u>           | <u>6,113,451</u>         | <u>(1,347,051)</u>           | <u>1,586,961</u>               |
| <b>Net cash provided by (used in) operating activities</b>   | <u><u>\$ 5,779,897</u></u> | <u><u>\$ 944,181</u></u> | <u><u>\$ (3,023,883)</u></u> | <u><u>\$ 141,034</u></u>       |
| <b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>   |                            |                          |                              |                                |
| Contributed property, plant and equipment  | \$ 1,115,985               | \$ 902,405               | \$ -                         | \$ 1,093,879                   |
| Prepaid capital asset capitalized  | -                          | -                        | -                            | -                              |
| <b>Total noncash capital and related financing activities</b>  | <u><u>\$ 1,115,985</u></u> | <u><u>\$ 902,405</u></u> | <u><u>\$ -</u></u>           | <u><u>\$ 1,093,879</u></u>     |

(Continued)

**City of Tracy**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

|  | Non-major<br>Funds | Total                | Governmental<br>Activities<br>Internal<br>Service Funds |
|--|--------------------|----------------------|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                    |                      |   |
| Cash received from customers   | \$ 783,041         | \$ 63,680,333        | \$ 12,319,235   |
| Cash payments to suppliers for goods and services                                    | (3,991,150)        | (50,210,131)         | (9,848,733)   |
| Cash payments to employees for services  | (751,295)          | (13,588,377)         | (3,697,174)   |
| Other operating revenues and expenses  | 20,021             | 20,021               | 466,203   |
| <b>Net cash provided by (used in) operating activities</b>                           | <b>(3,939,383)</b> | <b>(98,154)</b>      | <b>(760,469)</b>  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                              |                    |                      |   |
| Operating grants   | 6,988,106          | 6,988,106            | -   |
| Borrowing from other funds   | -                  | 1,100,241            | -   |
| Repayment to other funds   | (950,543)          | (973,343)            | -   |
| Transfers from other funds   | 150,200            | 3,609,360            | 464,097   |
| <b>Net cash provided by (used in) noncapital financing activities</b>                | <b>6,187,763</b>   | <b>10,724,364</b>    | <b>464,097</b>  |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES:</b>                 |                    |                      |   |
| Capital grants   | 1,211,683          | 1,230,782            | 56,327  |
| Capital contributions from developers and others                                     | -                  | 4,570,127            | -   |
| Acquisition of capital assets  | (3,478,170)        | (26,550,925)         | (1,843,671)   |
| Proceeds from the sale of assets   | 11,300             | 20,200               | 83,781  |
| Principal payment of long-term debt  | -                  | (1,937,698)          | -   |
| Interest paid on debt  | -                  | (1,220,341)          | -   |
| <b>Net cash provided by (used in) capital and related financing activities</b>       | <b>(2,255,187)</b> | <b>(23,887,855)</b>  | <b>(1,703,563)</b>                                      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                    |                      |   |
| Interest from investments  | (2,623)            | 265,070              | (11,831)  |
| <b>Net cash provided by investing activities</b>                                     | <b>(2,623)</b>     | <b>265,070</b>       | <b>(11,831)</b>   |
| <b>Net change in cash and cash equivalents</b>                                       | <b>(9,430)</b>     | <b>(12,996,575)</b>  | <b>(2,011,766)</b>                                      |
| <b>CASH AND CASH EQUIVALENTS:</b>  |                    |                      |   |
| Beginning of year  | 9,430              | 63,062,568           | 16,207,591  |
| End of year  | <u>\$ -</u>        | <u>\$ 50,065,993</u> | <u>\$ 14,195,825</u>                                    |
| <b>RECONCILIATION OF CASH AND CASH<br/>EQUIVALENTS TO STATEMENT OF NET POSITION:</b> |                    |                      |   |
| Cash and cash investments  | \$ -               | \$ 50,065,985        | \$ 14,195,825   |
| Restricted cash and investments  | -                  | 8                    | -   |
| <b>Total cash and cash equivalents</b>   | <u>\$ -</u>        | <u>\$ 50,065,993</u> | <u>\$ 14,195,825</u>                                    |

(Continued)



**City of Tracy**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

|  | Non-major<br>Funds           | Total                      | Governmental<br>Activities<br>Internal<br>Service Funds |
|--|------------------------------|----------------------------|---|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b> |                              |                            |   |
| Operating income (loss)  | \$ (5,559,791)               | \$(11,420,923)             | \$ (3,174,657)  |
| Adjustments to reconcile operating (loss) to net<br>cash provided by (used in) operating activities:         |                              |                            |   |
| Depreciation   | 1,558,908                    | 13,512,343                 | 1,789,470   |
| Changes in operating assets and liabilities, and<br>deferred outflows and inflows of resources:              |                              |                            |   |
| Accounts receivable, net   | 81,957                       | 81,029                     | (35,244)  |
| Prepaid items  | -                            | 13,629                     | -   |
| Deferred outflows - OPEB related   | 450                          | 40,913                     | 778   |
| Deferred outflows - pension related  | (50,724)                     | (611,465)                  | (194,961)   |
| Accounts payable   | 27,606                       | (3,036,317)                | (109,964)   |
| Accrued payroll  | 4,500                        | 47,494                     | 19,833  |
| Deposits payable   | 2,971                        | (642,396)                  | -   |
| Unearned revenue   | (218,399)                    | (190,729)                  | -   |
| Compensated absences   | 13,054                       | 197,425                    | 58,412  |
| Net OPEB liability   | (746)                        | (480,319)                  | (15,184)  |
| Net pension liability  | 200,717                      | 2,581,121                  | 911,129   |
| Deferred inflows - OPEB related  | 3,926                        | (24,755)                   | 20,296  |
| Deferred inflows - pension related   | (3,812)                      | (165,204)                  | (30,377)  |
| Total adjustments  | <u>1,620,408</u>             | <u>11,322,769</u>          | <u>2,414,188</u>  |
| <b>Net cash provided by (used in) operating activities</b>   | <u><u>\$ (3,939,383)</u></u> | <u><u>\$ (98,154)</u></u>  | <u><u>\$ (760,469)</u></u>                              |
| <b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>   |                              |                            |   |
| Contributed property, plant and equipment  | \$ -                         | \$ 3,112,269               | \$ -  |
| Prepaid capital asset capitalized  | -                            | -                          | 1,391,575   |
| <b>Total noncash capital and related financing activities</b>  | <u><u>\$ -</u></u>           | <u><u>\$ 3,112,269</u></u> | <u><u>\$ 1,391,575</u></u>                              |

(Concluded)

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## **Fiduciary Funds Financial Statements**

***Custodial funds*** - These funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. This includes various Community Facilities Districts and Assessments Districts.

***Private Purpose Funds*** - These funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). This includes the Successor Agency Private Purpose Trust Fund.

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**City of Tracy**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

|   | Custodial<br>Funds   | Successor Agency<br>Private Purpose<br>Trust Fund |
|---|----------------------|---|
| <b>ASSETS</b>                                     |                      |   |
| Cash and investments                              | \$ 6,772,525         | \$ 6,107,066                                      |
| Cash and investments with fiscal agent            | 51,089,048           | 704   |
| Interest receivable                               | 13,891               | 12,181  |
| <b>Total assets</b>                               | <b>57,875,464</b>    | <b>6,119,951</b>                                  |
| <b>DEFERRED OUTFLOWS<br/>OF RESOURCES</b>         |                      |   |
| Deferred loss on refunding                        | -                    | 1,889,020   |
| <b>Total deferred outflows of resources</b>       | <b>-</b>             | <b>1,889,020</b>                                  |
| <b>LIABILITIES</b>                                |                      |   |
| Accrued payroll                                   | -                    | 572   |
| Interest payable                                  | -                    | 531,167   |
| Deposits payable                                  | 298,184              | -   |
| Due to City                                       | -                    | 5,192,100   |
| Long-term debt - due within one year              | -                    | 1,580,000   |
| Long-term debt - due in more than one year        | -                    | 30,030,912  |
| <b>Total liabilities</b>                          | <b>298,184</b>       | <b>37,334,751</b>                                 |
| <b>NET POSITION (DEFICIT)</b>                     |                      |   |
| Held for:   |                      |   |
| Individuals, organizations, and other governments | 57,577,280           | -   |
| Dissolution of RDA                                | -                    | (29,325,780)                                      |
| <b>Total net position (deficit)</b>               | <b>\$ 57,577,280</b> | <b>\$ (29,325,780)</b>                            |

**City of Tracy**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2021**

|   | Custodial<br>Funds   | Successor Agency<br>Private Purpose<br>Trust Fund |
|---|----------------------|---|
| <b>ADDITIONS:</b>                         |                      |   |
| Fee collections for other governments     | \$ 18,836,745        | \$ 304,686  |
| Special assessments for other governments | 14,693,483           | -   |
| Investment income                         | 273,153              | (44,159)  |
| RDA property tax trust fund distribution  | -                    | 2,656,220   |
| <b>Total additions</b>                    | <b>33,803,381</b>    | <b>2,916,747</b>                                  |
| <b>DEDUCTIONS:</b>                        |                      |   |
| Administration                            | 525,979              | -   |
| Payments on conduit bonds - principal     | 8,570,000            | -   |
| Payments on conduit bonds - interest      | 6,500,652            | -   |
| Project payments                          | 2,513,721            | 22,436  |
| Payments to other governments             | 59,678               | -   |
| Transfers to City                         | -                    | 309,754   |
| Interest expense                          | -                    | 1,116,648   |
| <b>Total deductions</b>                   | <b>18,170,030</b>    | <b>1,448,838</b>                                  |
| <b>Change in net position</b>             | <b>15,633,351</b>    | <b>1,467,909</b>                                  |
| <b>NET POSITION (DEFICIT):</b>            |                      |   |
| Beginning of year, as restated (Note 20)  | 41,943,929           | (30,793,689)                                      |
| End of period                             | <b>\$ 57,577,280</b> | <b>\$ (29,325,780)</b>                            |

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of Tracy**  
**Index of Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**City of Tracy**  
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**For the Year Ended June 30, 2021**

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**City of Tracy**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies**

The basic financial statements of the City of Tracy, California (City) have been prepared in conformity with Generally Accepted Accounting Principles of the United States of America (U.S. GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards in the United States. The more significant of the City's accounting policies are described below.

**A. Financial Reporting Entity**

The City of Tracy, California (the "City") was incorporated on July 10, 1910 under the general laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, general administration services, and redevelopment.

**Blended Component Units**

The financial reporting entity consists of the primary government, the City, and its component units. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the government's operation and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Although the following are legally separate from the City, they have been "blended" as though they are part of the City because the component unit's governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

The accompanying basic financial statements of the City of Tracy include the financial activities of the City as well as the Tracy Operating Partnership Joint Powers Authority, Tracy Public Financing Authority, and Tracy Industrial Development Authority, which are controlled by and dependent on the City. While they are separate legal entities, City Council serves in separate sessions as the governing body of the Tracy Operating Partnership Joint Powers Authority, the Tracy Public Financing Authority, and the Tracy Industrial Development Authority; their financial activities are integral to those of the City. The financial activities of all three entities have been aggregated and merged (termed "blended") with those of the City in the accompanying financial statements. Further details about each entity follow:

The **Tracy Operating Partnership Joint Powers Authority (TOP)**, established in October 1995, is a separate governmental entity whose purpose is to assist in the financing and refinancing of certain redevelopment activities of the former Community Development Agency and certain programs and projects of the City. The TOP is administered by a Governing Board whose members are the City Council of the City of Tracy, and the City also performs all accounting and administrative functions for the TOP. The TOP does not issue separate financial statements.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**A. Financial Reporting Entity (Continued)**

The **Tracy Public Financing Authority (TPFA)**, established in May 2013, is a separate government entity whose purpose is to assist the City and the former South County Fire Authority (SCFA) with the financing or refinancing of certain public capital facilities within the City. The SCFA was dissolved on June 30, 2018 and was replaced as a member of the TPFA by the Tracy Industrial Development Authority. The TPFA has the power to purchase bonds issued by any local agency at public, or negotiated sale, and may sell such bonds to public or private purchasers at public, or negotiated sale. The TPFA is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the TPFA. The TPFA does not issue separate financial statements.

The **Tracy Industrial Development Authority (TIDA)**, established in August 2018, is a separate governmental entity whose purpose is to implement the provisions of the California Industrial Development Financing Act. The TIDA is administered by a Governing Board whose members are the City Council of the City, and the City also performs all accounting and administrative functions for the TIDA. The TIDA does not issue separate financial statements.

**Discretely Presented Component Units**

A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The **South San Joaquin County Fire Authority (SSJCFA)** was created in March 2018 by a Joint Exercise of Powers Agreement between the City and the Tracy Rural Fire Protection District to provide fire administration, fire prevention and fire training and safety within the jurisdictional area of the SSJCFA. The jurisdictional area effective as of June 30, 2019 includes the City of Tracy and the Tracy Rural Fire Protection District. The SSJCFA is governed by a Board comprised of two members each from the City and the District. The City and District lease all facilities to be used in providing fire protection services to the SSJCFA and the City performs certain accounting and administrative functions for the SSJCFA. The SSJCFA issues separate financial statements that are available from the SSJCFA, 835 N. Central Avenue, Tracy, CA 95376. Further information regarding the SSJCFA is discussed in Note 18.

**B. Basis of Presentation, Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

**Government-Wide Financial Statements**

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation, Accounting and Measurement Focus (Continued)**

**Government-Wide Financial Statements (Continued)**

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of U.S. GAAP.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government’s citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Program revenues for the City are classified in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

**Governmental Fund Financial Statements**

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the Net Position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation, Accounting and Measurement Focus (Continued)**

**Governmental Fund Financial Statements (Continued)**

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues except grants, which use a six-month availability period.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions have been recognized as revenues when all applicable eligibility requirements have been met.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

**General Fund** - The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

**Housing Successor Special Revenue Fund** - This fund was established to account for housing activities assumed by the City from the former Tracy Community Redevelopment Agency and revenues and expenditures related to the low- and moderate-income housing program.

**Community Development Fees Special Revenue Fund** - This fund is used to account for revenues and expenditures of the Building, Engineering and Planning Divisions. These funds were added in fiscal year 15-16 to better account for these specific activities and restricted revenue sources. Prior to fiscal year 15-16, these activities were in the General Fund.

**CARES/ARPA Grants Special Revenue Fund** - This fund accounts for the grant revenues and expenditures received through the CARES act and the American Rescue Plan act.

**General Project Capital Projects Fund** - This fund is used to account for the construction of the capital project financed through transfers from the General Fund.



**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation, Accounting and Measurement Focus (Continued)**

**Governmental Fund Financial Statements (Continued)**

**Tracy Infrastructure Master Plans Capital Projects Fund** - This fund is used to account for the construction of the project with the Tracy Infrastructure Master Plan. The Tracy Infrastructure Master Plans were approved in 2012 and 2013 and cover all subsequent new development in areas of the City not covered by their own financing plan. Capital development fees are levied on developments in these areas and expenditures for various capital facilities to support the developments are accounted for in six functional categories.

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City's internal service funds include funds which provide services directly to other City funds. These areas of service include fleet maintenance, facilities maintenance, and technology.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major proprietary funds:

**Water Fund** – This fund is used to account for the provision of water services to the residential, commercial and industrial segments of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

**Wastewater Fund** – This fund is used to account for the provision of treatment to residential, commercial and industrial segments of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

**Solid Waste Fund** – This fund is used to account for City's activities related to solid waste removal and street cleaning activities.

**Drainage Fund** – This fund is used to account for the City's activities related to drainage operations.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation, Accounting and Measurement Focus (Continued)**

**Discretely Presented Component Unit Financial Statements**

The activities of the Authority closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. The Authority provides services on a continuous basis and its activities are substantially financed by revenues derived from user charges and contributions from the member agencies. The Authority utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent custodial funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting. Fiduciary fund types are accounted for according to the nature of the fund.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. They are also used to account for various assessment districts for which the City acts as an agent for debt service activity, as the City is prohibited from levying additional taxes for these districts. Such funds include various Community Facilities Districts, Assessments Districts, and the Tracy Rural Fire Medical Leave Bank. Private-purpose trust funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e., unclaimed property/escheat property). The City's private purpose trust fund is a fiduciary fund type used by the City to report assets, liabilities and activities of the Successor Agency to the Redevelopment Agency (Successor Agency) for the City of Tracy. Its results of operations are presented on the Statement of Changes of Fiduciary Net Position.

***Successor Agency of the Redevelopment Agency for the City of Tracy***

The Redevelopment Obligation Retirement Fund was created to serve as a custodian for the assets and to wind down the affairs of the RDA on February 1, 2012, pursuant to Assembly Bill x1 26. Its purpose is to expeditiously wind down the affairs of the dissolved Redevelopment Agency (RDA). The Successor Agency is a separate public entity from the City, subject to the direction of an oversight board. The City Council serves as the governing board of the Successor Agency. In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former RDA until all enforceable obligations of the former RDA have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency's custodial role, the Successor Agency has been included in the accompanying basic financial statements as a private purpose trust fund.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**C. Deferred Outflows and Inflows of Resources**

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

*Deferred Outflows of Resources* represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

*Deferred Inflows of Resources* represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**D. Cash, Cash Equivalents and Investments**

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except Cash and Investments with Fiscal Agents so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. It is the City's intent to hold investments to maturity.

Investments are reported in the accompanying financial statements at fair value, except for certain investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year, and may result in negative investment income in the accompanying financial statements. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647.

For purposes of the statement of cash flows, amounts reported as cash and cash equivalents, include amounts on deposit in the City pool and any short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Certain disclosure requirements, if applicable, for deposits and investment risks in the following areas:

- Interest rate risk
- Credit risk
  - Overall
  - Custodial credit risk
  - Concentration of credit risk
- Foreign currency risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**D. Cash, Cash Equivalents and Investments (Continued)**

U.S. GAAP establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

**E. Cash and Investments with Fiscal Agents**

Amounts reported as cash and investments with fiscal agents have been restricted by bond indentures or are to be used for specified purposes based on contract provisions, such as bonded debt service.

**F. Receivables**

Customer or trade receivables are reported as “accounts receivable” and are shown net of an allowance for uncollectible accounts based on historical and management estimates.

Noncurrent portions of long-term receivables (e.g., “notes receivable”) due to governmental fund types are reported in their respective balance sheets despite their spending measurement focus. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of long-term notes receivable are offset by restricted fund balance in the special revenue funds.

**G. Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Governmental-Wide Financial Statements as “internal balances.”

**H. Inventories and Prepaid Items**

Inventories are valued at cost, using the weighted-average method. Inventories of the Enterprise Funds, consist primarily of water storage held for future use. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed, rather than when purchased. Prepaid items in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**I. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at the fair value of the assets on the date on which they were contributed. Donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Capital assets with limited useful lives are depreciated over their estimated useful lives. Alternatively, the "modified approach" is used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements. Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives and capitalization thresholds listed below to capital assets:

| Asset Type   | Useful Lives     | Capitalization Threshold                     |
|--|------------------|--|
| Land   | n/a              | \$0  |
| Land improvements  | n/a              | \$50,000                                     |
| Buildings  | 10-30 years      | \$50,000                                     |
| Building Improvements                                      | 5-50 years       | \$50,000                                     |
| Equipment and vehicles                                     | 5-30 years       | \$5,000                                      |
| Grading, curbs, gutters, sidewalks,<br>driveway approaches | 40 years         | \$50,000                                     |
| Traffic signals  | 20 years         | \$50,000                                     |
| Street drainage  | 40 years         | \$50,000                                     |
| Infrastructure   | 5-40 years       | \$50,000                                     |
| Intangibles  | 5 years          | \$5,000                                      |
| Capital Lease Property                                     | Term of contract | \$5,000                                      |
| Leasehold Improvements                                     | Term of contract | \$50,000                                     |
| Works of Art / Historical Treasurers                       | n/a              | \$0  |
| Construction in Progress for<br>Year End Reporting         | n/a              | Projects to exceed<br>\$50,000 at completion |

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

The City has elected to use the modified approach discussed above with respect to its roads, most of which are relatively new. The City's policy is to maintain these roads at an overall Pavement Condition Index (PCI) level averaging 69, instead of providing depreciation. During the fiscal year 2021, the City expended \$7,827,339 to preserve its roads. The City estimates that it will be required to expend approximately \$10,175,540 in the fiscal year 2022 to maintain its roads at this condition level. Please see Modified Approach to Reporting Street Pavement Costs section of the Required Supplementary Information section following the Notes to the Basic Financial Statements for more detailed information.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**J. Long-Term Debt**

**Government-Wide Financial Statements and Proprietary Fund Financial Statements**

Long-term debt and other financial obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed when incurred. Gains or losses on bond refunding are reported as either deferred outflows of resources or deferred inflows of resources and amortized over the term of the related debt.

**Governmental Fund Financial Statements**

The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**K. Compensated Absences/Sick Leave Conversion**

The City’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Employees hired prior to July 1, 1994, after 10 years with the City and only upon retirement, may convert their accumulated sick leave time to offset the cost of retiree medical insurance premiums under the following options: bank or conversion. The bank option converts the unused sick leave into a dollar amount that will be placed into a “bank” to be used until the bank is exhausted to offset the cost of retiree medical insurance premiums for the retiree. The conversion option takes the unused sick leave and converts it to days and the City will pay the medical insurance premiums for the retiree for each day after conversion.

**Government-Wide Financial Statements**

For governmental and business-type activities, compensated absences/sick leave conversion are recorded as a liability when earned and as an expense when paid.

**Fund Financial Statements**

For governmental funds, compensated absences/sick leave conversion are recorded as expenditures in the year paid. The General Fund is typically used to liquidate compensated absences. In proprietary funds, compensated absences/sick leave conversion are expensed to the various funds in the period they are earned, and such fund’s share of the unpaid liability is recorded as a long-term liability of the fund.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**L. Pension Plans**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 13). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the pension liability related to the City's governmental activities while the pension liability for Business-type activities is liquidated from the respective Enterprise Funds.

The following timeframes are used for pension reporting:

| <u>CalPERS</u>     |                               |
|--------------------|-------------------------------|
| Valuation date     | June 30, 2019                 |
| Measurement date   | June 30, 2020                 |
| Measurement period | July 1, 2019 to June 30, 2020 |

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**M. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan, the assets of which are held in an irrevocable trust, and additions to/deductions from the OPEB plan's fiduciary net position have been determined by an independent actuary (Note 14). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The Enterprise Funds are used to liquidate the OPEB liability.

Generally accepted accounting principles require that the reported results must pertain to liability and fiduciary net position information within certain defined timeframes. For this report, the following timeframes are used:

| <u>OPEB</u>        |                               |
|--------------------|-------------------------------|
| Valuation date     | June 30, 2020                 |
| Measurement date   | June 30, 2020                 |
| Measurement period | July 1, 2019 to June 30, 2020 |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**N. Fund Balances**

As prescribed by U.S. GAAP, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2021, fund balances for governmental funds are made up of the following:

- Nonspendable Fund Balance – includes amounts that are (a) not in a spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: deposits and prepaid items.
- Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.
- Committed Fund Balance – includes amounts that have been limited to specific purposes or through adoption of a resolution or an ordinance by the City Council, the highest level of decision-making authority of the City, and resources that have been specifically committed for use in satisfying contractual obligations, as in agreements with third-parties. The City has determined that both a resolution and an ordinance are equally binding. These commitments may be changed or lifted, but only by the same formal action that was used to impose the constraint originally. City Council action to commit fund balance must occur within the fiscal reporting period while the amount committed may be subsequently determined.
- Assigned Fund Balance – includes amounts that are intended to be used by the City for specific purposes. Intent is expressed by (a) the City Council or (b) a body or official to which the City Council has delegated the authority to assign amounts to be used for a specific purpose. This policy delegates to the Finance Director the authority to assign unassigned fund balance amounts where the City’s intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.
- Unassigned Fund Balance – includes amounts within the General Fund, the residual resources, either positive or negative in excess of what can be properly classified in one of the other four fund balance categories. Unassigned amounts are technically available for any purpose. Other governmental funds may only report a negative unassigned balance that was created after classification of fund balance in the nonspendable, restricted or committed categories.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

***General Fund Reserve Policies***

The City Council adopted a revised General Fund Reserve (Unassigned Fund Balance) Policy in May 2021 with Resolution 2021-061 that established a minimum fund balance policy for the General Fund in order to mitigate the effect of unanticipated situations such as natural disasters and severe unforeseen events. Reserves also provide the City with stability in times of economic fluctuations and help provide for a smooth transition to changes in service levels caused by changes in the City’s financial situation. The Policy established the following reserves:



**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**N. Fund Balances (Continued)**

**Contingency/Emergency Reserve** – The Contingency/Emergency Reserve funds help mitigate the effects of unanticipated situations such as natural disasters and severe, unforeseen events. The Contingency/Emergency Reserve also serves as back-up liquidity to self-insured losses if this need were to arise. The Contingency/Emergency Reserve is established with a target goal of 18% of the General Fund’s adopted annual budget for expenditures and recurring transfers out. The City Manager will first evaluate the City’s financial condition and make a recommendation to City Council as to the need to make contributions to the Contingency/Emergency Reserve or the possible need to access funds from the Contingency/Emergency Reserve. This action is done as part of the annual budget adoption; however, these actions can be completed at any time the City Manager deems necessary. The balance of the Contingency/Emergency Reserve was \$16,401,047 at June 30, 2021, which is a component of committed fund balance of the General Fund.

**Economic/Budget Stability Reserve** – The Economic/Budget Stability Reserve is intended to offset quantifiable revenue/expenditure uncertainty in the multi-year forecast thereby helping to stabilize service levels through economic cycles. The long-term use of this reserve is determined by estimating the level of financial risk associated and may be authorized and expended only when certain specific circumstances exist within the following three areas of uncertainty:

1. Revenue risks: Revenues falling short of budget projections may cause deficits. Transitional funding may be necessary to respond to reductions in major revenues due to local, regional, and national economic downturns. This may be due to a loss in housing values, a loss of a major employer, a loss of a major retailer, a sudden spike in unemployment or inflation, and/or other major economic factors. This may also be due to state and/or voter initiatives; including changes in legislation, revenue sources that sunset or expire, or other political impacts to revenues that are outside of the control of the City Council.
  - a. Projected General Fund revenue totals in aggregate are anticipated to decrease by 5% (or more) over the prior year or decrease 10% (or more) cumulative over three years; excluding one-time revenue sources.
  - b. Projected General Fund revenues from a single revenue source are anticipated to decrease by 10% (or more) over the prior year or decrease by 15% over three years; excluding one-time revenue sources.
2. Expenditure risks: The City may require a source of supplemental funding for uncontrollable costs or contractually obligated costs. Such costs may include maintaining service levels.
  - a. Projected General Fund expenditure totals (in aggregate) increase by 10% (or more) over the prior year or increase 15% (or more) over three years; excluding one-time expenditure requests.
  - b. Projected General Fund expenditures from a single source are anticipated to increase by 10% (or more) over the prior year or increase by 15% over three years.
3. Structural deficit risk: Economic factors may create a structural deficit when revenue growth does not keep pace with expenditure growth. The City may elect to use the Economic/Budget Stability Reserve for up to 24 months while a plan is developed to correct the deficit.
  - a. Projected General Fund expenditure totals (in aggregate) exceed incoming revenues by 5% (or more) over the prior year or exceed by 10% over three years; excluding one-time expenditure requests.
  - b. Need funding for an unanticipated major repair, purchase or other maintenance charge creating a deficit of 5% of incoming revenues.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**N. Fund Balances (Continued)**

The nature of these reserves is intended to stabilize the General Fund budget in the short-term to address non-routine or unanticipated changes in economic position. A regular 5-year forecast should be used to identify foreseeable changes in revenues and/or expenditures. However, not all changes in economic and fiscal position are known. In those cases, the City Manager will first evaluate the City's financial condition and make a recommendation to City Council as to the need to make contributions to the Economic/Budget Stability Reserve or the possible need to access funds from the Economic/Budget Stability Reserve. This action is done as part of the annual budget adoption; however, these actions can be completed at any time the City Manager deems necessary. The balance of the Economic/Budget Stability Reserve was \$10,934,031 at June 30, 2021, which is a component of assigned fund balance of the General Fund.

The City Manager must present a report to the City Council to justify the use of the Contingency Reserve and Economic/Budget Stability Reserve and the circumstances of the catastrophic and/or fiscal emergency. All uses of the Contingency Reserve and Economic/Budget Stability Reserve must be approved by Resolution of the City Council with a four-fifths vote. Any such uses are to be repaid to the respective reserve over a period to be determined by the City Council at the time of usage approval, with a target repayment period of no more than three years. Year-end excess and/or one-time revenue under the proposed reserves structure would remain in the General Fund's committed or assigned fund balance, as applicable. As part of the annual budget adoption process, or at any time the City Manager deems necessary, the City Manager would recommend whether the excess funds could be allocated to other reserves, or used as one-time funding with consideration given to economic development and/or capital projects.

**O. Net Position**

The financial statements utilize a net position presentation. Net position is classified as follows:

- Net Investment in Capital Assets – This category of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding and any deferred outflows/inflows of resources related to such borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is offset by unspent proceeds.
- Restricted Net Position – This category presents restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Those assets are restricted due to external restrictions imposed by creditors (such as through bond covenants), grantors or laws and regulations of other governments and restrictions imposed through constitutional provisions or enabling legislation.
- Unrestricted – This category represents net position of the City that is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, then unrestricted resources that are needed.

**P. Revenue Recognition for Utility Funds**

Revenues are recognized based on cycle billings rendered to customers. Utility service accounts receivable are reported net of allowance for doubtful collections and include unbilled receivables using actual amounts billed in July for June services.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Q. Property Tax**

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

*Property Valuations* are established by the Assessor of the County of San Joaquin for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

*Tax Levies* are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

*Tax Levy Dates* are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

*Tax Collections* are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments.

The County of San Joaquin levies, bills, and collects property taxes and special assessments for the City. Property taxes levied are recorded as revenue when received, in the fiscal year of levy, due to the adoption of the "alternate method of property tax distribution", known as the Teeter Plan, by the City and the County of San Joaquin. The Teeter Plan authorizes the Auditor/Controller of the County of San Joaquin to allocate 100 percent of the secured property taxes billed, but not yet paid. The County of San Joaquin remits tax monies to the City in three installments as follows:

50 percent remitted in December  
45 percent remitted in April  
5 percent remitted in June

*Tax Levy Apportionments* - Due to the nature of the City-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

*Property Tax Administration Fees* - The State of California fiscal year 1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**R. Use of Accounting Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions, in some cases when applicable, that affect the amounts in the financial statements and the accompanying notes. Actual results could differ from the estimates.

**S. Implementation of New GASB Pronouncements for the Year Ended June 30, 2021**

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2021. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

*GASB Statement No. 84*

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. As a result of the implementation, the City converted the former agency funds, which previously reported assets and liabilities only, to custodial funds. The Regional Transportation Impact fund was reclassified to capital projects. In addition, the payroll-related funds (Medical Leave Bank Fund, Payroll Clearing Fund, and Post Employment Benefit Trust Fund) were reclassified and reported in the general fund and governmental activities.

*GASB Statement No. 90*

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests— An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Application of this statement did not have a significant effect on the City's financial statements for the fiscal year ending June 30, 2021.

*GASB Statement No. 98*

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, to establish the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2021. Application of this statement did not have a significant effect on the City's financial statements for the fiscal year ending June 30, 2021.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**T. Upcoming Government Accounting Standards Implementations**

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

*GASB Statement No. 87*

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

*GASB Statement No. 89*

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

*GASB Statement No. 91*

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the City's fiscal year ending June 30, 2023.

*GASB Statement No. 92*

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**T. Upcoming Government Accounting Standards Implementations (Continued)**

*GASB Statement No. 93*

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

*GASB Statement No. 94*

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

*GASB Statement No. 96*

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

*GASB Statement No. 97*

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 2 – Cash and Investments**

Cash and investments are presented in the accompanying financial statements at June 30, 2021 as follows:

|  | <u>Government-Wide Statement of Net Position</u> |                                     |                       | <u>Component<br/>Unit</u> | <u>Fiduciary Funds<br/>Statement of<br/>Net Position</u> |                       |
|--|--|-------------------------------------|-----------------------|---------------------------|--|-----------------------|
|  | <u>Governmental<br/>Activities</u>               | <u>Business-Type<br/>Activities</u> | <u>Total</u>          |                           | <u>Statement of<br/>Net Position</u>                     | <u>Total</u>          |
|  | Cash and investments                             | \$ 285,127,287                      | \$ 50,065,985         |                           | \$ 335,193,272   | \$ 8,087,283          |
| Cash and investments with fiscal agent | 3  | 8                                   | 11                    | -                         | 51,089,752   | 51,089,763            |
| <b>Total cash and investments</b>      | <u>\$ 285,127,290</u>                            | <u>\$ 50,065,993</u>                | <u>\$ 335,193,283</u> | <u>\$ 8,087,283</u>       | <u>\$ 63,969,343</u>                                     | <u>\$ 407,249,909</u> |

Cash and investments at June 30, 2021, consisted of the following:

|                                     |                       |
|-------------------------------------|-----------------------|
| <b>Cash:</b>                        |                       |
| Cash on hand                        | \$ 3,345              |
| Deposits with financial institution | 39,303,043            |
| <b>Total cash</b>                   | <u>39,306,388</u>     |
| <b>Investments:</b>                 |                       |
| Investments                         | 316,853,758           |
| Investments held by bond trustee    | 51,089,763            |
| <b>Total investments</b>            | <u>367,943,521</u>    |
| <b>Total cash and investments</b>   | <u>\$ 407,249,909</u> |

As part of the City's investment guidelines, the City continually seeks ways to increase investment income while not risking investment principal. One way the City accomplishes this is by “sweeping”, on a nightly basis, any excess cash held in its non-interest-bearing checking account to an interest-bearing money market account with the same bank.

**A. Demand Deposits**

The carrying amounts of the City’s demand deposits were \$39,303,043 at June 30, 2021. Bank balances were \$35,772,809 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City’s deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). The City, however, has not waived the collateralization requirements.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 2 – Cash and Investments (Continued)**

**B. Investments Authorized by the California Government Code and the City’s Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

| Authorized Investment Type   | Maximum Maturity | Minimum Credit Quality | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|--|------------------|------------------------|---------------------------------|----------------------------------|
| United States Treasury Bills, Bonds, Notes   | 5 years          | None                   | 100%                            | No Limit                         |
| Federal Agency Obligations or U.S. Government-Sponsored Enterprise Obligations (GSE)                     | 5 years          | None                   | 100%                            | 25%                              |
| Municipal Securities   | 5 years          | A                      | 30%                             | 5%                               |
| Bankers' Acceptances   | 180 days         | A/A-1 or higher        | 40%                             | 5%                               |
| Commercial Paper   | 270 days         | A/A-1 or higher        | 25%                             | 5% (A)                           |
| Negotiable Certificates of Deposit (NCDs)  | 5 years          | A/A-1 or higher        | 30% (B)                         | 5%                               |
| Federally Insured Non - Negotiable Certificates of Deposit   | 5 years          | None                   | 20% (C)                         | (D)                              |
| Collateralized Non-Negotiable Certificates of Deposit  | 5 years          | None                   | 20% (C)                         | No Limit                         |
| Certificate of Deposit Placement Service (CDARS)   | 5 years          | None                   | 30% (B)                         | No Limit                         |
| Repurchase Agreements  | 1 year           | None                   | 100%                            | 10%                              |
| Local Agency Investment Fund   | N/A              | None                   | \$75 million                    | \$75 million                     |
| Local Government Investment Pools  | N/A              | None                   | 100%                            | No Limit                         |
| Medium-Term Corporate Notes  | 5 years          | A                      | 30%                             | 5%                               |
| Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations | 5 years          | A/AA or higher         | 20%                             | 5% (E)                           |
| Mutual Funds   | N/A              | Highest Category       | 20%                             | 10%                              |
| Money Market Mutual Funds  | N/A              | Highest Category       | 20%                             | 20%                              |
| Supranational Securities   | 5 years          | AA                     | 30%                             | 10%                              |

(A) The City may purchase no more than 10% of the outstanding commercial paper of any single issuer.

(B) Combined limit for NCD and CDARS.

(C) Combined limit for Federally Insured and Collateralized Non-Negotiable Certificates of Deposit.

(D) The amount per institution is limited to the maximum covered under federal insurance.

(E) No issuer limitation on any mortgage security where the issuer is the U.S. Treasury or a Federal Agency/GSE.

**C. Investments Authorized by Debt Agreements**

The City and Successor Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City or Successor Agency fails to meet the obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types and their minimum credit ratings that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment-type.



**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 2 – Cash and Investments (Continued)**

**C. Investments Authorized by Debt Agreements (Continued)**

| Authorized Investment Type   | Maximum Maturity | Minimum Credit Quality   |
|--|------------------|--------------------------|
| United States Treasury Bill, Bonds, Notes  | 5 years          | N/A                      |
| United States Government Agency Obligations or Government-Sponsored Enterprise Obligations | 5 years          | AAA                      |
| Certificates of Deposit  | 5 years          | Three Highest Categories |
| Investment Agreements, Short Term  | None             | Two Highest Categories   |
| Investment Agreements, Long Term   | None             | Three Highest Categories |
| Repurchase Agreements  | 1 year           | A-                       |
| Money Market Mutual Funds  | N/A              | Highest Category         |
| Local Agency Investment Fund   | N/A              | Not rated                |
| California Asset Management Program  | N/A              | Not rated                |
| Banker's Acceptances   | 180 days         | A-1 or A-1+              |
| Commercial Paper   | 270 days         | A-1 or A-1+              |
| State Obligations  | None             | Highest Category         |

**D. Fair Value Measurement**

As of June 30, 2021, the City's investments had the following recurring fair value measurements:

| Investments measured by fair value level:                        | June 30, 2021         | Level 1     | Level 2               | Level 3     |
|--|-----------------------|-------------|-----------------------|-------------|
| U.S. Treasury Notes  | \$ 61,905,629         | \$ -        | \$ 61,905,629         | \$ -        |
| Municipal Bonds  | 1,532,617             | -           | 1,532,617             | -           |
| Asset-Back Securities  | 10,124,238            | -           | 10,124,238            | -           |
| Medium Term Corporate Notes                                      | 51,011,746            | -           | 51,011,746            | -           |
| Federal Agency Obligations                                       | 71,003,063            | -           | 71,003,063            | -           |
| Negotiable CDs   | 2,281,158             | -           | 2,281,158             | -           |
| Commercial Paper   | 2,298,735             | -           | 2,298,735             | -           |
| <b>Total investments by fair value level</b>                     | <b>200,157,186</b>    | <b>\$ -</b> | <b>\$ 200,157,186</b> | <b>\$ -</b> |
| <b>Investments not subject to the fair value hierarchy:</b>      |                       |             |                       |             |
| Local Agency Investment Fund                                     | 73,498,506            |             |                       |             |
| California Asset Management Program (CAMP)                       | 4,037,067             |             |                       |             |
| Money Market Funds - Held by City                                | 39,160,999            |             |                       |             |
| Money Market Funds - Held by Trustee                             | 51,089,763            |             |                       |             |
| <b>Total investments not subject to the fair value hierarchy</b> | <b>167,786,335</b>    |             |                       |             |
| <b>Total investments</b>   | <b>\$ 367,943,521</b> |             |                       |             |

Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Medium term notes: quoted prices for similar securities in active markets; and
- Asset-backed securities: recent appraisals of the asset value.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosure**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City’s investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity. For purposes of the schedule shown on the next page, any callable securities are assumed to be held to maturity.

| <b>Investment Type</b>              | <b>12 Months<br/>or less</b> | <b>13 to 24<br/>Months</b> | <b>25 to 36<br/>Months</b> | <b>37 to 48<br/>Months</b> | <b>49 to 60<br/>Months</b> | <b>Total</b>          |
|-------------------------------------|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------|
| <i>Held by City:</i>                |                              |                            |                            |                            |                            |                       |
| U.S. Treasury Notes                 | \$ 25,180,685                | \$ 17,790,810              | \$ 14,769,920              | \$ 8,192,440               | \$ 4,164,214               | \$ 61,905,629         |
| Municipal Bonds                     | 950,257                      | 357,447                    | 75,937                     | 950,257                    | 148,976                    | 1,532,617             |
| Asset-Back Securities               | 6,735,507                    | 467,316                    | 2,412,073                  | 5,405,663                  | 509,342                    | 10,124,238            |
| Medium Term Corporate Notes         | 9,582,361                    | 18,658,695                 | 22,178,208                 | 3,239,275                  | 592,482                    | 51,011,746            |
| Federal Agency Obligations          | 21,010,288                   | 16,872,014                 | 27,697,216                 | 9,856,728                  | 5,423,545                  | 71,003,063            |
| Negotiable CDs                      | 430,984                      | 153,708                    | 865,647                    | 430,985                    | 830,819                    | 2,281,158             |
| Commercial Paper                    | 2,298,735                    | -                          | -                          | -                          | -                          | 2,298,735             |
| Money Market Funds                  | 39,160,999                   | -                          | -                          | -                          | -                          | 39,160,999            |
| California Asset Management Program | 4,037,067                    | -                          | -                          | -                          | -                          | 4,037,067             |
| Local Agency Investment Fund        | 73,498,506                   | -                          | -                          | -                          | -                          | 73,498,506            |
| <i>Held by Trustees:</i>            |                              |                            |                            |                            |                            |                       |
| Money Market Funds                  | 51,089,763                   | -                          | -                          | -                          | -                          | 51,089,763            |
| <b>Total investments</b>            | <b>\$ 233,975,152</b>        | <b>\$ 54,299,990</b>       | <b>\$ 67,999,001</b>       | <b>\$ 28,075,348</b>       | <b>\$ 11,669,378</b>       | <b>\$ 367,943,521</b> |

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. However, some issuers do not seek a credit rating. For instance, the California Local Agency Investment Fund (LAIF) has not sought or received a credit rating. In these cases, the purchaser is solely responsible for performing their own due diligence before purchasing an investment or participating in an external investment pool. Certificates of deposit of \$250,000 or less are fully insured by the Federal Deposit Insurance Corporation (FDIC), and therefore, do not seek a credit rating.

Presented below is the actual rating as of June 30, 2021 for each investment-type as provided by Standard and Poor's investment rating system.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosure (Continued)**

**Disclosures Relating to Credit Risk (Continued)**

| Investment Type                              | AA+/<br>AA/AA-       | A+/A/A-              | AAA/AAA               | A-1+/A-1/A-2         | Total                 |
|--|----------------------|----------------------|-----------------------|----------------------|-----------------------|
| <i>Held by City:</i>                         |                      |                      |                       |                      |                       |
| Municipal Bonds                              | \$ 190,839           | \$ -                 | \$ 1,341,778          | \$ -                 | \$ 1,532,617          |
| Asset-Back Securities                        | -                    | -                    | 10,124,238            | -                    | 10,124,238            |
| Medium Term Corporate Notes                  | 6,579,325            | 34,123,035           | -                     | 10,309,386           | 51,011,746            |
| Federal Agency Obligations                   | 71,003,063           | -                    | -                     | -                    | 71,003,063            |
| Commercial Paper                             | -                    | -                    | -                     | 2,298,735            | 2,298,735             |
| Money Market Funds                           | -                    | -                    | 39,160,999            | -                    | 39,160,999            |
| California Asset Management Program          | -                    | -                    | 4,037,067             | -                    | 4,037,067             |
| <i>Held by Trustee:</i>                      |                      |                      |                       |                      |                       |
| Money Market Funds                           | -                    | -                    | 51,089,763            | -                    | 51,089,763            |
| <b>Total Rated Investments</b>               | <b>\$ 77,773,227</b> | <b>\$ 34,123,035</b> | <b>\$ 105,753,845</b> | <b>\$ 12,608,121</b> | <b>230,258,228</b>    |
| <i>Not rated:</i>                            |                      |                      |                       |                      |                       |
| Local Agency Investment Fund                 |                      |                      |                       |                      | 73,498,506            |
| Negotiable CDs                               |                      |                      |                       |                      | 2,281,158             |
| <i>Exempt from credit rating disclosure:</i> |                      |                      |                       |                      |                       |
| U.S. Treasury Notes                          |                      |                      |                       |                      | 61,905,629            |
| <b>Total investments</b>                     |                      |                      |                       |                      | <b>\$ 367,943,521</b> |

**Disclosure Relating to Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated in the Government Code. GASB Statement No. 40 requires disclosure by amount and issuer, of investments in any one issuer that represent 5% or more of total investments. At June 30, 2021, the City had the followings investments (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of the City's total investments:

| Issuer                                 | Investment Type            | Amount        |
|--|----------------------------|---------------|
| Federal Home Loan Mortgage Corporation | Federal Agency Obligations | \$ 43,866,121 |
| Federal National Mortgage Association  | Federal Agency Obligations | 19,959,410    |

**Disclosures Relating to Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosure (Continued)**

**Disclosures Relating to Custodial Credit Risk (Continued)**

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2021, the City's deposits (bank balances) were collateralized under California Law.

**F. Investment in State Investment Pool**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2021 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

*Structured Notes* are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

*Asset-Backed Securities*, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2021, the City had \$73,498,506 invested in LAIF, which had invested 1.10% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF as of June 30, 2021, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. The fair value of the City's position in the pool is the same as the value of the pool shares. The credit quality rating of LAIF is unrated as of June 30, 2021.

**G. California Asset Management Program (CAMP)**

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act for the purpose of exercising the common power of its Participants to invest funds. The investments are limited to investments permitted by California Government Code. The total amount invested by all public agencies in CAMP at June 30, 2021 was \$6.5 billion, respectively. A board of five trustees who are officials or employees of public agencies has oversight responsibility for CAMP. The value of the pool shares in CAMP, which may be withdrawn at any time, is determined on an amortized cost basis, which is different from the fair value of the City's position in the pool. At June 30, 2021 the amortized cost approximates the City's cost.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 3 – Loans Receivable**

**A. Summary of Loans Receivable and Unavailable Revenue**

The former Community Development Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the Agency's terms. With the dissolution of the Redevelopment Agency as discussed in Note 19, the City agreed to become the successor to the Community Development Agency's housing activities and as a result the Housing Successor Fund assumed the loans receivable of the Community Development Agency's Low- and Moderate-Income Housing Fund. In addition, other funds of the City have made loans to third parties.

At June 30, 2021, these loans totaled:

|                                   |               |
|-----------------------------------|---------------|
| Housing Successor Loans:          |               |
| Commercial Rehabilitation Program | \$ 93,208     |
| Mountain View Townhomes           | 1,038,345     |
| Eden Housing Inc.                 | 2,590,600     |
| Habitat for Humanity              | 58,161        |
| Down Payment Assistance Program   | 872,356       |
| Tracy Place Associates            | 4,966,591     |
| DHI Tracy Garden Associates, LP   | 2,776,985     |
| Development Loan                  | 69,270        |
| Tracy Mall Partners, LP           | 1,808,950     |
| Total Loans Receivable            | \$ 14,274,466 |

**B. Housing Successor Loans**

The City administers a residential and commercial rehabilitation program using Housing and Urban Development funds. Federal funds received by the City are deposited with a commercial bank. Upon approval of the loans, the funds are disbursed and collected by an outside collection agency. The programs are designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs' loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. The balance of the loan's receivable arising from these programs was \$93,208 at June 30, 2021.

In 1994, the Agency loaned \$609,000 in Low- and Moderate-Income Housing funds to Mountain View Townhomes Association, a partnership of non-profit corporations, to assist in the construction of thirty- seven residential rental units, thirty-six of which are available to low-income families. As of December 1, 2015, the loan was assigned to Sutter Ville SJC Holding Company, LLC. The loan is secured by a third deed of trust on the property, is payable over twenty-eight years beginning in 2026 and accrues interest at 3%. The loan was amended December 2015 and is now repayable from residual receipts as defined in the amendment. Commencing no later than 120 days following the end of the 2017 calendar year and for each calendar year thereafter until the maturity date, the Association shall make repayments on the loan for the prior calendar year based on the available amount of residual receipts as defined in the amendment. As of June 30, 2021, principal and accrued interest totaled \$1,038,345.

In 1996, the Agency agreed to loan Eden Housing Inc., up to \$2,208,691 to assist in the development and construction of seventy-two low-income housing units at Stone Pine Meadows. The loan is payable over seven years beginning forty years after the project was complete, which was January 11, 2000, and is secured by a subordinated deed of trust on the property. The loan does not bear interest for the first three years, then accrues interest at 1% per year for the next forty years and 3% for the last seven years. As of June 30, 2021, principal and accrued interest totaled \$2,590,600.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 3 – Loans Receivable (Continued)**

***B. Housing Successor Loans (Continued)***

In 2000, the Agency agreed to loan Habitat for Humanity up to \$100,000 to construct/reconstruct from five to seven properties to ownership housing for very low-income families. The funds are to be used to pay all City fees necessary to develop and build affordable housing under the sponsorship of Habitat for Humanity. The loan proceeds were available for draw down through December 31, 2005 and Habitat for Humanity drew down only \$40,093 of the loan proceeds through that date. The loan is secured by a deed of trust on the property and may be forgiven if the property remains occupied by a low-income family for a period of thirty years. The balance of the outstanding loan, including accrued interest, as of June 30, 2021 is \$58,161.

The City loaned 37 individuals from the Low- and Moderate-Income Housing Fund of the Redevelopment Agency. The loans have been authorized for each of the recipients as part of the housing down payment assistance program. The City is the beneficiary of the promissory notes issued, recorded, and secured by real property. The loans are due when the underlying property is sold. As of June 30, 2021, principal and accrued interest totaled \$872,356.

In November 2005, the Agency entered into a loan agreement with Tracy Place Associates for an amount not to exceed \$4,350,000 to be used as construction and permanent financing costs for the development of a 49-unit affordable senior housing complex, Tracy Place Senior Apartments. The loan is secured by a deed of trust on the property and bears simple interest of 1%. The loan is repayable from residual receipts as defined in the loan agreement starting in April 2008, and is due 55 years from the issuance of the certificate of occupancy, which was December 29, 2008, or if a transfer occurs that is not approved by the City. As of June 30, 2021, the developer owes \$4,966,591, including accrued interest.

In November 2007, the Community Development Agency of the City of Tracy (Agency) entered into an Owner Participation and Loan Agreement with DHI Tracy Garden Associates, LP (DHI). DHI was to develop and rehabilitate an 88-unit Senior Housing Complex for low-income senior households. The maximum amount of loan from the Agency was \$1,975,000. Simple interest accrues annually at 3%. Upon default, the rate will increase to the lesser of 10% or the maximum allowed by law. The loan is secured by a trust deed on the underlying property. This trust deed is subordinated to all other loans that DHI has for the project. Maturity of the loan is November 1, 2064. Payment on the loan is deferred until maturity unless the property is conveyed (other than that approved by the City) or there is a default. Total amount owed as of June 30, 2021 is \$2,776,985.

***C. Development Loan***

In September 2006, the City loaned a property owner \$40,000 to assist in the demolition of a structure in order for the property owner to construct new housing units on the site. The loan is secured by a deed of trust on the property, bears interest of 5% and is due and payable when the property is sold. The balance as of June 30, 2021, including principal and accrued interest, is \$69,270.

***D. Tracy Mall Partners, L.P. Loan***

The West Valley Mall Revitalization Program provides a financial incentive to the owners of the West Valley Mall (Mall Owner) or a prospective tenant to be used for tenant improvements.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 3 – Loans Receivable (Continued)**

**D. Tracy Mall Partners, L.P. Loan (Continued)**

During fiscal year 2011, the City and the Tracy Mall Partners, L.P. entered into an agreement where the City provided a financial contribution of \$2,750,000 to the Mall Owner. In exchange, the Mall Owner guarantees that Macy's will lease the anchor tenant location for a minimum of 10 years. Over the 20-year term, the Mall Owner is obligated to repay the City for the financial incentive at the rate of \$151,250 a year or \$3,025,000 for the 20-year term. The annual repayment will be forgiven to the extent that increased sales tax revenue to the City exceeds \$151,250 per year from Macy's or new tenants of the Macy's space. The Mall Owner gets credit for 100% of the Macy's sales tax collected in any one year, and any amount under or over that threshold can be used toward a prior shortage.

The sales tax revenue collected from Macy's in fiscal year 2021 did not exceed the threshold, therefore only \$73,169 of the annual repayment was forgiven. The cumulative shortage of sales tax collections was \$360,049 as of June 30, 2021 and the balance of the loan is \$1,808,950 at that date.

**Note 4 – Deposits Receivable**

The City and the Grow America Fund, Inc. (GAF) established and capitalized the Grow Tracy Fund as an economic development tool designed to assist eligible small businesses within the City to obtain the financing required to grow their businesses. The City contributed \$1 million as its share of the capitalization of the program. Loans made under the program are underwritten by the GAF and guaranteed by the Small Business Administration (SBA) under GAF's Small Business Lending Company License. Therefore, each loan must comply with SBA guidelines and procedures. In order to qualify for these loans, a business must be a for-profit operating entity; it must be financially healthy and in need of expansion capital. The Grow Tracy Fund can make loans ranging from \$100,000 to \$2 million as permitted by the SBA at or below market rates, for terms up to 25 years, depending on the proposed use of funds.

As of June 30, 2021, there were nine loans outstanding in the amount of \$3,115,551, under the program. The City has not recorded these loans and instead has recorded the capitalization contribution that GAF uses to fund the share of the loans that the SBA does not guarantee. The City has recorded its capitalization contribution to the program as a deposit receivable, and the portion of the loans funded with that contribution as of June 30, 2021 was \$746,075 and the unused balance of the capitalization contribution was \$253,945. The total deposits receivable balance as of June 30, 2021 was \$1,000,000.

**Note 5 – Interfund Receivables, Payables, and Transfers**

**A. Due To / From Other Funds**

Amounts due to and due from other funds at June 30, 2021, were as follows:

| Receivable Fund  | Payable Fund   | Amount              | Purpose        |
|--|--|---------------------|----------------|
| General Fund   | Community Development Block Grant Special Revenue Fund   | \$ 304,602          | Overdrawn Cash |
| General Fund   | Municipal Airport Enterprise Fund                        | 191,281             | Overdrawn Cash |
| General Fund   | Municipal Transit Enterprise Fund                        | 2,374,088           | Overdrawn Cash |
| North East Industrial Plan Area #1 Capital Projects Fund | North East Industrial Plan Area #2 Capital Projects Fund | 2,139,931           | Overdrawn Cash |
|  | <b>Total</b>   | <b>\$ 5,009,902</b> |                |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 5 – Interfund Receivables, Payables, and Transfers (Continued)**

**B. Long-Term Advances**

At June 30, 2021 the fund below had made an advance that is not expected to be repaid within the next year. This long-term interfund advance is expected to be repaid when sufficient cash is available in the borrowing fund.

| Advances To                   | Advances From                      | Amount              |
|-------------------------------|------------------------------------|---------------------|
| Water Utility Enterprise Fund | Wastewater Utility Enterprise Fund | \$ 2,006,600        |
|                               | <b>Total</b>                       | <b>\$ 2,006,600</b> |

In November 2016 the Wastewater Utility Enterprise Fund advanced funds to the Water Utility Enterprise Fund in order to fund operating expenses, capital costs for maintenance and replacement of existing water infrastructure, debt payments and to maintain an adequate reserve for any emergency to continue providing uninterrupted service. The advance bears the interest at the Local Agency Investment Fund (LAIF) rate and was to be repaid in two years. The advance was amended in October 2017 to extend the repayment two additional years to fiscal year 2021. At June 30, 2021, the outstanding principal balance of the advance was \$2,000,000. Interest is accrued and paid annually through a cash transfer. Accrued interest as of June 30, 2021, was \$6,600.

**C. Transfers**

Interfund transfers during the year ended June 30, 2021, consisted of the following:

| Transfers In                           | Transfers Out  | Amount            | Purpose              |
|--|--|-------------------|----------------------|
| General Capital Projects Fund          | General Fund   | \$ 13,696,731     | Capital projects     |
| Community Development Fees             | General Fund   | 2,088,186         | Capital projects     |
| Municipal Airport Fund                 | General Fund   | 150,000           | Capital projects     |
| Landscaping District Fund              | General Fund   | 95,000            | Engineering costs    |
| Lease Revenue Bonds Fund               | General Fund   | 1,121,406         | Debt service         |
| Equipment Acquisition Fund             | General Fund   | 25,219            | Capital contribution |
|  | <b>Subtotal</b>  | <b>17,176,542</b> |                      |
| Transportation Development Fund        | TEA Grant Fund   | 122,093           | Capital projects     |
| State Gas Tax Street Fund              | TEA Grant Fund   | 805,358           | Capital projects     |
| Proposition K Transportation Fund      | TEA Grant Fund   | 100,000           | Capital projects     |
|  | <b>Subtotal</b>  | <b>1,027,451</b>  |                      |
| Tracy Infrastructure Master Plans Fund | Regional Transportation Impact Fee Fund                  | 1,774,937         | Capital projects     |
| TEA Grant Fund                         | Regional Transportation Impact Fee Fund                  | 331,469           | Capital projects     |
|  | <b>Subtotal</b>  | <b>2,106,406</b>  |                      |
| Infill Projects Fund                   | Plan "C" Capital Projects Fund                           | 13,517            | Capital projects     |
| Drainage Fund                          | Plan "C" Capital Projects Fund                           | 373,915           | Capital contribution |
| General Capital Projects Fund          | Plan "C" Capital Projects Fund                           | 24,587            | Capital projects     |
|  | <b>Subtotal</b>  | <b>412,019</b>    |                      |
| Wastewater Fund                        | North East Industrial Plan Area #2 Capital Projects Fund | 1,300             | Capital contribution |
| Wastewater Fund                        | Tracy Infrastructure Master Plans Capital Projects Fund  | 274,845           | Capital contribution |
|  | <b>Subtotal</b>  | <b>276,145</b>    |                      |
| Drainage Fund                          | Infill Projects Capital Projects Fund                    | 132,391           | Capital contribution |
| Drainage Fund                          | South MacArthur Plan Area Capital Projects Fund          | 83                | Capital contribution |
| Drainage Fund                          | Industrial Specific Plan South Capital Projects Fund     | 1,205,402         | Capital contribution |
| Drainage Fund                          | Ellis Area Capital Projects Fund                         | 765,046           | Capital contribution |
|  | <b>Subtotal</b>  | <b>2,102,922</b>  |                      |



**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 5 – Interfund Receivables, Payables, and Transfers (Continued)**

**C. Transfers (Continued)**

Interfund transfers during the year ended June 30, 2021, consisted of the following:

| Transfers In                        | Transfers Out   | Amount               | Purpose              |
|-------------------------------------|---|----------------------|----------------------|
| Equipment Acquisition Fund          | COPS Grant Special Revenue Fund                         | 400,473              | Capital contribution |
| Equipment Acquisition Fund          | Asset Forfeiture Special Revenue Fund                   | 38,405               | Capital contribution |
|                                     | <b>Subtotal</b>   | <b>438,878</b>       |                      |
| Water Fund                          | Tracy Infrastructure Master Plans Capital Projects Fund | 124,628              | Capital contribution |
| Water Fund                          | General Capital Projects Fund                           | 581,550              | Capital contribution |
|                                     | <b>Subtotal</b>   | <b>706,178</b>       |                      |
| General Fund                        | CFD Services 2018-1 Fund                                | 56,230               | Administrative cost  |
| Industrial Specific Plan South Fund | State Gas Tax Street Fund                               | 252,026              | Administrative cost  |
| Tracy Infrastructure Master Plans   | Infill Projects Fund                                    | 7,213                | Administrative cost  |
| Municipal Airport Fund              | General Capital Projects Fund                           | 200                  | Capital contribution |
|                                     | <b>Total</b>  | <b>\$ 24,562,210</b> |                      |

**Note 6 – Due from Fiduciary Funds**

Due from fiduciary funds as of June 30, 2021, was as follows:

| Receivable Fund     | Payable Fund                     | Amount       |
|---------------------|----------------------------------|--------------|
| Lease Revenue Bonds | Successor Agency Private Purpose |              |
| Debt Service Fund   | Trust Fund                       | \$ 5,192,100 |

**A. Supplemental Education Revenue Augmentation Fund Loans from Housing Successor**

During the fiscal years ending June 30, 2010 and 2011 the Agency approved an interfund advance of \$2,803,520 from the Agency’s Housing Fund to the Agency’s Debt Service Fund for the purpose of paying the Agency’s share of the countywide Supplemental Education Revenue Augmentation Fund. The remaining balance was paid in full as of June 30, 2021.

**B. Successor Agency Reimbursement Agreement**

On December 1, 2008, the Agency entered into a Reimbursement Agreement with the City related to the City’s 2008 Lease Revenue Bonds and the portion of those Bonds that funded improvements that benefitted the Redevelopment Project. Under the terms of the Reimbursement Agreement, the Agency reimburses the City for a portion of lease payments made by the City under the property lease for the 2008 Lease Revenue Bonds that are attributable to the Redevelopment Improvements. The City refunded the 2008 Lease Revenue Bonds and amended the Reimbursement Agreement on March 1, 2020. Under the terms of the amendment, the Agency reimburses the City for a portion of lease payments made by the City under the property lease for the 2020 Lease Revenue Bonds.

The terms of the Reimbursement Agreement indicate that the Agency is required to make annual payments to the City, regardless of whether the City’s annual lease payments are abated. The Agency has pledged tax revenues for the repayment of the Reimbursement Agreement, subordinate to other obligations of the Agency. The Reimbursement Agreement does not bear interest and annual principal payments are due through 2038. The balance owed by the Successor Agency to the Lease Revenue Bonds Debt Service Fund as of June 30, 2021 was \$5,192,100.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 7 – Capital Assets**

**A. Governmental Activities**

The summary of changes in governmental activities capital assets for the year ended June 30, 2021, is as follows:

|  | Balance<br>June 30, 2020 | Additions            | Deletions          | Adjustments/<br>Transfers | Balance<br>June 30, 2021 |
|--|--------------------------|----------------------|--------------------|---------------------------|--------------------------|
| Capital assets not being depreciated:                    |                          |                      |                    |                           |                          |
| Land   | \$ 177,773,520           | \$ 1,537,000         | \$ -               | \$ -                      | \$ 179,310,520           |
| Roads accounted for using the modified approach          | 305,042,410              | 5,381,129            | -                  | 9,716,874                 | 320,140,413              |
| Construction in progress                                 | 45,214,625               | 8,453,875            | -                  | (20,454,300)              | 33,214,200               |
| Total capital assets not being depreciated               | <u>528,030,555</u>       | <u>15,372,004</u>    | <u>-</u>           | <u>(10,737,426)</u>       | <u>532,665,133</u>       |
| Capital assets being depreciated:                        |                          |                      |                    |                           |                          |
| Buildings and improvements                               | 134,076,048              | -                    | -                  | 9,539,561                 | 143,615,609              |
| Improvements   | 46,556,349               | 2,958,448            | -                  | -                         | 49,514,797               |
| Grading, curb & gutter, sidewalk and driveway approaches | 32,130,420               | -                    | -                  | 4,755                     | 32,135,175               |
| Traffic signals and street lights                        | 23,025,937               | 2,930,876            | -                  | 1,193,110                 | 27,149,923               |
| Equipment  | 34,365,506               | 2,886,262            | (1,745,657)        | -                         | 35,506,111               |
| Infrastructure and drainage                              | 12,218,531               | -                    | -                  | -                         | 12,218,531               |
| Intangibles  | 609,656                  | 363,659              | -                  | -                         | 973,315                  |
| Total capital assets being depreciated                   | <u>282,982,447</u>       | <u>9,139,245</u>     | <u>(1,745,657)</u> | <u>10,737,426</u>         | <u>301,113,461</u>       |
| Less accumulated depreciation for:                       |                          |                      |                    |                           |                          |
| Buildings and improvements                               | (56,452,196)             | (4,560,880)          | -                  | -                         | (61,013,076)             |
| Improvements   | (37,413,505)             | (1,362,093)          | -                  | -                         | (38,775,598)             |
| Grading, curb & gutter, sidewalk and driveway approaches | (15,751,969)             | (706,468)            | -                  | -                         | (16,458,437)             |
| Traffic signals and street lights                        | (15,636,638)             | (743,638)            | -                  | -                         | (16,380,276)             |
| Equipment  | (20,511,988)             | (2,271,634)          | 1,730,982          | -                         | (21,052,640)             |
| Infrastructure and drainage                              | (4,496,638)              | (237,576)            | -                  | -                         | (4,734,214)              |
| Intangibles  | (594,869)                | (32,944)             | -                  | -                         | (627,813)                |
| Total accumulated depreciation                           | <u>(150,857,803)</u>     | <u>(9,915,233)</u>   | <u>1,730,982</u>   | <u>-</u>                  | <u>(159,042,054)</u>     |
| Net capital assets being depreciated                     | <u>132,124,644</u>       | <u>(775,988)</u>     | <u>(14,675)</u>    | <u>10,737,426</u>         | <u>142,071,407</u>       |
| Governmental activities capital assets, net              | <u>\$ 660,155,199</u>    | <u>\$ 14,596,016</u> | <u>\$ (14,675)</u> | <u>\$ -</u>               | <u>\$ 674,736,540</u>    |

Depreciation and amortization expense were charged to the functions/programs of the governmental activities as follows:

| <b>Governmental Activities</b>    |                     |
|-----------------------------------|---------------------|
| General government                | \$ 250,374          |
| Police                            | 250,085             |
| Fire                              | 116,829             |
| Development and engineering       | 3,997               |
| Public works                      | 6,721,703           |
| Parks and community services      | 782,775             |
| Internal service funds            | 1,789,470           |
| <b>Total depreciation expense</b> | <u>\$ 9,915,233</u> |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 7 – Capital Assets (Continued)**

**B. Business-Type Activities**

The summary of changes in business-type activities capital assets for the year ended June 30, 2021, is as follows:

|   | Balance<br>June 30, 2020 | Additions            | Deletions       | Adjustments/<br>Transfers | Balance<br>June 30, 2021 |
|---|--------------------------|----------------------|-----------------|---------------------------|--------------------------|
| Capital assets not being depreciated:       |                          |                      |                 |                           |                          |
| Land  | \$ 18,291,730            | \$ 765,046           | \$ -            | \$ -                      | \$ 19,056,776            |
| Construction in progress                    | 55,957,484               | 22,673,610           | -               | (23,944,809)              | 54,686,285               |
| Total capital assets not being depreciated  | <u>74,249,214</u>        | <u>23,438,656</u>    | <u>-</u>        | <u>(23,944,809)</u>       | <u>73,743,061</u>        |
| Capital assets being depreciated:           |                          |                      |                 |                           |                          |
| Buildings                                   | 169,452,003              | -                    | -               | 435,884                   | 169,887,887              |
| Traffic signals and street lights           | 3,570,581                | -                    | -               | -                         | 3,570,581                |
| Equipment                                   | 44,702,818               | -                    | (24,549)        | -                         | 44,678,269               |
| Infrastructure and drainage                 | 342,085,147              | 3,112,269            | -               | 23,508,925                | 368,706,341              |
| Intangibles                                 | 72,882,813               | -                    | -               | -                         | 72,882,813               |
| Total capital assets being depreciated      | <u>632,693,362</u>       | <u>3,112,269</u>     | <u>(24,549)</u> | <u>23,944,809</u>         | <u>659,725,891</u>       |
| Less accumulated depreciation for:          |                          |                      |                 |                           |                          |
| Buildings                                   | (95,761,105)             | (4,648,007)          | -               | -                         | (100,409,112)            |
| Improvements                                | (2,228,813)              | (214,425)            | -               | -                         | (2,443,238)              |
| Equipment                                   | (21,857,872)             | (1,636,951)          | 24,549          | -                         | (23,470,274)             |
| Infrastructure                              | (158,918,672)            | (7,012,143)          | -               | -                         | (165,930,815)            |
| Intangibles                                 | (31,879)                 | (817)                | -               | -                         | (32,696)                 |
| Total accumulated depreciation              | <u>(278,798,341)</u>     | <u>(13,512,343)</u>  | <u>24,549</u>   | <u>-</u>                  | <u>(292,286,135)</u>     |
| Net capital assets being depreciated        | <u>353,895,021</u>       | <u>(10,400,074)</u>  | <u>-</u>        | <u>23,944,809</u>         | <u>367,439,756</u>       |
| Governmental activities capital assets, net | <u>\$ 428,144,235</u>    | <u>\$ 13,038,582</u> | <u>\$ -</u>     | <u>\$ -</u>               | <u>\$ 441,182,817</u>    |

Depreciation and amortization expense were charged to the functions/programs of the governmental activities as follows:

| <b>Business-Type Activities</b>   |                      |
|-----------------------------------|----------------------|
| Water                             | \$ 4,585,829         |
| Sewer                             | 5,735,509            |
| Drainage operations               | 1,632,097            |
| Municipal Airport                 | 645,629              |
| Municipal Transit                 | 913,279              |
| <b>Total depreciation expense</b> | <u>\$ 13,512,343</u> |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 8 – Long-Term Liabilities**

**A. Summary**

|  | Final<br>Maturity | Interest<br>Rate | Annual<br>Principal<br>Installments | Original<br>Issue<br>Amounts | Outstanding at<br>June 30, 2021 |
|--|-------------------|------------------|-------------------------------------|------------------------------|---------------------------------|
| <b>Governmental Activities</b>   |                   |                  |                                     |                              |                                 |
| Public Borrowing:  |                   |                  |                                     |                              |                                 |
| Lease Revenue Refunding Bonds, Series 2020   | 2039              | 3.00% - 4.00%    | \$555,000-\$1,295,000               | \$ 18,190,000                | \$ 17,635,000                   |
| Total Governmental Activities  |                   |                  |                                     | <u>\$ 18,190,000</u>         | <u>\$ 17,635,000</u>            |
| <b>Business-Type Activities</b>  |                   |                  |                                     |                              |                                 |
| Direct Borrowing:  |                   |                  |                                     |                              |                                 |
| State of California Department of Public Health                                    | 2028              | 2.34%            | \$394,960-\$1,221,886               | \$ 20,000,000                | \$ 7,544,235                    |
| Public Borrowing:  |                   |                  |                                     |                              |                                 |
| Certificates of Participation, Series 2004<br>(Wastewater Treatment Plant Upgrade) | 2037              | 2.00% - 4.75%    | \$575,000-\$1,050,000               | 30,955,000                   | 21,175,000                      |
| Total Business-Type Activities   |                   |                  |                                     | <u>\$ 50,955,000</u>         | <u>\$ 28,719,235</u>            |
| <b>Successor Agency</b>  |                   |                  |                                     |                              |                                 |
| Public Borrowing:  |                   |                  |                                     |                              |                                 |
| Tax Allocation Refunding Bonds, Series 2016  | 2034              | 3.00% - 4.00%    | \$380,000-\$2,730,000               | \$ 33,720,000                | \$ 27,650,000                   |
| Total Successor Agency   |                   |                  |                                     | <u>\$ 33,720,000</u>         | <u>\$ 27,650,000</u>            |

**B. Governmental Activities**

A summary of changes in the long-term liabilities of the governmental activities for the year ended June 30, 2021, is as follows:

|                                    | Balance<br>July 1, 2020 | Debt<br>Issued | Debt<br>Retired     | Balance<br>June 30, 2021 | Classification         |                              |
|------------------------------------|-------------------------|----------------|---------------------|--------------------------|------------------------|------------------------------|
|                                    |                         |                |                     |                          | Due within<br>One Year | Due in More<br>Than One Year |
| <b>Governmental Activities:</b>    |                         |                |                     |                          |                        |                              |
| Public borrowings:                 |                         |                |                     |                          |                        |                              |
| Lease revenue bonds:               |                         |                |                     |                          |                        |                              |
| 2020 Lease Revenue Refunding Bonds | 18,190,000              | -              | (555,000)           | 17,635,000               | 595,000                | 17,040,000                   |
| plus: bond premium                 | 3,501,175               | -              | (46,069)            | 3,455,106                | -                      | 3,455,106                    |
| Total lease revenue bonds          | 21,691,175              | -              | (601,069)           | 21,090,106               | 595,000                | 20,495,106                   |
| <b>Total</b>                       | <u>\$ 21,691,175</u>    | <u>\$ -</u>    | <u>\$ (601,069)</u> | <u>\$ 21,090,106</u>     | <u>\$ 595,000</u>      | <u>\$ 20,495,106</u>         |

**2020 Lease Revenue Refunding Bonds**

On February 28, 2020, the City, under the Tracy Operating Partnership (TOP), issued \$18,190,000 of 2020 Lease Revenue Refunding Bonds. The proceeds from the bonds were used to refund, on a current basis, the 2007 Lease Revenue Bonds Series A, the 2007 Lease Revenue Bonds Series B, and the 2008 Lease Revenue Bonds. The TOP has pledged revenue pursuant to amended site and facility leases between the City and the TOP for the Fire Station 91, the Police Department Headquarters and the Fire Administration Building.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 8 – Long-Term Liabilities (Continued)**

**B. Governmental Activities (Continued)**

**2020 Lease Revenue Refunding Bonds (Continued)**

Interest payments are due semi-annually each November 1 and May 1 at rates of 3% and 4%. Principal is due annually each November 1 through 2038. The refunding resulted in an overall debt service savings of \$9,888,414. The net present value of the debt service savings is called an economic gain and amounted to \$8,617,218. The 2020 Bonds maturing on or before November 1, 2029 are not subject to annual redemption prior to maturity. The 2020 Bonds maturing on or after November 1, 2030 are subject to optional redemption prior to maturity on or after May 1, 2030 at the option of the TOP, as a whole or in part on any date at a redemption price equal to the principal amount of 2020 Bonds to be redeemed, plus accrued but unpaid interest to the redemption date, without premium. In the event of default, the TOP may not terminate the respective lease agreements or release the leased properties, but the City remains liable to pay all lease payments as they come due.

The annual debt service requirements on these bonds are as follows:

| Year Ending<br>June 30, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 2022                    | \$ 595,000           | \$ 693,500          | \$ 1,288,500         |
| 2023                    | 635,000              | 668,900             | 1,303,900            |
| 2024                    | 670,000              | 642,800             | 1,312,800            |
| 2025                    | 705,000              | 615,300             | 1,320,300            |
| 2026                    | 750,000              | 586,200             | 1,336,200            |
| 2027-2031               | 4,470,000            | 2,429,800           | 6,899,800            |
| 2032-2036               | 5,900,000            | 1,397,400           | 7,297,400            |
| 2037-2039               | 3,910,000            | 231,000             | 4,141,000            |
| <b>Total</b>            | <b>\$ 17,635,000</b> | <b>\$ 7,264,900</b> | <b>\$ 24,899,900</b> |

**C. Business-Type Activities**

A summary of changes in the long-term liabilities of the business-type activities for the year ended June 30, 2021, is as follows:

|                                     | Balance<br>July 1, 2020 | Debt<br>Issued | Debt<br>Retired       | Balance<br>June 30, 2021 | Classification         |                              |
|-------------------------------------|-------------------------|----------------|-----------------------|--------------------------|------------------------|------------------------------|
|                                     |                         |                |                       |                          | Due within<br>One Year | Due in More<br>Than One Year |
| <b>Business-Type Activities:</b>    |                         |                |                       |                          |                        |                              |
| Direct borrowings:                  |                         |                |                       |                          |                        |                              |
| Loans payable:                      |                         |                |                       |                          |                        |                              |
| State of California                 |                         |                |                       |                          |                        |                              |
| Department of Public Health         | \$ 8,606,933            | \$ -           | \$ (1,062,698)        | \$ 7,544,235             | \$ 1,087,711           | \$ 6,456,524                 |
| Total loans payable                 | 8,606,933               | -              | (1,062,698)           | 7,544,235                | 1,087,711              | 6,456,524                    |
| Public borrowings:                  |                         |                |                       |                          |                        |                              |
| Certificates of Participation:      |                         |                |                       |                          |                        |                              |
| Wastewater, Series 2004             | 22,050,000              | -              | (875,000)             | 21,175,000               | 915,000                | 20,260,000                   |
| Total certificates of participation | 22,050,000              | -              | (875,000)             | 21,175,000               | 915,000                | 20,260,000                   |
| <b>Total</b>                        | <b>\$ 30,656,933</b>    | <b>\$ -</b>    | <b>\$ (1,937,698)</b> | <b>\$ 28,719,235</b>     | <b>\$ 2,002,711</b>    | <b>\$ 26,716,524</b>         |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 8 – Long-Term Liabilities (Continued)**

**C. Business-Type Activities (Continued)**

**State of California Department of Public Health Loan Payable**

In 2006, the City entered into a loan agreement with the State of California Department of Public Health in the amount of \$20,000,000 for assistance in the construction of its new Water Treatment Plant. The proceeds from the loan were drawn down by the City as needed for construction. The loan is a fully amortized loan over 20 years at an annual interest rate of 2.34%. The City is obligated to make semi-annual payments of principal and interest in the amount of \$628,960 beginning July 1, 2008 with a final maturity date of January 1, 2028.

The annual debt service requirements on the California Department of Public Health Loan Payable are as follows:

| Year Ending<br>June 30, | Principal           | Interest          | Total               |
|-------------------------|---------------------|-------------------|---------------------|
| 2022                    | \$ 1,087,711        | \$ 170,209        | \$ 1,257,920        |
| 2023                    | 1,113,312           | 144,608           | 1,257,920           |
| 2024                    | 1,139,516           | 118,404           | 1,257,920           |
| 2025                    | 1,166,336           | 91,583            | 1,257,919           |
| 2026                    | 1,193,788           | 64,131            | 1,257,919           |
| 2027-2028               | 1,843,572           | 43,307            | 1,886,879           |
| <b>Total</b>            | <b>\$ 7,544,235</b> | <b>\$ 632,242</b> | <b>\$ 8,176,477</b> |

**Wastewater Certificates of Participation (COPs), Series 2004**

The City issued Wastewater Certificates of Participation (COPs) in April 2004 to fund the upgrade of the City's wastewater treatment plant. The Wastewater COPs are special obligations of the City and are payable solely from and secured by a pledge of net revenues of the Wastewater Utility System. Principal payments commence on December 1, 2007, and are payable annually on December 1 through 2036. Interest payments commence on December 1, 2004, and are payable semi-annually on December 1 and June 1, thereafter. The COP's maturing on or after December 1, 2014 may be prepaid in advance of maturity on any date on or after December 1, 2013 plus accrued but unpaid interest to the prepayment date, without premium. For fiscal year 2021 net revenues amounted to \$2,419,501 which represented coverage of 128% over the \$1,889,818 of debt service. The pledge of net revenues ends upon repayment of the City's repayment of the remaining balance of \$32,220,608 which is scheduled to occur in 2037.

The annual debt service requirements on the Series 2004 COPs are as follows:

| Year Ending<br>June 30, | Principal            | Interest             | Total                |
|-------------------------|----------------------|----------------------|----------------------|
| 2022                    | \$ 915,000           | \$ 975,418           | \$ 1,890,418         |
| 2023                    | 955,000              | 932,865              | 1,887,865            |
| 2024                    | 1,000,000            | 887,900              | 1,887,900            |
| 2025                    | 1,050,000            | 840,750              | 1,890,750            |
| 2026                    | -                    | 816,600              | 816,600              |
| 2027-2031               | 6,025,000            | 3,658,238            | 9,683,238            |
| 2032-2036               | -                    | 2,667,125            | 2,667,125            |
| 2037                    | 11,230,000           | 266,712              | 11,496,712           |
| <b>Total</b>            | <b>\$ 21,175,000</b> | <b>\$ 11,045,608</b> | <b>\$ 32,220,608</b> |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 8 – Long-Term Liabilities (Continued)**

**D. Fiduciary Fund Private Purpose Trust Funds - Successor Agency to the Former Community Development Agency of the City of Tracy**

A summary of changes in the long-term liabilities of the fiduciary fund financial statements for the year ended June 30, 2021, is as follows:

|                                      | Balance<br>July 1, 2020 | Debt<br>Issued | Debt<br>Retired       | Balance<br>June 30, 2021 | Classification         |                              |
|--------------------------------------|-------------------------|----------------|-----------------------|--------------------------|------------------------|------------------------------|
|                                      |                         |                |                       |                          | Due within<br>One Year | Due in More<br>Than One Year |
| <b>Fiduciary Activities:</b>         |                         |                |                       |                          |                        |                              |
| Public borrowings:                   |                         |                |                       |                          |                        |                              |
| Tax allocation refunding bonds:      |                         |                |                       |                          |                        |                              |
| Series 2016                          | \$ 29,160,000           | \$ -           | \$ (1,510,000)        | \$ 27,650,000            | \$ 1,580,000           | \$ 26,070,000                |
| Add: unamortized bond premiums       | 4,265,598               | -              | (304,686)             | 3,960,912                | -                      | 3,960,912                    |
| Total tax allocation refunding bonds | 33,425,598              | -              | (1,814,686)           | 31,610,912               | 1,580,000              | 30,030,912                   |
| <b>Total</b>                         | <b>\$ 33,425,598</b>    | <b>\$ -</b>    | <b>\$ (1,814,686)</b> | <b>\$ 31,610,912</b>     | <b>\$ 1,580,000</b>    | <b>\$ 30,030,912</b>         |

**Tax Allocation Refunding Bonds, Series 2015A**

On January 21, 2016, the Successor Agency issued 2016 Tax Allocation Refunding Bonds in the amount of \$33,720,000. The proceeds from the Bonds were used to advance refund and defease the outstanding balance of the 2003 Tax Allocation Bonds Series A and B. The Bonds bear interest ranging from 2% to 5%. Interest is payable semi-annually each August 1 and February 1 and principal is due annually on each August 1, through 2033. The Bonds maturing on or before August 1, 2025 are not subject to optional redemption prior to maturity. The Bonds maturing on and after August 1, 2026, are subject to redemption, at the option of the Successor Agency on any date on or after August 1, 2025, as a whole or in part. The defeased bonds were called on February 22, 2016.

The Successor Agency's annual debt service requirements on the 2015A Tax Allocation Refunding Bonds are as follows:

| Year Ending<br>June 30, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 2022                    | \$ 1,580,000         | \$ 1,235,300        | \$ 2,815,300         |
| 2023                    | 1,660,000            | 1,154,300           | 2,814,300            |
| 2024                    | 1,740,000            | 1,069,300           | 2,809,300            |
| 2025                    | 1,820,000            | 980,300             | 2,800,300            |
| 2026                    | 1,910,000            | 887,050             | 2,797,050            |
| 2027-2031               | 11,020,000           | 2,870,750           | 13,890,750           |
| 2032-2034               | 7,920,000            | 387,600             | 8,307,600            |
| <b>Total</b>            | <b>\$ 27,650,000</b> | <b>\$ 8,584,600</b> | <b>\$ 36,234,600</b> |

**Pledge of Revenues**

The Agency has pledged all future tax increment revenues, for the repayment of the Tax Allocation Bonds and Reimbursement Agreement. The pledge of all future tax increment revenues end upon repayment of the remaining debt service of \$36,234,660 on the Bonds, which is scheduled to occur in 2034. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Total property taxes available for distribution to the Successor Agency and other taxing entities for fiscal year 2021 calculated by the County Auditor-Controller was \$8,013,480, and the total received by the Successor Agency for fiscal year 2021 debt service was \$2,854,800, which the Agency used to pay the \$2,822,550 of fiscal year debt service.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 9 – Special Assessment Debt with No City Commitment**

The City issued special tax and assessment bonds on behalf of property owners, pursuant to the Improvement Bond Act of 1915 and the Mello-Roos Community Facilities Act of 1982, to finance the acquisition and construction of certain infrastructure improvements within the assessment districts and community facilities districts.

The City has authorized the formation of the Bay Meadows Community Facilities District No. 2008-1 (Bay Meadows CFD), acting through its eligible landowner voters, and the issuance of bonds under the public improvement act (Mello-Roos Community Facilities Act of 1982) of the State of California to finance eligible public facilities necessary to serve developing commercial, industrial, residential and/or mixed-use developments. The bonds are secured by annual special tax levies or liens placed on the property within the district.

Special Assessment Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included as debt of the City.

The outstanding balance of each of these issues as of June 30, 2021, is as follows:

| Description  | Fiscal Year   |                  | Underlying<br>Assessment<br>District Bonds | Outstanding<br>June 30, 2021 |
|--|---------------|------------------|--|------------------------------|
|  | Issue<br>Year | Maturity<br>Year |  |                              |
| 1996A Tax Bonds (93-1 Community Facilities District - I-205 Parcel GL-17)        | 1997          | 2027             |  | \$ 550,000                   |
| 2002 Special Tax Bonds (93-1 Community Facilities District - I-205 Parcel GL-17) | 2003          | 2033             |  | 1,620,000                    |
| 2003-01 Assessment District Limited Obligation Improvement Bonds (Berg Avenue)   | 2003          | 2029             |  | 450,000                      |
| 2005A TOP JPA Revenue Bonds (Senior Lien) (98-1 Plan C)                          | 2006          | 2029             |  | 31,975,000                   |
| 2005B TOP JPA Revenue Bonds (Junior Lien) (98-3 Plan C)                          | 2006          | 2036             |  | 1,035,000                    |
| 2005C TOP JPA Revenue Bonds  | 2006          | 2036             |  | 9,575,000                    |
| 2011A TOP JPA Revenue Bonds:   |               |                  |  |                              |
| 98-4 Morrison Homes and 2000-02 Heartland Three                                  | 2011          | 2026             | 940,000                                    |                              |
| 2011-1 Reassessment Bonds  | 2011          | 2027             | 160,000                                    |                              |
| 99-2 South MacArthur Plan Area (2000 and 2002)                                   | 2011          | 2028             | 5,780,000                                  |                              |
| Total 2011A TOP JPA Revenue Bonds  |               |                  |  | 6,880,000                    |
| 2014A Tracy Public Financing Authority Revenue Bonds:                            |               |                  |  |                              |
| 99-1 Community Facilities District - Northeast Industrial Area                   | 2014          | 2025             | 2,345,000                                  |                              |
| 2014-1 Reassessment Bonds  | 2014          | 2023             | 815,000                                    |                              |
| Total 2014A Tracy Public Financing Authority Revenue Bonds                       |               |                  |  | 3,160,000                    |
| 2018 Series Tracy Hills Special Tax Bonds  |               |                  |  |                              |
| Community Facilities District No. 2016-1   | 2019          | 2048             |  | 32,525,000                   |
| 2019 Series Tracy Hills Phase I Special Tax Bonds                                |               |                  |  |                              |
| Community Facilities District No. 2016-1   | 2020          | 2050             |  | 14,815,000                   |
| 2019 Series ECFD Special Tax Bonds   |               |                  |  |                              |
| Community Facilities District No. 2016-2   | 2020          | 2050             |  | 15,180,000                   |
| 2019 Series NEI Phase II Special Tax Refunding Bonds                             |               |                  |  |                              |
| Community Facilities District No. 2006-01  | 2020          | 2037             |  | 8,015,000                    |
| Total  |               |                  |  | \$ 125,780,000               |



**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 10 – Sick Leave Conversion**

**A. Governmental Activities**

A summary of changes in the sick leave conversion balances for the governmental activities for the year ended June 30, 2021 is as follows:

|                       | Balance<br>July 1, 2020 | Additions           | Deletions           | Balance<br>June 30, 2021 | Classification         |                              |
|-----------------------|-------------------------|---------------------|---------------------|--------------------------|------------------------|------------------------------|
|                       |                         |                     |                     |                          | Due within<br>One Year | Due in More<br>Than One Year |
| Sick Leave Conversion | \$ 3,189,083            | \$ 1,340,333        | \$ (602,580)        | \$ 3,926,836             | \$ 785,367             | \$ 3,141,469                 |
| <b>Total</b>          | <b>\$ 3,189,083</b>     | <b>\$ 1,340,333</b> | <b>\$ (602,580)</b> | <b>\$ 3,926,836</b>      | <b>\$ 785,367</b>      | <b>\$ 3,141,469</b>          |

**Note 11 – Compensated Absences**

**A. Governmental Activities**

A summary of changes in the compensated absences balances for the governmental activities for the year ended June 30, 2021 is as follows:

|                      | Balance<br>July 1, 2020 | Additions           | Deletions             | Balance<br>June 30, 2021 | Classification         |                              |
|----------------------|-------------------------|---------------------|-----------------------|--------------------------|------------------------|------------------------------|
|                      |                         |                     |                       |                          | Due within<br>One Year | Due in More<br>Than One Year |
| Compensated absences | \$ 4,476,991            | \$ 1,344,769        | \$ (1,175,410)        | \$ 4,646,350             | \$ 1,562,838           | \$ 3,083,512                 |
| <b>Total</b>         | <b>\$ 4,476,991</b>     | <b>\$ 1,344,769</b> | <b>\$ (1,175,410)</b> | <b>\$ 4,646,350</b>      | <b>\$ 1,562,838</b>    | <b>\$ 3,083,512</b>          |

Compensated absences are liquidated by the fund that has recorded the liability only when matured. The long-term portion of the governmental activities compensated absences is liquidated primarily by the General Fund.

**B. Business-Type Activities**

A summary of changes in the compensated absences balances for the business-type activities for the year ended June 30, 2021 is as follows:

|                      | Balance<br>July 1, 2020 | Additions         | Deletions           | Balance<br>June 30, 2021 | Classification         |                              |
|----------------------|-------------------------|-------------------|---------------------|--------------------------|------------------------|------------------------------|
|                      |                         |                   |                     |                          | Due within<br>One Year | Due in More<br>Than One Year |
| Compensated absences | \$ 746,333              | \$ 915,354        | \$ (717,929)        | \$ 943,758               | \$ 285,678             | \$ 658,080                   |
| <b>Total</b>         | <b>\$ 746,333</b>       | <b>\$ 915,354</b> | <b>\$ (717,929)</b> | <b>\$ 943,758</b>        | <b>\$ 285,678</b>      | <b>\$ 658,080</b>            |

Compensated absences in the business-type activities are obligations of the following funds:

|                          |                   |
|--------------------------|-------------------|
| Water Fund               | \$ 328,419        |
| Sewer Fund               | 464,313           |
| Solid Waste Fund         | 74,980            |
| Drainage Operations Fund | 23,049            |
| Municipal Airport Fund   | 12,956            |
| Municipal Transit Fund   | 40,041            |
| <b>Total</b>             | <b>\$ 943,758</b> |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 12 – Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City obtains insurance coverage.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influences by member municipalities beyond their representation of that board. Obligations and liabilities of these risk pools are not the City's responsibility.

Since 1986, the City has joined together with other cities to form a public entity risk pool known as the Central San Joaquin Valley Risk Management Authority - CSJVRMA (the Authority), a joint powers authority established in accordance with the California government code. The relationship between the City and the Authority is such that the Authority is not a component unit of the City for financial reporting purposes. Financial statements for the Authority may be obtained from the Authority's management.

The Authority is currently operating as a common risk management and insurance program for 54 member cities. The program's general objectives are to formulate, develop, and administer, on the behalf of the member cities, a program of insurance, to obtain lower cost for that coverage, and to develop a comprehensive loss control program. A member may withdraw from the Authority only by giving six-month notice. Cities applying for membership in the Authority may do so on approval of a two-thirds vote of the board of the Authority.

The latest financial information of the Authority for fiscal year ended June 30, 2021, is as follows:

|                                  |                       |
|----------------------------------|-----------------------|
| Total Assets                     | \$ 150,621,596        |
| Total Liabilities                | <u>\$ 129,774,819</u> |
| Net Position                     | <u>\$ 20,846,777</u>  |
| Operating Revenues               | <u>\$ 55,391,674</u>  |
| Operating Expenses               | <u>\$ 54,084,619</u>  |
| Nonoperating Revenues (Expenses) | <u>\$ (224,620)</u>   |
| Change in Net Position           | <u>\$ 1,082,435</u>   |

**A. Coverage**

The City participates in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool currently operating as a common risk management and insurance program for 54 cities. The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense. The CSJVRMA is governed by a Board of Directors elected by the member agencies; it is not a component unit of the City. Audited financial statements are available from the Central San Joaquin Risk Management Authority at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 12 – Risk Management (Continued)**

**A. Coverage (Continued)**

The City participates in the following pooled coverages through CSJVRMA:

| Type of Coverage (Deductible)                                    | Coverage Limits |
|--|-----------------|
| Liability (\$100,000)  | \$ 54,000,000   |
| Property (\$5,000 to \$10,000)                                   | 1,000,000,000   |
| Worker's Compensation (\$200,000)                                | Statutory Limit |
| Boiler and Machinery (\$1,000 to \$10,000)                       | 100,000,000     |
| Automobile - for vehicles with values more than \$25,000 (\$500) | 1,000,000,000   |

The CSJVRMA maintains separate records for each member for each year of participation. The records track cash paid to the CSJVRMA through deposit premium assessments, the City's self-insured retention portion of claims paid, and the City's allocation of shared risks. Three years after the close of the workers' compensation coverage year and five years after the close of the general liability coverage year, the CSJVRMA assesses the status of all members for the year, then either makes a refund to a member if it has positive balance (i.e., payout and reserve experience is less than premiums paid) or collects any deficit.

During the fiscal year ended June 30, 2021, the City contributed \$5,191,306 for current year coverage. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

**B. Liability for Uninsured Claims**

The City provides for the uninsured portion of claims and judgments, including provisions for claims incurred but not reported, in the Insurance Internal Service Fund. Claims and judgments are recorded when a loss is deemed probable of asserting and the amount of the loss is reasonably determinable. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims. The City has estimated that claims will become due and payable in more than one year.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 13 – Pension Plans**

**A. Summary**

|   | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>          |
|---|------------------------------------|-------------------------------------|-----------------------|
| <b>Deferred outflows of resources:</b>                  |                                    |                                     |                       |
| Pension contribution made after measurement date:       |                                    |                                     |                       |
| CalPERS Miscellaneous                                   | \$ 4,531,188                       | 1,536,284                           | \$ 6,067,472          |
| CalPERS Safety  | 7,379,603                          | -                                   | 7,379,603             |
| Total pension contribution made after measurement date  | <u>11,910,791</u>                  | <u>1,536,284</u>                    | <u>13,447,075</u>     |
| Change in assumption                                    |                                    |                                     |                       |
| CalPERS Safety  | 1,957,091                          | -                                   | 1,957,091             |
| Total change in assumption                              | <u>1,957,091</u>                   | <u>-</u>                            | <u>1,957,091</u>      |
| earnings:   |                                    |                                     |                       |
| CalPERS Miscellaneous                                   | 765,525                            | 259,549                             | 1,025,074             |
| CalPERS Safety  | 1,447,702                          | -                                   | 1,447,702             |
| actual earnings   | <u>2,213,227</u>                   | <u>259,549</u>                      | <u>2,472,776</u>      |
| Difference between expected and actual experience       |                                    |                                     |                       |
| CalPERS Miscellaneous                                   | 2,767,120                          | 938,182                             | 3,705,302             |
| CalPERS Safety  | 4,738,257                          | -                                   | 4,738,257             |
| Total difference between expected and actual experience | <u>7,505,377</u>                   | <u>938,182</u>                      | <u>8,443,559</u>      |
| Total deferred outflows of resources                    |                                    |                                     |                       |
| CalPERS Miscellaneous                                   | 8,063,833                          | 2,734,015                           | 10,797,848            |
| CalPERS Safety  | 15,522,653                         | -                                   | 15,522,653            |
| Total deferred outflows of resources                    | <u>\$ 23,586,486</u>               | <u>\$ 2,734,015</u>                 | <u>\$ 26,320,501</u>  |
| <b>Net pension liability:</b>                           |                                    |                                     |                       |
| CalPERS Miscellaneous                                   | 34,655,680                         | 11,749,890                          | \$ 46,405,570         |
| CalPERS Safety  | 53,683,706                         | -                                   | 53,683,706            |
| Total net pension liability                             | <u>\$ 88,339,386</u>               | <u>\$ 11,749,890</u>                | <u>\$ 100,089,276</u> |
| <b>Deferred inflows of resources:</b>                   |                                    |                                     |                       |
| Difference between expected and actual experience       |                                    |                                     |                       |
| CalPERS Safety  | \$ 106,144                         | \$ -                                | \$ 106,144            |
| Total difference between expected and actual experience | <u>106,144</u>                     | <u>-</u>                            | <u>106,144</u>        |
| Changes of assumptions                                  |                                    |                                     |                       |
| CalPERS Miscellaneous                                   | 127,908                            | 43,367                              | 171,275               |
| CalPERS Safety  | 295,433                            | -                                   | 295,433               |
| Total difference between expected and actual experience | <u>423,341</u>                     | <u>43,367</u>                       | <u>466,708</u>        |
| Total deferred inflows of resources                     |                                    |                                     |                       |
| CalPERS Miscellaneous                                   | 127,908                            | 43,367                              | 171,275               |
| CalPERS Safety  | 401,577                            | -                                   | 401,577               |
| Total deferred inflows of resources                     | <u>\$ 529,485</u>                  | <u>\$ 43,367</u>                    | <u>\$ 572,852</u>     |
| <b>Pension expenses:</b>                                |                                    |                                     |                       |
| CalPERS Miscellaneous                                   | \$ 6,510,728                       | \$ 2,207,440                        | \$ 8,718,168          |
| CalPERS Safety  | 10,811,131                         | -                                   | 10,811,131            |
| Total net pension expenses                              | <u>\$ 17,321,859</u>               | <u>\$ 2,207,440</u>                 | <u>\$ 19,529,299</u>  |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 13 – Pension Plans (Continued)**

**B. General Information about Pension**

**Plan Description**

Substantially all City employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the Miscellaneous or Safety Agent multiple-employer defined benefit plan administered by California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee’s Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

**Employees Covered**

At June 30, 2020, the measurement date, the following employees were covered by the benefit terms for the Plan:

|                                      | <u>Miscellaneous Plan</u> | <u>Safety Plan</u> | <u>Total</u> |
|--------------------------------------|---------------------------|--------------------|--------------|
| Active employees                     | 331                       | 165                | 496          |
| Transferred and terminated employees | 277                       | 58                 | 335          |
| Retired employees and beneficiaries  | 338                       | 169                | 507          |
| <b>Total</b>                         | <b>946</b>                | <b>392</b>         | <b>1338</b>  |

**Benefits Provided**

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

|   | <b>Miscellaneous</b>  |                        |                  |
|---|-----------------------|------------------------|------------------|
|   | <u>Classic Tier I</u> | <u>Classic Tier II</u> | <u>PEPRA</u>     |
|   | October 9, 2011       | October 9, 2011        | January 1, 2013  |
| Hire date   | October 9, 2011       | October 9, 2011        | January 1, 2013  |
| Benefit formula                                   | 2.5% @ 55             | 2.0% @ 55              | 2.0% @ 62        |
| Benefit vesting schedule                          | 5 years service       | 5 years service        | 5 years service  |
| Benefit payments                                  | monthly for life      | monthly for life       | monthly for life |
| Retirement age                                    | 50 - 55               | 50 - 63                | 52 - 67          |
| Monthly benefits, as a % of eligible compensation | 2.0-2.5%              | 1.426%-2.418%          | 1.0% - 2.5%      |
| Required employee contribution rates              | 8%                    | 7%                     | 6.25%            |
| Required employer contribution rates              | 9.838%                | 9.838%                 | 9.838%           |
| Required UAL contribution                         |                       | \$3,442,778            |                  |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 13 – Pension Plans (Continued)**

**B. General Information about Pension (Continued)**

**Benefits Provided**

|   | <b>Safety - Police</b> |                  |                  |
|---|------------------------|------------------|------------------|
|   | Classic Tier I         | Classic Tier II  | PEPRA            |
|   | April 8, 2012          | April 8, 2012    | January 1, 2013  |
| Hire date   |                        |                  |                  |
| Benefit formula                                   | 3% @ 50                | 3% @ 55          | 2.7% @ 57        |
| Benefit vesting schedule                          | 5 years service        | 5 years service  | 5 years service  |
| Benefit payments                                  | monthly for life       | monthly for life | monthly for life |
| Retirement age                                    | 50                     | 50 - 55          | 50 - 57          |
| Monthly benefits, as a % of eligible compensation | 3.0%                   | 2.4% - 3.0%      | 2.0% - 2.7%      |
| Required employee contribution rates              | 9%                     | 9%               | 13%              |
| Required employer contribution rates              | 21.845%                | 21.845%          | 21.845%          |
| Required UAL contribution (Police and Fire)       | \$3,259,512            |                  |                  |

|   | <b>Safety - Fire</b>                   |                  |
|---|--|------------------|
|   | Classic Tier I                         | PEPRA            |
|   | January 1, 2013                        | January 1, 2013  |
| Hire date   |  |                  |
| Benefit formula                                   | 3% @ 55                                | 2.7% @ 57        |
| Benefit vesting schedule                          | 5 years service                        | 5 years service  |
| Benefit payments                                  | monthly for life                       | monthly for life |
| Retirement age                                    | 50 - 55                                | 50 - 57          |
| Monthly benefits, as a % of eligible compensation | 2.4% - 3.0%                            | 2.0% - 2.7%      |
| Required employee contribution rates              | 9%                                     | 13%              |
| Required employer contribution rates              | 21.845%                                | 21.845%          |
| Required UAL contribution (Police and Fire)       | Included in Safety -Police total above |                  |

On January 1, 2013, the Public Employee Pension Reform Act (PEPRA) went into effect. This State law applies to employees hired on or after January 1, 2013 who are new to Public Employee Retirement Systems (PERS). These employees are termed PEPRA members and employees that were enrolled in PERS (without significant separation) prior to January 1, 2013 are now referred to as classic members. PEPRA miscellaneous members will be enrolled in a 2% at 62 plan and PEPRA safety members will be enrolled in a 2.7% at 57 plan. PEPRA members will be required to pay half the normal cost of their plans.

**Contributions**

Section 20814(C) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year (normal cost), with additional amount to finance any unfunded accrued liability (UAL).

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 13 – Pension Plans (Continued)**

**B. General Information about Pension (Continued)**

**Contributions**

The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2020 (the measurement date), the average active employee contribution rate is 8 percent of annual pay for the Miscellaneous Plan and 9 percent of annual pay for the Safety Plan, and employer contribution rate is 29.37 percent of annual payroll for the Miscellaneous Plan and 98.53 percent of annual payroll for the Safety Plan. Of note, the pension liability for the service years of former City employees that transferred to the Tracy Consolidated Fire Department remains with the City, thus the UAL as a percentage of payroll is higher, as the UAL is relative to the remaining Safety Plan members (Police Department employees). As of June 30, 2021, in the opinion of City Administration, there were no additional outstanding matters that would have a significant effect on the financial position of the City.

For the year ended June 30, 2021, the plan’s contributions made for the Plan was as follows:

|                          | Miscellaneous Plan | Safety Plan  |
|--------------------------|--------------------|--------------|
| Contributions - employer | \$ 6,067,472       | \$ 7,379,603 |

**Net Pension Liability**

The City’s net pension liability is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the following page.

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

|                                  |   |
|----------------------------------|---|
| Actuarial Cost Method            | Entry Age Normal in accordance with the requirement of GASB   |
| Actuarial Assumptions:           |   |
| Discount Rate                    | 7.15%   |
| Inflation                        | 2.63%   |
| Salary Increases                 | Varies by Entry Age and Service   |
| Investment Rate of Return        | 7.25%   |
| Mortality Rate Table             | Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale MP-2016. |
| Post Retirement Benefit Increase | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter   |

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 13 – Pension Plans (Continued)**

**B. General Information about Pension (Continued)**

**Discount Rate**

In determining the long-term expected rate of return, CalPERS took into account, both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

| <b>Asset Class</b>         | <b>New Strategic Allocation</b> | <b>Real Return Years 1 - 10<sup>1</sup></b> | <b>Real Return Years 11 +<sup>2</sup></b> |
|----------------------------|---------------------------------|---|---|
| Global equity              | 50.00%                          | 4.80%                                       | 5.98%                                     |
| Global fixed income        | 28.00%                          | 1.00%                                       | 2.62%                                     |
| Inflation sensitive assets | 0.00%                           | 0.77%                                       | 1.81%                                     |
| Private equity             | 8.00%                           | 6.30%                                       | 7.23%                                     |
| Real assets                | 13.00%                          | 3.75%                                       | 4.93%                                     |
| Liquidity                  | 1.00%                           | 0.00%                                       | -0.92%                                    |

<sup>1</sup> An expected inflation of 2.00% was used for this period.

<sup>2</sup> An expected inflation of 2.92% was used for this period.

The discount rate used to measure the total pension liability was 7.15% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 Section.



**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 13 – Pension Plans (Continued)**

**B. General Information about Pension (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City’s net pension liability, calculated using the discount rate, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|                    | <b>Plan's Aggregate Net Pension Liability/(Asset)</b> |                         |                           |
|--------------------|---|-------------------------|---------------------------|
|                    | <b>Discount Rate - 1%</b>                             | <b>Current Discount</b> | <b>Discount Rate + 1%</b> |
|                    | <b>(6.15%)</b>  | <b>Rate (7.15%)</b>     | <b>(8.15%)</b>            |
| Miscellaneous Plan | \$ 70,284,235   | \$ 46,405,570           | \$ 26,636,453             |
| Safety Plan        | \$ 85,443,630   | \$ 53,683,706           | \$ 27,835,516             |

**Changes in the Net Pension Liability**

The following table shows the changes in net pension liability recognized over the measurement period:

|  | <b>Miscellaneous Plan</b>  |                                |                       |
|--|----------------------------|--------------------------------|-----------------------|
|  | Total Pension<br>Liability | Plan Fiduciary Net<br>Position | Net Pension Liability |
| Balance at June 30, 2019 (Valuation Date)                    | \$ 164,857,154             | \$ 124,565,111                 | \$ 40,292,043         |
| Changes in the year:   |                            |                                |                       |
| Service cost   | 4,471,783                  | -                              | 4,471,783             |
| Interest on the total pension liabilities                    | 11,946,424                 | -                              | 11,946,424            |
| Changes in assumptions                                       | -                          | -                              | -                     |
| Differences between expected and actual experience           | 3,547,669                  | -                              | 3,547,669             |
| Benefit payments, including refunds of members contributions | (7,115,731)                | (7,115,731)                    | -                     |
| Plan to plan resource movement                               | -                          | -                              | -                     |
| Contributions - employer                                     | -                          | 5,671,613                      | (5,671,613)           |
| Contributions - employee                                     | -                          | 2,054,668                      | (2,054,668)           |
| Net investment income  | -                          | 6,301,674                      | (6,301,674)           |
| Administrative expenses                                      | -                          | (175,606)                      | 175,606               |
| Net changes  | 12,850,145                 | 6,736,618                      | 6,113,527             |
| Balance at June 30, 2020 (Measurement Date)                  | \$ 177,707,299             | \$ 131,301,729                 | \$ 46,405,570         |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 13 – Pension Plans (Continued)**

**B. General Information about Pension (Continued)**

**Changes in the Net Pension Liability (Continued)**

|  | <b>Safety Plan</b>         |                                |                       |
|--|----------------------------|--------------------------------|-----------------------|
|  | Total Pension<br>Liability | Plan Fiduciary Net<br>Position | Net Pension Liability |
| Balance at June 30, 2019 (Valuation Date)                    | \$ 195,787,881             | \$ 149,184,169                 | \$ 46,603,712         |
| Changes in the year:   |                            |                                |                       |
| Service cost   | 5,954,133                  | -                              | 5,954,133             |
| Interest on the total pension liabilities                    | 14,167,518                 | -                              | 14,167,518            |
| Changes in assumptions                                       | -                          | -                              | -                     |
| Differences between expected and actual experience           | 3,242,995                  | -                              | 3,242,995             |
| Benefit payments, including refunds of members contributions | (7,721,638)                | (7,721,638)                    | -                     |
| Plan to plan resource movement                               | -                          | -                              | -                     |
| Contributions - employer                                     | -                          | 6,693,746                      | (6,693,746)           |
| Contributions - employee                                     | -                          | 2,355,865                      | (2,355,865)           |
| Net investment income  | -                          | 7,445,354                      | (7,445,354)           |
| Administrative expenses                                      | -                          | (210,313)                      | 210,313               |
| Net changes  | 15,643,008                 | 8,563,014                      | 7,079,994             |
| Balance at June 30, 2020 (Measurement Date)                  | \$ 211,430,889             | \$ 157,747,183                 | \$ 53,683,706         |

**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the City recognized pension expense in the amount of \$8,718,168 and \$10,811,131 for the miscellaneous and safety plans, respectively.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The Expected Average Remaining Service Lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. For the Miscellaneous Plan, the EARSL for the Miscellaneous Plan for the 2019-20 measurement period is 4.0 years, which was obtained by dividing the total service years of 3,771 (the sum of remaining service lifetimes of the active employees) by 932 (the total number of participants: active, inactive, and retired). For the Safety Plan, the EARSL for the Miscellaneous Plan for the 2019-20 measurement period is 5.0 years, which was obtained by dividing the total service years of 1,941 (the sum of remaining service lifetimes of the active employees) by 385 (the total number of participants: active, inactive, and retired).

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 13 – Pension Plans (Continued)**

**B. General Information about Pension (Continued)**

**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

At June 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>Miscellaneous Plan</b>   |   |  |
|---|---|--|
|   | <b>Deferred outflows<br/>of Resources</b> | <b>Deferred inflows<br/>of Resources</b> |
| Pension contributions made subsequent to measurement date                   | \$ 6,067,472                              | \$ -                                     |
| Difference between projected and actual earning on pension plan investments | 1,025,074                                 | -  |
| Changes in assumptions  | -   | (171,275)                                |
| Differences between expected and actual experience                          | 3,705,302                                 | -  |
| Total   | \$ 10,797,848                             | \$ (171,275)                             |

| <b>Safety Plan</b>  |   |  |
|---|---|--|
|   | <b>Deferred outflows<br/>of Resources</b> | <b>Deferred inflows<br/>of Resources</b> |
| Pension contributions made subsequent to measurement date                   | \$ 7,379,603                              | \$ -                                     |
| Difference between projected and actual earning on pension plan investments | 1,447,702                                 | -  |
| Changes in assumptions  | 1,957,091                                 | (295,433)                                |
| Differences between expected and actual experience                          | 4,738,257                                 | (106,144)                                |
| Total   | \$ 15,522,653                             | \$ (401,577)                             |

| <b>Total</b>  |   |  |
|---|---|--|
|   | <b>Deferred outflows<br/>of Resources</b> | <b>Deferred inflows<br/>of Resources</b> |
| Pension contributions made subsequent to measurement date                   | \$ 13,447,075                             | \$ -                                     |
| Difference between projected and actual earning on pension plan investments | 2,472,776                                 | -  |
| Changes in assumptions  | 1,957,091                                 | (466,708)                                |
| Differences between expected and actual experience                          | 8,443,559                                 | (106,144)                                |
| Total   | \$ 26,320,501                             | \$ (572,852)                             |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 13 – Pension Plans (Continued)**

**B. General Information about Pension (Continued)**

**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the General Information about Pension, for the Miscellaneous and Safety Plans, \$6,067,472 and \$7,379,603, respectively, was reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | Deferred Outflows/(Inflows)<br>of Resources |              | Total         |
|---------------------|---|--------------|---------------|
|                     | Miscellaneous Plan                          | Safety Plan  |               |
| 2022                | \$ 911,014                                  | \$ 2,643,664 | \$ 3,554,678  |
| 2023                | 1,589,614                                   | 1,656,802    | 3,246,416     |
| 2024                | 1,534,912                                   | 2,141,046    | 3,675,958     |
| 2025                | 523,561                                     | 1,299,961    | 1,823,522     |
| 2026                | -   | -            | -             |
| Thereafter          | -   | -            | -             |
|                     | \$ 4,559,101                                | \$ 7,741,473 | \$ 12,300,574 |

**Pension Plan Fiduciary Net Position**

Detailed information about the plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**Note 14 – Other Postemployment Benefits**

**A. Summary**

|   | Governmental<br>Activities | Business-Type<br>Activities | Total        |
|---|----------------------------|-----------------------------|--------------|
| <b>Deferred outflows of resources:</b>            |                            |                             |              |
| Employer contributions made                       |                            |                             |              |
| subsequent to the measurement date                | \$ 201,083                 | \$ 9,942                    | \$ 211,025   |
| Difference between expected and actual experience | 188,159                    | 9,304                       | 197,463      |
| Changes in assumptions                            | 78,400                     | 3,876                       | 82,276       |
| <b>Total deferred outflows of resources</b>       | \$ 467,642                 | \$ 23,122                   | \$ 490,764   |
| <b>Total OPEB liability:</b>                      |                            |                             |              |
| Total OPEB liability                              | \$ 6,051,636               | \$ 299,223                  | \$ 6,350,859 |
| <b>Total OPEB liability</b>                       | \$ 6,051,636               | \$ 299,223                  | \$ 6,350,859 |
| <b>Deferred inflows of Resources:</b>             |                            |                             |              |
| Difference between expected and actual experience | \$ 308,886                 | \$ 15,273                   | \$ 324,159   |
| Change in assumption                              | 799,306                    | 39,522                      | 838,828      |
| <b>Total deferred inflows of resources</b>        | \$ 1,108,192               | \$ 54,795                   | \$ 1,162,987 |
| <b>Total OPEB Expense</b>                         | \$ 511,687                 | \$ 25,301                   | \$ 536,988   |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 14 – Other Postemployment Benefits (Continued)**

***B. General Information about OPEB***

*Plan Description*

The City administers a single employer defined benefit (implicit subsidy) healthcare plan. No assets have been accumulated in a trust for the payment of benefits that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

The City offers medical, dental, vision and life insurance benefits to its employees, retirees, and their dependents. However, the City does not explicitly pay for the cost of retiree health premiums. The medical plans consist of a Kaiser HMO, a Kaiser POS, and a Kaiser PPO, all fully insured. Medical premiums for retirees under age 65 are the same as those charged for active employees.

Employees who retire with at least ten years of service may elect to convert all accrued sick leave at the time of retirement to a medical insurance bank that can be used for medical, dental and vision premiums. Miscellaneous employees except members of the Teamsters Bargaining Unit can bank their unused sick leave upon retirement. Members of the Teamsters can also bank their unused sick leave only if they have at least ten (10) years of employment with the City. Safety employees: Police employees can bank their unused sick leave if they have at least ten (10) years of employment. Fire employees have a choice to bank their unused sick leave. Fire employees also need at least ten (10) years of employment to receive this benefit. The value of the medical insurance bank is determined by multiplying the number of accrued sick leave hours by the employees' hourly rate of pay at the time of retirement.

The retired employee and his/her dependents are entitled to continued group health insurance coverage currently in effect with premiums for such coverage being deducted from the medical leave bank until that bank is exhausted.

The cost of retiree health care benefits is recognized as an expenditure as health care premiums are paid. For the fiscal year ending June 30, 2021, those costs for 86 retirees totaled \$602,580 and the total liability amount in the medical leave bank is \$3,926,836.

After the account is exhausted, the retiree has option either to terminate coverage or elect to continue paying the medical (but not dental or vision) premiums from personal funds. Spouses and eligible dependent children of retirees may also be covered at the retiree's expense. While the City does not directly contribute towards the cost of premiums for retirees, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the retirees, called an "implicit subsidy" under generally accepted accounting principles. The inclusion of the retirees increases the City's overall health insurance rates; it is, in part, the purpose of this valuation to determine the amount of the subsidy.

The ability to participate in the City's health plan by self-paying the premiums extends for the lifetime of the retiree; however, upon attaining the age of Medicare eligibility (65), the retiree may enter a plan coordinated with Medicare. Standard actuarial practice assumes that Medicare supplement plans do not generally give rise to an implicit subsidy, and while the actuarial valuation included Medicare eligible retirees, both their liability and their annual implicit subsidy are both \$0.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 14 – Other Postemployment Benefits (Continued)**

**B. General Information about OPEB (Continued)**

Eligibility

Employees become eligible to receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by attaining qualifying disability retirement status. The City has selected the unequal contribution method, where it contributes a percent of the amount paid for actives to its eligible retirees. The percent increases each year until the City's contribution for retirees eventually equals that for similarly stated active employees. The City currently covers 100% of the cost of medical coverage for active employees and their dependents up to, but not exceeding, the dollar amount of the family premium for the lowest cost HMO.

Membership in the plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

|                                      |     |
|--------------------------------------|-----|
| Active employees                     | 320 |
| Transferred and terminated employees | -   |
| Retired employees and beneficiaries  | 18  |
| Total                                | 338 |

Contributions

The contribution requirement of plan members and the City are established and may be amended by the City. The required contribution is based on projected pay-as-you-go financing requirements.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability at June 30, 2021 was \$6,350,859.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|  |  |
|--|--|
| Discount Rate                                | 2.66%  |
| Inflation                                    | 2.50%  |
| Aggregate payroll increases                  | 3.00%  |
| Actuarial cost method                        | Entry Age Normal Cost Method   |
| Expected long-term investment rate of return | n/a  |
| Mortality, Termination, and Disability       | CalPERS 2017 Experience Study  |
| Mortality Improvement Scale                  | Macleod Watts Scale 2020   |
| Healthcare Trend Rate                        | An annual healthcare cost trend rate of 5.7% initially reduced by decrements to an ultimate of 4.0% in 2076. |

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2019 through June 30, 2020.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 14 – Other Postemployment Benefits (Continued)**

**C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

Discount Rate

The discount rate used to measure the total OPEB liability 2.66%. The City’s funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. The City is currently financing its OPEB liability on a pay-as-you-go basis, the discount rate used is based on the S&P Municipal Bond 20 Year High Grade Index.

Change in the Total OPEB Liability

|   | <b>Total OPEB Liability</b> |
|---|-----------------------------|
| Balance at June 30, 2019                          | \$ 6,666,572                |
| Changes Recognized for the Measurement Period:    |                             |
| Service Cost                                      | 443,619                     |
| Interest on the total OPEB liability              | 195,454                     |
| Changes of benefit terms                          | -                           |
| Difference between expected and actual experience | (356,446)                   |
| Changes of assumptions                            | (388,970)                   |
| Benefit payments                                  | (209,370)                   |
| Net Changes during July 1, 2019 to June 30, 2020  | (315,713)                   |
| Balance at June 30, 2020 (Measurement Date)       | \$ 6,350,859                |

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current discount rate:

| <b>Plan's Total OPEB Liability</b> |                                  |                               |
|------------------------------------|----------------------------------|-------------------------------|
| Discount Rate - 1%<br>(1.66%)      | Current Discount<br>Rate (2.66%) | Discount Rate + 1%<br>(3.66%) |
| \$ 6,933,014                       | \$ 6,350,859                     | \$ 5,818,126                  |

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| <b>Plan's Total OPEB Liability</b> |              |              |
|------------------------------------|--------------|--------------|
| Healthcare Cost                    |              |              |
| -1%                                | Trend Rates  | 1%           |
| \$ 5,751,877                       | \$ 6,350,859 | \$ 7,070,130 |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 14 – Other Postemployment Benefits (Continued)**

**C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$536,988. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <b>Deferred outflows<br/>of Resources</b> | <b>Deferred inflows<br/>of Resources</b> |
|---|---|--|
| Difference between expected and actual experience                 | \$ 197,463                                | \$ (324,159)                             |
| Changes of assumptions  | 82,276                                    | (838,828)                                |
| Employer contributions made<br>subsequent to the measurement date | 211,025                                   | -  |
| Total   | \$ 490,764                                | \$ (1,162,987)                           |

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 11.04 years, which was determined as of June 30, 2020, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

Amount reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

| Measurement Period<br>Ended June 30 | <b>Deferred Outflows/<br/>(Inflows) of Resources</b> |
|-------------------------------------|--|
| 2022                                | \$ (102,085)   |
| 2023                                | (102,085)  |
| 2024                                | (102,085)  |
| 2025                                | (102,085)  |
| 2026                                | (102,085)  |
| Thereafter                          | (372,823)  |
|                                     | \$ (883,248)   |

**Note 15 – Deferred Compensation Plan**

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan was amended so that the assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Since the plan assets are administered by an outside party and not subject to the claims of the City's general creditors, their assets and related liabilities are not on the City's financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the plan.



**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 16 – Other Required Disclosures**

**A. Deficit Fund Balances/Net Position**

At June 30, 2021, the following funds had a fund balances (deficit) or unrestricted net position (deficit), which will be eliminated through the reduction in future expenditures and/or the use of new funding sources:

| <b>Fund</b>                                 | <b>Fund Type</b>      | <b>Deficit</b> |
|---|-----------------------|----------------|
| North East Industrial Plan Area #2 Fund     | Capital Projects Fund | 2,175,774      |
| Central Garage Fund                         | Internal Service Fund | 325,934        |
| Central Services Fund                       | Internal Service Fund | 578,886        |
| Successor Agency Private Purpose Trust Fund | Fiduciary Fund        | 29,325,780     |

The Capital Projects Fund and Internal Service Funds deficits are expected to be eliminated by future grant revenues, intergovernmental and charges for services. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Funds deficit which will be eliminated by future revenues.

**B. Expenditures Exceeding Appropriations**

For the year ended June 30, 2021, expenditures exceeded appropriations in the following funds by function:

| <b>Fund</b>   | <b>Function</b>             | <b>Excess Expenditures<br/>over Appropriations</b> |
|---|-----------------------------|--|
| General Fund  | Finance                     | \$ 335,931   |
| General Fund  | Non-departmental            | 1,017,080  |
| General Fund  | Police                      | 553,509  |
| General Fund  | Fire                        | 838,064  |
| General Fund  | Development and engineering | 64,933   |
| General Fund  | Public works                | 85,639   |
| Housing Successor Special Revenue Fund                  | Capital Outlay              | 53,460   |
| Community Development Fees Special Revenue Fund         | Development and engineering | 1,145,627  |
| Tracy Infrastructure Master Plans Capital Projects Fund | Capital Outlay              | 265,099  |
| Business Improvement District Special Revenue Fund      | Economic Development        | 5,305  |
| Asset Forfeiture Special Revenue Fund                   | Capital Outlay              | 10,266   |
| State Gas Tax Street Special Revenue Fund               | Capital Outlay              | 967,636  |
| Community Development Block Grant Special Revenue Fund  | Capital Outlay              | 48,689   |
| Landscaping District Special Revenue Fund               | Public works                | 192,283  |
| Landscaping District Special Revenue Fund               | Capital outlay              | 6,874  |
| COPS Grant Special Revenue Fund                         | Police                      | 252,108  |
| CFD Services 2016-2 Special Revenue Fund                | Public works                | 102,588  |
| CFD Services 2018-1 Special Revenue Fund                | Non-departmental            | 21,027   |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 17 – Fund Balance Classification**

The City classifies fund balances, as shown on the *Balance Sheet – Governmental Funds*, as follows as of June 30, 2021:

|                             | General<br>Fund      | Housing<br>Successor<br>Fund | Community<br>Development<br>Fees<br>Fund | CARES/ARPA<br>Fund  | General<br>Capital Projects<br>Fund | Tracy<br>Infrastructure<br>Master Plans<br>Fund | Non-major<br>Governmental<br>Funds | Total                 |
|-----------------------------|----------------------|------------------------------|--|---------------------|-------------------------------------|---|------------------------------------|-----------------------|
| <b>Nonspendable</b>         |                      |                              |  |                     |                                     |   |                                    |                       |
| Loans receivable            | \$ 40,000            | \$ -                         | \$ -                                     | \$ -                | \$ -                                | \$ -  | \$ -                               | \$ 40,000             |
| <b>Total nonspendable</b>   | <b>40,000</b>        | <b>-</b>                     | <b>-</b>                                 | <b>-</b>            | <b>-</b>                            | <b>-</b>  | <b>-</b>                           | <b>40,000</b>         |
| <b>Restricted</b>           |                      |                              |  |                     |                                     |   |                                    |                       |
| Housing                     | -                    | 4,903,952                    | -  | -                   | -                                   | 58,325,132                                      | -                                  | 63,229,084            |
| Special area projects       | -                    | -                            | 896,269                                  | -                   | -                                   | -   | 105,128,095                        | 106,024,364           |
| Public safety               | -                    | -                            | -  | 1,027,852           | -                                   | -   | 153,216                            | 1,181,068             |
| Debt service                | -                    | -                            | -  | -                   | -                                   | -   | 1,657,229                          | 1,657,229             |
| Community development       | -                    | -                            | -  | -                   | -                                   | -   | 216,305                            | 216,305               |
| Asset forfeiture            | -                    | -                            | -  | -                   | -                                   | -   | 859,098                            | 859,098               |
| Streets and roads           | -                    | -                            | -  | -                   | -                                   | -   | 12,561,369                         | 12,561,369            |
| Landscaping district        | -                    | -                            | -  | -                   | -                                   | -   | 5,508,240                          | 5,508,240             |
| Cable TV                    | -                    | -                            | -  | -                   | -                                   | -   | 508,396                            | 508,396               |
| Drainage                    | -                    | -                            | -  | -                   | -                                   | -   | 2,639,208                          | 2,639,208             |
| Tracy GROW                  | -                    | -                            | -  | -                   | -                                   | -   | 1,000,000                          | 1,000,000             |
| Fire medical leave bank     | 974,652              | -                            | -  | -                   | -                                   | -   | -                                  | 974,652               |
| Medical leave bank          | 1,373,412            | -                            | -  | -                   | -                                   | -   | -                                  | 1,373,412             |
| <b>Total restricted</b>     | <b>2,348,064</b>     | <b>4,903,952</b>             | <b>896,269</b>                           | <b>1,027,852</b>    | <b>-</b>                            | <b>58,325,132</b>                               | <b>130,231,156</b>                 | <b>197,732,425</b>    |
| <b>Committed</b>            |                      |                              |  |                     |                                     |   |                                    |                       |
| Contingency/emergency       | 16,401,047           | -                            | -  | -                   | -                                   | -   | -                                  | 16,401,047            |
| <b>Total committed</b>      | <b>16,401,047</b>    | <b>-</b>                     | <b>-</b>                                 | <b>-</b>            | <b>-</b>                            | <b>-</b>  | <b>-</b>                           | <b>16,401,047</b>     |
| <b>Assigned</b>             |                      |                              |  |                     |                                     |   |                                    |                       |
| Animal control trust        | 22,193               | -                            | -  | -                   | -                                   | -   | -                                  | 22,193                |
| Economic/budget stability   | 10,934,031           | -                            | -  | -                   | -                                   | -   | -                                  | 10,934,031            |
| Prior year reappropriations | 320,865              | -                            | -  | -                   | -                                   | -   | -                                  | 320,865               |
| Capital projects            | -                    | -                            | -  | -                   | 38,507,759                          | -   | -                                  | 38,507,759            |
| <b>Total assigned</b>       | <b>11,277,089</b>    | <b>-</b>                     | <b>-</b>                                 | <b>-</b>            | <b>38,507,759</b>                   | <b>-</b>  | <b>-</b>                           | <b>49,784,848</b>     |
| <b>Unassigned</b>           | <b>3,964,054</b>     | <b>-</b>                     | <b>-</b>                                 | <b>-</b>            | <b>-</b>                            | <b>-</b>  | <b>(2,175,774)</b>                 | <b>1,788,280</b>      |
| <b>Total fund balances</b>  | <b>\$ 34,030,254</b> | <b>\$ 4,903,952</b>          | <b>\$ 896,269</b>                        | <b>\$ 1,027,852</b> | <b>\$ 38,507,759</b>                | <b>\$ 58,325,132</b>                            | <b>\$ 128,055,382</b>              | <b>\$ 265,746,600</b> |

**Note 18 – South San Joaquin Fire Authority Joint Powers Agreement**

The South County Fire Authority (SCFA) was created in September 1999 by a Joint Exercise of Powers Agreement (Agreement) between the City and the Tracy Rural Fire Protection District (the “District”) to provide fire administration, fire prevention and fire training and safety within the jurisdictional area of the Authority. Under the provisions of the Agreement, as amended, the City and District split the annual costs of maintenance and operations for Fire Protection Services, Fire Dispatch Services, Fire Prevention Services, certain expenses of the City defined in the Agreement, and insurance premiums paid by the City to insure itself against liability arising out of the Agreement for the provision of Fire Services. The cost split between the City and District is dependent upon the staffing levels at each of the three City stations and three District stations, except Station 92. Under the provisions of the Agreement, the District is to pay 100% of the Station 92 maintenance and operations funding for 7 years and 10 months from the date of issuance of the Certificate of Occupancy of the relocated Station 92, or July 1, 2015, whichever occurs later. The Certificate of Occupancy was issued in May 2014.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 18 – South San Joaquin Fire Authority Joint Powers Agreement (Continued)**

In February 2018, the City and the District established the South San Joaquin County Fire Authority (SSJCFA) with an effective date of March 1, 2018 and an implementation date of July 1, 2018. With the implementation the new authority, the City and the District entered into an agreement to resolve the outstanding financial obligations of the South County Fire Authority and dissolve the South County Fire Authority on June 30, 2018.

Under the terms of the agreement, the City and the District paid \$957,168 and \$233,215, respectively, to fund the outstanding balance of the prior compensated absences balance of the SCFA, and the City agreed to reduce a loan receivable from the SCFA to \$1,025,487 and that balance was considered satisfied as of June 30, 2018. During fiscal year 2021, the SSJCFA incurred costs of \$23.5 million, of which \$6.2 million is to be paid by the District.

**Note 19 – Community Development Agency Dissolution**

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

ABx1 26 and AB1484 created three regulatory authorities, the Successor Agency Oversight Board, State Controller and Department of Finance (DOF), to review former Agency's asset transfer, obligation payments and wind down activities. ABx1 26 specifically directs the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the Redevelopment Agency or, on or after February 1, 2012, to the Successor Agency.

In fiscal year 2011, the former Community Development Agency transferred \$9,967,619 of assets to the City, comprised of cash of \$6,306,390 and capital assets of \$3,661,229. ABx1 26 and AB1484 contain provisions that such transfers are subject to a review by the State Controller's Office. According to Health and Safety Code 34167.5, if such an asset is not contractually committed to a third party for the expenditure or encumbrance of those assets, to the extent not prohibited by state and federal law, the Controller shall order the available assets to be returned to the former Community Development Agency or, on or after February 1, 2012, to the Successor Agency. During fiscal year 2012, the City returned cash of \$1,843,395 and capital assets of \$3,661,229 to the Successor Agency. The City received the results of the State Controller's asset transfer review in December 2014 that indicates the City is to return the remaining cash in the amount of \$4,462,995 to the Successor Agency. City management disputed the findings of both the State Controller and the Non-housing DDR discussed below, however, to allow the Successor Agency to receive its Finding of Completion, the City transferred \$4,462,995 to the Successor Agency in November 2015 and the Successor Agency remitted payment to the County in December 2015. The City and Successor Agency continued to contest the order of the Department of Finance and were engaged in litigation on the matter. The Third District ordered \$911,495 to be returned to the City of Tracy as an enforceable obligation on the Successor Agency's fiscal year 2017 Recognized Obligations Payment Schedule. Furthermore, the State and the City Council have decided not to appeal to the State Supreme Court.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 19 – Community Development Agency Dissolution (Continued)**

Effective January 31, 2012, the Community Development Agency was dissolved. Certain assets of the Community Development Agency Housing Fund were distributed to a Housing Successor; and the remaining Community Development Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Housing Successor Special Revenue Fund.

The activities of the Housing Successor are reported in the Housing Successor Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

On January 17, 2012, the City Council elected to become the Successor Agency for the former Community Development Agency in accordance with AB1484 as part of the City resolution number 2012-021, and on February 1, 2012 the Community Development Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established in May 2012. The activities of the Successor Agency were subject to review and approval of the Oversight Board, which was comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor. On July 1, 2018, the duties of the Tracy Oversight Board transferred to a new San Joaquin Countywide Consolidated Oversight Board, which is now responsible for overseeing the winddown affairs of all Successor Agencies in San Joaquin County, including the Successor Agency to the Tracy Community Development Agency.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Community Development Agency.

AB1484 required the Successor Agency to complete two due diligence reviews – one for the low and moderate income housing assets of the Successor Agency (Housing DDR), and a second for all other balances of the Successor Agency (Non-housing DDR). The due diligence reviews are to calculate the balance of unencumbered balances as of June 30, 2012 available to be remitted to the County for disbursement to taxing entities. The Successor Agency submitted both due diligence reviews to the State Department of Finance for review and approval.

The Department of Finance approved the Housing DDR in November 2012, which indicated that \$3,398,232 was available for distribution and that amount was remitted to the County in November 2012. The Department of Finance did not initially approve the Non- housing DDR, which indicated that the Successor Agency had an available balance of \$2,281,467, and the State made adjustments to the Non-housing DDR and instead made a demand for the return of funds totaling \$4,618,398, which was remitted to the County in November 2015, as discussed above. The Successor Agency received its Finding of Completion on December 8, 2015, which means it can now utilize bond proceeds for projects consistent with the original bond covenants.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 20 – Prior Period Adjustments**

**A. Government-Wide Financial Statements**

The beginning net position at July 1, 2020 of the Government-wide Financial Statements was restated as follows:

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| Net position, as previously reported, at July 1, 2020   | \$ 803,337,389                     |
| To implement GASB 84 - Fund Financial Statements  | 13,452,571                         |
| To implement GASB 84 - Sick Leave Conversion  | (3,189,083)                        |
| To record correction for prior year fund balance<br>in South San Joaquin County Fire Authority        | 2,760,535                          |
| To record correction for prior year unavailable revenue<br>in South San Joaquin County Fire Authority | (2,805,923)                        |
| Net position at July 1, 2020, as restated   | \$ 813,555,489                     |

**B. Governmental Fund Financial Statements**

The beginning fund balance at July 1, 2020 of the Governmental Fund Financial Statements was restated as follows:

|  | <b>General<br/>Fund</b> | <b>South<br/>San Joaquin<br/>County Fire<br/>Authority</b> | <b>Regional<br/>Transportation<br/>Impact</b> |
|--|-------------------------|--|---|
| Net position, as previously reported, at July 1, 2020                                      | \$ 20,631,232           | \$ (2,760,535)   | \$ -  |
| To implement GASB 84   | 2,415,718               | -  | 11,036,853                                    |
| To record correction for prior year balances<br>in South San Joaquin County Fire Authority | -                       | 2,760,535  | -   |
| Net position at July 1, 2020, as restated  | \$ 23,046,950           | \$ -   | \$ 11,036,853                                 |

**C. Fiduciary Fund Financial Statements**

The beginning net position at July 1, 2020 of the Fiduciary Fund Financial Statements was restated as follows:

|   | <b>Community<br/>Facilities<br/>District 89-1</b> | <b>Assessment<br/>District 94-1</b> | <b>Community<br/>Facilities<br/>District 93-1</b> | <b>Community<br/>Facilities<br/>District 98-1</b> |
|---|---|-------------------------------------|---|---|
| Net position, as previously reported, at July 1, 2020 | \$ -  | \$ -                                | \$ -  | \$ -  |
| To implement GASB 84                                  | 1,986,547   | 1,519,870                           | 4,547,960   | 5,846,021   |
| Net position at July 1, 2020, as restated             | \$ 1,986,547                                      | \$ 1,519,870                        | \$ 4,547,960                                      | \$ 5,846,021                                      |

|   | <b>Community<br/>Facilities<br/>District 98-3</b> | <b>Community<br/>Facilities<br/>District 99-1</b> | <b>Assessment<br/>District 2000-01</b> | <b>2006-01 NE<br/>Industrial #2</b> |
|---|---|---|--|-------------------------------------|
| Net position, as previously reported, at July 1, 2020 | \$ -  | \$ -  | \$ -                                   | \$ -                                |
| To implement GASB 84                                  | 855,574   | 1,021,547   | 1,083,975                              | 3,816,896                           |
| Net position at July 1, 2020, as restated             | \$ 855,574  | \$ 1,021,547                                      | \$ 1,083,975                           | \$ 3,816,896                        |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 20 – Prior Period Adjustments (Continued)**

**C. Fiduciary Fund Financial Statements (Continued)**

|   | <b>I-205 Residential<br/>Reassessment<br/>District 1999</b> | <b>Assessment<br/>District 2003-01</b> | <b>2011 TOP JPA<br/>Revenue Bonds</b> | <b>CFD 2011-01<br/>Tracy 580<br/>Business Park</b> |
|---|---|--|---------------------------------------|--|
| Net position, as previously reported, at July 1, 2020 | \$ -  | \$ -                                   | \$ -                                  | \$ -   |
| To implement GASB 84                                  | 2,179,120   | 140,031                                | 3,286,534                             | 76,581   |
| Net position at July 1, 2020, as restated             | <u>\$ 2,179,120</u>   | <u>\$ 140,031</u>                      | <u>\$ 3,286,534</u>                   | <u>\$ 76,581</u>                                   |

|   | <b>Community<br/>Facilities<br/>District 2016-02</b> | <b>Community<br/>Facilities<br/>District 2016-01<br/>Tracy Hills</b> | <b>Tracy Rural<br/>Fire Medical<br/>Leave Bank</b> | <b>Total</b>         |
|---|--|--|--|----------------------|
| Net position, as previously reported, at July 1, 2020 | \$ -   | \$ -   | \$ -   | \$ -                 |
| To implement GASB 84                                  | 5,692,802  | 9,579,094  | 311,377  | 41,943,929           |
| Net position at July 1, 2020, as restated             | <u>\$ 5,692,802</u>                                  | <u>\$ 9,579,094</u>  | <u>\$ 311,377</u>                                  | <u>\$ 41,943,929</u> |

**Note 21 – Commitments and Contingencies**

**A. Litigation**

The City is currently a party to various claims and legal proceedings. Although the outcome of these lawsuits is not presently determinable, it is management’s opinion that the ultimate liabilities, if any, resulting from such claims and proceedings will not materially affect the financial position of the City.

**B. Contingent Liabilities**

On March 1, 1993, the City issued Certificates of Participation in the aggregate of \$10,250,000 for the benefit of Tracy Community Hospital (Hospital), a California nonprofit public benefit corporation. The Hospital is not included in the City’s reporting entity. The City is obligated to make the purchase payments only from and to the extent that it receives revenue from the Hospital. They are not secured by any pledge of taxes or other revenues of the City. In addition, the purchase payments are insured by the Office of Statewide Health Planning and Development of the State of California. As of June 30, 2021, the City has not recorded revenues from the Hospital.

**C. Federal and State Grants**

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit act as amended. Accordingly, the City’s compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

**D. Revenue Limitations Imposed by California Proposition 218**

Proposition 218, which was approved by the voters in November 1996, will regulate the City’s ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 21 – Commitments and Contingencies (Continued)**

***E. Measure V Sales Tax Revenues***

The City receives tax proceeds from the Measure V one-half cent sales tax approved by Tracy voters in November 2016, commencing for a twenty year period beginning April 1, 2017. The amount of Measure V tax proceeds received and recorded during the fiscal year ending June 30, 2021 was \$13,843,143. Measure V is a general tax of the City and the revenues were deposited in the City’s General Fund. Expenditures for a variety of City functions were made from the City’s General Fund utilizing the Measure V and other revenue of the City.

***F. Location Agreements***

In December 2015, the City entered into a Location Agreement with a manufacturer and distributor of healthcare products and services to make payments to the Corporation in return for the Corporation establishing, locating and operating a sales office in the City. Under the terms of the agreement, the City has agreed to pay the Corporation fifty per cent (50%) of the quarterly local sales tax revenues attributable to the Corporation's taxable sales for each fiscal quarter, excluding penalty assessments, commencing with the quarter beginning January 1, 2017 and ending on December 31, 2036, unless otherwise extended in accordance with the agreement. The City paid \$3,757,405 to the Corporation during the year ended June 30, 2021.

In August 2017, the City entered into a Location Agreement with a distributor of precision laboratory equipment to make payments to the Corporation in return for the Corporation establishing, locating and operating a sales office in the City. Under the terms of the agreement, the City has agreed to pay the Corporation fifty per cent (50%) of the quarterly local sales tax revenues attributable to the Corporation's taxable sales for each fiscal quarter, excluding penalty assessments, commencing with the quarter beginning October 2018 and ending on October 2038, unless otherwise extended in accordance with the agreement. The City paid \$2,115,565 to the Corporation during the year ended June 30, 2021.

***G. Encumbrances and Construction Commitments***

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding by fund as of June 30, 2021 were as follows:

|  | <b>Balance</b> |
|--|----------------|
| General Fund   | \$ 320,865     |
| TEA Grant Special Revenue Fund                         | 35,604         |
| Community Development Fees Special Revenue Fund        | 1,014,041      |
| General Projects Capital Projects Fund                 | 1,435,381      |
| Tracy Infrastructure Master Plan Capital Projects Fund | 1,816,137      |
| Non-Major Governmental Funds                           | 2,421,691      |
|  | \$ 7,043,719   |

**City of Tracy**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 21 – Commitments and Contingencies (Continued)**

***H. Housing Successor Excess Surplus***

Health and Safety Code (HSC) Section 34176.1(d) defines an excess surplus as an unencumbered balance held by the housing successor that exceeds the greater of \$1,000,000 or the aggregate amount deposited into the housing successor fund during the housing successor's preceding four fiscal years, whichever is greater. If a housing successor has an excess surplus, the HSC Section requires that the housing successor encumber the excess surplus for eligible purposes described in the HSC Section 34176.1(a)(3) or transfer the funds to another local housing successor within three fiscal years. If the housing successor fails to comply with this provision, the housing successor, within 90 days of the end of the third fiscal year, is required to transfer any excess surplus to the Department of Housing and Community Development for expenditure pursuant to the Multifamily Housing Program or the Joe Serna, Jr. Farmworker Housing Grant Program.

The Housing Successor Special Revenue Fund serves as the housing successor and as of July 1, 2019 had an excess surplus balance of \$137,971. The City is in late stage discussions with two developers related for housing projects and the excess surplus is expected to be encumbered in fiscal year 2021.

***I. State Approval of Enforceable Obligations***

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**Note 22 - Subsequent Events**

***A. American Rescue Plan Act***

On March, 2021, the American Rescue Plan Act was signed into delivering \$65 billion of direct and flexible aid to cities and towns across the nation to provide substantial flexibility for each government to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest hit by the crisis. Based on the City's population, the City was allocated \$14,798,549 and received in two installments starting July 2021.



**REQUIRED SUPPLEMENTARY INFORMATION**

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**City of Tracy**  
**Required Supplementary Information (Unaudited)**  
**Modified Approach to Reporting Street Pavement Costs**  
**For the Year Ended June 30, 2021**

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Generally accepted accounting principles allow the City to use the Modified Approach with respect to infrastructure assets instead of depreciating these assets. The Modified Approach may be used if two requirements are met:

1. The City must have an asset management system (AMS) with certain features:
  - It must maintain an up-to-date inventory of the infrastructure assets.
  - It must estimate the annual costs to maintain and preserve those assets at the condition level the City has established and disclosed through administrative or executive policy or legislative action.
  - The AMS must be used to assess the condition of the assets periodically, using a measurement scale.
  - The condition assessments must be replicable as those that are based on sufficiently understandable and complete measurement methods such that different measurers using the same methods would reach substantially similar results.
2. The City must document that the roads are being preserved approximately at or above the condition level the City has established and disclosed. This documentation must include the results of the three most recent complete condition assessments and must provide reasonable assurance that the assets are being preserved approximately at or above the intended condition level.

The City has elected to use the Modified Approach to report street pavement costs. The City uses the Metropolitan Transportation Commission's (MTC) Pavement System to track the condition levels of each of the street sections.

The conditions of the pavement are based on a weighted average of seven distress factors found in pavement surfaces. The MTC pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for pavement with perfect conditions. The condition index is used to classify pavement in good or better condition (70-100), fair condition (50-69), and substandard condition (less than 50).

**City of Tracy**  
**Required Supplementary Information (Unaudited)**  
**Modified Approach to Reporting Street Pavement Costs (Continued)**  
**For the Year Ended June 30, 2021**

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The City's preservation costs are budgeted to be \$10,175,540 in fiscal year 2022. The Pavement Condition Index (PCI) for the City's street pavement for the latest years is as follows:

| Year | PCI | Maintenance<br>Budget | Actual<br>Maintenance |
|------|-----|-----------------------|-----------------------|
| 2002 | 76  | \$1,505,620           | \$1,389,043           |
| 2003 | 77  | 1,621,170             | 1,642,556             |
| 2004 | 77  | 2,043,580             | 14,441,690            |
| 2005 | 81  | 2,303,227             | 13,943,191            |
| 2006 | 78  | 2,653,860             | 14,874,752            |
| 2007 | 76  | 4,244,964             | 8,647,067             |
| 2008 | 74  | 13,605,000            | 19,466,614            |
| 2009 | 72  | 1,667,146             | 19,115,824            |
| 2010 | 73  | 4,457,510             | 3,333,185             |
| 2011 | 82  | 4,355,038             | 3,096,185             |
| 2012 | 82  | 1,775,290             | 1,347,061             |
| 2013 | 77  | 2,973,800             | 1,387,484             |
| 2014 | 77  | 3,183,569             | 3,350,927             |
| 2015 | 74  | 3,387,213             | 2,244,902             |
| 2016 | 71  | 3,648,840             | 2,186,853             |
| 2017 | 69  | 3,565,677             | 2,238,573             |
| 2018 | 69  | 2,646,996             | 2,825,868             |
| 2019 | 69  | 4,039,845             | 2,220,870             |
| 2020 | 69  | 10,810,600            | 6,666,870             |
| 2021 | 69  | 9,866,151             | 7,827,339             |
| 2022 | 69  | 10,175,540            |                       |

The City's administrative policy is to achieve a minimum rating of 69 for all street pavement. This rating allows for minor cracking and revealing of pavement along with minor roughness that could be noticeable to drivers traveling at posted speed. The City expended \$7,827,339 for street preservation for fiscal year 2021.

**City of Tracy**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Information**  
**For the Year Ended June 30, 2021**

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Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves from July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures, and controls that permit the evaluation and adjustment of the City's performance.

The City collects and records revenue and expenditures within the following categories:

- Governmental Activities
- Business-Type Activities

The Governmental Funds include the General Fund, Special Revenue, Debt Service and Capital Projects funds. All funding sources are kept separate for both reporting and use of the money. The General Fund is where most City services are funded that are not required to be segregated.

The budget process begins as a team effort in January of each year, starting with an annual strategic planning meeting. Then the individual departments use projected revenue assumptions to prioritize and recommend the next fiscal year's objectives. The City Manager's Office and the Finance Department review all budget proposals and revenue assumptions, as well as all current financial obligations before preparing the document that is proposed to the City Council. The City Council reviews the Proposed Budget through a series of committees and workshops and the final adoption of the budget is scheduled for June of each year.

**Budgeting Procedures**

Annual budgets are adopted for all governmental fund types, except capital projects funds, on a basis consistent with accounting principles generally accepted in the United States of America. The City's budget ordinance requires that in June of each fiscal year the City Manager submit a preliminary budget that includes projected expenditures and the means of financing them, to the City Council for the fiscal year commencing the following July 1. As modified during public study sessions, the preliminary budget becomes the proposed budget. Following public hearings on the proposed budget, the final annual budget is adopted by the City Council. After adoption of the final budget, transfers of appropriations within a general fund department, or within other funds, can be made by the City Manager. Budget modifications between funds; increases or decreases to a fund's overall budget; transfers between general fund departments; or transfers that affect capital projects, must be approved by the City Council. Numerous properly authorized amendments are made during the fiscal year.

The City does not adopt budgets for the CARES/ARPA Grant Fund, Proposition 1B, Grow Tracy, and the North East Industrial Plan Area Storm Drain Special Revenue Funds.

Budgetary control is enhanced by integrating the budget into the general ledger accounts. Encumbrance accounting (e.g., purchase orders) is employed by the City.

**City of Tracy**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Information**  
**For the Year Ended June 30, 2021**

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**Budgets and Budgetary Accounting**

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Before the beginning of the fiscal year the City Manager submits to the City Council a proposed budget for the year commencing July 1.
2. A public meeting is conducted to obtain taxpayer comments.
3. The budget is subsequently adopted through passage of a resolution and is not included herein but is published separately.
4. All appropriations are as originally adopted or as amended by the City Council and all unencumbered budgeted amounts lapse at year-end, except in the General Fund where an expenditure control budget policy allows departments to carryover a portion of the unexpended amounts into the next fiscal year.
5. Continuing Appropriations are re-budgeted by the City Council as part of the adoption of subsequent year's budgets.
6. Legally adopted budget appropriations are set for the General, Special Revenue, and Debt Service Funds.
7. The legal level of budgetary control is at the department level. A Department Head may transfer appropriations within the department. Expenditures may exceed appropriations at this level to the extent that departmental owned revenues are sufficient to offset the excess. Expenditures in excess of departmental owned revenues must be approved by the City Council. The City Council, by the affirmative vote of three members, may amend the budget to add or delete appropriations, transfer between appropriations within a fund or change appropriation transfers between funds.
8. Budgets for General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the budgeted governmental funds.

Encumbrances outstanding at year-end are reported as a restriction, commitment or assignment of fund balances, since the commitments will be honored through subsequent years' continuing appropriations. Encumbrances do not constitute expenditures or liabilities for US GAAP reporting purposes.

**City of Tracy**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules – General Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts      |                    | Actual<br>Amounts    | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|-----------------------|--------------------|----------------------|--|
|   | Original              | Final              |                      |  |
| <b>REVENUES:</b>                            |                       |                    |                      |  |
| Taxes                                       | \$ 60,104,338         | \$ 62,104,338      | \$ 86,616,285        | \$ 24,511,947  |
| Licenses, permits and fees                  | 5,738,849             | 3,738,849          | 4,554,069            | 815,220  |
| Fines and penalties                         | 133,746               | 133,746            | 779,652              | 645,906  |
| Investment income (loss)                    | 436,811               | 432,826            | 253,920              | (178,906)  |
| Intergovernmental                           | 1,188,451             | 1,011,802          | 861,444              | (150,358)  |
| Charges for current services                | 10,829,527            | 10,829,527         | 10,264,482           | (565,045)  |
| Special assessments                         | 353,086               | 353,086            | 454,147              | 101,061  |
| Contributions                               | 145,859               | 145,859            | 155,698              | 9,839  |
| Other revenue                               | 328,977               | 328,977            | 1,020,172            | 691,195  |
| <b>Total revenues</b>                       | <u>79,259,644</u>     | <u>79,079,010</u>  | <u>104,959,869</u>   | <u>25,880,859</u>  |
| <b>EXPENDITURES:</b>                        |                       |                    |                      |  |
| Current:                                    |                       |                    |                      |  |
| General government                          |                       |                    |                      |  |
| Economic development                        | 858,157               | 1,396,593          | 1,146,152            | 250,441  |
| General government                          | 9,203,360             | 8,047,883          | 7,659,534            | 388,349  |
| Finance                                     | 4,631,737             | 4,787,032          | 5,122,963            | (335,931)  |
| Non-departmental                            | 449,764               | 481,220            | 1,498,300            | (1,017,080)  |
| Public safety                               |                       |                    |                      |  |
| Police                                      | 34,627,450            | 34,634,985         | 35,188,494           | (553,509)  |
| Fire  | 15,016,157            | 15,016,157         | 15,854,221           | (838,064)  |
| Public ways and facilities                  |                       |                    |                      |  |
| Development and engineering                 | 169,417               | 200,316            | 265,249              | (64,933)   |
| Public works                                | 6,979,485             | 6,997,610          | 7,083,249            | (85,639)   |
| Community development                       |                       |                    |                      |  |
| Parks and community services                | 5,115,759             | 3,515,089          | 3,038,091            | 476,998  |
| Capital outlay                              | -                     | 4,165              | -                    | 4,165  |
| <b>Total expenditures</b>                   | <u>77,051,286</u>     | <u>75,081,050</u>  | <u>76,856,253</u>    | <u>(1,775,203)</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>2,208,358</u>      | <u>3,997,960</u>   | <u>28,103,616</u>    | <u>24,105,656</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                       |                    |                      |  |
| Transfers in                                | -                     | -                  | 56,230               | 56,230   |
| Transfers out                               | (5,006,377)           | (3,364,093)        | (17,176,542)         | (13,812,449)   |
| <b>Total other financing sources (uses)</b> | <u>(5,006,377)</u>    | <u>(3,364,093)</u> | <u>(17,120,312)</u>  | <u>(13,756,219)</u>  |
| <b>Net change in fund balance</b>           | <u>\$ (2,798,019)</u> | <u>\$ 633,867</u>  | <u>10,983,304</u>    | <u>\$ 10,349,437</u>   |
| <b>FUND BALANCE:</b>                        |                       |                    |                      |  |
| Beginning of year                           |                       |                    | <u>23,046,950</u>    |  |
| End of year                                 |                       |                    | <u>\$ 34,030,254</u> |  |

**City of Tracy**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules – Housing Successor Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts |                  | Actual<br>Amounts   | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|------------------|------------------|---------------------|--|
|   | Original         | Final            |                     |  |
| <b>REVENUES:</b>                          |                  |                  |                     |  |
| Investment income (loss)                  | \$ 30,199        | \$ 30,199        | \$ 75,160           | \$ 44,961  |
| Other revenue                             | 54,050           | 54,050           | 19,288              | (34,762)   |
| <b>Total revenues</b>                     | <b>84,249</b>    | <b>84,249</b>    | <b>94,448</b>       | <b>10,199</b>  |
| <b>EXPENDITURES:</b>                      |                  |                  |                     |  |
| Capital outlay                            | -                | -                | 53,460              | (53,460)   |
| <b>Total expenditures</b>                 | <b>-</b>         | <b>-</b>         | <b>53,460</b>       | <b>(53,460)</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | <b>84,249</b>    | <b>84,249</b>    | <b>40,988</b>       | <b>(43,261)</b>  |
| <b>Net change in fund balance</b>         | <b>\$ 84,249</b> | <b>\$ 84,249</b> | <b>40,988</b>       | <b>\$ (43,261)</b>   |
| <b>FUND BALANCE:</b>                      |                  |                  |                     |  |
| Beginning of year                         |                  |                  | 4,862,964           |  |
| End of year                               |                  |                  | <b>\$ 4,903,952</b> |  |



**City of Tracy**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules – Community Development Fees Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts   |                    | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|--------------------|--------------------|-------------------|--|
|   | Original           | Final              |                   |  |
| <b>REVENUES:</b>                            |                    |                    |                   |  |
| Licenses, permits and fees                  | \$ 4,074,265       | \$ 4,074,265       | \$ 5,295,336      | \$ 1,221,071   |
| Investment income (loss)                    | -                  | -                  | 51,621            | 51,621   |
| Intergovernmental                           | 40,800             | 40,800             | -                 | (40,800)   |
| Charges for current services                | 5,195,435          | 5,195,435          | 5,852,738         | 657,303  |
| Other revenue                               | 459                | 459                | 3,274             | 2,815  |
| <b>Total revenues</b>                       | <u>9,310,959</u>   | <u>9,310,959</u>   | <u>11,202,969</u> | <u>1,892,010</u>   |
| <b>EXPENDITURES:</b>                        |                    |                    |                   |  |
| Current:                                    |                    |                    |                   |  |
| General government                          |                    |                    |                   |  |
| Non-departmental                            | 891,540            | 891,540            | 891,540           | -  |
| Public ways and facilities                  |                    |                    |                   |  |
| Development and engineering                 | 9,796,172          | 9,987,596          | 11,133,223        | (1,145,627)  |
| Capital outlay                              | 5,266              | 5,266              | -                 | 5,266  |
| <b>Total expenditures</b>                   | <u>10,692,978</u>  | <u>10,884,402</u>  | <u>12,024,763</u> | <u>(1,140,361)</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>(1,382,019)</u> | <u>(1,573,443)</u> | <u>(821,794)</u>  | <u>751,649</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                    |                    |                   |  |
| Transfers in                                | -                  | 2,088,186          | 2,088,186         | -  |
| Transfers out                               | 1,470,244          | -                  | -                 | -  |
| <b>Total other financing sources (uses)</b> | <u>1,470,244</u>   | <u>2,088,186</u>   | <u>2,088,186</u>  | <u>-</u>   |
| <b>Net change in fund balance</b>           | <u>\$ 88,225</u>   | <u>\$ 514,743</u>  | 1,266,392         | <u>\$ 751,649</u>  |
| <b>FUND BALANCE:</b>                        |                    |                    |                   |  |
| Beginning of year                           |                    |                    | (370,123)         |  |
| End of year                                 |                    |                    | <u>\$ 896,269</u> |  |

**City of Tracy**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2021**

| <b>Miscellaneous Plan</b>   |                       |                       |                       |                       |                       |                       |                            |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| <b>Total Pension Liability</b>  | <b>2019-20</b>        | <b>2018-19</b>        | <b>2017-18</b>        | <b>2016-17</b>        | <b>2015-16</b>        | <b>2014-15</b>        | <b>2013-14<sup>1</sup></b> |
| Service cost  | \$ 4,471,783          | \$ 3,979,362          | \$ 3,700,689          | \$ 3,555,373          | \$ 2,910,705          | \$ 2,892,504          | \$ 3,019,742               |
| Interest on total pension liability   | 11,946,424            | 11,084,143            | 10,406,741            | 9,859,228             | 9,339,655             | 9,030,774             | 8,760,895                  |
| Differences between expected and actual experience                                | 3,547,669             | 1,781,080             | 1,406,163             | 70,396                | (3,013,865)           | (3,592,113)           | -                          |
| Changes in assumptions  | -                     | -                     | (1,198,922)           | 8,362,562             | -                     | (2,261,183)           | -                          |
| Changes in benefit terms  | -                     | -                     | -                     | -                     | -                     | -                     | -                          |
| Benefit payments, including refunds of employee contributions                     | (7,115,731)           | (6,479,285)           | (6,628,099)           | (5,445,878)           | (4,956,786)           | (4,804,924)           | (4,447,727)                |
| <b>Net change in total pension liability</b>                                      | <b>12,850,145</b>     | <b>10,365,300</b>     | <b>7,686,572</b>      | <b>16,401,681</b>     | <b>4,279,709</b>      | <b>1,265,058</b>      | <b>7,332,910</b>           |
| <b>Total pension liability - beginning</b>  | <b>164,857,154</b>    | <b>154,491,854</b>    | <b>146,805,282</b>    | <b>130,403,601</b>    | <b>126,123,892</b>    | <b>124,858,834</b>    | <b>117,525,924</b>         |
| <b>Total pension liability - ending (a)</b>                                       | <b>\$ 177,707,299</b> | <b>\$ 164,857,154</b> | <b>\$ 154,491,854</b> | <b>\$ 146,805,282</b> | <b>\$ 130,403,601</b> | <b>\$ 126,123,892</b> | <b>\$ 124,858,834</b>      |
| <b>Plan fiduciary net position</b>  |                       |                       |                       |                       |                       |                       |                            |
| Contributions - employer  | 5,671,613             | 4,774,139             | 4,065,966             | 3,873,007             | 3,466,879             | 2,793,345             | 2,699,952                  |
| Contributions - employee  | 2,054,668             | 1,907,660             | 1,720,800             | 1,552,617             | 1,461,861             | 1,346,337             | 1,374,066                  |
| Investment income (net of administrative expenses)                                | 6,301,674             | 7,724,741             | 9,323,836             | 10,997,746            | 487,393               | 2,132,844             | 14,281,310                 |
| Benefit payments  | (7,115,731)           | (6,479,285)           | (6,628,099)           | (5,445,878)           | (4,956,786)           | (4,804,924)           | (4,447,727)                |
| Other   | (175,606)             | (83,023)              | (459,215)             | (144,490)             | (59,400)              | (101,304)             | -                          |
| <b>Net change in plan fiduciary net position</b>                                  | <b>6,736,618</b>      | <b>7,844,232</b>      | <b>8,023,288</b>      | <b>10,833,002</b>     | <b>399,947</b>        | <b>1,366,298</b>      | <b>13,907,601</b>          |
| <b>Plan fiduciary net position - beginning</b>                                    | <b>124,565,111</b>    | <b>116,720,879</b>    | <b>108,697,591</b>    | <b>97,864,589</b>     | <b>97,464,642</b>     | <b>96,098,344</b>     | <b>82,190,743</b>          |
| <b>Plan fiduciary net position - ending (b)</b>                                   | <b>\$ 131,301,729</b> | <b>\$ 124,565,111</b> | <b>\$ 116,720,879</b> | <b>\$ 108,697,591</b> | <b>\$ 97,864,589</b>  | <b>\$ 97,464,642</b>  | <b>\$ 96,098,344</b>       |
| <b>Net pension liability - ending (a)-(b)</b>                                     | <b>\$ 46,405,570</b>  | <b>\$ 40,292,043</b>  | <b>\$ 37,770,975</b>  | <b>\$ 38,107,691</b>  | <b>\$ 32,539,012</b>  | <b>\$ 28,659,250</b>  | <b>\$ 28,760,490</b>       |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> |                       |                       |                       |                       |                       |                       |                            |
|   | 73.89%                | 75.56%                | 75.55%                | 74.04%                | 75.05%                | 77.28%                | 76.97%                     |
| Covered payroll   | \$ 27,434,251         | \$ 24,136,362         | \$ 21,560,758         | \$ 20,282,805         | \$ 18,513,576         | \$ 18,046,570         | \$ 18,128,965              |
| Net pension liability as a percentage of covered payroll                          | 169.15%               | 166.94%               | 175.18%               | 187.88%               | 175.76%               | 158.81%               | 158.64%                    |

**Notes to Schedule:**

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable.

**City of Tracy**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2021**

**Safety Plan**

| <b>Total Pension Liability</b>   | <b>2019-20</b>        | <b>2018-19</b>        | <b>2017-18</b>        | <b>2016-17</b>        | <b>2015-16</b>        | <b>2014-15</b>        | <b>2013-14<sup>1</sup></b> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| Service cost   | \$ 5,954,133          | \$ 5,341,283          | \$ 5,100,415          | \$ 4,863,739          | \$ 4,239,783          | \$ 4,491,843          | \$ 4,767,092               |
| Interest on total pension liability  | 14,167,518            | 13,132,663            | 12,156,431            | 11,508,306            | 10,762,768            | 10,281,540            | 9,861,726                  |
| Differences between expected and actual experience                         | 3,242,995             | 3,440,318             | (9,610)               | 433,771               | (2,662,887)           | (3,530,865)           | -                          |
| Changes in assumptions   | -                     | -                     | (761,909)             | 10,655,271            | -                     | (2,807,525)           | -                          |
| Changes in benefit terms   | -                     | -                     | -                     | -                     | -                     | -                     | -                          |
| Benefit payments, including refunds of employee contributions              | (7,721,638)           | (7,378,049)           | (6,949,949)           | (6,358,409)           | (5,917,646)           | (5,470,177)           | (5,016,343)                |
| <b>Net change in total pension liability</b>                               | <b>15,643,008</b>     | <b>14,536,215</b>     | <b>9,535,378</b>      | <b>21,102,678</b>     | <b>6,422,018</b>      | <b>2,964,816</b>      | <b>9,612,475</b>           |
| <b>Total pension liability - beginning</b>                                 | <b>195,787,881</b>    | <b>181,251,666</b>    | <b>171,716,288</b>    | <b>150,613,610</b>    | <b>144,191,592</b>    | <b>141,226,776</b>    | <b>131,614,301</b>         |
| <b>Total pension liability - ending (a)</b>                                | <b>\$ 211,430,889</b> | <b>\$ 195,787,881</b> | <b>\$ 181,251,666</b> | <b>\$ 171,716,288</b> | <b>\$ 150,613,610</b> | <b>\$ 144,191,592</b> | <b>\$ 141,226,776</b>      |
| <b>Plan fiduciary net position</b>   |                       |                       |                       |                       |                       |                       |                            |
| Contributions - employer   | 6,693,746             | 5,822,621             | 5,132,782             | 4,604,350             | 4,433,276             | 4,171,390             | 4,341,816                  |
| Contributions - employee   | 2,355,865             | 2,104,947             | 1,985,924             | 1,590,493             | 1,421,949             | 1,380,651             | 1,458,951                  |
| Investment income (net of administrative expenses)                         | 7,445,354             | 9,222,427             | 10,913,236            | 12,957,627            | 584,528               | 2,531,449             | 16,826,945                 |
| Benefit payments   | (7,721,638)           | (7,378,049)           | (6,949,949)           | (6,358,409)           | (5,917,646)           | (5,470,177)           | (5,016,343)                |
| Other  | (210,313)             | (99,235)              | (615,373)             | (171,890)             | (70,678)              | (130,531)             | -                          |
| <b>Net change in plan fiduciary net position</b>                           | <b>8,563,014</b>      | <b>9,672,711</b>      | <b>10,466,620</b>     | <b>12,622,171</b>     | <b>451,429</b>        | <b>2,482,782</b>      | <b>17,611,369</b>          |
| <b>Plan fiduciary net position - beginning</b>                             | <b>149,184,169</b>    | <b>139,511,458</b>    | <b>129,044,838</b>    | <b>116,422,667</b>    | <b>115,971,238</b>    | <b>113,488,456</b>    | <b>95,877,087</b>          |
| <b>Plan fiduciary net position - ending (b)</b>                            | <b>\$ 157,747,183</b> | <b>\$ 149,184,169</b> | <b>\$ 139,511,458</b> | <b>\$ 129,044,838</b> | <b>\$ 116,422,667</b> | <b>\$ 115,971,238</b> | <b>\$ 113,488,456</b>      |
| <b>Net pension liability - ending (a)-(b)</b>                              | <b>\$ 53,683,706</b>  | <b>\$ 46,603,712</b>  | <b>\$ 41,740,208</b>  | <b>\$ 42,671,450</b>  | <b>\$ 34,190,943</b>  | <b>\$ 28,220,354</b>  | <b>\$ 27,738,320</b>       |
| Plan fiduciary net position as a percentage of the total pension liability |                       |                       |                       |                       |                       |                       |                            |
|  | 74.61%                | 76.20%                | 76.97%                | 75.15%                | 77.30%                | 80.43%                | 80.36%                     |
| Covered payroll  | \$ 19,470,677         | \$ 17,559,035         | \$ 16,322,896         | \$ 15,501,462         | \$ 15,245,537         | \$15,927,959          | \$16,357,591               |
| Net pension liability as a percentage of covered payroll                   | 275.72%               | 265.41%               | 255.72%               | 275.27%               | 224.27%               | 177.17%               | 169.57%                    |

**Notes to Schedule:**

<sup>1</sup>Historical information is presented only for measurement periods for which GASB 68 is applicable.

**City of Tracy**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions - Pension**  
**For the Year Ended June 30, 2021**

| <b>Miscellaneous Plan</b>   |                |                |                |                |                |                |                            |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------------------|
| Fiscal Year:  | <b>2020-21</b> | <b>2019-20</b> | <b>2018-19</b> | <b>2017-18</b> | <b>2016-17</b> | <b>2015-16</b> | <b>2014-15<sup>1</sup></b> |
| Contractually determined contribution (actuarially determined)        | \$ 6,067,472   | \$ 5,566,882   | \$ 4,749,293   | \$ 4,050,711   | \$ 3,873,007   | \$ 3,499,868   | \$ 3,460,280               |
| Contributions in relation to the actuarially determined contributions | (6,067,472)    | (5,566,882)    | (4,749,293)    | (4,050,711)    | (3,873,007)    | (3,499,868)    | (3,460,280)                |
| <b>Contribution deficiency (excess)</b>                               | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>                |
| Covered payroll   | \$ 28,527,137  | \$ 27,601,313  | \$ 25,887,652  | \$ 23,989,506  | \$ 20,465,522  | \$ 19,352,925  | \$ 19,031,601              |
| Contributions as a percentage of covered payroll                      | 21.27%         | 20.17%         | 18.35%         | 16.89%         | 18.92%         | 18.08%         | 18.18%                     |

**Notes to Schedule**

**Methods and assumptions used to determine contribution rates:**

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2021 were derived from the June 30, 2018 funding valuation report.

|                            |  |
|----------------------------|--|
| Actuarial cost method      | Entry Age Normal   |
| Amortization method/period | For details, see June 30, 2018 Funding Valuation Report  |
| Asset valuation method     | Actuarial Value of Assets. For details, see June 30, 2018 Funding Valuation Report.  |
| Inflation                  | 2.625%   |
| Salary increases           | Varies by entry age and service  |
| Payroll growth             | 2.875%   |
| Investment rate of return  | 7.25% net of pension plan investment and administrative expenses; includes inflation.  |
| Retirement age             | The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.   |
| Mortality                  | The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using Scale AA published by the Society of Actuaries. |

<sup>1</sup> Information only presented from the implementation year

**City of Tracy**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions – Pension (Continued)**  
**For the Year Ended June 30, 2021**

| <b>Safety Plan</b>  |                |                |                |                |                |                |                            |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------------------|
| Fiscal Year:  | <u>2020-21</u> | <u>2019-20</u> | <u>2018-19</u> | <u>2017-18</u> | <u>2016-17</u> | <u>2015-16</u> | <u>2014-15<sup>1</sup></u> |
| Contractually determined contribution (actuarially determined)        | \$ 7,379,603   | \$ 6,437,044   | \$ 5,643,974   | \$ 5,148,037   | \$ 4,604,350   | \$ 4,477,450   | \$ 3,522,006               |
| Contributions in relation to the actuarially determined contributions | (7,379,603)    | (6,437,044)    | (5,643,974)    | (5,148,037)    | (4,604,350)    | (4,477,450)    | (3,522,006)                |
| <b>Contribution deficiency (excess)</b>                               | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>                |
| Covered payroll   | \$ 17,684,752  | \$ 19,725,873  | \$ 18,413,297  | \$ 16,743,454  | \$ 15,512,824  | \$ 15,414,995  | \$ 15,225,341              |
| Contributions as a percentage of covered payroll                      | 41.73%         | 32.63%         | 30.65%         | 30.75%         | 29.68%         | 29.05%         | 23.13%                     |

**Notes to Schedule**

**Methods and assumptions used to determine contribution rates:**

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2021 were derived from the June 30, 2018 funding valuation report.

|                            |  |
|----------------------------|--|
| Actuarial cost method      | Entry Age Normal   |
| Amortization method/period | For details, see June 30, 2018 Funding Valuation Report  |
| Asset valuation method     | Actuarial Value of Assets. For details, see June 30, 2018 Funding Valuation Report.  |
| Inflation                  | 2.625%   |
| Salary increases           | Varies by entry age and service  |
| Payroll growth             | 2.875%   |
| Investment rate of return  | 7.25% net of pension plan investment and administrative expenses; includes inflation.  |
| Retirement age             | The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.   |
| Mortality                  | The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using Scale AA published by the Society of Actuaries. |

<sup>1</sup> Information only presented from the implementation year

**City of Tracy**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2021**

| <b>Fiscal year ending:</b>   | <u>6/30/2021</u>           | <u>6/30/2020</u>           | <u>6/30/2019</u>           | <u>6/30/2018</u>             |
|--|----------------------------|----------------------------|----------------------------|------------------------------|
| Measurement date:  | <u>6/30/2020</u>           | <u>6/30/2019</u>           | <u>6/30/2018</u>           | <u>6/30/2017<sup>1</sup></u> |
| <b>Total OPEB liability</b>  |                            |                            |                            |                              |
| Service cost   | \$ 443,619                 | \$ 417,193                 | \$ 318,114                 | \$ 343,641                   |
| Interest   | 195,454                    | 192,818                    | 192,889                    | 153,933                      |
| Changes of benefit terms   | -                          | -                          | -                          | -                            |
| Differences between expected and actual experience                             | (356,446)                  | -                          | 273,705                    | -                            |
| Changes of assumptions   | (388,970)                  | 101,040                    | (391,232)                  | (334,977)                    |
| Benefit payments, including refunds of member contributions                    | (209,370)                  | (195,363)                  | (174,114)                  | (138,947)                    |
| <b>Net change in total OPEB liability</b>                                      | <u>(315,713)</u>           | <u>515,688</u>             | <u>219,362</u>             | <u>23,650</u>                |
| <b>Total OPEB liability - beginning</b>  | <u>6,666,572</u>           | <u>6,150,884</u>           | <u>5,931,522</u>           | <u>5,907,872</u>             |
| <b>Total OPEB liability - ending (a)</b>                                       | <u><u>\$ 6,350,859</u></u> | <u><u>\$ 6,666,572</u></u> | <u><u>\$ 6,150,884</u></u> | <u><u>\$ 5,931,522</u></u>   |
| <b>OPEB fiduciary net position</b>   |                            |                            |                            |                              |
| Contributions - employer   | \$ 209,370                 | \$ 195,363                 | \$ 174,114                 | \$ 138,947                   |
| Net investment income  | -                          | -                          | -                          | -                            |
| Benefit payments, including refunds of member contributions                    | (209,370)                  | (195,363)                  | (174,114)                  | (138,947)                    |
| Administrative expense   | -                          | -                          | -                          | -                            |
| <b>Net change in plan fiduciary net position</b>                               | <u>-</u>                   | <u>-</u>                   | <u>-</u>                   | <u>-</u>                     |
| <b>Plan fiduciary net position - beginning</b>                                 | <u>-</u>                   | <u>-</u>                   | <u>-</u>                   | <u>-</u>                     |
| <b>Plan fiduciary net position - ending (b)</b>                                | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>           |
| <b>Plan net OPEB liability - ending (a) - (b)</b>                              | <u><u>\$ 6,350,859</u></u> | <u><u>\$ 6,666,572</u></u> | <u><u>\$ 6,150,884</u></u> | <u><u>\$ 5,931,522</u></u>   |
| <b>Plan fiduciary net position as a percentage of the total OPEB liability</b> | 0.00%                      | 0.00%                      | 0.00%                      | 0.00%                        |
| <b>Covered-employee payroll</b>  | \$ 38,076,958              | \$ 36,576,729              | \$ 34,460,922              | \$ 23,997,600                |
| <b>Plan net OPEB liability as a percentage of covered-employee payroll</b>     | 16.68%                     | 18.23%                     | 17.85%                     | 24.72%                       |

<sup>1</sup> Information only presented from the implementation year

**City of Tracy**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Schedule of Contributions - OPEB**  
**For the Year Ended June 30, 2021**

|  | 2020-21       | 2019-20       | 2018-19       | 2017-18           | 2016-17 <sup>1</sup> |
|--|---------------|---------------|---------------|-------------------|----------------------|
| Actuarially determined contribution <sup>2</sup>   | \$ -          | \$ -          | \$ -          | \$ 764,705        | \$ 138,947           |
| Contractually determined contribution <sup>2</sup>   | 211,025       | 209,370       | 195,363       | -                 | -                    |
| Contributions in relation to the actuarially determined or contractually required contribution | (211,025)     | (209,370)     | (195,363)     | (174,114)         | (138,947)            |
| <b>Contribution deficiency (excess)</b>  | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ 590,591</b> | <b>\$ -</b>          |
| Covered payroll  | \$ 39,219,267 | \$ 38,076,958 | \$ 36,576,729 | \$ 34,460,922     | \$ 23,997,600        |
| Contributions as a percentage of covered payroll   | 0.54%         | 0.55%         | 0.53%         | 0.51%             | 0.58%                |

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2021 were as follows:

**Methods and assumptions used to determine contribution rates:**

|                                      |   |
|--------------------------------------|---|
| Actuarial valuation date             | 6/30/2020   |
| Actuarial cost method                | Entry Age Normal, Level Percentage of Payroll   |
| Amortization method                  | Level Percentage of Projected Payroll on an Open Basis                                    |
| Remaining amortization               | 26 years remaining as of June 30, 2020  |
| Asset valuation method               | Market value of assets (\$0, no OPEB Trust has been established)                          |
| Inflation                            | 2.50%   |
| Investment rate of return            | 2.66%   |
| Healthcare cost trend rate           | 5.7% for 2021, decreasing to an ultimate rate of 4.0% in 2076;                            |
| Projected salary growth and increase | Not applicable  |
| Mortality                            | Based on CalPERS 2017 experience study report using data for the period from 1997 to 2015 |

<sup>1</sup> Information only presented from the implementation year

<sup>2</sup> The City did not obtain an actuarially determined contribution in the fiscal years 2019 through 2021, therefore contractually required contributions are reported.

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**SUPPLEMENTARY INFORMATION**

## Non-Major Governmental Funds

### Special Revenue Funds:

**TEA Grant** - This fund is used to account for the revenues from State and Federal transportation efficiency act grants that are restricted for specific projects.

**Business Improvement District Fund** - This fund is used to accumulate revenues from assessments against business properties to support the Downtown Tracy Business Improvement District.

**Asset Forfeiture Fund** - This fund is used to account for the revenues that occur from asset seizures. They are specifically restricted for the purchase of law enforcement equipment and supplies.

**Transportation Development Fund** - This fund is used to account for the City's share of the quarter cent statewide transportation sales tax devoted to street maintenance purposes. The tax first goes to the Transportation Development Fund.

**Proposition K Transportation Fund** - This fund is used to account for the City's share of the half cent transportation sales tax of San Joaquin County. It is used for street maintenance and repairs.

**State Gas Tax Street Fund** - This fund is used to account for the City's share of State-Imposed motor vehicle gas taxes, which are legally restricted to acquisition, construction, improvement, and maintenance of the City's streets.

**Community Development Block Grant Fund** - This fund is used to account for federal grant monies received from the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grants.

**Landscaping District Fund** - This fund is used to account for transactions of the City's landscaping benefit assessment districts.

**Residential and Commercial Rehabilitation Loan Fund** - This fund is used to account for Department of Housing and Urban Development Fund (HUD) trust monies which are used for low interest loans to qualified borrowers for inner city rehabilitation projects in accordance with HUD agreements.

**Community Access CTV Fund** - This fund is used to account for fees collected from City cable TV customers to cover expenses for videotaping and broadcasting the City Council meetings.

**Grow Tracy Fund** - This fund is used to account for assistance to local business owners through the issuance of small business loans.

**COPS Grant Fund** - This fund is used to account for activities related to the State and federal grant revenues restricted for law enforcement activities. The activities related to these grants were previously reported in the General Fund.

**FEMA Grant Fund** - This fund is used to account for activities relate to the federal grant revenues restricted for FEMA emergency disaster activities.

**CFD Services 2016-2 Fund** - This fund is used to account for transactions related to maintenance responsibility of the City for the Community Facilities Services District No. 2016-2 (Ellis).

**CFD Services 2018-1 Fund** - This fund is used to account for transactions related to the City-wide maintenance responsibility of the City for the Community Facilities Services District No. 2018-1.

**North East Industrial Plan Area Storm Drain Fund** - This fund is used to account for capital projects to separate development for Storm Drain in the North East Industrial Area of the City.

## Non-Major Governmental Funds (Continued)

### **Debt Service Funds:**

*Lease Revenue Bonds Fund* - This fund is used to accumulate funds for the payment of debt service on the lease revenue bonds.

### **Capital Projects Funds:**

*North East Industrial Plan Area # 1 Fund* - This fund is used to account for capital projects to separate development in the North East Industrial area of the City.

*North East Industrial Plan Area # 2 Fund* - This fund is used to account for capital projects to separate development in the North East Industrial area of the City.

*Infill Projects Fund* - This fund is used to account for capital projects financed through capital development fees levied upon developers in the City's infill areas.

*I-205 Area Improvements Fund* - This fund is used to account for monies received from the sale of bonds for the purpose of construction of various community facilities within a specific area in the City.

*Urban Management Plan Facilities Fund* - This fund is used to account for expenditures for the planning, design, and construction of capital facilities required for new development beyond the current infill, Residential Specific Plan (RSP), and I-205 development.

*Capital Projects Deposits Fund* - This fund is used to account for monies received from developers, contractors, and other entities for the purpose of reimbursing the City for expenditures incurred in studies, research, etc., regarding their proposed development.

*South MacArthur Plan Area Fund* - This fund is used to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

*Industrial Specific Plan South Fund* - This fund is used to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

*Presidio Plan Area Fund* - This fund is used to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

*Redevelopment Obligations Fund* - This fund is used to account for CDA grant proceeds used by the City to complete redevelopment projects.

*Tracy Gateway Area Fund* - This fund is used to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

*Plan "C" Fund* - This fund is used to account for Plan "C", which is a development area of the City which was approved in 1998. Capital development fees levied on developers in this area and the related expenditures are accounted for in this fund.

*Residential Specific Plan Projects Fund* - This fund is used to account for capital projects financed by fees levied on developers in the City's 1987 Residential Specific Plan area.

*Ellis Area Fund* - This fund is used to account for projects to support development in a specific area of the City financed by capital development fees and/ or assessments.

*Regional Transportation Impact Fund* - This fund is used to account for transportation impact fees collected by the City and which are to be used for transportation mitigation purposes.

**City of Tracy**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2021**

Special Revenue

|  | TEA<br>Grant      | Business<br>Improvement<br>District | Asset<br>Forfeiture | Transportation<br>Development | Proposition K<br>Transportation | State<br>Gas Tax<br>Street |
|--|-------------------|-------------------------------------|---------------------|-------------------------------|---------------------------------|----------------------------|
| <b>ASSETS</b>  |                   |                                     |                     |                               |                                 |                            |
| Cash and investments   | \$ 425,926        | \$ 1,497                            | \$ 887,736          | \$ 710,530                    | \$ 4,681,697                    | \$ 6,151,695               |
| Cash and investments with fiscal agents  | -                 | -                                   | -                   | -                             | -                               | -                          |
| Accounts receivable, net   | -                 | -                                   | -                   | -                             | 569,195                         | 173,360                    |
| Interest receivable  | -                 | -                                   | 1,771               | 1,417                         | 9,338                           | 13,503                     |
| Due from other funds   | -                 | -                                   | -                   | -                             | -                               | -                          |
| Deposits   | -                 | -                                   | -                   | -                             | -                               | -                          |
| Loans receivable   | -                 | -                                   | -                   | -                             | -                               | -                          |
| Due from Fiduciary Funds   | -                 | -                                   | -                   | -                             | -                               | -                          |
| <b>Total assets</b>  | <b>\$ 425,926</b> | <b>\$ 1,497</b>                     | <b>\$ 889,507</b>   | <b>\$ 711,947</b>             | <b>\$ 5,260,230</b>             | <b>\$ 6,338,558</b>        |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>       |                   |                                     |                     |                               |                                 |                            |
| <b>Liabilities:</b>  |                   |                                     |                     |                               |                                 |                            |
| Accounts payable   | \$ -              | \$ -                                | \$ 30,409           | \$ 245                        | \$ 807                          | \$ 59,047                  |
| Accrued payroll  | 617               | -                                   | -                   | -                             | 8,429                           | 28,688                     |
| Due to other funds   | -                 | -                                   | -                   | -                             | -                               | -                          |
| Deposits payable   | -                 | -                                   | -                   | -                             | -                               | -                          |
| Unearned revenues  | -                 | -                                   | -                   | 77,459                        | -                               | -                          |
| <b>Total liabilities</b>   | <b>617</b>        | <b>-</b>                            | <b>30,409</b>       | <b>77,704</b>                 | <b>9,236</b>                    | <b>87,735</b>              |
| <b>Deferred inflows of resources:</b>  |                   |                                     |                     |                               |                                 |                            |
| Unavailable revenue  | -                 | -                                   | -                   | -                             | -                               | -                          |
| <b>Total deferred inflows<br/>of resources</b>                                     | <b>-</b>          | <b>-</b>                            | <b>-</b>            | <b>-</b>                      | <b>-</b>                        | <b>-</b>                   |
| <b>Fund Balances:</b>  |                   |                                     |                     |                               |                                 |                            |
| Nonspendable   | -                 | -                                   | -                   | -                             | -                               | -                          |
| Restricted   | 425,309           | 1,497                               | 859,098             | 634,243                       | 5,250,994                       | 6,250,823                  |
| Committed  | -                 | -                                   | -                   | -                             | -                               | -                          |
| Assigned   | -                 | -                                   | -                   | -                             | -                               | -                          |
| Unassigned (deficit)   | -                 | -                                   | -                   | -                             | -                               | -                          |
| <b>Total fund balances</b>   | <b>425,309</b>    | <b>1,497</b>                        | <b>859,098</b>      | <b>634,243</b>                | <b>5,250,994</b>                | <b>6,250,823</b>           |
| <b>Total liabilities, deferred<br/>inflows of resources,<br/>and fund balances</b> | <b>\$ 425,926</b> | <b>\$ 1,497</b>                     | <b>\$ 889,507</b>   | <b>\$ 711,947</b>             | <b>\$ 5,260,230</b>             | <b>\$ 6,338,558</b>        |

(Continued)

**City of Tracy**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

|  | Special Revenue                         |                         |   |                            |                     |                   |
|--|---|-------------------------|---|----------------------------|---------------------|-------------------|
|  | Community<br>Development<br>Block Grant | Landscaping<br>District | Residential<br>and Commercial<br>Rehabilitation<br>Loan | Community<br>Access<br>CTV | Grow<br>Tracy       | COPS<br>Grant     |
| <b>ASSETS</b>  |   |                         |   |                            |                     |                   |
| Cash and investments   | \$ -                                    | \$ 5,634,412            | \$ 211,260  | \$ 465,374                 | \$ -                | \$ 202,375        |
| Cash and investments with fiscal agents  | -                                       | -                       | -   | -                          | -                   | -                 |
| Accounts receivable, net   | 323,792                                 | 9,190                   | -   | 42,094                     | -                   | -                 |
| Interest receivable  | -                                       | 11,248                  | 421   | 928                        | -                   | -                 |
| Due from other funds   | -                                       | -                       | -   | -                          | -                   | -                 |
| Deposits   | -                                       | -                       | -   | -                          | 1,000,000           | -                 |
| Loans receivable   | -                                       | -                       | -   | -                          | -                   | -                 |
| Due from Fiduciary Funds   | -                                       | -                       | -   | -                          | -                   | -                 |
| <b>Total assets</b>  | <b>\$ 323,792</b>                       | <b>\$ 5,654,850</b>     | <b>\$ 211,681</b>                                       | <b>\$ 508,396</b>          | <b>\$ 1,000,000</b> | <b>\$ 202,375</b> |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>       |   |                         |   |                            |                     |                   |
| <b>Liabilities:</b>  |   |                         |   |                            |                     |                   |
| Accounts payable   | \$ 14,566                               | \$ 101,369              | \$ -  | \$ -                       | \$ -                | \$ 45,055         |
| Accrued payroll  | -                                       | 45,241                  | -   | -                          | -                   | 4,104             |
| Due to other funds   | 304,602                                 | -                       | -   | -                          | -                   | -                 |
| Deposits payable   | -                                       | -                       | -   | -                          | -                   | -                 |
| Unearned revenues  | -                                       | -                       | -   | -                          | -                   | -                 |
| <b>Total liabilities</b>   | <b>319,168</b>                          | <b>146,610</b>          | <b>-</b>  | <b>-</b>                   | <b>-</b>            | <b>49,159</b>     |
| <b>Deferred inflows of resources:</b>  |   |                         |   |                            |                     |                   |
| Unavailable revenue  | -                                       | -                       | -   | -                          | -                   | -                 |
| <b>Total deferred inflows<br/>of resources</b>                                     | <b>-</b>                                | <b>-</b>                | <b>-</b>  | <b>-</b>                   | <b>-</b>            | <b>-</b>          |
| <b>Fund Balances:</b>  |   |                         |   |                            |                     |                   |
| Nonspendable   | -                                       | -                       | -   | -                          | -                   | -                 |
| Restricted   | 4,624                                   | 5,508,240               | 211,681   | 508,396                    | 1,000,000           | 153,216           |
| Committed  | -                                       | -                       | -   | -                          | -                   | -                 |
| Assigned   | -                                       | -                       | -   | -                          | -                   | -                 |
| Unassigned (deficit)   | -                                       | -                       | -   | -                          | -                   | -                 |
| <b>Total fund balances</b>   | <b>4,624</b>                            | <b>5,508,240</b>        | <b>211,681</b>  | <b>508,396</b>             | <b>1,000,000</b>    | <b>153,216</b>    |
| <b>Total liabilities, deferred<br/>inflows of resources,<br/>and fund balances</b> | <b>\$ 323,792</b>                       | <b>\$ 5,654,850</b>     | <b>\$ 211,681</b>                                       | <b>\$ 508,396</b>          | <b>\$ 1,000,000</b> | <b>\$ 202,375</b> |

(Continued)

**City of Tracy**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

|  | Special Revenue |                           |                           | Debt Service   | Capital Projects          |  |
|--|-----------------|---------------------------|---------------------------|--|---------------------------|--|
|  | FEMA<br>Grant   | CFD<br>Services<br>2016-2 | CFD<br>Services<br>2018-1 | North East<br>Industrial<br>Plan Area<br>Storm Drain | Lease<br>Revenue<br>Bonds | North East<br>Industrial<br>Plan Area #1 |
| <b>ASSETS</b>  |                 |                           |                           |  |                           |  |
| Cash and investments   | \$ 2,857        | \$ 1,025,906              | \$ 902,873                | \$ 2,633,954   | \$ 1,652,834              | \$ 9,439,671                             |
| Cash and investments with fiscal agents  | -               | -                         | -                         | -  | 3                         | -  |
| Accounts receivable, net   | -               | -                         | 8,864                     | -  | -                         | -  |
| Interest receivable  | -               | 2,046                     | 1,801                     | 5,254  | 4,392                     | 23,096                                   |
| Due from other funds   | -               | -                         | -                         | -  | -                         | 2,139,931                                |
| Deposits   | -               | -                         | -                         | -  | -                         | -  |
| Loans receivable   | -               | -                         | -                         | -  | -                         | -  |
| Due from Fiduciary Funds   | -               | -                         | -                         | -  | 5,192,100                 | -  |
| <b>Total assets</b>  | <b>\$ 2,857</b> | <b>\$ 1,027,952</b>       | <b>\$ 913,538</b>         | <b>\$ 2,639,208</b>                                  | <b>\$ 6,849,329</b>       | <b>\$ 11,602,698</b>                     |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>       |                 |                           |                           |  |                           |  |
| <b>Liabilities:</b>  |                 |                           |                           |  |                           |  |
| Accounts payable   | \$ -            | \$ 2,567                  | \$ 1,480                  | \$ -   | \$ -                      | \$ 525                                   |
| Accrued payroll  | -               | 5,965                     | 2,449                     | -  | -                         | -  |
| Due to other funds   | -               | -                         | -                         | -  | -                         | -  |
| Deposits payable   | -               | 790,269                   | 100,000                   | -  | -                         | -  |
| Unearned revenues  | -               | -                         | -                         | -  | -                         | -  |
| <b>Total liabilities</b>   | <b>-</b>        | <b>798,801</b>            | <b>103,929</b>            | <b>-</b>   | <b>-</b>                  | <b>525</b>                               |
| <b>Deferred inflows of resources:</b>  |                 |                           |                           |  |                           |  |
| Unavailable revenue  | -               | -                         | -                         | -  | 5,192,100                 | -  |
| <b>Total deferred inflows<br/>of resources</b>                                     | <b>-</b>        | <b>-</b>                  | <b>-</b>                  | <b>-</b>   | <b>5,192,100</b>          | <b>-</b>                                 |
| <b>Fund Balances:</b>  |                 |                           |                           |  |                           |  |
| Nonspendable   | -               | -                         | -                         | -  | -                         | -  |
| Restricted   | 2,857           | 229,151                   | 809,609                   | 2,639,208  | 1,657,229                 | 11,602,173                               |
| Committed  | -               | -                         | -                         | -  | -                         | -  |
| Assigned   | -               | -                         | -                         | -  | -                         | -  |
| Unassigned (deficit)   | -               | -                         | -                         | -  | -                         | -  |
| <b>Total fund balances</b>   | <b>2,857</b>    | <b>229,151</b>            | <b>809,609</b>            | <b>2,639,208</b>                                     | <b>1,657,229</b>          | <b>11,602,173</b>                        |
| <b>Total liabilities, deferred<br/>inflows of resources,<br/>and fund balances</b> | <b>\$ 2,857</b> | <b>\$ 1,027,952</b>       | <b>\$ 913,538</b>         | <b>\$ 2,639,208</b>                                  | <b>\$ 6,849,329</b>       | <b>\$ 11,602,698</b>                     |

(Continued)

**City of Tracy**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

Capital Projects

|  | North East<br>Industrial<br>Plan Area #2 | Infill<br>Projects  | I-205 Area<br>Improvements | Urban<br>Management<br>Plan<br>Facilities | Capital<br>Projects<br>Deposit | South<br>MacArthur<br>Plan Area |
|--|--|---------------------|----------------------------|---|--------------------------------|---------------------------------|
| <b>ASSETS</b>  |  |                     |                            |   |                                |                                 |
| Cash and investments   | \$ -                                     | \$ 5,585,697        | \$ 12,460,644              | \$ 8,486,090                              | \$ 4,049,955                   | \$ 11,765,171                   |
| Cash and investments with fiscal agents  | -  | -                   | -                          | -   | -                              | -                               |
| Accounts receivable, net   | -  | -                   | -                          | -   | -                              | -                               |
| Interest receivable  | -  | 11,443              | 24,854                     | 17,907                                    | 8,078                          | 23,466                          |
| Due from other funds   | -  | -                   | -                          | -   | -                              | -                               |
| Deposits   | -  | -                   | -                          | -   | -                              | -                               |
| Loans receivable   | -  | -                   | -                          | -   | -                              | -                               |
| Due from Fiduciary Funds   | -  | -                   | -                          | -   | -                              | -                               |
| <b>Total assets</b>  | <b>\$ -</b>                              | <b>\$ 5,597,140</b> | <b>\$ 12,485,498</b>       | <b>\$ 8,503,997</b>                       | <b>\$ 4,058,033</b>            | <b>\$ 11,788,637</b>            |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>       |  |                     |                            |   |                                |                                 |
| <b>Liabilities:</b>  |  |                     |                            |   |                                |                                 |
| Accounts payable   | \$ -                                     | \$ -                | \$ -                       | \$ 964,129                                | \$ -                           | \$ -                            |
| Accrued payroll  | -  | -                   | -                          | 6,102                                     | -                              | -                               |
| Due to other funds   | 2,139,931                                | -                   | -                          | -   | -                              | -                               |
| Deposits payable   | 35,843                                   | -                   | 929,921                    | 2,944,322                                 | 4,052,977                      | -                               |
| Unearned revenues  | -  | -                   | -                          | -   | -                              | -                               |
| <b>Total liabilities</b>   | <b>2,175,774</b>                         | <b>-</b>            | <b>929,921</b>             | <b>3,914,553</b>                          | <b>4,052,977</b>               | <b>-</b>                        |
| <b>Deferred inflows of resources:</b>  |  |                     |                            |   |                                |                                 |
| Unavailable revenue  | -  | -                   | -                          | -   | -                              | -                               |
| <b>Total deferred inflows<br/>of resources</b>                                     | <b>-</b>                                 | <b>-</b>            | <b>-</b>                   | <b>-</b>                                  | <b>-</b>                       | <b>-</b>                        |
| <b>Fund Balances:</b>  |  |                     |                            |   |                                |                                 |
| Nonspendable   | -  | -                   | -                          | -   | -                              | -                               |
| Restricted   | -  | 5,597,140           | 11,555,577                 | 4,589,444                                 | 5,056                          | 11,788,637                      |
| Committed  | -  | -                   | -                          | -   | -                              | -                               |
| Assigned   | -  | -                   | -                          | -   | -                              | -                               |
| Unassigned (deficit)   | (2,175,774)                              | -                   | -                          | -   | -                              | -                               |
| <b>Total fund balances</b>   | <b>(2,175,774)</b>                       | <b>5,597,140</b>    | <b>11,555,577</b>          | <b>4,589,444</b>                          | <b>5,056</b>                   | <b>11,788,637</b>               |
| <b>Total liabilities, deferred<br/>inflows of resources,<br/>and fund balances</b> | <b>\$ -</b>                              | <b>\$ 5,597,140</b> | <b>\$ 12,485,498</b>       | <b>\$ 8,503,997</b>                       | <b>\$ 4,058,033</b>            | <b>\$ 11,788,637</b>            |

(Continued)

**City of Tracy**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

Capital Projects

|  | Industrial<br>Specific<br>Plan South | Presidio<br>Plan Area | Redevelopment<br>Obligations | Tracy<br>Gateway<br>Area | Plan "C"             | Residential<br>Specific<br>Plan Project |
|--|--------------------------------------|-----------------------|------------------------------|--------------------------|----------------------|---|
| <b>ASSETS</b>  |                                      |                       |                              |                          |                      |   |
| Cash and investments   | \$ 2,087,146                         | \$ 5,577,553          | \$ 1,336,754                 | \$ 2,122,639             | \$ 24,380,841        | \$ 2,897,161                            |
| Cash and investments with fiscal agents  | -                                    | -                     | -                            | -                        | -                    | -                                       |
| Accounts receivable, net   | -                                    | -                     | -                            | -                        | -                    | -                                       |
| Interest receivable  | 4,163                                | 11,125                | 2,666                        | 4,234                    | 48,630               | 5,779                                   |
| Due from other funds   | -                                    | -                     | -                            | -                        | -                    | -                                       |
| Deposits   | -                                    | -                     | -                            | -                        | -                    | -                                       |
| Loans receivable   | -                                    | -                     | -                            | -                        | -                    | 1,808,950                               |
| Due from Fiduciary Funds   | -                                    | -                     | -                            | -                        | -                    | -                                       |
| <b>Total assets</b>  | <b>\$ 2,091,309</b>                  | <b>\$ 5,588,678</b>   | <b>\$ 1,339,420</b>          | <b>\$ 2,126,873</b>      | <b>\$ 24,429,471</b> | <b>\$ 4,711,890</b>                     |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>       |                                      |                       |                              |                          |                      |   |
| <b>Liabilities:</b>  |                                      |                       |                              |                          |                      |   |
| Accounts payable   | \$ 1,686                             | \$ -                  | \$ -                         | \$ -                     | \$ -                 | \$ -                                    |
| Accrued payroll  | -                                    | -                     | 221                          | -                        | -                    | -                                       |
| Due to other funds   | -                                    | -                     | -                            | -                        | -                    | -                                       |
| Deposits payable   | -                                    | -                     | 3,000                        | -                        | -                    | -                                       |
| Unearned revenues  | -                                    | -                     | -                            | -                        | -                    | -                                       |
| <b>Total liabilities</b>   | <b>1,686</b>                         | <b>-</b>              | <b>3,221</b>                 | <b>-</b>                 | <b>-</b>             | <b>-</b>                                |
| <b>Deferred inflows of resources:</b>  |                                      |                       |                              |                          |                      |   |
| Unavailable revenue  | -                                    | -                     | -                            | -                        | -                    | 1,808,950                               |
| <b>Total deferred inflows<br/>of resources</b>                                     | <b>-</b>                             | <b>-</b>              | <b>-</b>                     | <b>-</b>                 | <b>-</b>             | <b>1,808,950</b>                        |
| <b>Fund Balances:</b>  |                                      |                       |                              |                          |                      |   |
| Nonspendable   | -                                    | -                     | -                            | -                        | -                    | -                                       |
| Restricted   | 2,089,623                            | 5,588,678             | 1,336,199                    | 2,126,873                | 24,429,471           | 2,902,940                               |
| Committed  | -                                    | -                     | -                            | -                        | -                    | -                                       |
| Assigned   | -                                    | -                     | -                            | -                        | -                    | -                                       |
| Unassigned (deficit)   | -                                    | -                     | -                            | -                        | -                    | -                                       |
| <b>Total fund balances</b>   | <b>2,089,623</b>                     | <b>5,588,678</b>      | <b>1,336,199</b>             | <b>2,126,873</b>         | <b>24,429,471</b>    | <b>2,902,940</b>                        |
| <b>Total liabilities, deferred<br/>inflows of resources,<br/>and fund balances</b> | <b>\$ 2,091,309</b>                  | <b>\$ 5,588,678</b>   | <b>\$ 1,339,420</b>          | <b>\$ 2,126,873</b>      | <b>\$ 24,429,471</b> | <b>\$ 4,711,890</b>                     |

(Continued)



**City of Tracy**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

|  | Capital Projects     |                                      |                             |
|--|----------------------|--------------------------------------|-----------------------------|
|  | Ellis Area           | Regional<br>Transportation<br>Impact | Total<br>Non-Major<br>Funds |
| <b>ASSETS</b>  |                      |                                      |                             |
| Cash and investments   | \$ 10,665,165        | \$ 10,764,248                        | \$ 137,209,661              |
| Cash and investments with fiscal agents  | -                    | -                                    | 3                           |
| Accounts receivable, net   | -                    | -                                    | 1,126,495                   |
| Interest receivable  | 20,380               | -                                    | 257,940                     |
| Due from other funds   | -                    | -                                    | 2,139,931                   |
| Deposits   | -                    | -                                    | 1,000,000                   |
| Loans receivable   | -                    | -                                    | 1,808,950                   |
| Due from Fiduciary Funds   | -                    | -                                    | 5,192,100                   |
| <b>Total assets</b>  | <b>\$ 10,685,545</b> | <b>\$ 10,764,248</b>                 | <b>\$ 148,735,080</b>       |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>       |                      |                                      |                             |
| <b>Liabilities:</b>  |                      |                                      |                             |
| Accounts payable   | \$ 15,821            | \$ 474,875                           | \$ 1,712,581                |
| Accrued payroll  | -                    | -                                    | 101,816                     |
| Due to other funds   | -                    | -                                    | 2,444,533                   |
| Deposits payable   | 449,944              | 35,983                               | 9,342,259                   |
| Unearned revenues  | -                    | -                                    | 77,459                      |
| <b>Total liabilities</b>   | <b>465,765</b>       | <b>510,858</b>                       | <b>13,678,648</b>           |
| <b>Deferred inflows of resources:</b>  |                      |                                      |                             |
| Unavailable revenue  | -                    | -                                    | 7,001,050                   |
| <b>Total deferred inflows<br/>of resources</b>                                     | <b>-</b>             | <b>-</b>                             | <b>7,001,050</b>            |
| <b>Fund Balances:</b>  |                      |                                      |                             |
| Nonspendable   | -                    | -                                    | -                           |
| Restricted   | 10,219,780           | 10,253,390                           | 130,231,156                 |
| Committed  | -                    | -                                    | -                           |
| Assigned   | -                    | -                                    | -                           |
| Unassigned (deficit)   | -                    | -                                    | (2,175,774)                 |
| <b>Total fund balances</b>   | <b>10,219,780</b>    | <b>10,253,390</b>                    | <b>128,055,382</b>          |
| <b>Total liabilities, deferred<br/>inflows of resources,<br/>and fund balances</b> | <b>\$ 10,685,545</b> | <b>\$ 10,764,248</b>                 | <b>\$ 148,735,080</b>       |

(Concluded)

**City of Tracy**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**June 30, 2021**

|   | Special Revenue   |                                     |                     |                               |                                 |                            |
|---|-------------------|-------------------------------------|---------------------|-------------------------------|---------------------------------|----------------------------|
|   | TEA<br>Grant      | Business<br>Improvement<br>District | Asset<br>Forfeiture | Transportation<br>Development | Proposition K<br>Transportation | State<br>Gas Tax<br>Street |
| <b>REVENUES:</b>                              |                   |                                     |                     |                               |                                 |                            |
| Taxes   | \$ -              | \$ -                                | \$ -                | \$ -                          | \$ 2,009,868                    | \$ -                       |
| Licenses, permits and fees                    | -                 | -                                   | -                   | -                             | -                               | -                          |
| Fines and penalties                           | -                 | -                                   | 317,827             | -                             | -                               | -                          |
| Investment income (loss)                      | (4,121)           | -                                   | (1,811)             | (4,533)                       | 12,975                          | (9,437)                    |
| Intergovernmental                             | 783,867           | -                                   | -                   | -                             | 366,192                         | 3,842,980                  |
| Charges for current services                  | -                 | -                                   | -                   | -                             | -                               | -                          |
| Special assessments                           | -                 | 128,823                             | -                   | -                             | -                               | -                          |
| Other revenue                                 | -                 | -                                   | -                   | -                             | -                               | 703                        |
| <b>Total revenues</b>                         | <b>779,746</b>    | <b>128,823</b>                      | <b>316,016</b>      | <b>(4,533)</b>                | <b>2,389,035</b>                | <b>3,834,246</b>           |
| <b>EXPENDITURES:</b>                          |                   |                                     |                     |                               |                                 |                            |
| Current:                                      |                   |                                     |                     |                               |                                 |                            |
| General government                            |                   |                                     |                     |                               |                                 |                            |
| Economic development                          | -                 | 129,009                             | -                   | -                             | -                               | -                          |
| Non-departmental                              | -                 | -                                   | -                   | 69,731                        | 82,875                          | 130,143                    |
| Public safety                                 |                   |                                     |                     |                               |                                 |                            |
| Police  | -                 | -                                   | 416,887             | -                             | -                               | -                          |
| Public ways and facilities                    |                   |                                     |                     |                               |                                 |                            |
| Development and engineering                   | -                 | -                                   | -                   | -                             | -                               | -                          |
| Public works                                  | -                 | -                                   | -                   | -                             | -                               | 1,343,787                  |
| Community development                         |                   |                                     |                     |                               |                                 |                            |
| Capital outlay                                | 4,088             | -                                   | 10,266              | 88,690                        | 171,759                         | 2,586,895                  |
| Debt service:                                 |                   |                                     |                     |                               |                                 |                            |
| Principal                                     | -                 | -                                   | -                   | -                             | -                               | -                          |
| Interest and fiscal charges                   | -                 | -                                   | -                   | -                             | -                               | -                          |
| <b>Total expenditures</b>                     | <b>4,088</b>      | <b>129,009</b>                      | <b>427,153</b>      | <b>158,421</b>                | <b>254,634</b>                  | <b>4,060,825</b>           |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>775,658</b>    | <b>(186)</b>                        | <b>(111,137)</b>    | <b>(162,954)</b>              | <b>2,134,401</b>                | <b>(226,579)</b>           |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                   |                                     |                     |                               |                                 |                            |
| Transfers in                                  | 331,469           | -                                   | -                   | 122,093                       | 100,000                         | 805,358                    |
| Transfers out                                 | (1,027,451)       | -                                   | (38,405)            | -                             | -                               | (252,026)                  |
| <b>Total other financing sources (uses)</b>   | <b>(695,982)</b>  | <b>-</b>                            | <b>(38,405)</b>     | <b>122,093</b>                | <b>100,000</b>                  | <b>553,332</b>             |
| <b>NET CHANGES IN FUND BALANCES</b>           | <b>79,676</b>     | <b>(186)</b>                        | <b>(149,542)</b>    | <b>(40,861)</b>               | <b>2,234,401</b>                | <b>326,753</b>             |
| <b>FUND BALANCES:</b>                         |                   |                                     |                     |                               |                                 |                            |
| Beginning of year                             | 345,633           | 1,683                               | 1,008,640           | 675,104                       | 3,016,593                       | 5,924,070                  |
| End of year                                   | <u>\$ 425,309</u> | <u>\$ 1,497</u>                     | <u>\$ 859,098</u>   | <u>\$ 634,243</u>             | <u>\$ 5,250,994</u>             | <u>\$ 6,250,823</u>        |

(Continued)

**City of Tracy**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

|   | Special Revenue                   |                      |  |                      |              | COPS Grant       |
|---|-----------------------------------|----------------------|--|----------------------|--------------|------------------|
|   | Community Development Block Grant | Landscaping District | Residential and Commercial Rehabilitation Loan | Community Access CTV | Grow Tracy   |                  |
| <b>REVENUES:</b>                            |                                   |                      |  |                      |              |                  |
| Taxes                                       | \$ -                              | \$ -                 | \$ -   | \$ -                 | \$ -         | \$ -             |
| Licenses, permits and fees                  | -                                 | -                    | -  | 165,834              | -            | -                |
| Fines and penalties                         | -                                 | -                    | -  | -                    | -            | -                |
| Investment income (loss)                    | -                                 | (8,990)              | (321)  | 936                  | -            | (2,997)          |
| Intergovernmental                           | 693,669                           | -                    | -  | -                    | -            | 225,508          |
| Charges for current services                | -                                 | -                    | -  | -                    | -            | -                |
| Special assessments                         | -                                 | 3,347,460            | -  | -                    | -            | -                |
| Other revenue                               | -                                 | -                    | -  | -                    | -            | -                |
| <b>Total revenues</b>                       | <b>693,669</b>                    | <b>3,338,470</b>     | <b>(321)</b>                                   | <b>166,770</b>       | <b>-</b>     | <b>222,511</b>   |
| <b>EXPENDITURES:</b>                        |                                   |                      |  |                      |              |                  |
| Current:                                    |                                   |                      |  |                      |              |                  |
| General government                          |                                   |                      |  |                      |              |                  |
| Economic development                        | 634,707                           | -                    | -  | -                    | -            | -                |
| Non-departmental                            | -                                 | 209,618              | -  | -                    | -            | -                |
| Public safety                               |                                   |                      |  |                      |              |                  |
| Police                                      | -                                 | -                    | -  | -                    | -            | 252,108          |
| Public ways and facilities                  |                                   |                      |  |                      |              |                  |
| Development and engineering                 | -                                 | -                    | -  | -                    | -            | -                |
| Public works                                | -                                 | 3,358,158            | -  | -                    | -            | -                |
| Community development                       |                                   |                      |  |                      |              |                  |
| Capital outlay                              | 54,338                            | 247,475              | -  | 5,660                | -            | -                |
| Debt service:                               |                                   |                      |  |                      |              |                  |
| Principal                                   | -                                 | -                    | -  | -                    | -            | -                |
| Interest and fiscal charges                 | -                                 | -                    | -  | -                    | -            | -                |
| <b>Total expenditures</b>                   | <b>689,045</b>                    | <b>3,815,251</b>     | <b>-</b>                                       | <b>5,660</b>         | <b>-</b>     | <b>252,108</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>4,624</b>                      | <b>(476,781)</b>     | <b>(321)</b>                                   | <b>161,110</b>       | <b>-</b>     | <b>(29,597)</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                                   |                      |  |                      |              |                  |
| Transfers in                                | -                                 | 95,000               | -  | -                    | -            | -                |
| Transfers out                               | -                                 | -                    | -  | -                    | -            | (400,473)        |
| <b>Total other financing sources (uses)</b> | <b>-</b>                          | <b>95,000</b>        | <b>-</b>                                       | <b>-</b>             | <b>-</b>     | <b>(400,473)</b> |
| <b>NET CHANGES IN FUND BALANCES</b>         | <b>4,624</b>                      | <b>(381,781)</b>     | <b>(321)</b>                                   | <b>161,110</b>       | <b>-</b>     | <b>(430,070)</b> |
| <b>FUND BALANCES:</b>                       |                                   |                      |  |                      |              |                  |
| Beginning of year                           | -                                 | 5,890,021            | 212,002  | 347,286              | 1,000,000    | 583,286          |
| End of year                                 | \$ 4,624                          | \$ 5,508,240         | \$ 211,681                                     | \$ 508,396           | \$ 1,000,000 | \$ 153,216       |

(Continued)

**City of Tracy**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

|   | Special Revenue |                           |                           | Debt Service   | Capital Projects          |  |
|---|-----------------|---------------------------|---------------------------|--|---------------------------|--|
|   | FEMA<br>Grant   | CFD<br>Services<br>2016-2 | CFD<br>Services<br>2018-1 | North East<br>Industrial<br>Plan Area<br>Storm Drain | Lease<br>Revenue<br>Bonds | North East<br>Industrial<br>Plan Area #1 |
| <b>REVENUES:</b>                              |                 |                           |                           |  |                           |  |
| Taxes   | \$ -            | \$ -                      | \$ -                      | \$ -   | \$ -                      | \$ -                                     |
| Licenses, permits and fees                    | -               | -                         | -                         | -  | -                         | -  |
| Fines and penalties                           | -               | -                         | -                         | -  | -                         | -  |
| Investment income (loss)                      | (10)            | 1,137                     | (689)                     | (2,141)  | 6,491                     | (17,569)                                 |
| Intergovernmental                             | -               | -                         | -                         | -  | -                         | -  |
| Charges for current services                  | -               | -                         | -                         | 228,535  | -                         | -  |
| Special assessments                           | -               | 202,722                   | 171,501                   | -  | -                         | -  |
| Other revenue                                 | -               | -                         | -                         | -  | 309,754                   | -  |
| <b>Total revenues</b>                         | <b>(10)</b>     | <b>203,859</b>            | <b>170,812</b>            | <b>226,394</b>                                       | <b>316,245</b>            | <b>(17,569)</b>                          |
| <b>EXPENDITURES:</b>                          |                 |                           |                           |  |                           |  |
| Current:                                      |                 |                           |                           |  |                           |  |
| General government                            |                 |                           |                           |  |                           |  |
| Economic development                          | -               | -                         | -                         | -  | -                         | -  |
| Non-departmental                              | -               | -                         | 27,470                    | -  | -                         | -  |
| Public safety                                 |                 |                           |                           |  |                           |  |
| Police  | -               | -                         | -                         | -  | -                         | -  |
| Public ways and facilities                    |                 |                           |                           |  |                           |  |
| Development and engineering                   | -               | -                         | -                         | -  | -                         | -  |
| Public works                                  | -               | 211,877                   | -                         | -  | -                         | -  |
| Community development                         |                 |                           |                           |  |                           |  |
| Capital outlay                                | -               | -                         | -                         | -  | -                         | 1,025                                    |
| Debt service:                                 |                 |                           |                           |  |                           |  |
| Principal                                     | -               | -                         | -                         | -  | 555,000                   | -  |
| Interest and fiscal charges                   | -               | -                         | -                         | -  | 719,665                   | -  |
| <b>Total expenditures</b>                     | <b>-</b>        | <b>211,877</b>            | <b>27,470</b>             | <b>-</b>   | <b>1,274,665</b>          | <b>1,025</b>                             |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>(10)</b>     | <b>(8,018)</b>            | <b>143,342</b>            | <b>226,394</b>                                       | <b>(958,420)</b>          | <b>(18,594)</b>                          |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                 |                           |                           |  |                           |  |
| Transfers in                                  | -               | -                         | -                         | -  | 1,121,406                 | -  |
| Transfers out                                 | -               | -                         | (56,230)                  | -  | -                         | -  |
| <b>Total other financing sources (uses)</b>   | <b>-</b>        | <b>-</b>                  | <b>(56,230)</b>           | <b>-</b>   | <b>1,121,406</b>          | <b>-</b>                                 |
| <b>NET CHANGES IN FUND BALANCES</b>           | <b>(10)</b>     | <b>(8,018)</b>            | <b>87,112</b>             | <b>226,394</b>                                       | <b>162,986</b>            | <b>(18,594)</b>                          |
| <b>FUND BALANCES:</b>                         |                 |                           |                           |  |                           |  |
| Beginning of year, as restated (Note 20)      | 2,867           | 237,169                   | 722,497                   | 2,412,814  | 1,494,243                 | 11,620,767                               |
| End of year                                   | <u>\$ 2,857</u> | <u>\$ 229,151</u>         | <u>\$ 809,609</u>         | <u>\$ 2,639,208</u>                                  | <u>\$ 1,657,229</u>       | <u>\$ 11,602,173</u>                     |

(Continued)

**City of Tracy**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

|   | Capital Projects                         |                     |                            |   |                                |                                 |
|---|--|---------------------|----------------------------|---|--------------------------------|---------------------------------|
|   | North East<br>Industrial<br>Plan Area #2 | Infill<br>Projects  | I-205 Area<br>Improvements | Urban<br>Management<br>Plan<br>Facilities | Capital<br>Projects<br>Deposit | South<br>MacArthur<br>Plan Area |
| <b>REVENUES:</b>                              |  |                     |                            |   |                                |                                 |
| Taxes   | \$ -                                     | \$ -                | \$ -                       | \$ -                                      | \$ -                           | \$ -                            |
| Licenses, permits and fees                    | -  | -                   | -                          | -   | -                              | -                               |
| Fines and penalties                           | -  | -                   | -                          | -   | -                              | -                               |
| Investment income (loss)                      | -  | (3,506)             | (17,688)                   | 1,058                                     | (32,688)                       | (16,911)                        |
| Intergovernmental                             | -  | -                   | -                          | -   | -                              | -                               |
| Charges for current services                  | -  | 1,141,875           | 133,458                    | 1,256,709                                 | -                              | 67,120                          |
| Special assessments                           | -  | -                   | -                          | -   | -                              | -                               |
| Other revenue                                 | -  | -                   | -                          | -   | -                              | -                               |
| <b>Total revenues</b>                         | <b>-</b>                                 | <b>1,138,369</b>    | <b>115,770</b>             | <b>1,257,767</b>                          | <b>(32,688)</b>                | <b>50,209</b>                   |
| <b>EXPENDITURES:</b>                          |  |                     |                            |   |                                |                                 |
| Current:                                      |  |                     |                            |   |                                |                                 |
| General government                            |  |                     |                            |   |                                |                                 |
| Economic development                          | -  | -                   | -                          | -   | -                              | -                               |
| Non-departmental                              | -  | -                   | -                          | -   | -                              | -                               |
| Public safety                                 |  |                     |                            |   |                                |                                 |
| Police  | -  | -                   | -                          | -   | -                              | -                               |
| Public ways and facilities                    |  |                     |                            |   |                                |                                 |
| Development and engineering                   | -  | -                   | -                          | 1,014,303                                 | -                              | -                               |
| Public works                                  | -  | -                   | -                          | -   | -                              | -                               |
| Community development                         |  |                     |                            |   |                                |                                 |
| Capital outlay                                | -  | 454,037             | -                          | 395,907                                   | -                              | -                               |
| Debt service:                                 |  |                     |                            |   |                                |                                 |
| Principal                                     | -  | -                   | -                          | -   | -                              | -                               |
| Interest and fiscal charges                   | -  | -                   | -                          | -   | -                              | -                               |
| <b>Total expenditures</b>                     | <b>-</b>                                 | <b>454,037</b>      | <b>-</b>                   | <b>1,410,210</b>                          | <b>-</b>                       | <b>-</b>                        |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>-</b>                                 | <b>684,332</b>      | <b>115,770</b>             | <b>(152,443)</b>                          | <b>(32,688)</b>                | <b>50,209</b>                   |
| <b>OTHER FINANCING SOURCES (USES):</b>        |  |                     |                            |   |                                |                                 |
| Transfers in                                  | -  | 13,517              | -                          | -   | -                              | -                               |
| Transfers out                                 | (1,300)                                  | (139,604)           | -                          | -   | -                              | (83)                            |
| <b>Total other financing sources (uses)</b>   | <b>(1,300)</b>                           | <b>(126,087)</b>    | <b>-</b>                   | <b>-</b>                                  | <b>-</b>                       | <b>(83)</b>                     |
| <b>NET CHANGES IN FUND BALANCES</b>           | <b>(1,300)</b>                           | <b>558,245</b>      | <b>115,770</b>             | <b>(152,443)</b>                          | <b>(32,688)</b>                | <b>50,126</b>                   |
| <b>FUND BALANCES:</b>                         |  |                     |                            |   |                                |                                 |
| Beginning of year, as restated (Note 20)      | (2,174,474)                              | 5,038,895           | 11,439,807                 | 4,741,887                                 | 37,744                         | 11,738,511                      |
| End of year                                   | <u>\$ (2,175,774)</u>                    | <u>\$ 5,597,140</u> | <u>\$ 11,555,577</u>       | <u>\$ 4,589,444</u>                       | <u>\$ 5,056</u>                | <u>\$ 11,788,637</u>            |

(Continued)

**City of Tracy**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

|   | Capital Projects                     |                       |                              |                          |                      |  |
|---|--------------------------------------|-----------------------|------------------------------|--------------------------|----------------------|--|
|   | Industrial<br>Specific<br>Plan South | Presidio<br>Plan Area | Redevelopment<br>Obligations | Tracy<br>Gateway<br>Area | Plan "C"             | Residential<br>Specific<br>Plan Projects |
| <b>REVENUES:</b>                              |                                      |                       |                              |                          |                      |  |
| Taxes   | \$ -                                 | \$ -                  | \$ -                         | \$ -                     | \$ -                 | \$ -                                     |
| Licenses, permits and fees                    | -                                    | -                     | -                            | -                        | -                    | -  |
| Fines and penalties                           | -                                    | -                     | -                            | -                        | -                    | -  |
| Investment income (loss)                      | (10,883)                             | (15,334)              | (8,309)                      | (3,345)                  | (36,171)             | 51,517                                   |
| Intergovernmental                             | -                                    | -                     | -                            | -                        | -                    | -  |
| Charges for current services                  | 673,684                              | -                     | -                            | -                        | 895,621              | -  |
| Special assessments                           | -                                    | -                     | -                            | -                        | -                    | -  |
| Other revenue                                 | -                                    | -                     | -                            | -                        | -                    | -  |
| <b>Total revenues</b>                         | <b>662,801</b>                       | <b>(15,334)</b>       | <b>(8,309)</b>               | <b>(3,345)</b>           | <b>859,450</b>       | <b>51,517</b>                            |
| <b>EXPENDITURES:</b>                          |                                      |                       |                              |                          |                      |  |
| Current:                                      |                                      |                       |                              |                          |                      |  |
| General government                            |                                      |                       |                              |                          |                      |  |
| Economic development                          | -                                    | -                     | -                            | -                        | -                    | 55,912                                   |
| Non-departmental                              | -                                    | -                     | -                            | -                        | -                    | -  |
| Public safety                                 |                                      |                       |                              |                          |                      |  |
| Police  | -                                    | -                     | -                            | -                        | -                    | -  |
| Public ways and facilities                    |                                      |                       |                              |                          |                      |  |
| Development and engineering                   | -                                    | -                     | -                            | -                        | -                    | -  |
| Public works                                  | -                                    | -                     | -                            | -                        | -                    | -  |
| Community development                         |                                      |                       |                              |                          |                      |  |
| Capital outlay                                | 110,710                              | -                     | 664,146                      | 12,546                   | 495,144              | -  |
| Debt service:                                 |                                      |                       |                              |                          |                      |  |
| Principal                                     | -                                    | -                     | -                            | -                        | -                    | -  |
| Interest and fiscal charges                   | -                                    | -                     | -                            | -                        | -                    | -  |
| <b>Total expenditures</b>                     | <b>110,710</b>                       | <b>-</b>              | <b>664,146</b>               | <b>12,546</b>            | <b>495,144</b>       | <b>55,912</b>                            |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>552,091</b>                       | <b>(15,334)</b>       | <b>(672,455)</b>             | <b>(15,891)</b>          | <b>364,306</b>       | <b>(4,395)</b>                           |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                                      |                       |                              |                          |                      |  |
| Transfers in                                  | 252,026                              | -                     | -                            | -                        | -                    | -  |
| Transfers out                                 | (1,205,402)                          | -                     | -                            | -                        | (412,019)            | -  |
| <b>Total other financing sources (uses)</b>   | <b>(953,376)</b>                     | <b>-</b>              | <b>-</b>                     | <b>-</b>                 | <b>(412,019)</b>     | <b>-</b>                                 |
| <b>NET CHANGES IN FUND BALANCES</b>           | <b>(401,285)</b>                     | <b>(15,334)</b>       | <b>(672,455)</b>             | <b>(15,891)</b>          | <b>(47,713)</b>      | <b>(4,395)</b>                           |
| <b>FUND BALANCES:</b>                         |                                      |                       |                              |                          |                      |  |
| Beginning of year, as restated (Note 20)      | 2,490,908                            | 5,604,012             | 2,008,654                    | 2,142,764                | 24,477,184           | 2,907,335                                |
| End of year                                   | <u>\$ 2,089,623</u>                  | <u>\$ 5,588,678</u>   | <u>\$ 1,336,199</u>          | <u>\$ 2,126,873</u>      | <u>\$ 24,429,471</u> | <u>\$ 2,902,940</u>                      |

(Continued)

**City of Tracy**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

|   | Capital Projects |                                      |                             |
|---|------------------|--------------------------------------|-----------------------------|
|   | Ellis Area       | Regional<br>Transportation<br>Impact | Total<br>Non-Major<br>Funds |
| <b>REVENUES:</b>                              |                  |                                      |                             |
| Taxes   | \$ -             | \$ -                                 | \$ 2,009,868                |
| Licenses, permits and fees                    | -                | -                                    | 165,834                     |
| Fines and penalties                           | -                | -                                    | 317,827                     |
| Investment income (loss)                      | 8,444            | 91,743                               | (23,153)                    |
| Intergovernmental                             | -                | -                                    | 5,912,216                   |
| Charges for current services                  | 3,977,250        | 1,231,200                            | 9,605,452                   |
| Special assessments                           | -                | -                                    | 3,850,506                   |
| Other revenue                                 | -                | -                                    | 310,457                     |
| <b>Total revenues</b>                         | 3,985,694        | 1,322,943                            | 22,149,007                  |
| <b>EXPENDITURES:</b>                          |                  |                                      |                             |
| Current:                                      |                  |                                      |                             |
| General government                            |                  |                                      |                             |
| Economic development                          | -                | -                                    | 819,628                     |
| Non-departmental                              | -                | -                                    | 519,837                     |
| Public safety                                 |                  |                                      |                             |
| Police  | -                | -                                    | 668,995                     |
| Public ways and facilities                    |                  |                                      |                             |
| Development and engineering                   | -                | -                                    | 1,014,303                   |
| Public works                                  | -                | -                                    | 4,913,822                   |
| Community development                         |                  |                                      |                             |
| Capital outlay                                | 85,761           | -                                    | 5,388,447                   |
| Debt service:                                 |                  |                                      |                             |
| Principal                                     | -                | -                                    | 555,000                     |
| Interest and fiscal charges                   | -                | -                                    | 719,665                     |
| <b>Total expenditures</b>                     | 85,761           | -                                    | 14,599,697                  |
| <b>REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | 3,899,933        | 1,322,943                            | 7,549,310                   |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                  |                                      |                             |
| Transfers in                                  | -                | -                                    | 2,840,869                   |
| Transfers out                                 | (765,046)        | (2,106,406)                          | (6,404,445)                 |
| <b>Total other financing sources (uses)</b>   | (765,046)        | (2,106,406)                          | (3,563,576)                 |
| <b>NET CHANGES IN FUND BALANCES</b>           | 3,134,887        | (783,463)                            | 3,985,734                   |
| <b>FUND BALANCES:</b>                         |                  |                                      |                             |
| Beginning of year, as restated (Note 20)      | 7,084,893        | 11,036,853                           | 124,069,648                 |
| End of year                                   | \$ 10,219,780    | \$ 10,253,390                        | \$ 128,055,382              |

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**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**General Capital Projects Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts    |                     | Actual<br>Amounts    | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|---------------------|---------------------|----------------------|--|
|   | Original            | Final               |                      |  |
| <b>REVENUES:</b>                            |                     |                     |                      |  |
| Investment income (loss)                    | \$ (147,873)        | \$ (147,873)        | \$ 16,448            | \$ 164,321   |
| Intergovernmental                           | -                   | -                   | 61,911               | 61,911   |
| <b>Total revenues</b>                       | <b>(147,873)</b>    | <b>(147,873)</b>    | <b>78,359</b>        | <b>226,232</b>   |
| <b>EXPENDITURES:</b>                        |                     |                     |                      |  |
| Capital outlay                              | 297,312             | 1,998,503           | 903,194              | 1,095,309  |
| <b>Total expenditures</b>                   | <b>297,312</b>      | <b>1,998,503</b>    | <b>903,194</b>       | <b>1,095,309</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(445,185)</b>    | <b>(2,146,376)</b>  | <b>(824,835)</b>     | <b>1,321,541</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                     |                      |  |
| Transfers in                                | 5,471,275           | 5,471,275           | 13,721,318           | 8,250,043  |
| Transfers out                               | -                   | (200)               | (581,750)            | (581,550)  |
| <b>Total other financing sources (uses)</b> | <b>5,471,275</b>    | <b>5,471,075</b>    | <b>13,139,568</b>    | <b>7,668,493</b>   |
| <b>Net change in fund balance</b>           | <b>\$ 5,026,090</b> | <b>\$ 3,324,699</b> | <b>12,314,733</b>    | <b>\$ 8,990,034</b>  |
| <b>FUND BALANCE:</b>                        |                     |                     |                      |  |
| Beginning of year                           |                     |                     | 26,193,026           |  |
| End of year                                 |                     |                     | <b>\$ 38,507,759</b> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Tracy Infrastructure Master Plans Capital Projects Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts    |                     | Actual<br>Amounts    | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|---------------------|---------------------|----------------------|--|
|   | Original            | Final               |                      |  |
| <b>REVENUES:</b>                            |                     |                     |                      |  |
| Investment income (loss)                    | \$ (441,823)        | \$ (441,823)        | \$ 109,418           | \$ 551,241   |
| Intergovernmental                           | -                   | -                   | 201,089              | 201,089  |
| Charges for current services                | 6,749,525           | 6,749,525           | 24,407,461           | 17,657,936   |
| <b>Total revenues</b>                       | <b>6,307,702</b>    | <b>6,307,702</b>    | <b>24,717,968</b>    | <b>18,410,266</b>  |
| <b>EXPENDITURES:</b>                        |                     |                     |                      |  |
| Capital outlay                              | 7,545               | 2,497,980           | 2,763,079            | (265,099)  |
| <b>Total expenditures</b>                   | <b>7,545</b>        | <b>2,497,980</b>    | <b>2,763,079</b>     | <b>(265,099)</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>6,300,157</b>    | <b>3,809,722</b>    | <b>21,954,889</b>    | <b>18,145,167</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                     |                      |  |
| Contributions                               | -                   | -                   | -                    | -  |
| Transfers in                                | -                   | -                   | 1,782,150            | 1,782,150  |
| Transfers out                               | -                   | (399,473)           | (399,473)            | -  |
| <b>Total other financing sources (uses)</b> | <b>-</b>            | <b>(399,473)</b>    | <b>1,382,677</b>     | <b>1,782,150</b>   |
| <b>Net change in fund balance</b>           | <b>\$ 6,300,157</b> | <b>\$ 3,410,249</b> | <b>23,337,566</b>    | <b>\$ 19,927,317</b>   |
| <b>FUND BALANCE:</b>                        |                     |                     |                      |  |
| Beginning of year                           |                     |                     | 34,987,566           |  |
| End of year                                 |                     |                     | <u>\$ 58,325,132</u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Lease Revenue Bonds Debt Service Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts   |                    | Actual<br>Amounts   | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|--------------------|--------------------|---------------------|--|
|   | Original           | Final              |                     |  |
| <b>REVENUES:</b>                            |                    |                    |                     |  |
| Investment income (loss)                    | \$ 2,669           | \$ 2,669           | \$ 6,491            | \$ 3,822   |
| Other revenue                               | -                  | -                  | 309,754             | 309,754  |
| <b>Total revenues</b>                       | <u>2,669</u>       | <u>2,669</u>       | <u>316,245</u>      | <u>313,576</u>   |
| <b>EXPENDITURES:</b>                        |                    |                    |                     |  |
| Debt service:                               |                    |                    |                     |  |
| Principal                                   | 250,000            | 555,000            | 555,000             | -  |
| Interest and fiscal charges                 | 1,127,238          | 722,325            | 719,665             | 2,660  |
| <b>Total expenditures</b>                   | <u>1,377,238</u>   | <u>1,277,325</u>   | <u>1,274,665</u>    | <u>2,660</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>(1,374,569)</u> | <u>(1,274,656)</u> | <u>(958,420)</u>    | <u>316,236</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                    |                    |                     |  |
| Transfers in                                | 1,358,300          | 1,379,154          | 1,121,406           | (257,748)  |
| Transfers out                               | -                  | (200)              | -                   | 200  |
| <b>Total other financing sources (uses)</b> | <u>1,358,300</u>   | <u>1,378,954</u>   | <u>1,121,406</u>    | <u>(257,548)</u>   |
| <b>Net change in fund balance</b>           | <u>\$ (16,269)</u> | <u>\$ 104,298</u>  | 162,986             | <u>\$ 58,688</u>   |
| <b>FUND BALANCE:</b>                        |                    |                    |                     |  |
| Beginning of year                           |                    |                    | 1,494,243           |  |
| End of year                                 |                    |                    | <u>\$ 1,657,229</u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**TEA Grant Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts    |                        | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|---------------------|------------------------|-------------------|--|
|   | Original            | Final                  |                   |  |
| <b>REVENUES:</b>                            |                     |                        |                   |  |
| Investment income (loss)                    | \$ 111              | \$ 111                 | \$ (4,121)        | \$ (4,232)   |
| Intergovernmental                           | 3,685,484           | 3,685,484              | 783,867           | (2,901,617)  |
| <b>Total revenues</b>                       | <u>3,685,595</u>    | <u>3,685,595</u>       | <u>779,746</u>    | <u>(2,905,849)</u>   |
| <b>EXPENDITURES:</b>                        |                     |                        |                   |  |
| Current:                                    |                     |                        |                   |  |
| General government                          | 1,356,163           | 26,240,163             | -                 | 26,240,163   |
| Capital outlay                              | -                   | 38,531                 | 4,088             | 34,443   |
| <b>Total expenditures</b>                   | <u>1,356,163</u>    | <u>26,278,694</u>      | <u>4,088</u>      | <u>26,274,606</u>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>2,329,432</u>    | <u>(22,593,099)</u>    | <u>775,658</u>    | <u>23,368,757</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                        |                   |  |
| Transfers in                                | -                   | -                      | 331,469           | 331,469  |
| Transfers out                               | -                   | -                      | (1,027,451)       | (1,027,451)  |
| <b>Total other financing sources (uses)</b> | <u>-</u>            | <u>-</u>               | <u>(695,982)</u>  | <u>(695,982)</u>   |
| <b>Net change in fund balance</b>           | <u>\$ 2,329,432</u> | <u>\$ (22,593,099)</u> | 79,676            | <u>\$ 22,672,775</u>   |
| <b>FUND BALANCE:</b>                        |                     |                        |                   |  |
| Beginning of year                           |                     |                        | <u>345,633</u>    |  |
| End of year                                 |                     |                        | <u>\$ 425,309</u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Business Improvement District Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|                                   | Budgeted Amounts |                 | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|-----------------------------------|------------------|-----------------|-------------------|--|
|                                   | Original         | Final           |                   |  |
| <b>REVENUES:</b>                  |                  |                 |                   |  |
| Special assessments               | \$ 132,463       | \$ 132,463      | \$ 128,823        | \$ (3,640)   |
| <b>Total revenues</b>             | <u>132,463</u>   | <u>132,463</u>  | <u>128,823</u>    | <u>(3,640)</u>   |
| <b>EXPENDITURES:</b>              |                  |                 |                   |  |
| Current:                          |                  |                 |                   |  |
| General government                |                  |                 |                   |  |
| Economic development              | 123,704          | 123,704         | 129,009           | (5,305)  |
| <b>Total expenditures</b>         | <u>123,704</u>   | <u>123,704</u>  | <u>129,009</u>    | <u>(5,305)</u>   |
| <b>Net change in fund balance</b> | <u>\$ 8,759</u>  | <u>\$ 8,759</u> | (186)             | <u>\$ (8,945)</u>  |
| <b>FUND BALANCE:</b>              |                  |                 |                   |  |
| Beginning of year                 |                  |                 | <u>1,683</u>      |  |
| End of year                       |                  |                 | <u>\$ 1,497</u>   |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Asset Forfeiture Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts  |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|-------------------|-------------------|-------------------|--|
|   | Original          | Final             |                   |  |
| <b>REVENUES:</b>                            |                   |                   |                   |  |
| Fines and penalties                         | \$ 818,617        | \$ 818,617        | \$ 317,827        | \$ (500,790)   |
| Investment income (loss)                    | 6,687             | 6,687             | (1,811)           | (8,498)  |
| <b>Total revenues</b>                       | <u>825,304</u>    | <u>825,304</u>    | <u>316,016</u>    | <u>(509,288)</u>   |
| <b>EXPENDITURES:</b>                        |                   |                   |                   |  |
| Current:                                    |                   |                   |                   |  |
| Public safety                               |                   |                   |                   |  |
| Police                                      | 509,581           | 527,831           | 416,887           | 110,944  |
| Capital outlay                              | -                 | -                 | 10,266            | (10,266)   |
| <b>Total expenditures</b>                   | <u>509,581</u>    | <u>527,831</u>    | <u>427,153</u>    | <u>100,678</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>315,723</u>    | <u>297,473</u>    | <u>(111,137)</u>  | <u>(408,610)</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                   |                   |                   |  |
| Transfers out                               | (38,405)          | (38,405)          | (38,405)          | -  |
| <b>Total other financing sources (uses)</b> | <u>(38,405)</u>   | <u>(38,405)</u>   | <u>(38,405)</u>   | <u>-</u>   |
| <b>Net change in fund balance</b>           | <u>\$ 277,318</u> | <u>\$ 259,068</u> | (149,542)         | <u>\$ (408,610)</u>  |
| <b>FUND BALANCE:</b>                        |                   |                   |                   |  |
| Beginning of year                           |                   |                   | 1,008,640         |  |
| End of year                                 |                   |                   | <u>\$ 859,098</u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Transportation Development Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts   |                    | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|--------------------|--------------------|-------------------|--|
|   | Original           | Final              |                   |  |
| <b>REVENUES:</b>                            |                    |                    |                   |  |
| Taxes                                       | \$ 70,500          | \$ 70,500          | \$ -              | \$ (70,500)  |
| Investment income (loss)                    | 11,374             | 11,374             | (4,533)           | (15,907)   |
| <b>Total revenues</b>                       | <b>81,874</b>      | <b>81,874</b>      | <b>(4,533)</b>    | <b>(86,407)</b>  |
| <b>EXPENDITURES:</b>                        |                    |                    |                   |  |
| Current:                                    |                    |                    |                   |  |
| General government                          |                    |                    |                   |  |
| Non-departmental                            | 69,731             | 69,731             | 69,731            | -  |
| Public ways and facilities                  |                    |                    |                   |  |
| Development and engineering                 | 444                | 444                | -                 | 444  |
| Capital outlay                              | 22,269             | 104,992            | 88,690            | 16,302   |
| <b>Total expenditures</b>                   | <b>92,444</b>      | <b>175,167</b>     | <b>158,421</b>    | <b>16,746</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(10,570)</b>    | <b>(93,293)</b>    | <b>(162,954)</b>  | <b>(69,661)</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                    |                    |                   |  |
| Transfers in                                | -                  | -                  | 122,093           | 122,093  |
| <b>Total other financing sources (uses)</b> | <b>-</b>           | <b>-</b>           | <b>122,093</b>    | <b>122,093</b>   |
| <b>Net change in fund balance</b>           | <b>\$ (10,570)</b> | <b>\$ (93,293)</b> | <b>(40,861)</b>   | <b>\$ 52,432</b>   |
| <b>FUND BALANCE:</b>                        |                    |                    |                   |  |
| Beginning of year                           |                    |                    | 675,104           |  |
| End of year                                 |                    |                    | <u>\$ 634,243</u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Proposition K Transportation Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts    |                     | Actual<br>Amounts   | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|---------------------|---------------------|---------------------|--|
|   | Original            | Final               |                     |  |
| <b>REVENUES:</b>                            |                     |                     |                     |  |
| Taxes                                       | \$ 1,203,226        | \$ 1,203,226        | \$ 2,009,868        | \$ 806,642   |
| Investment income (loss)                    | 10,704              | 10,704              | 12,975              | 2,271  |
| Intergovernmental                           | 1,291,624           | 1,291,624           | 366,192             | (925,432)  |
| <b>Total revenues</b>                       | <u>2,505,554</u>    | <u>2,505,554</u>    | <u>2,389,035</u>    | <u>(116,519)</u>   |
| <b>EXPENDITURES:</b>                        |                     |                     |                     |  |
| Current:                                    |                     |                     |                     |  |
| General government                          |                     |                     |                     |  |
| Non-departmental                            | 82,875              | 82,875              | 82,875              | -  |
| Capital outlay                              | 864,610             | 946,475             | 171,759             | 774,716  |
| <b>Total expenditures</b>                   | <u>947,485</u>      | <u>1,029,350</u>    | <u>254,634</u>      | <u>774,716</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>1,558,069</u>    | <u>1,476,204</u>    | <u>2,134,401</u>    | <u>658,197</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                     |                     |  |
| Transfers in                                | -                   | -                   | 100,000             | 100,000  |
| <b>Total other financing sources (uses)</b> | <u>-</u>            | <u>-</u>            | <u>100,000</u>      | <u>100,000</u>   |
| <b>Net change in fund balance</b>           | <u>\$ 1,558,069</u> | <u>\$ 1,476,204</u> | 2,234,401           | <u>\$ 758,197</u>  |
| <b>FUND BALANCE:</b>                        |                     |                     |                     |  |
| Beginning of year                           |                     |                     | 3,016,593           |  |
| End of year                                 |                     |                     | <u>\$ 5,250,994</u> |  |



**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**State Gas Tax Street Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts    |                       | Actual<br>Amounts   | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|---------------------|-----------------------|---------------------|--|
|   | Original            | Final                 |                     |  |
| <b>REVENUES:</b>                            |                     |                       |                     |  |
| Investment income (loss)                    | \$ 58,136           | \$ 57,704             | \$ (9,437)          | \$ (67,141)  |
| Intergovernmental                           | 3,105,003           | 3,105,003             | 3,842,980           | 737,977  |
| Other revenue                               | -                   | -                     | 703                 | 703  |
| <b>Total revenues</b>                       | <u>3,163,139</u>    | <u>3,162,707</u>      | <u>3,834,246</u>    | <u>671,539</u>   |
| <b>EXPENDITURES:</b>                        |                     |                       |                     |  |
| Current:                                    |                     |                       |                     |  |
| General government                          |                     |                       |                     |  |
| Non-departmental                            | 130,143             | 130,143               | 130,143             | -  |
| Public ways and facilities                  |                     |                       |                     |  |
| Public works                                | 3,512,632           | 3,512,632             | 1,343,787           | 2,168,845  |
| Capital outlay                              | 447,271             | 1,619,259             | 2,586,895           | (967,636)  |
| <b>Total expenditures</b>                   | <u>4,090,046</u>    | <u>5,262,034</u>      | <u>4,060,825</u>    | <u>1,201,209</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>(926,907)</u>    | <u>(2,099,327)</u>    | <u>(226,579)</u>    | <u>1,872,748</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                       |                     |  |
| Transfers in                                | -                   | -                     | 805,358             | 805,358  |
| Transfers out                               | -                   | -                     | (252,026)           | (252,026)  |
| <b>Total other financing sources (uses)</b> | <u>-</u>            | <u>-</u>              | <u>553,332</u>      | <u>553,332</u>   |
| <b>Net change in fund balance</b>           | <u>\$ (926,907)</u> | <u>\$ (2,099,327)</u> | 326,753             | <u>\$ 2,426,080</u>  |
| <b>FUND BALANCE:</b>                        |                     |                       |                     |  |
| Beginning of year                           |                     |                       | 5,924,070           |  |
| End of year                                 |                     |                       | <u>\$ 6,250,823</u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Community Development Block Grant Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts |                     | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|------------------|---------------------|-------------------|--|
|   | Original         | Final               |                   |  |
| <b>REVENUES:</b>                          |                  |                     |                   |  |
| Intergovernmental                         | \$ 421,564       | \$ 421,564          | \$ 693,669        | \$ 272,105   |
| <b>Total revenues</b>                     | <u>421,564</u>   | <u>421,564</u>      | <u>693,669</u>    | <u>272,105</u>   |
| <b>EXPENDITURES:</b>                      |                  |                     |                   |  |
| Current:                                  |                  |                     |                   |  |
| General government                        |                  |                     |                   |  |
| Economic development                      | 326,442          | 731,175             | 634,707           | 96,468   |
| Capital outlay                            | 3,399            | 5,649               | 54,338            | (48,689)   |
| <b>Total expenditures</b>                 | <u>329,841</u>   | <u>736,824</u>      | <u>689,045</u>    | <u>47,779</u>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | <u>91,723</u>    | <u>(315,260)</u>    | <u>4,624</u>      | <u>319,884</u>   |
| <b>Net change in fund balance</b>         | <u>\$ 91,723</u> | <u>\$ (315,260)</u> | <u>4,624</u>      | <u>\$ 319,884</u>  |
| <b>FUND BALANCE:</b>                      |                  |                     |                   |  |
| Beginning of year                         |                  |                     | -                 |  |
| End of year                               |                  |                     | <u>\$ 4,624</u>   |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Landscaping District Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts  |                    | Actual<br>Amounts   | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|-------------------|--------------------|---------------------|--|
|   | Original          | Final              |                     |  |
| <b>REVENUES:</b>                            |                   |                    |                     |  |
| Investment income (loss)                    | \$ 22,410         | \$ 22,410          | \$ (8,990)          | \$ (31,400)  |
| Special assessments                         | 3,515,543         | 3,515,543          | 3,347,460           | (168,083)  |
| <b>Total revenues</b>                       | <u>3,537,953</u>  | <u>3,537,953</u>   | <u>3,338,470</u>    | <u>(199,483)</u>   |
| <b>EXPENDITURES:</b>                        |                   |                    |                     |  |
| Current:                                    |                   |                    |                     |  |
| Non-departmental                            | 209,618           | 268,085            | 209,618             | 58,467   |
| Public ways and facilities                  |                   |                    |                     |  |
| Public works                                | 3,155,470         | 3,165,875          | 3,358,158           | (192,283)  |
| Community development                       |                   |                    |                     |  |
| Capital outlay                              | 560               | 240,601            | 247,475             | (6,874)  |
| <b>Total expenditures</b>                   | <u>3,365,648</u>  | <u>3,674,561</u>   | <u>3,815,251</u>    | <u>(140,690)</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>172,305</u>    | <u>(136,608)</u>   | <u>(476,781)</u>    | <u>(340,173)</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                   |                    |                     |  |
| Transfers in                                | -                 | 95,000             | 95,000              | -  |
| <b>Total other financing sources (uses)</b> | <u>-</u>          | <u>95,000</u>      | <u>95,000</u>       | <u>-</u>   |
| <b>Net change in fund balance</b>           | <u>\$ 172,305</u> | <u>\$ (41,608)</u> | <u>(381,781)</u>    | <u>\$ (340,173)</u>  |
| <b>FUND BALANCE:</b>                        |                   |                    |                     |  |
| Beginning of year                           |                   |                    | 5,890,021           |  |
| End of year                                 |                   |                    | <u>\$ 5,508,240</u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Residential and Commercial Rehabilitation Loan Special Revenue Fund**  
**For the Year Ended June 30, 2021**

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|                          | Budgeted Amounts |              | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|--------------------------|------------------|--------------|-------------------|--|
|                          | Original         | Final        |                   |  |
| <b>REVENUES:</b>         |                  |              |                   |  |
| Investment income (loss) | \$ 3,686         | \$ 3,686     | \$ (321)          | \$ (4,007)   |
| <b>Total revenues</b>    | <u>3,686</u>     | <u>3,686</u> | <u>(321)</u>      | <u>(4,007)</u>   |
| <b>FUND BALANCE:</b>     |                  |              |                   |  |
| Beginning of year        |                  |              | <u>212,002</u>    |  |
| End of year              |                  |              | <u>\$ 211,681</u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Community Access CTV Special Revenue Fund**  
**For the Year Ended June 30, 2021**

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|                                   | Budgeted Amounts |                    | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|-----------------------------------|------------------|--------------------|-------------------|--|
|                                   | Original         | Final              |                   |  |
| <b>REVENUES:</b>                  |                  |                    |                   |  |
| Licenses, permits and fees        | \$ 83,583        | \$ 83,583          | \$ 165,834        | \$ 82,251  |
| Investment income (loss)          | (5,436)          | (5,436)            | 936               | 6,372  |
| Charges for current services      | 296              | 296                | -                 | (296)  |
| <b>Total revenues</b>             | <u>78,443</u>    | <u>78,443</u>      | <u>166,770</u>    | <u>88,327</u>  |
| <b>EXPENDITURES:</b>              |                  |                    |                   |  |
| Capital outlay                    | -                | 122,588            | 5,660             | 116,928  |
| <b>Total expenditures</b>         | <u>-</u>         | <u>122,588</u>     | <u>5,660</u>      | <u>116,928</u>   |
| <b>Net change in fund balance</b> | <u>\$ 78,443</u> | <u>\$ (44,145)</u> | 161,110           | <u>\$ 205,255</u>  |
| <b>FUND BALANCE:</b>              |                  |                    |                   |  |
| Beginning of year                 |                  |                    | <u>347,286</u>    |  |
| End of year                       |                  |                    | <u>\$ 508,396</u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**COPS Grant Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|------------------|-------------------|-------------------|--|
|   | Original         | Final             |                   |  |
| <b>REVENUES:</b>                            |                  |                   |                   |  |
| Investment income (loss)                    | \$ -             | \$ 3,985          | \$ (2,997)        | \$ (6,982)   |
| Intergovernmental                           | -                | 176,649           | 225,508           | 48,859   |
| <b>Total revenues</b>                       | <u>-</u>         | <u>180,634</u>    | <u>222,511</u>    | <u>41,877</u>  |
| <b>EXPENDITURES:</b>                        |                  |                   |                   |  |
| Current:                                    |                  |                   |                   |  |
| Public safety                               |                  |                   |                   |  |
| Police                                      | -                | -                 | 252,108           | (252,108)  |
| <b>Total expenditures</b>                   | <u>-</u>         | <u>-</u>          | <u>252,108</u>    | <u>(252,108)</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>-</u>         | <u>180,634</u>    | <u>(29,597)</u>   | <u>(210,231)</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                  |                   |                   |  |
| Transfers out                               | -                | -                 | (400,473)         | (400,473)  |
| <b>Total other financing sources (uses)</b> | <u>-</u>         | <u>-</u>          | <u>(400,473)</u>  | <u>(400,473)</u>   |
| <b>Net change in fund balance</b>           | <u>\$ -</u>      | <u>\$ 180,634</u> | <u>(430,070)</u>  | <u>\$ (610,704)</u>  |
| <b>FUND BALANCE:</b>                        |                  |                   |                   |  |
| Beginning of year                           |                  |                   | 583,286           |  |
| End of year                                 |                  |                   | <u>\$ 153,216</u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**FEMA Grant Special Revenue Fund**  
**For the Year Ended June 30, 2021**

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|                          | Budgeted Amounts |            | Actual<br>Amounts      | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|--------------------------|------------------|------------|------------------------|--|
|                          | Original         | Final      |                        |  |
| <b>REVENUES:</b>         |                  |            |                        |  |
| Investment income (loss) | \$ (2)           | \$ (2)     | \$ (10)                | \$ (8)   |
| <b>Total revenues</b>    | <u>(2)</u>       | <u>(2)</u> | <u>(10)</u>            | <u>(8)</u>   |
| <b>FUND BALANCE:</b>     |                  |            |                        |  |
| Beginning of year        |                  |            | <u>2,867</u>           |  |
| End of year              |                  |            | <u><u>\$ 2,857</u></u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**CFD Services 2016-2 Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|                                   | Budgeted Amounts  |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|-----------------------------------|-------------------|-------------------|-------------------|--|
|                                   | Original          | Final             |                   |  |
| <b>REVENUES:</b>                  |                   |                   |                   |  |
| Investment income (loss)          | \$ (5,134)        | \$ (5,134)        | \$ 1,137          | \$ 6,271   |
| Special assessments               | 407,375           | 407,375           | 202,722           | (204,653)  |
| <b>Total revenues</b>             | <u>402,241</u>    | <u>402,241</u>    | <u>203,859</u>    | <u>(198,382)</u>   |
| <b>EXPENDITURES:</b>              |                   |                   |                   |  |
| Current:                          |                   |                   |                   |  |
| Public ways and facilities        |                   |                   |                   |  |
| Public works                      | 109,289           | 109,289           | 211,877           | (102,588)  |
| <b>Total expenditures</b>         | <u>109,289</u>    | <u>109,289</u>    | <u>211,877</u>    | <u>(102,588)</u>   |
| <b>Net change in fund balance</b> | <u>\$ 292,952</u> | <u>\$ 292,952</u> | (8,018)           | <u>\$ (300,970)</u>  |
| <b>FUND BALANCE:</b>              |                   |                   |                   |  |
| Beginning of year                 |                   |                   | <u>237,169</u>    |  |
| End of year                       |                   |                   | <u>\$ 229,151</u> |  |



**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**CFD Services 2018-1 Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts  |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|-------------------|-------------------|-------------------|--|
|   | Original          | Final             |                   |  |
| <b>REVENUES:</b>                            |                   |                   |                   |  |
| Investment income (loss)                    | \$ (5,178)        | \$ (5,178)        | \$ (689)          | \$ 4,489   |
| Special assessments                         | 157,856           | 157,856           | 171,501           | 13,645   |
| <b>Total revenues</b>                       | <u>152,678</u>    | <u>152,678</u>    | <u>170,812</u>    | <u>18,134</u>  |
| <b>EXPENDITURES:</b>                        |                   |                   |                   |  |
| Current:                                    |                   |                   |                   |  |
| General government                          |                   |                   |                   |  |
| Non-departmental                            | 6,443             | 6,443             | 27,470            | (21,027)   |
| <b>Total expenditures</b>                   | <u>6,443</u>      | <u>6,443</u>      | <u>27,470</u>     | <u>(21,027)</u>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>146,235</u>    | <u>146,235</u>    | <u>143,342</u>    | <u>(2,893)</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                   |                   |                   |  |
| Transfers out                               | -                 | -                 | (56,230)          | (56,230)   |
| <b>Total other financing sources (uses)</b> | <u>-</u>          | <u>-</u>          | <u>(56,230)</u>   | <u>(56,230)</u>  |
| <b>Net change in fund balance</b>           | <u>\$ 146,235</u> | <u>\$ 146,235</u> | 87,112            | <u>\$ (59,123)</u>   |
| <b>FUND BALANCE:</b>                        |                   |                   |                   |  |
| Beginning of year                           |                   |                   | 722,497           |  |
| End of year                                 |                   |                   | <u>\$ 809,609</u> |  |

**City of Tracy**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**North East Industrial Plan Area Storm Drain Grant Special Revenue Fund**  
**For the Year Ended June 30, 2021**

|   | Budgeted Amounts    |                     | Actual<br>Amounts   | Variance with<br>Final Budget<br>Favorable/<br>(Unfavorable) |
|---|---------------------|---------------------|---------------------|--|
|   | Original            | Final               |                     |  |
| <b>REVENUES:</b>                            |                     |                     |                     |  |
| Investment income (loss)                    | \$ (8,196)          | \$ (8,196)          | \$ (2,141)          | \$ 6,055   |
| Charges for current services                | -                   | -                   | 228,535             | 228,535  |
| <b>Total revenues</b>                       | <u>(8,196)</u>      | <u>(8,196)</u>      | <u>226,394</u>      | <u>234,590</u>   |
| <b>EXPENDITURES:</b>                        |                     |                     |                     |  |
| Current:                                    |                     |                     |                     |  |
| General government                          |                     |                     |                     |  |
| General government                          | -                   | 5,351               | -                   | 5,351  |
| <b>Total expenditures</b>                   | <u>-</u>            | <u>5,351</u>        | <u>-</u>            | <u>5,351</u>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>(8,196)</u>      | <u>(13,547)</u>     | <u>226,394</u>      | <u>239,941</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                     |                     |  |
| Proceeds from issuance of long-term debt    | <u>3,279,275</u>    | <u>3,279,275</u>    | -                   | <u>(3,279,275)</u>   |
| <b>Total other financing sources (uses)</b> | <u>3,279,275</u>    | <u>3,279,275</u>    | -                   | <u>(3,279,275)</u>   |
| <b>Net change in fund balance</b>           | <u>\$ 3,271,079</u> | <u>\$ 3,265,728</u> | 226,394             | <u>\$ (3,039,334)</u>  |
| <b>FUND BALANCE:</b>                        |                     |                     |                     |  |
| Beginning of year                           |                     |                     | <u>2,412,814</u>    |  |
| End of year                                 |                     |                     | <u>\$ 2,639,208</u> |  |

## **Non-Major Enterprise Funds**

***Municipal Airport Fund*** - This fund is used to account for the activities associated with the operations and maintenance of the City's airport.

***Municipal Transit Fund*** - This fund is used to account for the activities associated with the operations and maintenance of the City's public transit activities, and has particular emphasis on serving the elderly and handicapped.

**City of Tracy**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2021**

|  | Municipal<br>Airport<br>Fund | Municipal<br>Transit<br>Fund | Total                |
|--|------------------------------|------------------------------|----------------------|
| <b>ASSETS</b>                                    |                              |                              |                      |
| Current assets:                                  |                              |                              |                      |
| Accounts receivable, net                         | \$ 170,370                   | \$ 6,239,901                 | \$ 6,410,271         |
| Total current assets                             | <u>170,370</u>               | <u>6,239,901</u>             | <u>6,410,271</u>     |
| Noncurrent assets:                               |                              |                              |                      |
| Capital assets:                                  |                              |                              |                      |
| Non-depreciable                                  | 5,700,988                    | 4,243,055                    | 9,944,043            |
| Depreciable, net                                 | 9,857,504                    | 10,445,163                   | 20,302,667           |
| Total capital assets, net                        | <u>15,558,492</u>            | <u>14,688,218</u>            | <u>30,246,710</u>    |
| Total noncurrent assets                          | <u>15,558,492</u>            | <u>14,688,218</u>            | <u>30,246,710</u>    |
| <b>Total assets</b>                              | <u>15,728,862</u>            | <u>20,928,119</u>            | <u>36,656,981</u>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>             |                              |                              |                      |
| Related to OPEB                                  | 1,027                        | 2,345                        | 3,372                |
| Related to pensions                              | 63,707                       | 100,420                      | 164,127              |
| <b>Total deferred outflow of resources</b>       | <u>64,734</u>                | <u>102,765</u>               | <u>167,499</u>       |
| <b>LIABILITIES</b>                               |                              |                              |                      |
| Current liabilities:                             |                              |                              |                      |
| Accounts payable                                 | 4,902                        | 290,752                      | 295,654              |
| Accrued payroll                                  | 11,607                       | 15,185                       | 26,792               |
| Due to other funds                               | 191,281                      | 2,374,088                    | 2,565,369            |
| Deposits payable                                 | 54,783                       | -                            | 54,783               |
| Unearned revenue                                 | -                            | 61,707                       | 61,707               |
| Compensated absences - due within one year       | 7,420                        | 11,801                       | 19,221               |
| Total current liabilities                        | <u>269,993</u>               | <u>2,753,533</u>             | <u>3,023,526</u>     |
| Noncurrent liabilities:                          |                              |                              |                      |
| Net OPEB liability                               | 13,288                       | 30,345                       | 43,633               |
| Net pension liability                            | 273,793                      | 431,572                      | 705,365              |
| Compensated absences - due in more than one year | 5,536                        | 28,240                       | 33,776               |
| Total noncurrent liabilities                     | <u>292,617</u>               | <u>490,157</u>               | <u>782,774</u>       |
| <b>Total liabilities</b>                         | <u>562,610</u>               | <u>3,243,690</u>             | <u>3,806,300</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                              |                              |                      |
| Related to OPEB                                  | 2,433                        | 5,557                        | 7,990                |
| Related to pensions                              | 1,011                        | 1,593                        | 2,604                |
| <b>Total deferred inflows of resources</b>       | <u>3,444</u>                 | <u>7,150</u>                 | <u>10,594</u>        |
| <b>NET POSITION</b>                              |                              |                              |                      |
| Net investment in capital assets                 | 15,558,492                   | 14,688,218                   | 30,246,710           |
| Unrestricted (deficit)                           | (330,950)                    | 3,091,826                    | 2,760,876            |
| <b>Total net position</b>                        | <u>\$ 15,227,542</u>         | <u>\$ 17,780,044</u>         | <u>\$ 33,007,586</u> |

**City of Tracy**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2021**

|   | Municipal<br>Airport<br>Fund | Municipal<br>Transit<br>Fund | Total                |
|---|------------------------------|------------------------------|----------------------|
| <b>OPERATING REVENUES:</b>                                      |                              |                              |                      |
| Sales and charges for services                                  | \$ 854,122                   | \$ 62,390                    | \$ 916,512           |
| Other operating revenue   | 20,021                       | -                            | 20,021               |
| <b>Total operating revenues</b>                                 | <b>874,143</b>               | <b>62,390</b>                | <b>936,533</b>       |
| <b>OPERATING EXPENSES:</b>                                      |                              |                              |                      |
| Maintenance and operation                                       | 259,317                      | 3,992,752                    | 4,252,069            |
| Administration  | 239,019                      | 446,328                      | 685,347              |
| Insurance costs and claims                                      | -                            | -                            | -                    |
| Depreciation  | 645,629                      | 913,279                      | 1,558,908            |
| <b>Total operating expenses</b>                                 | <b>1,143,965</b>             | <b>5,352,359</b>             | <b>6,496,324</b>     |
| <b>OPERATING INCOME (LOSS)</b>                                  | <b>(269,822)</b>             | <b>(5,289,969)</b>           | <b>(5,559,791)</b>   |
| <b>NONOPERATING REVENUES (EXPENSES):</b>                        |                              |                              |                      |
| Operating grants  | -                            | 6,988,106                    | 6,988,106            |
| Capital grants  | 134,673                      | 1,077,010                    | 1,211,683            |
| Investment income (loss)  | (139)                        | (5,110)                      | (5,249)              |
| Gain on sale of capital assets                                  | 11,300                       | -                            | 11,300               |
| <b>Total nonoperating revenues (expenses)</b>                   | <b>145,834</b>               | <b>8,060,006</b>             | <b>8,205,840</b>     |
| <b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b> | <b>(123,988)</b>             | <b>2,770,037</b>             | <b>2,646,049</b>     |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>                      |                              |                              |                      |
| Transfers in  | 150,200                      | -                            | 150,200              |
| <b>Total transfers</b>  | <b>150,200</b>               | <b>-</b>                     | <b>150,200</b>       |
| <b>Changes in net position</b>                                  | <b>26,212</b>                | <b>2,770,037</b>             | <b>2,796,249</b>     |
| <b>NET POSITION:</b>  |                              |                              |                      |
| Beginning of year   | 15,201,330                   | 15,010,007                   | 30,211,337           |
| End of year   | <b>\$ 15,227,542</b>         | <b>\$ 17,780,044</b>         | <b>\$ 33,007,586</b> |

**City of Tracy**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2021**

|   | Municipal<br>Airport<br>Fund | Municipal<br>Transit<br>Fund | Total              |
|---|------------------------------|------------------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                          |                              |                              |                    |
| Cash received from customers/other funds                              | \$ 1,032,898                 | \$ (249,857)                 | \$ 783,041         |
| Cash payments to suppliers for goods and services/other funds         | (116,803)                    | (3,874,347)                  | (3,991,150)        |
| Cash payments to employees for services                               | (327,109)                    | (424,186)                    | (751,295)          |
| Receipts from other operating revenues                                | 20,021                       | -                            | 20,021             |
| <b>Net cash provided by (used in) operating activities</b>            | <b>609,007</b>               | <b>(4,548,390)</b>           | <b>(3,939,383)</b> |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>               |                              |                              |                    |
| Operating grants  | -                            | 6,988,106                    | 6,988,106          |
| Repayment to other funds  | (241,372)                    | (709,171)                    | (950,543)          |
| Transfers from other funds  | 150,200                      | -                            | 150,200            |
| <b>Net cash provided by (used in) noncapital financing activities</b> | <b>(91,172)</b>              | <b>6,278,935</b>             | <b>6,187,763</b>   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>      |                              |                              |                    |
| Capital grants  | 134,673                      | 1,077,010                    | 1,211,683          |
| Acquisition of capital assets   | (663,874)                    | (2,814,296)                  | (3,478,170)        |
| Proceeds from the sale of assets                                      | 11,300                       | -                            | 11,300             |
| <b>Net cash (used in) capital and related financing activities</b>    | <b>(517,901)</b>             | <b>(1,737,286)</b>           | <b>(2,255,187)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                          |                              |                              |                    |
| Interest from investments   | (94)                         | (2,529)                      | (2,623)            |
| <b>Net cash provided by (used in) investing activities</b>            | <b>(94)</b>                  | <b>(2,529)</b>               | <b>(2,623)</b>     |
| <b>Net change in cash and cash equivalents</b>                        | <b>(160)</b>                 | <b>(9,270)</b>               | <b>(9,430)</b>     |
| <b>CASH AND CASH EQUIVALENTS:</b>                                     |                              |                              |                    |
| Beginning of year   | 160                          | 9,270                        | 9,430              |
| End of year   | <u>\$ -</u>                  | <u>\$ -</u>                  | <u>\$ -</u>        |

(Continued)

**City of Tracy**  
**Combining Statement of Cash Flows (Continued)**  
**Non-Major Enterprise Funds**  
**For the Year Ended June 30, 2021**

|   | Municipal<br>Airport<br>Fund | Municipal<br>Transit<br>Fund | Total                 |
|---|------------------------------|------------------------------|-----------------------|
| <b>RECONCILIATION OF OPERATING (LOSS) TO</b>  |                              |                              |                       |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>                                       |                              |                              |                       |
| Operating income (loss)   | \$ (269,822)                 | \$ (5,289,969)               | \$ (5,559,791)        |
| Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities: |                              |                              |                       |
| Depreciation  | 645,629                      | 913,279                      | 1,558,908             |
| Changes in operating assets and liabilities, and deferred outflows and inflows of resources:      |                              |                              |                       |
| Accounts receivable, net  | 175,805                      | (93,848)                     | 81,957                |
| Deferred outflows - OPEB related  | 510                          | (60)                         | 450                   |
| Deferred outflows - pension related   | (27,671)                     | (23,053)                     | (50,724)              |
| Accounts payable  | (17,280)                     | 44,886                       | 27,606                |
| Accrued payroll   | 2,064                        | 2,436                        | 4,500                 |
| Deposits payable  | 2,971                        | -                            | 2,971                 |
| Unearned revenue  | -                            | (218,399)                    | (218,399)             |
| Compensated absences  | (8,280)                      | 21,334                       | 13,054                |
| Net OPEB liability  | (2,204)                      | 1,458                        | (746)                 |
| Net pension liability   | 105,983                      | 94,734                       | 200,717               |
| Deferred inflows - OPEB related   | 723                          | 3,203                        | 3,926                 |
| Deferred inflows - pension related  | 579                          | (4,391)                      | (3,812)               |
| Total adjustments   | <u>878,829</u>               | <u>741,579</u>               | <u>1,620,408</u>      |
| <b>Net cash provided by (used in) operating activities</b>  | <u>\$ 609,007</u>            | <u>\$ (4,548,390)</u>        | <u>\$ (3,939,383)</u> |

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## **Internal Service Funds**

***Central Garage Fund*** - This fund is used to account for the maintenance of the City's fleet of vehicles which services the transportation needs of City departments and divisions.

***Central Services Fund*** - This fund is used to account for monies received from various funds for postage, telephone, and copying charges.

***Equipment Acquisition Fund*** - This fund is used to account for the replacement of equipment utilized by City departments.

***Building Maintenance Fund*** - This fund is used to account for monies received from various funds for the repair and maintenance of all City owned and operated buildings.

***Insurance Fund*** - This fund is used to finance and account for the City's risk management and insurance programs.

**City of Tracy**  
**Combining Statement of Net Position**  
**All Internal Service Funds**  
**June 30, 2021**

|  | Central<br>Garage   | Central<br>Services | Equipment<br>Acquisition |
|--|---------------------|---------------------|--------------------------|
| <b>ASSETS</b>                                    |                     |                     |                          |
| Current assets:                                  |                     |                     |                          |
| Cash and investments                             | \$ 379,889          | \$ 768,894          | \$ 7,826,235             |
| Accounts receivable, net                         | -                   | -                   | 11,673                   |
| Interest receivable                              | 704                 | 1,534               | 15,610                   |
| <b>Total current assets</b>                      | <b>380,593</b>      | <b>770,428</b>      | <b>7,853,518</b>         |
| Noncurrent assets:                               |                     |                     |                          |
| Capital assets:                                  |                     |                     |                          |
| Depreciable, net                                 | 7,361               | -                   | 11,596,612               |
| <b>Total capital assets, net</b>                 | <b>7,361</b>        | <b>-</b>            | <b>11,596,612</b>        |
| <b>Total noncurrent assets</b>                   | <b>7,361</b>        | <b>-</b>            | <b>11,596,612</b>        |
| <b>Total assets</b>                              | <b>387,954</b>      | <b>770,428</b>      | <b>19,450,130</b>        |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>             |                     |                     |                          |
| Related to OPEB                                  | 2,684               | 9,717               | -                        |
| Related to pensions                              | 165,207             | 294,781             | -                        |
| <b>Total deferred outflow of resources</b>       | <b>167,891</b>      | <b>304,498</b>      | <b>-</b>                 |
| <b>LIABILITIES</b>                               |                     |                     |                          |
| Current liabilities:                             |                     |                     |                          |
| Accounts payable                                 | 47,531              | 16,994              | 44,045                   |
| Accrued payroll                                  | 29,451              | 44,505              | -                        |
| Deposits payable                                 | -                   | -                   | -                        |
| Compensated absences - due within one year       | 16,184              | 33,788              | -                        |
| <b>Total current liabilities</b>                 | <b>93,166</b>       | <b>95,287</b>       | <b>44,045</b>            |
| Noncurrent liabilities:                          |                     |                     |                          |
| Net OPEB liability                               | 34,719              | 125,744             | -                        |
| Net pension liability                            | 710,005             | 1,266,872           | -                        |
| Compensated absences - due in more than one year | 34,910              | 138,207             | -                        |
| <b>Total noncurrent liabilities</b>              | <b>779,634</b>      | <b>1,530,823</b>    | <b>-</b>                 |
| <b>Total liabilities</b>                         | <b>872,800</b>      | <b>1,626,110</b>    | <b>44,045</b>            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                     |                     |                          |
| Related to OPEB                                  | 6,358               | 23,026              | -                        |
| Related to pensions                              | 2,621               | 4,676               | -                        |
| <b>Total deferred inflows of resources</b>       | <b>8,979</b>        | <b>27,702</b>       | <b>-</b>                 |
| <b>NET POSITION</b>                              |                     |                     |                          |
| Investment in capital assets                     | 7,361               | -                   | 11,596,612               |
| Unrestricted (deficit)                           | (333,295)           | (578,886)           | 7,809,473                |
| <b>Total net position</b>                        | <b>\$ (325,934)</b> | <b>\$ (578,886)</b> | <b>\$ 19,406,085</b>     |

(Continued)

**City of Tracy**  
**Combining Statement of Net Position (Continued)**  
**All Internal Service Funds**  
**June 30, 2021**

|  | Building<br>Maintenance | Insurance           | Total                |
|--|-------------------------|---------------------|----------------------|
| <b>ASSETS</b>                                    |                         |                     |                      |
| Current assets:                                  |                         |                     |                      |
| Cash and investments                             | \$ 2,911,305            | \$ 2,309,502        | \$ 14,195,825        |
| Accounts receivable, net                         | 56,327                  | -                   | 68,000               |
| Interest receivable                              | 5,701                   | 4,362               | 27,911               |
| Total current assets                             | <u>2,973,333</u>        | <u>2,313,864</u>    | <u>14,291,736</u>    |
| Noncurrent assets:                               |                         |                     |                      |
| Capital assets:                                  |                         |                     |                      |
| Depreciable, net                                 | 3,591                   | -                   | 11,607,564           |
| Total capital assets, net                        | <u>3,591</u>            | <u>-</u>            | <u>11,607,564</u>    |
| Total noncurrent assets                          | <u>3,591</u>            | <u>-</u>            | <u>11,607,564</u>    |
| <b>Total assets</b>                              | <u>2,976,924</u>        | <u>2,313,864</u>    | <u>25,899,300</u>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>             |                         |                     |                      |
| Related to OPEB                                  | -                       | 3,716               | 16,117               |
| Related to pensions                              | 185,723                 | 150,090             | 795,801              |
| <b>Total deferred outflow of resources</b>       | <u>185,723</u>          | <u>153,806</u>      | <u>811,918</u>       |
| <b>LIABILITIES</b>                               |                         |                     |                      |
| Current liabilities:                             |                         |                     |                      |
| Accounts payable                                 | 55,397                  | 111,650             | 275,617              |
| Accrued payroll                                  | 32,975                  | 22,331              | 129,262              |
| Deposits payable                                 | 6,758                   | -                   | 6,758                |
| Compensated absences - due within one year       | 19,365                  | 16,506              | 85,843               |
| Total current liabilities                        | <u>114,495</u>          | <u>150,487</u>      | <u>497,480</u>       |
| Noncurrent liabilities:                          |                         |                     |                      |
| Net OPEB liability                               | -                       | 48,090              | 208,553              |
| Net pension liability                            | 798,176                 | 645,037             | 3,420,090            |
| Compensated absences - due in more than one year | 52,559                  | 51,334              | 277,010              |
| Total noncurrent liabilities                     | <u>850,735</u>          | <u>744,461</u>      | <u>3,905,653</u>     |
| <b>Total liabilities</b>                         | <u>965,230</u>          | <u>894,948</u>      | <u>4,403,133</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                         |                     |                      |
| Related to OPEB                                  | -                       | 8,807               | 38,191               |
| Related to pensions                              | 2,946                   | 2,381               | 12,624               |
| <b>Total deferred inflows of resources</b>       | <u>2,946</u>            | <u>11,188</u>       | <u>50,815</u>        |
| <b>NET POSITION</b>                              |                         |                     |                      |
| Investment in capital assets                     | 3,591                   | -                   | 11,607,564           |
| Unrestricted (deficit)                           | 2,190,880               | 1,561,534           | 10,649,706           |
| <b>Total net position</b>                        | <u>\$ 2,194,471</u>     | <u>\$ 1,561,534</u> | <u>\$ 22,257,270</u> |

(Concluded)

**City of Tracy**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2021**

|   | Central<br>Garage   | Central<br>Services | Equipment<br>Acquisition |
|---|---------------------|---------------------|--------------------------|
| <b>OPERATING REVENUES:</b>                    |                     |                     |                          |
| Sales and charges for services                | \$ 2,132,309        | \$ 2,198,564        | \$ -                     |
| Other operating revenue                       | 2,136               | -                   | -                        |
| <b>Total operating revenues</b>               | <b>2,134,445</b>    | <b>2,198,564</b>    | <b>-</b>                 |
| <b>OPERATING EXPENSES:</b>                    |                     |                     |                          |
| Maintenance and operation                     | 1,980,317           | 2,252,706           | 399,700                  |
| Administration                                | 326,789             | 260,980             | 4,362                    |
| Insurance costs and claims                    | -                   | -                   | -                        |
| Depreciation                                  | 499                 | -                   | 1,788,709                |
| <b>Total operating expenses</b>               | <b>2,307,605</b>    | <b>2,513,686</b>    | <b>2,192,771</b>         |
| <b>OPERATING INCOME (LOSS)</b>                | <b>(173,160)</b>    | <b>(315,122)</b>    | <b>(2,192,771)</b>       |
| <b>NONOPERATING REVENUES (EXPENSES):</b>      |                     |                     |                          |
| Capital grants                                | -                   | -                   | -                        |
| Investment income (loss)                      | (1,511)             | 615                 | (27,212)                 |
| Gain on sale of capital assets                | -                   | -                   | 47,405                   |
| <b>Total nonoperating revenues (expenses)</b> | <b>(1,511)</b>      | <b>615</b>          | <b>20,193</b>            |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>         | <b>(174,671)</b>    | <b>(314,507)</b>    | <b>(2,172,578)</b>       |
| <b>TRANSFERS:</b>                             |                     |                     |                          |
| Capital contributions                         | -                   | -                   | 36,376                   |
| Transfers in                                  | -                   | -                   | 464,097                  |
| <b>Total transfers</b>                        | <b>-</b>            | <b>-</b>            | <b>500,473</b>           |
| <b>Changes in net position</b>                | <b>(174,671)</b>    | <b>(314,507)</b>    | <b>(1,672,105)</b>       |
| <b>NET POSITION:</b>                          |                     |                     |                          |
| Beginning of year                             | (151,263)           | (264,379)           | 21,078,190               |
| End of year                                   | <u>\$ (325,934)</u> | <u>\$ (578,886)</u> | <u>\$ 19,406,085</u>     |

(Continued)

**City of Tracy**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2021**

|   | Building<br>Maintenance | Insurance           | Total                |
|---|-------------------------|---------------------|----------------------|
| <b>OPERATING REVENUES:</b>                    |                         |                     |                      |
| Sales and charges for services                | \$ 2,086,560            | \$ 5,937,046        | \$ 12,354,479        |
| Other operating revenue                       | -                       | 464,067             | 466,203              |
| <b>Total operating revenues</b>               | <b>2,086,560</b>        | <b>6,401,113</b>    | <b>12,820,682</b>    |
| <b>OPERATING EXPENSES:</b>                    |                         |                     |                      |
| Maintenance and operation                     | 1,959,816               | 1,102,182           | 7,694,721            |
| Administration                                | 167,265                 | 559,196             | 1,318,592            |
| Insurance costs and claims                    | -                       | 5,192,556           | 5,192,556            |
| Depreciation                                  | 262                     | -                   | 1,789,470            |
| <b>Total operating expenses</b>               | <b>2,127,343</b>        | <b>6,853,934</b>    | <b>15,995,339</b>    |
| <b>OPERATING INCOME (LOSS)</b>                | <b>(40,783)</b>         | <b>(452,821)</b>    | <b>(3,174,657)</b>   |
| <b>NONOPERATING REVENUES (EXPENSES):</b>      |                         |                     |                      |
| Capital grants                                | 56,327                  | -                   | 56,327               |
| Investment income (loss)                      | (1,249)                 | (9,593)             | (38,950)             |
| Gain on sale of capital assets                | -                       | -                   | 47,405               |
| <b>Total nonoperating revenues (expenses)</b> | <b>55,078</b>           | <b>(9,593)</b>      | <b>64,782</b>        |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>         | <b>14,295</b>           | <b>(462,414)</b>    | <b>(3,109,875)</b>   |
| <b>TRANSFERS:</b>                             |                         |                     |                      |
| Capital contributions                         | -                       | -                   | 36,376               |
| Transfers in                                  | -                       | -                   | 464,097              |
| <b>Total transfers</b>                        | <b>-</b>                | <b>-</b>            | <b>500,473</b>       |
| <b>Changes in net position</b>                | <b>14,295</b>           | <b>(462,414)</b>    | <b>(2,609,402)</b>   |
| <b>NET POSITION:</b>                          |                         |                     |                      |
| Beginning of year                             | 2,180,176               | 2,023,948           | 24,866,672           |
| End of year                                   | <u>\$ 2,194,471</u>     | <u>\$ 1,561,534</u> | <u>\$ 22,257,270</u> |

(Concluded)

**City of Tracy**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2021**

|  | Central<br>Garage | Central<br>Services | Equipment<br>Acquisition |
|--|-------------------|---------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                       |                   |                     |                          |
| Cash received from customers/other funds                           | \$ 2,132,309      | \$ 2,198,564        | \$ 21,083                |
| Cash payments to suppliers for goods and services/other funds      | (1,320,489)       | (983,223)           | (543,861)                |
| Cash payments to employees for services                            | (841,656)         | (1,303,923)         | (682)                    |
| Receipts from other operating activities                           | 2,136             | -                   | -                        |
| <b>Net cash provided by (used in) operating activities</b>         | <u>(27,700)</u>   | <u>(88,582)</u>     | <u>(523,460)</u>         |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>            |                   |                     |                          |
| Transfers from other funds   | -                 | -                   | 464,097                  |
| <b>Net cash provided by noncapital financing activities</b>        | <u>-</u>          | <u>-</u>            | <u>464,097</u>           |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>   |                   |                     |                          |
| Capital grants   | -                 | -                   | -                        |
| Acquisition of capital assets                                      | -                 | -                   | (1,843,671)              |
| Proceeds from the sale of assets                                   | -                 | -                   | 83,781                   |
| <b>Net cash (used in) capital and related financing activities</b> | <u>-</u>          | <u>-</u>            | <u>(1,759,890)</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                       |                   |                     |                          |
| Interest from investments  | (764)             | 1,381               | (9,298)                  |
| <b>Net cash provided by (used in) investing activities</b>         | <u>(764)</u>      | <u>1,381</u>        | <u>(9,298)</u>           |
| <b>Net change in cash and cash equivalents</b>                     | (28,464)          | (87,201)            | (1,828,551)              |
| <b>CASH AND CASH EQUIVALENTS:</b>                                  |                   |                     |                          |
| Beginning of year  | 408,353           | 856,095             | 9,654,786                |
| End of year  | <u>\$ 379,889</u> | <u>\$ 768,894</u>   | <u>\$ 7,826,235</u>      |

(Continued)

**City of Tracy**  
**Combining Statement of Cash Flows (Continued)**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2021**

|  | Central<br>Garage         | Central<br>Services       | Equipment<br>Acquisition   |
|--|---------------------------|---------------------------|----------------------------|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>   |                           |                           |                            |
| <b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>   |                           |                           |                            |
| Operating income (loss)  | \$ (173,160)              | \$ (315,122)              | \$ (2,192,771)             |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |                           |                           |                            |
| Depreciation   | 499                       | -                         | 1,788,709                  |
| Changes in operating assets and liabilities, and deferred outflows and inflows of resources:             |                           |                           |                            |
| Accounts receivable, net   | -                         | -                         | 21,083                     |
| Deferred outflows - OPEB related   | 666                       | (2,069)                   | -                          |
| Deferred outflows - pension related  | (56,076)                  | (20,859)                  | -                          |
| Accounts payable   | (25,628)                  | (6,818)                   | (140,481)                  |
| Accrued payroll  | 4,034                     | 5,590                     | -                          |
| Compensated absences   | (18,247)                  | 33,417                    | -                          |
| Net OPEB liability   | (13,501)                  | 31,870                    | -                          |
| Net pension liability  | 249,346                   | 186,960                   | -                          |
| Deferred inflows - OPEB related  | 2,633                     | 15,882                    | -                          |
| Deferred inflows - pension related   | 1,734                     | (17,433)                  | -                          |
| Total adjustments  | <u>145,460</u>            | <u>226,540</u>            | <u>1,669,311</u>           |
| <b>Net cash provided by (used in) operating activities</b>   | <u><u>\$ (27,700)</u></u> | <u><u>\$ (88,582)</u></u> | <u><u>\$ (523,460)</u></u> |
| <b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>   |                           |                           |                            |
| Prepaid capital asset capitalized  | \$ -                      | \$ -                      | \$ 1,391,575               |
| <b>Total noncash capital and related financing activities</b>  | <u><u>\$ -</u></u>        | <u><u>\$ -</u></u>        | <u><u>\$ 1,391,575</u></u> |

(Continued)

**City of Tracy**  
**Combining Statement of Cash Flows (Continued)**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2021**

|  | Building<br>Maintenance | Insurance           | Total                |
|--|-------------------------|---------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                       |                         |                     |                      |
| Cash received from customers/other funds                           | \$ 2,030,233            | \$ 5,937,046        | \$ 12,319,235        |
| Cash payments to suppliers for goods and services/other funds      | (1,049,323)             | (5,951,837)         | (9,848,733)          |
| Cash payments to employees for services                            | (906,130)               | (644,783)           | (3,697,174)          |
| Receipts from other operating activities                           | -                       | 464,067             | 466,203              |
| <b>Net cash provided by (used in) operating activities</b>         | <b>74,780</b>           | <b>(195,507)</b>    | <b>(760,469)</b>     |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>            |                         |                     |                      |
| Transfers from other funds   | -                       | -                   | 464,097              |
| <b>Net cash provided by noncapital financing activities</b>        | <b>-</b>                | <b>-</b>            | <b>464,097</b>       |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>   |                         |                     |                      |
| Capital grants   | 56,327                  | -                   | 56,327               |
| Acquisition of capital assets                                      | -                       | -                   | (1,843,671)          |
| Proceeds from the sale of assets                                   | -                       | -                   | 83,781               |
| <b>Net cash (used in) capital and related financing activities</b> | <b>56,327</b>           | <b>-</b>            | <b>(1,703,563)</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                       |                         |                     |                      |
| Interest from investments  | 2,315                   | (5,465)             | (11,831)             |
| <b>Net cash provided by (used in) investing activities</b>         | <b>2,315</b>            | <b>(5,465)</b>      | <b>(11,831)</b>      |
| <b>Net change in cash and cash equivalents</b>                     | <b>133,422</b>          | <b>(200,972)</b>    | <b>(2,011,766)</b>   |
| <b>CASH AND CASH EQUIVALENTS:</b>                                  |                         |                     |                      |
| Beginning of year  | 2,777,883               | 2,510,474           | 16,207,591           |
| End of year  | <u>\$ 2,911,305</u>     | <u>\$ 2,309,502</u> | <u>\$ 14,195,825</u> |

(Continued)



**City of Tracy**  
**Combining Statement of Cash Flows (Continued)**  
**All Internal Service Funds**  
**For the Year Ended June 30, 2021**

|  | Building<br>Maintenance | Insurance           | Total               |
|--|-------------------------|---------------------|---------------------|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>   |                         |                     |                     |
| <b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>   |                         |                     |                     |
| Operating income (loss)  | \$ (40,783)             | \$ (452,821)        | \$ (3,174,657)      |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |                         |                     |                     |
| Depreciation   | 262                     | -                   | 1,789,470           |
| Changes in operating assets and liabilities, and deferred outflows and inflows of resources:             |                         |                     |                     |
| Accounts receivable, net   | (56,327)                | -                   | (35,244)            |
| Deferred outflows - OPEB related   | 3,474                   | (1,293)             | 778                 |
| Deferred outflows - pension related  | (48,340)                | (69,686)            | (194,961)           |
| Accounts payable   | 4,558                   | 58,405              | (109,964)           |
| Accrued payroll  | 7,540                   | 2,669               | 19,833              |
| Compensated absences   | 30,246                  | 12,996              | 58,412              |
| Net OPEB liability   | (50,306)                | 16,753              | (15,184)            |
| Net pension liability  | 229,456                 | 245,367             | 911,129             |
| Deferred inflows - OPEB related  | (4,922)                 | 6,703               | 20,296              |
| Deferred inflows - pension related   | (78)                    | (14,600)            | (30,377)            |
| Total adjustments  | <u>115,563</u>          | <u>257,314</u>      | <u>2,414,188</u>    |
| <b>Net cash provided by (used in) operating activities</b>   | <u>\$ 74,780</u>        | <u>\$ (195,507)</u> | <u>\$ (760,469)</u> |
| <b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>   |                         |                     |                     |
| Prepaid capital asset capitalized  | \$ -                    | \$ -                | \$ 1,391,575        |
| <b>Total noncash capital and related financing activities</b>  | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 1,391,575</u> |

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## **Fiduciary Funds - Custodial Funds**

***Community Facilities District 89-1 Fund*** - This fund is used account for the assets held on behalf of the 89-1 Community Facilities District property owners until they are remitted to the bond trustee.

***Assessment District 94-1 Fund*** - This fund is used account for the assets held on behalf of the 94-1 Community Facilities District property owners until they are remitted to the bond trustee.

***Community Facilities District 93-1 Fund*** - This fund is used account for the assets held on behalf of the 93-1 Community Facilities District property owners until they are remitted to the bond trustee.

***Community Facilities District 98-1 Fund*** - This fund is used account for the assets held on behalf of the 98-1 Community Facilities District property owners until they are remitted to the bond trustee.

***Community Facilities District 98-3 Fund*** - This fund is used account for the assets held on behalf of the 98-3 Community Facilities District Property owners until they are remitted to the bond trustee.

***Community Facilities District 99-1 Fund*** - This fund is used account for the assets held on behalf of the 99-1 Community Facilities District property owners until they are remitted to the bond trustee.

***Assessment District 2000-01 Fund*** - This fund is used account for the assets held on behalf of the 2000-01 Assessment District property owners until they are remitted to the bond trustee.

***2006-01 NE Industrial #2 Fund*** - This fund is used account for the assets held on behalf of the 2006-01 Assessment District property owners until they are remitted to the bond trustee.

***I-205 Residential Reassessment District 1999 Fund*** - This fund is used account for the assets held on behalf of the 93-2, 95-1, 96-1, 97-1, and 97-2 Assessment District property owners until they are remitted to the bond trustee.

***Assessment District 2003-01 Fund*** - This fund is used account for the assets held on behalf of the 2003-01 Assessment District property owners until they are remitted to the bond trustee.

***2011 TOP JPA Revenue Bonds Fund*** - This fund was established to refund two outstanding community facilities district bonds and to refund two limited obligation assessment bonds, and to finance public capital improvements.

***CFD 2011-01 Tracy 580 Business Park Fund*** - This fund is used to account for the transactions of the 2011-01 CFD.

***Community Facilities District 2016-02 Fund*** - This fund is used to account for the assets held on behalf of the 2016-02 Community Facilities District property owners until they are remitted to the bond trustee.

***Community Facilities District 2016-01 Tracy Hills Fund*** - This fund is used to account for the assets held on behalf of the 2016-01 Assessment District property owners until they are remitted to the bond trustee.

**City of Tracy**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2021**

|   | Community<br>Facilities<br>District 89-1 | Assessment<br>District 94-1 | Community<br>Facilities<br>District 93-1 | Community<br>Facilities<br>District 98-1 | Community<br>Facilities<br>District 98-3 | Community<br>Facilities<br>District 99-1 |
|---|--|-----------------------------|--|--|--|--|
| <b>ASSETS</b>                                     |  |                             |  |  |  |  |
| Cash and investments                              | \$ 341,686                               | \$ -                        | \$ 3,905,693                             | \$ -                                     | \$ 347,958                               | \$ -                                     |
| Cash and investments with fiscal agent            | 661,971                                  | 960,814                     | 643,391                                  | 6,078,632                                | 521,275                                  | 1,041,309                                |
| Interest receivable                               | 2,624                                    | 643                         | 7,790                                    | -  | -  | 356                                      |
| <b>Total assets</b>                               | <b>1,006,281</b>                         | <b>961,457</b>              | <b>4,556,874</b>                         | <b>6,078,632</b>                         | <b>869,233</b>                           | <b>1,041,665</b>                         |
| <b>LIABILITIES</b>                                |  |                             |  |  |  |  |
| Deposits payable                                  | -  | -                           | -  | -  | -  | -  |
| <b>Total liabilities</b>                          | <b>-</b>                                 | <b>-</b>                    | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>NET POSITION</b>                               |  |                             |  |  |  |  |
| Held for:   |  |                             |  |  |  |  |
| Individuals, organizations, and other governments | 1,006,281                                | 961,457                     | 4,556,874                                | 6,078,632                                | 869,233                                  | 1,041,665                                |
| <b>Total Net Position</b>                         | <b>\$ 1,006,281</b>                      | <b>\$ 961,457</b>           | <b>\$ 4,556,874</b>                      | <b>\$ 6,078,632</b>                      | <b>\$ 869,233</b>                        | <b>\$ 1,041,665</b>                      |

(Continued)

**City of Tracy**  
**Combining Statement of Fiduciary Net Position (Continued)**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2021**

|   | I-205 Residential              |                             |                               |                                | CFD 2011-01                   |                            |
|---|--------------------------------|-----------------------------|-------------------------------|--------------------------------|-------------------------------|----------------------------|
|   | Assessment<br>District 2000-01 | 2006-01 NE<br>Industrial #2 | Reassessment<br>District 1999 | Assessment<br>District 2003-01 | 2011 TOP JPA<br>Revenue Bonds | Tracy 580<br>Business Park |
| <b>ASSETS</b>                                     |                                |                             |                               |                                |                               |                            |
| Cash and investments                              | \$ 154,503                     | \$ 1,227,296                | \$ -                          | \$ 302,522                     | \$ -                          | \$ 76,313                  |
| Cash and investments with fiscal agent            | 971,690                        | 2,628,475                   | 2,434,955                     | 133,250                        | 3,350,086                     | -                          |
| Interest receivable                               | 308                            | 1,343                       | -                             | 603                            | -                             | 152                        |
| <b>Total assets</b>                               | <b>1,126,501</b>               | <b>3,857,114</b>            | <b>2,434,955</b>              | <b>436,375</b>                 | <b>3,350,086</b>              | <b>76,465</b>              |
| <b>LIABILITIES</b>                                |                                |                             |                               |                                |                               |                            |
| Deposits payable                                  | -                              | -                           | -                             | 298,184                        | -                             | -                          |
| <b>Total liabilities</b>                          | <b>-</b>                       | <b>-</b>                    | <b>-</b>                      | <b>298,184</b>                 | <b>-</b>                      | <b>-</b>                   |
| <b>NET POSITION</b>                               |                                |                             |                               |                                |                               |                            |
| Held for:   |                                |                             |                               |                                |                               |                            |
| Individuals, organizations, and other governments | 1,126,501                      | 3,857,114                   | 2,434,955                     | 138,191                        | 3,350,086                     | 76,465                     |
| <b>Total Net Position</b>                         | <b>\$ 1,126,501</b>            | <b>\$ 3,857,114</b>         | <b>\$ 2,434,955</b>           | <b>\$ 138,191</b>              | <b>\$ 3,350,086</b>           | <b>\$ 76,465</b>           |

(Continued)

**City of Tracy**  
**Combining Statement of Fiduciary Net Position (Continued)**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2021**

|   | Community                                   |   |   | Total               |
|---|---|---|---|---------------------|
|   | Community<br>Facilities<br>District 2016-02 | Facilities<br>District 2016-01<br>Tracy Hills | Tracy Rural<br>Fire Medical<br>Leave Bank |                     |
| <b>ASSETS</b>                                     |   |   |   |                     |
| Cash and investments                              | \$ 35,729                                   | \$ 1,794                                      | \$ 379,031                                | \$ 6,772,525        |
| Cash and investments with fiscal agent            | 3,320,347                                   | 28,342,853                                    | -   | 51,089,048          |
| Interest receivable                               | 72  | -   | -   | 13,891              |
| <b>Total assets</b>                               | <b>3,356,148</b>                            | <b>28,344,647</b>                             | <b>379,031</b>                            | <b>57,875,464</b>   |
| <b>LIABILITIES</b>                                |   |   |   |                     |
| Deposits payable                                  | -   | -   | -   | 298,184             |
| <b>Total liabilities</b>                          | <b>-</b>                                    | <b>-</b>                                      | <b>-</b>                                  | <b>298,184</b>      |
| <b>NET POSITION</b>                               |   |   |   |                     |
| Held for:   |   |   |   |                     |
| Individuals, organizations, and other governments | 3,356,148                                   | 28,344,647                                    | 379,031                                   | 57,577,280          |
| <b>Total Net Position</b>                         | <b>\$ 3,356,148</b>                         | <b>\$ 28,344,647</b>                          | <b>\$ 379,031</b>                         | <b>\$57,577,280</b> |

(Concluded)

**City of Tracy**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**For the Year Ended June 30, 2021**

|   | Community<br>Facilities<br>District 89-1 | Assessment<br>District 94-1 | Community<br>Facilities<br>District 93-1 | Community<br>Facilities<br>District 98-1 | Community<br>Facilities<br>District 98-3 | Community<br>Facilities<br>District 99-1 |
|---|--|-----------------------------|--|--|--|--|
| <b>ADDITIONS:</b>                         |  |                             |  |  |  |  |
| Fee collections for other governments     | \$ -                                     | \$ -                        | \$ -                                     | \$ -                                     | \$ -                                     | \$ -                                     |
| Special assessments for other governments | -  | 130,716                     | 276,544                                  | 5,813,449                                | 345,778                                  | 673,160                                  |
| Investment income                         | (5,038)                                  | 2,371                       | 273,203                                  | 203                                      | 199                                      | 486                                      |
| <b>Total additions</b>                    | <b>(5,038)</b>                           | <b>133,087</b>              | <b>549,747</b>                           | <b>5,813,652</b>                         | <b>345,977</b>                           | <b>673,646</b>                           |
| <b>DEDUCTIONS:</b>                        |  |                             |  |  |  |  |
| Administration                            | 1,478                                    | 5,000                       | 290,910                                  | 29,610                                   | 19,690                                   | 14,303                                   |
| Payments on conduit bonds - principal     | 950,000                                  | 630,000                     | 45,000                                   | 4,045,000                                | 255,000                                  | 520,000                                  |
| Payments on conduit bonds - interest      | 23,750                                   | 56,500                      | 204,923                                  | 1,506,431                                | 57,628                                   | 119,225                                  |
| Project payments                          | -  | -                           | -  | -  | -  | -  |
| Payments to other governments             | -  | -                           | -  | -  | -  | -  |
| <b>Total deductions</b>                   | <b>975,228</b>                           | <b>691,500</b>              | <b>540,833</b>                           | <b>5,581,041</b>                         | <b>332,318</b>                           | <b>653,528</b>                           |
| <b>Changes in net position</b>            | <b>(980,266)</b>                         | <b>(558,413)</b>            | <b>8,914</b>                             | <b>232,611</b>                           | <b>13,659</b>                            | <b>20,118</b>                            |
| <b>NET POSITION:</b>                      |  |                             |  |  |  |  |
| Beginning of year, as restated (Note 20)  | 1,986,547                                | 1,519,870                   | 4,547,960                                | 5,846,021                                | 855,574                                  | 1,021,547                                |
| End of year                               | <u>\$ 1,006,281</u>                      | <u>\$ 961,457</u>           | <u>\$ 4,556,874</u>                      | <u>\$ 6,078,632</u>                      | <u>\$ 869,233</u>                        | <u>\$ 1,041,665</u>                      |

(Continued)

**City of Tracy**  
**Combining Statement of Changes in Fiduciary Net Position (Continued)**  
**Fiduciary Funds - Custodial Funds**  
**For the Year Ended June 30, 2021**

|   | Assessment<br>District 2000-01 | 2006-01 NE<br>Industrial #2 | I-205 Residential<br>Reassessment<br>District 1999 | Assessment<br>District 2003-01 | 2011 TOP JPA<br>Revenue Bonds | CFD 2011-01<br>Tracy 580<br>Business Park |
|---|--------------------------------|-----------------------------|--|--------------------------------|-------------------------------|---|
| <b>ADDITIONS:</b>                         |                                |                             |  |                                |                               |   |
| Fee collections for other governments     | \$ -                           | \$ -                        | \$ -   | \$ -                           | \$ -                          | \$ -                                      |
| Special assessments for other governments | 1,114,355                      | 668,280                     | 277,296  | 78,155                         | 1,386,492                     | -   |
| Investment income                         | 200                            | (3,135)                     | 1,049  | (373)                          | 1,482                         | (116)                                     |
| <b>Total additions</b>                    | <b>1,114,555</b>               | <b>665,145</b>              | <b>278,345</b>                                     | <b>77,782</b>                  | <b>1,387,974</b>              | <b>(116)</b>                              |
| <b>DEDUCTIONS:</b>                        |                                |                             |  |                                |                               |   |
| Administration                            | 16,810                         | 20,327                      | 22,510   | 9,953                          | 31,122                        | -   |
| Payments on conduit bonds - principal     | 595,000                        | 215,000                     | -  | 45,000                         | 930,000                       | -   |
| Payments on conduit bonds - interest      | 460,219                        | 389,600                     | -  | 24,669                         | 363,300                       | -   |
| Project payments                          | -                              | -                           | -  | -                              | -                             | -   |
| Payments to other governments             | -                              | -                           | -  | -                              | -                             | -   |
| <b>Total deductions</b>                   | <b>1,072,029</b>               | <b>624,927</b>              | <b>22,510</b>                                      | <b>79,622</b>                  | <b>1,324,422</b>              | <b>-</b>                                  |
| <b>Changes in net position</b>            | <b>42,526</b>                  | <b>40,218</b>               | <b>255,835</b>                                     | <b>(1,840)</b>                 | <b>63,552</b>                 | <b>(116)</b>                              |
| <b>NET POSITION:</b>                      |                                |                             |  |                                |                               |   |
| Beginning of year, as restated (Note 20)  | 1,083,975                      | 3,816,896                   | 2,179,120  | 140,031                        | 3,286,534                     | 76,581                                    |
| End of year                               | <u>\$ 1,126,501</u>            | <u>\$ 3,857,114</u>         | <u>\$ 2,434,955</u>                                | <u>\$ 138,191</u>              | <u>\$ 3,350,086</u>           | <u>\$ 76,465</u>                          |

(Continued)



**City of Tracy**  
**Combining Statement of Changes in Fiduciary Net Position (Continued)**  
**Fiduciary Funds - Custodial Funds**  
**For the Year Ended June 30, 2021**

|   | Community<br>Facilities<br>District 2016-02 | Community<br>Facilities<br>District 2016-01<br>Tracy Hills | Tracy Rural<br>Fire Medical<br>Leave Bank | Total                |
|---|---|--|---|----------------------|
| <b>ADDITIONS:</b>                         |   |  |   |                      |
| Fee collections for other governments     | \$ -  | \$ 18,709,413  | \$ 127,332                                | \$ 18,836,745        |
| Special assessments for other governments | 1,160,623                                   | 2,768,635  | -   | 14,693,483           |
| Investment income                         | 719   | 1,903  | -   | 273,153              |
| <b>Total additions</b>                    | <b>1,161,342</b>                            | <b>21,479,951</b>  | <b>127,332</b>                            | <b>33,803,381</b>    |
| <b>DEDUCTIONS:</b>                        |   |  |   |                      |
| Administration                            | 37,000                                      | 27,266   | -   | 525,979              |
| Payments on conduit bonds - principal     | 205,000                                     | 135,000  | -   | 8,570,000            |
| Payments on conduit bonds - interest      | 742,275                                     | 2,552,132  | -   | 6,500,652            |
| Project payments                          | 2,513,721                                   | -  | -   | 2,513,721            |
| Payments to other governments             | -   | -  | 59,678                                    | 59,678               |
| <b>Total deductions</b>                   | <b>3,497,996</b>                            | <b>2,714,398</b>   | <b>59,678</b>                             | <b>18,170,030</b>    |
| <b>Changes in net position</b>            | <b>(2,336,654)</b>                          | <b>18,765,553</b>  | <b>67,654</b>                             | <b>15,633,351</b>    |
| <b>NET POSITION:</b>                      |   |  |   |                      |
| Beginning of year, as restated (Note 20)  | 5,692,802                                   | 9,579,094  | 311,377                                   | 41,943,929           |
| End of year                               | <u>\$ 3,356,148</u>                         | <u>\$ 28,344,647</u>                                       | <u>\$ 379,031</u>                         | <u>\$ 57,577,280</u> |

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**STATISTICAL SECTION**  
**(Unaudited)**

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## CITY OF TRACY - STATISTICAL SECTION

This part of the City of Tracy's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health

### CONTENTS PAGE

**Financial Trends** - These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.

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**Sources:** Unless otherwise noted, the information in these schedules is derived from the City's annual comprehensive financial reports for the relevant year

**City of Tracy**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|  | Fiscal Year         |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2021                | 2020                | 2019                | 2018                | 2017                |
| Governmental activities                  |                     |                     |                     |                     |                     |
| Net investment in capital assets         | \$ 653,646          | \$ 638,464          | \$ 626,220          | \$ 609,080          | \$ 581,394          |
| Restricted                               | 217,130             | 201,440             | 199,212             | 183,594             | 155,947             |
| Unrestricted                             | 1,254               | (36,566)            | (22,474)            | (10,576)            | (1,272)             |
| Total governmental activities net assets | <u>872,030</u>      | <u>803,338</u>      | <u>802,958</u>      | <u>782,098</u>      | <u>736,069</u>      |
| Business-type activities:                |                     |                     |                     |                     |                     |
| Net investment in capital assets         | \$ 412,464          | \$ 397,487          | \$ 370,880          | \$ 359,213          | \$ 357,628          |
| Restricted                               | -                   | 518                 | 1                   | -                   | 350                 |
| Unrestricted                             | 51,960              | 62,495              | 48,068              | 48,616              | 41,657              |
| Total business-type activities           | <u>\$ 464,424</u>   | <u>\$ 460,500</u>   | <u>\$ 418,949</u>   | <u>\$ 407,829</u>   | <u>\$ 399,635</u>   |
| Primary government:                      |                     |                     |                     |                     |                     |
| Net investment in capital assets         | \$ 1,066,110        | \$ 1,035,951        | \$ 997,100          | \$ 968,293          | \$ 939,022          |
| Restricted                               | 217,130             | 201,958             | 199,213             | 183,594             | 156,297             |
| Unrestricted                             | 53,214              | 25,929              | 26,594              | 38,040              | 40,385              |
| Total primary government                 | <u>\$ 1,336,454</u> | <u>\$ 1,263,838</u> | <u>\$ 1,222,907</u> | <u>\$ 1,189,927</u> | <u>\$ 1,135,704</u> |

Note - The City implemented GASB 68 in the fiscal year 2014-2015. Prior amounts have not been restated

Source: City of Tracy, Finance Department:

**City of Tracy**  
**Net Position by Component (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|  | Fiscal Year         |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2016                | 2015                | 2014                | 2013                | 2012                |
| Governmental activities                  |                     |                     |                     |                     |                     |
| Net investment in capital assets         | \$ 553,914          | \$ 526,467          | \$ 518,181          | \$ 512,728          | \$ 510,323          |
| Restricted                               | 145,381             | 152,380             | 100,403             | 111,131             | 105,425             |
| Unrestricted                             | (5,343)             | (11,671)            | 42,063              | 35,606              | 32,898              |
| Total governmental activities net assets | <u>693,952</u>      | <u>667,176</u>      | <u>660,647</u>      | <u>659,465</u>      | <u>648,646</u>      |
| Business-type activities:                |                     |                     |                     |                     |                     |
| Net investment in capital assets         | \$ 302,888          | \$ 314,492          | \$ 327,065          | \$ 328,985          | \$ 340,536          |
| Restricted                               | 348                 | 346                 | 247                 | 237                 | 232                 |
| Unrestricted                             | 39,357              | 31,221              | 31,101              | 31,283              | 29,148              |
| Total business-type activities           | <u>\$ 342,593</u>   | <u>\$ 346,059</u>   | <u>\$ 358,413</u>   | <u>\$ 360,505</u>   | <u>\$ 369,916</u>   |
| Primary government:                      |                     |                     |                     |                     |                     |
| Net investment in capital assets         | \$ 856,802          | \$ 840,959          | \$ 845,246          | \$ 841,713          | \$ 850,859          |
| Restricted                               | 145,729             | 152,726             | 100,650             | 111,368             | 105,657             |
| Unrestricted                             | 34,014              | 19,550              | 73,164              | 66,889              | 62,046              |
| Total primary government                 | <u>\$ 1,036,545</u> | <u>\$ 1,013,235</u> | <u>\$ 1,019,060</u> | <u>\$ 1,019,970</u> | <u>\$ 1,018,562</u> |

Note - The City implemented GASB 68 in the fiscal year 2014-2015. Prior amounts have not been restated

Source: City of Tracy, Finance Department:

**City of Tracy**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|   | Fiscal Year       |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2021              | 2020              | 2019              | 2018              | 2017              |
| <b>Expenses:</b>                              |                   |                   |                   |                   |                   |
| Governmental activities:                      |                   |                   |                   |                   |                   |
| General Government                            | \$ 22,135         | \$ 14,661         | \$ 14,455         | \$ 13,480         | \$ 12,412         |
| Public safety                                 | 56,194            | 60,125            | 54,075            | 52,785            | 41,326            |
| Public works                                  | 32,034            | 34,151            | 42,693            | 34,183            | 26,330            |
| Culture and leisure                           | 3,848             | 4,044             | 3,920             | 3,395             | 2,830             |
| Interest on long-term debt                    | 675               | 1,338             | 1,271             | 1,288             | 1,304             |
| Unallocated depreciation                      | -                 | -                 | -                 | -                 | -                 |
| <b>Total Governmental Activities Expenses</b> | <b>114,886</b>    | <b>114,319</b>    | <b>116,414</b>    | <b>105,131</b>    | <b>84,202</b>     |
| Business-type Activities:                     |                   |                   |                   |                   |                   |
| Water   | \$ 21,177         | \$ 21,458         | \$ 19,941         | \$ 19,087         | \$ 18,980         |
| Wastewater                                    | 21,238            | 18,991            | 18,961            | 18,601            | 15,079            |
| Airport                                       | 1,144             | 1,363             | 1,123             | 1,475             | 901               |
| Solid waste                                   | 25,986            | 25,275            | 22,289            | 20,958            | 20,541            |
| Transit                                       | 5,352             | 5,485             | 5,017             | 5,571             | 3,953             |
| Drainage                                      | 2,195             | 2,610             | 2,558             | 2,791             | 3,027             |
| <b>Total Business-Type Activities</b>         | <b>77,092</b>     | <b>75,182</b>     | <b>69,889</b>     | <b>68,483</b>     | <b>62,481</b>     |
| <b>Total Primary Governmental Expenses</b>    | <b>\$ 191,978</b> | <b>\$ 189,501</b> | <b>\$ 186,303</b> | <b>\$ 173,614</b> | <b>\$ 146,683</b> |



**City of Tracy**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|   | Fiscal Year        |                    |                    |                   |                    |
|---|--------------------|--------------------|--------------------|-------------------|--------------------|
|   | 2021               | 2020               | 2019               | 2018              | 2017               |
| <b>Program revenues:</b>                                |                    |                    |                    |                   |                    |
| Governmental activities:                                |                    |                    |                    |                   |                    |
| Charges for Services:                                   |                    |                    |                    |                   |                    |
| Development fees  | \$ 11,151          | \$ 7,731           | \$ 10,068          | \$ 8,784          | \$ 8,769           |
| Other public works                                      | 2,721              | 2,721              | 2,831              | 2,722             | 2,721              |
| Parks and community services                            | 222                | 522                | 666                | 762               | 701                |
| Other activities  | 8,728              | 8,165              | 7,227              | 7,252             | 1,805              |
| Operating grants and contributions                      | 8,330              | 14,969             | 15,142             | 14,191            | 12,680             |
| Capital grants and contributions                        | 52,673             | 39,662             | 36,408             | 68,535            | 39,966             |
| <b>Total Governmental Activities Program Revenues</b>   | <b>83,825</b>      | <b>73,770</b>      | <b>72,342</b>      | <b>102,246</b>    | <b>66,642</b>      |
| Business-type Activities:                               |                    |                    |                    |                   |                    |
| Charges for Services:                                   |                    |                    |                    |                   |                    |
| Water   | \$ 23,406          | \$ 20,328          | \$ 16,497          | \$ 16,307         | \$ 14,935          |
| Wastewater  | 15,051             | 14,552             | 14,168             | 14,836            | 14,034             |
| Airport   | 854                | 662                | 658                | 732               | 478                |
| Solid waste   | 24,309             | 23,072             | 21,550             | 20,973            | 23,333             |
| Transit   | 62                 | 103                | 117                | 117               | 116                |
| Drainage  | 750                | 737                | 686                | 691               | 644                |
| Operating grants and contributions                      | 6,988              | 4,263              | 3,733              | 6,397             | 1,516              |
| Capital grants and contributions                        | 5,801              | 22,818             | 20,936             | 9,181             | 4,268              |
| <b>Total Business-Types Activities Program Revenues</b> | <b>77,221</b>      | <b>86,535</b>      | <b>78,345</b>      | <b>69,234</b>     | <b>59,324</b>      |
| <b>Total Primary Government Program Revenues</b>        | <b>\$ 161,046</b>  | <b>\$ 160,305</b>  | <b>\$ 150,687</b>  | <b>\$ 171,480</b> | <b>\$ 125,966</b>  |
| <b>Net (expense)/revenue</b>                            |                    |                    |                    |                   |                    |
| Governmental activities                                 | \$ (31,061)        | \$ (40,549)        | \$ (44,072)        | \$ (2,885)        | \$ (17,560)        |
| Business-type activities                                | 129                | 11,353             | 8,456              | 751               | (3,157)            |
| <b>Total primary government net (expense) revenue</b>   | <b>\$ (30,932)</b> | <b>\$ (29,196)</b> | <b>\$ (35,616)</b> | <b>\$ (2,134)</b> | <b>\$ (20,717)</b> |

**City of Tracy**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|   | Fiscal Year      |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 2021             | 2020             | 2019             | 2018             | 2017             |
| <b>General revenues and other changes in net assets</b> |                  |                  |                  |                  |                  |
| Governmental activities:                                |                  |                  |                  |                  |                  |
| Taxes:  |                  |                  |                  |                  |                  |
| Property taxes  | \$ 25,736        | \$ 24,082        | \$ 22,723        | \$ 20,857        | \$ 20,393        |
| Sales and use taxes                                     | 56,649           | 37,039           | 37,083           | 30,761           | 23,291           |
| Franchise taxes   | 4,258            | 3,864            | 3,545            | 3,558            | 2,829            |
| Other taxes   | 4,802            | 3,692            | 3,703            | 3,756            | 2,719            |
| Motor vehicle in lieu, unrestricted                     | 70               | 73               | 44               | 48               | 40               |
| Investment income (loss)                                | 242              | 1,543            | 1,395            | 545              | 435              |
| Miscellaneous   | 1,388            | 87               | 407              | 1,926            | 2,022            |
| Transfers   | (3,609)          | (27,355)         | (2,016)          | (8,692)          | (4,968)          |
| Gain on Transfer of assets'                             | -                | -                | -                | -                | -                |
| Special item - Transfer of assets                       | -                | (2,098)          | -                | (3,347)          | -                |
| <b>Total governmental activities</b>                    | <b>89,536</b>    | <b>40,927</b>    | <b>66,884</b>    | <b>49,412</b>    | <b>46,761</b>    |
| Business-type activities:                               |                  |                  |                  |                  |                  |
| Interest earnings                                       | 145              | 1,835            | 1,576            | 531              | 626              |
| Miscellaneous   | 40               | 9                | 66               | 84               | 24               |
| Transfers   | 3,609            | 27,355           | 2,016            | 8,692            | 4,968            |
| <b>Total business-type activities</b>                   | <b>3,794</b>     | <b>29,199</b>    | <b>3,658</b>     | <b>9,307</b>     | <b>5,618</b>     |
| <b>Total primary government</b>                         | <b>\$ 93,330</b> | <b>\$ 70,126</b> | <b>\$ 70,542</b> | <b>\$ 58,719</b> | <b>\$ 52,379</b> |
| <b>Change in net position</b>                           |                  |                  |                  |                  |                  |
| Governmental activities                                 | \$ 58,475        | \$ 380           | \$ 22,812        | \$ 46,527        | \$ 29,201        |
| Business-type activities                                | 3,923            | 40,552           | 12,114           | 10,059           | 2,461            |
| <b>Total primary government</b>                         | <b>\$ 62,398</b> | <b>\$ 40,932</b> | <b>\$ 34,926</b> | <b>\$ 56,586</b> | <b>\$ 31,662</b> |

Note 1 - The City implemented GASB 68 in fiscal year 2014-2015. Prior amounts have not been restated.

Note 2 - The City implemented GASB 75 in fiscal year 2017-2018. Prior amounts have not been restated.

**City of Tracy**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|  | Fiscal Year       |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2016              | 2015              | 2014              | 2013              | 2012              |
| <b>Expenses:</b>                       |                   |                   |                   |                   |                   |
| Governmental activities:               |                   |                   |                   |                   |                   |
| General Government                     | \$ 13,629         | \$ 7,907          | \$ 6,412          | \$ 6,572          | \$ 6,283          |
| Public safety                          | 37,858            | 37,562            | 37,974            | 37,248            | 37,602            |
| Public works                           | 31,874            | 27,572            | 32,358            | 25,954            | 52,418            |
| Culture and leisure                    | 3,134             | 3,288             | 4,668             | 4,709             | 5,097             |
| Interest on long-term debt             | 1,345             | 1,337             | 1,342             | 1,399             | 1,925             |
| Unallocated depreciation               | -                 | -                 | 586               | 520               | 566               |
| Total Governmental Activities Expenses | <u>87,840</u>     | <u>77,666</u>     | <u>83,340</u>     | <u>76,402</u>     | <u>103,891</u>    |
| Business-type Activities:              |                   |                   |                   |                   |                   |
| Water                                  | \$ 22,659         | \$ 23,610         | \$ 22,300         | \$ 21,765         | \$ 22,295         |
| Wastewater                             | 16,522            | 17,040            | 16,442            | 14,970            | 18,980            |
| Airport                                | 775               | 703               | 629               | 590               | 686               |
| Solid waste                            | 20,899            | 19,477            | 18,923            | 18,820            | 18,585            |
| Transit                                | 3,169             | 2,968             | 2,556             | 2,404             | 2,436             |
| Drainage                               | 3,485             | 3,436             | 3,404             | 3,232             | 3,351             |
| Total Business-Type Activities         | <u>67,509</u>     | <u>67,234</u>     | <u>64,254</u>     | <u>61,781</u>     | <u>66,333</u>     |
| Total Primary Governmental Expenses    | <u>\$ 155,349</u> | <u>\$ 144,900</u> | <u>\$ 147,594</u> | <u>\$ 138,183</u> | <u>\$ 170,224</u> |

**City of Tracy**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|   | Fiscal Year        |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 2016               | 2015               | 2014               | 2013               | 2012               |
| <b>Program revenues:</b>                                |                    |                    |                    |                    |                    |
| Governmental activities:                                |                    |                    |                    |                    |                    |
| Charges for Services:                                   |                    |                    |                    |                    |                    |
| Development fees  | \$ 6,816           | \$ 6,124           | \$ 3,039           | \$ 2,460           | \$ 1,617           |
| Other public works                                      | 3,093              | 2,968              | 5,040              | 5,300              | 5,204              |
| Parks and community services                            | 1,047              | 940                | 838                | 878                | 789                |
| Other activities  | 1,864              | 1,104              | 1,879              | 1,665              | 2,566              |
| Operating grants and contributions                      | 12,811             | 13,097             | 10,964             | 12,723             | 9,482              |
| Capital grants and contributions                        | 37,084             | 40,451             | 18,166             | 22,596             | 15,527             |
| <b>Total Governmental Activities Program Revenues</b>   | <b>\$ 62,715</b>   | <b>\$ 64,684</b>   | <b>\$ 39,926</b>   | <b>\$ 45,622</b>   | <b>\$ 35,185</b>   |
| Business-type Activities:                               |                    |                    |                    |                    |                    |
| Charges for Services:                                   |                    |                    |                    |                    |                    |
| Water   | \$ 13,101          | \$ 14,379          | \$ 18,700          | \$ 15,672          | \$ 14,433          |
| Wastewater  | 13,616             | 13,086             | 12,940             | 11,978             | 11,480             |
| Airport   | 403                | 504                | 395                | 272                | 375                |
| Solid waste   | 25,156             | 22,356             | 21,521             | 20,352             | 18,852             |
| Transit   | 96                 | 109                | 1,631              | 818                | 822                |
| Drainage  | 609                | 603                | 546                | 564                | 564                |
| Operating grants and contributions                      | 2,041              | 1,608              | -                  | -                  | -                  |
| Capital grants and contributions                        | 3,302              | 8,652              | 6,337              | 2,528              | 2,801              |
| <b>Total Business-Types Activities Program Revenues</b> | <b>\$ 58,324</b>   | <b>\$ 61,297</b>   | <b>\$ 62,070</b>   | <b>\$ 52,184</b>   | <b>\$ 49,327</b>   |
| <b>Total Primary Government Program Revenues</b>        | <b>\$ 121,039</b>  | <b>\$ 125,981</b>  | <b>\$ 101,996</b>  | <b>\$ 97,806</b>   | <b>\$ 84,512</b>   |
| <b>Net (expense)/revenue</b>                            |                    |                    |                    |                    |                    |
| Governmental activities                                 | \$ (25,125)        | \$ (12,982)        | \$ (43,414)        | \$ (30,780)        | \$ (68,706)        |
| Business-type activities                                | (9,185)            | (5,937)            | (2,184)            | (9,597)            | (17,006)           |
| <b>Total primary government net (expense) revenue</b>   | <b>\$ (34,310)</b> | <b>\$ (18,919)</b> | <b>\$ (45,598)</b> | <b>\$ (40,377)</b> | <b>\$ (85,712)</b> |

**City of Tracy**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

|   | Fiscal Year      |                  |                  |                  |                   |
|---|------------------|------------------|------------------|------------------|-------------------|
|   | 2016             | 2015             | 2014             | 2013             | 2012              |
| <b>General revenues and other changes in net assets</b> |                  |                  |                  |                  |                   |
| Governmental activities:                                |                  |                  |                  |                  |                   |
| Taxes:  |                  |                  |                  |                  |                   |
| Property taxes  | \$ 19,638        | \$ 17,709        | \$ 15,700        | \$ 14,946        | \$ 18,527         |
| Sales and use taxes                                     | 24,371           | 24,280           | 22,722           | 20,553           | 18,422            |
| Franchise taxes   | 2,776            | 2,728            | 2,593            | 2,500            | 2,443             |
| Other taxes   | 2,562            | 2,304            | 1,952            | 1,839            | 1,702             |
| Motor vehicle in lieu, unrestricted                     | 34               | 35               | 36               | 43               | 41                |
| Investment income (loss)                                | 1,000            | 610              | 1,129            | 165              | 801               |
| Miscellaneous   | 3,497            | 1,311            | 1,634            | 1,595            | 1,760             |
| Transfers   | (5,141)          | -                | -                | (42)             | -                 |
| Gain on Transfer of assets'                             | -                | -                | -                | -                | 31,889            |
| Special item - Transfer of assets                       | 3,162            | -                | -                | -                | -                 |
| <b>Total governmental activities</b>                    | <b>\$ 51,899</b> | <b>\$ 48,977</b> | <b>\$ 45,766</b> | <b>\$ 41,599</b> | <b>\$ 75,585</b>  |
| Business-type activities:                               |                  |                  |                  |                  |                   |
| Interest earnings                                       | \$ 551           | \$ 585           | \$ 264           | \$ 144           | \$ 520            |
| Miscellaneous   | 25               | 42               | -                | -                | -                 |
| Transfers   | 5,141            | -                | -                | 42               | -                 |
| <b>Total business-type activities</b>                   | <b>\$ 5,717</b>  | <b>\$ 627</b>    | <b>\$ 264</b>    | <b>\$ 186</b>    | <b>\$ 520</b>     |
| <b>Total primary government</b>                         | <b>\$ 57,616</b> | <b>\$ 49,604</b> | <b>\$ 46,030</b> | <b>\$ 41,785</b> | <b>\$ 76,105</b>  |
| <b>Change in net position</b>                           |                  |                  |                  |                  |                   |
| Governmental activities                                 | \$ 26,774        | \$ 35,995        | \$ 2,352         | \$ 10,819        | \$ 6,879          |
| Business-type activities                                | (3,468)          | (5,310)          | (1,920)          | (9,411)          | (16,486)          |
| <b>Total primary government</b>                         | <b>\$ 23,306</b> | <b>\$ 30,685</b> | <b>\$ 432</b>    | <b>\$ 1,408</b>  | <b>\$ (9,607)</b> |

Note 1 - The City implemented GASB 68 in fiscal year 2014-2015. Prior amounts have not been restated.

Note 2 - The City implemented GASB 75 in fiscal year 2017-2018. Prior amounts have not been restated.

**City of Tracy**  
**Program Revenues by Function/Program**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

| <b>Function/Program</b>                   | Fiscal Year       |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2021              | 2020              | 2019              | 2018              | 2017              |
| <b>Governmental activities:</b>           |                   |                   |                   |                   |                   |
| General Government                        | \$ 9,898          | \$ 9,126          | \$ 8,988          | \$ 11,204         | \$ 2,700          |
| Police                                    | 1,922             | 2,134             | 2,277             | 3,085             | 1,972             |
| Fire                                      | -                 | 10,339            | 6,445             | 7,172             | 6,556             |
| Development and engineering               | 11,171            | 7,751             | 10,585            | 9,363             | 9,213             |
| Public works                              | 60,072            | 43,031            | 43,510            | 70,310            | 45,234            |
| Parks, recreation, and community services | 762               | 1,390             | 1,000             | 1,112             | 967               |
| Subtotal governmental activities          | <u>83,825</u>     | <u>73,771</u>     | <u>72,805</u>     | <u>102,246</u>    | <u>66,642</u>     |
| <b>Business-type activities:</b>          |                   |                   |                   |                   |                   |
| Water                                     | \$ 25,029         | \$ 31,134         | \$ 20,307         | \$ 21,397         | \$ 15,220         |
| Wastewater                                | 16,905            | 22,584            | 29,337            | 16,610            | 14,805            |
| Airport                                   | 989               | 2,382             | 1,725             | 2,906             | 1,514             |
| Solid Waste                               | 24,329            | 23,134            | 21,553            | 20,973            | 23,354            |
| Transit                                   | 8,127             | 6,543             | 3,914             | 6,540             | 3,787             |
| Drainage                                  | 1,843             | 760               | 1,509             | 808               | 644               |
| Subtotal business-type activities         | <u>77,222</u>     | <u>86,537</u>     | <u>78,345</u>     | <u>69,234</u>     | <u>59,324</u>     |
| Total primary government                  | <u>\$ 161,047</u> | <u>\$ 160,308</u> | <u>\$ 151,150</u> | <u>\$ 171,480</u> | <u>\$ 125,966</u> |

**City of Tracy**  
**Program Revenues by Function/Program (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

| <b>Function/Program</b>                   | Fiscal Year       |                   |                  |                  |                  |
|---|-------------------|-------------------|------------------|------------------|------------------|
|   | 2016              | 2015              | 2014             | 2013             | 2012             |
| <b>Governmental activities:</b>           |                   |                   |                  |                  |                  |
| General Government                        | \$ 3,099          | \$ 3,850          | \$ 2,892         | \$ 1,908         | \$ 2,682         |
| Police                                    | 2,052             | 2,847             | 1,775            | 2,330            | 1,390            |
| Fire                                      | 6,539             | 6,792             | 6,980            | 8,692            | 4,765            |
| Development and engineering               | 7,209             | 6,505             | 3,410            | 2,871            | 1,974            |
| Public works                              | 42,437            | 43,198            | 23,621           | 28,367           | 23,224           |
| Parks, recreation, and community services | 1,380             | 1,492             | 1,248            | 1,454            | 1,150            |
| Subtotal governmental activities          | <u>62,716</u>     | <u>64,684</u>     | <u>39,926</u>    | <u>45,622</u>    | <u>35,185</u>    |
| <b>Business-type activities:</b>          |                   |                   |                  |                  |                  |
| Water                                     | \$ 13,801         | \$ 17,659         | \$ 16,877        | \$ 15,672        | \$ 14,501        |
| Wastewater                                | 13,849            | 14,533            | 13,438           | 12,131           | 12,669           |
| Airport                                   | 2,622             | 4,060             | 731              | 607              | 417              |
| Solid Waste                               | 25,156            | 22,356            | 20,352           | 20,352           | 18,858           |
| Transit                                   | 2,210             | 2,030             | 1,171            | 2,858            | 2,018            |
| Drainage                                  | 686               | 659               | 3,424            | 564              | 864              |
| Subtotal business-type activities         | <u>58,324</u>     | <u>61,297</u>     | <u>55,993</u>    | <u>52,184</u>    | <u>49,327</u>    |
| Total primary government                  | <u>\$ 121,040</u> | <u>\$ 125,981</u> | <u>\$ 95,919</u> | <u>\$ 97,806</u> | <u>\$ 84,512</u> |

**City of Tracy**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|   | Fiscal Year       |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2021              | 2020              | 2019              | 2018              | 2017              |
| General Fund:                             |                   |                   |                   |                   |                   |
| Nonspendable                              | \$ 40             | \$ 40             | \$ 470            | \$ 1,525          | \$ 5,117          |
| Restricted                                | 2,348             | -                 | -                 | -                 | -                 |
| Committed                                 | 16,401            | 14,479            | 14,883            | 14,961            | 11,716            |
| Assigned                                  | 11,277            | 6,112             | 15,213            | 20,997            | 11,455            |
| Unassigned                                | 3,964             | -                 | -                 | 842               | 12,483            |
| <b>Total General Fund</b>                 | <b>\$ 34,030</b>  | <b>\$ 20,631</b>  | <b>\$ 30,566</b>  | <b>\$ 38,325</b>  | <b>\$ 40,771</b>  |
| All other governmental funds              |                   |                   |                   |                   |                   |
| Nonspendable                              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Restricted                                | 195,384           | 155,058           | 164,057           | 153,595           | 124,932           |
| Committed                                 | -                 | -                 | -                 | -                 | -                 |
| Assigned                                  | 38,508            | 26,193            | 12,192            | 5,909             | 4,438             |
| Unassigned                                | -                 | -                 | -                 | -                 | -                 |
| Special revenue funds                     | -                 | (3,131)           | (6,609)           | (8,192)           | (517)             |
| Capital projects funds                    | (2,176)           | (2,174)           | (2,382)           | -                 | -                 |
| Debt service funds                        | -                 | -                 | -                 | -                 | -                 |
| <b>Total all other governmental funds</b> | <b>\$ 231,716</b> | <b>\$ 175,946</b> | <b>\$ 167,258</b> | <b>\$ 151,312</b> | <b>\$ 128,853</b> |

Source: City of Tracy, Finance Department



**City of Tracy**  
**Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|   | Fiscal Year       |                   |                  |                   |                   |
|---|-------------------|-------------------|------------------|-------------------|-------------------|
|   | 2016              | 2015              | 2014             | 2013              | 2012              |
| General Fund:                             |                   |                   |                  |                   |                   |
| Nonspendable                              | \$ 5,873          | \$ 6,640          | \$ 782           | \$ 781            | \$ 791            |
| Restricted                                | -                 | -                 | 346              | 333               | 445               |
| Committed                                 | -                 | -                 | -                | -                 | -                 |
| Assigned                                  | 358               | 1,152             | 523              | 277               | 22                |
| Unassigned                                | 34,425            | 29,861            | 33,420           | 27,503            | 25,676            |
| <b>Total General Fund</b>                 | <b>\$ 40,656</b>  | <b>\$ 37,653</b>  | <b>\$ 35,071</b> | <b>\$ 28,894</b>  | <b>\$ 26,934</b>  |
| All other governmental funds              |                   |                   |                  |                   |                   |
| Nonspendable                              | \$ -              | \$ -              | \$ -             | \$ -              | \$ -              |
| Restricted                                | -                 | 4                 | 57               | -                 | 4,646             |
| Committed                                 | 110,191           | 113,064           | 97,402           | 108,381           | 90,507            |
| Assigned                                  | -                 | -                 | -                | -                 | -                 |
| Unassigned                                | 5,588             | 13,360            | -                | -                 | 15,339            |
| Special revenue funds                     | -                 | -                 | -                | -                 | -                 |
| Capital projects funds                    | (4,431)           | (610)             | (1,278)          | (159)             | (1,071)           |
| Debt service funds                        | -                 | -                 | -                | -                 | -                 |
| <b>Total all other governmental funds</b> | <b>\$ 111,348</b> | <b>\$ 125,818</b> | <b>\$ 96,181</b> | <b>\$ 108,222</b> | <b>\$ 109,421</b> |

Source: City of Tracy, Finance Department

**City of Tracy**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|  | Fiscal Year      |                   |                  |                  |                  |
|--|------------------|-------------------|------------------|------------------|------------------|
|  | 2021             | 2020              | 2019             | 2018             | 2017             |
| <b>Revenues:</b>   |                  |                   |                  |                  |                  |
| Taxes  | \$ 88,626        | \$ 65,927         | \$ 65,931        | \$ 59,838        | \$ 47,540        |
| Licenses, premits and fees                               | 10,015           | 7,418             | 8,161            | 7,792            | 7,191            |
| Fines and forfeits                                       | 1,098            | 630               | 880              | 1,559            | 510              |
| Use of money and property                                | 483              | 5,604             | 6,003            | 1,462            | 1,356            |
| Intergovernmental  | 8,221            | 12,770            | 16,733           | 21,127           | 27,127           |
| Charges of services                                      | 50,130           | 41,841            | 34,752           | 54,269           | 9,472            |
| Special assessments                                      | 4,305            | 4,060             | 4,646            | 3,597            | 24,886           |
| Contributions from assessment districts                  | 156              | 3,434             | 1,697            | 5,121            | 3,372            |
| Other  | 1,353            | 58                | 147              | 1,589            | 3,460            |
| <b>Total revenues</b>                                    | <b>164,387</b>   | <b>141,742</b>    | <b>138,950</b>   | <b>156,354</b>   | <b>124,914</b>   |
| <b>Expenditures:</b>                                     |                  |                   |                  |                  |                  |
| Current:   |                  |                   |                  |                  |                  |
| General government                                       | 17,658           | 15,136            | 14,544           | 13,579           | 13,763           |
| Police   | 35,935           | 33,708            | 30,575           | 27,078           | 24,690           |
| Fire   | 15,933           | 21,909            | 21,404           | 22,251           | 18,483           |
| Development and engineering                              | 12,413           | 11,258            | 11,327           | 13,549           | 8,828            |
| Public works   | 11,997           | 11,547            | 13,391           | 10,156           | 9,292            |
| Parks and recreation                                     | 3,038            | 3,181             | 3,245            | 2,683            | 2,287            |
| Capital outlay   | 9,108            | 29,699            | 28,802           | 38,631           | 28,645           |
| Debt service:  |                  |                   |                  |                  |                  |
| Principal  | 555              | 21,315            | 405              | 434              | 398              |
| Interest and fiscal charges                              | 720              | 1,565             | 1,276            | 1,292            | 1,308            |
| <b>Total expenditures</b>                                | <b>107,357</b>   | <b>149,318</b>    | <b>124,969</b>   | <b>129,653</b>   | <b>107,694</b>   |
| Excess of revenues over (under) expenditures             | 57,030           | (7,576)           | 13,981           | 26,701           | 17,220           |
| <b>Other financing sources (uses):</b>                   |                  |                   |                  |                  |                  |
| Issuance of debt (including premium)                     | -                | 21,737            | -                | -                | -                |
| Contributions  | -                | 3,930             | -                | -                | -                |
| Transfers in   | 20,489           | 27,601            | 36,154           | 13,040           | 5,226            |
| Transfers out  | (24,562)         | (46,971)          | (40,004)         | (16,731)         | (5,226)          |
| Proceeds from sale of property                           | -                | 33                | 8                | 350              | 5                |
| <b>Total other financing sources (uses):</b>             | <b>(4,073)</b>   | <b>6,330</b>      | <b>(3,842)</b>   | <b>(3,341)</b>   | <b>5</b>         |
| <b>Net change in fund balances</b>                       | <b>\$ 52,957</b> | <b>\$ (1,246)</b> | <b>\$ 10,139</b> | <b>\$ 23,360</b> | <b>\$ 17,225</b> |
| Debt service as a percentage of non-capital expenditures | 1.31%            | 17.41%            | 1.56%            | 1.70%            | 1.97%            |

**City of Tracy**  
**Changes in Fund Balances, Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|  | Fiscal Year        |                  |                   |               |                   |
|--|--------------------|------------------|-------------------|---------------|-------------------|
|  | 2016               | 2015             | 2014              | 2013          | 2012              |
| <b>Revenues:</b>   |                    |                  |                   |               |                   |
| Taxes  | \$ 49,118          | \$ 46,915        | \$ 43,804         | \$ 40,503     | \$ 41,393         |
| Licenses, premits and fees                               | 5,236              | 4,706            | 4,008             | 3,564         | 3,174             |
| Fines and forfeits                                       | 673                | 972              | 863               | 568           | 1,552             |
| Use of money and property                                | 2,936              | 1,277            | 1,699             | 700           | 1,459             |
| Intergovernmental  | 20,413             | 16,235           | 12,928            | 16,038        | 11,992            |
| Charges of services                                      | 9,997              | 9,165            | 8,894             | 9,147         | 8,388             |
| Special assessments                                      | 14,977             | 29,899           | 7,181             | 13,406        | 4,095             |
| Contributions from assessment districts                  | 3,574              | 3,444            | 4,346             | 1,887         | 5,404             |
| Other  | 3,501              | 1,410            | 1,767             | 1,124         | 1,294             |
| <b>Total revenues</b>                                    | <b>110,425</b>     | <b>114,023</b>   | <b>85,490</b>     | <b>86,937</b> | <b>78,751</b>     |
| <b>Expenditures:</b>                                     |                    |                  |                   |               |                   |
| Current:   |                    |                  |                   |               |                   |
| General government                                       | 14,900             | 7,748            | 7,050             | 6,434         | 6,854             |
| Police   | 23,717             | 22,012           | 21,592            | 21,488        | 21,902            |
| Fire   | 16,692             | 16,033           | 15,869            | 15,305        | 15,205            |
| Development and engineering                              | 9,042              | 7,793            | 6,467             | 6,449         | 6,273             |
| Public works   | 9,372              | 9,093            | 8,471             | 8,091         | 7,530             |
| Parks and recreation                                     | 3,110              | 3,019            | 3,113             | 3,330         | 3,599             |
| Capital outlay   | 41,456             | 20,582           | 27,179            | 23,465        | 19,829            |
| Debt service:  |                    |                  |                   |               |                   |
| Principal  | 368                | 328              | 245               | 220           | 195               |
| Interest and fiscal charges                              | 1,322              | 1,334            | 1,345             | 1,352         | 2,623             |
| <b>Total expenditures</b>                                | <b>119,979</b>     | <b>87,942</b>    | <b>91,331</b>     | <b>86,134</b> | <b>84,010</b>     |
| Excess of revenues over (under) expenditures             | (9,554)            | 26,081           | (5,841)           | 803           | (5,259)           |
| <b>Other financing sources (uses):</b>                   |                    |                  |                   |               |                   |
| Issuance of debt (including premium)                     | -                  | 248              | -                 | -             | -                 |
| Contributions  | -                  | -                | -                 | -             | -                 |
| Transfers in   | 6,009              | 11,723           | 1,214             | 20,600        | 2,699             |
| Transfers out  | (8,750)            | (11,745)         | (1,236)           | (20,642)      | (2,699)           |
| Proceeds from sale of property                           | 829                | 420              | -                 | -             | -                 |
| <b>Total other financing sources (uses):</b>             | <b>(1,912)</b>     | <b>646</b>       | <b>(22)</b>       | <b>(42)</b>   | <b>-</b>          |
| <b>Net change in fund balances</b>                       | <b>\$ (11,466)</b> | <b>\$ 26,727</b> | <b>\$ (5,863)</b> | <b>\$ 761</b> | <b>\$ (5,259)</b> |
| Debt service as a percentage of non-capital expenditures | 1.94%              | 2.34%            | 2.12%             | 2.33%         | 4.22%             |

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**City of Tracy**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**

| Fiscal Year | Property Taxes | Franchise Taxes | Sales and Use Taxes | Transient Taxes | Business License Taxes | Transfer Taxes | Total         |
|-------------|----------------|-----------------|---------------------|-----------------|------------------------|----------------|---------------|
| 2021        | \$ 25,735,540  | \$ 4,257,868    | \$ 56,648,873       | \$ 1,702,313    | \$ 1,016,050           | \$ 2,084,113   | \$ 91,444,757 |
| 2020        | 24,082,470     | 3,864,335       | 37,038,773          | 1,447,897       | 850,991                | 1,392,908      | 68,677,373    |
| 2019        | 22,259,306     | 3,545,578       | 37,082,569          | 1,638,102       | 934,793                | 1,130,147      | 66,590,495    |
| 2018        | 20,848,493     | 3,508,816       | 30,760,699          | 1,597,341       | 847,027                | 1,311,406      | 58,873,782    |
| 2017        | 20,392,536     | 2,829,424       | 23,290,667          | 1,507,518       | 838,037                | 372,636        | 49,230,817    |
| 2016        | 19,638,061     | 2,775,984       | 24,371,002          | 1,378,802       | 814,210                | 368,922        | 49,346,981    |
| 2015        | 17,709,090     | 2,727,886       | 24,279,575          | 1,123,087       | 818,656                | 362,107        | 47,020,401    |
| 2014        | 15,699,554     | 2,593,225       | 22,721,973          | 974,314         | 706,573                | 271,761        | 42,967,400    |
| 2013        | 14,946,468     | 2,499,946       | 20,553,264          | 786,827         | 689,323                | 362,793        | 39,838,621    |
| 2012        | 18,527,327     | 2,442,841       | 18,422,071          | 745,975         | 673,342                | 282,674        | 41,094,230    |

Source: Finance Department, City of Tracy

**City of Tracy**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**

| Category          | Fiscal Years             |                          |                          |                          |                         |
|-------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
|                   | 2021                     | 2020                     | 2019                     | 2018                     | 2017                    |
| Residential       | \$ 9,143,911,871         | \$ 8,555,296,590         | \$ 8,039,865,942         | \$ 7,507,417,694         | \$ 7,068,856,191        |
| Commercial        | 1,030,981,316            | 955,735,852              | 947,333,003              | 929,006,663              | 885,051,665             |
| Industrial        | 1,497,816,029            | 1,317,064,070            | 1,174,162,150            | 1,096,123,367            | 985,768,269             |
| Agricultural      | 9,954,085                | 13,112,309               | 14,680,140               | 16,512,544               | 16,157,722              |
| Govt. Owned       | 390,665                  | 383,006                  | 58,141                   | 57,001                   | 55,884                  |
| Institutional     | 17,778,493               | 14,022,064               | 13,108,380               | 14,530,172               | 5,720,691               |
| Miscellaneous     | 1,059,690                | 1,040,944                | 1,020,538                | 1,000,531                | 904,446                 |
| Recreational      | 13,907,241               | 13,655,823               | 13,397,875               | 13,135,180               | 12,877,684              |
| Vacant            | 450,516,491              | 390,395,541              | 224,337,103              | 237,333,513              | 245,602,494             |
| SBE Nonuitary     | 13,423,381               | 11,939,960               | 11,939,960               | 11,939,960               | 11,939,960              |
| Cross Reference   | 7,908,510                | 6,625,995                | 6,538,593                | 6,436,773                | 6,326,367               |
| Unsecured         | 608,053,111              | 558,315,419              | 537,094,969              | 577,931,679              | 514,650,372             |
| Exempt            | -                        | -                        | -                        | (14,741,007)             | (14,691,821)            |
| Unknown           | 305,883                  | 336,600                  | 692,500                  | -                        | -                       |
| <b>Totals</b>     | <b>\$ 12,796,006,766</b> | <b>\$ 11,837,924,173</b> | <b>\$ 10,984,229,294</b> | <b>\$ 10,396,684,070</b> | <b>\$ 9,739,219,924</b> |
| Total Direct Rate | 13.87%                   | 13.87%                   | 14.29%                   | 14.39%                   | 14.56%                  |

\*Table updated as of FY21-21

Source: The HdL Company

**City of Tracy**  
**Assessed Value of Taxable Property (Continued)**  
**Last Ten Fiscal Years**

| Category          | Fiscal Years            |                         |                         |                         |                         |
|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                   | 2016                    | 2015                    | 2014                    | 2013                    | 2012                    |
| Residential       | \$ 6,659,567,812        | \$ 6,338,819,597        | \$ 5,483,285,494        | \$ 4,941,891,425        | \$ 5,014,246,784        |
| Commercial        | 813,724,348             | 809,032,343             | 780,671,922             | 759,270,908             | 762,602,990             |
| Industrial        | 729,448,654             | 731,830,268             | 643,307,116             | 710,743,366             | 707,411,399             |
| Agricultural      | 64,987,156              | 50,838,834              | 15,845,815              | 12,310,276              | 12,121,912              |
| Govt. Owned       | 1,096,359               | 1,213,712               | 53,723                  | 52,669                  | 51,637                  |
| Institutional     | 9,515,260               | 9,692,380               | 8,872,850               | 8,457,785               | 8,854,601               |
| Miscellaneous     | 32,517,596              | 31,703,360              | 31,765,357              | 34,534,323              | 34,602,445              |
| Recreational      | 16,769,125              | 16,557,457              | 16,461,155              | 14,215,180              | 14,887,781              |
| Vacant            | 298,360,191             | 130,690,678             | 132,775,224             | 114,511,579             | 114,584,285             |
| SBE Nonuitary     | 12,164,031              | 12,164,031              | 12,164,031              | 11,041,870              | 11,041,870              |
| Cross Reference   | 6,166,763               | 5,447,560               | 5,285,640               | 5,128,442               | 5,062,316               |
| Unsecured         | 385,687,795             | 362,915,054             | 283,642,728             | 285,483,775             | 283,655,648             |
| Exempt            | (13,653,324)            | (11,108,238)            | (10,494,903)            | (9,614,948)             | (9,157,458)             |
| Unknown           | -                       | -                       | 65,332,242              | -                       | -                       |
| <b>Totals</b>     | <b>\$ 9,016,351,766</b> | <b>\$ 8,489,797,036</b> | <b>\$ 7,468,968,394</b> | <b>\$ 6,888,026,650</b> | <b>\$ 6,959,966,210</b> |
| Total Direct Rate | 14.90%                  | 15.03%                  | 15.27%                  | 25.02%                  | 24.94%                  |

**City of Tracy**  
**Direct and Overlapping Property Tax Rates**  
**(Rate Per \$100 of Taxable Value)**  
**Last Ten Fiscal Years**

| Agency  | Fiscal Year    |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 2021           | 2020           | 2019           | 2018           | 2017           |
| Basic Levy <sup>1</sup>                                     | 1.00000        | 1.00000        | 1.00000        | 1.00000        | 1.00000        |
| Banta Elementary  | 0.00150        | 0.00210        | 0.00270        | 0.00350        | 0.00510        |
| Jefferson Elementary  | 0.02610        | 0.02590        | 0.02730        | 0.02640        | 0.02690        |
| Lammersville Joint Usd 2016A                                | 0.03950        | 0.04870        | 0.05500        | 0.05340        | 0.00000        |
| San Joaquin Delta College District                          | 0.01830        | 0.01990        | 0.02250        | 0.01800        | 0.01800        |
| Tracy Unified School District                               | 0.06320        | 0.06470        | 0.06420        | 0.03320        | 0.06690        |
| Tracy-Lammersville School District                          | 0.01390        | 0.01510        | 0.01620        | 0.01720        | 0.01850        |
| <b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b> | <b>1.16250</b> | <b>1.17640</b> | <b>1.18790</b> | <b>1.15170</b> | <b>1.13540</b> |
| City's Share of 1% Levy Per Prop 13 <sup>3</sup>            | 0.16903        | 0.16903        | 0.16903        | 0.16903        | 0.16903        |
| <b>Voter Approved City Debt Rate</b>                        |                |                |                |                |                |
| Redevelopment Rate <sup>4</sup>                             | 1.00000        |                |                |                |                |
| Total Direct Rate <sup>5</sup>                              | 0.13701        | 0.13869        | 0.14291        | 0.14394        | 0.14564        |

\*Table updated as of FY19-20

Notes:

<sup>1</sup>In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed, amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

<sup>2</sup>Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.

<sup>3</sup>City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.

<sup>4</sup>Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABXI 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

<sup>5</sup>Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposed of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.



**City of Tracy**  
**Direct and Overlapping Property Tax Rates (Continued)**  
**(Rate Per \$100 of Taxable Value)**  
**Last Ten Fiscal Years**

| Agency  | Fiscal Year    |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 2016           | 2015           | 2014           | 2013           | 2012           |
| Basic Levy <sup>1</sup>                                     | 1.00000        | 1.00000        | 1.00000        | 1.00000        | 1.00000        |
| Banta Elementary  | 0.00700        | 0.00870        | 0.00820        | 0.00890        | 0.00860        |
| Jefferson Elementary  | 0.02710        | 0.02900        | 0.02850        | 0.02410        | 0.02450        |
| Lammersville Joint Usd 2016A                                | 0.00000        | 0.00000        | 0.00000        | 0.00000        | 0.00000        |
| San Joaquin Delta College District                          | 0.01980        | 0.02330        | 0.01940        | 0.02020        | 0.02000        |
| Tracy Unified School District                               | 0.07010        | 0.02120        | 0.03270        | 0.03450        | 0.03500        |
| Tracy-Lammersville School District                          | 0.02010        | 0.02130        | 0.01480        | 0.01570        | 0.01600        |
| <b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b> | <b>1.14410</b> | <b>1.10350</b> | <b>1.10360</b> | <b>1.10340</b> | <b>1.10410</b> |
| City's Share of 1% Levy Per Prop 13 <sup>3</sup>            | 0.16903        | 0.16903        | 0.16903        | 0.16903        | 0.16903        |
| <b>Voter Approved City Debt Rate</b>                        |                |                |                |                |                |
| Redevelopment Rate <sup>4</sup>                             |                |                |                |                | 1.00000        |
| Total Direct Rate <sup>5</sup>                              | 0.14895        | 0.15031        | 0.15266        | 0.25021        | 0.24937        |

\*Table updated as of FY19-20

Notes:

<sup>1</sup>In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed, amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

<sup>2</sup>Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.

<sup>3</sup>City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.

<sup>4</sup>Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABXI 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

<sup>5</sup>Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposed of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

**City of Tracy**  
**Principal Property Tax Payers**  
**Current Fiscal Year and Nine Years Ago**

| Taxpayer Name                       | Taxable Assessed Value  | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value  | Rank | Percentage of Total Taxable Assessed Value |
|-------------------------------------|-------------------------|------|--|-------------------------|------|--|
| Prologis                            | \$ 437,422,955          | 1    | 3.42%                                      | \$ 58,139,317           | 4    | 0.84%                                      |
| Amazon Com Services Inc             | 162,933,210             | 2    | 1.31%                                      |                         |      |  |
| Fedex Ground Package System Inc     | 136,915,550             | 3    | 1.08%                                      |                         |      |  |
| IPT Tracy DC LP                     | 132,891,830             | 4    | 0.85%                                      |                         |      |  |
| West Valley Realty LLC              | 102,676,462             | 5    | 0.81%                                      |                         |      |  |
| Leprino Foods Company Corporation   | 88,926,962              | 6    | 0.75%                                      | 95,086,796              | 2    | 1.37%                                      |
| Tracy 300 LP                        | 76,014,490              | 7    | 0.57%                                      |                         |      |  |
| Lennar Homes of California Inc      | 75,034,793              | 8    | 0.54%                                      |                         |      |  |
| Medline Cordes Rach Eat LLC         | 65,707,561              | 9    | 0.54%                                      |                         |      |  |
| PAC Corporate Center Tracy ET AL    | 60,417,885              | 10   | 0.50%                                      |                         |      |  |
| LP Mall Partners Tracy              |                         |      |  | 98,777,391              | 1    | 1.42%                                      |
| Catellus Corporate Center Tracy LLC |                         |      |  | 62,962,009              | 3    | 0.90%                                      |
| US industrial Reit III Containter   |                         |      |  | 53,692,213              | 5    | 0.77%                                      |
| Central Valley LLC                  |                         |      |  | 51,159,087              | 6    | 0.74%                                      |
| Inland Container Corportation       |                         |      |  | 35,714,053              | 7    | 0.51%                                      |
| TCE Tracy LLC                       |                         |      |  | 31,442,622              | 8    | 0.45%                                      |
| LBA of PPF Industrial-MacArthur     |                         |      |  | 30,706,845              | 9    | 0.44%                                      |
| US Cold Storage of California       |                         |      |  | 30,480,736              | 10   | 0.44%                                      |
| <b>Top Ten Total</b>                | <b>\$ 1,338,941,698</b> |      | <b>10.46%</b>                              | <b>\$ 548,161,069</b>   |      | <b>7.88%</b>                               |
| <b>Total Taxable Assessed Value</b> | <b>\$12,796,006,766</b> |      | <b>100%</b>                                | <b>\$ 6,959,966,210</b> |      | <b>100%</b>                                |

Source: The HdL Company

**City of Tracy**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

| Fiscal Year | Total Tax Levy | Current Tax Collections | Percent of Levy Collected | Delinquent of Levy Collected | Total Tax Collections | Percent of Total Tax Collections to Tax Levy | Value of City Property Subject to Local Tax Rate |
|-------------|----------------|-------------------------|---------------------------|------------------------------|-----------------------|--|--|
| 2012        | \$ 9,724,002   | \$ 9,724,002            | 100.00%                   | 0.00                         | \$ 9,724,002          | 100.00%                                      | \$ 5,770,059,807                                 |
| 2013        | 9,607,770      | 9,607,770               | 100.00%                   | 0.00                         | 9,607,770             | 100.00%                                      | 5,701,107,764                                    |
| 2014        | 10,175,469     | 10,175,469              | 100.00%                   | 0.00                         | 10,175,469            | 100.00%                                      | 6,243,627,285                                    |
| 2015        | 11,403,560     | 11,403,560              | 100.00%                   | 0.00                         | 11,403,560            | 100.00%                                      | 7,209,389,999                                    |
| 2016        | 12,406,318     | 12,406,318              | 100.00%                   | 0.00                         | 12,406,318            | 100.00%                                      | 7,717,337,513                                    |
| 2017        | 13,134,172     | 13,134,172              | 100.00%                   | 0.00                         | 13,134,172            | 100.00%                                      | 9,206,453,046                                    |
| 2018        | 13,862,573     | 13,862,573              | 100.00%                   | 0.00                         | 13,862,573            | 100.00%                                      | 10,411,425,223                                   |
| 2019        | 14,553,581     | 14,553,581              | 100.00%                   | 0.00                         | 14,553,581            | 100.00%                                      | 10,984,229,294                                   |
| 2020        | 15,247,629     | 15,247,629              | 100.00%                   | 0.00                         | 15,247,629            | 100.00%                                      | 11,837,934,173                                   |
| 2021        | 16,172,399     | 16,172,399              | 100.00%                   | 0.00                         | 16,172,399            | 100.00%                                      | 12,796,006,766                                   |

Note: San Joaquin County is on the Teeter Plan. The County remits 100% of all taxes assessed and keeps all penalties and interest on all delinquent taxes.

Source:

1. San Joaquin County - Office of the Auditor-Controller
2. Finance Department, City of Tracy

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**City of Tracy**  
**Sales Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

| Fiscal Year | City Direct Rate | Measure E Rate | Measure V Rate | Transportation Prop K Rate | Transportation Development Act Rate | County Rate | State Rate | Total Sales Tax Rate |
|-------------|------------------|----------------|----------------|----------------------------|-------------------------------------|-------------|------------|----------------------|
| 2012        | 1%               | 0.50%          |                | 0.50%                      | 0.25%                               | 1%          | 5%         | 8.25%                |
| 2013        | 1%               | 0.50%          |                | 0.50%                      | 0.25%                               | 1%          | 5%         | 8.50%                |
| 2014        | 1%               | 0.50%          |                | 0.50%                      | 0.25%                               | 1%          | 5.25% (a)  | 8.50%                |
| 2015        | 1%               | 0.50%          |                | 0.50%                      | 0.25%                               | 1%          | 5.25%      | 8.50%                |
| 2016        | 1%               | 0.50%          |                | 0.50%                      | 0.25%                               | 1%          | 5.25%      | 8.50%                |
| 2017        | 1%               |                | 0.50% (b)      | 0.50%                      | 0.25%                               | 1%          | 5.00%      | 8.25%                |
| 2018        | 1%               |                | 0.50%          | 0.50%                      | 0.25%                               | 1%          | 5.00%      | 8.25%                |
| 2019        | 1%               |                | 0.50%          | 0.50%                      | 0.25%                               | 1%          | 5.00%      | 8.25%                |
| 2020        | 1%               |                | 0.50%          | 0.50%                      | 0.25%                               | 1%          | 5.00%      | 8.25%                |
| 2021        | 1%               |                | 0.50%          | 0.50%                      | 0.25%                               | 1%          | 5.00%      | 8.25%                |

(a) Voters approved Proposition 30, a state-wide quarter cent sales tax with a 4-year sunset effective January 1, 2013

(b) Tracy voters approved Measure V, a half cent sales tax with a 20-year sunset effective April 1, 2017

Source:

Finance Department, City of Tracy

**City of Tracy**  
**Taxable Sales by Category**  
**Last Ten Calendar Years**

|                                   | Calendar Year       |                     |                     |                     |                     |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                   | 2020                | 2019                | 2018                | 2017                | 2016                |
| Apparel Stores                    | \$ 29,843           | \$ 45,863           | \$ 48,498           | \$ 44,760           | \$ 42,756           |
| General Merchandise               | 211,080             | 215,649             | 212,792             | 210,820             | 203,460             |
| Food Stores                       | 52,921              | 44,890              | 41,342              | 39,602              | 39,953              |
| Eating and Drinking Places        | 156,555             | 176,257             | 169,434             | 162,261             | 155,560             |
| Building Materials                | 202,652             | 190,441             | 180,713             | 159,799             | 140,715             |
| AutoDealers and Supplies          | 367,471             | 349,716             | 369,499             | 379,058             | 343,861             |
| Service Stations                  | 131,426             | 178,037             | 183,856             | 159,778             | 144,048             |
| Other Retail Stores               | 150,368             | 156,467             | 163,611             | 155,252             | 160,573             |
| All Other Outlets                 | 2,063,972           | 1,807,673           | 1,344,089           | 1,091,917           | 601,684             |
| <b>Total</b>                      | <b>\$ 3,366,288</b> | <b>\$ 3,164,993</b> | <b>\$ 2,713,834</b> | <b>\$ 2,403,247</b> | <b>\$ 1,832,610</b> |
| City Direct sales tax rate        | 1%                  | 1%                  | 1%                  | 1%                  | 1%                  |
| City Measure E sales tax rate (a) | -                   | -                   | -                   | -                   | 0.5%                |
| City Measure V sales tax (b)      | 0.5%                | 0.5%                | 0.5%                | 0.5%                | -                   |

Note:

(a) Tracy voters approved Measure E, a half cent sales tax with a 5-year sunset effective April 1, 2011

(b) Tracy voters approved Measure V, a half cent sales tax with a 20-year sunset effective April 1, 2017

Source: California State Board of Equalization, The HdL Companies

**City of Tracy**  
**Taxable Sales by Category (Continued)**  
**Last Ten Calendar Years**

|                                   | Calendar Year       |                     |                     |                     |                     |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                   | 2015                | 2014                | 2013                | 2012                | 2011                |
| Apparel Stores                    | \$ 37,205           | \$ 40,152           | \$ 40,690           | \$ 44,353           | \$ 44,201           |
| General Merchandise               | 194,528             | 192,657             | 187,434             | 181,099             | 175,484             |
| Food Stores                       | 42,526              | 56,254              | 53,794              | 56,881              | 48,819              |
| Eating and Drinking Places        | 143,887             | 128,827             | 116,414             | 106,888             | 102,047             |
| Building Materials                | 130,449             | 71,129              | 68,049              | 60,879              | 53,955              |
| AutoDealers and Supplies          | 321,977             | 299,869             | 277,155             | 215,269             | 171,430             |
| Service Stations                  | 160,104             | 187,653             | 193,770             | 186,978             | 184,707             |
| Other Retail Stores               | 154,697             | 75,167              | 75,202              | 65,452              | 57,598              |
| All Other Outlets                 | 524,513             | 198,209             | 200,048             | 168,710             | 112,575             |
| <b>Total</b>                      | <b>\$ 1,709,886</b> | <b>\$ 1,387,153</b> | <b>\$ 1,339,394</b> | <b>\$ 1,199,306</b> | <b>\$ 1,056,404</b> |
| City Direct sales tax rate        | 1%                  | 1%                  | 1%                  | 1%                  | 1%                  |
| City Measure E sales tax rate (a) | 0.5%                | 0.5%                | 0.5%                | 0.5%                | 0.5%                |
| City Measure V sales tax (b)      | -                   | -                   | -                   | -                   | -                   |

Note:

(a) Tracy voters approved Measure E, a half cent sales tax with a 5-year sunset effective April 1, 2011

(b) Tracy voters approved Measure V, a half cent sales tax with a 20-year sunset effective April 1, 2017

Source: California State Board of Equalization, The HdL Companies

**City of Tracy**  
**Principal Sales Tax Producers**  
**Current Fiscal Year and Ten Years Ago**

| 2020                          |                              | 2011                             |                              |
|-------------------------------|------------------------------|----------------------------------|------------------------------|
| Taxpayer Name                 | Business Type                | Taxpayer Name                    | Business Type                |
| Amazon Fulfillment Center     | Fulfillment Centers          | American Truck & Trailer Body Co | Trailers/Auto Parts          |
| Amazon MFA                    | Fulfillment Centers          | Arco AM PM                       | Service Stations             |
| Arco AM PM                    | Service Stations             | Best Buy                         | Electronics/Appliance Stores |
| Best Buy                      | Electronics/Appliance Stores | Chevron                          | Service Stations             |
| Bunzl Distribution California | Food Service Equip./Supplies | Costco                           | Discount Dept Stores         |
| Chevron                       | Service Stations             | Country Nissan                   | New Motor Vehicle Dealers    |
| Costco                        | Discount Dept Stores         | Crate & Barrel                   | Fulfillment Centers          |
| Crate & Barrel                | Fulfillment Centers          | Home Depot                       | Building Materials           |
| Fisher Scientific             | Medical/Biotech              | Independent Electric Supply      | Plumbing/Electrical Supplies |
| Glassfab Tempering Services   | Trailers/Auto Parts          | Macys                            | Department Stores            |
| Home Depot                    | Building Materials           | Nixon Egli Equipment             | Warehse/Farm/Const. Equip.   |
| Independent Electric Supply   | Plumbing/Electrical Supplies | Safeway Fuel                     | Service Stations             |
| Medline Industries            | Medical/Biotech              | Save Mart                        | Grocery Stores               |
| Nixon Egli Equipment          | Warehse/Farm/Const. Equip.   | Shell                            | Service Stations             |
| Platinum Hyundai              | New Motor Vehicle Dealers    | SPX Cooling Technologies         | Heavy Industrial             |
| Safeway Fuel                  | Service Stations             | Target                           | Discount Dept Stores         |
| Target                        | Discount Dept Stores         | Tracy Chevrolet                  | New Motor Vehicle Dealers    |
| Tracy Chevrolet               | New Motor Vehicle Dealers    | Tracy Chrysler Jeep Dodge        | New Motor Vehicle Dealers    |
| Tracy Chrysler Dodge Jeep Ram | New Motor Vehicle Dealers    | Tracy Ford                       | New Motor Vehicle Dealers    |
| Tracy Ford                    | New Motor Vehicle Dealers    | Tracy Honda                      | New Motor Vehicle Dealers    |
| Tracy Honda                   | New Motor Vehicle Dealers    | Tracy Hyundai                    | New Motor Vehicle Dealers    |
| Tracy Toyota                  | New Motor Vehicle Dealers    | Tracy Petro                      | Service Stations             |
| Tracy Truck & Auto Stop       | Service Stations             | Tracy Toyota                     | New Motor Vehicle Dealers    |
| Tracy Volkswagon              | New Motor Vehicle Dealers    | Tracy Truck & Auto Stop          | Service Stations             |
| Walmart Supercenter           | Discount Dept Stores         | Walmart Supercenter              | Discount Dept Stores         |

Sources: The HdL Companies



**City of Tracy**  
**Water and Wastewater Rates**  
**Last Ten Fiscal Years**

| Fiscal Year | Water             |                    | Wastewater        |
|-------------|-------------------|--------------------|-------------------|
|             | Monthly Base Rate | Per 100 cubic feet | Monthly Base Rate |
| 2012        | \$ 20.40          | \$ 1.00            | \$ 31.00          |
| 2013        | 20.40             | 1.00               | 34.00             |
| 2014        | 20.40             | 1.00               | 34.00             |
| 2015        | 20.40             | 1.00               | 34.00             |
| 2016        | 20.40             | 1.00               | 34.00             |
| 2017        | 20.40             | 1.00               | 34.00             |
| 2018        | 24.72             | 1.00               | 34.00             |
| 2019        | 24.72             | 1.00               | 34.00             |
| 2020        | 30.90             | 1.00               | 34.00             |
| 2021        | 30.90             | 1.00               | 34.00             |

Notes:

100 cubic feet = 748 gallons

Rates are based on 1 inch meter-the standard household meter size in Tracy.

Utility charges an excess use rate above normal demand.

Source: Finance Department - City of Tracy

**City of Tracy**  
**Ratios of Outstanding Debt by Type**  
**Lest Ten Fiscal Years**

| Governmental Activities |                            |                                 |                            |                                  |                            |  |
|-------------------------|----------------------------|---------------------------------|----------------------------|----------------------------------|----------------------------|--|
| Fiscal Year             | Lease Revenue Bonds<br>(a) | Capital Leases and<br>Loans (a) | Water Revenue<br>Bonds (a) | Water/Sewer Notes<br>Payable (a) | Sewer Revenue<br>Bonds (a) |  |
| 2012                    | \$ 23,465,000              | \$ 70,293                       | \$ -                       | \$ 19,274,382                    | \$ 28,630,000              |  |
| 2013                    | 23,245,000                 | -                               | -                          | 18,392,152                       | 27,645,000                 |  |
| 2014                    | 23,000,000                 | 908,546                         | -                          | 14,489,157                       | 26,630,000                 |  |
| 2015                    | 22,726,000                 | 1,021,108                       | -                          | 13,564,909                       | 25,935,000                 |  |
| 2016                    | 22,420,000                 | 131,831                         | -                          | 12,618,907                       | 25,215,000                 |  |
| 2017                    | 22,085,000                 | 68,552                          | -                          | 11,650,638                       | 24,470,000                 |  |
| 2018                    | 21,720,000                 | -                               | -                          | 10,659,579                       | 23,695,000                 |  |
| 2019                    | 21,315,000                 | -                               | -                          | 9,645,194                        | 22,890,000                 |  |
| 2020                    | 20,875,000                 | -                               | -                          | 8,606,933                        | 22,050,000                 |  |
| 2021                    | 20,390,000                 | -                               | -                          | 8,078,675                        | 21,175,000                 |  |

Note: Special Assessment Bonds have no City commitment.

Source: (a) Finance Department, City of Tracy  
(b) The HdL Company

**City of Tracy**  
**Ratios of Outstanding Debt by Type (Continued)**  
**Least Ten Fiscal Years**

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| Business Activity |                              |                             |                |                |  |
|-------------------|------------------------------|-----------------------------|----------------|----------------|--|
| Fiscal Year       | Airport Notes<br>Payable (a) | Total Primary<br>Government | Per Capita (b) | Population (b) |  |
| 2012              | \$ 72,942                    | \$ 71,512,617               | \$ 852         | 83,900         |  |
| 2013              | 53,478                       | 69,335,630                  | 825            | 84,060         |  |
| 2014              | 33,149                       | 65,060,852                  | 764            | 85,146         |  |
| 2015              | 11,955                       | 63,258,972                  | 742            | 85,296         |  |
| 2016              | -                            | 60,385,738                  | 694            | 86,985         |  |
| 2017              | -                            | 58,274,190                  | 665            | 87,613         |  |
| 2018              | -                            | 56,074,579                  | 617            | 90,832         |  |
| 2019              | -                            | 53,850,194                  | 580            | 92,800         |  |
| 2020              | -                            | 51,531,933                  | 537            | 95,931         |  |
| 2021              | -                            | 49,643,675                  | 503            | 98,601         |  |

Note: Special Assessment Bonds have no City commitment.

Source: (a) Finance Department, City of Tracy  
(b) The HdL Company

**City of Tracy**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

| Outstanding General Bond Debt |                            |                         |               |                              |            |
|-------------------------------|----------------------------|-------------------------|---------------|------------------------------|------------|
| Fiscal Year                   | Lease Revenue<br>Bonds (a) | Tax Allocation<br>Bonds | Total         | Percent of Assessed<br>Value | Per Capita |
| 2012                          | \$ 23,465,000              | \$ -                    | \$ 23,465,000 | 0.34%                        | \$ 279     |
| 2013                          | 23,245,000                 | -                       | 23,245,000    | 0.34%                        | 273        |
| 2014                          | 23,000,000                 | -                       | 23,000,000    | 0.34%                        | 270        |
| 2015                          | 22,725,000                 | -                       | 22,725,000    | 0.34%                        | 255        |
| 2016                          | 22,420,000                 | -                       | 22,420,000    | 0.33%                        | 247        |
| 2017                          | 22,085,000                 | -                       | 22,085,000    | 0.23%                        | 235        |
| 2018                          | 21,720,000                 | -                       | 21,720,000    | 0.21%                        | 232        |
| 2019                          | 21,315,000                 | -                       | 21,315,000    | 0.20%                        | 230        |
| 2020                          | 20,875,000                 | -                       | 20,875,000    | 0.18%                        | 218        |
| 2021                          | 20,390,000                 | -                       | 20,390,000    | 0.16%                        | 207        |

Source: Finance Department, City of Tracy

**City of Tracy**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2021**

2020-2021 Assessed Valuation: \$ 12,796,006,766

| OVERLAPPING TAX AND ASSESSMENT DEBT:                                       | Total Debt<br>6/30/20 | % Applicable (a) | City's Share of<br>Debt 06/30/2021 |
|--|-----------------------|------------------|------------------------------------|
| San Joaquin Delta Community College District                               | \$ 200,505,000        | 13.830%          | \$ 27,729,842                      |
| Lammersville Joint Unified School District                                 | 56,000,000            | 10.754%          | 6,022,240                          |
| Tracy Unified School District  | 33,705,000            | 59.991%          | 20,219,967                         |
| Tracy Unified School District School Facilities Improvement District No. 3 | 105,689,900           | 91.887%          | 97,115,278                         |
| Banta School District  | 415,000               | 16.406%          | 68,085                             |
| Jefferson School District  | 31,959,382            | 72.761%          | 23,253,966                         |
| City of Tracy Community Facilities District No. 93-1                       | 2,100,000             | 100%             | 2,100,000                          |
| City of Tracy Community Facilities District No. 98-1                       | 31,290,000            | 100%             | 31,290,000                         |
| City of Tracy Community Facilities District No. 98-3                       | 990,000               | 100%             | 990,000                            |
| City of Tracy Community Facilities District No. 99-1                       | 2,345,000             | 100%             | 2,345,000                          |
| City of Tracy Community Facilities District No. 99-2                       | 6,015,000             | 100%             | 6,015,000                          |
| City of Tracy Community Facilities District No. 2000-1                     | 9,295,000             | 100%             | 9,295,000                          |
| City of Tracy Community Facilities District No. 2006-1                     | 8,015,000             | 100%             | 8,015,000                          |
| City of Tracy Community Facilities District No. 2016-1 I.A No. 1           | 65,500,000            | 100%             | 65,500,000                         |
| City of Tracy Community Facilities District No. 2016-2 I.A No. 1           | 15,180,000            | 100%             | 15,180,000                         |
| City of Tracy 1915 Act Bonds   | 2,010,000             | 100%             | 2,010,000                          |
| California Statewide Community Development Authority 1915 Act Bonds        | 8,263,889             | 100%             | 8,263,889                          |
| <b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>                           | <b>\$ 579,278,171</b> |                  | <b>\$ 325,413,267</b>              |
| <b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>                           |                       |                  |                                    |
| San Joaquin County Certificates of Participation                           | 65,595,000            | 15.029%          | \$ 9,858,273                       |
| Lammersville Joint Unified School District General Fund Obligations        | 31,300,000            | 10.754%          | 3,366,002                          |
| <b>City of Tracy General Fund Obligations</b>                              | <b>17,635,000</b>     | <b>100%</b>      | <b>17,635,000</b>                  |
| <b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>                     |                       |                  | <b>\$ 30,859,275</b>               |
| <b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b>                  | <b>\$ 27,650,000</b>  | <b>100%</b>      | <b>\$ 27,650,000</b>               |
| <b>TOTAL DIRECT DEBT</b>   |                       |                  | <b>\$ 17,635,000</b>               |
| <b>TOTAL OVERLAPPING DEBT:</b>   |                       |                  | <b>\$ 366,287,542</b>              |
| <b>COMBINED TOTAL DEBT</b>   |                       |                  | <b>\$ 383,922,542 (b)</b>          |

(a) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total assessed value.

(b) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

**Ratios to 2020-21 Assessed Valuation:**

|  |              |
|--|--------------|
| Total Overlapping Tax and Assessment Debt..... | 2.54%        |
| <b>Total Direct Debt (\$17,635,000).....</b>   | <b>0.14%</b> |
| Combined Total Debt.....                       | 3.00%        |

**Ratios to redevelopment Incremental Valuation (\$1,216,774,856)**

|   |       |
|---|-------|
| Total Overlapping Tax Increment Debt..... | 2.27% |
|---|-------|

Source: CalMuni - Avenu Insights & Analytics City of Tracy

**City of Tracy**  
**Legal Debt Margin information**  
**Last Ten Fiscal Years**

|                                    | Fiscal Year |           |           |           |           |
|------------------------------------|-------------|-----------|-----------|-----------|-----------|
|                                    | 2021        | 2020      | 2019      | 2018      | 2017      |
| Assessed Value                     | \$ 12,796   | \$ 11,837 | \$ 10,984 | \$ 10,336 | \$ 10,495 |
| Conversion percentage              | 25%         | 25%       | 25%       | 25%       | 25%       |
| Adjusted assessed valuation        | 3,199       | 2,959     | 2,746     | 2,584     | 2,624     |
| Debt limit percentage              | 15%         | 15%       | 15%       | 15%       | 15%       |
| Debt limit                         | 480         | 444       | 412       | 388       | 394       |
| Total net debt applicable to limit | 49          | 51        | 54        | 56        | 58        |
| Legal debt margin                  | \$ 431      | \$ 393    | \$ 358    | \$ 332    | \$ 336    |

Note:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel.) The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Sources: Finance Department, City of Tracy San Joaquin County - Office of the Auditor Controller

**City of Tracy**  
**Legal Debt Margin information (Continued)**  
**Last Ten Fiscal Years**

|                                    | Fiscal Year   |               |               |               |               |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                    | 2016          | 2015          | 2014          | 2013          | 2012          |
| Assessed Value                     | \$ 8,941      | \$ 8,387      | \$ 7,341      | \$ 6,757      | \$ 6,827      |
| Conversion percentage              | 25%           | 25%           | 25%           | 25%           | 25%           |
| Adjusted assessed valuation        | 2,235         | 2,097         | 1,835         | 1,689         | 1,707         |
| Debt limit percentage              | 15%           | 15%           | 15%           | 15%           | 15%           |
| Debt limit                         | 335           | 315           | 275           | 253           | 256           |
| Total net debt applicable to limit | 60            | 63            | 65            | 69            | 71            |
| Legal debt margin                  | <u>\$ 275</u> | <u>\$ 252</u> | <u>\$ 210</u> | <u>\$ 184</u> | <u>\$ 185</u> |

Note:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel.) The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Sources: Finance Department, City of Tracy San Joaquin County - Office of the Auditor Controller

**City of Tracy**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

|                                       | Fiscal Year      |                   |                   |                  |                  |
|---------------------------------------|------------------|-------------------|-------------------|------------------|------------------|
|                                       | 2021             | 2020              | 2019              | 2018             | 2017             |
| <b>Water revenue bonds/State Loan</b> |                  |                   |                   |                  |                  |
| Water revenue                         | \$ 23,910,369    | \$ 20,475,348     | \$ 16,702,467     | \$ 16,352,909    | \$ 15,433,348    |
| Less: Operating Expenses              | (16,388,854)     | (16,711,869)      | (15,110,318)      | (14,246,407)     | (13,671,219)     |
| Net available revenue                 | <u>7,521,515</u> | <u>3,763,479</u>  | <u>1,592,149</u>  | <u>2,106,502</u> | <u>1,762,129</u> |
| Debt service:                         |                  |                   |                   |                  |                  |
| Principal                             | 1,038,261        | 1,014,385         | 991,059           | 968,269          | 946,003          |
| Interest                              | 219,659          | 243,535           | 266,861           | 289,651          | 311,917          |
| Total Debt Service                    | <u>1,257,920</u> | <u>1,257,920</u>  | <u>1,257,922</u>  | <u>1,257,920</u> | <u>1,257,920</u> |
| Coverage                              | 5.98             | 2.99              | 1.27              | 1.67             | 1.40             |
| <b>Wastewater revenue bonds:</b>      |                  |                   |                   |                  |                  |
| Wastewater revenue                    | \$ 16,904,623    | 23,835,116        | 24,825,340        | 15,196,599       | 14,434,402       |
| Less: Operating expenses              | (14,485,122)     | (12,605,193)      | (12,340,258)      | (12,467,159)     | (8,003,091)      |
| Net available revenue                 | <u>2,419,501</u> | <u>11,229,923</u> | <u>12,485,082</u> | <u>2,729,440</u> | <u>6,431,311</u> |
| Debt service:                         |                  |                   |                   |                  |                  |
| Principal                             | 875,000          | 840,000           | 805,000           | 775,000          | 745,000          |
| Interest                              | 1,014,818        | 1,051,480         | 1,086,235         | 1,119,028        | 1,153,480        |
| Total Debt Service                    | <u>1,889,818</u> | <u>1,891,480</u>  | <u>1,891,235</u>  | <u>1,894,028</u> | <u>1,898,480</u> |
| Coverage                              | 1.28             | 5.94              | 6.60 (b)          | 1.44             | 3.39             |
| <b>Tax allocation bonds:</b>          |                  |                   |                   |                  |                  |
| Tax increment                         | -                | -                 | -                 | -                | -                |
| Debt service:                         |                  |                   |                   |                  |                  |
| Principle                             | -                | -                 | -                 | -                | -                |
| Interest                              | -                | -                 | -                 | -                | -                |
| Total Debt Service                    | <u>-</u>         | <u>-</u>          | <u>-</u>          | <u>-</u>         | <u>-</u>         |
| Coverage                              | -                | -                 | -                 | -                | -                |

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.  
Operating expenses do not include interest or depreciation expenses.

(a) In 2018, there was an increase of Capital Contributions and Grants due to a \$3.2M transfer from Tracy Hills Pump Stations JJTP & Capital Acq.

(b) The City received \$9.7M in grant funds for Proposition 84 Delta Water Quality

Source: City of Tracy. Finance Department



**City of Tracy**  
**Pledged-Revenue Coverage (Continued)**  
**Last Ten Fiscal Years**

|                                       | Fiscal Year      |                  |                  |                  |                  |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                       | 2016             | 2015             | 2014             | 2013             | 2012             |
| <b>Water revenue bonds/State Loan</b> |                  |                  |                  |                  |                  |
| Water revenue                         | \$ 15,438,772    | \$ 17,675,668    | \$ 18,713,676    | \$ 15,649,302    | \$ 14,559,197    |
| Less: Operating Expenses              | (13,380,117)     | (13,976,245)     | (12,785,056)     | (13,103,307)     | (12,196,098)     |
| Net available revenue                 | <u>2,058,655</u> | <u>3,699,423</u> | <u>5,928,620</u> | <u>2,545,995</u> | <u>2,363,099</u> |
| Debt service:                         |                  |                  |                  |                  |                  |
| Principal                             | 924,249          | 902,995          | 882,230          | 861,943          | 4,128,612        |
| Interest                              | 33,671           | 354,925          | 375,690          | 395,977          | 531,639          |
| Total Debt Service                    | <u>1,132,923</u> | <u>1,390,419</u> | <u>1,257,919</u> | <u>1,347,920</u> | <u>4,660,251</u> |
| Coverage                              | 1.82             | 2.66             | 4.71             | 1.89             | 0.51             |
| <b>Wastewater revenue bonds:</b>      |                  |                  |                  |                  |                  |
| Wastewater revenue                    | 14,092,302       | 14,558,438       | 13,030,930       | 12,025,189       | 11,713,538       |
| Less: Operating expenses              | (7,449,704)      | (7,823,215)      | (7,211,266)      | (6,378,330)      | (7,617,428)      |
| Net available revenue                 | <u>6,642,598</u> | <u>6,735,223</u> | <u>5,819,664</u> | <u>5,646,859</u> | <u>4,096,110</u> |
| Debt service:                         |                  |                  |                  |                  |                  |
| Principal                             | 720,000          | 695,000          | 1,015,000        | 985,000          | 950,000          |
| Interest                              | 1,182,670        | 1,208,468        | 1,236,956        | 1,285,258        | 1,313,920        |
| Total Debt Service                    | <u>1,902,670</u> | <u>1,903,468</u> | <u>2,251,956</u> | <u>2,270,258</u> | <u>2,263,920</u> |
| Coverage                              | 3.49             | 3.54             | 2.58             | 2.49             | 1.81             |
| <b>Tax allocation bonds:</b>          |                  |                  |                  |                  |                  |
| Tax increment                         | -                | -                | -                | -                | 4,359,166        |
| Debt service:                         |                  |                  |                  |                  |                  |
| Principle                             | -                | -                | -                | -                | 1,195,000        |
| Interest                              | -                | -                | -                | -                | 1,262,289        |
| Total Debt Service                    | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>2,457,289</u> |
| Coverage                              | -                | -                | -                | -                | 1.77             |

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.  
Operating expenses do not include interest or depreciation expenses.

(a) In 2018, there was an increase of Capital Contributions and Grants due to a \$3.2M transfer from Tracy Hills Pump Stations JJTP & Capital Acq.

(b) The City received \$9.7M in grant funds for Proposition 84 Delta Water Quality

Source: City of Tracy. Finance Department

**City of Tracy**  
**Demographics and Economic Statistics**  
**Last Ten Fiscal Years**

| Fiscal<br>Year | City of Tracy     |                       |                   |              |               |                 |
|----------------|-------------------|-----------------------|-------------------|--------------|---------------|-----------------|
|                | Population<br>(2) | Labor<br>Force<br>(1) | Employment<br>(1) | Unemployment |               | Census Ratios   |
|                |                   |                       |                   | Rate<br>(1)  | Number<br>(1) | Employed<br>(1) |
| 2012           | 83,900            | 32,900                | 29,800            | 9.5%         | 3,100         | N/A             |
| 2013           | 84,060            | 32,700                | 29,600            | 9.5%         | 3,100         | 0.116975        |
| 2014           | 85,146            | 33,100                | 30,500            | 8.0%         | 2,600         | 0.134925        |
| 2015           | 84,937            | 41,200                | 38,100            | 7.4%         | 3,050         | 0.134182        |
| 2016           | 89,208            | 42,000                | 38,800            | 7.5%         | 3,000         | N/A             |
| 2017           | 90,890            | 42,100                | 39,200            | 6.8%         | 2,900         | N/A             |
| 2018           | 92,553            | 44,700                | 43,100            | 3.7%         | 1,700         | N/A             |
| 2019           | 92,800            | 43,700                | 41,800            | 4.4%         | 1,900         | N/A             |
| 2020           | 95,931            | 43,700                | 38,800            | 11.3%        | 4,900         | N/A             |
| 2021           | 98,601            | 45,800                | 42,900            | 6.2%         | 2,800         | N/A             |

Sources:

1. California Employment Development Department-Labor Market Information
2. Finance Department, City of Tracy
3. The HdL Companies
4. U.S. Census Bureau

**City of Tracy**  
**Demographics and Economic Statistics (Continued)**  
**Last Ten Fiscal Years**

| Fiscal<br>Year | San Joaquin County |                   |              |                   |              |               |
|----------------|--------------------|-------------------|--------------|-------------------|--------------|---------------|
|                | Unemployed<br>(1)  | Population<br>(2) | Labor        |                   | Unemployment |               |
|                |                    |                   | Force<br>(1) | Employment<br>(1) | Rate<br>(1)  | Number<br>(1) |
| 2012           | N/A                | 695,750           | 300,300      | 254,800           | 15.10%       | 45,500        |
| 2013           | 0.068724           | 692,997           | 298,500      | 253,200           | 15.20%       | 45,300        |
| 2014           | 0.112106           | 701,745           | 298,800      | 260,400           | 12.80%       | 38,400        |
| 2015           | 0.112256           | 719,511           | 309,800      | 282,600           | 8.80%        | 27,200        |
| 2016           | N/A                | 733,383           | 316,900      | 288,800           | 8.90%        | 28,100        |
| 2017           | N/A                | 733,709           | 318,000      | 293,700           | 7.60%        | 24,168        |
| 2018           | N/A                | 745,424           | 332,400      | 315,700           | 5.00%        | 16,700        |
| 2019           | N/A                | 752,660           | 324,500      | 305,800           | 5.80%        | 18,800        |
| 2020           | N/A                | 762,148           | 322,100      | 283,700           | 11.90%       | 38,400        |
| 2021           | N/A                | 783,534           | 333,100      | 308,200           | 7.50%        | 24,900        |

Sources:

1. California Employment Development Department-Labor Market Information
2. Finance Department, City of Tracy
3. The HdL Companies
4. U.S. Census Bureau

**City of Tracy**  
**Principal Employers**  
**Current Fiscal Year and Fourteen Years Ago**

| Taxpayer Name                    | 2021                |      |                                     | 2008                |      |                                     |
|----------------------------------|---------------------|------|-------------------------------------|---------------------|------|-------------------------------------|
|                                  | Number of Employees | Rank | Percentage of Total City Employment | Number of Employees | Rank | Percentage of Total City Employment |
| AMAZON.COM SERVICES LLC          | 7,325               | 1    | 25.74%                              | -                   | -    | -                                   |
| FEDEX GROUND PACKAGE SYSTEM, INC | 925                 | 2    | 3.25%                               | -                   | -    | -                                   |
| TAYLOR FARMS PACIFIC INC         | 795                 | 3    | 2.79%                               | 443                 | 1    | 2.28%                               |
| MEDLINE INDUSTRIES INC           | 651                 | 4    | 2.29%                               | -                   | -    | -                                   |
| RANDSTAD INHOUSE SERVICES LLC    | 632                 | 5    | 2.22%                               | -                   | -    | -                                   |
| DHL SUPPLY CHAIN                 | 463                 | 6    | 1.63%                               | -                   | -    | -                                   |
| WALMART #2025                    | 402                 | 7    | 1.41%                               | 226                 | 8    | 1.16%                               |
| LEPRINO FOODS                    | 349                 | 8    | 1.23%                               | 340                 | 2    | 1.75%                               |
| COSTCO WHOLESALE #658            | 240                 | 9    | 0.84%                               | 117                 | 21   | 0.60%                               |
| RANDSTAD INHOUSE SERVICES LP     | 234                 | 10   | 0.82%                               | -                   | -    | -                                   |
| CRATE & BARREL                   | 233                 | 11   | 0.82%                               | -                   | -    | -                                   |
| PACIFIC MEDICAL INC              | 214                 | 12   | 0.75%                               | 170                 | 16   | 0.87%                               |
| THE HOME DEPOT #5641             | 211                 | 13   | 0.74%                               | 241                 | 7    | 1.24%                               |
| THE HOME DEPOT #1020             | 211                 | 14   | 0.74%                               | -                   | -    | -                                   |
| INGRAM MICRO INC.                | 200                 | 15   | 0.70%                               | -                   | -    | -                                   |
| RANDSTAD INHOUSE SERVICE LP      | 194                 | 16   | 0.68%                               | -                   | -    | -                                   |
| INTERNATIONAL PAPER              | 185                 | 17   | 0.65%                               | -                   | -    | -                                   |
| MACY'S                           | 179                 | 18   | 0.63%                               | 301                 | 5    | 1.55%                               |
| GLASSFAB TEMPERING               | 177                 | 19   | 0.62%                               | -                   | -    | -                                   |
| TARGET STORES T738               | 173                 | 20   | 0.61%                               | 338                 | 3    | 1.74%                               |
| OLIVE GARDEN #1582               | 165                 | 21   | 0.58%                               | -                   | -    | -                                   |
| WINCO FOODS #103                 | 144                 | 22   | 0.51%                               | -                   | -    | -                                   |
| ZINUS INC                        | 137                 | 23   | 0.48%                               | -                   | -    | -                                   |
| THE PERMANENTE MEDICAL           | 128                 | 24   | 0.45%                               | -                   | -    | -                                   |
| AMERICAN CUSTOM MEATS            | 128                 | 25   | 0.45%                               | -                   | -    | -                                   |
| SYCAMORE VILLAGE APTS            | -                   | -    | -                                   | 324                 | 4    | 1.67%                               |
| ORCHARD SUPPLY HARDWARE #3000    | -                   | -    | -                                   | 249                 | 6    | 1.28%                               |
| MI PUEBLO FOOD CENTER #21        | -                   | -    | -                                   | 224                 | 9    | 1.15%                               |
| SNELLING STAFFING SERVICES       | -                   | -    | -                                   | 217                 | 10   | 1.12%                               |
| CHESAPEAKE BAY APARTMENTS        | -                   | -    | -                                   | 216                 | 11   | 1.11%                               |
| GREEN OAKS MOBILE HOME PARK      | -                   | -    | -                                   | 214                 | 12   | 1.10%                               |
| BARBOSA CABINETS INC             | -                   | -    | -                                   | 198                 | 13   | 1.02%                               |
| Y R C                            | -                   | -    | -                                   | 196                 | 14   | 1.01%                               |
| TEMPLE INLAND - TIN INC          | -                   | -    | -                                   | 190                 | 15   | 0.98%                               |
| BROOKDALE TRACY                  | -                   | -    | -                                   | 156                 | 17   | 0.80%                               |
| WATERSTONE APARTMENTS            | -                   | -    | -                                   | 156                 | 18   | 0.80%                               |
| TRACY PARK APARTMENTS            | -                   | -    | -                                   | 132                 | 19   | 0.68%                               |
| APL LOGISTICS                    | -                   | -    | -                                   | 124                 | 20   | 0.64%                               |
| MC LANE FOODSERVICE INC          | -                   | -    | -                                   | 117                 | 22   | 0.60%                               |
| CRATE & BARREL                   | -                   | -    | -                                   | 110                 | 23   | 0.57%                               |
| TRACY HYUNDAI                    | -                   | -    | -                                   | 110                 | 24   | 0.57%                               |
| CMC REBAR                        | -                   | -    | -                                   | 105                 | 25   | 0.54%                               |
| Total Top 25 Employers           | 14,695              |      | 51.64%                              | 5,214               |      | 26.81%                              |
| Total Citywide Employees         | 28,459              |      | 100.00%                             | 19,445              |      | 100.00%                             |

Source: The HdL Companies

**City of Tracy**  
**Full-Time and Part-Time City Employees**  
**By Function**  
**Last Ten Fiscal Years**

|   | Fiscal Year |            |            |            |             |            |            |            |            |            |
|---|-------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|
|   | 2021        | 2020       | 2019       | 2018       | 2017        | 2016       | 2015       | 2014       | 2013       | 2012       |
| City Attorney   | 4           | 4          | 3          | 4          | 4           | 4          | 4          | 4          | 4          | 5          |
| City Council  | 5           | 5          | 5          | 5          | 5           | 5          | 5          | 5          | 5          | 5          |
| City Manager's Office                                   |             | 31.5       |            |            |             |            |            |            |            |            |
| City Clerk Office                                       | 12          |            |            |            |             |            |            |            |            |            |
| Cultural Arts Division                                  | 13.5        |            |            |            |             |            |            |            |            |            |
| Economic Development Division                           | 2           |            | 2          | 3          | 3           | 3          | 3          | 2          | 2          | 4          |
| Community Engagement and<br>Public Information Division |             |            |            |            |             |            |            |            |            |            |
| Information Technology                                  | 8           |            |            |            |             |            |            |            |            |            |
| Development Services                                    | 35          | 55.5       | 66         | 61         | 61          | 39         | 37         | 40         | 38         | 48         |
| Finance   | 22          | 25         | 30         | 34         | 32          | 26         | 27         | 24         | 23         | 23         |
| City Treasurer  | 1           | 1          | 1          | 1          | 1           | 1          | 1          | 1          | 1          | 1          |
| South County Fire Authority                             | 97          | 83         | 89         | 82         | 81          | 80         | 79         | 78         | 80         | 82         |
| Human Resources   | 10          | 10         | 9          | 10         | 9           | 6          | 6          | 5          | 5          | 6          |
| Parks and Recreation                                    | 39.5        | 15         | 48         | 14         | 13          | 23         | 38         | 35         | 41         | 50         |
| Administration  |             |            |            |            |             |            |            |            |            |            |
| Parks Planning and Development                          |             |            |            |            |             |            |            |            |            |            |
| Recreation  |             |            |            |            |             |            |            |            |            |            |
| Community Facilities                                    | 10.5        |            |            |            |             |            |            |            |            |            |
| Transit   | 3           |            | 3          | 3          | 3           | 3          | 2          | 2          | 2          | 2          |
| Airport   | 2           |            | 2          | 2          | 2           | 2          | 2          | 2          | 2          | 1          |
| Police  | 151.5       | 157        | 144        | 143        | 139         | 133        | 136        | 135        | 135        | 134        |
| Public Works  |             | 96         | 92         | 85         | 84          | 61         | 46         | 46         | 46         | 59         |
| Administrative Services                                 | 14          |            | 9          | 8          | 8           | 7          | 7          | 7          | 7          | 7          |
| Solid Waste and Recycling                               | 4           |            | 4          | 1          | 1           | 1          | 1          | 1          | 1          | 2          |
| Internal  | 12          |            |            |            |             |            |            |            |            |            |
| Aquatics  |             |            |            |            |             |            |            |            |            |            |
| Utilities Maintenance                                   | 19          |            |            |            |             |            |            |            |            |            |
| Water   | 18          |            | 31         | 31         | 30          | 35         | 39         | 39         | 39         | 40         |
| Wastewater  | 7           |            | 43         | 25         | 25          | 26         | 26         | 27         | 26         | 28         |
| Street, Community Preservation,<br>Concrete and Traffic |             |            |            |            |             |            |            |            |            |            |
| Maintenance   | 71          |            | 5          | 3          | 3           | 3          | 3          | 3          | 3          | 2          |
| <b>Total</b>  | <b>561</b>  | <b>483</b> | <b>586</b> | <b>515</b> | <b>504*</b> | <b>458</b> | <b>462</b> | <b>456</b> | <b>460</b> | <b>499</b> |

Note 1: Table updated as of FY20-21

Note 2: Amounts prior to 2017 do not include vacant positions.

(a) Figure includes all Part-time employees, non-PERS and PERS.

Source: Finance Department, City of Tracy

**City of Tracy**  
**Operating Indicators by Function / Program**  
**Last Ten Fiscal Years**

|   | Fiscal Year |         |         |         |         |
|---|-------------|---------|---------|---------|---------|
|   | 2020        | 2020    | 2019    | 2018    | 2017    |
| <b>General Government</b>                                     |             |         |         |         |         |
| Building Permits Issued                                       | 3,552       | 3,184   | 3,050   | 2,988   | 2,904   |
| Building Inspections requested                                | 38,937      | 22,337  | 20,384  | 18,028  | 16,260  |
| <b>Police:</b>  |             |         |         |         |         |
| Arrests   | 1,156       | 1,859   | 2,705   | 2,768   | 2,894   |
| Parking citations issued                                      | 427         | 618     | 1,291   | 1,022   | 1,335   |
| Traffic violations  | 1,968       | 2,524   | 4,063   | 3,320   | 4,630   |
| <b>Fire:</b>  |             |         |         |         |         |
| Number of emergency calls                                     | 9,029       | 9,014   | 9,031   | 8,811   | 7,351   |
| Inspections   | 2,187       | 2,005   | 3,002   | 3,374   | 3,785   |
| <b>Water:</b>   |             |         |         |         |         |
| Water Mains (miles)   | 472         | 465     | 452     | 440     | 431     |
| New connections   | 653         | 383     | 295     | 256     | 1,173   |
| Maximum Daily Capacity (gallons)<br>(millions of gallons)     | 57          | 57      | 57      | 57      | 57      |
| Average daily consumptions (gallons)<br>(millions of gallons) | 18          | 18      | 15      | 17      | 16      |
| <b>Sewer:</b>   |             |         |         |         |         |
| Sanitary Sewer (miles)  | 465         | 460     | 450     | 440     | 426     |
| New connections   | 644         | 373     | 285     | 256     | 650     |
| Average daily treatment (gallons)<br>(millions of gallons)    | 10          | 10      | 9       | 8.88    | 10      |
| <b>Airport:</b>   |             |         |         |         |         |
| Hangar rentals  | 79          | 69      | 68      | 76      | 76      |
| <b>Solid waste:</b>   |             |         |         |         |         |
| Refuse collected (tons per day)                               | 301         | 285     | 278     | 266     | 264     |
| Recyclables collected (tons per day)                          | 89          | 86      | 86      | 81      | 86      |
| <b>Transit:</b>   |             |         |         |         |         |
| Average daily passengers                                      | 174         | 432     | 552     | 546     | 585     |
| Total fixed route miles                                       | 265,926     | 272,622 | 344,724 | 341,126 | 302,039 |

Source: City of Tracy Departments

**City of Tracy**  
**Operating Indicators by Function / Program (Continued)**  
**Last Ten Fiscal Years**

|   | Fiscal Year |         |         |         |         |
|---|-------------|---------|---------|---------|---------|
|   | 2016        | 2015    | 2014    | 2013    | 2012    |
| <b>General Government</b>                                     |             |         |         |         |         |
| Building Permits Issued                                       | 2,736       | 2,852   | 1,924   | 1,435   | 1,293   |
| Building Inspections requested                                | 17,025      | 13,824  | 9,128   | 6,189   | 4,568   |
| <b>Police:</b>  |             |         |         |         |         |
| Arrests   | 2,732       | 2,502   | 2,541   | 2,765   | 2,896   |
| Parking citations issued                                      | 1,685       | 1,160   | 1,454   | 1,472   | 2,196   |
| Traffic violations  | 6,341       | 5,450   | 3,798   | 3,519   | 5,281   |
| <b>Fire:</b>  |             |         |         |         |         |
| Number of emergency calls                                     | 6,924       | 6,811   | 6,443   | 6,322   | 5,951   |
| Inspections   | 5,164       | 4,071   | 3,333   | 3,114   | 3,416   |
| <b>Water:</b>   |             |         |         |         |         |
| Water Mains (miles)   | 426         | 426     | 420     | 410     | 410     |
| New connections   | 228         | 74      | 45      | 23      | 20      |
| Maximum Daily Capacity (gallons)<br>(millions of gallons)     | 57          | 57      | 57      | 57      | 57      |
| Average daily consumptions (gallons)<br>(millions of gallons) | 13          | 14      | 15      | 15      | 15      |
| <b>Sewer:</b>   |             |         |         |         |         |
| Sanitary Sewer (miles)  | 421         | 421     | 415     | 410     | 410     |
| New connections   | 227         | 74      | 45      | 22      | 14      |
| Average daily treatment (gallons)<br>(millions of gallons)    | 10.0        | 9.5     | 9.5     | 10      | 9       |
| <b>Airport:</b>   |             |         |         |         |         |
| Hangar rentals  | 62          | 76      | 76      | 76      | 76      |
| <b>Solid waste:</b>   |             |         |         |         |         |
| Refuse collected (tons per day)                               | 252         | 221     | 211     | 205     | 198     |
| Recyclables collected (tons per day)                          | 76          | 69      | 66      | 65      | 64      |
| <b>Transit:</b>   |             |         |         |         |         |
| Average daily passengers                                      | 505         | 519     | 444     | 418     | 357     |
| Total fixed route miles                                       | 358,405     | 313,380 | 228,817 | 237,089 | 226,808 |

Source: City of Tracy Departments

**City of Tracy**  
**Capital Asset Statistics by Function / Program**  
**Last Ten Fiscal Years**

|                              | Fiscal Year |       |       |       |       |
|------------------------------|-------------|-------|-------|-------|-------|
|                              | 2021        | 2020  | 2019  | 2018  | 2017  |
| <b>Police:</b>               |             |       |       |       |       |
| Number of stations           | 1           | 1     | 1     | 1     | 1     |
| <b>Fire:</b>                 |             |       |       |       |       |
| Number of stations           | 6           | 6     | 6     | 6     | 6     |
| <b>Public works:</b>         |             |       |       |       |       |
| Number of street lights      | 6,928       | 6,142 | 6,141 | 6,141 | 6,110 |
| Number of traffic signals    | 77          | 76    | 75    | 75    | 85    |
| <b>Parks and recreation:</b> |             |       |       |       |       |
| Number of parks              | 77          | 77    | 77    | 77    | 77    |
| Number of community centers  | 3           | 3     | 3     | 3     | 3     |
| <b>Water:</b>                |             |       |       |       |       |
| Water mains (miles)          | 472         | 465   | 450   | 440   | 431   |
| <b>Wastewater</b>            |             |       |       |       |       |
| Sanitary sewers (miles)      | 465         | 460   | 452   | 440   | 426   |
| <b>Airport:</b>              |             |       |       |       |       |
| Number of hangars            | 79          | 69    | 68    | 76    | 76    |
| <b>Transit:</b>              |             |       |       |       |       |
| Number of vehicles           | 15          | 15    | 15    | 15    | 15    |

Source: City of Tracy Departments



**City of Tracy**  
**Capital Asset Statistics by Function / Program (Continued)**  
**Last Ten Fiscal Years**

|                              | Fiscal Year |       |       |       |       |
|------------------------------|-------------|-------|-------|-------|-------|
|                              | 2016        | 2015  | 2014  | 2013  | 2012  |
| <b>Police:</b>               |             |       |       |       |       |
| Number of stations           | 1           | 1     | 1     | 1     | 1     |
| <b>Fire:</b>                 |             |       |       |       |       |
| Number of stations           | 6           | 7     | 7     | 7     | 7     |
| <b>Public works:</b>         |             |       |       |       |       |
| Number of street lights      | 6,110       | 6,004 | 5,430 | 5,430 | 5,430 |
| Number of traffic signals    | 85          | 84    | 84    | 78    | 78    |
| <b>Parks and recreation:</b> |             |       |       |       |       |
| Number of parks              | 77          | 76    | 76    | 76    | 76    |
| Number of community centers  | 3           | 3     | 3     | 3     | 3     |
| <b>Water:</b>                |             |       |       |       |       |
| Water mains (miles)          | 426         | 426   | 420   | 410   | 410   |
| <b>Wastewater</b>            |             |       |       |       |       |
| Sanitary sewers (miles)      | 421         | 421   | 415   | 410   | 410   |
| <b>Airport:</b>              |             |       |       |       |       |
| Number of hangars            | 62          | 76    | 76    | 76    | 76    |
| <b>Transit:</b>              |             |       |       |       |       |
| Number of vehicles           | 15          | 15    | 15    | 15    | 15    |

Source: City of Tracy Departments

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RESOLUTION \_\_\_\_\_

ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

WHEREAS, The financial statements of the City of Tracy for the fiscal year ended June 30, 2021, have been prepared by the City's Finance Department, and

WHEREAS, The annual financial statements were examined by the independent public accounting firm of The Pun Group, and

WHEREAS, The City prepared the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 and the auditor's opinion is included therein, and

WHEREAS, It is the opinion of the auditors that the financial statements present fairly the financial position of the City as of June 30, 2021, and that the statements were prepared in accordance with accounting principles generally accepted in the United States of America;

NOW, THEREFORE, BE IT RESOLVED, That the City Council does hereby accept the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the Tracy City Council on the 15th day of February 2022 by the following vote:

- AYES:            COUNCIL MEMBERS:
- NOES:           COUNCIL MEMBERS:
- ABSENT:        COUNCIL MEMBERS:
- ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.D

REQUEST

**ACCEPT THE DEDICATION OF THE IMPROVED FIRE STATION 95 SITE AND ALL EQUIPMENT, FURNISHINGS AND SITE IMPROVEMENTS FROM THE TRACY HILLS DEVELOPERS; AUTHORIZE CONVEYANCE OF THE IMPROVED STATION 95 SITE, EQUIPMENT, FURNISHINGS, SITE IMPROVEMENTS, AND AN ASSOCIATED FIRE ENGINE APPARATUS TO THE TRACY RURAL FIRE PROTECTION DISTRICT; AND AUTHORIZE EXECUTION OF A JOINT COMMUNITY FACILITIES AGREEMENT**

EXECUTIVE SUMMARY

The Tracy Hills Project Owner, LLC, and Tracy Hills Phase 1, LLC (“Developers”) have completed construction of Tracy Fire Station 95, in accordance with their Development Agreement with the City of Tracy. Staff recommends City Council accept Developers’ dedication of Station 95 and other site improvements as complete and authorize City staff to file a Notice of Completion and release Developers’ faithful performance and labor and materials bonds. Staff further recommends that the City Council approve the transfer of Station 95, all associated site improvements and furnishings, and the associated fire engine apparatus, from the City to the Tracy Rural Fire Protection District (“Tracy Rural”) in accordance with the South County Fire Authority Dissolution Agreement, authorize the City Manager to execute a grant deed for such conveyances, and authorize the City Manager to execute a Joint Community Facilities Agreement with Tracy Rural to enable the financing of Fire Station 95 through the City of Tracy Community Facilities District No. 2016-1.

DISCUSSION

***Acceptance of Station 95 Site and Improvements***

On June 7, 2016, by Resolution No. 2016-110, the City Council approved the Tracy Station 95 Fire Station Acquisition Agreement (the “Acquisition Agreement”) between the City and Developers providing for Developers’ construction and dedication of Station 95. Developers’ obligations under the Acquisition Agreement included site acquisition, design and construction of Station 95, construction of Criseldo Mina Drive along the Station 95 site frontage, and dedication of the fully improved Station 95 site to the City. Under the Acquisition Agreement, Developer was required to fund up to \$5,500,000 for the site and site improvements in exchange for public safety fee credits in the same amount.

On November 20, 2020, the City Council adopted Ordinance 1300, amending the Development Agreement between the City and Developers to, among other things, increase Developers’ funding obligation for Station 95 to \$6,900,000.

On May 21, 2017, the City and Developers entered into the Tracy Station 95 Fire Station First Implementation Agreement (the “Implementation Agreement”) which established a schedule for design and construction of Station 95. On May 19, 2020,

by Resolution No. 2020-072, the City and Developers amended the Implementation Agreement to extend the Final Completion date to September 1, 2021.

On February 20, 2019, Tracy BPS LLC, executed an Irrevocable Conditional Offer of Dedication (ICOD), dedicating the Station 95 site to the City. The ICOD stipulates that the City may only accept the land dedication in the event final completion does not occur on or before September 1, 2021, as required by the amended Implementation Agreement. Final completion of Station 95 did not occur on or before September 1, 2021, therefore the City is free to accept the improved Station 95 site pursuant to the ICOD.

RRM Design Group prepared the improvement plans and specifications titled "Tracy Fire Station 95", which were approved by the City. Developer has now completed all work on Station 95 in accordance with the Acquisition Agreement and the amended Implementation Agreement, and has asked the City to accept the improved Station 95 site, with all on-site equipment and furnishings. The City Engineer and Building Official have completed their inspections and confirmed that the improvements conform to the Acquisition Agreement and the approved plans and specifications. The estimated cost of the improved Station 95 site is:

|                              |           |                |
|------------------------------|-----------|----------------|
| Station 95 Site Improvements | \$        | 6,597,957      |
| <u>Land Value</u>            | <u>\$</u> | <u>192,837</u> |
| Total Cost                   | \$        | 6,790,794      |
| <br>                         |           |                |
| Developer funding obligation | \$        | 6,900,000      |

This agenda item asks the City Council to accept Developers' ICOD for the completed Station 95, the fully-improved Station 95 site, and all associated equipment and furnishings on the site (collectively, "Fire Station 95").

As of January 1, 2022, the Tracy Hills development has used \$960,768 in Public Safety Impact Fees as it relates to the \$6,790,794 total Master Plan Impact Fees earned with the construction of Fire Station 95. The developer has \$5,830,026 remaining in fee credits. The City and developer will track these fee credits and annually update as part of the Annual Comprehensive Finance Report (ACFR).

***Transfer of Fire Station 95 and Apparatus to Tracy Rural***

This agenda item also asks the City Council to authorize the conveyance of Fire Station 95 and that certain 2020 Pierce Velocity fire engine apparatus (1500 GMP Pumper) bearing Vehicle Identification Number 4P1BAAGF0MA022707 and License Plate Number 1607554 (the "Apparatus") to Tracy Rural.

The City and Tracy Rural were previously members of the South County Fire Authority ("SCFA"), a joint powers authority formed in 1999 to provide fire protection services in their respective jurisdictions. In 2018, the City and Tracy Rural dissolved the SCFA by

executing South County Fire Authority Dissolution Agreement between City of Tracy and Tracy Rural Fire District (“Dissolution Agreement”).<sup>1</sup>

Under the Dissolution Agreement, the City and Tracy Rural agreed that Tracy Rural would own and operate all fire stations in those areas where the City’s and Tracy Rural’s jurisdiction overlapped (areas within both Tracy Rural’s service area and City limits) (hereafter, “overlapping jurisdiction areas”), and if Tracy Rural ceased operating a fire station in an overlapping jurisdiction area, such fire station would revert to the City’s ownership at no cost to the City.

The recently-completed Station 95 is within an “overlapping jurisdiction area” as that term is used in the Dissolution Agreement.

The Dissolution Agreement also provides that the City will disburse a certain portion of Public Facilities Safety fees collected by the City in the overlapping jurisdiction areas to Tracy Rural. By transferring Fire Station 95 and the Apparatus, the City will fulfill this obligation because the construction of Fire Station 95, \$6,790,794 and the Apparatus, \$874,518, were funded by Public Safety Facilities Fees from the Master Plan Impact Fees.

If the transfer of the Fire Station is approved by Council, the City Manager will also execute a Joint Community Facilities Agreement (JCFA) for Fire Station 95 with Tracy Rural that satisfies the requirements of the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 (commencing with Section 53311) of Division 2 of Title 5 of the California Government Code (the “Act”). The JCFA would restrict the use of Fire Station 95 to public purposes only to allow Developers to finance the construction of Fire Station 95 through Community Facilities District No. 2016-1 bond proceeds. The City Manager is authorized to execute the JCFA under Resolution No. 2016-111.

## STRATEGIC PLAN

This agenda item is consistent with the Council approved Economic Development Strategy to ensure physical infrastructure necessary for development.

## FISCAL IMPACT

Developers, in accordance with the Acquisition Agreement, completed all improvements at Developers’ expense. There is no impact to the general fund. Developer is due \$6,790,794 in public safety impact fee credits for the construction of Fire Station 95. As of January 1, 2022, developer has received \$960,768 in fee credits for the Fire Station. and the remaining fee credits for Tracy Hills is \$5,830,026.

In addition, Fire Station 95 required the purchase of a new apparatus, also funded by Public Safety Master Plan Impact Fees, in the amount of \$874,518.

---

<sup>1</sup> At the same time the City and Tracy Rural executed the Dissolution Agreement, they also executed that certain Joint Powers Agreement of the South San Joaquin County Fire Authority (the “New JPA Agreement”) to form a new joint powers authority to continue to provide fire protection services within their respective jurisdictions. As of today, the City and Tracy Rural are continuing to provide fire protection services within their services areas under the terms of the New JPA Agreement.

With the adoption of this agenda item, these assets will be transferred to Tracy Rural Fire District to be owned and maintained by the TRFD so long as they continue to provide funding for fire services at Station 95 per the South San Joaquin Fire Authority agreement. In the event that TRFD no longer provides fire services at Station 95, the assets will revert back to the City of Tracy at no cost to the City.

#### RECOMMENDATION

That City Council, by resolution, (a) accept Fire Station 95, authorize the City Clerk to file and record a Notice of Completion in the Official Records of San Joaquin County, authorize the City Engineer to release the faithful performance bond in accordance with the terms of the Acquisition Agreement, (b) authorize the City Manager to execute and the City Clerk to file and record in the Official Records of San Joaquin County a grant deed in substantially the form of Attachment A, to convey Fire Station 95 and the Apparatus to Tracy Rural, and (c) authorize the City Manager to execute a Joint Community Facilities Agreement with Tracy Rural in substantially the form of Attachment B.

Prepared by: Paul Verma, PE, Senior Civil Engineer

Reviewed by: Robert Armijo, PE, City Engineer / Assistant Director of Development Services  
William Dean, Interim Director of Development Services  
Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

#### ATTACHMENTS

Attachment A: Grant Deed and Bill of Sale  
Attachment B: Joint Community Facilities Agreement

RECORDING REQUESTED BY:

City Clerk  
City of Tracy  
333 Civic Center Plaza  
Tracy, California 95376

and

Tracy Rural Fire Protection District  
793 S. Tracy Blvd., #298  
Tracy, CA 95376

WHEN RECORDED MAIL DEED TO:

City Clerk  
City of Tracy  
333 Civic Center Plaza  
Tracy, California 95376

and

Tracy Rural Fire Protection District  
793 S. Tracy Blvd., #298  
Tracy, CA 95376

---

(Above Space for Recorder's Use Only)

**GRANT DEED AND BILL OF SALE**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City of Tracy, a municipal corporation of the State of California, ("**Grantor**"), hereby GRANTS and CONVEYS to the Tracy Rural Fire Protection District, a special district in the State of California formed pursuant to the California Health and Safety Code ("**Grantee**"), subject to the condition subsequent set forth below, the following real and personal property:

- A. Grantor hereby GRANTS to Grantee that certain real property situated in San Joaquin County, California, described on Exhibit "A" attached hereto and by this reference incorporated herein, and including all structures, equipment, and furnishings on said property as of the date of this Grant Deed (the "**Real Property**"); and
- B. Grantor hereby CONVEYS to Grantee, all of Grantor's right, title and interest in and to that certain 2020 Pierce Velocity fire engine apparatus (1500 GMP Pumper) bearing Vehicle Identification Number 4P1BAAGFMA022707 / License plate number 1607554 (the "**Personal Property**");



the foregoing GRANT and CONVEYANCE of the Real Property and the Personal Property (together, the “**PROPERTY**”), are each and together subject to the following condition subsequent:

THE PROPERTY IS GRANTED AND CONVEYED TO GRANTEE SUBJECT TO ITS OPERATION AND USE, AT ALL TIMES, BY GRANTEE AND GRANTEE ALONE, AS AND FOR FIRE STATION 95. THIS USE RESTRICTION AND GRANTOR’S POWER OF TERMINATION ARISING THEREFROM IS BASED ON SECTION 4 OF THAT CERTAIN SOUTH COUNTY FIRE AUTHORITY DISSOLUTION AGREEMENT BETWEEN CITY OF TRACY AND TRACY RURAL FIRE DISTRICT, ENTERED INTO ON FEBRUARY 20, 2018 (“DISSOLUTION AGREEMENT”), AND IF GRANTEE CEASES TO OPERATE AND USE THE PROPERTY AS AND FOR FIRE STATION 95, GRANTOR MAY EXERCISE ITS POWER OF TERMINATION TO IMMEDIATELY RECLAIM ITS OWNERSHIP OF THE PROPERTY CONSISTENT WITH THE TERMS OF THE DISSOLUTION AGREEMENT AND THIS GRANT DEED AND BILL OF SALE. FOR PURPOSES OF THIS CLAUSE “OPERATE AND USE” SHALL MEAN GRANTEE OPERATES AND USES THE PROPERTY TO PROVIDE FIRE PROTECTION SERVICES CONSISTENT WITH ITS OBLIGATIONS TO PROVIDE SUCH SERVICES UNDER THAT CERTAIN JOINT POWERS AGREEMENT OF THE SOUTH SAN JOAQUIN COUNTY FIRE AUTHORITY, ENTERED INTO BY THE CITY OF TRACY AND THE TRACY RURAL FIRE PROTECTION DISTRICT ON FEBRUARY 20, 2018, AS IT MAY BE AMENDED FROM TIME TO TIME, OR WITH SUCH OTHER SUCCESSOR AGREEMENT AS MAY BE ENTERED INTO BY GRANTOR AND GRANTEE. UPON GRANTEE’S RECEIPT OF WRITTEN NOTICE FROM GRANTOR THAT GRANTOR IS EXERCISING ITS POWER OF TERMINATION UNDER THIS GRANT DEED AND BILL OF SALE, GRANTEE SHALL IMMEDIATELY AND AT GRANTEE’S SOLE EXPENSE, COMPLETE AND EXECUTE THE DEED OF RECONVEYANCE AND BILL OF SALE ATTACHED HERETO AS EXHIBIT “B” AND RECORD SUCH COMPLETED DEED OF RECONVEYANCE AND BILL OF SALE IN THE OFFICIAL RECORDS OF THE COUNTY OF SAN JOAQUIN.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, Grantor has executed this Grant Deed and Bill of Sale as of \_\_\_\_\_, 2022.

**GRANTOR:**  
The City of Tracy,  
a California municipal corporation

By: \_\_\_\_\_  
Name:  
Title:

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Joaquin

On \_\_\_\_\_, 2022, before me, [NOTARY NAME], personally appeared [NAME], who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity[y/ies], and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature  
[SEAL]

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF THE REAL PROPERTY**

**EXHIBIT – "A"**

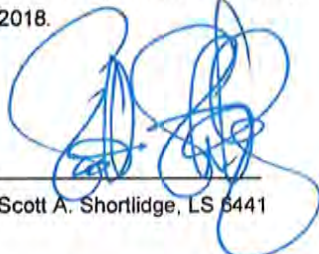
**Land Description** of a parcel of land situate in the City of Tracy, County of San Joaquin, State of California, and being a portion of Parcel C as shown upon map of Tract 3878, filed on January 26, 2018, in Book 43 of Maps and Plats at Page 17, Official Records of San Joaquin County, and being more particularly described as follows:

**Beginning** at a corner on the general northeasterly line of said Parcel C, same corner being at the northwesterly terminus of the course labeled "N 48° 35' 14" W – 36.31 feet" on said map; Thence along the boundary lines of said Parcel C, the following two (2) courses: (1) South 48° 35' 14" East – 36.31 feet, and (2) along the arc of a non-tangent curve to the left, to which beginning a radial bears South 33°05'14" West, having a radius of 854.00 feet, a central angle of 8°45'13" and an arc length of 130.47 feet; Thence leaving last said line and crossing through said Parcel C, South 26° 55' 42" West – 63.95 feet; Thence South 40° 10' 13" West – 156.74 feet; Thence North 49° 49' 47" West – 204.24 feet; Thence North 40° 10' 13" East – 168.89 feet to a point on said northeasterly line; Thence along last said line, along the arc of a tangent curve to the right, having a radius of 25.00 feet, a central angle of 91°14'33" and an arc length of 39.81 feet to the **POINT OF BEGINNING**.

**Containing** 40,699 square feet, more or less, as depicted on the Plat labeled (Exhibit "A" Fire Station Parcel), attached and hereby made part of the land description.

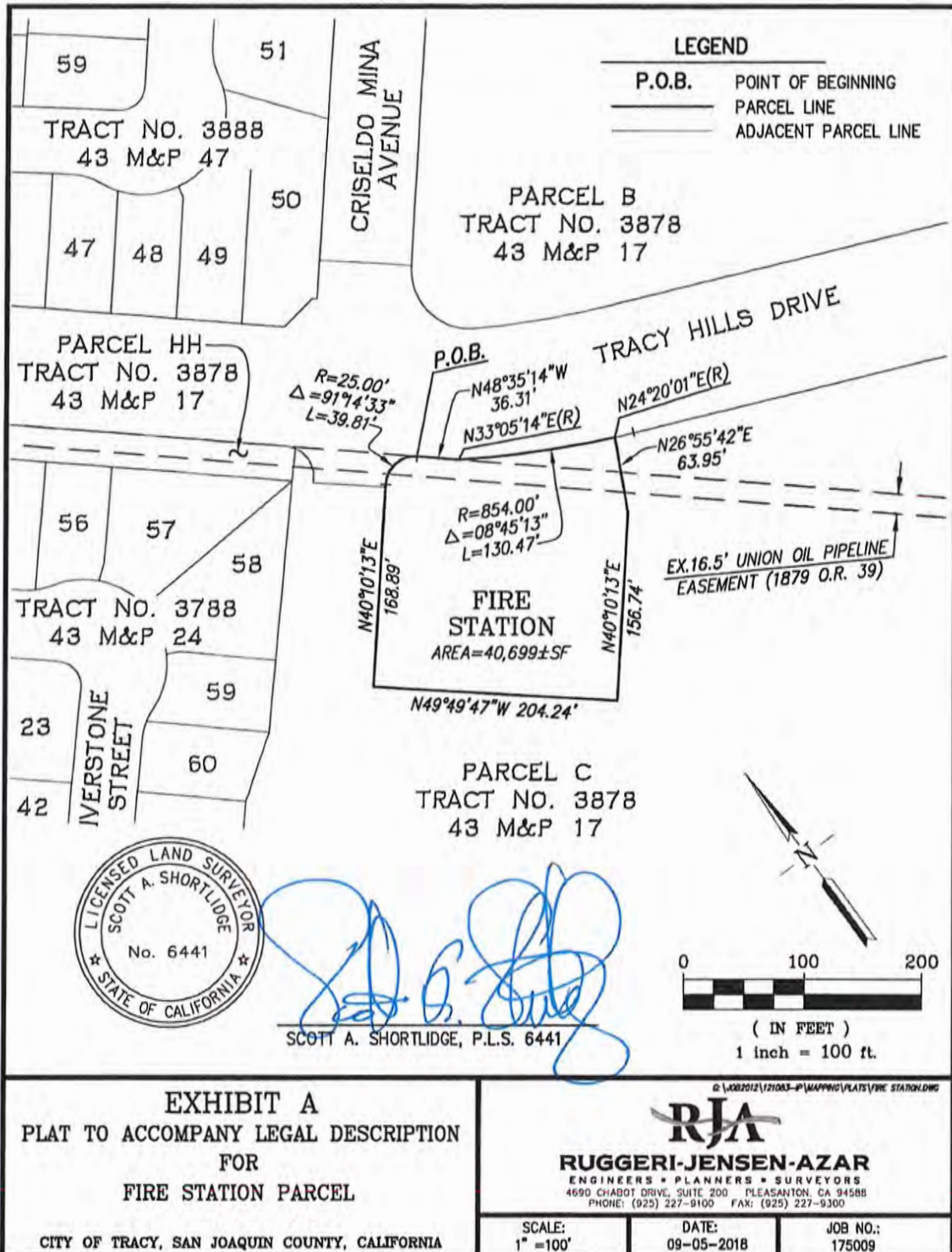
**End of Description**

This description and its accompanying plat were prepared by me, or under my direction, in September 2018.

  
\_\_\_\_\_  
Scott A. Shortlidge, LS 6441



9-5-2018  
Date



Company Engineering Design Project Prototype (Imperial Units)

Project: 121083

Wed September 05 09:17:33 2018

Parcel Map Check

-----  
Parcel name: FIRE STATION

North: 2070304.2832                      East : 6284902.3713  
Line Course: S 48-35-14 E Length: 36.31  
North: 2070280.2649                      East : 6284929.6025  
Curve Length: 130.47                      Radius: 854.00  
Delta: 8-45-13                              Tangent: 65.37  
Chord: 130.35                                Course: S 61-17-23 E  
Course In: N 33-05-14 E                      Course Out: S 24-20-01 W  
RP North: 2070995.7806                      East : 6285395.8140  
End North: 2070217.6485                      East : 6285043.9242  
Line Course: S 26-55-42 W Length: 63.95  
North: 2070160.6324                      East : 6285014.9628  
Line Course: S 40-10-13 W Length: 156.74  
North: 2070040.8626                      East : 6284913.8559  
Line Course: N 49-49-47 W Length: 204.24  
North: 2070172.6099                      East : 6284757.7898  
Line Course: N 40-10-13 E Length: 168.89  
North: 2070301.6639                      East : 6284866.7343  
Curve Length: 39.81                              Radius: 25.00  
Delta: 91-14-33                              Tangent: 25.55  
Chord: 35.74                                Course: N 85-47-29 E  
Course In: S 49-49-47 E                      Course Out: N 41-24-46 E  
RP North: 2070285.5374                      East : 6284885.8375  
End North: 2070304.2865                      East : 6284902.3745

Perimeter: 800.41    Area: 40,699 Sq Ft 0.93 Ac.

Mapcheck Closure - (Uses listed courses, radii, and deltas)  
Error Closure: 0.0046                      Course: N 43-53-14 E  
Error North: 0.00330                      East : 0.00318  
Precision 1: 174,002.17

**EXHIBIT "B"**

**DEED OF RECONVEYANCE AND BILL OF SALE**

**EXHIBIT “B” TO GRANT DEED**

RECORDING REQUESTED BY:

Tracy Rural Fire Protection District  
793 S. Tracy Blvd., #298  
Tracy, CA 95376

and

City Clerk  
City of Tracy  
333 Civic Center Plaza  
Tracy, California 95376

WHEN RECORDED MAIL DEED TO:

Tracy Rural Fire Protection District  
793 S. Tracy Blvd., #298  
Tracy, CA 95376

and

City Clerk  
City of Tracy  
333 Civic Center Plaza  
Tracy, California 95376

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(Above Space for Recorder's Use Only)

**DEED OF RECONVEYANCE AND BILL OF SALE,**  
made by the Tracy Rural Fire Protection District, **Grantor**, to the City of Tracy, **Grantee**:

**RECITALS**

- A. On [DATE], Grantee executed and delivered to Grantor that certain Grant Deed and Bill of Sale described and defined below, which was recorded in the Official Records of San Joaquin County, California, on [DATE] and bears Document Number [ ] (the “**Grant Deed and Bill of Sale**”).
- B. The Grant Deed and Bill of Sale was made subject to a condition subsequent, based on Section 4 of that certain South County Fire Authority Dissolution Agreement between the City of Tracy and Tracy Rural Fire Protection District entered into on February 20, 2018 (the “**Dissolution Agreement**”), that the PROPERTY, as defined in the Grant Deed and Bill of Sale, be operated and used, by Grantor and Grantor alone, to provide fire protection services consistent with the terms of that certain Joint Powers Agreement of the South San Joaquin County Fire Authority entered into on February 20, 2018, as may



**EXHIBIT “B” TO GRANT DEED**

be amended from time to time (the “**JPA Agreement**”), or such other successor agreement as may be entered into by Grantor and Grantee.

- C. The condition subsequent described in Recital B has now been defeated by Grantor’s failure to operate and use the PROPERTY to provide fire protection services consistent with the terms of the JPA Agreement or any successor agreement between Grantor and Grantee.

BY REASON OF THE FOREGOING, in accordance with California Civil Code section 1109, the Tracy Rural Fire Protection District, a special district in the State of California formed pursuant to the California Health and Safety Code (“**Grantor**”), hereby GRANTS and CONVEYS to the City of Tracy, a municipal corporation of the State of California (“**Grantee**”), the following real and personal property:

- A. Grantor hereby GRANTS to Grantee that certain real property situated in San Joaquin County, California, described on Exhibit “A” attached hereto and by this reference incorporated herein, and including all structures, equipment, and furnishings on said property as of the date of this Grant Deed; and
- B. Grantor hereby CONVEYS to Grantee, all of Grantor’s right, title and interest in and to that certain 2020 Pierce Velocity fire engine apparatus (1500 GMP Pumper) bearing Vehicle Identification Number 4P1BAAGFMA022707 / License plate number 1607554.

**[SIGNATURE PAGE FOLLOWS]**

**EXHIBIT "B" TO GRANT DEED**

IN WITNESS WHEREOF, Grantor has executed this Deed of Reconveyance as of [DATE].

**GRANTOR:**

The Tracy Rural Fire Protection District,  
a special district of the State of California

By: \_\_\_\_\_

Name: \_\_\_\_\_

It's: \_\_\_\_\_

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of [COUNTY]

On [DATE], before me, [NOTARY NAME], personally appeared [NAME], who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity[y/ies], and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

[SEAL]

**EXHIBIT "B" TO GRANT DEED**

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF THE REAL PROPERTY**

**EXHIBIT – "A"**

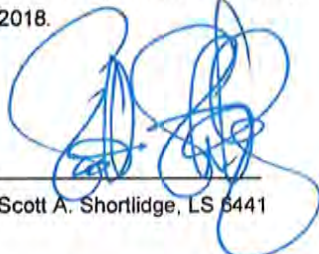
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**Containing** 40,699 square feet, more or less, as depicted on the Plat labeled (Exhibit "A" Fire Station Parcel), attached and hereby made part of the land description.

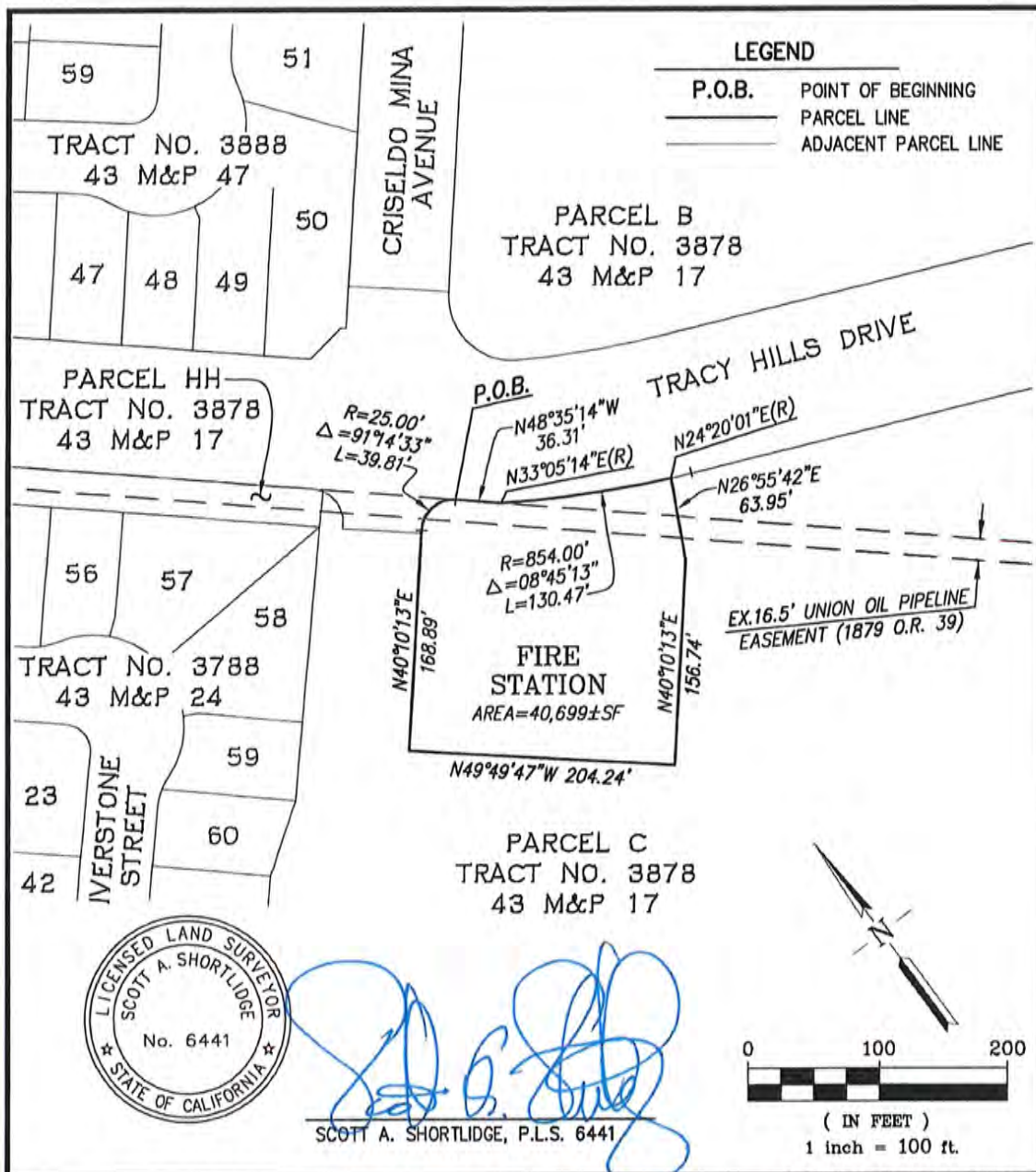
**End of Description**

This description and its accompanying plat were prepared by me, or under my direction, in September 2018.

  
\_\_\_\_\_  
Scott A. Shortlidge, LS 6441



9-5-2018  
Date



**EXHIBIT A**  
 PLAT TO ACCOMPANY LEGAL DESCRIPTION  
 FOR  
 FIRE STATION PARCEL

CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA

**RJA**  
**RUGGERI-JENSEN-AZAR**  
 ENGINEERS • PLANNERS • SURVEYORS  
 4690 CHABOT DRIVE, SUITE 200 PLEASANTON, CA 94588  
 PHONE: (925) 227-9100 FAX: (925) 227-9300

SCALE:  
 1" = 100'

DATE:  
 09-05-2018

JOB NO.:  
 175009

Company Engineering Design Project Prototype (Imperial Units)

Project: 121083

Wed September 05 09:17:33 2018

Parcel Map Check

-----  
Parcel name: FIRE STATION

North: 2070304.2832                      East : 6284902.3713  
Line Course: S 48-35-14 E Length: 36.31  
North: 2070280.2649                      East : 6284929.6025  
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Course In: N 33-05-14 E                      Course Out: S 24-20-01 W  
RP North: 2070995.7806                      East : 6285395.8140  
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Line Course: S 26-55-42 W Length: 63.95  
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North: 2070040.8626                      East : 6284913.8559  
Line Course: N 49-49-47 W Length: 204.24  
North: 2070172.6099                      East : 6284757.7898  
Line Course: N 40-10-13 E Length: 168.89  
North: 2070301.6639                      East : 6284866.7343  
Curve Length: 39.81                         Radius: 25.00  
Delta: 91-14-33                              Tangent: 25.55  
Chord: 35.74                                Course: N 85-47-29 E  
Course In: S 49-49-47 E                      Course Out: N 41-24-46 E  
RP North: 2070285.5374                      East : 6284885.8375  
End North: 2070304.2865                      East : 6284902.3745

Perimeter: 800.41    Area: 40,699 Sq Ft 0.93 Ac.

Mapcheck Closure - (Uses listed courses, radii, and deltas)  
Error Closure: 0.0046                      Course: N 43-53-14 E  
Error North: 0.00330                        East : 0.00318  
Precision 1: 174,002.17

**JOINT COMMUNITY FACILITIES AGREEMENT  
(FIRE STATION 95)**

For

**City of Tracy  
Community Facilities District No. 2016-1  
(Tracy Hills)**

THIS JOINT COMMUNITY FACILITIES AGREEMENT (FIRE STATION 95) (this "**Agreement**"), dated as of \_\_\_\_\_, 2022, is by and between the City of Tracy, a general law city and municipal corporation of the State of California organized and existing under the Constitution of the State of California (the "**City**") and the Tracy Rural Fire District, a special district organized and existing under the laws of the State of California (the "**District**").

**BACKGROUND**

A. At the request of The Tracy Hills Project Owner, LLC (the "Master Developer"), the master developer of the Tracy Hills project, the City conducted proceedings for the establishment of "City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" (the "**CFD**"), under the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 (commencing with Section 53311) of Division 2 of Title 5 of the California Government Code (the "**Act**"). The CFD will consist of one or more improvement areas (individually, an "**Improvement Area**" and collectively the "**Improvement Areas**").

B. The City established the CFD for the purpose, among others, of financing certain public capital facilities (the "**Facilities**"), including the constructing and equipping of two firehouses. One of the Facilities to be financed by the CFD is Fire Station 95, which the parties intend to be owned by the District.

C. The City entered into the following agreements related to the CFD (together, the "**Acquisition Agreements**"): (i) a Master Acquisition Agreement, dated as of July 19, 2016, by and between the City, for itself and on behalf of the CFD, and the Master Developer and (ii) with respect to Phase IA of the Tracy Hills project, an Acquisition Agreement, dated as of July 1, 2016, by and between the City, for itself and on behalf of the CFD, and Tracy Phase I, LLC (the "Phase 1A Developer").

D. The City will levy Facilities Special Taxes on non-exempt property in each of the Improvement Areas.

E. It is anticipated that the City will issue, for and on behalf of the CFD with respect to each Improvement Area, one or more series of bonds or incur other form(s) of indebtedness (collectively, the "**Bonds**") secured by such Facilities Special Taxes.

F. Pursuant to Section 53316.2 of the Act, the City may finance Fire Station 95 through the CFD only pursuant to a joint community facilities agreement between the City and the District.

G. The City and the District have determined that it would be of benefit to the residents of each of their respective jurisdictions to enter into this Agreement to provide for the financing of Fire Station 95 by the City through the CFD.

## **AGREEMENTS**

In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the sufficiency of which is hereby acknowledged, the City and the District agree as follows:

1. Agreement. This Agreement constitutes a "joint community facilities agreement", within the meaning of Section 53316.2 of the Act pursuant to which the CFD will be authorized to finance Fire Station 95.

2. Facilities Special Taxes and Bonds. The City Council of the City, acting as the legislative body of the CFD, may, in its sole discretion, levy the Facilities Special Taxes and authorize the issuance of one or more series of Bonds with respect to one or more Improvement Areas. The District has no right to compel the levy of the Facilities Special Taxes or the issuance of the Bonds.

3. Acquisition of Fire Station 95. Upon completion of Fire Station 95, the parties agree that it shall be owned and operated by the District. The City intends (but is not obligated) to reimburse the Master Developer or the Phase 1A Developer, as applicable, for construction of Fire Station 95 from available proceeds of Facilities Special Taxes or Bonds in accordance with the Acquisition Agreements.

4. Legal Matters. The District hereby makes the following covenants regarding the proposed use of Fire Station 95:

a. Expenditure of Bond Proceeds to Finance Fire Station 95. To assist the City in complying with federal tax law matters in connection with the issuance of any Bonds the interest on which is intended to be excluded from gross income for federal income tax purposes and that will finance Fire Station 95, the District agrees that, at or before the issuance of any such Bonds, the District will execute and deliver such certifications and covenants as may be reasonably required for the City's bond counsel to conclude that interest on such Bonds will be excluded from gross income for federal income tax purposes.

b. Private Business Tests; Private Loan Financing Test. The District shall assure that Fire Station 95 is not used so as to cause the Bonds to satisfy the private business tests of section 141(b) of the Internal Revenue Code of 1986, as amended (the "Code"), or the private loan financing test of section 141(c) of the Code, if applicable.

c. Sale of Fire Station 95. To the extent that the District wishes to sell Fire Station 95 to an entity that is not a state or local government, the District will seek the advice and approval of bond counsel to the City prior to any such sale.

5. Ongoing Operation and Maintenance; Access to District Records.



a. Operation and Maintenance of District Facilities. The District shall be solely responsible for the maintenance and operation of Fire Station 95.

b. Access to District Records. The District will, upon request, provide the City with access to the District's records related to Fire Station 95 and will provide to the City its financial records, to the extent determined by the City to be reasonably necessary for the City to comply with applicable California and federal law.

6. Indemnification.

a. Indemnification by the City. The City shall assume the defense of, indemnify and save harmless, the District, its officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of the City with respect to its obligations under this Agreement; provided, however, that the City shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

b. Indemnification by the District. The District shall assume the defense of, indemnify and save harmless, the City, its officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of the District with respect to its obligations under this Agreement, and the design, engineering, construction, operation and maintenance of the District Facilities; provided, however, that the District shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

7. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. This Agreement may not be assigned by either of the parties thereto.

9. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

10. Amendments. Amendments to this Agreement shall be made only by written instrument executed by each of the parties hereto.

11. Notices. Under this Agreement, notices shall be sent by first class mail or messenger as follows:

To the City:

City of Tracy

333 Civic Center Plaza  
Tracy, CA 95376  
Attn: Administrative Services Director

To the District:

Clerk of the Board  
Tracy Rural County Fire Protection District  
793 S. Tracy Blvd. #298  
Tracy, CA 95376

12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first-above written.

CITY OF TRACY

By: \_\_\_\_\_

Its: \_\_\_\_\_

TRACY RURAL FIRE DISTRICT

By: Dee Reece

Its: Chief person

RESOLUTION 2022 - \_\_\_\_\_

ACCEPTING THE DEDICATION OF FIRE STATION 95, AND AUTHORIZING THE  
CONVEYANCE OF FIRE STATION 95 AND ASSOCIATED FIRE ENGINE APPARATUS TO  
TRACY RURAL FIRE PROTECTION DISTRICT

WHEREAS, On September 7, 1999, the City of Tracy ("**City**") and the Tracy Rural Fire Protection District ("**Tracy Rural**") entered into that certain Joint Exercise of Powers Agreement for the South County Fire Authority (the "**Original JPA Agreement**") to form the South County Fire Authority ("**SCFA**") to provide fire protection services within the City's and Tracy Rural's respective service areas; and

WHEREAS, On June 7, 2016, the City entered into that certain Tracy Station 95 Fire Station Acquisition Agreement (the "**Acquisition Agreement**"), with The Tracy Hills Project Owner, LLC, and Tracy Hills Phase I, LLC (together, "**Developers**"), providing for Developers' construction and dedication of Tracy Fire Station 95 (hereafter, "**Station 95**"); and

WHEREAS, On February 20, 2018, the City and Tracy Rural executed that certain South County Fire Authority Dissolution Agreement Between City of Tracy and Tracy Rural Fire District (the "**Dissolution Agreement**"), thereby dissolving the SCFA; and

WHEREAS, On February 20, 2018, the City and Tracy Rural also executed that certain Joint Powers Agreement of the South San Joaquin County Fire Authority (the "**New JPA Agreement**"), thereby forming the South San Joaquin County Fire Authority ("**SSJCFA**") to replace the SCFA as the fire protection services provider for the City's and Tracy Rural's respective service areas; and

WHEREAS, The Dissolution Agreement provides, among other things, that Tracy Rural will own and operate all fire stations in those areas where the City's and Tracy Rural's jurisdiction overlapped (areas within both Tracy Rural's service area and City limits) (hereafter, "**overlapping jurisdiction areas**"), and if Tracy Rural ceases operating a fire station in an overlapping jurisdiction area, such fire station will revert to the City's ownership at no cost to the City; and

WHEREAS, The Station 95 site is in an overlapping jurisdiction area as that term is used in the Dissolution Agreement; and

WHEREAS, The Dissolution Agreement further provides for the City to disburse a certain portion of Public Facilities Safety fees collected by the City in the overlapping jurisdiction areas to Tracy Rural; and

WHEREAS, Public Safety Facilities Fees paid by Developers to date have been used to fund the construction of Station 95 and to purchase that certain 2020 Pierce Velocity fire engine apparatus (1500 GMP Pumper) bearing Vehicle Identification Number 4P1BAAGF0MA022707 and License Plate Number 1607554 (the "**Apparatus**"); and

WHEREAS, On February 20, 2019, Developers, through their affiliate Tracy BPS LLC, executed an Irrevocable Conditional Offer of Dedication, dedicating the improved Station 95 site to the City, but stipulating that the City could not accept the dedication before September 1, 2021 or before Final Completion of Station 95 as defined in the Acquisition Agreement; and

WHEREAS, The City Engineer and Building Official have completed their inspections of Station 95 and confirmed that the improvements conform to the Acquisition Agreement and the approved plans and specifications and meet the criteria for Final Completion and the City Council can now accept the dedication of the fully improved Station 95 site, and all equipment, appurtenances, and furnishings thereon; and

WHEREAS, Upon accepting the dedication of Station 95, the City can fulfill its obligations under the Dissolution Agreement to convey Station 95 and disburse Public Safety Facilities Fees to Tracy Rural by executing a Grant Deed and Bill of Sale, in substantially the form of Exhibit "A" hereto, in favor of Tracy Rural, subject to the condition subsequent that Tracy Rural always use Station 95 and the Apparatus to provide fire protection services to the SSJCFA service area consistent with the terms of the New JPA Agreement; and

WHEREAS, Upon the conveyance of Station 95 to Tracy Rural, the City and Tracy Rural may execute a Joint Community Facilities Agreement (JCFA) for Station 95 with Tracy Rural in accordance with the requirements of the Mello-Roos Community Facilities Act of 1982, to restrict the use of Station 95 to public purposes only and thereby allow for the financing of the construction of Station 95 through Community Facilities District No. 2016-1 bond proceeds;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby accepts the Station 95 site and all improvements thereon in accordance with the Irrevocable Conditional Offer of Dedication and the Acquisition Agreement, including the project plans and specifications;

BE IT FURTHER RESOLVED, That the City Manager is hereby authorized to execute a Grant Deed and Bill of Sale, in substantially the form of Exhibit "A" hereto, granting the fully improved Station 95 site to Tracy Rural, and conveying the Apparatus to Tracy Rural, both the grant and conveyance being subject to the condition subsequent set forth in the Grant Deed and Bill of Sale form attached hereto as Attachment "A";

BE IT FURTHER RESOLVED, That the City Clerk is authorized to file and record (i) a Notice of Completion for Station 95, and (ii) the executed Grant Deed and Bill of Sale, in the Official Records of San Joaquin County; and

BE IT FURTHER RESOLVED, That the City Manager is hereby authorized to execute a Joint Community Facilities Agreement with Tracy Rural in substantially the form of Attachment "B" hereto.

This resolution shall be effective immediately upon its adoption by the City Council.

\* \* \* \* \*

The foregoing Resolution 2022-\_\_\_\_\_ was adopted by the Tracy City Council on February 15, 2022 by the following vote:

|          |                  |
|----------|------------------|
| AYES:    | COUNCIL MEMBERS: |
| NOES:    | COUNCIL MEMBERS: |
| ABSENT:  | COUNCIL MEMBERS: |
| ABSTAIN: | COUNCIL MEMBERS: |

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.E

REQUEST

**APPROVE A GENERAL SERVICES AGREEMENT WITH PATRIOT ENVIRONMENTAL SERVICES, OF CALIFORNIA FOR ON-CALL SERVICES FOR REMOVAL OF FATS, OIL AND GREASE AT VARIOUS FACILITIES FOR A NOT TO EXCEED AMOUNT OF \$200,000 PER YEAR FOR A PERIOD OF THREE YEARS, AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT**

EXECUTIVE SUMMARY

This agenda item requests approval of a General Services Agreement (GSA) with Patriot Environmental Services, to provide services on an as-needed basis for removal of Fats, Oil, and Grease (FOG) left over from wastewater effluent at various facilities associated with the wastewater treatment plant, pump stations and sewer lift stations. This GSA will allow immediate response to emergency conditions and allow for regular on-going cleanup and disposal of FOG discharged with wastewater effluent to clear wastewater backups and reduce impacts to the treatment and pumping facilities. This GSA will be for a not-to-exceed amount of \$200,000 per year for a period of three years.

DISCUSSION

The City receives FOG mixed with wastewater effluent for treatment at the Wastewater Treatment Plant (WWTP). Traditionally, the City experienced smaller amounts of FOG in the effluent without major operational impacts at the WWTP. However, for the last four years, the City has been facing voluminous increases of FOG in the incoming effluent. The increase in volume is generally from restaurants, industries, and new development. This has resulted in negative impacts on the treatment process and excessive backups in the wastewater lines and pump stations with a potential of overflowing, raising health and safety concerns. The WWTP, pump stations and lift stations do not have a separate FOG processing system for handling such amounts of FOG and therefore requires manual removal of these deposits from these facilities. The City's grease pretreatment monitoring and permitting program is being treated as a high priority project to alleviate the problem at the source. Due to the specialized nature of the equipment required and lack of staff, services of a qualified waste removal contractor are needed to perform this work. The removal of FOG will be an ongoing service on an as need basis. Additionally, the services will be used for emergencies on an as-needed basis.

In October 2021, the City issued a Request for Proposals (RFP) to obtain on-call waste removal services. The RFP was also posted on the City's website. Due to the specialized nature of this work, only two proposals were received. Staff evaluated the proposals and found the proposal from Patriot Environmental Services to be the more qualified with lower cost of services to complete this work. Pursuant to the GSA procedures, staff would identify the services needed and request for services on-call basis. The contractor will be performing work on a time and material basis as specified in the GSA.

STRATEGIC PLAN

The agenda item is a routine operational item and is not related to the City Council's Strategic Plans.

FISCAL IMPACT

There are sufficient funds available for this request.

RECOMMENDATION

That City Council, by resolution, approve a General Services Agreement with Patriot Environmental Services, of California for on-call services for removal of Fats, Oil and Grease at various facilities for a not-to-exceed amount of \$200,000 per year for a period of three years starting from FY 2021-22.

Prepared by: Alope Vaid, Wastewater Operations Superintendent

Reviewed by: Kul Sharma, Utilities Director  
Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

ATTACHMENTS

A. General Services Agreement with Patriot Environmental Services

**CITY OF TRACY  
GENERAL SERVICES AGREEMENT WITH PATRIOT ENVIRONMENTAL SERVICES  
FOR ON-CALL WASTE REMOVAL SERVICES AT  
THE WASTEWATER TREATMENT PLANT**

This General Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and Patriot Environmental Services, a California Corporation (**Contractor**). City and Contractor are referred to individually as “Party” and collectively as “Parties.”

**Recitals**

- A.** City desires to retain Contractor to provide on-call waste removal services for the wastewater treatment plant in the Utilities Department and
- B.** On October 4, 2021, City issued a Request for Proposals (RFP) for the On-Call Waste Removal Services (**Project**). On October 28, 2021 Contractor submitted its proposal for the Project to City. City has determined that Contractor possesses the skills, experience and certification required to provide the services.
- C.** After negotiations between the City and Contractor, the Parties have reached an agreement for the performance of services in accordance with the terms set forth in this Agreement.
- D.** This Agreement is being executed pursuant to Resolution No. 2022-\_\_\_\_ approved by Tracy City Council on \_\_\_\_\_, 2022.

**Now therefore, the Parties mutually agree as follows:**

**1. Scope of Work.** Contractor shall perform the services described in Exhibit “A” attached and incorporated by reference. The services shall be performed by, or under the direct supervision of, Contractor’s Authorized Representative: Mr. Jamey Dobbs. Contractor shall not replace its Authorized Representative, nor shall Contractor replace any of the personnel listed in Exhibit “A,” nor shall Contractor use or replace any subcontractors or subconsultants, without City’s prior written consent. A failure to obtain the City’s prior written consent for any change or replacement in personnel or subcontractor may result in the termination of this Agreement.

**2. Time of Performance.** Time is of the essence in the performance of services under this Agreement and the timing requirements set forth shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. Upon City’s request, Contractor shall begin performance on agreed dates and shall complete all required services no later than the dates set forth for each individual task. Any services for which times for performance are not specified in this Agreement shall be started and completed by Contractor in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the Contractor. Contractor shall submit all requests for time extensions to the City in writing no later than ten days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. City shall grant or deny such requests at its sole discretion.

**2.1 Term.** The term of this agreement is for a period of three years. The term of this Agreement shall begin February 1, 2022 and end on December 31, 2025 unless terminated in accordance with Section 6.



**3. Compensation.** City shall pay Contractor on a time and expense basis, at the billing rates set forth in Exhibit “B,” attached and incorporated by reference for services performed under this Agreement.

**3.1 Not to Exceed Amount.** Contractor’s total compensation under this Agreement shall not exceed \$200,000 per annum during the term of this agreement. Contractor’s billing rates shall cover all costs and expenses for Contractor’s performance of this Agreement. No work shall be performed by Contractor in excess of the total compensation amount provided in this section without the City’s prior written approval.

**3.2 Invoices.** Contractor shall submit monthly invoices to the City that describe the services performed, including times, dates, and names of persons performing the services.

**3.2.1.** Contractor’s failure to submit invoices in accordance with these requirements may result in the City rejecting said invoices and thereby delaying payment to Contractor.

**3.3 Payment.** Within 30 days after the City’s receipt of invoice, City shall make payment to the Contractor based upon the services described on the invoice submitted by the Contractor, reviewed, verified, and approved by the City.

**4. Indemnification.** Contractor shall, to the fullest extent permitted by law, indemnify, defend (with independent counsel approved by the City), and hold harmless the City from and against any claims arising out of Contractor’s performance or failure to comply with obligations under this Agreement, except to the extent caused by the sole, active negligence or willful misconduct of the City.

In this section, “City” means the City, its officials, officers, agents, employees and volunteers; “Contractor” means the Contractor, its employees, agents and subcontractors; “Claims” includes claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses) and any allegations of these; and “Arising out of” includes “pertaining to” and “relating to”.

The provisions of this section survive completion of the services or the termination of this Agreement and are not limited by the provisions of Section 5 relating to insurance.

**5. Insurance.** Contractor shall, throughout the duration of this Agreement, maintain insurance to cover Contractor, its agents, representatives, and employees in connection with the performance of services under this Agreement at the minimum levels set forth herein.

**5.1 Commercial General Liability** (with coverage at least as broad as ISO form CG 00 01 01 96) “per occurrence” coverage shall be maintained in an amount not less than \$4,000,000 general aggregate and \$2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

**5.2 Automobile Liability** (with coverage at least as broad as ISO form CA 00 01 07 97, for “any auto”) “claims made” coverage shall be maintained in an amount not less than \$1,000,000 per accident for bodily injury and property damage.

**5.3 Workers’ Compensation** coverage shall be maintained as required by the State of California.

**5.4 Professional Liability** “claims made” coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Contractor in an amount not less than \$1,000,000 per claim.

**5.5 Endorsements.** Contractor shall obtain endorsements to the automobile and commercial general liability insurance policies with the following provisions:

**5.5.1** The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional “insured.”

**5.5.2** For any claims related to this Agreement, Contractor's coverage shall be primary insurance with respect to the City. Any insurance maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

**5.6 Notice of Cancellation.** Contractor shall notify the City if the policy is canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation. Contractor shall immediately obtain a replacement policy.

**5.7 Authorized Insurers.** All insurance companies providing coverage to Contractor shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

**5.8 Insurance Certificate.** Contractor shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance and endorsements, in a form satisfactory to the City, before the City signs this Agreement.

**5.9 Substitute Certificates.** Contractor shall provide a substitute certificate of insurance no later than 30 days prior to the policy expiration date of any insurance policy required by this Agreement.

**5.10 Contractor's Obligation.** Maintenance of insurance by the Contractor as specified in this Agreement shall in no way be interpreted as relieving the Contractor of any responsibility whatsoever (including indemnity obligations under this Agreement), and the Contractor may carry, at its own expense, such additional insurance as it deems necessary. Failure to provide or maintain any insurance policies or endorsements required herein may result in the City terminating this Agreement.

**6. Termination.** The City may terminate this Agreement by giving ten days' written notice to Contractor. Upon termination, Contractor shall give the City all original documents, including preliminary drafts and supporting documents, prepared by Contractor for this Agreement. The City shall pay Contractor for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.

**7. Dispute Resolution.** If any dispute arises between the City and Contractor that cannot be settled after engaging in good faith negotiations, City and Contractor agree to resolve the dispute in accordance with the following:

**7.1** Each Party shall designate a senior management or executive level representative to negotiate the dispute.

**7.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

**7.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiations between legal counsel. If the aforementioned process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

**7.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

**7.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

**7.6** The dispute resolution process is a material condition to this Agreement and must be exhausted prior to either Party initiating legal action. This dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

**8 Labor Code Compliance.** Contractor is aware of the requirements of Chapter 1 of Part 7 of Division 2 of the California Labor Code and applicable regulations which require the payment of prevailing wage rates (§1771, §1774, and §1775); employment of apprentices (§1777.5), certified

payroll records (§1776), hours of labor (§1813 and §1815), debarment of contractors and subcontractors (§1777.1) and the performance of other requirements on “public works” and “maintenance” projects. The services being performed under this Agreement are part of a “public works” or “maintenance” project, as defined in the Prevailing Wage Laws, Contractor agrees to fully comply with such Prevailing Wage Laws.

**8.1 Rates.** These prevailing wage rates are on file with the City and are available online at <http://www.dir.ca.gov/DLSR>. Each Contractor and Subcontractor must pay no less than the specified rates to all workers employed to perform the services described herein. The schedule of per diem wages is based upon a working day of eight hours. The rate for holiday and overtime work must be at least time and one-half. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the City harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker, or any other third party.

**8.2 Registration with DIR.** Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform the services consistent with Labor Code section 1725.5.

**8.3 Monitoring.** This Agreement will be subject to compliance monitoring and enforcement by the DIR, under Labor Code section 1771.4.

**9. Ownership of Work.** All original documents prepared by Contractor for this Agreement, whether complete or in progress, are the property of the City, and shall be given to the City at the completion of Contractor’s services, or upon demand from the City. No such documents shall be revealed or made available by Contractor to any third party without the City’s prior written consent.

**10. Independent Contractor Status.** Contractor is an independent contractor and is solely responsible for the acts of its employees or agents, including any negligent acts or omissions. Contractor is not City’s employee and Contractor shall have no authority, express or implied, to act on behalf of the City as an agent, or to bind the City to any obligation, unless the City provides prior written authorization. Contractor is free to work for other entities while under contract with the City. Contractor, and its agents or employees, are not entitled to City benefits.

**11. Conflicts of Interest.** Contractor (including its employees, agents, and subcontractors) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. If Contractor maintains or acquires such a conflicting interest, the City may terminate any contract (including this Agreement) involving Contractor’s conflicting interest.

**12. Rebates, Kickbacks, or Other Unlawful Consideration.** Contractor warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful consideration either promised or paid to any City official or employee. For breach of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

**13. Notices.** All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the other party to the addresses listed below. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated below, or (2) three working days after the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

To City:

Kul Sharma  
Utilities Director  
3900 Holly Drive  
Tracy, CA 95304

With a copy to:  
City Attorney  
333 Civic Center Plaza  
Tracy, CA 95376

To Contractor:

Jamey Dobbs  
508 East E Street, Suite A  
Wilmington CA 90744

**14. Miscellaneous.**

**14.1 Standard of Care.** Unless otherwise specified in this Agreement, the standard of care applicable to Contractor's services will be the degree of skill and diligence ordinarily used by reputable professionals performing in the same or similar time and locality, and under the same or similar circumstances.

**14.2 Amendments.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

**14.3 Waivers.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

**14.4 Assignment and Delegation.** Contractor may not assign, transfer or delegate this Agreement or any portion of it without the City's written consent. Any attempt to do so will be void. City's consent to one assignment shall not be deemed to be a consent to any subsequent assignment.

**14.5 Jurisdiction and Venue.** The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.

**14.6 Compliance with the Law.** Contractor shall comply with all applicable local, state, and federal laws, whether or not those laws are expressly stated in this Agreement.

**14.6.1 Hazardous Materials.** Contractor is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of performing their services.

**14.6.2 Non-discrimination.** Contractor represents and warrants that it is an equal opportunity employer, and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Contractor shall also comply with all applicable anti-discrimination federal and state laws, including but not limited to, the California Fair Employment and Housing Act (Gov. Code 12990 (a-f) et seq.).

**14.7 Business Entity Status.** Contractor is responsible for filing all required documents and/or forms with the California Secretary of State and meeting all requirements of the Franchise Tax Board, to the extent such requirements apply to Contractor. By entering into this Agreement, Contractor represents that it is not a suspended corporation. If Contractor is a suspended corporation at the time it enters this Agreement, City may take steps to have this Agreement declared voidable.

**14.8 Business License.** Before the City signs this Agreement, Contractor shall obtain a City of Tracy Business License. Contractor shall maintain an active City of Tracy Business License during the term of this Agreement.

**14.9 Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

**14.10 Construction of Agreement.** Each Party hereto has had an equivalent opportunity to participate in the drafting of this Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting Party shall not apply hereto.

**14.11 Severability.** If a term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in effect.

**14.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Contractor’s proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor’s proposal (if any), the Exhibits shall control.

**14.13 Entire Agreement.** This Agreement and the attached Exhibits comprise the entire integrated understanding between the Parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations or agreements. All exhibits attached hereto are incorporated by reference herein.

**15. Signatures.** The individuals executing this Agreement on behalf of Contractor represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of Contractor.

**[SIGNATURES ON FOLLOWING PAGE]**

The Parties agree to the full performance of the terms set forth here.

**City of Tracy**

\_\_\_\_\_  
Nancy D. Young, Mayor

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Adrienne Richardson, City Clerk

Approved as to form:

\_\_\_\_\_  
Gregory J. Rubens, Interim City Attorney

**Contractor  
Patriot Environmental Services, Inc.**

*Vanessa Benitez*  
\_\_\_\_\_

By: Vanessa Benitez

Title: Contract Administrator

Date: 01/21/22

Federal Employer Tax ID No. 95-3894635

*Josh Teves*  
\_\_\_\_\_

By: Josh Teves

Title: President

Date: 1-21-2022

Exhibits:

- A Scope of Work, including personnel and time of performance (See Agreement sections 1 and 2.)
- B Compensation (See Agreement section 3.)

## EXHIBIT A - Scope of Work

### **The Scope of Work:**

City of Tracy requires the services for non-hazardous waste removal that generally include grease (oil and fats) from various plant structures at Wastewater Treatment Plant and associated sanitation facilities located within the City. Services will include removal and disposal of the waste outside the City in an approved manner in accordance with the local, state, and federal requirements.

The removal of process dirt, waste, wastewater, residual bulk materials from wastewater treatment plant process generally include, but are not limited to sumps, floor drain lines, utility vaults, trenches and basins, as well as cleaning of grease interceptors/separators.

These services shall include, but are not limited to removal, transportation, and off-site disposal/recycling of non-hazardous waste outside the City. The services shall be performed in accordance with the applicable Federal, State, county and city ordinances, and governmental orders, permits, licenses, approvals, authorizations, and regulations, including, but not limited to the Occupational Safety and Health Act (OSHA) and applicable Department of Transportation (DOT) regulations.

Contractor shall be solely responsible for obtaining/providing all materials, equipment, supplies, labor and other services as may be necessary to provide all services necessary for the removal, transportation, and final disposal of the wastes. These services shall include all necessary personnel, labor, transportation, equipment, and submission of documents as required.

For certain loads of above waste, the successful Proposer will provide for sampling, testing and/or analysis required for characterization of the waste to determine transportation, recycling, and/or disposal requirements for such wastes in approved disposal areas within or outside the State of California.

All work shall be performed in compliance with California Prevailing wage requirements.

### **Accessing Structures:**

- (i) Specific attention is directed also to OSHA safety rules, regulations and precautions to be taken by the Contractor before entering sanitary sewer manholes, and other sanitation structures with respect to physical and chemical hazards that may be present.
- (ii) Any condition deemed to be an unsafe condition shall be immediately corrected by the Contractor. The failure of the City or its representatives to bring a potentially dangerous situation to the Contractor's attention shall not relieve the Contractor from his responsibility for providing a safe work area.
- (iii) Prior to accessing a structure/ manhole within a City facility, the Contractor shall follow confined space guidelines, i.e. Should a confined space entry be required to access/retrieve equipment or for any other reason, the Contractor shall coordinate with maintenance superintendent for access and follow OSHA Permit Required Confined Space Entry Requirements.

**Safety:**

- (i) The successful Proposer must perform all operations in a prudent, conscientious, safe, and professional manner.
- (ii) At a minimum, the successful Proposer's personnel and equipment shall comply with applicable Federal, State and local laws and regulations, safety regulations and procedures, and the successful Proposer will ensure that its agents, employees, and subcontractors perform in a safe manner.
- (iii) The successful Proposer shall ensure that all personnel involved in handling and packaging the regulated waste are trained for the safe performance of the task, including but not limited to topics such as chemical incompatibility, general first aid procedures, and spill prevention and clean up.
- (iv) Safety equipment for handling regulated waste and Personnel Protective Equipment ("PPE") shall be provided by the Contractor/proposer

**Protection of Public Safety:**

- (i) If the Contractor encounters a condition where public safety is threatened (such as, but not limited to, a pipe hole, pipe collapse, stoppage, blockage and/or eminent sewer spill) the City's representative shall be notified immediately while the work area is secured.
- (ii) Contractor shall perform work in the safest possible manner. The City may make unannounced inspections to ensure compliance with safety requirements. If the Contractor is deemed to be working in an unsafe manner by the City, the Contracted work operation may be suspended until such time that the conditions have become safe.

**Terms:**

- (i) Costs will be inspected/audited/squared-up after each project is completed to keep Contractor and City in agreement with the annual total.

**Time of Completion**

- (i) Depending upon the need of the Operations and Maintenance Divisions of Utility Department, the arrangement(s) can be planned for preventive and scheduled maintenance work. However, when emergency and/or immediate response will be needed to address the conditions, a prompt response will be required.
- (ii) The contractor shall notify the Utilities Superintendent or designee responsible for proposed schedule(s) and estimated times for the completion of the task(s).

**Cleanup:**

- (i) The contractor shall remove all debris and perform cleanup around the work area after the work is complete.
- (ii) Contractor shall arrange to have portable restroom for any continuous work performed (generally planned continuously for more than one day). Use of City's restroom facilities may not be permitted for certain activities due to sanitation reasons.

**Permits:**

- (i) Without additional expense to City, the Contractor shall be responsible for obtaining all necessary licenses and permits, and must comply with any



- applicable Federal, State, local laws, codes, and regulations in connection with the execution of the scope of services herein.
- (ii) The Contractor must ensure that City of Tracy's regulated wastes are sent to licensed, permitted, and approved disposal sites in good regulatory standing.
  - (iii) The Contractor and/or any proposed subcontractor(s) must possess and maintain valid permits/licenses/certificates to transport, store, and dispose of the regulated wastes, with a copy presented to City of Tracy for file. City of Tracy reserves the right to terminate any successful Proposer who cannot produce a valid permit/license or certificate to transport, store, and dispose of the waste.

EXHIBIT B - Compensation

- We changed the UOM of line 8, Disposal on-RCRA Hazardous Waste Liquid, from per Hour to per gallon.
- Hazardous waste disposal is not billed per hour, and we are happy to discuss this with the City if there are any questions.
- The instructions in item 11 require an NTE cost, but we didn't know how calculate that without line-item extensions on Exhibit B or specific scenarios.
- o We provided the compensation form and am happy to provide an NTE cost for a specified scenario.
- o Our concern is with on-call emergency responses, each ER is different and that's what makes it difficult to provide an NTE cost.

| Item | Description  | Unit            | Unit Price, Non Hazardous waste | Unit Price, Hazardous Waste |
|------|--|-----------------|---------------------------------|-----------------------------|
| 1    | Waste Profile Analysis   | \$/Sample       | \$650.00/each                   | \$650.00/each               |
| 2    | Vacuum Tanker with Operator (Straight time)                          | per Hour        | \$155.00                        | \$155.00                    |
| 3    | Vacuum Tanker with Operator (Overtime)                               | per Hour        | \$185.00                        | \$185.00                    |
| 4    | Vacuum Tanker with Operator (Double time Sunday & Holidays)          | per Hour        | \$225.00                        | \$225.00                    |
| 5    | Confined Space Entry Equipment                                       | Per Day         | \$392.50                        | \$392.50                    |
| 6    | Confined Spaced Trained Personnel                                    | per Hour        | \$91.50                         | \$91.50                     |
| 7    | Disposal Non Hazardous Waste Liquid – Stabilization                  | Per Ton         | \$160.00                        | N/A                         |
| 8    | Disposal Non-RCRA hazardous Waste Liquid                             | per Hour gallon | N/A                             | \$2.60/gallon               |
| 9    | Labor person   | Per Hour        | \$91.50                         | \$91.50                     |
| 10   | Portable restroom facility (installation, removal & disposal)        | Per Day         | \$150.00                        | \$150.00                    |
| 11   | Disposal to offsite facility for Waste Discharge per 500 gallon load | per Load        | \$100.00                        | \$100.00                    |
| 12   | CCTV Video Inspection  | per location    | \$275.00/hour, portal           | portal, 4-hr. minimum       |

RESOLUTION 2022-\_\_\_\_\_

APPROVE A GENERAL SERVICES AGREEMENT WITH PATRIOT ENVIRONMENTAL SERVICES FOR ON-CALL SERVICES FOR REMOVAL OF FATS, OIL AND GREASE AT VARIOUS FACILITIES FOR A NOT TO EXCEED AMOUNT OF \$200,000 PER YEAR FOR A PERIOD OF THREE YEARS, AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT

WHEREAS, The City receives Fats, Oil and Grease (FOG) mixed with wastewater effluent for treatment at the Wastewater Treatment Plant (WWTP), and

WHEREAS, For the last four years, the City has been facing voluminous increases of FOG in the incoming effluent, and

WHEREAS, The WWTP, pump stations and lift stations do not have a separate FOG processing system for handling such amounts of FOG and therefore requires manual removal of these deposits from these facilities, and

WHEREAS, Due to the specialized nature of the equipment involved in this work and lack of staff, services of a qualified waste removal contractor are needed to perform this work, and

WHEREAS, In October 2021, the City issued a Request for Proposals to obtain on-call waste removal services, and

WHEREAS, Due to the specialized nature of this work, only two proposals were received, and

WHEREAS, Staff evaluated the proposals and found Patriot Environmental Services to be most qualified and economical to complete this work, and

NOW, THEREFORE, BE IT RESOLVED, That the Tracy City Council approves a General Services Agreement with Patriot Environmental Services for on-call services for removal of Fats, Oil and Grease at various facilities for a not to exceed amount of \$200,000 per year for a period of three years starting from FY 2021-22.

\* \* \* \* \*

The foregoing Resolution 2022-\_\_\_\_\_ was adopted by Tracy City Council on the 15<sup>th</sup> day of February, 2022, by the following vote:

AYES:           COUNCIL MEMBERS:  
NOES:           COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.F

REQUEST

**APPROVE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH TERRACARE ASSOCIATES, TO AMEND THE ANNUAL 'NOT TO EXCEED' AMOUNT TO \$1,230,000, FOR LANDSCAPE, PARK AND CHANNELWAY MAINTENANCE SERVICES FOR THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT AND COMMUNITY FACILITY DISTRICTS**

EXECUTIVE SUMMARY

Per Resolution 2020-200, Council approved a Professional Services Agreement (Agreement) with Terracare Associates for landscape maintenance services within the Tracy Consolidated Landscape Maintenance District (LMD) and Community Facility Districts (CFD's). The Agreement included an initial annual not to exceed amount of \$900,000 and anticipated some growth in areas maintained. Since that time, the City's two Community Facility Districts (CFD) have grown and are estimated to have 20 acres of park landscaping when completed. The City has recently accepted three new parks in the Tracy Hills Phase 1A area and anticipates accepting five additional parks in the next two to three years since the original acceptance of the Terracare agreement.

DISCUSSION

The Public Works Department is responsible for managing the care of the City's LMD and CFD landscapes and parks. This work is performed by a combination of both in-house and contracted services. Terracare Associates provides basic landscape maintenance services within these areas through a PSA approved by Council in 2020. At the time the PSA was approved, the estimated not to exceed amount was established at \$900,000. This amount provided for maintenance of the existing landscaped areas and some growth in square footage based upon projected projects at that time.

As growth within areas, such as Tracy Hills and Ellis, has continued at a rapid pace, so has the increase in new public landscaping and parks. The City has accepted Tracy Hills, Starcross, and Greymont parks in the Tracy Hills subdivision, all funded by Citywide CFD 2018-1. Two additional parks funded by the CFD are anticipated to start construction in calendar year 2022. Ellis CFD 2016-2 is anticipating construction to start in spring 2023 on three new parks including Orchard Park (a linear park), Western Park (a neighborhood park), and Ellis Dog Park (a special use park).

In order to assure timely and uninterrupted services, staff asks Council to approve an increase of \$330,000 to the annual not to exceed amount for a total of \$1,230,000 for

the Terracare Associates Agreement. Section 3.1 – Compensation, Not to Exceed *Amount* will be amended to state:

*“Consultant’s total compensation under this Agreement shall not exceed \$1,230,000 annually. Consultant’s billing rates shall cover all costs and expenses for Consultant’s performance of this Agreement. No work shall be performed by Consultant in excess of the total compensation amount provided in this section without the City’s prior written approval.”*

## STRATEGIC PLAN

This agenda item supports the City of Tracy’s Quality of Life Priority, which is to provide outstanding quality of life by enhancing the City’s amenities, business mix and services and cultivating connections to promote positive change and progress in our community.

## FISCAL IMPACT

This Amendment will be primarily funded by taxes collected from Landscape Maintenance District and Community Facilities Districts (Fund 271, 272 and 273). The revised contract is expected to increase these budgets by approximately \$330,000 for new parks and other landscape areas coming from new development. The Public Works Department will submit an augmentation for second quarter FY 2021-22 to reflect the new contract value.

## RECOMMENDATION

Staff recommends Council approve Amendment No. 1 to increase the Professional Services Agreement with Terracare Associates for landscape maintenance services to include language indicating the not to exceed amount is increased to \$1,230,000 annually, for the Tracy Consolidated Landscape Maintenance District and Community Facility Districts.

Prepared by: Robin Kloepfer, Management Analyst II

Reviewed by: Don Scholl, Director of Public Works  
Karin Schnaider, Director of Finance  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

## ATTACHMENTS

Attachment A – Amendment No. 1 to Professional Services Agreement

**City of Tracy**  
**AMENDMENT NO. 1**  
to  
**Landscape Maintenance Services 2021-2022**

This Amendment No. 1 (Amendment) to the Professional Services Agreement for Landscape Maintenance Services 2021-2022 is entered into between the City of Tracy, a municipal corporation (City), and Terracare Associates, LLC is a wholly owned subsidiary of Monarch landscaping, Inc, a California Corporation (Contractor).

**Recitals**

- A.** The City and Contractor entered into a Professional Services Agreement (Agreement) for Landscape Maintenance Services, which was approved by the City Council on December 1, 2020 by Resolution No. 2020-200.
- B.** The City added additional parks to its inventory that are serviced by Terracare.
- C.** The City and Contractor wish to amend the term of the Agreement per TCM 2.20.080.

**Now therefore, the parties mutually agree as follows:**

**1. Incorporation by Reference.** This Amendment incorporates by reference all terms set forth in the Agreement and all terms set forth in the Exhibits attached to the Agreement, unless specifically modified by this Amendment. The terms which are not specifically modified by this Amendment will remain in effect.

**2. Terms of Amendment.**

Section 3. Compensation, is hereby amended to read as follows:

*Consultant's total compensation under this Agreement shall not exceed \$1,230,000 annually. Consultant's billing rates shall cover all costs and expenses for Consultant's performance of this Agreement. No work shall be performed by Consultant in excess of the total compensation amount provided in this section without the City's prior written approval.*

**3. Modifications.** This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

**4. Severability.** If any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.

**5. Signatures.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment. This Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

The parties agree to the full performance of the terms set forth here.

City of Tracy

Terracare Associates, Inc

By: \_\_\_\_\_

By: 

Title: Michael Rogers, City Manager

Title: CFO

Date: \_\_\_\_\_

Date: 1/4/22

Attest:

By: \_\_\_\_\_  
Adrienne Richardson, City Clerk

By: 

Title: CEO

Date: 1/5/2022

Approved as to form

Federal Tax Id No. 26-4506454

By: \_\_\_\_\_  
Gregory J. Rubens, Interim City Attorney



RESOLUTION \_\_\_\_\_

APPROVE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH TERRACARE ASSOCIATES, TO AMEND THE ANNUAL 'NOT TO EXCEED' AMOUNT TO \$1,230,000, FOR LANDSCAPE, PARK AND CHANNELWAY MAINTENANCE SERVICES FOR THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT AND COMMUNITY FACILITY DISTRICTS

WHEREAS, Per Resolution 2020-200, Council approved an initial two-year Professional Services Agreement (Agreement) not to exceed seven years with Terracare Associates, LLC a wholly owned subsidiary of Monarch Landscaping Inc., a California corporation (Terracare) for landscape maintenance services, and

WHEREAS, As growth within areas, such as Tracy Hills and Ellis, has continued at a rapid pace, so has the increase in new public landscaping and parks. The City has accepted Tracy Hills, Starcross, and Greymont parks in the Tracy Hills subdivision, all funded by Citywide CFD 2018-1. Two additional parks funded by CFD are anticipated to start construction in calendar year 2022. Ellis CFD 2016-2 is anticipating construction to start in spring 2023 on three new parks including Orchard Park (a linear park), Western Park (a neighborhood park), and Ellis Dog Park (a special use park), and

WHEREAS, In order to assure timely and uninterrupted services, staff asks Council to approve an increase to the annual not to exceed amount to \$1,230,000 for the Terracare Associates Agreement;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Tracy hereby approves, Amendment No. 1 to increase to the Professional Services Agreement with Terracare Associates for landscape maintenance services to include language indicating the not to exceed amount is increased to \$1,230,000 annually, for the Tracy Consolidated Landscape Maintenance District and Community Facility Districts.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the Tracy City Council on the 15th day of February 2022, by the following vote:

- AYES: COUNCIL MEMBERS:
- NOES: COUNCIL MEMBERS:
- ABSENT: COUNCIL MEMBERS:
- ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.G

REQUEST

**ADOPT THE NOTICE OF INTENT TO COMPLY WITH SB 1383 FOR CALRECYCLE APPROVAL PURSUANT TO THE STATUTE AND REGULATIONS TO SECURE ADMINISTRATIVE CIVIL PENALTY RELIEF FROM ANY CONTINUING VIOLATIONS FOR THE 2022 CALENDAR YEAR**

EXECUTIVE SUMMARY

Jurisdictions in California are required to implement Senate Bill (SB) 1383 starting on January 1, 2022. SB 619 authorizes CalRecycle to waive civil penalties if a jurisdiction submits a Notice of Intent to Comply for some or all of the regulatory requirements and successfully implements a plan to correct their violations.

DISCUSSION

Governor Newsom signed SB 619 into law to support local governments as they design and implement successful organic waste recycling programs throughout the state. By submitting a Notice of Intent to Comply, jurisdictions may be eligible for both of the following:

1. Administrative civil penalty relief for the 2022 calendar year pursuant to Public Resources Code (PRC) section 42652.5(d).
2. A corrective action plan pursuant to 14 California Code of Regulations (CCR) section 18996.2.
  - a. CalRecycle may address through a corrective action plan any violations disclosed in a jurisdiction's notification that will take more than 180 days to correct. In this situation, the proposed actions and schedule in the jurisdiction's approved notification will be in effect until a corrective action plan is issued.

CalRecycle provided a form to assist jurisdictions submitting a Notice of Intent to Comply (Exhibit A). The Notification of Intent to Comply from the City of Tracy specifies violations of two regulatory sections: 14 CCR section 18984.1 (Three Container Organic Waste Collection Services) and 14 CCR section 18984.7 (Container Color Requirements). The proposed solid waste rate increase that was presented to Council in a Public Hearing on December 21, 2021 included the purchase of new organics and waste containers that would comply with the requirements of SB 1383. However, due to the rates not being approved at that time, it is unknown how or when the City will be able to comply with the requirements. Staff, per Council's request, is exploring options for Council to consider to reduce the impact the rate increase will have to customers. Staff, in conjunction with the Solid Waste Fee Study consultant and the City's service provider, is preparing those options and will bring the item back to Council for consideration in the near future.

In addition, COVID-19 has also had an impact on the City's ability to comply with these

regulations. The solid waste rate study was initiated in 2019 with the expectation of presenting the study to Council in April or May 2020. Due to the impacts of COVID-19 on both the City and service provider staffing, and in recognition of the economic impacts of a rate increase to the customer base during COVID-19, the study was delayed until 2021 which resulted in the rate study being presented to Council less than two weeks prior to the beginning of the required implementation.

Compliance with State mandates is a priority for the City. It is anticipated that the City will be able to implement required changes to the solid waste and recycling services and programs by the end of 2022.

### STRATEGIC PLAN

This agenda item supports the City Council approved Governance Strategy to ensure short and long-term fiscal health.

### FISCAL IMPACT

The requested action does not affect the City's budget.

### RECOMMENDATION

Staff recommends that City Council, by resolution, adopt the Notification of Intent to Comply with SB 1383 for CalRecycle approval pursuant to the Statute and Regulations to secure administrative civil penalty relief from any continuing violations for the 2022 calendar year.

Prepared by: Connie Vieira, Management Analyst II

Reviewed by: Don Scholl, Director of Public Works  
Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

### ATTACHMENTS

Exhibit A – Notification of Intent to Comply

## Notification of Intent to Comply

Please clearly print or type responses. Attach additional pages as necessary.

Jurisdiction Name: City of Tracy

County: San Joaquin

Person Completing the Form:

First Name: Connie

Last Name: Vieira

Title: Management Analyst II

Mailing Address: 520 Tracy Blvd.

City: Tracy

Zip Code: 95376

Email Address: connie.vieira@cityoftracy.org

Phone Number: 209-831-6359

1. Select using the check boxes below or write in the continuing violations for each applicable regulatory section. For each selection, please describe the specific violations related to the regulatory section.

**Example:**

- (B) 14 CCR section 18984.1 Three-Container Organic Waste Collection Services
- i. Not implementing mandatory residential foodwaste collection for all residents. Note: City already provides mandatory greenwaste collection to all residents*
- ii. Not implementing mandatory commercial organics collection for all businesses under 2 cubic yards. Note: City already provides mandatory commercial organics collection to all businesses 2 cubic yard or more.*

**Disclaimer: The list of possible continuing violations below is not inclusive of all potential violations of the regulations.**

- (A) 14 CCR section 18984 Combined Organic Waste Collection Services. *This requirement is not included since the requirements are further specified in sections 18984.1-18984.11.*
- (B) 14 CCR section 18984.1 Three-Container Organic Waste Collection Services
- (C) 14 CCR section 18984.2 Two-Container Organic Waste Collection Services
- (D) 14 CCR section 18984.3 Unsegregated Single Container Collection Services
- (E) 14 CCR section 18984.4 Recordkeeping Requirements for Compliance with Organic Waste Collection Services
- (F) 14 CCR section 18984.5 Container Contamination Minimization
- (G) 14 CCR section 18984.6 Recordkeeping Requirements for Container Contamination Minimization
- (H) 14 CCR section 18984.7 Container Color Requirements
- (I) 14 CCR section 18984.8 Container Labeling Requirements
- (J) 14 CCR section 18984.11 Waivers Granted by a Jurisdiction
- (K) 14 CCR section 18985.1. Organic Waste Recovery Education and Outreach.
- (L) 14 CCR section 18985.2. Edible Food Recovery Education and Outreach
- (M) 14 CCR section 18985.3. Recordkeeping Requirements for a Jurisdiction's Compliance with Education and Outreach Requirements
- (N) 14 CCR section 18988.1. Jurisdiction Approval of Haulers and Self-Haulers
- (O) 14 CCR section 18988.3. Self-haulers of Organic Waste
- (P) 14 CCR section 18988.4. Recordkeeping Requirements for Compliance with Jurisdiction Hauler Program
- (Q) 14 CCR section 18989.1. CALGreen Building Codes
- (R) 14 CCR section 18989.2 Model Water Efficient Landscape Ordinance



- (S) 14 CCR section 18991.1. Jurisdiction Edible Food Recovery Program
- (T) 14 CCR section 18991.2. Recordkeeping Requirements for Jurisdiction Edible Food Recovery Program
- (U) 14 CCR section 18992.1. Organic Waste Recycling Capacity Planning
- (V) 14 CCR section 18992.2. Edible Food Recovery Capacity
- (W) 14 CCR section 18993.1. Recovered Organic Waste Product Procurement Target
- (X) 14 CCR section 18993.2. Recordkeeping Requirements for Recovered Organic Waste Procurement Target
- (Y) 14 CCR section 18993.3. Recycled Content Paper Procurement Requirements
- (Z) 14 CCR section 18993.4. Recordkeeping Requirements for Recycled Content Paper Procurement

(AA) 14 CCR section 18994.2. Jurisdiction Annual Reporting

*Note: This requirement is not included since jurisdictions are still expected to report to CalRecycle.*

(BB) 14 CCR section 18995.1. Jurisdiction Inspection Requirements

*Note: Section 18995.1(a)(1) should not be included because a jurisdiction should already be completing this action due to the requirements of PRC Chapter 12.9 (commencing with Section 42649.8)*

(CC) 14 CCR section 18995.2. Implementation Record and Recordkeeping Requirements

(DD) 14 CCR section 18995.3. Jurisdiction Investigation of Complaints of Alleged Violations

*Note: This requirement is not included since jurisdictions are still expected to investigate complaints.*

(EE) 14 CCR section 18995.4. Enforcement by a Jurisdiction

Use the check box(es) below to write in the continuing violations for any regulatory section(s) not reflected above and describe the specific violations related to the regulatory section.

**Example:**

(1) (Type regulatory section number) (Type regulatory section title)

i. *Describe the specific violations related to the regulatory section*

- (1)
- (2)
- (3)
- (4)
- (5)

2. A detailed explanation of the reasons why the jurisdiction is unable to comply, supported by documentation, if applicable.

The City of Tracy began a solid waste rate study in 2019 to incorporate cost of service charges and implementation components of SB 1383, including compliant containers, incorporating residential organics recycling to include food waste, and outreach with the new changes to comply with State mandates. The rate study was placed on hold due to COVID-19. The proposed rates were presented to the City's Council in a workshop on November 2, 2021 allowing us to send out Prop 218 notification of the rate changes, and again on December 21, 2021 in a public hearing. The Council decided to not approve the rate change at that time, but to continue the discussion at a later date with additional options to consider to reduce the impact of the increase to customers. Due to this delay, the City's compliance has also been delayed.

3. A description of the impacts of the COVID-19 pandemic on compliance.

A solid waste rate study was initiated in 2019 with an anticipated date of going to Council for approval in April/May 2020. However, due to COVID-19, the rate study was placed on hold. It

was started again in the middle of 2021. This required costs to be updated, the rate model to be adjusted, and presentation to Council for approval at the end of December 2021.

4. Provide a description of the proposed actions the jurisdiction will take to remedy the violations with a proposed schedule for completing each action. The proposed actions shall be tailored to remedy the violations in a timely manner. See optional format below.  
The City and Consultant (HF&H) are updating the rate model to include options for Council to consider to reduce the impact of rates to customers. Depending on what option(s) the Council decides to implement, the City will either need to order new organics and/or garbage containers, colored lids to be changed out on existing containers, change or add labeling to containers, and/or repurpose existing containers.

I hereby certify under penalty of perjury that the information provided herein is true and correct to the best of my knowledge.

*Connie Vieira*

Signature

Connie Vieira

Printed Name

Management Analyst II

Title

1-25-2022

Date



Description of the proposed actions with proposed schedules the jurisdiction will take to remedy the violations. The proposed actions shall be tailored to remedy the violations in a timely manner.

| <b>Regulatory Requirement and Description</b>   |                                     |
|---|-------------------------------------|
| <b>Action</b>   | <b>Proposed Schedule</b>            |
| TASK 1: 14 CCR Section 18984.1<br>Depending on City Council's direction, new waste containers will need to be purchased for organics and/or garbage, container lids will need to be changed out to be color compliant, and container labeling will need to be added or changed. | Date to be completed:<br>12/31/2022 |
| TASK 2: The City will work with its hauler to acquire and distribute appropriate containers to all customers.   | Date to be completed:<br>12/31/2022 |
| TASK 3:   | Date to be completed:               |

| <b>Regulatory Requirement and Description</b>   |                                     |
|---|-------------------------------------|
| <b>Action</b>   | <b>Proposed Schedule</b>            |
| TASK 1: 14 CCR Section 18984.7<br>Depending on City Council's direction, new waste containers will need to be purchased for organics and/or garbage, or container lids will need to be changed out to be color compliant. | Date to be completed:<br>12/31/2022 |
| TASK 2: The City will work with its hauler to acquire and distribute appropriate containers and/or container lids to all customers.   | Date to be completed:<br>12/31/2022 |

### EXAMPLE

| <b>Regulatory Requirement: (B.i.) 14 CCR section 18984.1 Three-Container Organic Waste Collection Services</b>  |                                    |
|---|------------------------------------|
| <b>Description:</b> Not implementing mandatory residential foodwaste collection for all residents. Note: City already provides mandatory greenwaste collection to all residents |                                    |
| <b>Action</b>   | <b>Proposed Schedule</b>           |
| TASK 1: <i>Purchase two additional collection trucks and modify collection routes</i>   | Date to be completed:<br>4/7/2022  |
| TASK 2: <i>The city will work with its hauler to find a facility to accept mixed organic waste.</i>   | Date to be completed:<br>4/14/2022 |

| <b>Regulatory Requirement: (B.ii.) 14 CCR section 18984.1 Three-Container Organic Waste Collection Services</b>  |                                    |
|--|------------------------------------|
| <b>Description:</b> Not implementing mandatory commercial organics collection for all businesses under 2 cubic yards. Note: City already provides mandatory commercial organics collection to all businesses 2 cubic yard or more. |                                    |
| <b>Action:</b>   | <b>Proposed Schedule</b>           |
| TASK 1: <i>Purchase two additional collection trucks and modify collection routes</i>  | Date to be completed:<br>4/21/2022 |
| TASK 2: <i>The city will work with its hauler to acquire and distribute appropriate containers to all commercial accounts. The city will obtain monthly reports from the hauler to monitor full distribution of carts.</i>         | Date to be completed:<br>4/28/2022 |



RESOLUTION \_\_\_\_\_

ADOPTING THE NOTICE OF INTENT TO COMPLY WITH SB 1383 TO CALRECYCLE FOR APPROVAL PURSUANT TO THE STATUTE AND REGULATIONS TO SECURE ADMINISTRATIVE CIVIL PENALTY RELIEF FROM ANY CONTINUING VIOLATIONS FOR THE 2022 CALENDAR YEAR

WHEREAS, CalRecycle, in consultation with the California Air Resources Board, has adopted regulatory requirements (Regulations), consistent with the mandate of Senate Bill 1383, that are designed to achieve the organic waste reduction goals established in Section 39730.6 of the Health and Safety Code, and

WHEREAS, The City of Tracy is a local jurisdiction required to comply with the Regulations and is, or expects to be, facing continuing violations of the Regulations commencing during the 2022 calendar year, and

WHEREAS, Senate Bill 619, through amendments to Section 42652.5 of the Public Resources Code (Statute), created a mechanism called a Notification of Intent to Comply through which a local jurisdiction may secure administrative civil penalty relief from any continuing violations of the Regulations for the 2022 calendar year and may be eligible for a broader and longer-term regulatory compliance path, including suspended administrative civil penalties, through a corrective action plan, and

WHEREAS, The City of Tracy is a local jurisdiction authorized by the Statute to submit a Notification of Intent to Comply for CalRecycle approval, and

WHEREAS, CalRecycle shall approve a Notification of Intent to Comply that is duly adopted by the jurisdiction by formal written resolution and meets the requirements of the Statute;

NOW THEREFORE BE IT RESOLVED THAT:

The City Council of the City of Tracy, hereby formally adopts the Notification of Intent to Comply, attached as Exhibit "A," and authorizes and directs the Solid Waste and Recycling Management Analyst, on its behalf, to submit the Notification of Intent to Comply to CalRecycle for approval pursuant to the Statute, and

BE IT FURTHER RESOLVED THAT, By submitting the Notification of Intent to Comply pursuant to and subject to the above referenced requirements, the City of Tracy represents and certifies that it will implement the proposed actions to remedy the violations according to the proposed schedule as approved by CalRecycle and in accordance with the Statute and Regulations and acknowledges and agrees to comply with any maximum compliance deadline in any corrective action plan that CalRecycle, in its sole discretion, determines to be necessary and appropriate under the circumstances for the correction of any violation(s) of the Statute and Regulations identified in its Notification of Intent to Comply.

\* \* \* \* \*

Resolution \_\_\_\_\_  
Page 2

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the City Council of the City of Tracy on the 15<sup>th</sup> day of February 2022, by the following vote:

AYES:            COUNCIL MEMBERS:

NOES:            COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.H

REQUEST

**AUTHORIZE SUBMITTAL OF APPLICATION(S) FOR ALL CALRECYCLE GRANT AND PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS FOR WHICH THE CITY OF TRACY IS ELIGIBLE AND AUTHORIZE THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS AND AMENDMENTS**

EXECUTIVE SUMMARY

The California Department of Resources Recycling and Recovery (CalRecycle) offers jurisdictions an opportunity to apply for various grants and payment programs. The City is eligible to apply and receive funds from various CalRecycle grants and payment programs. If approved by Council, the City will be able to continue applying for and managing funds awarded from these grants and payment programs.

DISCUSSION

CalRecycle offers various grants and payment programs that allow eligible jurisdictions to apply for funding to support California's efforts to reduce, reuse, and recycle solid waste generated in the State.

By allowing the City to apply for and manage the funds received from CalRecycle grants and payment programs, City staff will be able to improve the timeliness of program enhancements for Tracy residents. City staff will be responsible for the documentation of expenditures required by this program and will ensure that expenditures are within program guidelines.

These grants and payment programs directly benefit the Solid Waste and Recycling Division by providing additional funding to support existing programs and for implementing new programs. If Council authorizes the application for grants and payment programs and related authorizations from CalRecycle, the City will continue to receive this additional support as long as these opportunities are offered by CalRecycle and the City applies for and receives funds.

Staff requests that Council authorize the City Manager to execute all documents necessary to apply for, secure, and manage the use of grant and payment program funds distributed through CalRecycle.

STRATEGIC PLAN

This agenda item supports the City Council approved Governance Strategy to ensure short and long-term fiscal health.

FISCAL IMPACT

The funding from approved grants and payment programs provide funding for the Solid Waste and Recycling Enterprise Fund. If grant and/or payment program funds are awarded, the funds will be appropriated through the budget process.

RECOMMENDATION

Staff recommends that City Council, by resolution, authorize the City of Tracy to submit an application for all CalRecycle grant and payment programs and related authorizations for which the City of Tracy is eligible, and the City Manager to execute all necessary documents and amendments. The resolution for grant applications is valid for five years from the date of adoption, and the resolution for payment program applications is effective until rescinded by the City Manager.

Prepared by: Connie Vieira, Management Analyst II

Reviewed by: Don Scholl, Director of Public Works  
Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

RESOLUTION \_\_\_\_\_

AUTHORIZING SUBMITTAL OF APPLICATION(S) FOR ALL CALRECYCLE GRANTS AND RELATED AUTHORIZATIONS FOR WHICH THE CITY OF TRACY IS ELIGIBLE AND AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO EXECUTE ALL NECESSARY DOCUMENTS AND AMENDMENTS

WHEREAS, Pursuant to Public Resources Code sections 48000 et seq., CalRecycle is authorized to administer various grants that allow eligible jurisdictions to apply for funding to support California’s efforts to reduce, reuse, and recycle solid waste generated in the State, and

WHEREAS, In furtherance of this authority, CalRecycle is required to establish procedures governing the application, awarding, and management of the grants, and

WHEREAS, CalRecycle’s procedures for administering grants require, among other things, an applicant’s governing body to declare by resolution, certain authorizations related to the administration of the grants;

NOW, THEREFORE, BE IT RESOLVED, That the Tracy City Council authorizes the City of Tracy to submit an application for all CalRecycle grants for which the City of Tracy is eligible, and authorizes the City Manager, or designee, to execute all necessary documents and amendments, and

BE IT FURTHER RESOLVED, That this authorization is effective for five years from the date of adoption of this resolution.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the City Council of the City of Tracy on the 15<sup>th</sup> day of February 2022, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

RESOLUTION \_\_\_\_\_

AUTHORIZING SUBMITTAL OF APPLICATION(S) FOR ALL CALRECYCLE PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS FOR WHICH THE CITY OF TRACY IS ELIGIBLE AND AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO EXECUTE ALL NECESSARY DOCUMENTS AND AMENDMENTS

WHEREAS, Pursuant to Public Resources Code sections 48000 et seq., 14581, and 42023.1(g), CalRecycle has established various payment programs to make payments to qualifying jurisdictions to support California's efforts to reduce, reuse, and recycle solid waste generated in the State, and

WHEREAS, In furtherance of this authority, CalRecycle is required to establish procedures governing the application, awarding, and management of the payment programs, and

WHEREAS, CalRecycle's procedures for administering payment programs require, among other things, an applicant's governing body to declare by resolution, certain authorizations related to the administration of the payment programs;

NOW, THEREFORE, BE IT RESOLVED, That the Tracy City Council authorizes the City of Tracy to submit an application for all CalRecycle payment programs for which the City of Tracy is eligible, and authorizes the City Manager, or designee, to execute all necessary documents and amendments, and

BE IT FURTHER RESOLVED, That this authorization is effective until rescinded by the City Manager.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the City Council of the City of Tracy on the 15<sup>th</sup> day of February 2022, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.I

REQUEST

**ADOPT A RESOLUTION MAKING FINDINGS AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE CITY COUNCIL AND ALL LEGISLATIVE BODIES OF THE CITY OF TRACY FOR THE PERIOD FROM FEBRUARY 20, 2022 THROUGH MARCH 21, 2022 PURSUANT TO THE BROWN ACT**

EXECUTIVE SUMMARY

During the City Council meeting on January 18, 2022, Council adopted Resolution No. 2022-006, which made findings and authorized remote teleconference meetings of the City Council and all legislative bodies of the City of Tracy, including Boards and Commissions, for the period from January 21, 2022, to February 19, 2022. In order to maintain compliance with Section 54953(e) of the Ralph M. Brown Act (Gov. Code section 54950 – 54963) which allows the continued use of teleconferencing, Council must make the required findings and re-authorize remote teleconferencing meetings of the legislative bodies for the City of Tracy.

This item requests that the City Council approve this proposed action for continued compliance with the Brown Act.

DISCUSSION

On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which among other things rescinded his prior Executive Order N-29-20 and set a date of October 1, 2021, for public agencies to transition back to public meetings held in full compliance with the Brown Act.

As the Delta variant has surged in California, the Legislature took action to extend the COVID-19 exceptions to the Brown Act's teleconference requirements, subject to some additional safeguards. On September 16, 2021, Governor Newsom signed Assembly Bill 361, to allow a local agency to use teleconferencing if certain circumstances exist without complying with the Brown Act's traditional agenda posting, physical access, and quorum requirements for teleconferencing provisions (Attachment A).

The goal of AB 361 is "to improve and enhance public access to local agency meetings during the COVID-19 pandemic and future applicable emergencies, by allowing broader access through teleconferencing options" consistent with Executive Order N-29-20. The bill contains an urgency clause, which made the bill effective upon signing with a sunset date of January 1, 2024.

The new Section 54953(e)(1) of the Brown Act, as amended by AB 361, allows legislative bodies to continue to meet via teleconference without complying with the Brown Act's teleconferencing requirements, but only during a state of emergency

proclaimed by the Governor, in which, 1) state or local health officials have imposed or recommended measures to promote social distancing, or 2) the legislative body has determined by majority vote that meeting in person would present an imminent risk to the health or safety of the attendees.

A local agency that holds a meeting under these circumstances would be required by AB 361 to follow the steps listed below, in addition to giving notice of the meeting and posting agendas as required under the Brown Act. These additional requirements are intended to protect the public's right to participate in the meetings of local agency legislative bodies.

Pursuant to AB 361 local agencies are required to do all of the following in addition to meeting notice requirements under the Brown Act:

- Allow the public to access the meeting and require that the agenda provide an opportunity for the public to directly address the legislative body pursuant to the Brown Act's other teleconferencing provisions.
- In each instance when the local agency provides notice of the teleconferenced meeting or posts its agenda, give notice for how the public can access the meeting and provide public comment.
- Identify and include in the agenda an opportunity for all persons to attend via a call-in or an internet-based service option; the legislative body needs not provide a physical location for the public to attend or provide comments.
- Conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the public.
- Stop the meeting until public access is restored in the event of a service disruption that either prevents the local agency from broadcasting the meeting to the public using the call-in or internet-based service option or is within the local agency's control and prevents the public from submitting public comments (any actions taken during such a service disruption can be challenged under the Brown Act's existing challenge provisions).
- Not require comments be submitted in advance (though the legislative body may provide that as an option) and provide the opportunity to comment in real-time.
- Provide adequate time for public comment, either by establishing a timed public comment period or by allowing a reasonable amount of time to comment.
- If the legislative body uses a third-party website or platform to host the teleconference, and the third-party service requires users to register to participate, the legislative body must provide adequate time during the comment period for users to register and may not close the registration comment period until the comment period has elapsed.

AB 361 also provides that, if the state of emergency remains active for more than 30 days, a local agency must make the following findings by majority vote every 30 days to continue using the bill's exemption to the Brown Act teleconferencing rules.



While the City Council and all of the City's Boards and Commissions are currently meeting in person, making the required findings provides the City Council and Board and Commission members with the flexibility to participate via teleconference in meetings in the event of potential COVID-19 exposure or COVID-19 related concerns. If Council approves the proposed resolution, staff will present a staff report to Council every thirty days to verify that the circumstances continue to exist.

#### STRATEGIC PLAN

This agenda item relates to the City Council's Strategic Priorities in the area of Public Safety (Goal #1 Support COVID-19 Public Health Recovery).

#### FISCAL IMPACT

There is no fiscal impact related to this agenda item.

#### RECOMMENDATION

Staff recommends that Council adopt a resolution making findings and re-authorizing remote teleconference meetings of all legislative bodies of the City of Tracy for the period of February 20, 2022, to March 21, 2022, pursuant to the Brown Act.

Prepared by: Nancy Ashjian, Assistant City Attorney

Reviewed by: Adrienne Richardson, City Clerk  
Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

#### ATTACHMENTS

A – Assembly Bill 361

**Assembly Bill No. 361**

**CHAPTER 165**

An act to add and repeal Section 89305.6 of the Education Code, and to amend, repeal, and add Section 54953 of, and to add and repeal Section 11133 of, the Government Code, relating to open meetings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 16, 2021. Filed with  
Secretary of State September 16, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 361, Robert Rivas. Open meetings: state and local agencies: teleconferences.

(1) Existing law, the Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to directly address the legislative body on any item of interest to the public. The act generally requires all regular and special meetings of the legislative body be held within the boundaries of the territory over which the local agency exercises jurisdiction, subject to certain exceptions. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. The act authorizes the district attorney or any interested person, subject to certain provisions, to commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that specified actions taken by a legislative body are null and void.

Existing law, the California Emergency Services Act, authorizes the Governor, or the Director of Emergency Services when the governor is inaccessible, to proclaim a state of emergency under specified circumstances.

Executive Order No. N-29-20 suspends the Ralph M. Brown Act's requirements for teleconferencing during the COVID-19 pandemic provided that notice and accessibility requirements are met, the public members are allowed to observe and address the legislative body at the meeting, and that a legislative body of a local agency has a procedure for receiving and swiftly

resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 1, 2024, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting during a declared state of emergency, as that term is defined, when state or local health officials have imposed or recommended measures to promote social distancing, during a proclaimed state of emergency held for the purpose of determining, by majority vote, whether meeting in person would present imminent risks to the health or safety of attendees, and during a proclaimed state of emergency when the legislative body has determined that meeting in person would present imminent risks to the health or safety of attendees, as provided.

This bill would require legislative bodies that hold teleconferenced meetings under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option, and to conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body. The bill would require the legislative body to take no further action on agenda items when there is a disruption which prevents the public agency from broadcasting the meeting, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments, until public access is restored. The bill would specify that actions taken during the disruption are subject to challenge proceedings, as specified.

This bill would prohibit the legislative body from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. The bill would prohibit the legislative body from closing the public comment period and the opportunity to register to provide public comment, until the public comment period has elapsed or until a reasonable amount of time has elapsed, as specified. When there is a continuing state of emergency, or when state or local officials have imposed or recommended measures to promote social distancing, the bill would require a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting pursuant to these provisions, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures.

Existing law prohibits a legislative body from requiring, as a condition to attend a meeting, a person to register the person's name, or to provide other information, or to fulfill any condition precedent to the person's attendance.

This bill would exclude from that prohibition, a registration requirement imposed by a third-party internet website or other online platform not under the control of the legislative body.

(2) Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The act requires at least one member of the state body to be physically present at the location specified in the notice of the meeting.

The Governor's Executive Order No. N-29-20 suspends the requirements of the Bagley-Keene Open Meeting Act for teleconferencing during the COVID-19 pandemic, provided that notice and accessibility requirements are met, the public members are allowed to observe and address the state body at the meeting, and that a state body has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a state body to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body. With respect to a state body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the state body at each teleconference location. Under the bill, a state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the state body allow members of the public to attend the meeting and offer public comment. The bill would require that each state body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge state bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(3) Existing law establishes the various campuses of the California State University under the administration of the Trustees of the California State University, and authorizes the establishment of student body organizations in connection with the operations of California State University campuses.

The Gloria Romero Open Meetings Act of 2000 generally requires a legislative body, as defined, of a student body organization to conduct its business in a meeting that is open and public. The act authorizes the legislative body to use teleconferencing, as defined, for the benefit of the public and the legislative body in connection with any meeting or proceeding authorized by law.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a legislative body, as defined for purposes of the act, to hold public meetings through teleconferencing and

to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body. With respect to a legislative body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the legislative body at each teleconference location. Under the bill, a legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. The bill would require that each legislative body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge legislative bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(4) This bill would declare the Legislature's intent, consistent with the Governor's Executive Order No. N-29-20, to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future emergencies by allowing broader access through teleconferencing options.

(5) This bill would incorporate additional changes to Section 54953 of the Government Code proposed by AB 339 to be operative only if this bill and AB 339 are enacted and this bill is enacted last.

(6) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

(7) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(8) This bill would declare that it is to take effect immediately as an urgency statute.

*The people of the State of California do enact as follows:*

SECTION 1. Section 89305.6 is added to the Education Code, to read:  
89305.6. (a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a legislative body may hold public meetings through teleconferencing

and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body.

(b) (1) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the legislative body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the legislative body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the legislative body be physically present at the location specified in the notice of the meeting.

(c) A legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. A legislative body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a legislative body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the legislative body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each legislative body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a legislative body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the legislative body's internet website.

(f) All legislative bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to legislative body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 2. Section 11133 is added to the Government Code, to read:

11133. (a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a state body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body.

(b) (1) For a state body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the state body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a state body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the state body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the state body be physically present at the location specified in the notice of the meeting.

(c) A state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically

or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the state body allow members of the public to attend the meeting and offer public comment. A state body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a state body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the state body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each state body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a state body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the state body's internet website.

(f) All state bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to state body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 3. Section 54953 of the Government Code is amended to read:



54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 3.1. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency in person, except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body

shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter

2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for

the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 4. Section 54953 is added to the Government Code, to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting

of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting,



members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 4.1. Section 54953 is added to the Government Code, to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, in person except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the

legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint

powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 5. Sections 3.1 and 4.1 of this bill incorporate amendments to Section 54953 of the Government Code proposed by both this bill and Assembly Bill 339. Those sections of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2022, but this bill becomes operative first, (2) each bill amends Section 54953 of the Government Code, and (3) this bill is enacted after Assembly Bill 339, in which case Section 54953 of the Government Code, as amended by Sections 3 and 4 of this bill, shall remain operative only until the operative date of Assembly Bill 339, at which time Sections 3.1 and 4.1 of this bill shall become operative.

SEC. 6. It is the intent of the Legislature in enacting this act to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future applicable emergencies, by allowing broader access through teleconferencing options consistent with the Governor's Executive Order No. N-29-20 dated March 17, 2020, permitting expanded use of teleconferencing during the COVID-19 pandemic.

SEC. 7. The Legislature finds and declares that Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, further, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for public participation and notice requirements allowing for greater public participation in teleconference meetings during applicable emergencies.

SEC. 8. (a) The Legislature finds and declares that during the COVID-19 public health emergency, certain requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) were suspended by Executive Order N-29-20. Audio and video teleconference were widely used to conduct public meetings in lieu of physical location meetings, and public meetings conducted by teleconference during the COVID-19 public health emergency have been productive, have increased public participation by all members of the public regardless of their location in the state and ability to travel to physical meeting locations, have protected the health and safety of civil servants and the public, and have reduced travel costs incurred by members of state bodies and reduced work hours spent traveling to and from meetings.

(b) The Legislature finds and declares that Section 1 of this act, which adds and repeals Section 89305.6 of the Education Code, Section 2 of this act, which adds and repeals Section 11133 of the Government Code, and Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, all increase and potentially limit the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

(1) By removing the requirement that public meetings be conducted at a primary physical location with a quorum of members present, this act protects the health and safety of civil servants and the public and does not preference the experience of members of the public who might be able to attend a meeting in a physical location over members of the public who cannot travel or attend that meeting in a physical location.

(2) By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hotel room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that state and local agencies can continue holding public meetings while providing essential services like water, power, and fire protection to their constituents during public health, wildfire, or other states of emergencies, it is necessary that this act take effect immediately.

RESOLUTION \_\_\_\_\_

MAKING FINDINGS AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE CITY COUNCIL AND ALL LEGISLATIVE BODIES OF THE CITY OF TRACY FOR THE PERIOD OF FEBRUARY 20, 2022, TO MARCH 21, 2022, PURSUANT TO THE BROWN ACT

WHEREAS, The City of Tracy is committed to preserving and nurturing public access and participation in meetings of the City Council; and

WHEREAS, All meetings of the City of Tracy's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code section 54950 – 54963), so that any member of the public may attend, participate, and watch the City's legislative bodies conduct their business; and

WHEREAS, A required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of a condition of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, A proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the City's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, Imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, On March 17, 2020, the City Council of the City of Tracy ratified the declaration of an emergency by the City Manager due to COVID-19 in accordance with Chapter 3.26 of the Tracy Municipal Code; and

WHEREAS, As a condition of extending the use of the provisions found in section 54953(e), the City Council must reconsider the circumstances of the state of emergency that exists in the City, every thirty days; and

WHEREAS, The City Council previously adopted a Resolution No. 2021-147 on October 19, 2021, finding that the requisite conditions exist for the legislative bodies of the City of Tracy to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, The City Council does hereby find that COVID-19 has caused, and will continue to cause, conditions of peril to the safety of persons within the City that are likely to be beyond the control of services, personnel, equipment, and facilities of the City, and desires to affirm a local emergency exists and re-ratify the proclamation of a state of emergency by the Governor of the State of California; and

WHEREAS, As a consequence of the COVID-19 emergency persisting, the City Council does hereby find that all legislative bodies of the City of Tracy, including the City Council, Council ad hoc and subcommittees, and Boards and Commissions, shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to

comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution as findings of this City Council by this reference.

Section 2. Findings. The City Council hereby finds that due to COVID-19, including the Delta variant, holding City Council and other legislative body meetings in person will present imminent risk to the health and safety of attendees.

Section 3. Remote Teleconference Meetings. The City Council, including Council subcommittees, and all Boards and Commissions of the City of Tracy are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act for the period of February 20, 2022 through March 21, 2022.

The foregoing Resolution 2022-\_\_\_\_\_ was passed and adopted by the City Council of the City of Tracy on the 15th day of February 2022, by the following vote:

AYES:            COUNCIL MEMBERS:  
NOES:            COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.J

REQUEST

**APPROVE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF TRACY AND WRT, LLC FOR ADDITIONAL SERVICES RELATED TO THE UPDATE OF THE CITYWIDE PARKS, RECREATION, AND TRAILS MASTER PLAN**

EXECUTIVE SUMMARY

The City of Tracy and WRT, LLC entered into a Professional Services Agreement (Agreement) to update the Parks, Recreation, and Trails Master Plan (PRTMP) that was approved by the City Council on February 5, 2019. On January 3, 2022 staff received a request for additional funds from WRT to complete the update of the PRTMP in the amount of \$36,400 due to additional rounds of revisions not originally planned for. This work was included in the capital improvement budget for the project but requires Council approval to amend the Agreement to include an expanded scope of services.

DISCUSSION

On February 5, 2019 the City Council approved an Agreement with WRT of San Francisco, California to update the Parks, Recreation, and Trails Master Plan (PRTMP). The current Agreement includes services related to the update of the PRTMP which most of the fees have been used. The PRTMP has been going through the update process since 2019 and is nearing completion. Staff is planning to bring this plan before Council in Spring 2022.

On January 3, 2022 staff received a request for additional funds from WRT to complete the update of the PRTMP in the amount of \$36,400 due to additional rounds of revisions not originally planned for. It is important to note that the capital improvement budget for this project has funding available for this request and no additional general fund monies are needed.

Amendment No. 1 (Attachment A) to the Agreement will incorporate a new scope item Task 7.3 Additional Rounds of Review which includes the following services:

- Fourth and fifth rounds of Master Plan review and revisions
- Edits to the Implementation chapter based on comments from Harris & Associates and City
- An additional round of revisions based on comments from City Staff and stakeholders; and
- An additional in-person meeting with Parks Commission or City Council if necessary

This is a request to amend the current Agreement in order to allow WRT to complete the additional work necessary to complete the update of the PRTMP.

FISCAL IMPACT

The Parks Master Plan update (CIP 78179) has an approved budget of \$426,000. There are sufficient funds available in the project for the cost of the amendment, with an available balance of \$93,308.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Quality of Life Strategic Priority to provide an outstanding quality of life by enhancing the City's amenities, business mix and services, and cultivating connections to promote positive change and progress in our community.

RECOMMENDATION

Staff recommends that City Council approve by resolution Amendment No. 1 to the Professional Services Agreement with WRT, LLC for services related to the update of the Parks, Recreation, and Trails Master Plan.

Prepared by: Richard Joaquin, Parks Planning & Development Manager

Reviewed by: Brian MacDonald, Director of Parks and Recreation  
Karin Schnaider, Director of Finance  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

ATTACHMENTS:

Attachment A – Amendment No. 1 to Professional Services Agreement with WRT, LLC



**CITY OF TRACY  
AMENDMENT NO. 1 TO  
PROFESSIONAL SERVICES AGREEMENT  
CITYWIDE PARKS, RECREATION & TRAILS MASTER PLAN UPDATE WITH WRT, LLC**

This Amendment No. 1 (**Amendment**) to the *Professional Services Agreement* is entered into between the City of Tracy, a municipal corporation (**City**), and *WRT, LLC (Consultant)*. City and Consultant are referred to individually as "**Party**" and collectively as "**Parties.**"

**Recitals**

- A.** The City and Consultant entered into a *Professional Services Agreement (Agreement)* to update the Citywide Parks, Recreation & Trails Master Plan (PRTMP), which was approved by the City Council on February 5, 2019, under Resolution No. 2019-016;
- B.** On January 3, 2022, staff received a request for additional funds from Consultant to complete the update of the PRTMP in the amount of \$36,400 due to additional rounds of revisions not originally planned for;
- C.** The PRTMP update (CIP 78179) has an approved budget of \$426,000. There are sufficient funds available in the project for the cost of the amendment, with an available balance of \$93,308; and
- D.** This Amendment is being executed pursuant to Resolution No. \_\_\_\_ approved by Tracy City Council on February 15, 2022.

**Now therefore, the Parties mutually agree as follows:**

**1. Incorporation by Reference.** This Amendment incorporates by reference all terms set forth in the Agreement, unless specifically modified by this Amendment. The terms which are not specifically modified by this Amendment will remain in effect.

**2. Terms of Amendment.**

**A. Section 1, Scope of Services**

Section 1 is hereby amended to read as follows: "Consultant shall perform the services described in Exhibit 'A-1' attached and incorporated by reference. Exhibit 'A-1' shall supersede the original scope of work described in Exhibit 'A'. The services shall be performed by, or under the direct supervision of, Consultant's Authorized Representative; Peter Winch. Consultant shall not replace its Authorized Representative, nor shall Consultant replace any of the personnel listed in Exhibit 'A-1', nor shall consultant use any sub-contractors or sub-consultants, without City's written consent."

**B.** Exhibit "A-1 'Scope of Work', As amended with requested additional scope and fee" attached hereto shall replace and supersede Exhibit "A" attached to the Agreement.

**3. Modifications.** This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

**4. Severability.** If any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.

**5. Signatures.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment. This Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

The Parties agree to the full performance of the terms set forth here.

City of Tracy

Consultant  
WRT, LLC

By: \_\_\_\_\_

Title: Mayor

Date: \_\_\_\_\_

By: 

James Stickle

Title: Principal

Date: 02.07.22

Attest:

By: \_\_\_\_\_

Adrienne Richardson, City Clerk

Approved as to form

By: \_\_\_\_\_  
Gregory J. Rubens, Interim City Attorney

City of Tracy | Citywide Parks, Recreation and Trails Master Plan Update

## SCOPE OF WORK

*As amended with requested additional scope and fee.*

*WRT WILL PROVIDE THE FOLLOWING SERVICES AS DESCRIBED AND IN ACCORDANCE WITH THE PROJECT SCHEDULE.*

### TASK 1 – PROJECT INITIATION AND MANAGEMENT

#### 1.1 Project Kick-off and Site Tour

The WRT Team will facilitate a kick-off meeting in Tracy with Staff and stakeholders invited by the City. We will review the draft scope and schedule and facilitate a conversation about goals, opportunities and constraints. Following the meeting, we propose a Staff-guided tour of the City's parks and recreation facilities. The kick-off and tour is an important time to be introduced to parks staff responsible for maintenance, programming, and funding.

#### 1.2 Formation of a Work Plan [RFP Task 1] and Community Engagement Strategy

Based on comments at the kick-off meeting and guidance from Staff, WRT will finalize a detailed work scope and schedule including a list of milestones, timelines, areas of responsibility, and all information to be provided by City Staff. The elements of community engagement will be developed in detail in this stage.

#### 1.3 Monthly Check-in Meetings with Staff

WRT will prepare meeting agenda and notes. We assume most of these meetings will be conducted as conference calls. Special Consultant/Staff workshops that will benefit from more time and collaboration will be done on-site.

#### 1.4 Project Management

WRT will provide ongoing management including administration of the contract and invoices.

*Task 1 Meetings: Project Kick-off and Site Tour; Monthly Check-in Meetings with Staff*

*Task 1 Deliverables: Work Plan, Meeting agendas and notes*

*Task 1 Fee: \$31,060 plus reimbursables*

### TASK 2 – EXISTING PARKS AND RECREATION ASSESSMENT

#### 2.1 Review and Collection of Background Information [RFP Task 2]

WRT will assemble and review available data and reports and current facilities projects. WRT assumes that the City will provide GIS layers for data such as park boundaries, natural features, zoning, specific plan areas, streets and circulation routes, and other relevant themes.

*Note: interviews with City staff, selected stakeholders, Parks & Community Services Commission members, and City Council are also included; see Task 3.1.*



## 2.2 Review of Existing Parks, Recreation Facilities and Recreation Programs [RFP Task 3]

*Existing Parks Assessment.* WRT will inventory existing parks, facilities, trails, landscape and open space areas in Tracy. The inventory will identify all parks, park type, park features and amenities, acreage, use characteristics, aesthetic qualities, and general condition assessment. Each facility will be specifically assessed at a high level for compliance with ADA requirements (this assessment will not cover slope or playground safety). The analysis will determine the level of service Tracy is currently achieving with its park system; identify geographic gaps in service in terms of access to parks and to specific amenities; and identify physical improvement needs at each park site. Building condition will not be covered in this assessment. Maps will show the parks by park type; distribution of recreation amenities, and park walksheds using GIS network analysis, and generalized park condition or improvement needs.

*Recreation Program and Urban Recreation Needs Assessment.* Recreation programs and special events are the backbone of park and recreation agencies. PROS' assessment will review how well the Department aligns itself with community needs for recreation programs. The goal of this process is to provide recreation program enhancements that result in successful and innovative offerings. PROS will provide insight into recreation program trends from agencies all around the country. The process includes analysis of:

- Age segment distribution
- Lifecycle analysis
- Core program analysis and development
- Similar provider analysis/duplication of service
- Partnership identification
- Market position and marketing analysis
- User fee analysis for facilities and programs/services
- Review of program development process
- Backstage support, or service systems and agency support needed to deliver excellent service

*Operations Analysis.* PROS will provide more detailed analysis of the Department's operations and maintenance practices, and recommendations to make operations more efficient and effective, aligning the Department with national best practices.

*Reconnaissance-level Biological Survey:* LSA will conduct a desktop survey of the 72 existing facilities covered by the Master Plan to identify the potential presence of special-status species and/or sensitive habitats, such as wetlands or riparian habitat. LSA will review available background information, including available reports for other projects in the vicinity, and the California Department of Fish and Wildlife's California Natural Diversity Database, the California Native Plant Society's Inventory of Rare and Endangered Plants, and the U.S. Fish and Wildlife Service's Information for Planning and Consultation (IPaC) on-line database for occurrences of special-status plant and wildlife species on or adjacent to the project site. Based on the results of the literature review and input from WRT and City staff, LSA will conduct field reconnaissance surveys of up to four sites with the highest potential to support sensitive rare, threatened, or endangered species or potentially jurisdictional waters of the United States/waters of the State (including adjacent wetlands) that would be subject to regulation under Section 404 of the Clean Water Act and/or the California Porter-Cologne Water Quality Control Act. LSA will use the findings of the reconnaissance-level survey and the literature/database review to

assess impacts and develop avoidance and mitigation measures in the Biological Resources section of the IS/MND.

*Cultural Resources.* LSA will identify the baseline conditions for cultural resources on a program level for the proposed project. To achieve this, a review of existing documentation for the facilities addressed by the Master Plan and a brief field review will be conducted. The field review will be conducted to obtain a general sense of the potential presence of cultural resources and cultural resource sensitivity in the facilities. However, additional field survey may be needed to identify project-level impacts to cultural resources at the specific recreational facilities and support the CEQA analysis at the IS/MND level; the LSA field review will not satisfy professional standards for cultural resources field survey.

The baseline conditions identification for cultural resources will begin with a records search of documents on file at the Northwest Information Center (NWIC) of the California Historical Resources Information System. Archaeological, ethnographic, and historical publications and maps at LSA and cultural resource inventories will also be reviewed. LSA will also contact the Native American Heritage Commission in Sacramento for a review of the sacred lands file to determine if the project area contains any listed sites.

Based on the results of the baseline conditions research and field review for cultural resources, LSA will identify obvious conflicts between proposed improvements and cultural resources, as well as additional research (including formal field survey and/or eligibility evaluations) that will likely be required by subsequent CEQA review of individual elements of the master plan improvements. As necessary, revisions to the existing (or recommendations for entirely new) Goals and Policies in the master plan for the identification, protection, and retention of cultural resources will be made. The baseline conditions, recommendations, and revisions will be presented in a technical memorandum. It is anticipated that through the careful and diligent achievement and implementation of master plan Goals and Policies, the project will be able to successfully address potential significant impacts. No evaluations or formal field surveys will be conducted as part of this scope of work.

### 2.3 Benefits of the Tracy Park System [RFP Task 4, in part]

WRT will prepare a succinct analysis of how Tracy's park system benefits the community, noting the benefits of parks for public health, social cohesion, youth outcomes, economic development, property value, and environment.

*Task 2 Meetings:* 1 working session led by PROS focused on department operations. See Task 1 for regular meetings with Staff and Task 3 for public engagement that may occur in relation to this task.

*Task 2 Deliverables:* Existing Conditions Assessment of the Tracy Parks + Recreation System including:

- *Park System Level of Service Analysis*
- *Park-by-Park Condition Assessment*
- *Programs and Services Assessment*
- *Department Operations Assessment*
- *Biological and Cultural Resources Assessment*

*Task 2 Fee:* \$48,055 plus reimbursables.

*Fee is corrected from the original scope to be consistent with invoicing. No change to overall project fee.*

### **TASK 3 – PUBLIC AND STAFF INVOLVEMENT [RFP TASK 5]**

Throughout the process, WRT will facilitate input from the community, stakeholders, and City representatives. Specific public and staff involvement elements may be modified as part of Task 1.2.

#### **3.1 Foundational Meetings with Community Leaders, User Groups, City Staff, Commissioners and Council Members**

WRT will engage stakeholders including community groups, park users, youth sports groups, parks commissioners, Council members, Staff and others during a two-day period. We have found small group meetings with 4-5 people around topics (sports, open space/trails, dogs, maintenance, youth, seniors, etc.) to work effectively. Additional meetings with individual stakeholders may be conducted over the phone (we assume four additional meetings).

#### **3.2 Presentations to Parks & Community Services Commission (3)**

The Parks & Community Services Commission (PCSC) has an important role in guiding and ultimately recommending the Master Plan for adoption by Council. WRT envisions three presentations to the PCSC. The first meeting would be a kick-off visioning session and project introduction; the second a report on the Community Needs Assessment; and the third a presentation of the draft Master Plan. Cultiva la Salud is available to provide Spanish interpretation at these meetings as needed, within a capped overall number of hours on the project. Any interpreting equipment would be provided by the City.

#### **3.3 Other Commission and City Council Meetings (3)**

Other City of Tracy commissions also overlap with the functions of the parks and recreation system. It will be important for the Planning Commission to weigh in on the Master Plan's approach to park land dedication requirements and in-lieu fees, and park location and design guidance. The Youth Advisory Commission will have insight into the social and recreational needs of Tracy's youth population. We will also present the Plan to City Council for adoption. Specific commission and Council meetings will be identified in collaboration with City Staff. Cultiva la Salud is available to provide Spanish interpretation at these meetings as needed, within a capped overall number of hours on the project. Any interpreting equipment would be provided by the City.

#### **3.4 Community Workshops (2)**

Two community workshops are envisioned. The first event will be held to introduce the project, get feedback about existing conditions, and set goals for the park system. The second event will be a workshop on prioritizing projects. These are envisioned as traditional presentations with supporting map displays. WRT will lead these workshops and provide display materials. We expect Staff will be able to support with logistics and promotion. Cultiva la Salud would provide Spanish interpretation. Any interpreting equipment would be provided by the City.

#### **3.5 Strategy and Materials for Pop-Up Outreach, Flyers, Posters, Web and Social Media**

People lead busy lives or may feel disconnected from public processes; it is important to try to reach people where they are. WRT will help the City identify a set of engagement tactics, and design materials to support these efforts (printing and staffing is not included in this scope.) We believe that

reaching people at local events will be more productive than holding Master Plan workshops – thus we encourage the City to invest in this effort.

### 3.6 Targeted Outreach to Underrepresented / Non-English-Speaking Communities

Tracy has an established and significant non-English speaking population. WRT with Cultiva La Salud has developed targeted activities to engage Spanish-speaking communities. We will support the City to broaden engagement to other communities as directed and funded.

Cultiva la Salud will lead our Team’s effort to reach the Latino community. The outreach strategy will include the following: 1) reaching out to key organizational partners to help announce the workshops, 2) posting workshop flyers in key destinations, 3) canvassing the communities to announce the workshops, 4) sharing the workshop announcements on Facebook and Twitter, and 5) joining local meetings and announcing the workshops. Cultiva la Salud will collaborate with WRT to plan, promote, and host Spanish-language events, and translate materials. The City will provide a list of organizations and contacts as a starting point.

**Task 3 Meetings:** Foundational meetings with stakeholders (2 days in Tracy plus 4 additional phone meetings); Community advisory group meetings (3); PCSC meetings (3); other Commission and Council meetings (3); community workshops (2); targeted outreach meeting for Spanish-speaking community (1).

**Task 3 Deliverables:** Presentations and presentation materials for all meetings led by Consultant team; strategy and digital materials for pop-up events, digital files for print collateral, and ~~for~~ content for social media.

**Task 3 Fee:** \$46,345 plus reimbursables

## TASK 4 – COMMUNITY NEEDS ASSESSMENT AND COMPREHENSIVE PROFILE

### 4.1 Analysis of Demographic and Recreation Trends [RFP Task 4, in part]

*Demographic & Recreation Trends Analysis.* PROS will use the City’s projections and supplement with census tract demographic data obtained from Environmental Systems Research Institute, Inc. (ESRI), the largest research and development organization dedicated to Geographical Information Systems (GIS) and specializing in population projections and market trends; for comparison purposes data will also be obtained from the U.S. Census Bureau. This analysis will provide an understanding of the demographic environment for the following reasons:

- To understand the market areas served by the park and recreation system and distinguish customer groups.
- To determine changes occurring in the City and the region, and assist in making proactive decisions to accommodate those shifts.
- Provide the basis for Equity Mapping and Service Area Analysis

Demographic analysis will be based on US 2010 Census information, 2018 updated projections, and 5 (2023) and 10 (2028) year projections. The following demographic characteristics will be included:

- Population density;
- Age Distribution;
- Households;

- Gender;
- Ethnicity;
- Household Income.

From the demographic base data, sports, recreation, and outdoor trends are applied to the local populace to assist in determining the potential participation base within the community. For the sports and recreation trends, PROS uses the Sports & Fitness Industry Association's (SFIA) 2017 Study of Sports, Fitness and Leisure Participation, ESRI local market potential, as well as participation trends from the Outdoor Foundation on outdoor recreation trends.

#### 4.2 Statistically-Valid Survey [RFP Task 6, in part]

EMC Research, as part of the WRT Team, will conduct a statistically valid survey to gauge community recreational needs and usage of recreation programs, parks, and other recreational facilities as it relates to City of Tracy Parks Master Plan. The survey would also measure potential changes in opinions, usage and needs over time.

*Methodology:* Live telephone interviewing – both landlines and cell phones – among residents in households with a registered voter in the City of Tracy. EMC has also provided an additional online survey option as well as optional focus group research services.

*Sample Design and Data Collection Standards:* Accurate data collection is the foundation for good strategic analysis. EMC Research sets an extremely rigorous data collection standard that is not often met nor included in pricing by other research firms. EMC will manage and oversee all aspects of the data collection process, including determining the sample universe, setting up caps and quotas, monitoring interviews in real-time, and verifying and reviewing the data after each night of interviewing. Prior to fielding the survey, we test the survey instrument to ensure it is understandable, logical, programmed correctly, and flows in a coherent manner. Throughout the data collection process, we will verify the accuracy of data coding and data entry, ensure the collected data meets the prescribed sampling plan, and ensure data integrity. In executing the survey, EMC will employ a thorough callback method to ensure that a random selection of respondents is achieved.

The scope of services would include:

- Develop final research design and sample plan;
- Design a survey questionnaire in consultation with the City/Consultant team
- Monitor data collection daily to ensure the process is going according to plan, and adjust strategies as-needed to ensure a representative sample;
- Tabulate, code, clean, and weight the survey data;
- Provide topline poll results
- Produce cross-tabulations of voter responses based on key demographic, geographic, attitudinal, and behavioral variables
- Perform in-depth analysis of the data;
- Prepare a report of results with charts, analysis, and recommendations;
- Present results and provide analysis and recommendations as needed.

*Sample Size & Survey Length:* Based on the project scope, we recommend up to 400 completed interviews at an average survey length of 15 minutes.



*Survey Languages:* Based on the demographics of the City of Tracy, we recommend providing interviews in both English and Spanish. EMC will provide professional translation and bilingual interviewers to make calls to likely Spanish-speakers.

#### 4.3 Online Survey

EMC will program an online version of the survey and provide a survey link for the City of Tracy to host on their website and/or for them to send the survey link in local city newsletters or residential communications.

The online survey would be separate from the representative, statistically valid survey, but will likely contain a significant amount of content overlap. This is an opt-in instrument meant to provide the City with a way to engage your most interested populations. This contrasts with the representative survey which will be tightly controlled to ensure results can be projected to the population. Comparing results of the scientific survey to the online survey will allow the City to contrast the opinions of those closest to the issues with a random sample of residents, and identify whether the feedback you tend to receive from the most vocal members of the community differs from what your broader population thinks.

The scope of services would include:

- Convert the approved telephone survey to an online version for online access;
- Program and test survey on EMC's online survey platform;
- Provide a weblink to access the survey.
- The Survey would be hosted by City of Tracy on the City website and/or for use in an online newsletter, communications, etc.
- EMC will monitor web completes and provide status updates periodically while survey is active.
- Provide topline and tabulations of online survey responses.
- EMC will provide a brief analysis of online responses and comparison to the phone survey where applicable.

#### 4.4 Gather and Assess Community Needs [RFP Task 6, in part]

Based on the analysis described in Task 2, the public input process described in Task 3, and the demographic analysis and survey results described above, the WRT Team will assess Tracy's current and projected recreational needs. We anticipate that one to two working sessions with Staff will be valuable as we synthesize findings and work toward the Comprehensive Profile (Task 4.5).

#### 4.5 Research and Report on Park Standards [RFP Task 7]

The WRT Team will work with the Department to review and confirm, modify or add to existing park classifications and preferred facility standards for all park sites, trails, open space amenities including common areas and indoor and outdoor facilities. These classifications will consider size, population served, length of stay, and amenity types/services. Facility standards include level of service standards and the population served per recreational facilities and park amenities. Any new or modified classification or standard will be approved as required. These are based on regional, statewide or nationally accepted parks and recreation standards, as well as the Consulting Team's national experience and comparison with peer/survey agencies.

#### 4.6 Comprehensive Profile [RFP Task 8]

WRT will synthesize the outcomes of the Existing Conditions Assessment (Task 2); the Community Needs Assessment, including our analysis of demographics, recreation trends, priorities voiced by community members, and survey results; and benchmark analysis. These will be rolled into a comprehensive profile of the City's parks and recreation system.

**Task 4 Meetings:** 2 working sessions with Staff.

**Task 4 Deliverables:** Demographic and Recreational Trends Analysis Report; Statistically-Significant Survey Instrument; Report on the Statistically-Significant Survey; Online Survey and Weblink; Online Survey Report including Topline Results, Tabulation and Brief Analysis; Report on Park and Facility Standards; Comprehensive Profile of Existing Conditions and Needs.

**Task 4 Fee:** \$40,650 plus reimbursables.

## TASK 5 – VISION, RECOMMENDATIONS, AND PROJECTS

### 5.1 Vision Development [RFP Task 9]

The Master Plan will provide a vision for a unified and sustainable system of parks, trails, and recreation facilities. The vision will build on community input and the core findings of our existing conditions and community needs assessment. Establishing the community vision will be a key focus of the community engagement work described in Task 3. Here, WRT will work with Staff to confirm a formal vision statement.

### 5.2 Goals, Objectives and Policies [RFP Task 10, in part]

In consultation with Staff, ~~we~~ WRT will develop goals, objectives, and policies to be responsive to identified needs. Goals will be aligned with Tracy's Strategic and General Plan goals and carry forward goals from the current Master Plan that remain relevant. Vision, goals, objectives and policies will be the subject of a working session with Staff.

### 5.3 Short- and Long-Term Project Lists [RFP Task 10, in part]

WRT and PROS will synthesize the findings from the community input, standards, demographics and trends analysis, park and facility assessment, recreation services assessment and the service area mapping into a quantified facility and program priority ranking. This will list and prioritize facility, infrastructure, amenities, and program needs for the parks and recreation system and provide guidance for the Capital Improvement Plan. The analysis will include probable future parks, recreation and facility needs based on community input, as well as state and national user figures and trends. The Consulting Team will conduct a work session with staff to review the findings and make revisions as necessary.

### 5.4 Recreation Program Priorities

PROS' analysis of recreation program needs will be developed into a program plan that will help to increase registration, drive customer retention and loyalty, improve customer satisfaction, and increase revenues. Additionally, it will help focus staff efforts in core program areas and create excellence in those programs deemed most important by program participants.

**Task 5 Meetings:** 2 working sessions with Staff

*Task 5 Deliverables: Draft Vision Statement; Goals, Objectives and Policies; Definition and Prioritization of Projects and Programs*

*Task 5 Fee: \$21,835 plus reimbursables*

## **TASK 6 – FUNDING [RFP TASK 12]**

PROS and NBS will work in tandem on the funding analysis, with an overall approach of understanding the desires of the City and specifically the parks financial situation. This analysis will require broad thinking and analysis to identify important trends and challenges, as well as strategic and realistic opportunities.

### **6.1 Assessment of Funding Needs**

Using data from the park assessments conducted in Task 2, including data on amenities and order-of-magnitude estimated replacement costs, PROS will analyze funding, operations, and maintenance considerations for the current park system and the improvements recommended to the community's vision. The work will be based on cost assumptions for generalized maintenance/ life cycle, repair, and new park development. NBS will provide peer review and consultation on revenue analysis.

### **6.2 Funding and Revenue Strategies**

NBS will lead the Team's work in identifying a matrix of potential funding strategies. Funding strategies will be developed based in part to our review and analysis, as well as the national and California experience brought by the Consulting Team. These may include fees and charges; endowments and non-profit opportunities; program, event and facility sponsorships; dedicated funding sources for land acquisition and capital improvements; development agreements; Earned Income options to support operational costs; land or facility leases; and grant opportunities to build parks and facilities identified in the Needs Assessment. Augmented by the detailed fee studies outlined below, we will make recommendations. NBS will provide more detailed analysis of certain ongoing and one-time funding options with the greatest potential application to meet Tracy's needs.

### **6.3 Park and Recreation Fee Analysis**

NBS is currently undertaking a global fee study for the City of Tracy, and will coordinate this task and summarize the recommendations on park and recreation fees and charges.

### **6.4 Analysis of Development Fee and Quimby Act Policies and Ordinances**

NBS, led by subconsultant Joe Colgan, will review the City's current parks impact fee program and Quimby Act policies, document how the City implements these programs, and provide a professional opinion of the programs' strengths and opportunities for improvement. We will assess whether the City should consider adoption of a Parks Improvement Fee in addition to the Quimby Act fee. (This analysis will not include consultation on changes to zoning or other ordinances stemming from Master Plan outcomes.)

### **6.5 Development Impact Fee Study**

NBS-Colgan will prepare a Development Impact Fee Study that complies with the requirements of the California Mitigation Fee Act (Government Code Sections 66000 et seq.)

To complete this Study, NBS-Colgan Consulting will:

- Collect, review, organize and analyze data on existing and future development in the City and compile it in a form useful for this study.
- Review the Capital Improvement Program and facility master plans and work with staff to identify new facilities, facility expansions, vehicles and equipment needed to serve future development.
- Conduct the impact fee analysis and calculate impact fees by land use type for each type of facility addressed in the study.
- Submit preliminary drafts of portions of the study report as the Study progresses for review and comment by City staff.
- Prepare an Impact Fee Study Report to explain the data, methodology and formulas used in the fee calculations and document the nexus between the proposed fees and the impacts of development for each type of impact fee calculated in the study. The report will also propose findings to satisfy the requirements of the Mitigation Fee Act regarding the purpose of the fees, the use of the fees, and the reasonable relationship between the fees and development.
- Prepare a final draft document for submittal to City Council, if applicable. As needed, additional changes will be incorporated into the final study report.

Attend one on-site meeting in the course of the impact fee study plus one public meeting to present the results of the study. If additional public meetings are required, they will be charged on a time and expenses basis.

**Task 6 Meetings:** 1-2 working sessions with Staff

**Task 6 Deliverables:** Funding and Revenue Strategies Matrix and Recommendations; Development Impact Fee Study

**Task 6 Fee:** \$40,580 plus reimbursables

## TASK 7 - DRAFT AND FINAL PARKS, RECREATION AND TRAILS MASTER PLAN [RFP TASK 11]

### 7.1 Preliminary PRTMP

WRT will prepare a preliminary PRTMP (50% draft) for Staff review, incorporating the results of the tasks conducted throughout the process. The plan will include, but not be limited to:

- Vision Statement, Goals and Objectives
- Existing Conditions Summary and Park User Profiles
- Needs Assessment with Survey Results
- Implementation Plan with Park System Enhancements and Operations and Funding

## 7.2 Draft PRTMP Document

WRT will respond to comments from Staff and further development the Plan to a 90% level, and provide this Draft PRTMP for a second round of Staff review.

## 7.3 NEW SCOPE ITEM: Additional Rounds of Review

The Parks, Recreation & Trails Master Plan has undergone extensive review requiring WRT responses to multiple rounds of comments over an extended timeframe not anticipated in the original scope of work.

We understand that the City expects that additional comments from stakeholders and the public that will require additional revisions. Some revisions to the Implementation chapter have already been requested by Harris & Associates and the City. Also as a result of this extended timeframe, the City may wish to bring the Plan to a second meeting of the Parks Commission and/or Council, in addition to the meetings included in the contract. WRT requests that the contract be amended to include the following services:

- Fourth and fifth rounds of Plan review and revisions, between September 17 and December 14, 2021
- Edits to the Implementation chapter based on comments from Harris & Associates and the City, to be completed in January 2022;
- An additional round of revisions based on comments from City Staff and stakeholders; and
- An additional in-person meeting with Parks Commission or City Council

The overall estimated cost for these additional services is \$36,400. WRT assumes that future revisions will be comparable in level of effort to the fourth and fifth rounds. These will be billed on a time and materials basis; if future revisions require less work, billing will also be less.

This additional scope item and fee were requested by memo on January 3, 2022.

## 7.34 Parks & Community Services Commission and City Council Presentations

We will then make a presentation of the final draft Master Plan Report to the Tracy Parks & Community Services Commission and Tracy City Council.

## 7.45 Final PRTMP

The final Master Plan will then be completed following Commission and City Council guidance. The ultimate goal of the Parks, Recreation and Trails Master Plan (PRTMP) is to provide the City with one concise document for parks and recreation planning that sets forth findings, management policies, and programming and recommendations to address current and future needs.

*Task 7 Meetings: PCRC Meeting (see also Task 3); City Council Hearing*

*Task 7 Deliverables: Preliminary PRTMP; Draft PRTMP (4 rounds of review); Final PRTMP*

*Task 7 Fee: ~~\$25,050~~61,450 plus reimbursables, as requested by memo January 3, 2022. An additional \$36,400 is requested.*

## TASK 8 – TECHNICAL SUPPORT AS THE CITY’S ENVIRONMENTAL CONSULTANT [RFP TASK 13]

LSA will evaluate the Draft Master Plan in order to meet the requirements of CEQA. Potential environmental impacts will be analyzed at a program level, relying largely on the analysis in the General Plan EIR. CEQA requirements will be considered throughout the master planning process to ensure that, to the extent feasible, the proposed project is self-mitigating. This scope is based on the assumption that the project will not result in significant unavoidable environmental impacts and that environmental analysis and documentation beyond an Initial Study/Mitigated Negative Declaration (IS/MND) will not be required. If the City, as lead agency, determines that an EIR is necessary, additional revisions to the scope of work will be required. The scope of work below assumes that background documents prepared for the Master Plan, as well as analysis in the General Plan will be adequate to support the findings of the IS/MND and that no technical reports (e.g., wetland delineation, species-specific surveys, traffic study, air/noise report) will be prepared by LSA as part of this scope and fee. LSA can provide these services on a time and materials basis, if needed.

Task 8 will include the following stages:

### 8.1 Project Description

LSA will work closely with the project team to prepare a detailed Project Description that provides a level of detail appropriate for analysis in the IS/MND. The Project Description will provide a clear description of all proposed actions, including the purpose, phasing and physical elements of the Master Plan. The Project Description will include a map showing the location of proposed capital improvements and a general description of policies and recommendations that might affect the environment. The Project Description will include a statement describing the intended uses of the IS/MND, with a list of agencies expected to use the IS/MND, a list of permits and other approvals required to implement the project and a list of related environmental review and consultation steps required by federal, State, or local laws, regulations and policies. The draft Project Description will need to be agreed upon by all members of the project team and City staff prior to initiating work on the IS/MND.

### 8.2 Administrative Draft IS/MND

An Initial Study (IS) will be prepared in accordance with the CEQA Checklist (Appendix G of the CEQA Guidelines). LSA will respond to and evaluate each factor from the checklist. Environmental analysis will be based on available information, information developed as part of the master planning process and the technical studies described in Task 3 above. A Mitigated Negative Declaration will be prepared and attached to the accompanying Administrative Draft IS. Five (5) bound paper copies and one (1) PDF and Microsoft Word versions of the Administrative Draft IS/MND will be submitted to the City for review and comment. At the end of the review period, LSA will be available to meet and discuss comments on the Administrative Draft IS/MND.

### 8.3 AB 52 Tribal Consultation

LSA will assist the City with complying with the provision of AB 52. AB 52 provides for consultation with Native Americans during the CEQA process. Prior to release of a Negative Declaration, Mitigated Negative Declaration or Environmental Impact Report for a project, a lead agency must provide tribes that are traditionally and culturally affiliated with the geographic area of a project the opportunity to

consult, if requested in writing by such tribes within 30 days of receipt of the formal notification and requested consultation with the lead agency. If a tribe has requested consultation, LSA will, at the City's direction, perform the following tasks:

1. Attend up to one four (4) hour AB 52 consultation meeting with City and tribal representatives to provide technical input; and
2. Provide a template for the City's AB 52 outreach letter to tribes.

#### 8.4 Public Review Draft IS/MND

Following City review and based on a single set of consolidated and non-contradictory comments, LSA will amend the Administrative Draft IS/MND and prepare a Public Review Draft IS/MND. We have allotted time for responding to changes; however, if this task exceeds the cost allotted in the budget due to changes in the project description or requests for additional analysis, the additional cost would be billed on a time and materials basis. LSA will incorporate relevant graphics from WRT's plans for the Master Plan.

Thirty (30) copies of the Public Review Draft IS/MND will be produced for distribution and submittal to the City. LSA will also submit one (1) PDF version of the Public Review Draft IS/MND for use by the City. LSA will submit the IS/MND to the State Clearinghouse in electronic format which will consist of production of fifteen (15) compact discs (CD) and preparation of the State Clearinghouse Summary Form. If hard copies or additional CDs are requested for production, additional scope and budget would be required.

LSA will prepare the Notice of Completion (NOC) and Notice of Intent to adopt a Mitigated Negative Declaration (NOI), in accordance with the *CEQA Guidelines*. LSA will coordinate with the City to prepare a circulation list of agencies and persons that should receive the NOI and will be responsible for distributing the NOI to the appropriate parties. The City will be responsible for publishing a notice in the local newspaper.

#### 8.5 Final IS/MND

Following the public review period, the City will forward public comments submitted or made at the public meetings for review by LSA. LSA, in coordination with the City, will respond to agency and public comments on the contents of the IS/MND. We propose that the final responses to these comments be provided in a memo addressed to the City. This scope and budget assume up to 16 hours to prepare responses to comments. Should an unexpectedly large volume of comments be submitted, LSA would request an adjustment in the budget to cover work beyond the assumed level. LSA will also prepare a Final IS/MND incorporating any necessary revisions. Five (5) hard copies of the Final IS/MND will be provided to the City, along with one (1) PDF version.

LSA will prepare a Mitigation Monitoring and Reporting Program (MMRP) using the City's preferred format. The MMRP will list mitigation measures that are recommended in the IS/MND and provide standards and timelines for monitoring these mitigation measures. The MMRP will be submitted with the Final IS/MND.



LSA will also prepare a Notice of Determination (NOD) and file it with the County Clerk and State Clearinghouse once the project has been approved. The City will be responsible for payment of the Environmental Filing Fee to the California Department of Fish and Game at the time the NOD is filed.

**Task 8 Meetings:** 1 working session with Team and City Staff, up to 1 AB 52 consultation meeting with City and tribal representatives

**Task 8 Deliverables:** Admin Draft IS/MND; Template for Outreach Letter to Tribes; Public Review Draft IS/MND; Final IS/MND

**Task 8 Fee:** \$28,545 plus reimbursables.

## TASK 9 – NATURE PARK MASTER PLAN AND ENVIRONMENTAL REVIEW

### 9.1 Establishing a Vision

WRT will work with City Staff, stakeholders and community members to define the vision for a nature park in Tracy, including what experiences it should support and what features/amenities it should include. The deliverable is a memorandum vision statement and preliminary site plan diagram.

Community engagement during the vision subtask is both combined with the Citywide Parks and Trails Master Plan and conducted separately. During Citywide meetings, we will specifically engage the broader community about goals and desires for a Nature Park. We will also brief the PCSC and commissions. Separately, we will conduct a stakeholder meeting combined with a site tour. Representatives from WRT and LSA will, respectively, describe recreational and ecological opportunities and constraints. Cultiva la Salud will engage non-English speaking residents during the nature park planning process. Tour logistics are supported by the City including activity noticing, organizing access, and shuttle transportation from City Hall for a limited number of attendees who need assistance.

### 9.2 Site Evaluation

WRT and LSA will review background information and existing conditions on one potential nature park site, anticipated to be the site south of Legacy Fields. The Team will consider opportunities and constraints posed by the site and including ecological, habitat, access, views, hydrologic, cultural resource, and recreational. Our site evaluation will also consider the relationship between the site and the City's larger system of parks, trails, and open space, including potential additions to the open space system at Tracy Hills and elsewhere. The deliverable will be a draft memorandum that is folded into the final report.

### 9.3 Nature Park Conceptual Master Plan

Based on the vision and site evaluation, WRT will develop a conceptual master plan for the future nature park. This process will build on the vision statement and conceptual diagram developed early in the process, refining this to an illustrative site master plan showing the location of proposed park elements and facilities. The site master plan will be accompanied by a summary of program elements. A phasing diagram will recommend potential phasing approaches aligned to priority and funding opportunities. The deliverable will include a vision statement, illustrative site master plan, summary of program elements, and phasing diagram, with an appendix providing the results of the site evaluation.



Community engagement during the master plan subtask will include (1) stakeholder meeting. Additionally, we will update the PCSC and city council.

#### 9.4 Environmental Review

Pursuant to CEQA Guidelines Section 15164, an Addendum is permitted when a project (or a project's circumstances) change, or new information is available, but these conditions result in no new environmental impacts and do not increase the severity of existing impacts. CEQA Guidelines Section 15168 (c) (4) recommends using a written checklist or similar device to confirm that the environmental effects of a subsequent activity were adequately covered in a previous EIR.

Based on LSA's understanding of the scope of the proposed nature park and review of the Holly Sugar Sports Park Project Environmental Impact Report (EIR), the project appears to meet the above criteria for preparation of an Addendum to the Final EIR. LSA will utilize a modified version of the current Environmental Checklist Form (CEQA Guidelines Appendix G) to compare the project's potential environmental impacts to the potential impacts that were identified in the Final EIR. To facilitate the comparison to the Final EIR, response categories will be modified as follows: "New Significant Impact, Substantially More Severe Significant Impact, Less-than-Significant Impact with Additional Mitigation, and No Impact." Impact assumptions and applicable mitigation measures from the Final EIR will be referenced in the Addendum Checklist.

For each environmental topic, LSA will identify the minor changes associated with the project compared to what was evaluated in the Final EIR and will provide brief responses to each checklist question by comparing the proposed project to the previous CEQA analyses. This scope of services assumes that no new impacts or substantially more severe impacts would result from the proposed project, beyond those identified in the Final EIR.

LSA will prepare one draft of the Addendum Checklist for review by City staff prior to finalizing the document. Because CEQA does not require a separate public review period for an Addendum, our scope of work does not include preparing written responses to comments.

**Task 9 Meetings:** Working session with City staff and stakeholders (2); PCSC meetings (2); Council meeting (1); project team meetings on the environmental document (2).

**Task 9 Deliverables:** Vision Statement and Preliminary Site Concept; Site Evaluation Draft Memo; Conceptual Alternatives; Rendered Park Master Plan, Draft Addendum Checklist; Addendum to the Final EIR for the Holly Sugar Sports Park Project.

**Task 9 Fee:** \$99,710 plus reimbursables

#### **TOTAL COST:**

Task 1 to 9 Labor:           ~~\$394,350~~ 430,750

Reimbursables:           \$31,477

TOTAL:                       ~~\$425,827~~ 462,227

RESOLUTION 2022-\_\_\_\_\_

APPROVING AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF TRACY AND WRT, LLC FOR ADDITIONAL SERVICES RELATED TO THE UPDATE OF THE CITYWIDE PARKS, RECREATION, AND TRAILS MASTER PLAN

WHEREAS, The City of Tracy and WRT, LLC entered into a Professional Services Agreement to update the Parks, Recreation, and Trails Master Plan (PRTMP) that was approved on February 5, 2019, and

WHEREAS, On January 3, 2022 staff received a request for additional funds to complete the update of the PRTMP in the amount of \$36,400 due to additional rounds of revisions not originally planned for, and

WHEREAS, The Parks Master Plan update (CIP 78179) has an approved budget of \$426,000. There are sufficient funds available in the project for the cost of the amendment, with an available balance of \$93,308;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves Amendment No. 1 to the Professional Services Agreement between the City of Tracy and WRT, LLC to update the Citywide Parks, Recreation, and Trails Master Plan.

\* \* \* \* \*

The foregoing Resolution 2022-\_\_\_\_\_ was adopted by the Tracy City Council on the 15<sup>th</sup> day of February 2022, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.K

REQUEST

**APPROVE AN APPROPRIATION OF \$2,085,000 FROM GENERAL FUND (F101) TO GENERAL PROJECTS FUND (F301) FOR CIP 71111 THE GRAND THEATRE CENTER FOR THE ARTS EXTERIOR REPAIRS PROJECT, AND APPROVE CONTINGENCY AMOUNT FOR THE PROJECT**

EXECUTIVE SUMMARY

City staff requests that City Council authorize an appropriation of \$2,085,000 from the General Fund to increase funding to address emergency repair needs discovered during the Grand Theatre for the Performing Arts Exterior Repairs Project, CIP 71111. The emergency repairs at the Grand Theatre Center for the Arts complex are critical for long term preservation of this valuable City asset.

DISCUSSION

The Grand Theatre Center for the Arts was created when three adjacent structures, two to the south and one to the west were structurally connected to form the Center for the Arts complex. The original Grand Theatre was constructed in 1923 utilizing cast-in-place reinforced concrete. The method of construction is apparent in the resulting structure, where inconsistencies of consolidation of concrete materials is evident on the interior of the structure and is observable on the exterior walls viewed from Jackson Alley. Seismic retrofit work for the complex was completed during the 2003-2005 construction project. Since that time, spalling, cracking of painted surfaces, concrete deterioration and vehicle damage has occurred along the various frontages.

Grand Theatre Center for the Arts Exterior Repairs Project, CIP 71111, is an approved Capital Improvement Project with an initial scope of roof repair and replacement. After preliminary engineering investigations by staff, the project scope was expanded to include an engineering study, conducted by Barry & Wynn Architects, Inc, in March 2021, to determine the cause of visible exterior concrete deterioration and evaluation of the roof for replacement. The engineering report determined that the concrete damage was caused by water infiltration from the failing roof and found that the concrete walls remained structurally sound. Exterior repairs identified by the report included replacement of most of the complex roofing, roof flashings, roof drains and parapet copings, replacement of the existing skylights which were allowing water infiltration into the main theatre structure, replacement of the historic metal spire above the marquee due to metal failure, reinforcement of the exterior horizontal canopies, repair or replacement of wooden windows in one of the complex buildings, replacement of the neon lighting transformers, and repair of failing concrete on portions of the exterior walls and recommended repainting of the exterior.

In June of 2021, staff advertised a project to replace 6,004 square feet of the Grand Theatre roof, where the worst water infiltration had been observed. The roof replacement and repair of the adjacent flashings and copings was needed in order to prevent further damage during the 2021 rainy season. The construction plans, prepared by Barry & Wynn Architects, were expedited to address the three complex buildings to the south and west of the theater. On August 6, 2021, the City Manager approved the award of a construction contract to Best Contracting, Inc., of Gardena, California, in the amount of \$161,872 for the Grand Theatre Center for the Arts Exterior Improvement Project, Phase 1 Roof Repairs, CIP 71111. A partial roof tear off was anticipated, but the contractor's investigation found that the many layers of the roof were laminated together with asphalt

emulsion and a full tear off would be needed. The availability of materials required for replacement of all layers of roof are currently severely impacted by shortages and supply chain delays, with deliveries projected to be 8 months out. City staff and the contractor worked together to determine an alternate solution to apply a new roof membrane over the existing roof, however the significant October storm exposed that water penetrations were worse than anticipated and that the membrane overlay would not provide an acceptable roof life. The City requested that the contractor submit a change order for the additional work to do a full roof tear off. That change order is in the amount of \$213,682, bringing the contract total to \$375,554. The project does not have adequate funds for the change order work.

The remaining construction work includes the skylight replacement, remainder of the roof repairs, concrete repairs, canopy reinforcement repairs, historic repair tasks like the restoration of the metal marquee spire, window repairs, transformer replacements for the neon lighting, and full repainting of the complex exterior. The roofing plans were recently completed by the architect and submitted for permit review, and preparation of the plans for the remainder of the repairs are in progress.

The structural engineer and City staff are very concerned that the removal of the existing skylights will reveal hidden water damage to the underlying building structural elements that could require extensive repair work. The extent of such damage cannot be determined until it is uncovered during the construction process. Staff is requesting a contingency amount of \$500,000 to address the structural damage that may be encountered.

Additionally, Code Enforcement recently notified CIP Design that there is an outstanding code violation at the Old Jail Building, that faces 7<sup>th</sup> Avenue, that has been open for five years. The violation requires repointing of the historic brick exterior and repairing the roof drainage system. Although the Old Jail Building is not attached to the other structures, it is considered a part of the Center for the Arts complex and is used by the Grand Foundation for their offices. The deficiencies in the exterior brick allows water infiltration, possible structural damage and could pose a safety hazard for pedestrians. Additional investigation of the Old Jail House structure is needed, but staff recommends that the necessary repairs be included in the current improvement project.

Staff considers all of the Project repair work to be in Emergency Repair status. Water infiltration into the structures has increased due to higher-than-normal rainfall amounts that began in October, 2021. As mentioned previously, the full extent of the potential damage cannot be fully determined until demolition of the existing roof and skylights has been initiated. Efforts to make needed repairs have been hampered by the availability of materials. Rapidly rising construction costs of the current construction environment will result in significant cost increases if the contract work is further delayed.

The currently identified required repairs do not pose any safety issues for the visitors or staff at the Center for the Arts. There will be occasional minimal construction impacts when work is executed near the public entrance and for contractor equipment storage, but careful project scheduling will prevent any interruptions to the events and operations at the Grand Theatre Complex.

The emergency repairs at the Grand Theatre Center for the Arts complex are critical for long term preservation of this valuable City asset.

| Description   | Amount              |
|---|---------------------|
| Structural Investigation and report, Design and preparation of contract documents.          | \$ 175,000          |
| Roof Repairs (8/6/21)*  | \$ 240,433          |
| Change order – full roof tear off   | \$ 213,682          |
| Skylight replacement, roof replacement, concrete and canopy repairs *                       | \$ 830,000          |
| Historical restoration work, window repairs, Old Jail restoration and exterior re-painting* | \$ 540,885          |
| Contingency for repair of damage discovered during construction                             | \$ 500,000          |
| <b>Total Estimates</b>  | <b>\$ 2,500,000</b> |
|   |                     |
| Approved Current Project Budget   | \$ 415,000          |
|   |                     |
| <b>Underfunded Amount</b>   | <b>\$ 2,085,000</b> |

*\*includes 10% Construction Management and Inspection, 5% Design Support and 15% Standard Construction Contingency*

Tracy Municipal Code 2.20.090(b) authorizes the City Manager to approve change orders up to the amount approved by City Council.

Given the highly volatile nature of the current construction market and long lead times for construction supplies, staff recommends that Council approve a 25 percent (\$500,000) contingency for this Project. If approved, the City Manager would be authorized to execute change orders for this Project up to the contingency amount.

**STRATEGIC PLAN**

This agenda item supports Goal 4, Objective 4 of the Quality of Life Strategy, specifically: to Engage in Efforts to Enhance Community Aesthetics by enhancing the appearance of City Landmarks.

**FISCAL IMPACT**

The estimated project cost for the emergency repairs is at \$2,500,000 and the current available budget is \$415,000. An additional appropriation of \$2,085,000 is needed from General Fund (101) to the General Projects Fund (F301) for CIP 71111 Grand Theatre Center for the Performing Arts Exterior Repair Project.

RECOMMENDATION

That City Council, by resolution, approve an appropriation of \$2,085,000 from the General Fund (F101) to the General Projects Fund (F301) to CIP 71111 Grand Theatre Center for the Performing Arts Exterior Repair Project for emergency repair cost plus its contingency.

Prepared by: Ilene McIntire, PE, Senior Civil Engineer

Reviewed by: Robert Armijo, PE, City Engineer / Assistant Development Services Director  
Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

RESOLUTION 2022-\_\_\_\_\_

APPROVING AN APPROPRIATION OF \$2,085,000 FROM GENERAL FUNDS TO THE GRAND THEATRE CENTER FOR THE ARTS EXTERIOR REPAIRS PROJECT, CIP 71111

WHEREAS, The Grand Theatre Center for the Arts Exterior Repair Project involves the replacement of the existing roofing, skylights, copings and flashings, repair of concrete structure walls, restoration of historical components of the facility, the metal spire, the transformers for the neon lighting, and additional necessary exterior improvement work, including painting the exterior, and

WHEREAS, An engineering report identified multiple issues in addition to the roof repairs that needed to be addressed in order to protect the integrity of the structures, and

WHEREAS, A portion of Project is currently under construction and during exterior investigation it was determined that the planned roof repair approach was not feasible and materials not readily available, and

WHEREAS, City staff had explored options to the roof repair plan to expedite to find the most cost effective method to complete the Project, and

WHEREAS, Further inspection revealed previously unidentified damage and it is anticipated that further damage and repair needs will be uncovered when full tear off of the roof commences, and

WHEREAS, There are world-wide supply chain interruptions and long lead time for construction materials which may lead to escalating construction costs, and

WHEREAS, The total cost of emergency repair work to replace damaged items exceeds the allocated project budget, and

WHEREAS, An additional appropriation of \$2,085,000 is needed to complete the emergency repair work needed for this Project, and

WHEREAS, Tracy Municipal Code 2.20.090(b) authorizes the City Manager to approve change orders up to the amount approved by City Council. The recommended contingency amount for this Project is \$500,000;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves an appropriation of \$2,085,000 from the General Fund (F101) to the General Projects Fund (F301) to CIP 71111 Grand Theatre for the Performing Arts Exterior Improvement Project for emergency repair cost plus its contingency.

\* \* \* \* \*

The foregoing Resolution 2022-\_\_\_\_\_was adopted by the Tracy City Council on the 15<sup>th</sup> day of February, 2022 by the following vote:

- AYES:           COUNCIL MEMBERS:
- NOES:           COUNCIL MEMBERS:
- ABSENT:        COUNCIL MEMBERS:
- ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK



AGENDA ITEM 1.L

REQUEST

**AUTHORIZE THE ACCEPTANCE OF DONATION OF TREE OF LIFE HEART SCULPTURE FROM THE GRAND FOUNDATION, AND DISPLAY IN CITY HALL**

EXECUTIVE SUMMARY

The Grand Foundation (GF) is a 501(c)(3) non-profit organization and community fundraising partner of the Grand Theatre Center for the Arts. In 2021 the GF created a new fundraising project, #CommunitysGrand Heart Exhibit & Grand Auction. Eight large-format heart sculptures were painted by local-area artists and displayed at various locations throughout Tracy. Seven of the eight works were publicly auctioned at the Grand on November 4. With community sponsorship and the auction, over \$50,000 was raised.

The eighth sculpture, *Tree of Life* by Kimberlee Powell, was purchased and gifted back to the Grand Foundation. The GF seeks to donate this work to the City Art Collection, to be placed on semi-permanent display in City Hall.

DISCUSSION

The City of Tracy has invested in art and objects to the benefit of the community since 1995, adopted the Cultural Arts Master Plan in 1999, adopted the Civic Art Plan in 2003, and opened the Grand Theatre Center for the Arts in 2007. As a result, the City holds and displays a collection of two and three-dimensional artworks in the lobbies, offices, and throughways of City facilities, as well as large-format exterior works in public spaces. Civic Art contributes to the economic vitality of Tracy in many ways including downtown redevelopment, cultural tourism, quality of life, and branding. The arts are a partner in the enhancement of the urban environment, bringing beauty, innovation, and excitement to a range of locations. These efforts foster a sense of community pride and celebrate our diversity.

The City Art Collection features over 100 works by over 50 artists. Acquisition of these works is facilitated through the issue of Mayor's Purchase Prize Awards from the annual Expressions! exhibition in collaboration with the Tracy Art League, from Arts Education and Exhibitions programming at the Grand Theatre Center for the Arts, and through commissions, gifts and loans. Gifts and loans may come from individuals, private and public institutions, organizations, community groups, and State, Federal and Foreign Governments. Civic Art is managed by the Cultural Arts Supervisor in the Cultural Arts Division – City Manager's Office.

*Tree of Life* by Kimberlee Powell was previously on public display in City Hall from Thursday, October 14 through Thursday, October 28, 2021. The Grand Foundation now wishes to donate the work to the City of Tracy, for semi-permanent display. The work is 52" W x 52" H x 8" D, weighs approximately 60lb, features an acrylic painting of a figurative tree on fiberglass, and has a declared fair market value of \$4,000.

Cultural Arts Division Staff has reviewed this request and is recommending accession into the City Art Collection with acceptance of donation, and placement in the northeast corner of the main lobby in City Hall, at the lower landing of the staircase. This location currently serves no function and can accommodate the large size of the piece, while providing protection from the built-in barrier.

A custom pedestal (48" W x 32" H x 30" D) will be fabricated in collaboration with the Public Works Department, at an estimated cost of \$500. The pedestal would be placed in the corner location with approximately 10" of surrounding space. The sculpture would be installed upon the pedestal. In addition, Public Works will add a light fixture adjacent to the existing sconce mounted on the nearby column to illuminate the sculpture, at an estimated cost of \$500. The Grand Foundation has offered to pay the total estimated cost up to \$1,000 for these display components.

#### FISCAL IMPACT

The estimated cost, including materials and labor, of the pedestal is \$500. The Public Works Department will fabricate the pedestal in collaboration with the Cultural Arts Division. The Public Works Department estimates the cost associated with adding a light fixture near the location to illuminate the sculpture at \$500. The Grand Foundation will pay for these expenses, estimated at \$1,000.

#### STRATEGIC PLAN

This agenda item supports the City of Tracy's Quality of Life Priority, which is to provide an outstanding quality of life by enhancing the City's amenities, business mix and services, and cultivating connections to promote positive change and progress in our community.

#### RECOMMENDATION

Staff recommends that City Council approve by resolution the acceptance of donation of the Tree of Life heart sculpture from the Grand Foundation, and display in City Hall.

Prepared by: William Wilson, Cultural Arts Supervisor

Reviewed by: Anna Cross, Cultural Arts Division Manager  
Brian MacDonald, Parks and Recreation Director  
Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

#### ATTACHMENTS

Attachment: A – Project Rendering  
B – Letter from Billie Gremaire  
C – Provenance Letter





December 10, 2021

Anna Cross  
Cultural Arts Manager  
Grand Theatre Center for the Arts  
715 S. Central Ave  
Tracy CA 95376

**RE:      *Transfer of Ownership – “Tree of Life”***

I Billie Gremaine, the original Heart Buyer for “Tree of Life” purchased the art heart sculpture, for \$4,000.00 dollars and gifted to the Grand Foundation, Tracy, CA.

Attached is a copy of the “Tree of Life” Provenance letter.

If you require further assistance, I can be reached at (702) 645-1756.

Sincerely,

A handwritten signature in cursive script that reads 'Billie Gremaine'.

Billie Gremaine  
4324 San Diego Street N.  
Las Vegas, NV. 89032





December 6, 2021

***Provenance Letter – “Tree of Life”***

**Buyer’s Contact Information:**

Billie Gremaine  
4324 San Diego Street N.  
Las Vegas, NV 89032  
(702) 645-1756  
Bili@cox.net

The Grand Foundation certifies that work identified below is an original art heart sculpture titled “Tree of Life.”

- Artist: Kimberlee Powell
- Title: “Tree of Life”
- Executed: 2021
- Artist Inspiration: “Tree of Life” is a design to the Heart Exhibit Event and is perfect. When I moved to Tracy, the population was only 21,600. Working here made me aware of how, as Tracy grew, the diversity was creating a community rich like a bowl of minestrone. The “Tree of Life” is a symbol that is used worldwide in cultures, countries, and religions. It declares the importance of life, nurture, growth, connections, and hope.
- Size: (W x H x D) 52” x 52” x 8”
- Weight: Approx 60 lbs
- Declared Fair Market Value – Purchased for \$4000.00
- Media: Recommended Golden tube type acrylics with the ASTM 1 rating and selected only colors with the color fastness rating of “Excellent Light Fastness.” Used three coats of Lascaux Acrylic Transparent Varnish with 1-UV-filter.
- Recommended Maintenance Plan: Simply clean with a wet washcloth (watered-down Dawn), using nothing rough.

---

Germaine Clark, Chair  
Heart Exhibit  
Grand Foundation  
#communityisgrand  
(209) 835-3900

RESOLUTION 2022- \_\_\_\_\_

AUTHORIZE THE ACCEPTANCE OF DONATION OF TREE OF LIFE HEART  
SCULPTURE FROM THE GRAND FOUNDATION,  
AND DISPLAY IN CITY HALL.

WHEREAS, the Grand Foundation, a 501(c)(3) non-profit organization and community fundraising partner of the Grand Theatre Center of the Arts, wishes to donate the Tree of Life Heart Sculpture by Kimberlee Powell to the City of Tracy, and

WHEREAS, the Grand Foundation requests display in City Hall, and will pay the expenses associated with a pedestal and light fixture at the location, and

WHEREAS, Staff recommends the Sculpture to be a declared assest with accession into the City Art Collection;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby accepts the donation of the Tree of Life Heart Sculpture from the Grand Foundation at a declared fair market value of \$4,000.00, and authorizes the semi-permanent display in northeast corner of the lobby of City Hall.

\* \* \* \* \*

The foregoing Resolution 2022-\_\_\_\_\_was passed and adopted by the Tracy City Council on the 15<sup>th</sup> day of February, 2022, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 3.B

REQUEST

**PUBLIC HEARING TO CONSIDER AMENDING THE ZONE DISTRICT OF APPROXIMATELY 4.6 ACRES NORTHWEST OF THE INTERSECTION OF THIRD STREET AND EVANS STREET – APPLICANT IS JUAN BAUTISTA – APPLICATION NUMBER R21-0002**

EXECUTIVE SUMMARY

This proposal is to amend the zoning on a 4.6-acre site at the northwest corner of Third Street and Evans Street from Light Industrial to residential zoning (a portion Medium Density Residential and the remainder Medium Density Cluster) to be consistent with the City's existing General Plan designation.

DISCUSSION

Project Description

This proposal is to amend the zone district for property located northwest of the intersection of Third Street and Evans Street, including ten lots, and comprising approximately 4.6 acres. Attachment A identifies the location of the subject property and its General Plan designation, Residential Medium. The proposal is to rezone the eastern portion of the site, containing existing single-family homes, from Light Industrial to Medium Density Cluster (MDC). The proposal for the western portion of the site is to rezone it from Light Industrial to Medium Density Residential (MDR). Attachments B and C contain existing and proposed zoning map excerpts of the subject property.

Purpose of the Zoning Amendment

When cities decide future land uses, they first establish the General Plan designation, then create and establish the zone district to implement the General Plan designation. In accordance with State law, a site's zoning is required to be consistent with the General Plan. If there is a discrepancy between the two, the General Plan designation takes precedence because it is the City's guiding policy document, from which zoning and other implementation steps are developed.

The purpose of this proposed zoning amendment is to bring the zoning into consistency with the General Plan designation of the site. The policy decision to support residential development on this site was made, in the past, with the General Plan designation. In that respect, therefore, this zoning action can be considered a 'cleanup' item to make the zoning consistent with the General Plan.

The site has a General Plan designation of Residential Medium, which provides for residential development within a density range of from 5.9 to 12 dwelling units per gross acre. The Residential Medium General Plan designation may be implemented by either the Medium Density Residential (MDR) Zone or the Medium Density Cluster (MDC) Zone. Both of these zone districts allow the same overall density range, but the MDC

Zone is geared toward small-lot, single-family home development while the MDR Zone requires larger lots and is set up to focus on attached, multifamily development.

Therefore, the recommendation for the MDC Zone on the existing, smaller lots on the east portion of the site would more-closely coincide with the area's existing lot pattern, while the MDR Zone could provide for duplexes, fourplexes, or small apartments on the west side of the site, which consists of approximately three acres of vacant property with a single-family home and out buildings.

The site is near or adjacent to existing or former industrial uses and may have been considered for industrial development in the past. Today, the adjacent Bow-Tie area is designated Downtown by the City's General Plan (no longer industrial) and would be more compatible with, and mutually supportive of, adjacent residential development, as envisioned by the General Plan.

An application to rezone the vacant property at 209 E. Third Street (third lot west of Evans Street) from Light Industrial to Medium Density Cluster was initiated by the owner of the site, Juan Bautista. Mr. Bautista desires to construct a single-family home on the lot and submitted a building permit application to do so. In order for the building permit application to be consistent with the zoning, one of the criteria needed to obtain a building permit, the site must be rezoned from Light Industrial. Approval of this rezoning request will enable Mr. Bautista to obtain a building permit to construct a new single-family home.

The owner of property at 243 E. Third Street (immediately at the northwest corner of Third and Evans Streets), has likewise expressed a desire to construct a single-family home on that site, which could be allowed following approval of this rezoning application. Otherwise, no development application for any portion of this property is proposed or being processed by the City at this time.

City staff and the Planning Commission recommend the City Council expand the boundaries of Mr. Bautista's request for his lot at 209 E. Third Street to include the entire 4.6-acre site because this whole area experiences the inconsistency between the zoning and General Plan designation and will benefit from the rezoning.

#### Planning Commission Consideration

The Planning Commission considered this proposal during their regular meeting on November 17, 2021. Their discussion included the need for additional opportunities for infill housing. One member of the public commented regarding potential site contamination from former diesel truck and storage uses on a now-vacant portion of the site. That question concluded with assurances that all California Environmental Quality Act and other soil or groundwater quality regulations of the County Environmental Health Department and related agencies with jurisdiction will be followed upon development of the site.

Following the public hearing and discussion, by a vote of five to zero, the Planning Commission recommended approval of the proposed zoning amendment.



### Affordable/Workforce Housing Implementation Tasks

This rezoning request is one of the Affordable/Workforce Housing Tasks directed by the City Council and most recently discussed during the June 1, 2021 City Council meeting. Other items include the following, with the anticipated beginning of public hearing months.

Zoning Ordinance, specific plans, and other code and policy amendments (April 2022):

- permit high-density housing “by right” in commercial zones
- update Zoning Ordinance to be consistent with current State law regarding Accessory Dwelling Units (ADUs)
- increase maximum densities in higher density residential zones (likely will require a General Plan amendment and additional CEQA documentation)
- remove minimum lot sizes in favor of floor area ratio and/or units per acre
- allow taller buildings, greater lot coverage and reduced setbacks in moderate and higher density zones
- increase minimum densities in medium density residential zones
- allow and encourage duplexes, triplexes and fourplexes designed to look cohesive with adjacent single-family homes in new subdivisions
- create and apply an overlay zone that allows clusters of tiny homes (may require a General Plan amendment and additional CEQA documentation)
- amend the City’s off-street parking ordinance to reduce the number of off-street parking spaces required for multi-family development projects.

Rezone four adjacent lots (approximately 31 acres) from Light Industrial to High Density Residential to bring the zoning into consistency with the existing General Plan designation, Residential High (April 2022).

Develop objective design standards for multi-family development, consistent with requirements of SB 330 (June 2022).

Develop an inclusionary housing program (July 2022).

Develop “off-the-shelf” ADU plans to encourage construction of ADUs for use by property owners or developers (these do not require Planning Commission or City Council public hearings but will be presented along with related items beginning in April 2022).

Prepare a ballot initiative for voter consideration regarding the City’s Growth Management Ordinance (this item is currently not being processed until further direction from City Council).

Some of these items (such as density changes or overlay zones) will require California Environmental Quality Act (CEQA) documentation (likely, a Negative Declaration, including its preparation and mandatory review periods) and therefore will begin public hearings in August 2022).

Other related items recommended to be added to the Housing Implementation Tasks include updating City zoning regulations to be consistent with recently adopted State law related to Senate Bill 9 and Senate Bill 10, which require the potential for more dense residential development in single-family home neighborhoods, and consideration of City

Growth Management Ordinance revisions related to prioritization of City RHNA (Regional Housing Needs Allocation) building permits. These items are anticipated to be scheduled for City Council consideration beginning in May 2022.

#### CEQA Documentation

The project is consistent with the development density established by the City General Plan, for which an Environmental Impact Report (EIR) (SCH Number 2008092006) was certified (Resolution 2011-028). The proposal is to amend the zoning of the site, resulting in zoning consistent with the existing General Plan designation of each site. No change is proposed to the General Plan designation. The development density allowed under the proposed zone districts, therefore, was analyzed in the City's General Plan EIR. Furthermore, in accordance with California Environmental Quality Act (CEQA) Guidelines Section 15183, no additional CEQA documentation is required.

#### STRATEGIC PLAN

This agenda item is related to City Council Quality of Life Strategic Priority Goal #4, Implement Affordable Housing Initiatives.

#### FISCAL IMPACT

This is a routine development application. The applicant paid the normal, flat-rate application processing fee of \$3,306 when they submitted the application to rezone the property. City staff time to process the application was paid through the normal, Development Services Department budget.

#### RECOMMENDATION

Staff and the Planning Commission recommend that the City Council approve the zoning district amendment from Light Industrial to Medium Density Residential and Medium Density Cluster, as indicated in the attached City Council Ordinance.

Prepared by: Alan Bell, Senior Planner

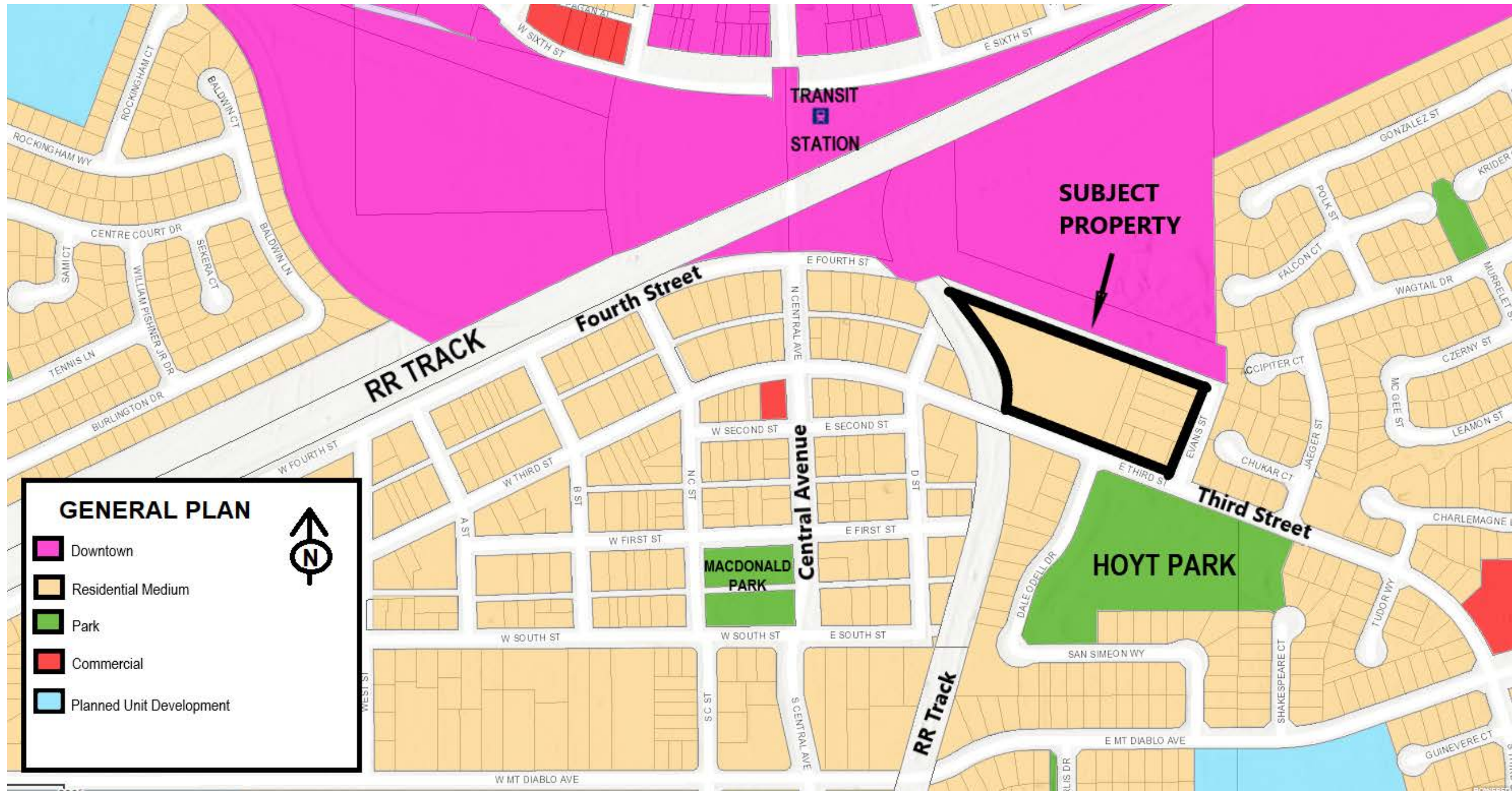
Reviewed by: Bill Dean, Interim Development Services Director  
Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

#### ATTACHMENTS

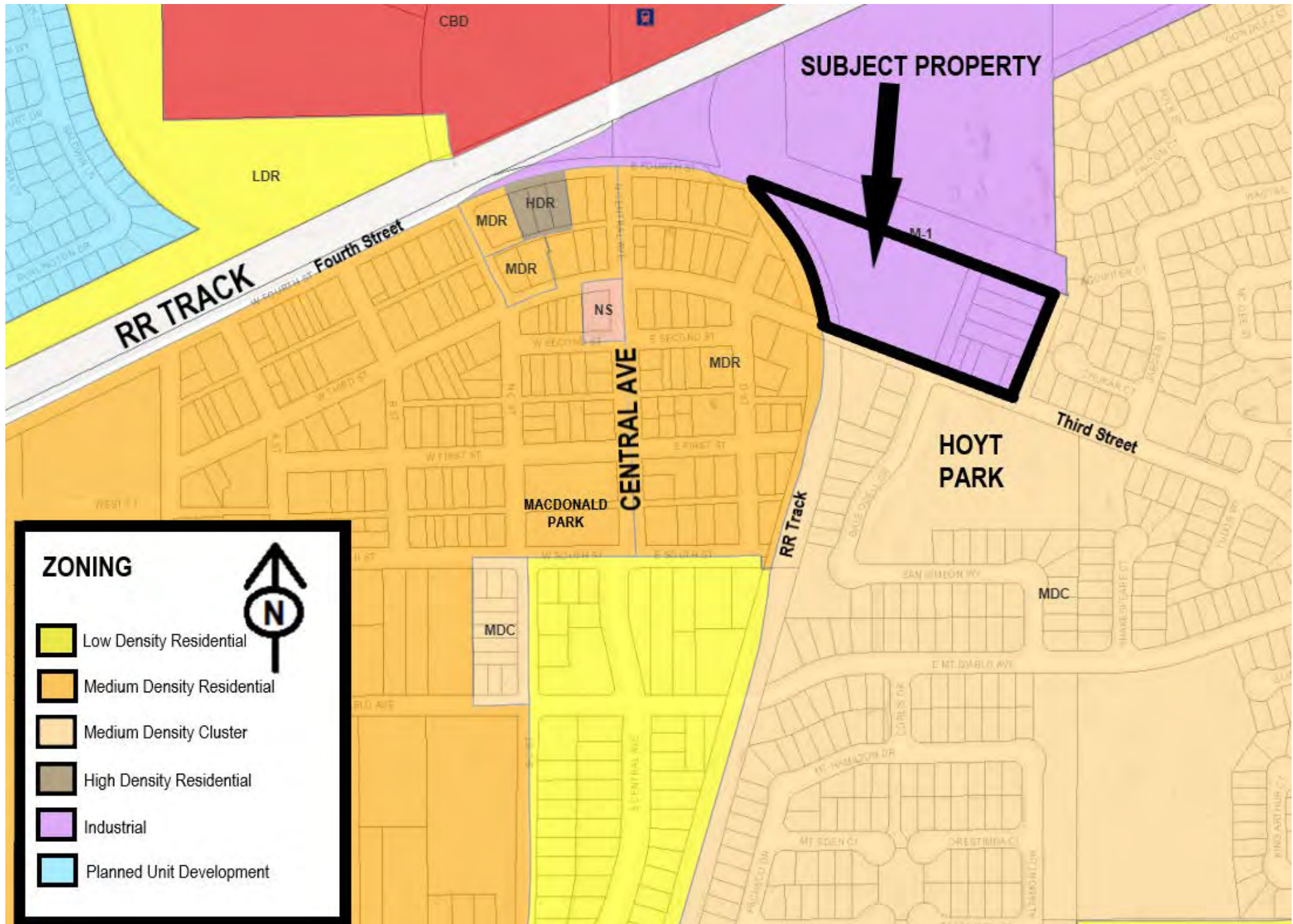
Attachment A – General Plan Map Excerpt of the Site  
Attachment B – Existing Zoning Map of the Site  
Attachment C – Proposed Zoning of the Site  
Attachment D – Aerial photograph of the Site  
Attachment E – Proposed City Council Rezoning Ordinance

# GENERAL PLAN THIRD STREET SITE



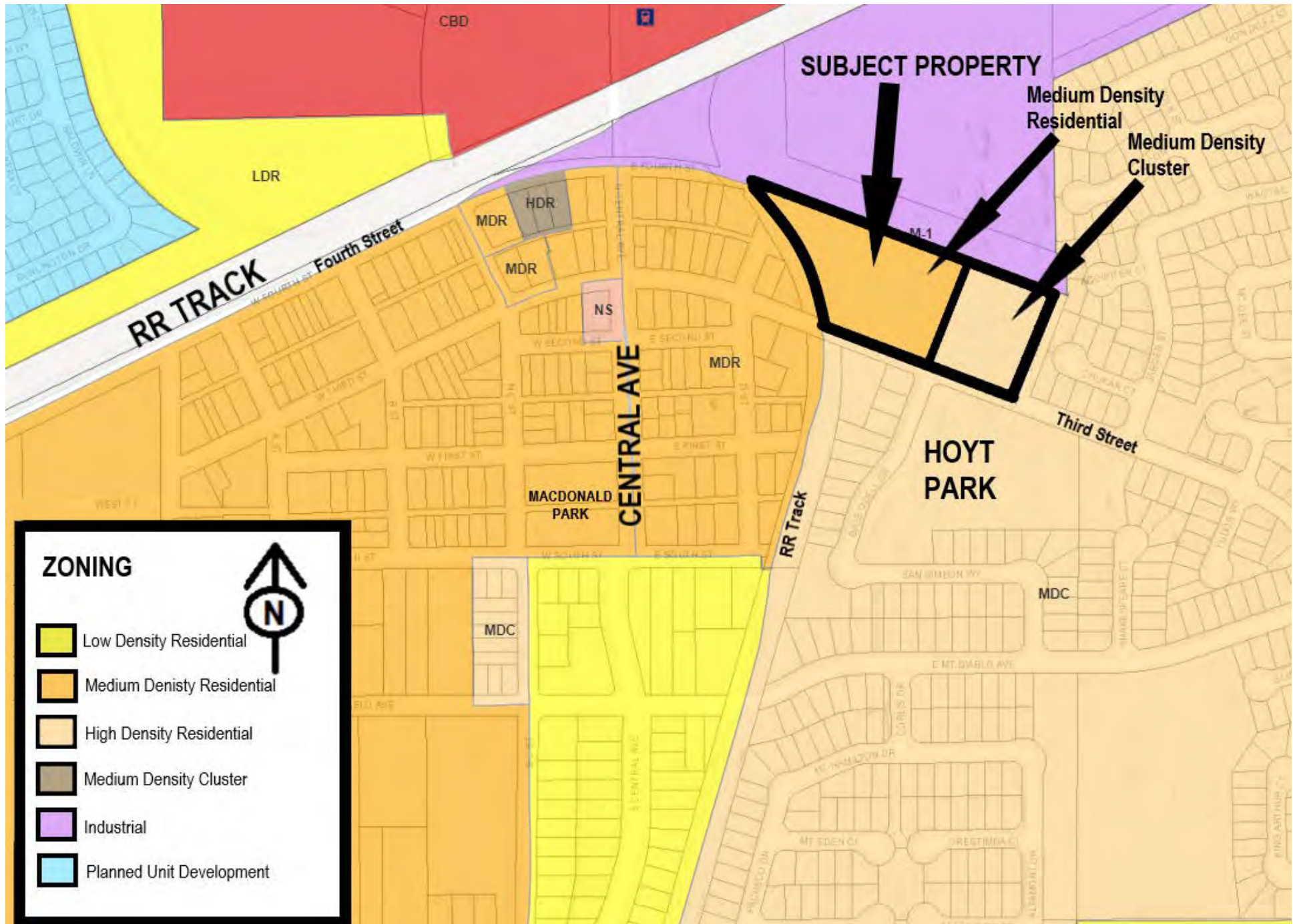


# EXISTING ZONING THIRD STREET SITE





# PROPOSED ZONING THIRD STREET SITE





# THIRD STREET SITE





ORDINANCE \_\_\_\_\_

AN ORDINANCE OF THE CITY OF TRACY AMENDING THE ZONING OF PROPERTY LOCATED NORTHWEST OF THE INTERSECTION OF THIRD STREET AND EVANS STREET, FROM LIGHT INDUSTRIAL TO MEDIUM DENSITY CLUSTER AND MEDIUM DENSITY RESIDENTIAL

WHEREAS, The City of Tracy City Council most recently confirmed the General Plan designation of the subject property Residential Medium with the General Plan update on February 1, 2011, Resolution 2011-029, and

WHEREAS, In accordance with State law, the zoning of the property (currently Light Industrial) is required to be consistent with the General Plan, and

WHEREAS, The Medium Density Cluster Zone and the Medium Density Residential Zone are consistent with the Residential Medium General Plan designation and are designed to implement the Residential Medium General Plan designation, and

WHEREAS, The proposed zoning amendment will not change the development density of the site as established by the Residential Medium General Plan designation and therefore, in accordance with California Environmental Quality Act (CEQA) Guidelines Section 15183, no additional CEQA documentation is required, and

WHEREAS, On February 15, 2022, the City Council conducted a public hearing to review and consider the zoning amendment;

The City Council of the City of Tracy does ordain as follows:

SECTION 1: The Zoning Map of the City of Tracy is hereby amended to reclassify the following property from Light Industrial (M-1) to Medium Density Cluster (MDC):

Eight lots: 209, 221, and 243 E. Third Street (Assessor’s Parcel Numbers 235-120-07, 08, 09, and 10); and 323, 329, 335, and 342 Evans Street (Assessor’s Parcel Numbers 235120-03, 04, 05, and 06), indicated on Exhibit 1.

SECTION 2: The Zoning Map of the City of Tracy is hereby amended to reclassify the following property from Light Industrial (M-1) to Medium Density Residential (MDR):

Two lots: 205 and 207 E. Third Street, Assessor’s Parcel Numbers 235-120-01 and 02, indicated on Exhibit 1.

SECTION 3: This Ordinance shall take effect 30 days after final passage and adoption.

SECTION 4: This Ordinance shall be published once in a newspaper of general circulation within 15 days from and after its final passage and adoption.

\* \* \* \* \*

Ordinance \_\_\_\_\_  
Page 2

The foregoing Ordinance \_\_\_\_\_ was introduced at a regular meeting of the Tracy City Council held on the \_\_\_\_ day of \_\_\_\_\_, 2022, and finally adopted on the \_\_\_\_ day of \_\_\_\_ 2022, by the following vote:

|          |                  |
|----------|------------------|
| AYES:    | COUNCIL MEMBERS: |
| NOES:    | COUNCIL MEMBERS: |
| ABSENT:  | COUNCIL MEMBERS: |
| ABSTAIN: | COUNCIL MEMBERS: |

\_\_\_\_\_  
MAYOR

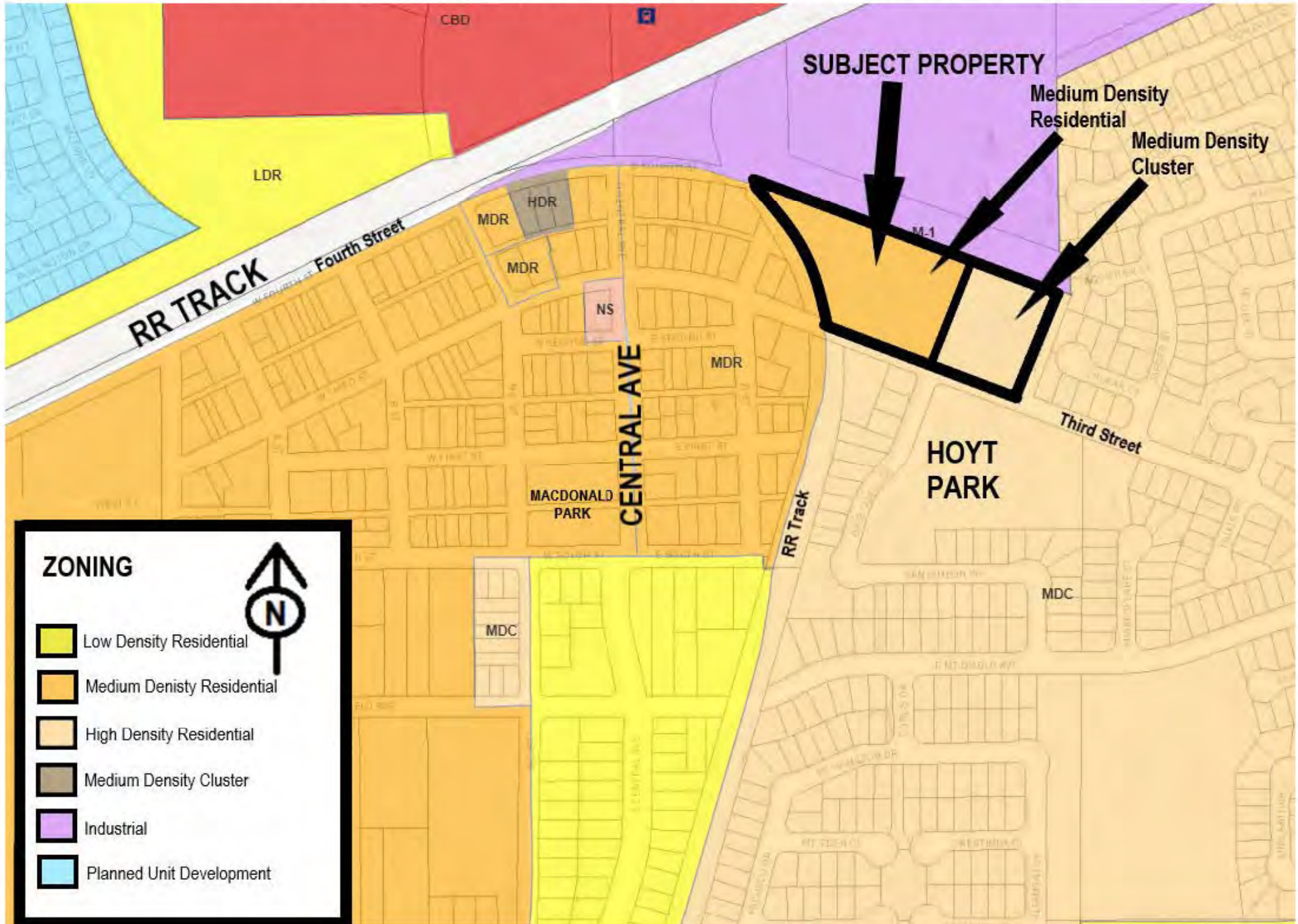
ATTEST:

\_\_\_\_\_  
CITY CLERK

Exhibit 1 – Property Rezoned from Light Industrial to Medium Density Cluster and Medium Density Residential



# PROPOSED ZONING THIRD STREET SITE



AGENDA ITEM 3.C

REQUEST

**RECEIVE THE ANNUAL REPORT OF THE TRACY ARTS COMMISSION**

EXECUTIVE SUMMARY

The Tracy Arts Commission was formed by the City Council for the purpose of preserving and cultivating the expression and appreciation of the Arts in Tracy. At the April 6, 2021 regular City Council meeting, the Council expressed the desire to receive an annual report. This inaugural report is an accounting of the Tracy Arts Commission for years 2019, 2020 and 2021, as well as projected goals for FY 21/22.

DISCUSSION

The Tracy Arts Commission (previously known as the Cultural Arts Commission and Community Cultural Arts Commission) was established in 1991 for the purposes of: maintaining the Civic Art Plan (adopted by City Council, Reso 2003-002), contributing to the quality of life of the residents of Tracy through the high quality civic spaces and access to a broad array of artistic experiences, expanding the knowledge and understanding of the community's history and culture, supporting the economic vitality of the City through increased property values and cultural tourism, and reinforcing downtown as a cultural destination.

The Tracy Arts Commission (TAC) advises the City Council on the subjects of Citywide public art including private development and public/private partnerships, fosters public/private partnerships for the creation of civic art, supports individuals and organizations involved in the arts by promoting their events, offering resources, educational tools, and advising on policies to City Council that will support those endeavors, and commits to nourishing artistic vision, honoring diversity, supporting creativity and promoting cooperative partnerships through the re-granting program.

Since 2019 the TAC has worked to develop new and more relevant programming in conjunction with the community's growth and change. These efforts include:

**Focus Area: PUBLIC PROGRAMMING**

- Youth Arts Festival
  - The Commission worked to create a concept and recommendations for a future Youth Arts Festival. Due to COVID-19 the development process has been delayed.
  - **GOAL STATUS: IN PROCESS**
- Tracy Arts Week/Month
  - The Cultural Arts Division developed Tracy Arts Week in April of 2019 as an annual platform to celebrate the arts, bring attention to our local-area creative community, and encourage public interaction. In 2019 the Commission presented Sidewalk Poetry and a Poetry & Jazz performance. Due to COVID-19 the event was cancelled in 2020 and presented in 2021 as Tracy Arts Month with virtual components. In 2021 the Commission developed an educational video project and presented a virtual concert. In 2022 the Commission is planning a poetry workshop and open mic night as part of Tracy Arts Month.
  - **GOAL STATUS: ONGOING**

- Downtown Tracy Artwalk
  - The Cultural Arts Division developed the Downtown Tracy Artwalk in 2015 as a platform to build a network of creative displays and activities on the streetscape, in support of our creative community and the merchants in the downtown core. The Commission supports the Artwalk events by providing hospitality to the participants, presenting artists and organizations, and engaging in community outreach.
  - **GOAL STATUS: ONGOING**

**Focus Area: CIVIC ART**

- Downtown Tracy Mural Project

The Cultural Arts Division developed the Mural Project in 2015 as a pilot project to invite local and regional artists to create murals and street art on the walls of the Grand Theatre Center for the Arts and in Jackson Alley. In 2019 the Mural Project transitioned to the Tracy Arts Commission as part of the Civic Art Program. In 2020 the Commission presented a Veterans Appreciation & Wellness Project.

  - **GOAL STATUS: ONGOING**
- Window Shades Project
  - In 2020 the Commission selected artists to be featured on the window shades at the Grand. This high-profile public art project turns the surrounding streetscape into a vibrant outdoor gallery.
  - **GOAL STATUS: COMPLETED**
- Downtown Street Light Pole Banners
  - In 2021 the Commission began development of a pilot project to utilize downtown street light pole banners as a platform to feature local area artists, and bring additional interest and beauty to the downtown district. In 2022 the Commission will invite four artists/collectives to participate.
  - **GOAL STATUS: IN PROCESS**
- Alden Park Playground Wall Mural
  - In 2022 the Commission is anticipating a collaboration with the Parks & Recreation Department, with a goal to add a mural to the retaining wall of the newly renovated playground at Alden Park.
  - **GOAL STATUS: IN PROCESS**

**Focus Area: RE-GRANTING**

- Granting Program

The Commission has worked to re-develop the Granting Program to provide Tracy artists, arts organizations, and arts educators with meaningful funding to present new arts-based events and activities in the City. The Program is anticipated to launch in the spring of 2022 with a goal to award up to \$4,000.

  - **GOAL STATUS: IN PROCESS**

FISCAL IMPACT

Staff costs related to support of the Tracy Arts Commission are included in the Cultural Arts Division Administrative General Fund budget.

STRATEGIC PLAN

This agenda item relates to the City of Tracy's Quality of Life Strategic Priority, which is to provide an outstanding quality of life by enhancing the City's amenities, business mix and services and cultivating connections to promote positive change and progress in our community.

RECOMMENDATION

That the City Council accept the annual report of the Tracy Arts Commission.

Prepared by: William Wilson, Cultural Arts Supervisor

Reviewed by: Anna Cross, Cultural Arts Division Manager  
Brian MacDonald, Parks and Recreation Director  
Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager



# Tracy Arts Commission

Annual Report

February 15, 2022





# Tracy Arts Commission

## *Annual Report*



Serving in an advisory role to City Council in the Cultural Arts Division, the Tracy Arts Commission (TAC) seeks to preserve and cultivate the expression and appreciation of the arts through engaging and educational public programming. The TAC is to represent the diversity of the creative community, from patrons and artists of all kinds, and encourage and stimulate the growth of broad-based arts and cultural programs.



- Utilizes Budget, Civic Art & Special Events Subcommittees
- Maintains the Civic Art Plan (Resolution 2003-02)
- Supports the creative community through collaboration, promotion & granting
- Perform other arts-related duties & functions as City Council may direct



### 2021 Roster:

Maxine Lees

Nila Dhugga • Chair

Jeff Bordes

Cynthia Reis • Vice Chair

Taranjit Sandhu





# 2019



➤ Concept & recommendations for a future **Youth Arts Festival**

➤ New, relevant programming & creative community support through participation in **Tracy Arts Week** & the **Downtown Tracy Artwalk**



➤ Transitioned **Downtown Tracy Mural Project**, from the Exhibitions Program at the Grand, to the **Civic Art Program**





2020

➤ Downtown Tracy Mural Project:  
**Veterans Appreciation & Wellness Project**  
in Jackson Alley, by **Will Watts**

➤ **Window Shades Project**  
at the Grand Theatre Center for the Arts featuring  
**Alyn Brereton**  
**Angela Johal**  
**Delbert Park**  
**Mark Roberts**





**TRACY ARTS COMMISSION**  
**Call for Videos**  
**ARTS MONTH • APRIL 2021**

Artists (dance, drama, literary arts, music, visual arts, etc.) and Arts & Culture Organizations (non-profits, collectors, etc.) from the local-area Creative Community are invited to submit a 1- to 3-minute promotional video or showcase.

This is first, collaborative opportunity to network, share your work, and promote your services with new audiences.

Videos will be hosted and presented online in the month of April, by the Cultural Arts Division/Grand Theatre Center for the Arts, in celebration of Downtown Tracy Arts Month in April, 2021.

Participants should include their complete contact information and a subtitle, promotional video or slide show on a non-removable USB flash drive.

While a variety of file types can be accommodated, MP4 is preferred. The recommended HD video specs are: M54 with H.264 codec, up to 1920x1080 px, 9.5 to 5 Mbps, 14.9 aspect ratio, AAC 1C audio codec.

➤ **SUBMISSION RECEIPT DEADLINE: FRIDAY, MARCH 19**

**DELIVER TO:**  
 Police Services of the Laguna Dam Willis Box Office  
 Grand Theatre Center for the Arts • 715 Central Avenue

**MAIL TO:**  
 Tracy Arts Commission C/O  
 Grand Theatre Center for the Arts  
 715 Central Avenue • Tracy, CA 95376

**FOR MORE INFO:**  
 email: [willis@tracyca.gov](mailto:willis@tracyca.gov)  
 online: [tracyarts.org](http://tracyarts.org)

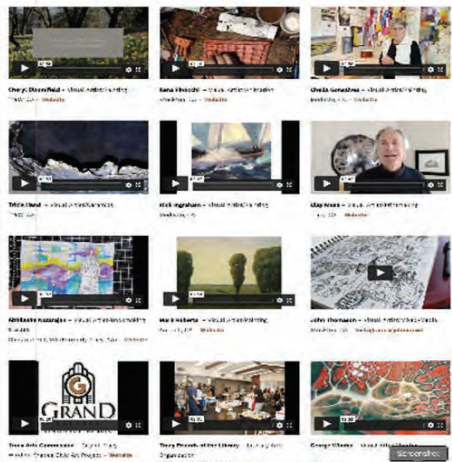





➤ **Window Shades Project**  
**Promotional & Educational Video**

➤ **Downtown Tracy Arts Month, April 2021**  
**Creative Community Video Project**  
**Dancing into Spring – Ken Cefalo Band Virtual Concert**

**TRACY**  
**ARTS MONTH**  
**CREATIVE COMMUNITY VIDEOS**



The grid contains 12 video thumbnails, each with a play button icon and a duration indicator. The thumbnails show various scenes: a person speaking, a landscape, a map, a person in a cap, a group of people, and a colorful abstract image.



**Delbert Park (Tracy)**

*"Often my intent is to remind people of Tracy's history and roots, beyond becoming a bedroom community for the greater Bay Area. In these uncertain times I feel that art can play a beneficial role, providing reflections of strength and stability, as well as transporting us to a realm of comfort, subtlety, and tranquility." – DP*



# 2022



➤ Downtown Tracy Arts Month, April 2022

➤ Downtown Tracy Artwalk, Summer 2022

➤ Civic Art Project - Downtown Street Light Pole Banners

➤ Civic Art Project - Alden Park Playground Wall Mural

➤ New Granting Program



AGENDA ITEM 3.D

REQUEST

**RECEIVE AND DISCUSS RESULTS OF 2021 NATIONAL COMMUNITY SURVEY™**

EXECUTIVE SUMMARY

In 2014 and 2016, the City of Tracy partnered with The National Citizen Survey™ (now The National Community Survey™ or The NCS™) to measure satisfaction levels of City services among residents across multiple service areas, and to compare survey results against other cities who have participated in the survey. The NCS™ was developed to provide a statistically valid survey of resident opinions about community and services provided by government agencies. The survey is administered by Polco and is used by a number of agencies across the United States. Survey results are used to build community awareness on local issues and satisfaction levels of City services and programs, support annual budget planning and strategic priority setting, and benchmark findings against similar jurisdictions and previous survey results.

In 2021, the City Council affirmed their desire to conduct The NCS™ as part of their Fiscal Year 2021-2023 Governance Strategic Priority and the survey was conducted in the fall of 2021. This staff report presents the results of the survey.

DISCUSSION

Over the years, the City of Tracy has used various means to practice open government and encourage public participation, elicit community input, provide information or assess public perception on City services. Some of these methods include resident surveys, holding public workshops or community conversations, establishing resident advisory boards, and engaging the public through the City's digital communication channels. In 2014 and 2016, the City of Tracy partnered with The NCS™ to measure satisfaction levels of City services among residents across multiple service areas, and to compare survey results against other cities who have participated in the survey. The survey data can be used in annual budget planning, strategic priority setting, and for general community awareness of local issues and satisfaction levels of City services and programs. The survey is administered by Polco and is considered a standard in municipal government, with most cities conducting The NCS™ every two to four years.

On June 1, 2021, the City Council discussed and provided direction to staff on the 2021 National Community Survey™ and on October 5, 2021, the Council provided direction on the custom survey questions that were included in The NCS™. A copy of the survey is provided in Attachment A.

## **Survey Methodology**

In October 2021, postcards were sent to a representative sample of residents announcing their invitation to participation in The NCS™. Survey invitations were sent to 3,200 households of which 272 responded, resulting in a 9% response rate and a 6% margin of error which is within the typical survey response range for The NCS™. The invitations contained an introduction outlining the importance of the survey and instructions for completing it. The surveying methodology included:

- Applying a hybrid surveying approach where 1,500 households were provided with a mail-in survey, and 1,700 households were provided with a website link to complete the survey.
- Providing a pre-addressed, postage-paid return envelope for survey recipients, which typically generates greater response than a phone outreach method.
- Surveying households at random within the community to ensure that the responses received are representative of the larger community.
- Over-sampling multi-family housing units to improve response from hard-to-reach, low-income or younger apartment dwellers.
- Selecting the respondent within the household using an unbiased sampling procedure; in this case the “birthday method.” The cover letter instructions requesting that the respondent in the household be the adult (18 years old or older) who most recently had a birthday, irrespective of year of birth.
- Contacting potential respondents three times to encourage response from people who may have different opinions or habits than those who would respond with only a single prompt.
- Inviting response in a compelling manner (using appropriate City of Tracy letterhead/ logos and a signature of a visible leader) to appeal to recipients’ sense of civic responsibility.
- Offering the survey in Spanish both in hardcopy and online format.
- Weighing the results to reflect the demographics of the population.
- Offering the general public an opportunity to take the survey online, however; these results are tabulated separately from the representative sample survey.

## **Timeline**

Following Council’s approval of the custom survey questions on October 5, 2021, Polco initiated The NCS™ Survey. The representative sample survey remained open for roughly six weeks, and the communitywide online survey was open for roughly four weeks. The survey implementation timeline is provided in Attachment B.

## **Survey Findings**

The NCS captures residents’ opinions across ten central facets of a community: Economy, Mobility, Community Design, Utilities, Safety, Natural Environment, Parks

and Recreation, Health and Wellness, Education, Arts and Culture, Inclusivity and Engagement. The following is a summary of the 2021 survey results for Tracy:

**Residents' value their quality of life and feel safe in Tracy.** The overall quality of life in Tracy was generally seen as excellent or good by about 50% of the survey respondents. Roughly 68% of participants indicated that they are likely to recommend living in Tracy to someone who asks and are likely to remain living in Tracy for the next five years.

**The City's economic health is a top priority.** Residents in Tracy gave relatively high ratings of importance (93% essential or very important) and relatively low ratings of quality (35% excellent or good) to the overall economic health of the city, suggesting that the facet of Economy is an important focus area for the City.

**Community design is a focus area for Tracy.** About 7 in 10 residents gave positive ratings to their neighborhood as a place to live, while roughly 4 in 10 were pleased with the overall design or layout of Tracy's residential and commercial areas, well-designed neighborhoods, preservation of the historical or cultural character of the community, and the overall appearance of the City.

**Parks and Recreation programming and amenities is an area for growth.** About half of respondents positively rated City parks, while about 4 in 10 gave excellent or good scores to the overall quality of parks and recreation opportunities in the City and recreation programs or classes.

**Renovating and updating existing City infrastructure (streets, sidewalks, and underground utility pipelines) is a high priority.** In a custom question unique to Tracy which asked respondents to rate the level of priority of the City funding various projects, 57% ranked City infrastructure as a high priority.

The survey findings are in alignment with the vision, goals and objectives outlined in the Fiscal Year 2021-23 City Council Strategic Priorities which include Governance, Economic Development, Public Safety, and Quality of Life. Additionally, staff will identify opportunities for improvement and incorporate The NCS™ results in budgetary and strategic priority discussions with the City Council. Additional opportunities for public dialogue and outreach can be performed to further gauge public sentiment on City service areas, budget priorities, and capital planning.

The 2021 NCS™ results will also be made available on the City website for public viewing.

### FISCAL IMPACT

There is no fiscal impacted associated with this item.

### STRATEGIC PLAN

This agenda item supports the City Council's FY 2021-2023 Governance Strategic Priority, and specifically implements the following goal:

Goal 1: Enhance community engagement through technology.

Objective 2: Conduct National Community Survey™ (The NCS™) to better assess community priorities.

RECOMMENDATION

That the City Council receive and discuss the results of the 2021 National Community Survey (The NCS™) for Tracy.

Prepared by: Vanessa Carrera, Assistant to the City Manager

Reviewed by: Karin Schnaider, Finance Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

ATTACHMENTS

Attachment A: The NCS™ Survey Results for Tracy 2021

Attachment B: Survey Implementation Timeline

Attachment C: The NCS™ Powerpoint Presentation



# Tracy, CA

## The National Community Survey

Report of Results  
2021

Report by:



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## About The NCS™

The National Community Survey™ (The NCS™) report is about the “livability” of Tracy. A livable community is a place that is not simply habitable, but that is desirable. It is not only where people do live, but where they want to live. The survey was developed by the experts from National Research Center at Polco.

Great communities are partnerships of the government, private sector, community-based organizations and residents, all geographically connected. The NCS captures residents’ opinions considering ten central facets of a community:

- Economy
- Mobility
- Community Design
- Utilities
- Safety
- Natural Environment
- Parks and Recreation
- Health and Wellness
- Education, Arts, and Culture
- Inclusivity and Engagement

The report provides the opinions of a representative sample of 272 residents of the City of Tracy collected from November 3, 2021 to December 22, 2021. The margin of error around any reported percentage is 6% for all respondents and the response rate for the 2021 survey was 9%. Survey results were weighted so that the demographic profile of respondents was representative of the demographic profile of adults in Tracy.

### How the results are reported

For the most part, the percentages presented in the following tabs represent the “percent positive.” Most commonly, the percent positive is the combination of the top two most positive response options (i.e., excellent/good, very safe/somewhat safe, etc.). On many of the questions in the survey respondents may answer “don’t know.” The proportion of respondents giving this reply is shown in the full set of responses included in the tab “Complete data.” However, these responses have been removed from the analyses presented in most of the tabs. In other words, the tables and graphs display the responses from respondents who had an opinion about a specific item.

### Comparisons to benchmarks

NRC’s database of comparative resident opinion is comprised of resident perspectives gathered in surveys from over 600 communities whose residents evaluated the same kinds of topics on The National Community Survey. The comparison evaluations are from the most recent survey completed in each community in the last five years. NRC adds the latest results quickly upon survey completion, keeping the benchmark data fresh and relevant. The communities in the database represent a wide geographic and population range. In each tab, Tracy’s results are noted as being “higher” than the benchmark, “lower” than the benchmark, or “similar” to the benchmark, meaning that the average rating given by Tracy residents is statistically similar to or different (greater or lesser) than the benchmark. Being rated as “higher” or “lower” than the benchmark means that Tracy’s average rating for a particular item was more than 10 points different than the benchmark. If a rating was “much higher” or “much lower,” then Tracy’s average rating was more than 20 points different when compared to the benchmark.

The survey was administered during the COVID-19 pandemic, a time of challenge for many local governments. While we provide comparisons to national benchmarks, it is important to note that much of the benchmark data was collected prior to the pandemic. This may impact how your City’s 2021 ratings compare to other communities’ ratings from the past five years.





## Trends over time

Trend data for Tracy represent important comparison data and should be examined for improvements or declines\*. Deviations from stable trends over time represent opportunities for understanding how local policies, programs, or public information may have affected residents' opinions. Changes between survey years have been noted with an arrow and the percent difference. If the difference is greater than nine percentage points between the 2016 and 2021 surveys, the change is statistically significant.

\* In 2020, The NCS survey was updated to include new and refreshed items. Consequently, some of the trends may be impacted due to wording modifications that could have potentially altered the meaning of the item for the respondent.

## Methods

### Selecting survey recipients

All households within the City of Tracy were eligible to participate in the survey. A list of all households within the zip codes serving Tracy was purchased from Go-Dog Direct based on updated listings from the United States Postal Service. Since some of the zip codes that serve the City of Tracy households may also serve addresses that lie outside of the community, the exact geographic location of each housing unit was compared to community boundaries using the most current municipal boundary file. Addresses located outside of the City of Tracy boundaries were removed from the list of potential households to survey. Each address identified as being within city boundaries was further identified as being within one of the four areas. From that list, addresses were randomly selected as survey recipients, with multi-family housing units (defined as those with a unit number) sampled at a rate of 5:3 compared to single family housing units.

An individual within each household was selected using the birthday method. The birthday method selects a person within the household by asking the “person whose birthday has most recently passed” to complete the questionnaire. The underlying assumption in this method is that day of birth has no relationship to the way people respond to surveys. This instruction was contained in the introduction of the survey.

### Conducting the survey

The 3,200 randomly selected households received mailings beginning on November 3, 2021 and the survey remained open for seven weeks. For 1,500 households, the first mailing was a postcard inviting the household to participate in the survey. The next mailing contained a cover letter with instructions, the survey questionnaire, and a postage-paid return envelope. The final mailing contained a reminder letter, another survey, and a postage-paid return envelope. For the remaining 1,700 households, the first mailing was a postcard inviting the household to participate, followed one week later by a reminder postcard. All mailings included a web link to give residents the opportunity to respond to the survey online. All follow-up mailings asked those who had not completed the survey to do so and those who had already done so to refrain from completing the survey again.

The survey was available in English and Spanish. All mailings contained paragraphs in both languages instructing participants on how to complete the survey in their preferred language.

Of the 3,200 households that received the invitations to participate, 272 completed the survey, providing an overall response rate of 9%. The response rate was calculated using AAPOR’s response rate #2\* for mailed surveys of unnamed persons.

It is customary to describe the precision of estimates made from surveys by a “level of confidence” and accompanying “confidence interval” (or margin of error). A traditional level of confidence, and the one used here, is 95%. The 95% confidence interval can be any size and quantifies the sampling error or imprecision of the survey results because some residents’ opinions are relied on to estimate all residents’ opinions. The margin of error for the City of Tracy survey is no greater than plus or minus six percentage points around any given percent reported for all respondents (272 completed surveys).

In addition to the randomly selected “probability sample” of households, a link to an online open participation survey was publicized by the City of Tracy. The open participation survey was identical to the probability sample survey with two small updates; it included a map at the beginning asking where the respondent lives and a question about where they heard about the survey. The open participation survey was open to all city residents and became available on December 8. The survey remained open for three weeks. The data presented in the following tabs exclude the open participation survey data, but a tab at the end provides the complete frequency of responses to questions by the open participation respondents.

## Analyzing the data

Responses from mailed surveys were entered into an electronic dataset using a “key and verify” method, where all responses are entered twice and compared to each other. Any discrepancies were resolved in comparison to the original survey form. Range checks as well as other forms of quality control were also performed. Responses from surveys completed on Polco were downloaded and merged with the mailed survey responses.

The demographics of the survey respondents were compared to those found in the 2010 Census and 2019 American Community Survey estimates for adults in the City of Tracy. The primary objective of weighting survey data is to make the survey respondents reflective of the larger population of the community. The characteristics used for weighting were age, sex, race, Hispanic origin, housing type, housing tenure, and area. No adjustments were made for design effects. Weights were calculated using an iterative, multiplicative raking model known as the ANES Weighting Algorithm.\* The results of the weighting scheme for the probability sample are presented in the following table.

NRC aligns demographic labels with those used by the U.S. Census for reporting purposes, when possible. Some categories (e.g., age, race/Hispanic origin, housing type, and length of residency) are combined into smaller subgroups.

|                        |                                      | Unweighted | Weighted | Target* |
|------------------------|--------------------------------------|------------|----------|---------|
| Age                    | 18-34                                | 7%         | 33%      | 33%     |
|                        | 35-54                                | 31%        | 40%      | 40%     |
|                        | 55+                                  | 61%        | 27%      | 27%     |
| Area                   | 1                                    | 24%        | 25%      | 25%     |
|                        | 2                                    | 13%        | 16%      | 16%     |
|                        | 3                                    | 41%        | 36%      | 36%     |
|                        | 4                                    | 23%        | 23%      | 23%     |
| Hispanic origin        | No, not Spanish, Hispanic, or Latino | 79%        | 65%      | 65%     |
|                        | Spanish, Hispanic, or Latino         | 21%        | 35%      | 35%     |
| Housing tenure         | Own                                  | 82%        | 63%      | 63%     |
|                        | Rent                                 | 18%        | 37%      | 37%     |
| Housing type           | Attached                             | 8%         | 17%      | 17%     |
|                        | Detached                             | 92%        | 83%      | 83%     |
| Race & Hispanic origin | Not white alone                      | 54%        | 64%      | 64%     |
|                        | White alone, not Hispanic or Latino  | 46%        | 36%      | 36%     |
| Sex                    | Female                               | 46%        | 51%      | 51%     |
|                        | Male                                 | 54%        | 49%      | 49%     |
| Sex/age                | Female 18-34                         | 3%         | 16%      | 16%     |
|                        | Female 35-54                         | 13%        | 21%      | 21%     |
|                        | Female 55+                           | 29%        | 14%      | 14%     |
|                        | Male 18-34                           | 3%         | 17%      | 17%     |
|                        | Male 35-54                           | 19%        | 20%      | 20%     |
|                        | Male 55+                             | 32%        | 13%      | 13%     |

The survey datasets were analyzed using all or some of a combination of the Statistical Package for the Social Sciences (SPSS), R, Python and Tableau. For the most part, the percentages presented in the reports represent the “percent positive.” The percent positive is the combination of the top two most positive response options (i.e., excellent/good, very safe/somewhat safe, essential/very important, etc.), or, in the case of resident behaviors/participation, the percent positive represents the proportion of respondents indicating “yes” or participating in an activity at least once a month.

On many of the questions in the survey respondents may answer “don’t know.” The proportion of respondents giving this reply is shown in the full set of responses included in the tab “Complete data”. However, these responses have been removed from the analyses presented in the reports. In other words, the tables and graphs display the responses from respondents who had an opinion about a specific item.

## Contact

The City of Tracy funded this research. Please contact Vanessa Carrera of the City of Tracy at [vanessa.carrera@cityoftracy.org](mailto:vanessa.carrera@cityoftracy.org) if you have any questions about the survey.

## Survey Validity

See the Polco Knowledge Base article on survey validity at <https://info.polco.us/knowledge/statistical-vali>

\* See AAPOR’s Standard Definitions for more information at

<https://www.aapor.org/Publications-Media/AAPOR-Journals/Standard-Definitions.aspx>

\* Pasek, J. (2010). ANES Weighting Algorithm. Retrieved from

<https://web.stanford.edu/group/iriss/cgi-bin/anesrake/resources/RakingDescription.pdf>

\* Targets come from the 2010 Census and 2019 American Community Survey

## Highlights

### The economy continues to be an area of priority and affordability ratings have declined over time.

Residents in Tracy gave relatively high ratings of importance (93% essential or very important) and relatively low ratings of quality (35% excellent or good) to the overall economic health of the city, suggesting that the facet of Economy is an important focus area for the City. Most ratings for Economy remained stable from 2016 to 2021, though many were lower than the national benchmarks: these included the overall quality of business and service establishments (39% excellent or good), vibrant downtown/commercial area (33%), shopping opportunities (27%), economic development (27%), and the variety of business and service establishments (25%). Residents were also less likely in 2021 than in 2016 to have a positive economic outlook on the future. Further, affordability is an increasing challenge area in Tracy, with residents in 2021 half as likely as in 2016 to give favorable ratings to the cost of living in the city (20% excellent or good in 2021, as opposed to 40% in 2016). However, while still lower than the national averages, ratings for two aspects of Economy (Tracy as a place to work and employment opportunities) each improved by about 10% from 2016 to 2021. Finally, in a custom survey question that asked residents to rate how much of a priority it was for the City to fund a variety of projects, about half indicated that redeveloping the downtown area should be a high priority, while another 4 in 10 thought it should be a medium priority.

### Community design is also a focus area for Tracy.

Ratings within the facet of Community Design also tended to be lower than the national benchmarks. About 7 in 10 residents gave positive ratings to their neighborhood as a place to live, while roughly 4 in 10 were pleased with the overall design or layout of Tracy's residential and commercial areas, well-designed neighborhoods, preservation of the historical or cultural character of the community, and the overall appearance of the city. About 3 in 10 respondents or fewer gave favorable marks to well-planned residential or commercial growth, overall quality of new development, public places where people want to spend time, the variety of housing options, land use, planning, and zoning, code enforcement, and the availability of affordable quality housing. Further, ratings for several of these items, including affordable quality housing, variety of housing options, and overall appearance, declined from 2016 to 2021.

### Residents support the creation of a Transit Oriented Development District in Tracy.

A series of survey questions unique to Tracy asked residents about the creation of a Transit Oriented Development District (TOD) in Tracy as well as their support for a variety of amenities associated with the TOD. When asked about their overall level of support for the creation of a TOD in Tracy, about 8 in 10 residents strongly or supported this, while about 1 in 10 somewhat opposed it; only 6% of survey respondents strongly opposed the creation of a TOD. Thinking about their level of prioritization of certain amenities to be included in the TOD, residents thought that new shops and restaurants should be the highest priority (95% high or moderate priority), followed by parks and green space (92%), transportation options such as rail, bus, or ride share (89%), and walkable areas and bike paths (86%). Residents were least likely to rate mixed-used spaces as a priority to include in the TOD. Finally, when asked about their preferred location for a future rail/bus hub and TOD in Tracy, respondents were evenly split between the I-205/Mall area in north Tracy (31%) and near the Tracy ACE Train Station in south Tracy (36%). Residents were less likely to prefer downtown Tracy (16%) as a future location, and a similar proportion (17%) indicated that they did not think there should be a TOD District in Tracy.

### Ratings for Parks and Recreation have decreased since 2016.

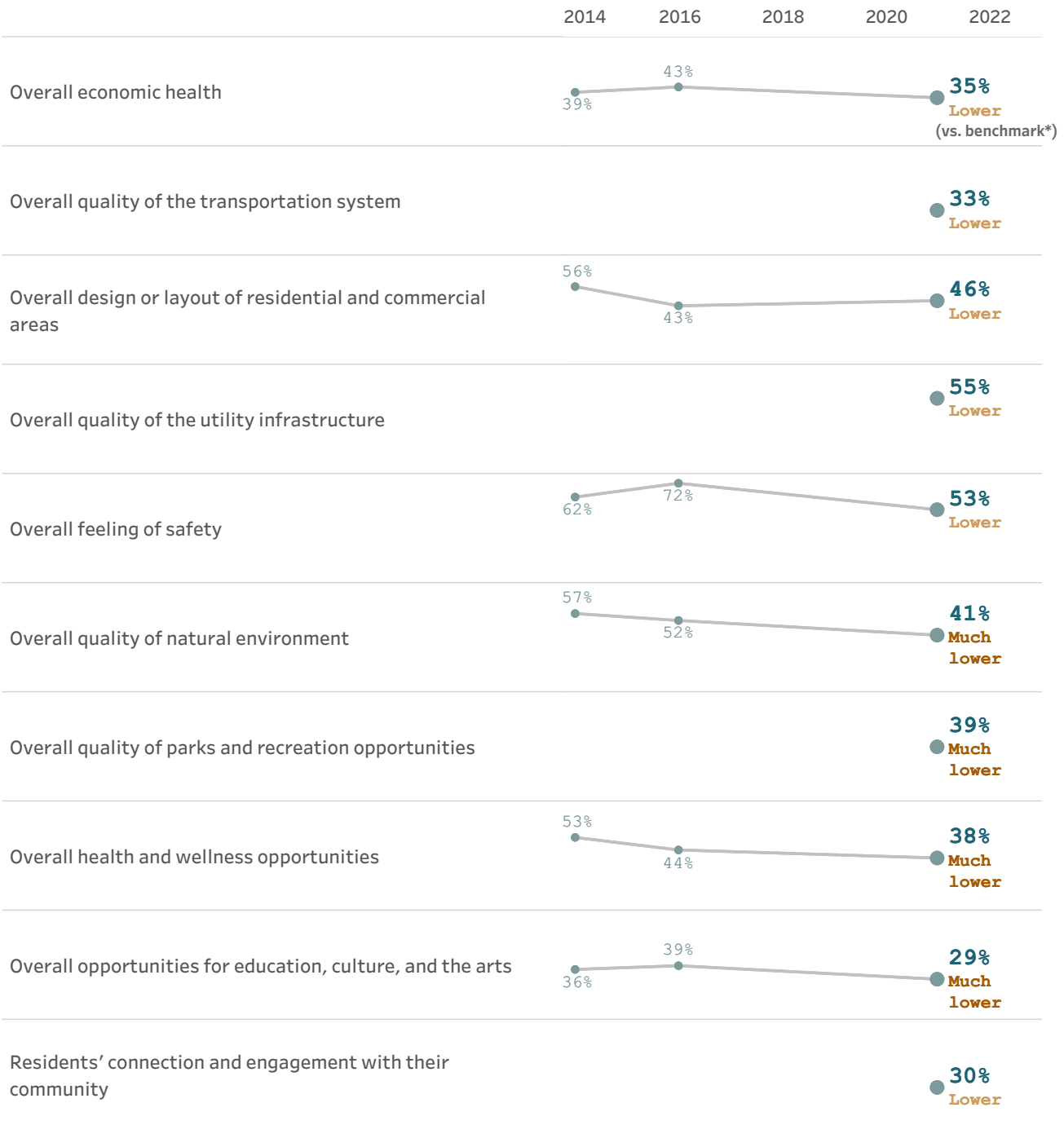
Residents' evaluations within the facet of Parks and Recreation also tended to be lower than those seen in other communities nationwide. About half of respondents positively rated City parks, while about 4 in 10 gave excellent or good scores to the overall quality of parks and recreation opportunities in the city and recreation programs or classes. About one-third of residents or fewer positively rated fitness opportunities, recreation centers or facilities, availability of paths and walking trails, and recreational opportunities. Most of these ratings declined since the previous iteration of the survey in 2016. Further, in a custom question unique to Tracy which asked respondents to rate the level of priority of the City funding various projects, about 90% rated renovating and updating existing City parks and facilities as a high or medium priority for the City to fund, while 82% thought that beginning the Tracy Nature Park was a priority.

## Facets of livability

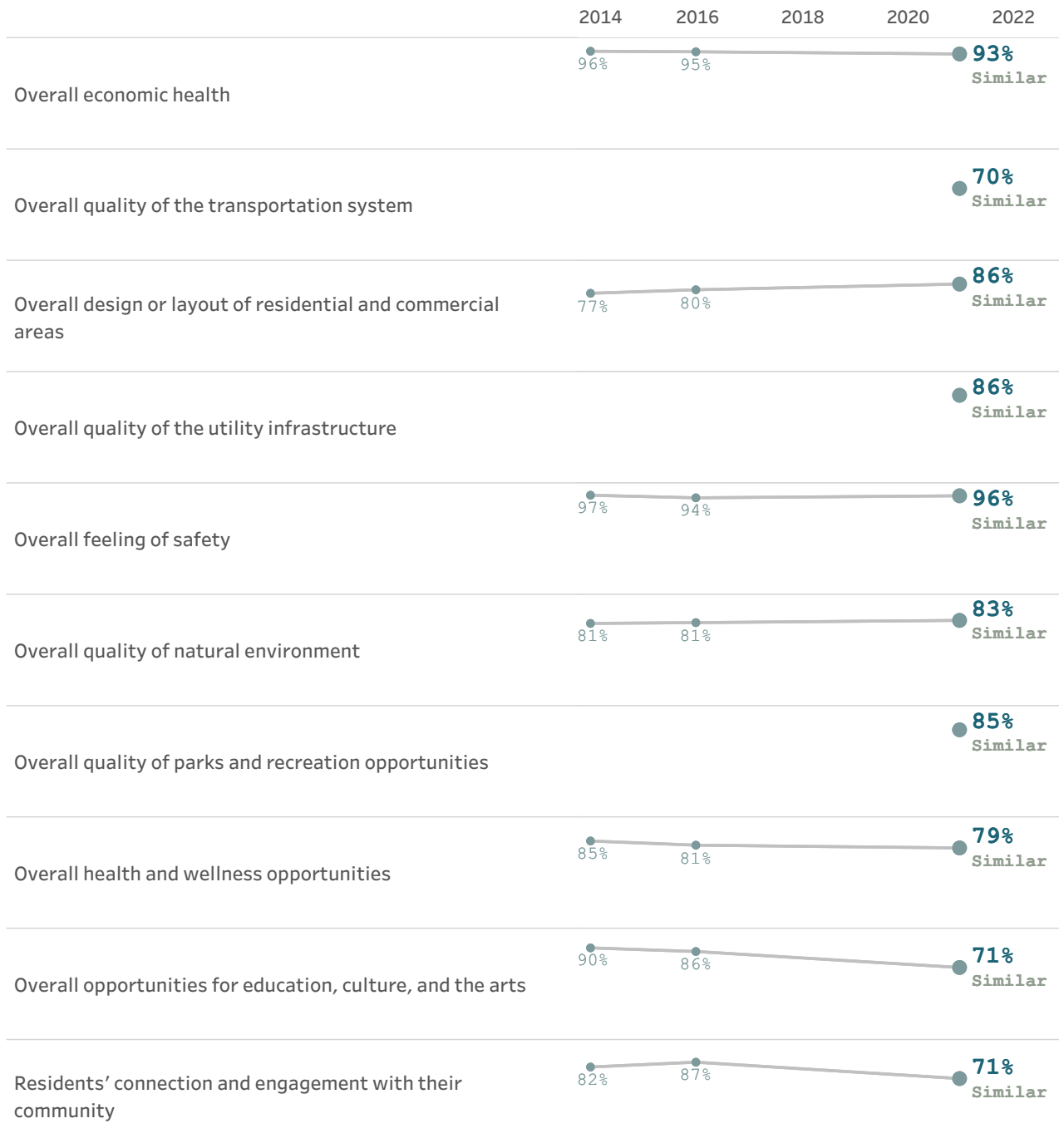
Resident perceptions of quality and importance for each of the facets of community livability provide an overview of community strengths and challenges that are useful for planning, budgeting and performance evaluation.

The charts below show the proportion of residents who rated the community facets positively for quality and the priority (importance) placed on each. Also displayed is whether local ratings were lower, similar, or higher than communities across the country (the national benchmark).

Please rate each of the following characteristics as they relate to Tracy as a whole.  
(% excellent or good)



Please rate how important, if at all, you think it is for the Tracy community to focus on each of the following in the coming two years.  
 (% essential or very important)



Note: Prior to 2020, "Overall quality of the transportation system" was "Overall ease of getting to the places you usually have to visit". Differences in ratings may be at least partially attributable to changes in question wording and should be interpreted cautiously.

\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

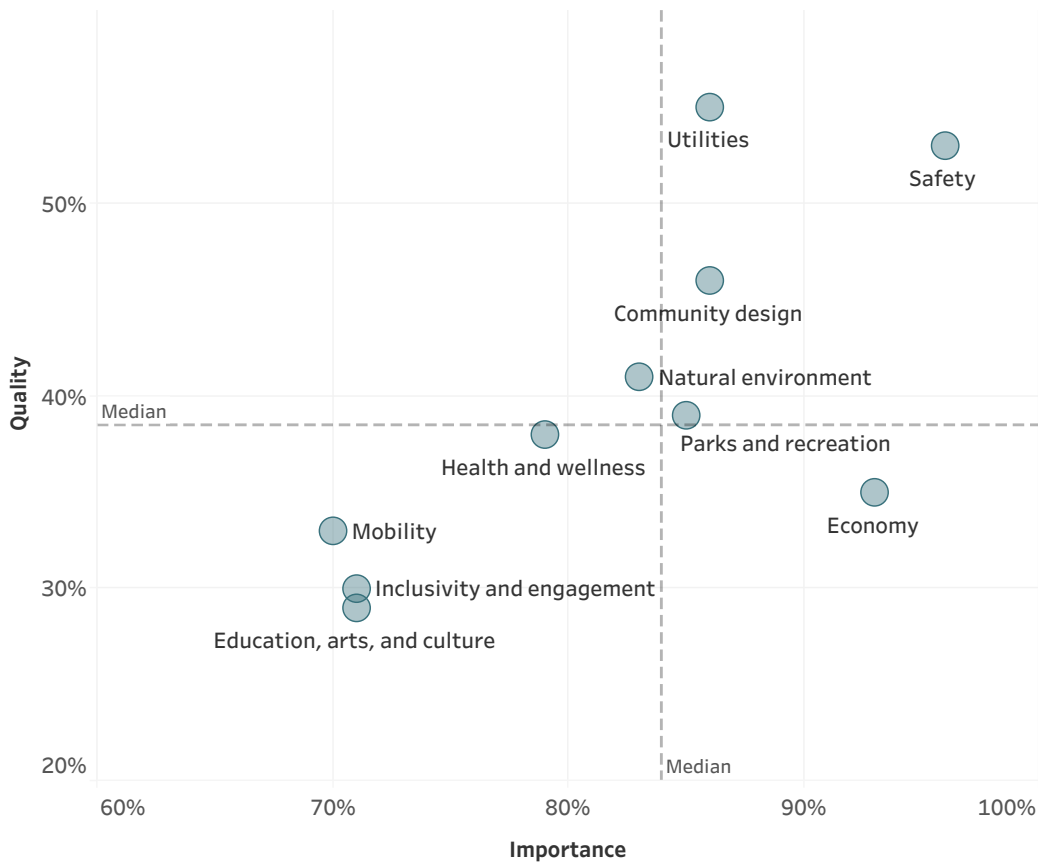
## Balancing performance and importance

Every jurisdiction must balance limited resources while meeting resident needs and striving to optimize community livability. To this end, it is helpful to know what aspects of the community are most important to residents and which they perceive as being of higher or lower quality. It is especially helpful to know when a facet of livability is considered of high importance but rated as lower quality, as this should be a top priority to address.

To help guide City staff and officials with decisions on future resource allocation, resident ratings of the importance of services were compared to their ratings of the quality of these services. To identify the services perceived by residents to have relatively lower quality at the same time as relatively higher importance, all services were ranked from highest perceived quality to lowest perceived quality and from highest perceived importance to lowest perceived importance. Some services were in the top half of both lists (higher quality and higher importance); some were in the top half of one list but the bottom half of the other (higher quality and lower importance or lower quality and higher importance); and some services were in the bottom half of both lists.

Services receiving quality ratings of excellent or good by 39% or more of respondents were considered of “higher quality” and those with ratings lower than 39% were considered to be of “lower quality.” Services were classified as “more important” if they were rated as essential or very important by 84% or more of respondents. Services were rated as “less important” if they received a rating of less than 84%. This classification uses the median ratings for quality and importance to divide the services in half.

The quadrants in the figure below show which community facets were given higher or lower importance ratings (right-left) and which had higher or lower quality ratings (up-down). Facets of livability falling closer to a diagonal line from the lower left to the upper right are those where performance ratings are more commensurate with resident priorities. Facets scoring closest to the lower right hand corner of the matrix ( higher in importance and lower in quality) are those that may warrant further investigation to see if changes to their delivery are necessary to improve their performance. This is the key part of this chart on which to focus. Facets falling in the top left hand corner of the chart (lower in importance but higher in quality) are areas where performance may outscore resident priorities, and may be a consideration for lower resource allocation.

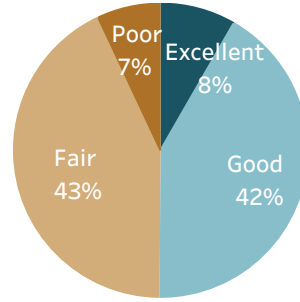




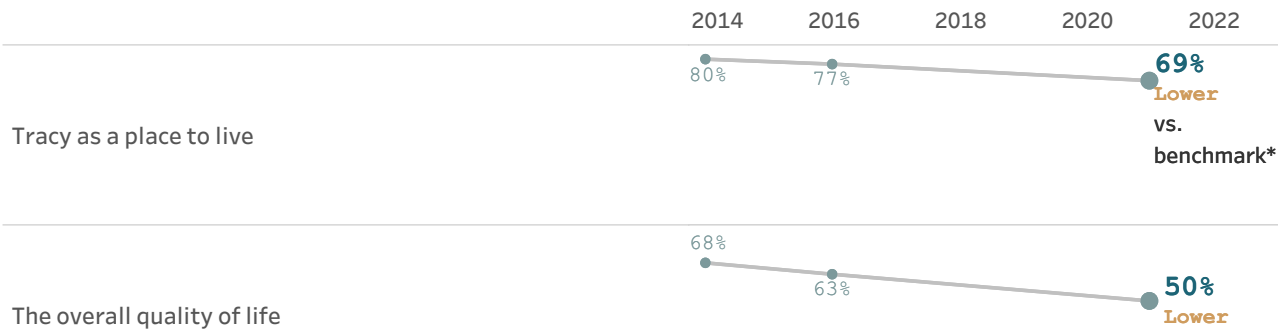
## Quality of life

Measuring community livability starts with assessing the quality of life of those who live there, and ensuring that the community is attractive, accessible, and welcoming to all.

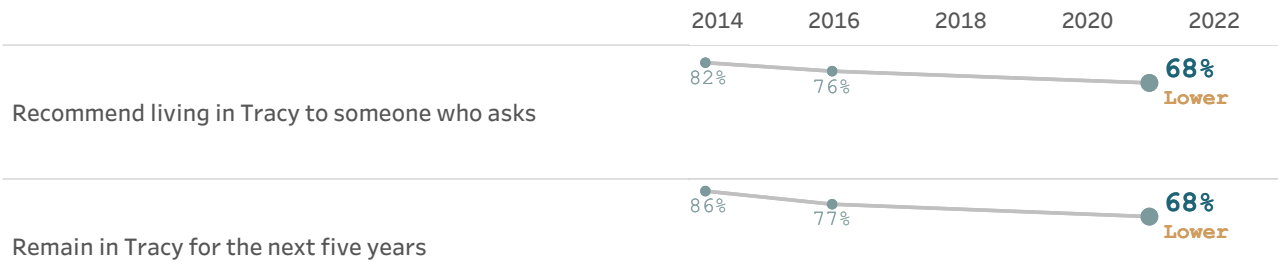
The overall quality of life in Tracy, 2021



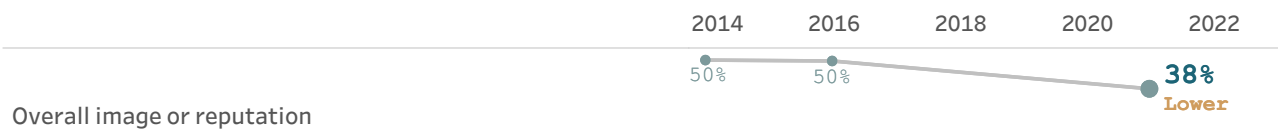
Please rate each of the following aspects of quality of life in Tracy.  
(% excellent or good)



Please indicate how likely or unlikely you are to do each of the following.  
(% very or somewhat likely)



Please rate each of the following in the Tracy community.  
(% excellent or good)

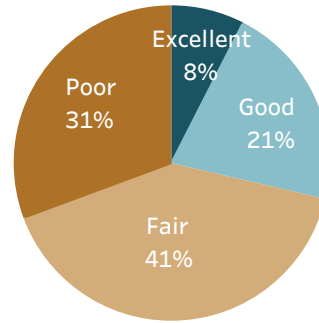


\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

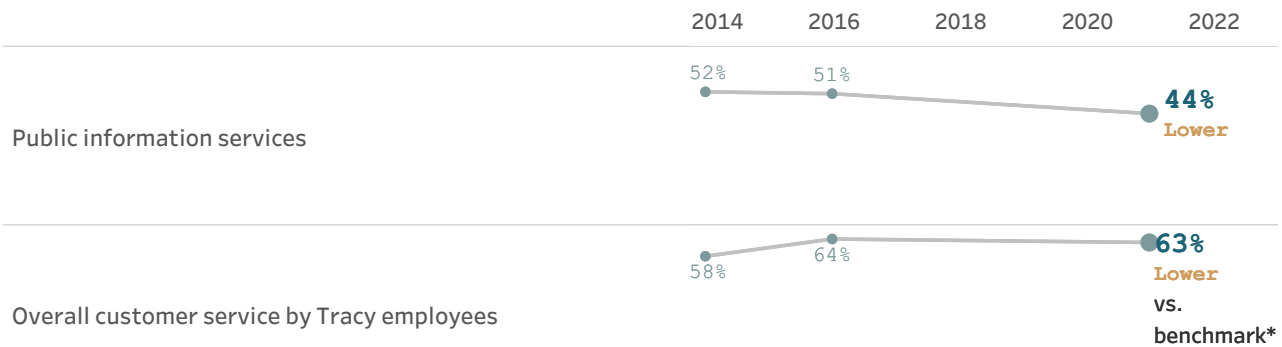
## Governance

Strong local governments produce results that meet the needs of residents while making the best use of available resources, and are responsive to the present and future needs of the community as a whole.

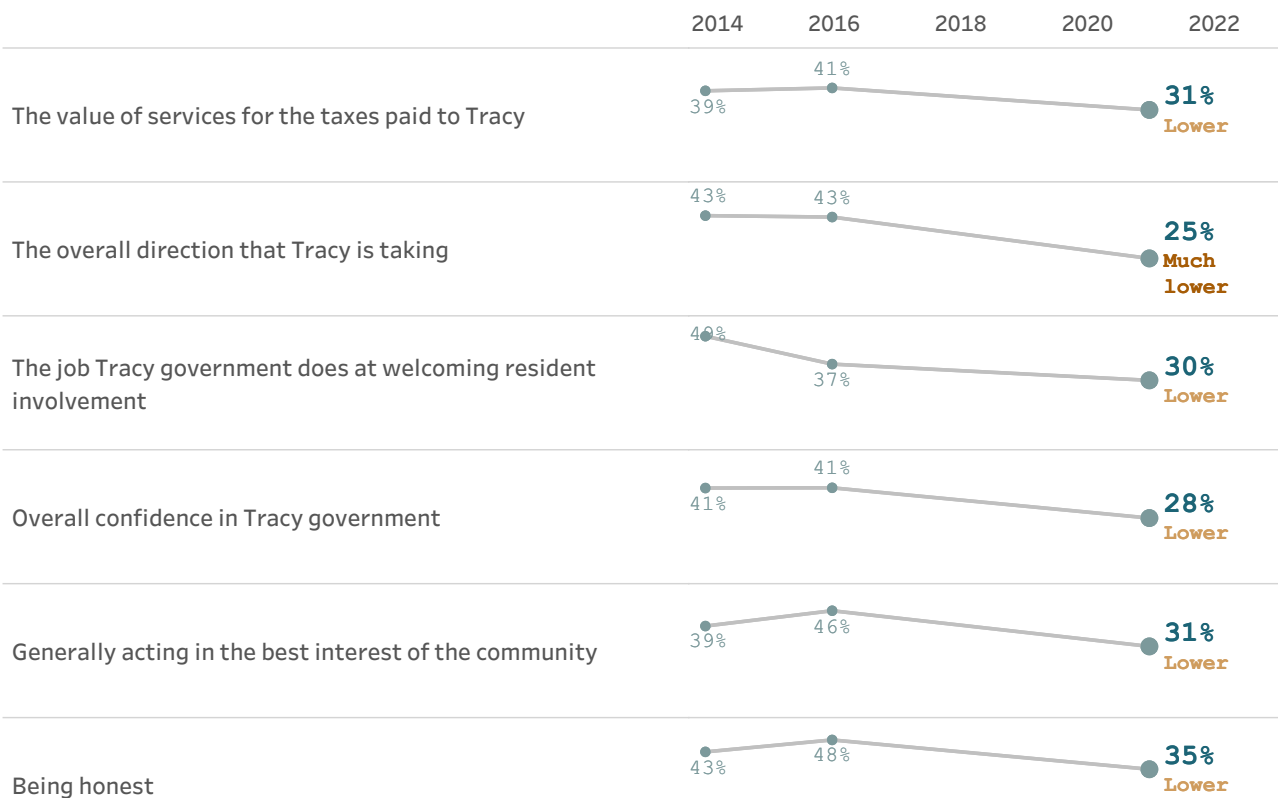
Overall confidence in Tracy government, 2021



Please rate the quality of each of the following services in Tracy. (% excellent or good)



Please rate the following categories of Tracy government performance. (% excellent or good)



Being open and transparent to the public

31%  
Lower

Informing residents about issues facing the community

30%  
Lower

Treating all residents fairly

43% 51% 40%  
Lower

Treating residents with respect

51%  
Lower

Overall, how would you rate the quality of the services provided by each of the following?  
(% excellent or good)

2014 2016 2018 2020 2022

The City of Tracy

67% 63% 45%  
Lower

The Federal Government

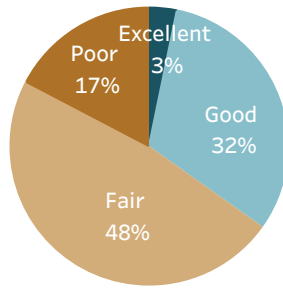
46% 33% 26%  
Similar

\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

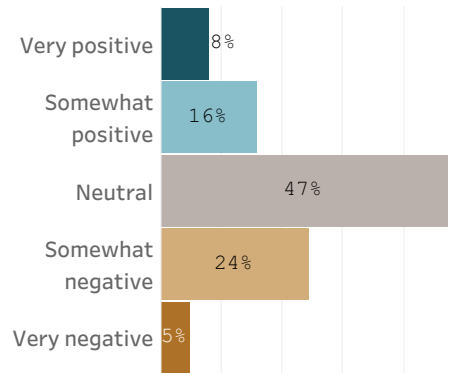
## Economy

Local governments work together with private and nonprofit businesses, and with the community at large, to foster sustainable growth, create jobs, and promote a thriving local economy.

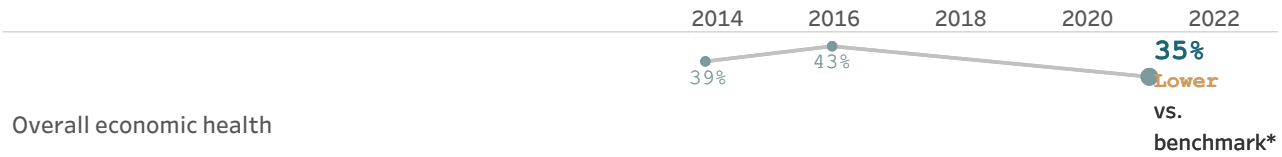
Overall economic health of Tracy, 2021



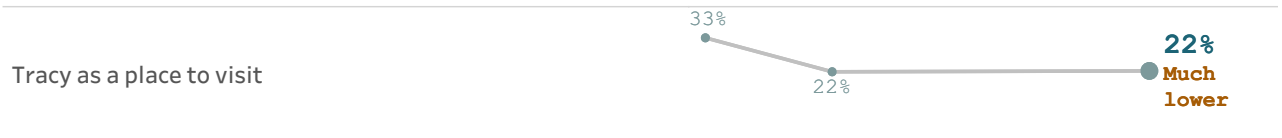
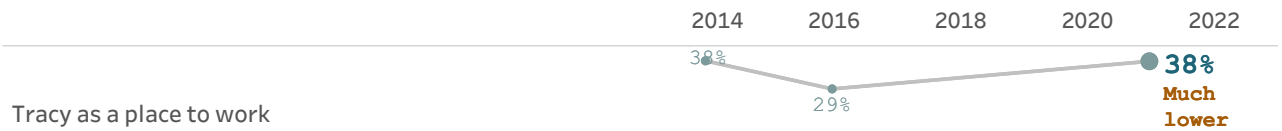
What impact, if any, do you think the economy will have on your family income in the next 6 months? Do you think the impact will be:



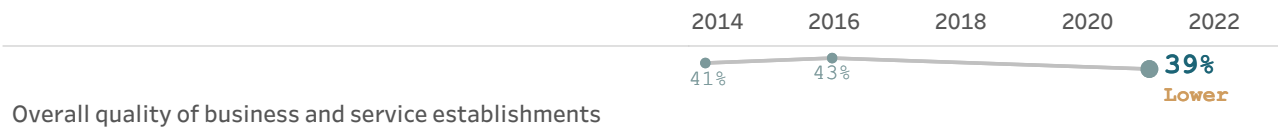
Please rate each of the following characteristics as they relate to Tracy as a whole. (% excellent or good)

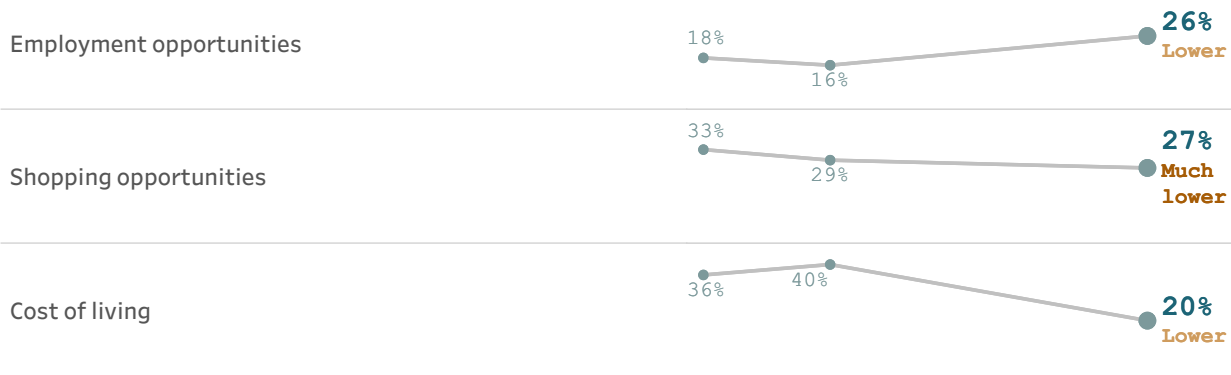


Please rate each of the following aspects of quality of life in Tracy. (% excellent or good)

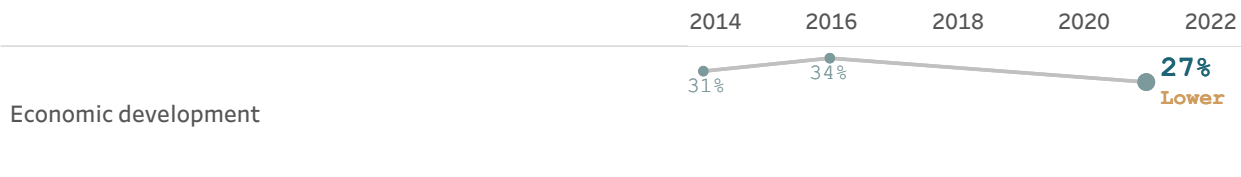


Please rate each of the following in the Tracy community. (% excellent or good)





Please rate the quality of each of the following services in Tracy.  
(% excellent or good)



What impact, if any, do you think the economy will have on your family income in the next 6 months? Do you think the impact will be:  
(% very or somewhat positive)

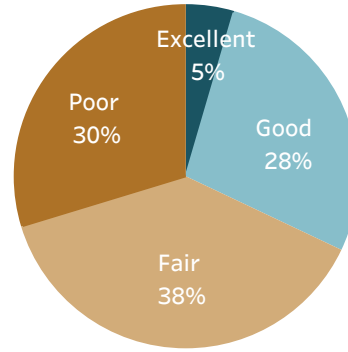


\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

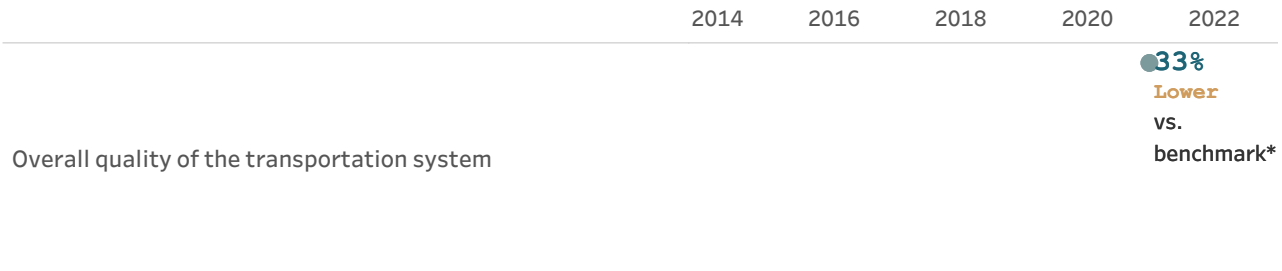
## Mobility

The ease with which residents can move about their communities, whether for commuting, leisure, or recreation, plays a major role in the quality of life for all who live, work, and play in the community.

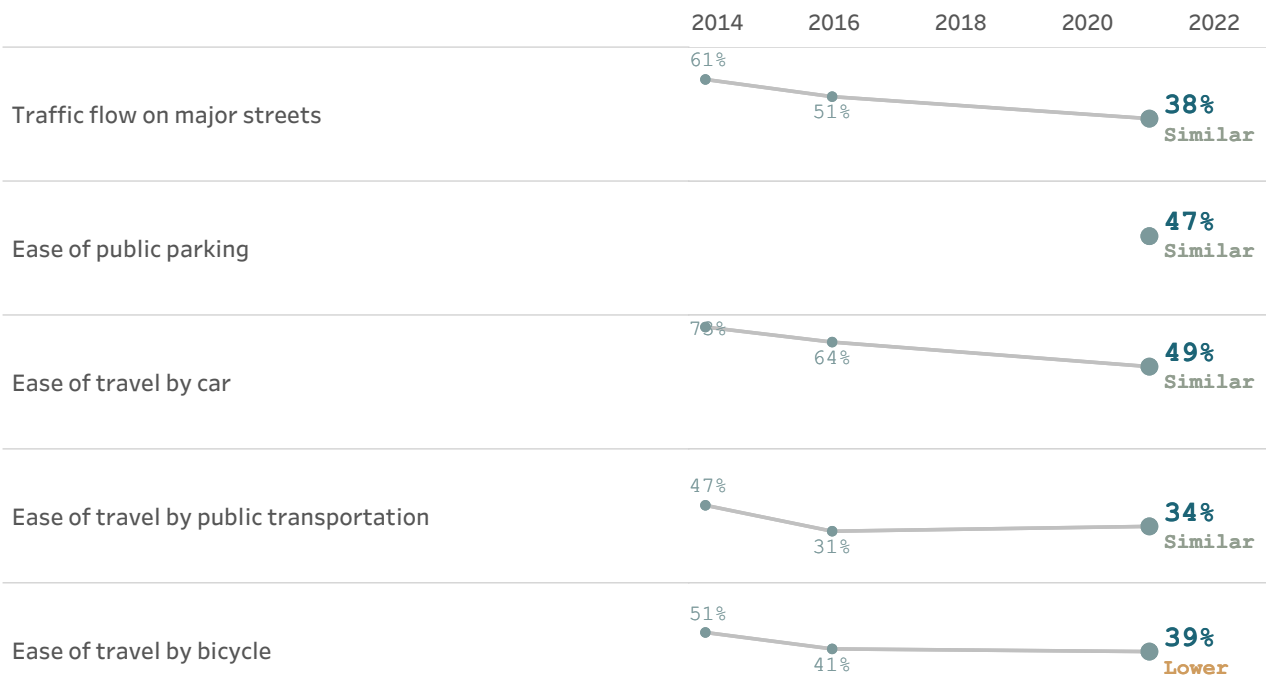
Overall quality of the transportation system in Tracy, 2021



Please rate each of the following characteristics as they relate to Tracy as a whole.  
(% excellent or good)



Please also rate each of the following in the Tracy community.  
(% excellent or good)

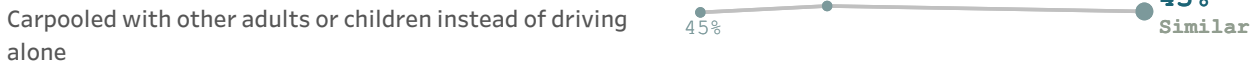




**Please indicate whether or not you have done each of the following in the last 12 months.**

(% yes)

2014      2016      2018      2020      2022



**Please rate the quality of each of the following services in Tracy.**

(% excellent or good)

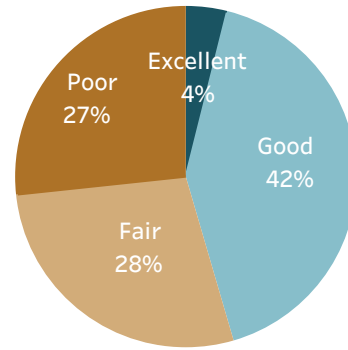
2014      2016      2018      2020      2022



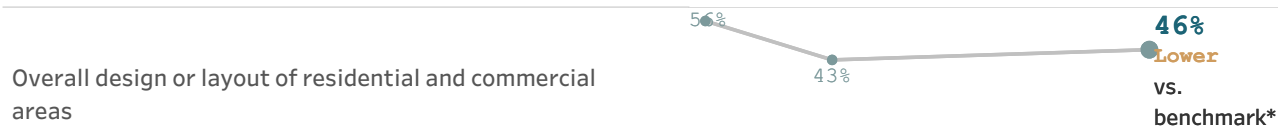
Overall design or layout of Tracy's residential and commercial areas, 2021

## Community design

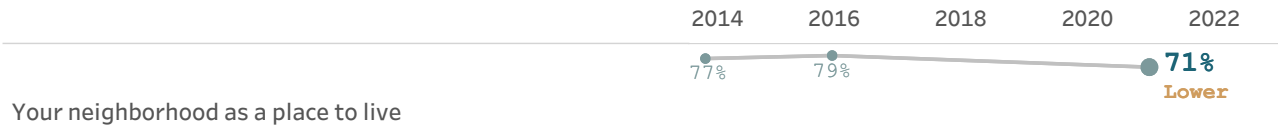
A well-designed community enhances the quality of life for its residents by encouraging smart land use and zoning, ensuring that affordable housing is accessible to all, and providing access to parks and other green spaces.



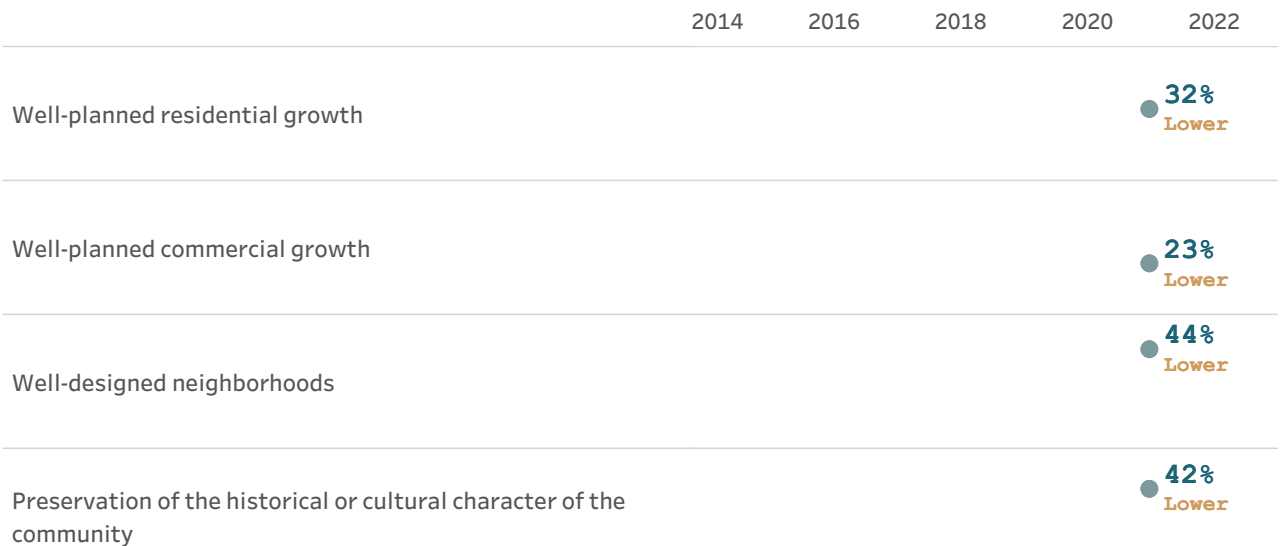
Please rate each of the following characteristics as they relate to Tracy as a whole. (% excellent or good)



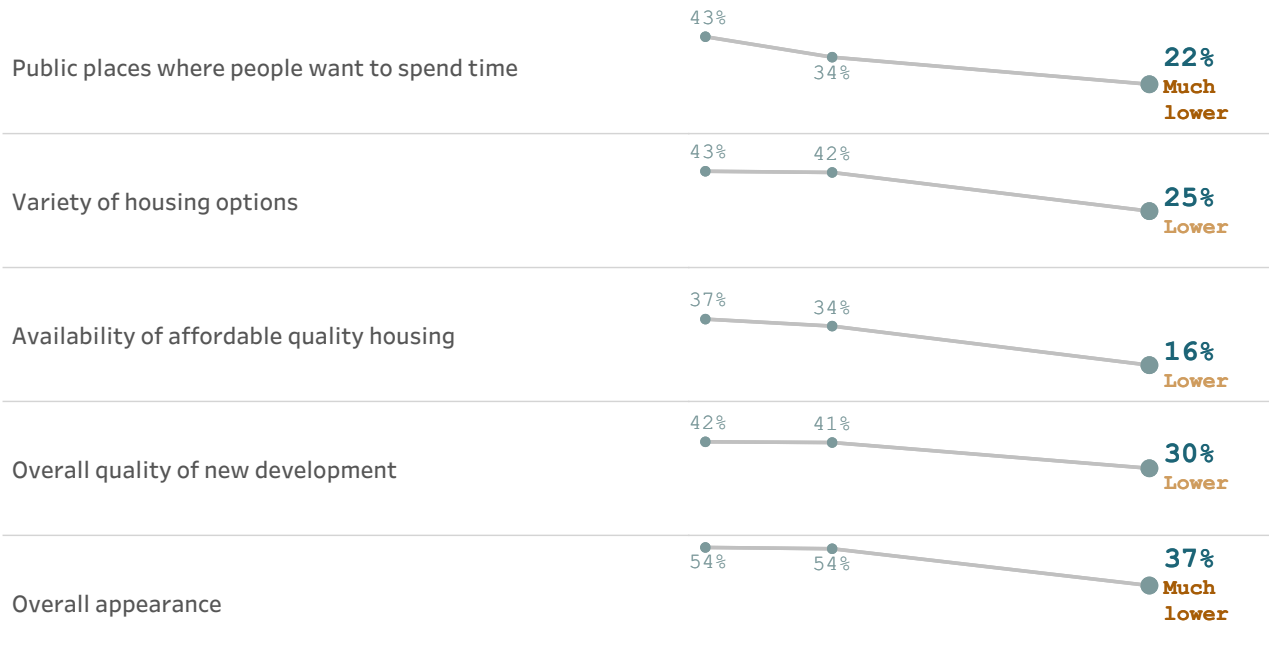
Please rate each of the following aspects of quality of life in Tracy. (% excellent or good)



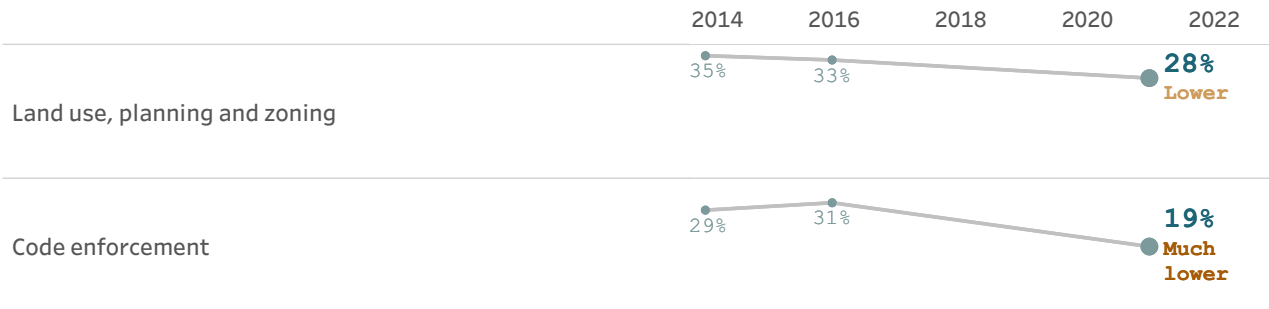
Please also rate each of the following in the Tracy community. (% excellent or good)







Please rate the quality of each of the following services in Tracy.  
(% excellent or good)

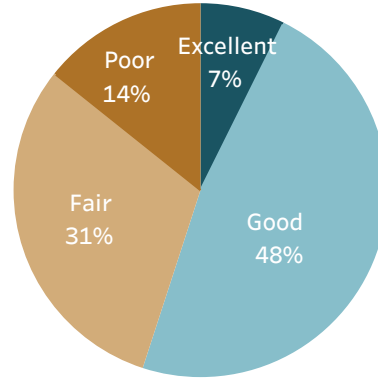


\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

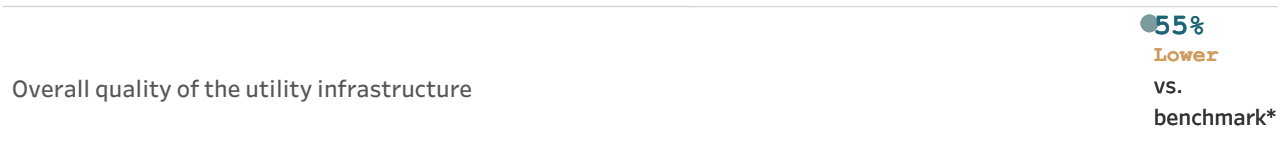
## Utilities

Services such as water, gas, electricity, and internet access play a vital role in ensuring the physical and economic health and well-being of the communities they serve.

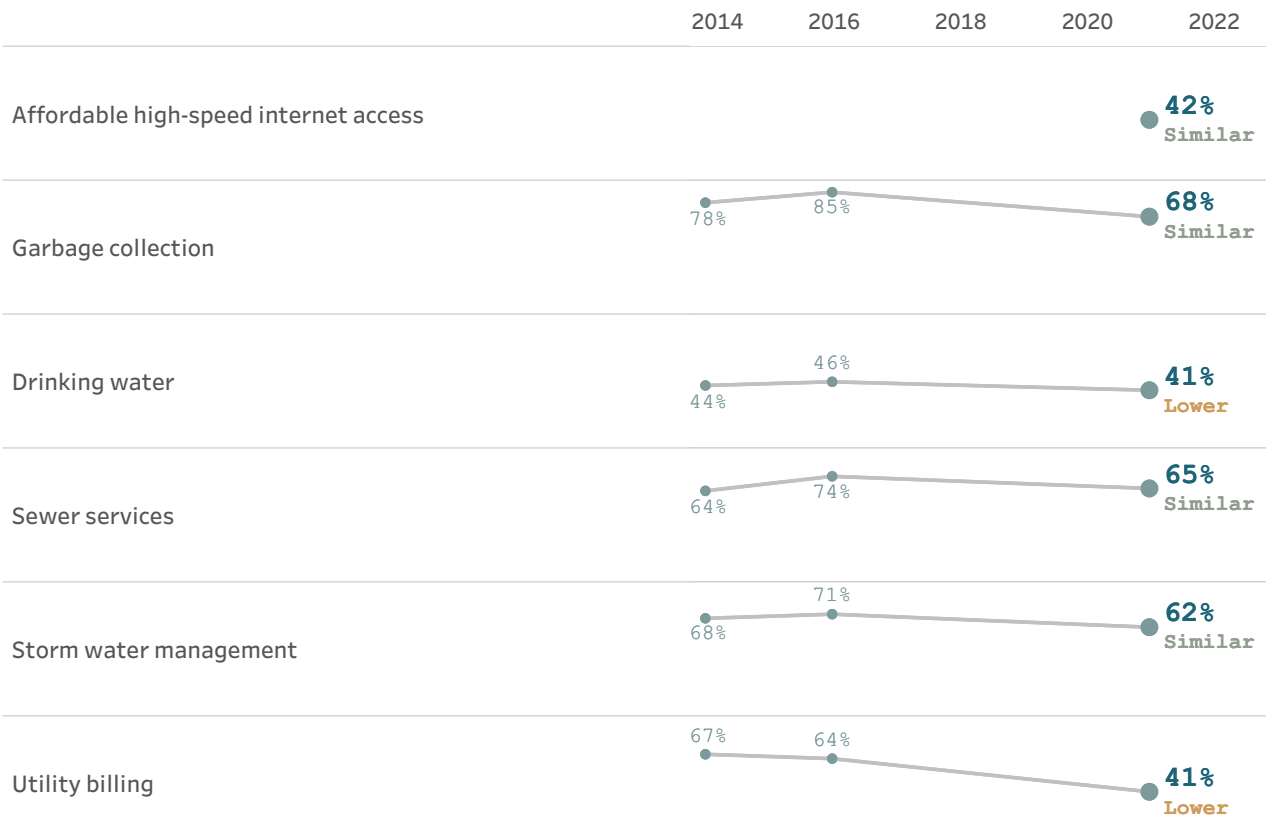
Overall quality of the utility infrastructure in Tracy, 2021



Please rate each of the following characteristics as they relate to Tracy as a whole.  
(% excellent or good)



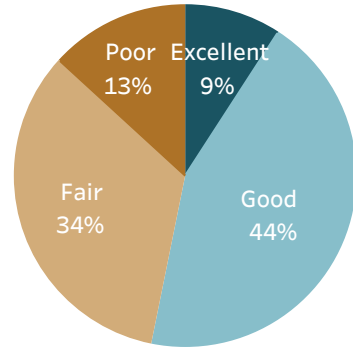
Please rate the quality of each of the following services in Tracy.  
(% excellent or good)



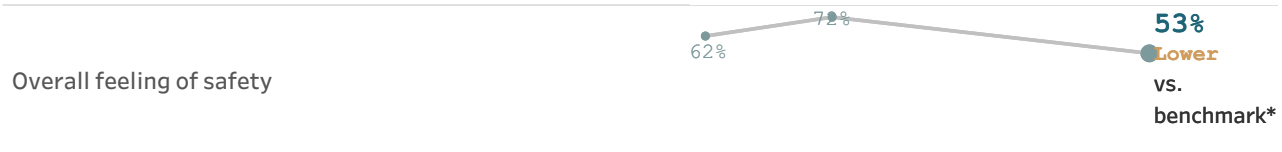
## Safety

Public safety is often the most important task facing local governments. All residents should feel safe and secure in their neighborhoods and in the greater community, and providing robust safety-related services is essential to residents' quality of life.

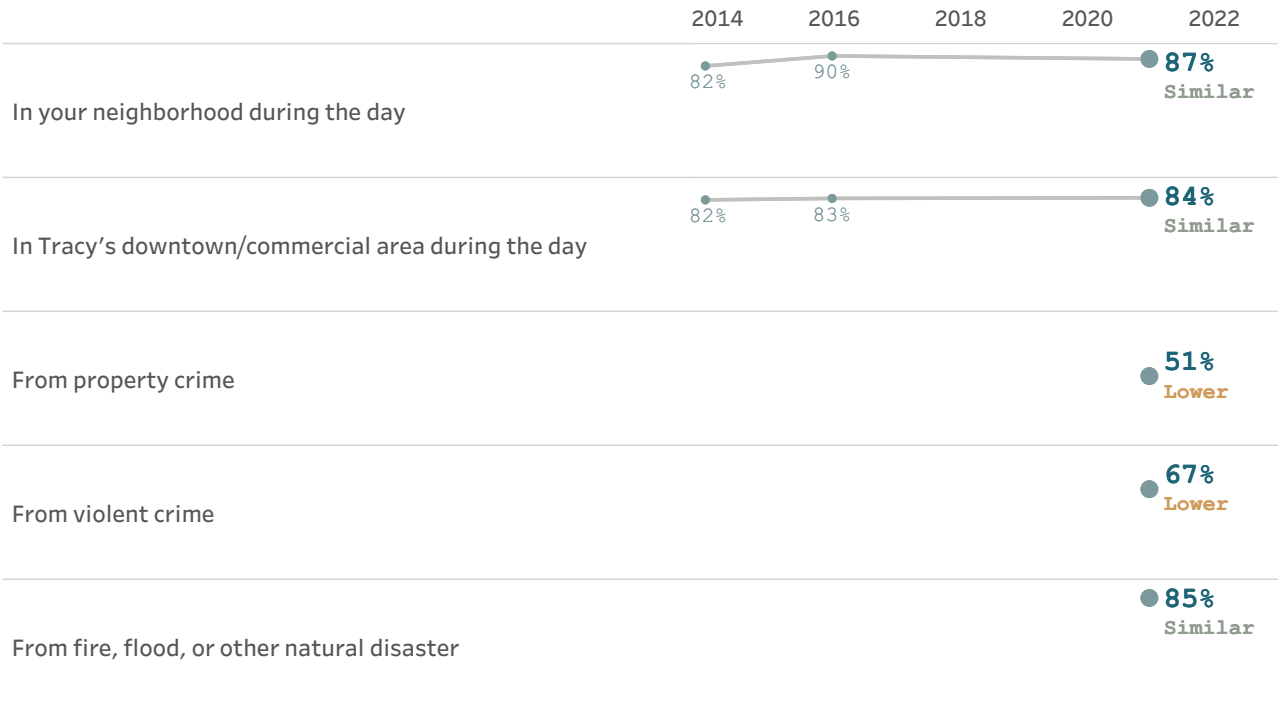
Overall feeling of safety in Tracy, 2021



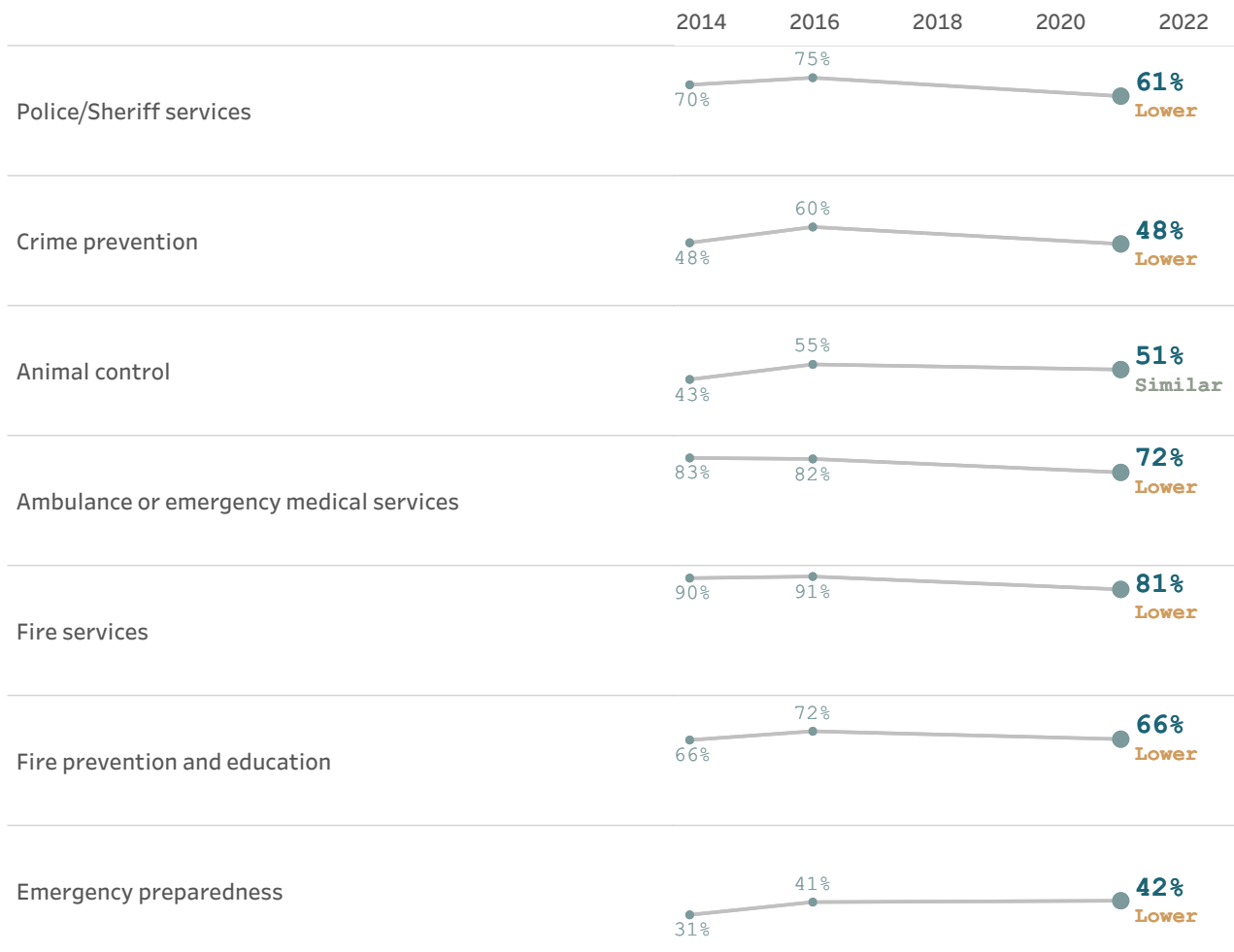
Please rate each of the following characteristics as they relate to Tracy as a whole. (% excellent or good)



Please rate how safe or unsafe you feel: (% very or somewhat safe)

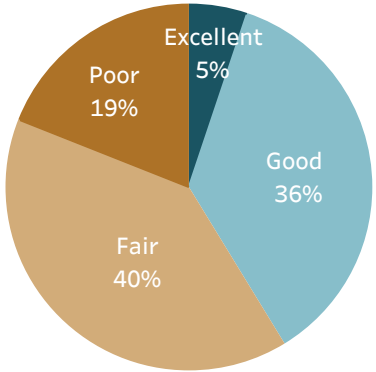


**Please rate the quality of each of the following services in Tracy.  
(% excellent or good)**



\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

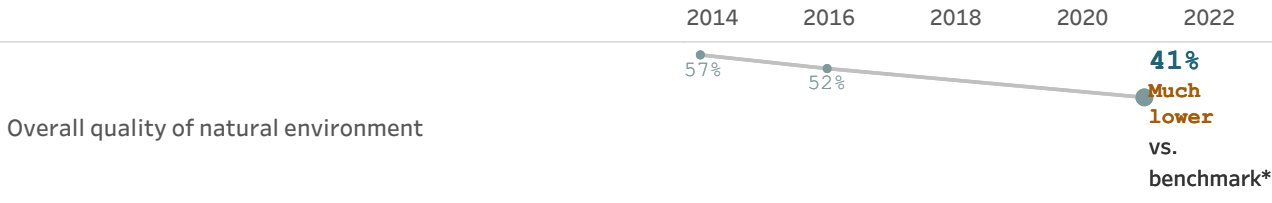
Overall quality of natural environment in Tracy, 2021



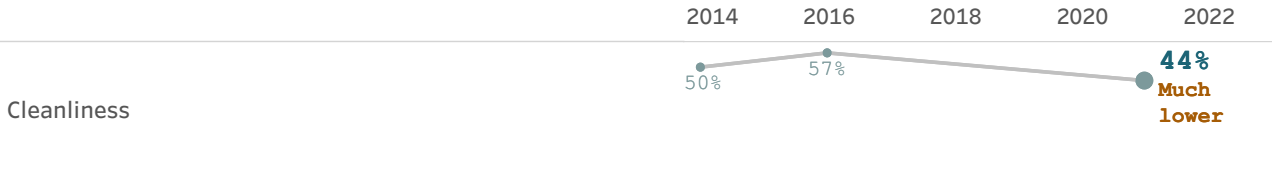
Natural environment

The natural environment plays a vital role in the health and well-being of residents. The natural spaces in which residents live and experience their communities has a direct and profound effect on quality of life.

Please rate each of the following characteristics as they relate to Tracy as a whole. (% excellent or good)

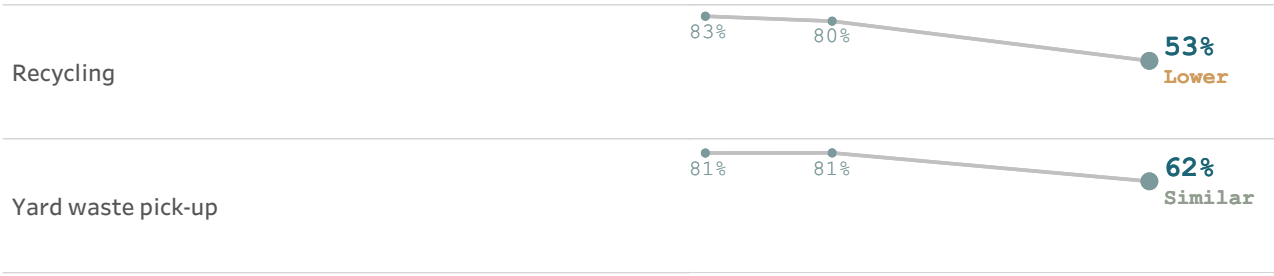


Please also rate each of the following in the Tracy community. (% excellent or good)



Please rate the quality of each of the following services in Tracy. (% excellent or good)





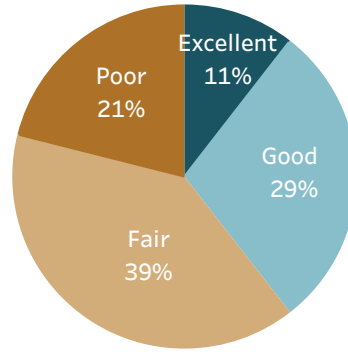
\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

Overall quality of parks and recreation opportunities, 2021

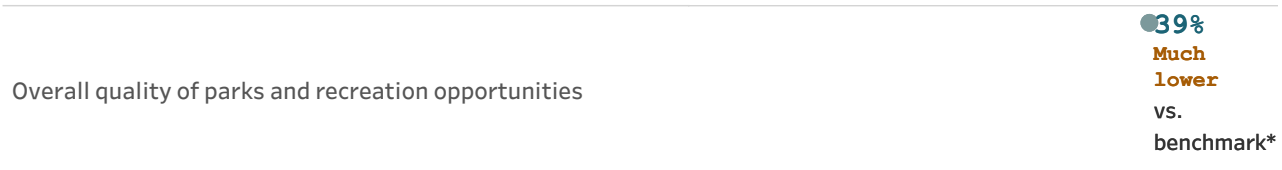
## Parks and recreation

“There are no communities that pride themselves on their quality of life, promote themselves as a desirable location for businesses to relocate, or maintain that they are environmental stewards of their natural resources, without such communities having a robust, active system of parks and recreation programs for public use and enjoyment.”

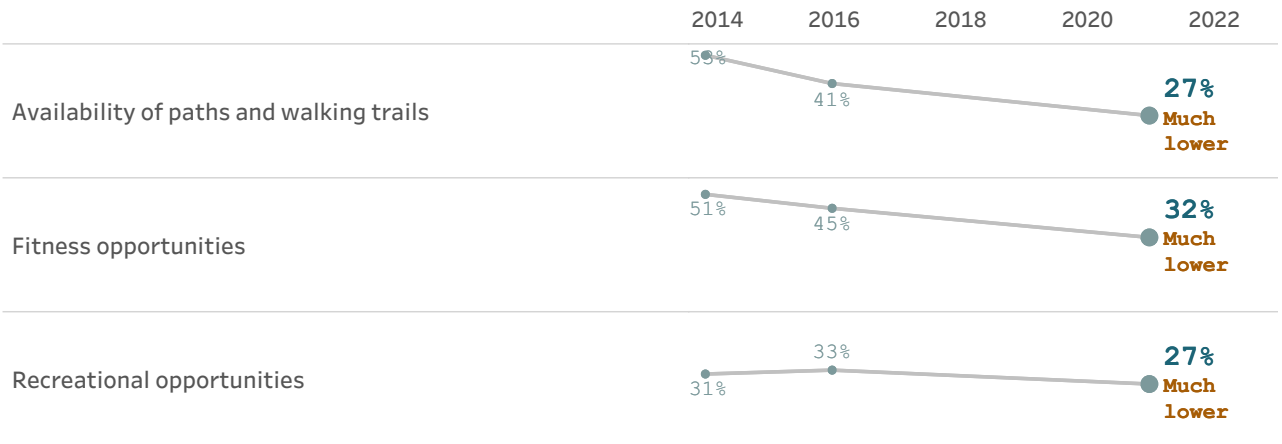
- National Recreation and Park Association



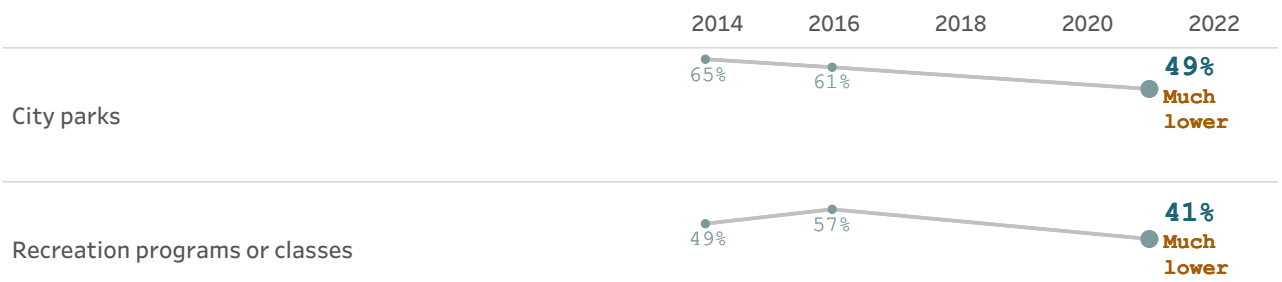
Please rate each of the following characteristics as they relate to Tracy as a whole.  
(% excellent or good)

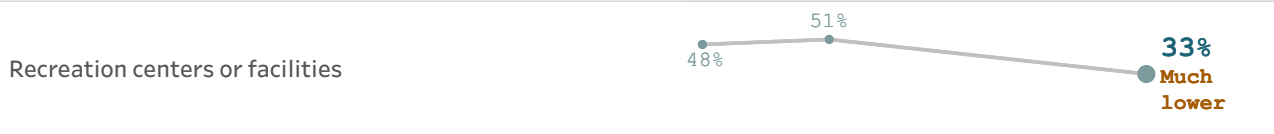


Please also rate each of the following in the Tracy community.  
(% excellent or good)



Please rate the quality of each of the following services in Tracy.  
(% excellent or good)





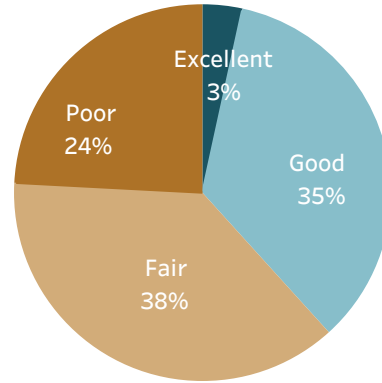
\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.



## Health and wellness

The characteristics of and amenities available in the communities in which people live has a direct impact on the health and wellness of residents, and thus, on their quality of life overall.

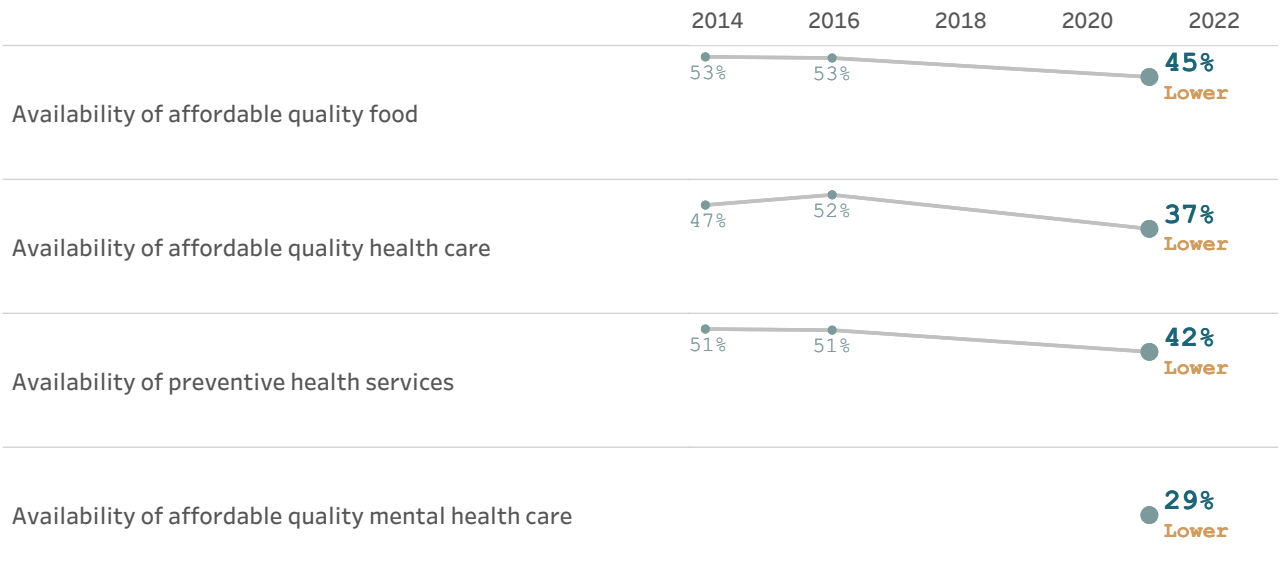
Overall health and wellness opportunities in Tracy, 2021



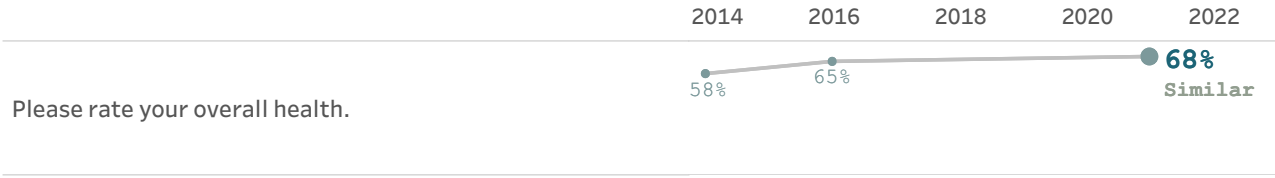
Please rate each of the following characteristics as they relate to Tracy as a whole.  
(% excellent or good)



Please also rate each of the following in the Tracy community.  
(% excellent or good)



**Please rate your overall health.**  
(% excellent or very good)

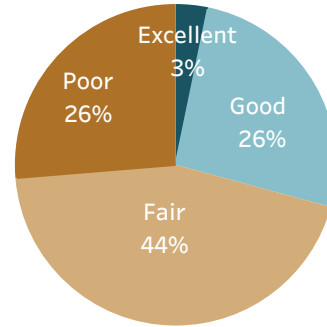


\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

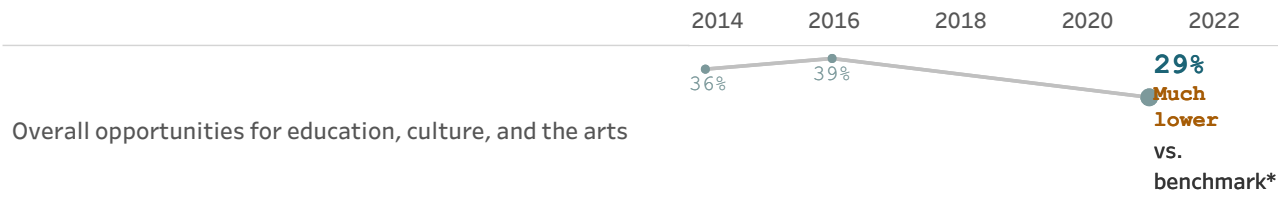
Overall opportunities for education, culture and the arts, 2021

## Education, arts, and culture

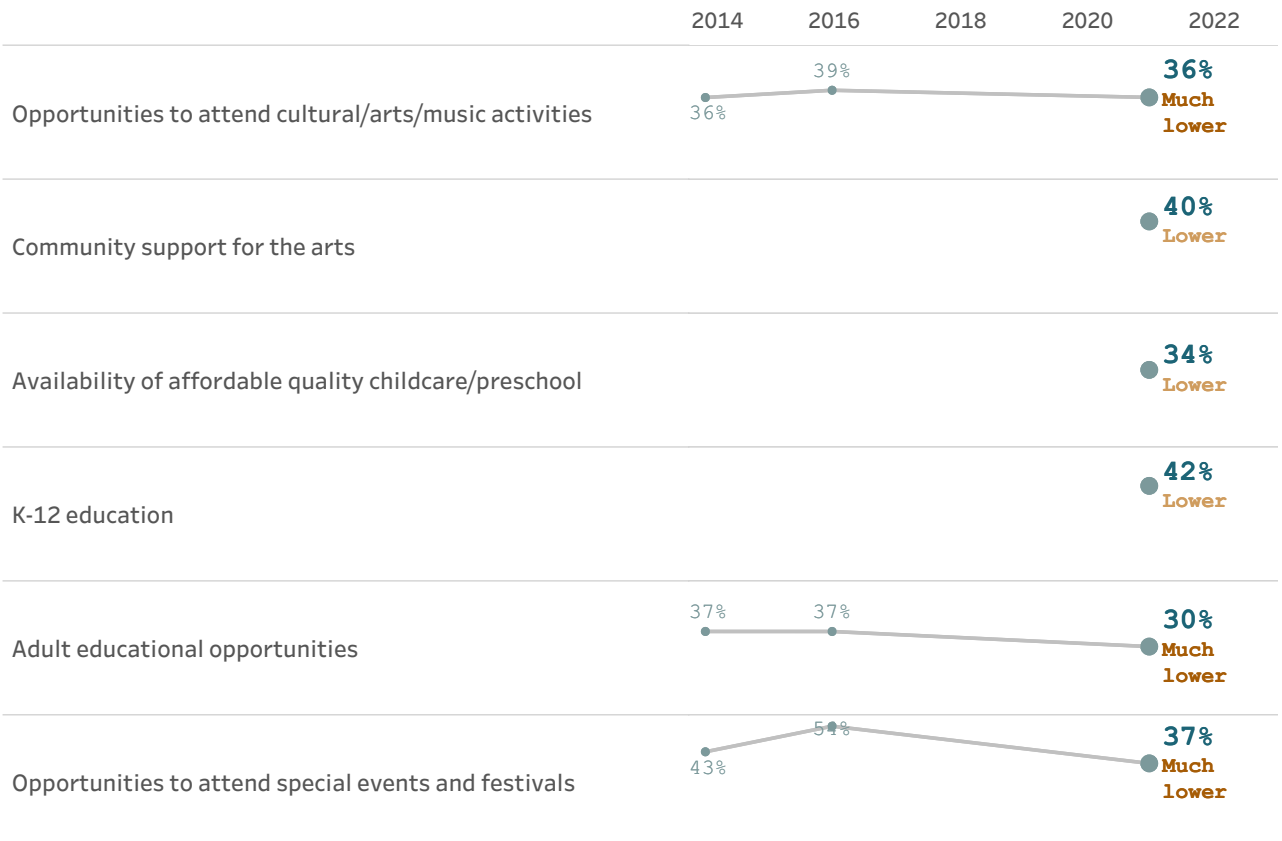
Participation in the arts, in educational opportunities, and in cultural activities is linked to increased civic engagement, greater social tolerance, and enhanced enjoyment of the local community.



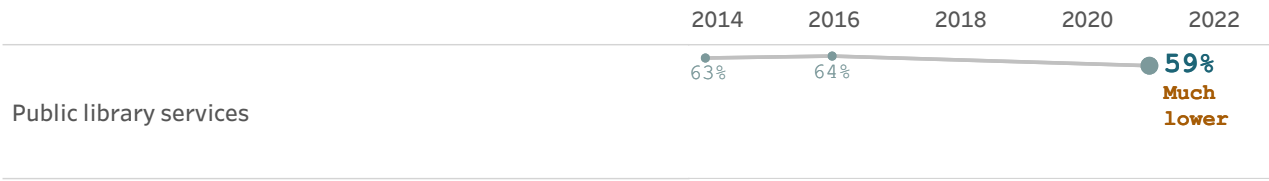
Please rate each of the following characteristics as they relate to Tracy as a whole. (% excellent or good)



Please also rate each of the following in the Tracy community. (% excellent or good)



Please rate the quality of each of the following services in Tracy.  
(% excellent or good)

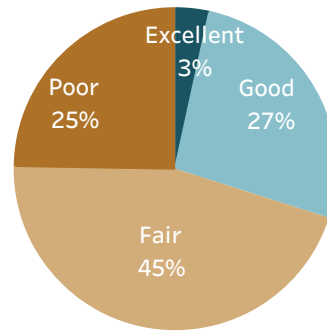


\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

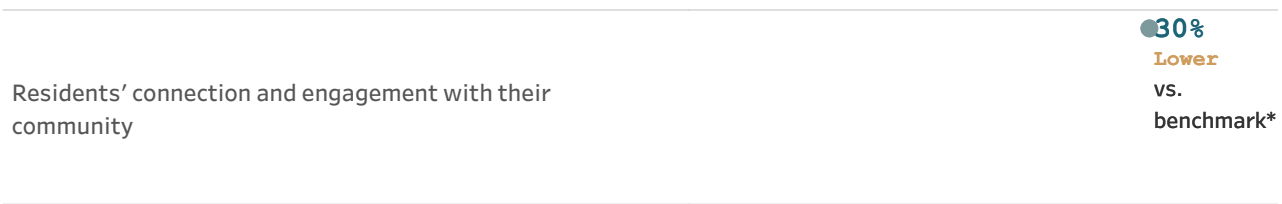
Residents' connection and engagement with their community, 2021

## Inclusivity and engagement

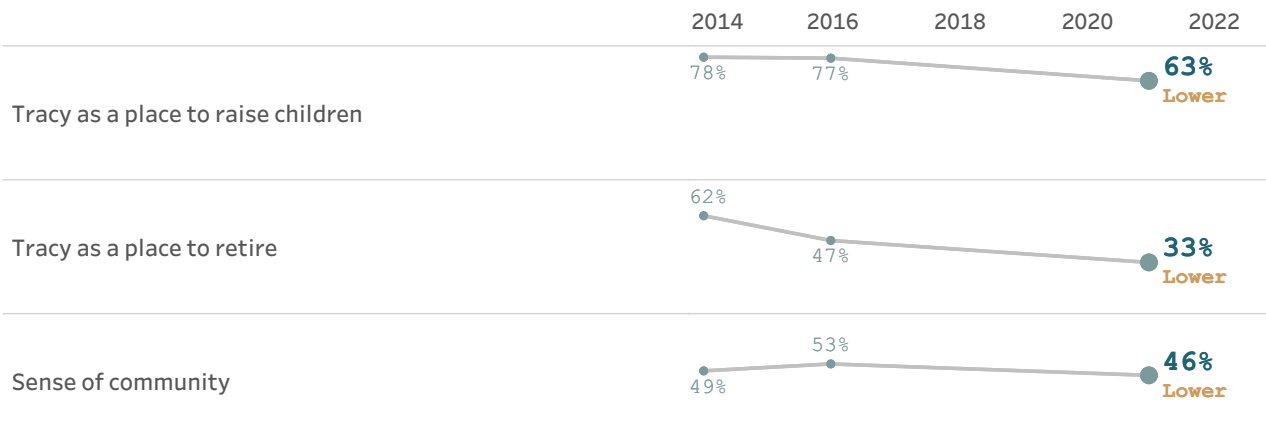
Inclusivity refers to a cultural and environmental feeling of belonging; residents who feel invited to participate within their communities feel more included, involved, and engaged than those who do not.



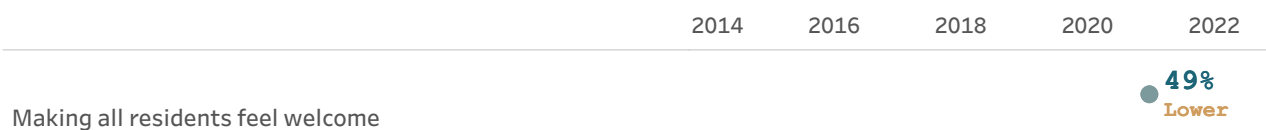
Please rate each of the following characteristics as they relate to Tracy as a whole.  
(% excellent or good)

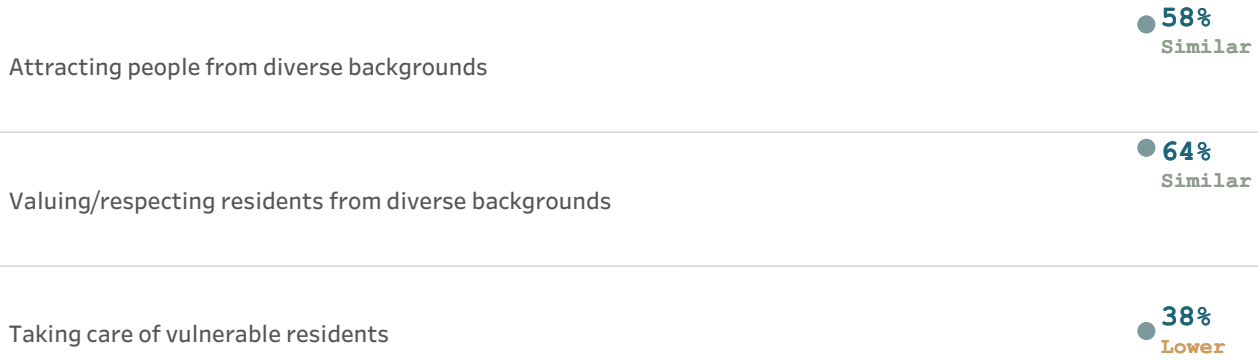


Please rate each of the following aspects of quality of life in Tracy.  
(% excellent or good)

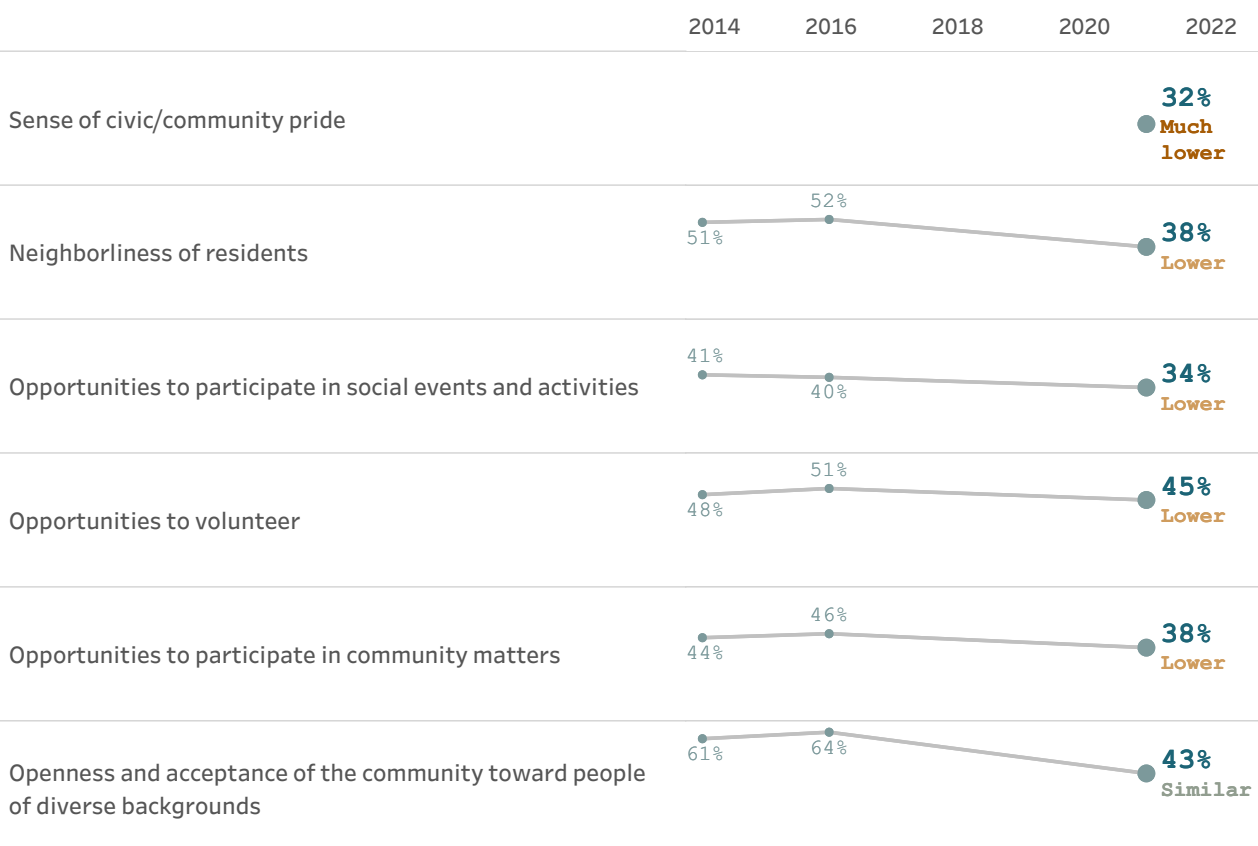


Please rate the job you feel the Tracy community does at each of the following.  
(% excellent or good)





Please also rate each of the following in the Tracy community.  
(% excellent or good)



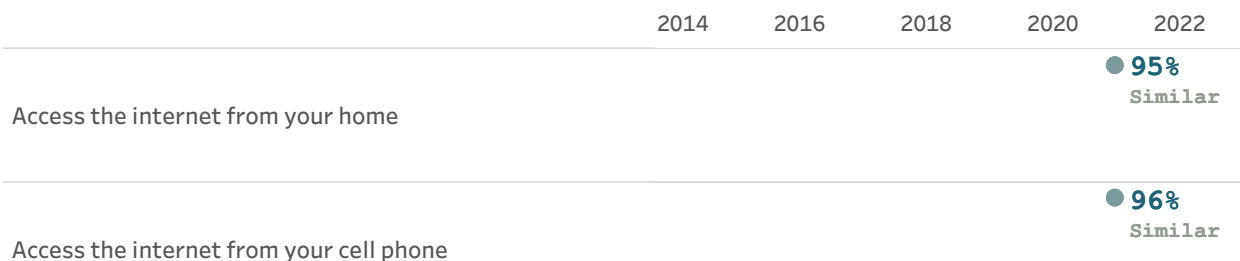
\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.

## Residents' participation levels

Please indicate whether or not you have done each of the following in the last 12 months.  
(% yes)



In general, how many times do you:  
(% a few times a week or more)



---

|                            |                         |
|----------------------------|-------------------------|
| Visit social media sites   | ● <b>80%</b><br>Similar |
| Use or check email         | ● <b>96%</b><br>Similar |
| Share your opinions online | ● <b>43%</b><br>Higher  |
| Shop online                | ● <b>71%</b><br>Higher  |

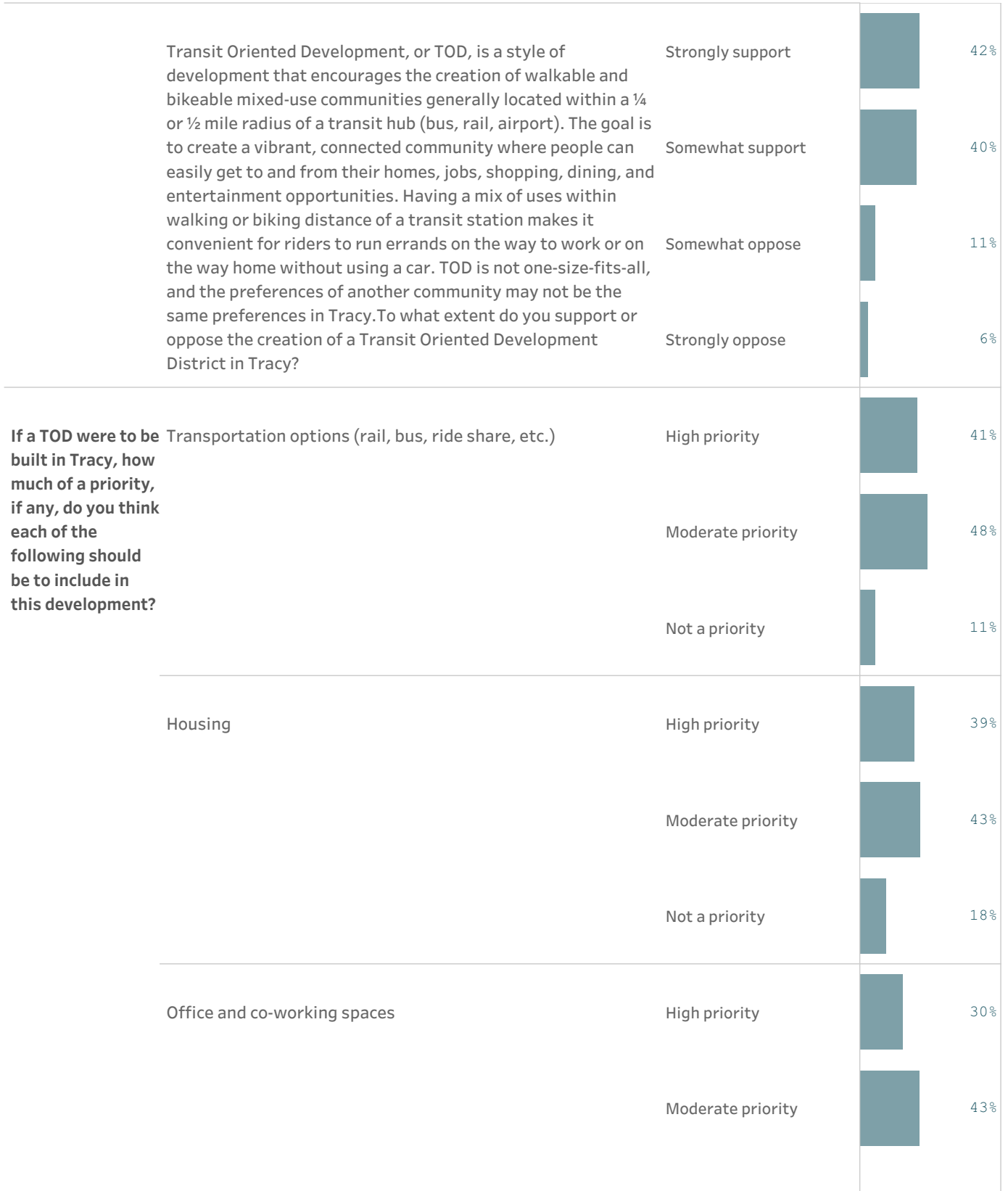
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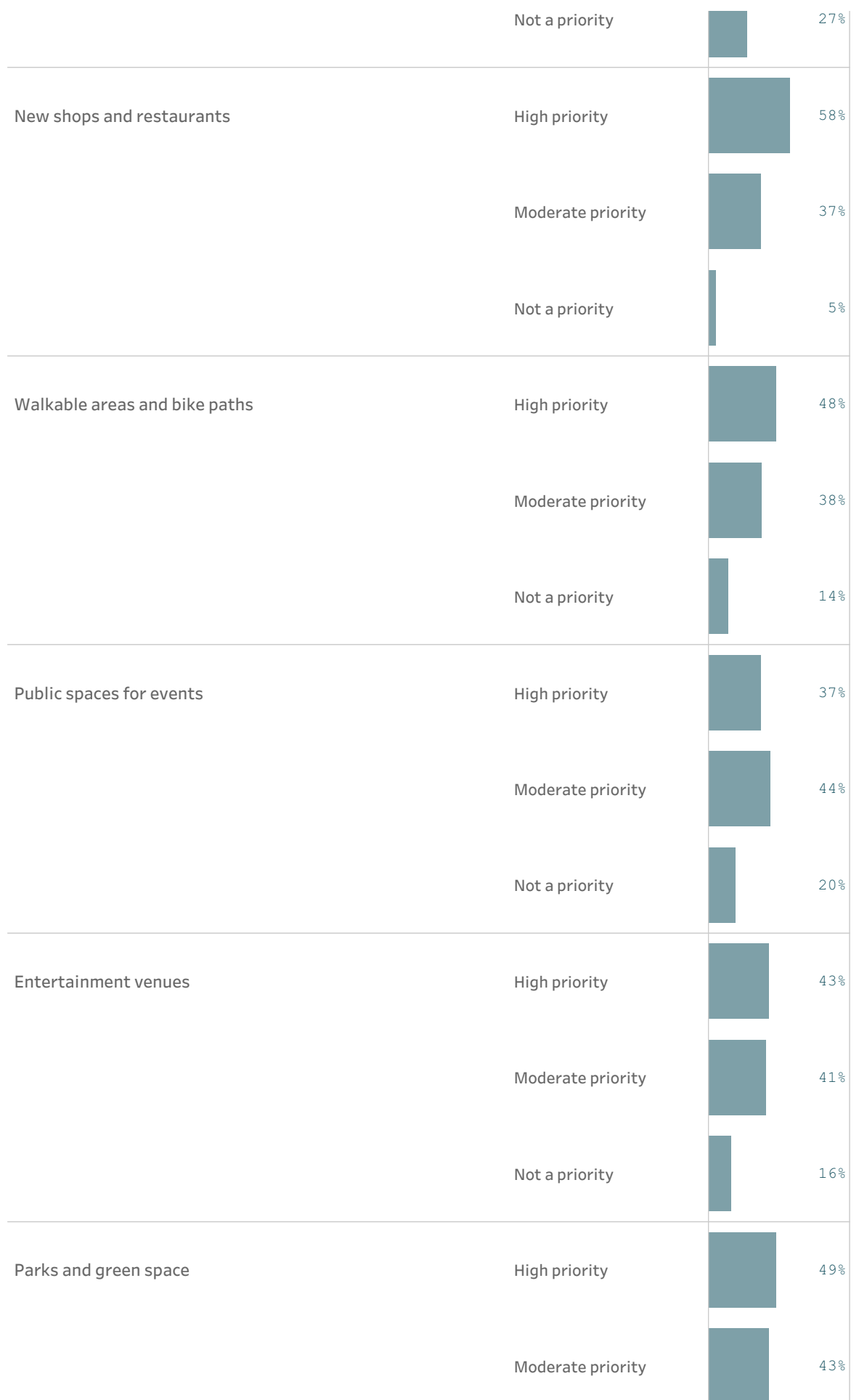
\* Comparison to the national benchmark is shown. If no comparison is available, this is left blank.



## Custom questions

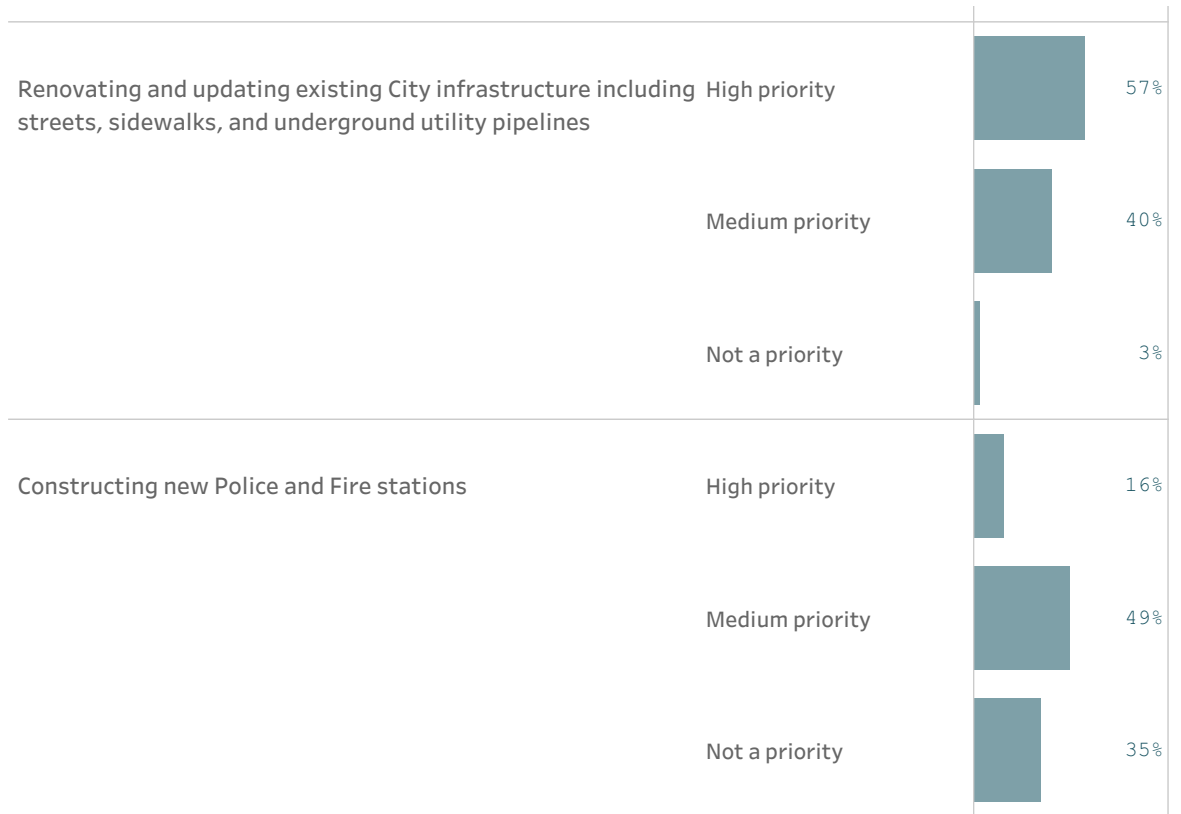
Below are the complete set of responses to each custom question on the survey. By default, “don’t know” responses are excluded, but may be added to the table using the response filter below.











## National benchmark tables

This table contains the comparisons of Tracy’s results to those from other communities. The first column shows the comparison of Tracy’s rating to the benchmark. Tracy’s results are noted as being “higher”, “lower” or “similar” to the benchmark, meaning that the average rating given by Tracy residents is statistically similar to or different than the benchmark. The second column is Tracy’s “percent positive.” Most commonly, the percent positive is the combination of the top two most positive response options (i.e., excellent/good). The third column is the rank assigned to Tracy’s rating among communities where a similar question was asked. The fourth column is the number of communities that asked a similar question. The fifth column shows the percentile for Tracy’s result -- that is what percent of surveyed communities had a lower rating than Tracy.

|  |  |            | % positive | Rank | Number of communities | Percentile |
|--|--|------------|------------|------|-----------------------|------------|
| <b>Please rate each of the following aspects of quality of life in Tracy.</b>                | Tracy as a place to live                                     | Lower      | 69%        | 346  | 386                   | 10         |
|  | Your neighborhood as a place to live                         | Lower      | 71%        | 297  | 318                   | 6          |
|  | Tracy as a place to raise children                           | Lower      | 63%        | 309  | 387                   | 20         |
|  | Tracy as a place to work                                     | Much lower | 38%        | 357  | 370                   | 3          |
|  | Tracy as a place to visit                                    | Much lower | 22%        | 312  | 312                   | 0          |
|  | Tracy as a place to retire                                   | Lower      | 33%        | 354  | 372                   | 5          |
|  | The overall quality of life                                  | Lower      | 50%        | 398  | 428                   | 7          |
|  | Sense of community   | Lower      | 46%        | 292  | 320                   | 9          |
| <b>Please rate each of the following characteristics as they relate to Tracy as a whole.</b> | Overall economic health                                      | Lower      | 35%        | 262  | 293                   | 10         |
|  | Overall quality of the transportation system                 | Lower      | 33%        | 112  | 122                   | 9          |
|  | Overall design or layout of residential and commercial areas | Lower      | 46%        | 270  | 287                   | 6          |
|  | Overall quality of the utility infrastructure                | Lower      | 55%        | 105  | 119                   | 12         |
|  | Overall feeling of safety                                    | Lower      | 53%        | 332  | 368                   | 10         |
|  | Overall quality of natural environment                       | Much lower | 41%        | 295  | 297                   | 1          |
|  | Overall quality of parks and recreation opportunities        | Much lower | 39%        | 122  | 124                   | 2          |
|  | Overall health and wellness opportunities                    | Much lower | 38%        | 280  | 288                   | 3          |
|  | Overall opportunities for education, culture, and the arts   | Much lower | 29%        | 282  | 291                   | 3          |
|  | Residents’ connection and engagement with their community    | Lower      | 30%        | 118  | 120                   | 2          |
| <b>Please indicate how likely or unlikely you are to do each of the following.</b>           | Recommend living in Tracy to someone who asks                | Lower      | 68%        | 278  | 304                   | 8          |
|  | Remain in Tracy for the next five years                      | Lower      | 68%        | 284  | 297                   | 4          |
| <b>Please rate how safe or unsafe you feel:</b>  | In your neighborhood during the day                          | Similar    | 87%        | 311  | 353                   | 11         |
|  | In Tracy’s downtown/commercial area during the day           | Similar    | 84%        | 261  | 329                   | 20         |

|  |   |            |     |     |     |    |
|--|---|------------|-----|-----|-----|----|
| <b>Please rate how safe or unsafe you feel:</b>  | From property crime   | Lower      | 51% | 117 | 130 | 10 |
|  | From violent crime  | Lower      | 67% | 113 | 130 | 12 |
|  | From fire, flood, or other natural disaster                           | Similar    | 85% | 58  | 118 | 51 |
| <b>Please rate the job you feel the Tracy community does at each of the following.</b> | Making all residents feel welcome                                     | Lower      | 49% | 116 | 124 | 7  |
|  | Attracting people from diverse backgrounds                            | Similar    | 58% | 66  | 122 | 46 |
|  | Valuing/respecting residents from diverse backgrounds                 | Similar    | 64% | 72  | 122 | 41 |
|  | Taking care of vulnerable residents                                   | Lower      | 38% | 106 | 120 | 12 |
| <b>Please rate each of the following in the Tracy community.</b>                       | Overall quality of business and service establishments                | Lower      | 39% | 287 | 295 | 3  |
|  | Variety of business and service establishments                        | Much lower | 25% | 116 | 119 | 3  |
|  | Vibrancy of downtown/commercial area                                  | Lower      | 33% | 231 | 278 | 17 |
|  | Employment opportunities  | Lower      | 26% | 280 | 324 | 13 |
|  | Shopping opportunities  | Much lower | 27% | 290 | 310 | 6  |
|  | Cost of living  | Lower      | 20% | 252 | 289 | 13 |
|  | Overall image or reputation   | Lower      | 38% | 331 | 365 | 9  |
| <b>Please also rate each of the following in the Tracy community.</b>                  | Traffic flow on major streets   | Similar    | 38% | 271 | 342 | 21 |
|  | Ease of public parking  | Similar    | 47% | 193 | 267 | 28 |
|  | Ease of travel by car   | Similar    | 49% | 264 | 320 | 17 |
|  | Ease of travel by public transportation                               | Similar    | 34% | 157 | 272 | 42 |
|  | Ease of travel by bicycle   | Lower      | 39% | 252 | 322 | 22 |
|  | Ease of walking   | Lower      | 44% | 266 | 322 | 17 |
|  | Well-planned residential growth                                       | Lower      | 32% | 110 | 122 | 10 |
|  | Well-planned commercial growth  | Lower      | 23% | 119 | 122 | 3  |
|  | Well-designed neighborhoods   | Lower      | 44% | 103 | 120 | 15 |
|  | Preservation of the historical or cultural character of the communi.. | Lower      | 42% | 111 | 118 | 6  |
|  | Public places where people want to spend time                         | Much lower | 22% | 283 | 283 | 0  |
|  | Variety of housing options  | Lower      | 25% | 273 | 299 | 9  |
|  | Availability of affordable quality housing                            | Lower      | 16% | 270 | 323 | 16 |
|  | Overall quality of new development                                    | Lower      | 30% | 293 | 317 | 7  |
|  | Overall appearance  | Much lower | 37% | 335 | 354 | 5  |
|  | Cleanliness   | Much lower | 44% | 294 | 324 | 9  |
|  | Water resources   | Much lower | 16% | 108 | 109 | 1  |

|  |  |            |     |     |     |    |
|--|--|------------|-----|-----|-----|----|
| <b>Please also rate each of the following in the Tracy community.</b>                            | Air quality  | Much lower | 37% | 267 | 278 | 4  |
|  | Availability of paths and walking trails                         | Much lower | 27% | 323 | 327 | 1  |
|  | Fitness opportunities  | Much lower | 32% | 279 | 279 | 0  |
|  | Recreational opportunities                                       | Much lower | 27% | 308 | 310 | 0  |
|  | Availability of affordable quality food                          | Lower      | 45% | 252 | 274 | 8  |
|  | Availability of affordable quality health care                   | Lower      | 37% | 262 | 287 | 9  |
|  | Availability of preventive health services                       | Lower      | 42% | 240 | 270 | 11 |
|  | Availability of affordable quality mental health care            | Lower      | 29% | 233 | 270 | 14 |
|  | Opportunities to attend cultural/arts/music activities           | Much lower | 36% | 294 | 307 | 4  |
|  | Community support for the arts                                   | Lower      | 40% | 106 | 119 | 11 |
|  | Availability of affordable quality childcare/preschool           | Lower      | 34% | 243 | 285 | 15 |
|  | K-12 education   | Lower      | 42% | 243 | 291 | 16 |
|  | Adult educational opportunities                                  | Much lower | 30% | 263 | 276 | 5  |
|  | Sense of civic/community pride                                   | Much lower | 32% | 117 | 119 | 2  |
|  | Neighborliness of residents                                      | Lower      | 38% | 271 | 283 | 4  |
|  | Opportunities to participate in social events and activities     | Lower      | 34% | 280 | 289 | 3  |
|  | Opportunities to attend special events and festivals             | Much lower | 37% | 292 | 296 | 1  |
|  | Opportunities to volunteer                                       | Lower      | 45% | 282 | 287 | 2  |
|  | Opportunities to participate in community matters                | Lower      | 38% | 290 | 291 | 0  |
|  | Openness and acceptance of the community toward people of dive.. | Similar    | 43% | 274 | 315 | 13 |
| <b>Please indicate whether or not you have done each of the following in the last 12 months.</b> | Contacted the City of Tracy for help or information              | Similar    | 53% | 73  | 344 | 79 |
|  | Contacted Tracy elected officials to express your opinion        | Similar    | 14% | 206 | 284 | 27 |
|  | Attended a local public meeting                                  | Similar    | 20% | 129 | 284 | 54 |
|  | Watched a local public meeting                                   | Higher     | 37% | 30  | 263 | 88 |
|  | Volunteered your time to some group/activity                     | Lower      | 24% | 239 | 289 | 17 |
|  | Campaigned or advocated for a local issue, cause, or candidate   | Similar    | 16% | 208 | 273 | 24 |
|  | Voted in your most recent local election                         | Similar    | 76% | 81  | 121 | 33 |
|  | Used public transportation instead of driving                    | Similar    | 14% | 139 | 254 | 45 |
|  | Carpooled with other adults or children instead of driving alone | Similar    | 45% | 88  | 279 | 68 |
|  | Walked or biked instead of driving                               | Similar    | 60% | 120 | 282 | 57 |
| <b>Please rate the quality of each of the following</b>  | Public information services                                      | Lower      | 44% | 293 | 309 | 5  |



Please rate the quality of each of the following services in Tracy.

|   |            |     |     |     |    |
|---|------------|-----|-----|-----|----|
| Economic development                    | Lower      | 27% | 279 | 300 | 7  |
| Traffic enforcement                     | Lower      | 38% | 356 | 369 | 3  |
| Traffic signal timing                   | Similar    | 48% | 217 | 290 | 25 |
| Street repair                           | Lower      | 24% | 321 | 369 | 13 |
| Street cleaning                         | Similar    | 55% | 213 | 311 | 31 |
| Street lighting                         | Similar    | 51% | 279 | 351 | 20 |
| Sidewalk maintenance                    | Similar    | 40% | 229 | 316 | 27 |
| Bus or transit services                 | Similar    | 41% | 156 | 264 | 41 |
| Land use, planning and zoning           | Lower      | 28% | 288 | 312 | 8  |
| Code enforcement                        | Much lower | 19% | 359 | 369 | 2  |
| Affordable high-speed internet access   | Similar    | 42% | 96  | 116 | 18 |
| Garbage collection                      | Similar    | 68% | 303 | 345 | 12 |
| Drinking water                          | Lower      | 41% | 296 | 311 | 5  |
| Sewer services                          | Similar    | 65% | 258 | 314 | 18 |
| Storm water management                  | Similar    | 62% | 210 | 337 | 37 |
| Utility billing                         | Lower      | 41% | 259 | 266 | 3  |
| Police/Sheriff services                 | Lower      | 61% | 386 | 420 | 8  |
| Crime prevention                        | Lower      | 48% | 323 | 368 | 12 |
| Animal control                          | Similar    | 51% | 284 | 331 | 14 |
| Ambulance or emergency medical services | Lower      | 72% | 317 | 329 | 3  |
| Fire services                           | Lower      | 81% | 334 | 362 | 8  |
| Fire prevention and education           | Lower      | 66% | 266 | 301 | 11 |
| Emergency preparedness                  | Lower      | 42% | 289 | 301 | 4  |
| Preservation of natural areas           | Lower      | 42% | 262 | 281 | 7  |
| Tracy open space                        | Lower      | 35% | 263 | 270 | 2  |
| Recycling                               | Lower      | 53% | 313 | 348 | 10 |
| Yard waste pick-up                      | Similar    | 62% | 213 | 294 | 27 |
| City parks                              | Much lower | 49% | 322 | 327 | 1  |
| Recreation programs or classes          | Much lower | 41% | 313 | 322 | 3  |
| Recreation centers or facilities        | Much lower | 33% | 292 | 295 | 1  |
| Public library services                 | Much lower | 59% | 332 | 335 | 0  |

|   |  |                   |       |     |     |     |
|---|--|-------------------|-------|-----|-----|-----|
| <b>each of the following services in Tracy.</b>   | Overall customer service by Tracy employees  | Lower             | 63%   | 331 | 383 | 13  |
| <b>Please rate the following categories of Tracy government performance.</b>  | The value of services for the taxes paid to Tracy                                  | Lower             | 31%   | 377 | 390 | 3   |
|   | The overall direction that Tracy is taking   | Much lower        | 25%   | 329 | 337 | 2   |
|   | The job Tracy government does at welcoming resident involvement                    | Lower             | 30%   | 296 | 331 | 10  |
|   | Overall confidence in Tracy government   | Lower             | 28%   | 272 | 292 | 7   |
|   | Generally acting in the best interest of the community                             | Lower             | 31%   | 281 | 295 | 5   |
|   | Being honest   | Lower             | 35%   | 255 | 286 | 11  |
|   | Being open and transparent to the public   | Lower             | 31%   | 112 | 121 | 8   |
|   | Informing residents about issues facing the community                              | Lower             | 30%   | 123 | 128 | 4   |
|   | Treating all residents fairly  | Lower             | 40%   | 247 | 292 | 15  |
|   | Treating residents with respect  | Lower             | 51%   | 103 | 119 | 14  |
|   | <b>Overall, how would you rate the quality of the services provided by each ..</b> | The City of Tracy | Lower | 45% | 359 | 386 |
| The Federal Government  |  | Similar           | 26%   | 262 | 276 | 5   |
| <b>Please rate how important, if at all, you think it is for the Tracy community to focus on each of the following in the coming two years.</b> | Overall economic health  | Similar           | 93%   | 89  | 270 | 67  |
|   | Overall quality of the transportation system                                       | Similar           | 70%   | 69  | 118 | 42  |
|   | Overall design or layout of residential and commercial areas                       | Similar           | 86%   | 14  | 270 | 95  |
|   | Overall quality of the utility infrastructure                                      | Similar           | 86%   | 71  | 117 | 40  |
|   | Overall feeling of safety  | Similar           | 96%   | 22  | 270 | 92  |
|   | Overall quality of natural environment   | Similar           | 83%   | 111 | 270 | 59  |
|   | Overall quality of parks and recreation opportunities                              | Similar           | 85%   | 8   | 118 | 94  |
|   | Overall health and wellness opportunities  | Similar           | 79%   | 27  | 270 | 90  |
|   | Overall opportunities for education, culture, and the arts                         | Similar           | 71%   | 145 | 270 | 46  |
|   | Residents' connection and engagement with their community                          | Similar           | 71%   | 188 | 270 | 30  |
| <b>In general, how many times do you:</b>   | Access the internet from your home   | Similar           | 95%   | 65  | 118 | 45  |
|   | Access the internet from your cell phone   | Similar           | 96%   | 16  | 118 | 87  |
|   | Visit social media sites   | Similar           | 80%   | 52  | 117 | 56  |
|   | Use or check email   | Similar           | 96%   | 81  | 118 | 32  |
|   | Share your opinions online   | Higher            | 43%   | 4   | 118 | 97  |
|   | Shop online  | Higher            | 71%   | 3   | 118 | 98  |
|   | Please rate your overall health.   | Similar           | 68%   | 122 | 276 | 56  |
|   | What impact, if any, do you think the economy will have on your fa..               | Similar           | 24%   | 215 | 279 | 23  |

## Custom benchmark tables

This table contains the comparisons of Tracy’s results to those from other communities on the west coast (CA, OR, and WA). The first column shows the comparison of Tracy’s rating to the benchmark. Tracy’s results are noted as being “higher”, “lower” or “similar” to the benchmark, meaning that the average rating given by Tracy residents is statistically similar to or different than the benchmark. The second column is Tracy’s “percent positive.” Most commonly, the percent positive is the combination of the top two most positive response options (i.e., excellent/good). The third column is the rank assigned to Tracy’s rating among communities where a similar question was asked. The fourth column is the number of communities that asked a similar question. The fifth column shows the percentile for Tracy’s result -- that is what percent of surveyed communities had a lower rating than Tracy.

|  |  |            | % positive | Rank | Number of communities | Percentile |
|--|--|------------|------------|------|-----------------------|------------|
| <b>Please rate each of the following aspects of quality of life in Tracy.</b>                | Tracy as a place to live                                     | Lower      | 69%        | 55   | 60                    | 10         |
|  | Your neighborhood as a place to live                         | Lower      | 71%        | 46   | 52                    | 13         |
|  | Tracy as a place to raise children                           | Lower      | 63%        | 46   | 58                    | 22         |
|  | Tracy as a place to work                                     | Lower      | 38%        | 51   | 55                    | 9          |
|  | Tracy as a place to visit                                    | Much lower | 22%        | 50   | 50                    | 2          |
|  | Tracy as a place to retire                                   | Lower      | 33%        | 50   | 55                    | 10         |
|  | The overall quality of life                                  | Lower      | 50%        | 66   | 71                    | 8          |
|  | Sense of community   | Similar    | 46%        | 43   | 53                    | 20         |
| <b>Please rate each of the following characteristics as they relate to Tracy as a whole.</b> | Overall economic health                                      | Lower      | 35%        | 42   | 48                    | 14         |
|  | Overall quality of the transportation system                 | Lower      | 33%        | 20   | 21                    | 9          |
|  | Overall design or layout of residential and commercial areas | Lower      | 46%        | 45   | 48                    | 8          |
|  | Overall quality of the utility infrastructure                | Lower      | 55%        | 19   | 21                    | 14         |
|  | Overall feeling of safety                                    | Lower      | 53%        | 47   | 54                    | 14         |
|  | Overall quality of natural environment                       | Much lower | 41%        | 47   | 49                    | 6          |
|  | Overall quality of parks and recreation opportunities        | Much lower | 39%        | 20   | 21                    | 9          |
|  | Overall health and wellness opportunities                    | Much lower | 38%        | 44   | 48                    | 10         |
|  | Overall opportunities for education, culture, and the arts   | Much lower | 29%        | 45   | 49                    | 10         |
|  | Residents’ connection and engagement with their community    | Lower      | 30%        | 20   | 22                    | 13         |
| <b>Please indicate how likely or unlikely you are to do each of the following.</b>           | Recommend living in Tracy to someone who asks                | Lower      | 68%        | 45   | 49                    | 10         |
|  | Remain in Tracy for the next five years                      | Lower      | 68%        | 46   | 48                    | 6          |
| <b>Please rate how safe or unsafe you feel:</b>  | In your neighborhood during the day                          | Similar    | 87%        | 45   | 54                    | 18         |
|  | In Tracy’s downtown/commercial area during the day           | Similar    | 84%        | 38   | 49                    | 24         |
|  | From property crime  | Similar    | 51%        | 15   | 20                    | 30         |
|  | From violent crime   | Similar    | 67%        | 14   | 20                    | 35         |

|  |   |            |     |    |    |    |
|--|---|------------|-----|----|----|----|
| <b>Please rate how safe or unsafe you feel:</b>  | From fire, flood, or other natural disaster                           | Similar    | 85% | 8  | 21 | 66 |
| <b>Please rate the job you feel the Tracy community does at each of the following.</b> | Making all residents feel welcome                                     | Similar    | 49% | 17 | 22 | 27 |
|  | Attracting people from diverse backgrounds                            | Similar    | 58% | 10 | 22 | 59 |
|  | Valuing/respecting residents from diverse backgrounds                 | Similar    | 64% | 11 | 22 | 54 |
|  | Taking care of vulnerable residents                                   | Similar    | 38% | 17 | 22 | 27 |
| <b>Please rate each of the following in the Tracy community.</b>                       | Overall quality of business and service establishments                | Lower      | 39% | 47 | 48 | 4  |
|  | Variety of business and service establishments                        | Much lower | 25% | 22 | 22 | 4  |
|  | Vibrancy of downtown/commercial area                                  | Lower      | 33% | 36 | 47 | 25 |
|  | Employment opportunities  | Similar    | 26% | 40 | 54 | 27 |
|  | Shopping opportunities  | Much lower | 27% | 47 | 51 | 9  |
|  | Cost of living  | Similar    | 20% | 33 | 48 | 33 |
|  | Overall image or reputation   | Lower      | 38% | 46 | 55 | 18 |
| <b>Please also rate each of the following in the Tracy community.</b>                  | Traffic flow on major streets   | Similar    | 38% | 33 | 51 | 37 |
|  | Ease of public parking  | Similar    | 47% | 34 | 47 | 29 |
|  | Ease of travel by car   | Similar    | 49% | 39 | 50 | 24 |
|  | Ease of travel by public transportation                               | Similar    | 34% | 33 | 47 | 31 |
|  | Ease of travel by bicycle   | Lower      | 39% | 45 | 50 | 12 |
|  | Ease of walking   | Lower      | 44% | 46 | 50 | 10 |
|  | Well-planned residential growth                                       | Lower      | 32% | 18 | 21 | 19 |
|  | Well-planned commercial growth  | Lower      | 23% | 20 | 21 | 9  |
|  | Well-designed neighborhoods   | Similar    | 44% | 17 | 21 | 23 |
|  | Preservation of the historical or cultural character of the communi.. | Lower      | 42% | 18 | 21 | 19 |
|  | Public places where people want to spend time                         | Much lower | 22% | 48 | 48 | 2  |
|  | Variety of housing options  | Similar    | 25% | 42 | 50 | 18 |
|  | Availability of affordable quality housing                            | Similar    | 16% | 31 | 53 | 43 |
|  | Overall quality of new development                                    | Lower      | 30% | 45 | 49 | 10 |
|  | Overall appearance  | Lower      | 37% | 48 | 52 | 9  |
|  | Cleanliness   | Lower      | 44% | 42 | 48 | 14 |
|  | Water resources   | Much lower | 16% | 19 | 19 | 5  |
|  | Air quality   | Much lower | 37% | 41 | 47 | 14 |
|  | Availability of paths and walking trails                              | Much lower | 27% | 49 | 50 | 4  |

|  |  |            |     |    |    |    |
|--|--|------------|-----|----|----|----|
| <b>Please also rate each of the following in the Tracy community.</b>                            | Fitness opportunities  | Much lower | 32% | 48 | 48 | 2  |
|  | Recreational opportunities                                       | Much lower | 27% | 52 | 53 | 3  |
|  | Availability of affordable quality food                          | Lower      | 45% | 44 | 48 | 10 |
|  | Availability of affordable quality health care                   | Lower      | 37% | 43 | 49 | 14 |
|  | Availability of preventive health services                       | Lower      | 42% | 41 | 48 | 16 |
|  | Availability of affordable quality mental health care            | Similar    | 29% | 37 | 48 | 25 |
|  | Opportunities to attend cultural/arts/music activities           | Lower      | 36% | 46 | 50 | 10 |
|  | Community support for the arts                                   | Lower      | 40% | 17 | 21 | 23 |
|  | Availability of affordable quality childcare/preschool           | Similar    | 34% | 35 | 47 | 27 |
|  | K-12 education   | Lower      | 42% | 38 | 47 | 21 |
|  | Adult educational opportunities                                  | Lower      | 30% | 45 | 49 | 10 |
|  | Sense of civic/community pride                                   | Lower      | 32% | 19 | 21 | 14 |
|  | Neighborliness of residents                                      | Lower      | 38% | 45 | 48 | 8  |
|  | Opportunities to participate in social events and activities     | Lower      | 34% | 47 | 49 | 6  |
|  | Opportunities to attend special events and festivals             | Lower      | 37% | 47 | 48 | 4  |
|  | Opportunities to volunteer                                       | Lower      | 45% | 47 | 49 | 6  |
| Opportunities to participate in community matters  | Lower  | 38%        | 48  | 49 | 4  |    |
| Openness and acceptance of the community toward people of diverse...                             | Similar  | 43%        | 43  | 50 | 16 |    |
| <b>Please indicate whether or not you have done each of the following in the last 12 months.</b> | Contacted the City of Tracy for help or information              | Higher     | 53% | 8  | 54 | 87 |
|  | Contacted Tracy elected officials to express your opinion        | Similar    | 14% | 34 | 48 | 31 |
|  | Attended a local public meeting                                  | Similar    | 20% | 24 | 48 | 52 |
|  | Watched a local public meeting                                   | Higher     | 37% | 3  | 44 | 95 |
|  | Volunteered your time to some group/activity                     | Lower      | 24% | 42 | 48 | 14 |
|  | Campaigned or advocated for a local issue, cause, or candidate   | Similar    | 16% | 38 | 47 | 21 |
|  | Voted in your most recent local election                         | Similar    | 76% | 18 | 22 | 22 |
|  | Used public transportation instead of driving                    | Lower      | 14% | 39 | 46 | 17 |
|  | Carpooled with other adults or children instead of driving alone | Similar    | 45% | 37 | 48 | 25 |
|  | Walked or biked instead of driving                               | Similar    | 60% | 34 | 48 | 31 |
| <b>Please rate the quality of each of the following services in Tracy.</b>                       | Public information services                                      | Lower      | 44% | 47 | 48 | 4  |
|  | Economic development   | Lower      | 27% | 47 | 51 | 9  |
|  | Traffic enforcement  | Lower      | 38% | 52 | 55 | 7  |

**Please rate the quality of each of the following services in Tracy.**

|   |            |     |    |    |    |
|---|------------|-----|----|----|----|
| Traffic signal timing                       | Similar    | 48% | 32 | 45 | 31 |
| Street repair                               | Lower      | 24% | 52 | 61 | 16 |
| Street cleaning                             | Similar    | 55% | 39 | 55 | 30 |
| Street lighting                             | Similar    | 51% | 42 | 53 | 22 |
| Sidewalk maintenance                        | Similar    | 40% | 31 | 51 | 41 |
| Bus or transit services                     | Similar    | 41% | 39 | 49 | 22 |
| Land use, planning and zoning               | Similar    | 28% | 48 | 54 | 12 |
| Code enforcement                            | Lower      | 19% | 53 | 55 | 5  |
| Affordable high-speed internet access       | Similar    | 42% | 16 | 22 | 31 |
| Garbage collection                          | Similar    | 68% | 50 | 55 | 10 |
| Drinking water                              | Much lower | 41% | 50 | 52 | 5  |
| Sewer services                              | Similar    | 65% | 45 | 53 | 16 |
| Storm water management                      | Similar    | 62% | 37 | 57 | 36 |
| Utility billing                             | Lower      | 41% | 43 | 46 | 8  |
| Police/Sheriff services                     | Lower      | 61% | 61 | 68 | 11 |
| Crime prevention                            | Lower      | 48% | 49 | 56 | 14 |
| Animal control                              | Similar    | 51% | 42 | 50 | 18 |
| Ambulance or emergency medical services     | Lower      | 72% | 46 | 49 | 8  |
| Fire services                               | Similar    | 81% | 48 | 53 | 11 |
| Fire prevention and education               | Similar    | 66% | 45 | 48 | 8  |
| Emergency preparedness                      | Lower      | 42% | 51 | 53 | 5  |
| Preservation of natural areas               | Lower      | 42% | 47 | 48 | 4  |
| Tracy open space                            | Lower      | 35% | 47 | 47 | 2  |
| Recycling                                   | Lower      | 53% | 48 | 52 | 9  |
| Yard waste pick-up                          | Similar    | 62% | 42 | 47 | 12 |
| City parks                                  | Much lower | 49% | 50 | 51 | 3  |
| Recreation programs or classes              | Lower      | 41% | 52 | 55 | 7  |
| Recreation centers or facilities            | Much lower | 33% | 49 | 49 | 2  |
| Public library services                     | Much lower | 59% | 59 | 60 | 3  |
| Overall customer service by Tracy employees | Similar    | 63% | 49 | 54 | 11 |

**Please rate the following categories of Tracy:**

|   |       |     |    |    |   |
|---|-------|-----|----|----|---|
| The value of services for the taxes paid to Tracy | Lower | 31% | 48 | 52 | 9 |
|---|-------|-----|----|----|---|

|   |  |         |     |    |    |     |
|---|--|---------|-----|----|----|-----|
| <b>Please rate the following categories of Tracy government performance.</b>  | The overall direction that Tracy is taking                           | Lower   | 25% | 52 | 53 | 3   |
|   | The job Tracy government does at welcoming resident involvement      | Similar | 30% | 46 | 51 | 11  |
|   | Overall confidence in Tracy government                               | Lower   | 28% | 43 | 48 | 12  |
|   | Generally acting in the best interest of the community               | Lower   | 31% | 45 | 47 | 6   |
|   | Being honest   | Lower   | 35% | 42 | 46 | 10  |
|   | Being open and transparent to the public                             | Lower   | 31% | 18 | 22 | 22  |
|   | Informing residents about issues facing the community                | Lower   | 30% | 20 | 22 | 13  |
|   | Treating all residents fairly  | Similar | 40% | 43 | 48 | 12  |
|   | Treating residents with respect                                      | Similar | 51% | 17 | 22 | 27  |
| <b>Overall, how would you rate the quality of the services provided by each ..</b>  | The City of Tracy  | Lower   | 45% | 57 | 61 | 8   |
|   | The Federal Government   | Similar | 26% | 42 | 47 | 12  |
| <b>Please rate how important, if at all, you think it is for the Tracy community to focus on each of the following in the coming two years.</b> | Overall economic health  | Similar | 93% | 9  | 47 | 82  |
|   | Overall quality of the transportation system                         | Similar | 70% | 15 | 21 | 33  |
|   | Overall design or layout of residential and commercial areas         | Similar | 86% | 2  | 47 | 97  |
|   | Overall quality of the utility infrastructure                        | Similar | 86% | 9  | 21 | 61  |
|   | Overall feeling of safety  | Similar | 96% | 4  | 47 | 93  |
|   | Overall quality of natural environment                               | Similar | 83% | 25 | 47 | 48  |
|   | Overall quality of parks and recreation opportunities                | Similar | 85% | 3  | 21 | 90  |
|   | Overall health and wellness opportunities                            | Similar | 79% | 2  | 47 | 97  |
|   | Overall opportunities for education, culture, and the arts           | Similar | 71% | 15 | 47 | 70  |
|   | Residents' connection and engagement with their community            | Similar | 71% | 30 | 47 | 38  |
| <b>In general, how many times do you:</b>   | Access the internet from your home                                   | Similar | 95% | 13 | 21 | 42  |
|   | Access the internet from your cell phone                             | Similar | 96% | 2  | 21 | 95  |
|   | Visit social media sites   | Similar | 80% | 7  | 21 | 71  |
|   | Use or check email   | Similar | 96% | 16 | 21 | 28  |
|   | Share your opinions online   | Higher  | 43% | 1  | 21 | 100 |
|   | Shop online  | Higher  | 71% | 1  | 21 | 100 |
|   | Please rate your overall health.                                     | Similar | 68% | 25 | 48 | 50  |
|   | What impact, if any, do you think the economy will have on your fa.. | Similar | 24% | 35 | 48 | 29  |

## Complete set of frequencies

































This dashboard contains a complete set of responses to each question on the survey. By default, "Don't know" responses are excluded, but may be added to the table using the response filter to the right. When a table for a question that only permitted a single response does not total to exactly 100%, it is due to the common practice of percentages being rounded to the nearest whole number.

| Question   | Response                 | Percentage |     |
|--|--------------------------|------------|-----|
| Please rate each of the following aspects of quality of life in Tracy. | Tracy as a place to live | Excellent  | 14% |
|  |                          | Good       | 55% |
|  |                          | Fair       | 27% |
|  |                          | Poor       | 4%  |
| Your neighborhood as a place to live                                   | Excellent                | 19%        |     |
|  | Good                     | 52%        |     |
|  | Fair                     | 21%        |     |
|  | Poor                     | 8%         |     |
| Tracy as a place to raise children                                     | Excellent                | 18%        |     |
|  | Good                     | 44%        |     |
|  | Fair                     | 34%        |     |
|  | Poor                     | 4%         |     |
| Tracy as a place to work   | Excellent                | 12%        |     |
|  | Good                     | 26%        |     |
|  | Fair                     | 22%        |     |
|  | Poor                     | 40%        |     |
| Tracy as a place to visit  | Excellent                | 8%         |     |
|  | Good                     | 14%        |     |
|  | Fair                     | 25%        |     |
|  | Poor                     | 53%        |     |
| Tracy as a place to retire   | Excellent                | 8%         |     |
|  | Good                     | 24%        |     |
|  | Fair                     | 47%        |     |
|  | Poor                     | 21%        |     |
| The overall quality of life  | Excellent                | 8%         |     |
|  | Good                     | 42%        |     |
|  | Fair                     | 43%        |     |
|  | Poor                     | 7%         |     |
| Sense of community   | Excellent                | 7%         |     |

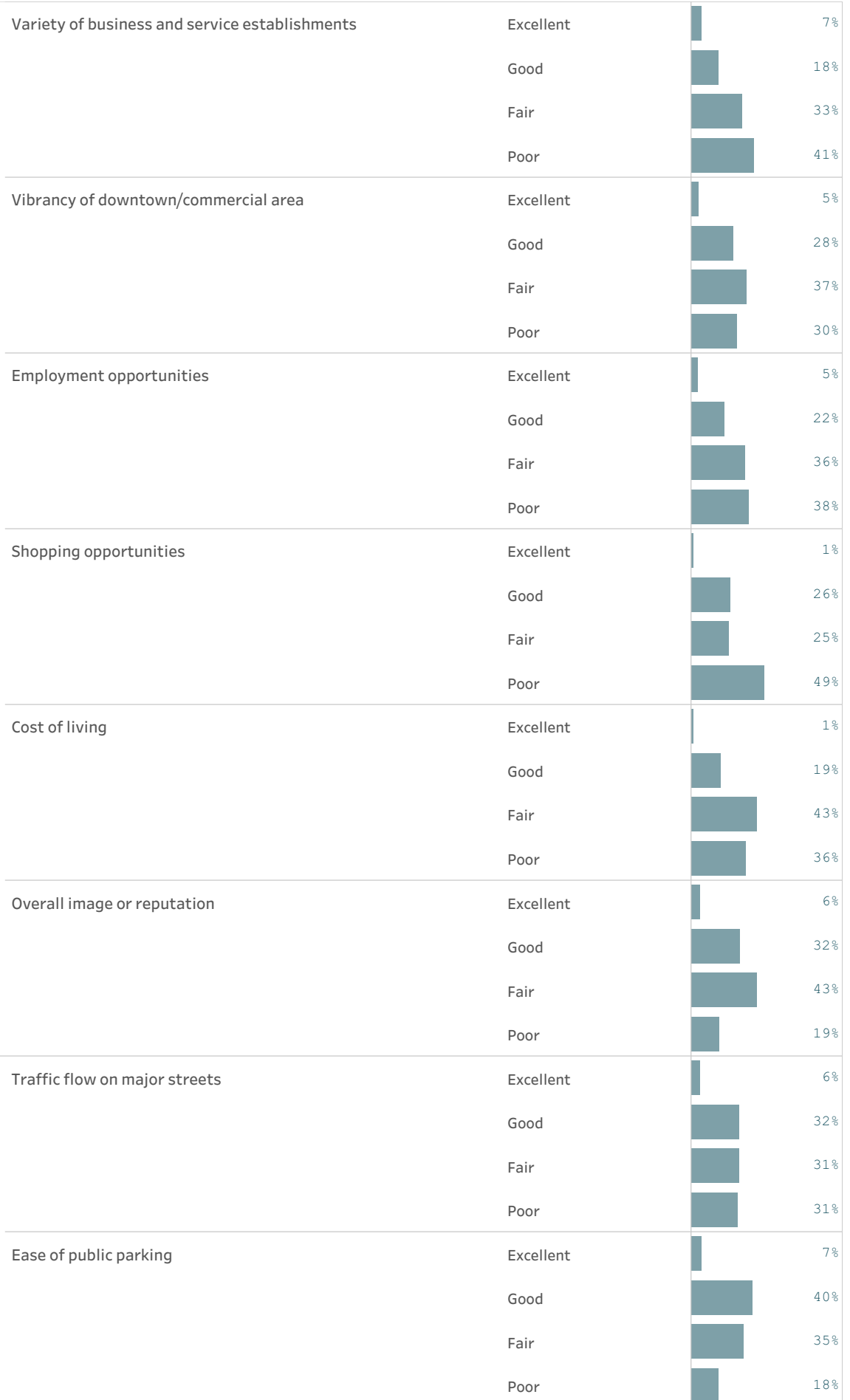


|  |                         |           |     |     |
|--|-------------------------|-----------|-----|-----|
| <b>Please rate each of the following aspects of quality of life in Tracy.</b>                | Sense of community      | Good      |     | 39% |
|  |                         | Fair      |     | 36% |
|  |                         | Poor      |     | 18% |
| <b>Please rate each of the following characteristics as they relate to Tracy as a whole.</b> | Overall economic health | Excellent |     | 3%  |
|  |                         | Good      |     | 32% |
|  |                         | Fair      |     | 48% |
|  |                         | Poor      |     | 17% |
| Overall quality of the transportation system   | Excellent               |           | 5%  |     |
|  | Good                    |           | 28% |     |
|  | Fair                    |           | 38% |     |
|  | Poor                    |           | 30% |     |
| Overall design or layout of residential and commercial areas                                 | Excellent               |           | 4%  |     |
|  | Good                    |           | 42% |     |
|  | Fair                    |           | 28% |     |
|  | Poor                    |           | 27% |     |
| Overall quality of the utility infrastructure  | Excellent               |           | 7%  |     |
|  | Good                    |           | 48% |     |
|  | Fair                    |           | 31% |     |
|  | Poor                    |           | 14% |     |
| Overall feeling of safety  | Excellent               |           | 9%  |     |
|  | Good                    |           | 44% |     |
|  | Fair                    |           | 34% |     |
|  | Poor                    |           | 13% |     |
| Overall quality of natural environment   | Excellent               |           | 5%  |     |
|  | Good                    |           | 36% |     |
|  | Fair                    |           | 40% |     |
|  | Poor                    |           | 19% |     |
| Overall quality of parks and recreation opportunities  | Excellent               |           | 11% |     |
|  | Good                    |           | 29% |     |
|  | Fair                    |           | 39% |     |
|  | Poor                    |           | 21% |     |
| Overall health and wellness opportunities  | Excellent               |           | 3%  |     |

|  |  |                         |     |     |
|--|--|-------------------------|-----|-----|
| <b>Please rate each of the following characteristics as they relate to Tracy as a whole.</b> | Overall health and wellness opportunities                  | Good                    |     | 35% |
|  |  | Fair                    |     | 38% |
|  |  | Poor                    |     | 24% |
|  | Overall opportunities for education, culture, and the arts | Excellent               |     | 3%  |
|  |  | Good                    |     | 26% |
|  |  | Fair                    |     | 44% |
|  |  | Poor                    |     | 26% |
|  | Residents' connection and engagement with their community  | Excellent               |     | 3%  |
|  |  | Good                    |     | 27% |
| Fair   |  |                         | 45% |     |
| Poor   |  |                         | 25% |     |
| <b>Please indicate how likely or unlikely you are to do each of the following.</b>           | Recommend living in Tracy to someone who asks              | Very likely             |     | 17% |
|  |  | Somewhat likely         |     | 51% |
|  |  | Somewhat unlikely       |     | 18% |
|  |  | Very unlikely           |     | 14% |
|  | Remain in Tracy for the next five years                    | Very likely             |     | 38% |
|  |  | Somewhat likely         |     | 30% |
|  |  | Somewhat unlikely       |     | 22% |
|  |  | Very unlikely           |     | 10% |
| <b>Please rate how safe or unsafe you feel:</b>  | In your neighborhood during the day                        | Very safe               |     | 49% |
|  |  | Somewhat safe           |     | 38% |
|  |  | Neither safe nor unsafe |     | 7%  |
|  |  | Somewhat unsafe         |     | 5%  |
|  |  | Very unsafe             |     | 1%  |
|  | In Tracy's downtown/commercial area during the day         | Very safe               |     | 34% |
|  |  | Somewhat safe           |     | 49% |
|  |  | Neither safe nor unsafe |     | 13% |
|  |  | Somewhat unsafe         |     | 3%  |
|  |  | Very unsafe             |     | 1%  |
|  | From property crime  | Very safe               |     | 11% |
| Somewhat safe  |  |                         | 40% |     |
| Neither safe nor unsafe  |  |                         | 25% |     |

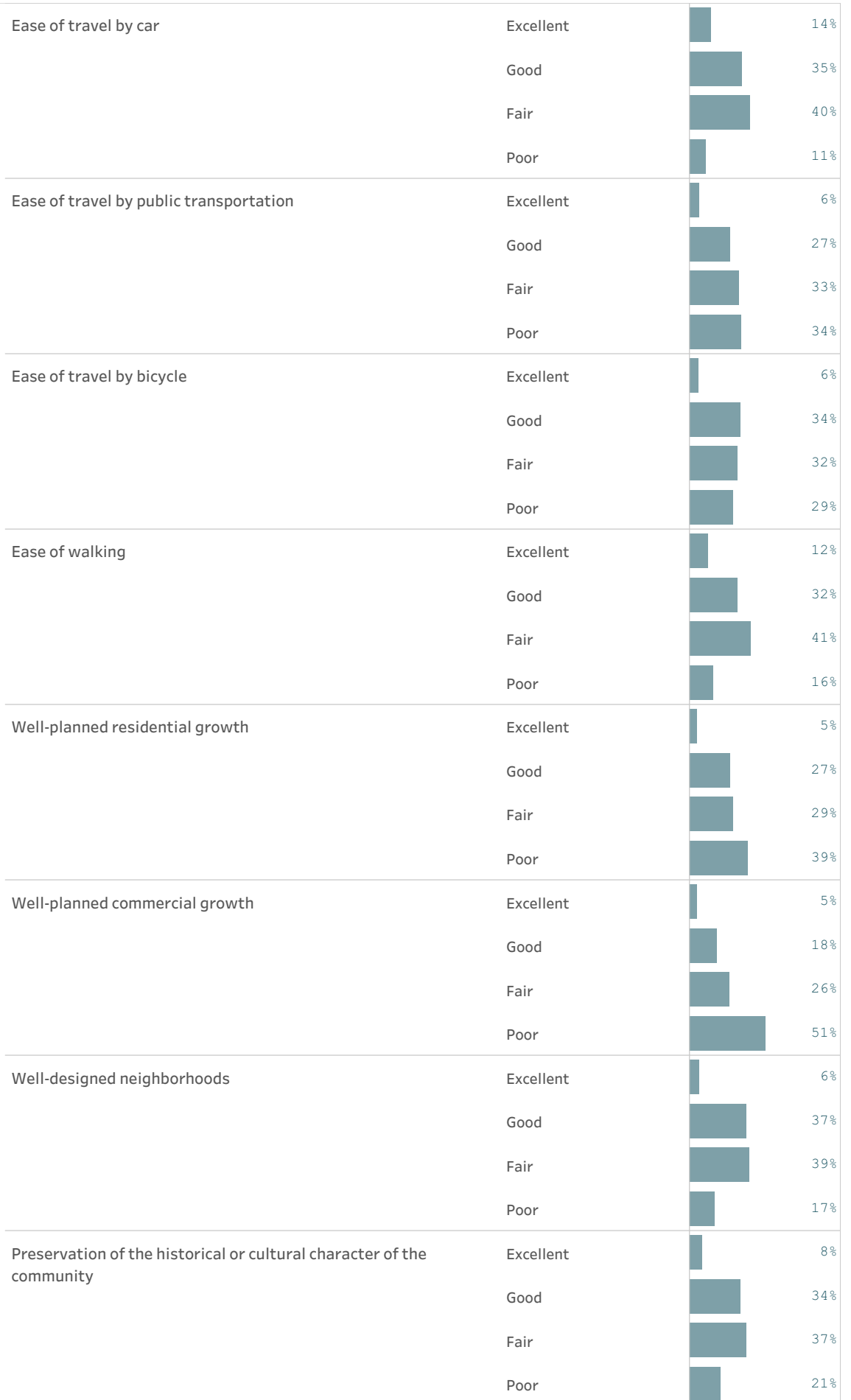
|  |  |   |   |     |
|--|--|---|---|-----|
| <b>Please rate how safe or unsafe you feel:</b>  | From property crime                                    | Somewhat unsafe   |    | 19% |
|  |  | Very unsafe   |    | 5%  |
|  | From violent crime                                     | Very safe   |    | 24% |
|  |  | Somewhat safe   |    | 43% |
|  |  | Neither safe nor unsafe   |    | 20% |
|  |  | Somewhat unsafe   |    | 12% |
|  |  | Very unsafe   |    | 1%  |
| From fire, flood, or other natural disaster  | Very safe  |  | 47%   |     |
|  | Somewhat safe  |  | 39%   |     |
|  | Neither safe nor unsafe                                |  | 10%   |     |
|  | Somewhat unsafe  |  | 3%  |     |
|  | Very unsafe  |  | 1%  |     |
| <b>Please rate the job you feel the Tracy community does at each of the following.</b> | Making all residents feel welcome                      | Excellent   |    | 13% |
|  |  | Good  |    | 36% |
|  |  | Fair  |    | 38% |
|  |  | Poor  |  | 13% |
|  | Attracting people from diverse backgrounds             | Excellent   |  | 15% |
|  |  | Good  |  | 43% |
|  |  | Fair  |  | 29% |
|  |  | Poor  |  | 12% |
|  | Valuing/respecting residents from diverse backgrounds  | Excellent   |  | 17% |
|  |  | Good  |  | 47% |
|  |  | Fair  |  | 25% |
|  |  | Poor  |  | 12% |
|  | Taking care of vulnerable residents                    | Excellent   |  | 9%  |
|  |  | Good  |  | 29% |
|  |  | Fair  |  | 37% |
|  |  | Poor  |  | 25% |
| <b>Please rate each of the following in the Tracy community.</b>                       | Overall quality of business and service establishments | Excellent   |  | 6%  |
|  |  | Good  |  | 33% |
|  |  | Fair  |  | 36% |
|  |  | Poor  |  | 25% |

**Please rate each of the following in the Tracy community.**

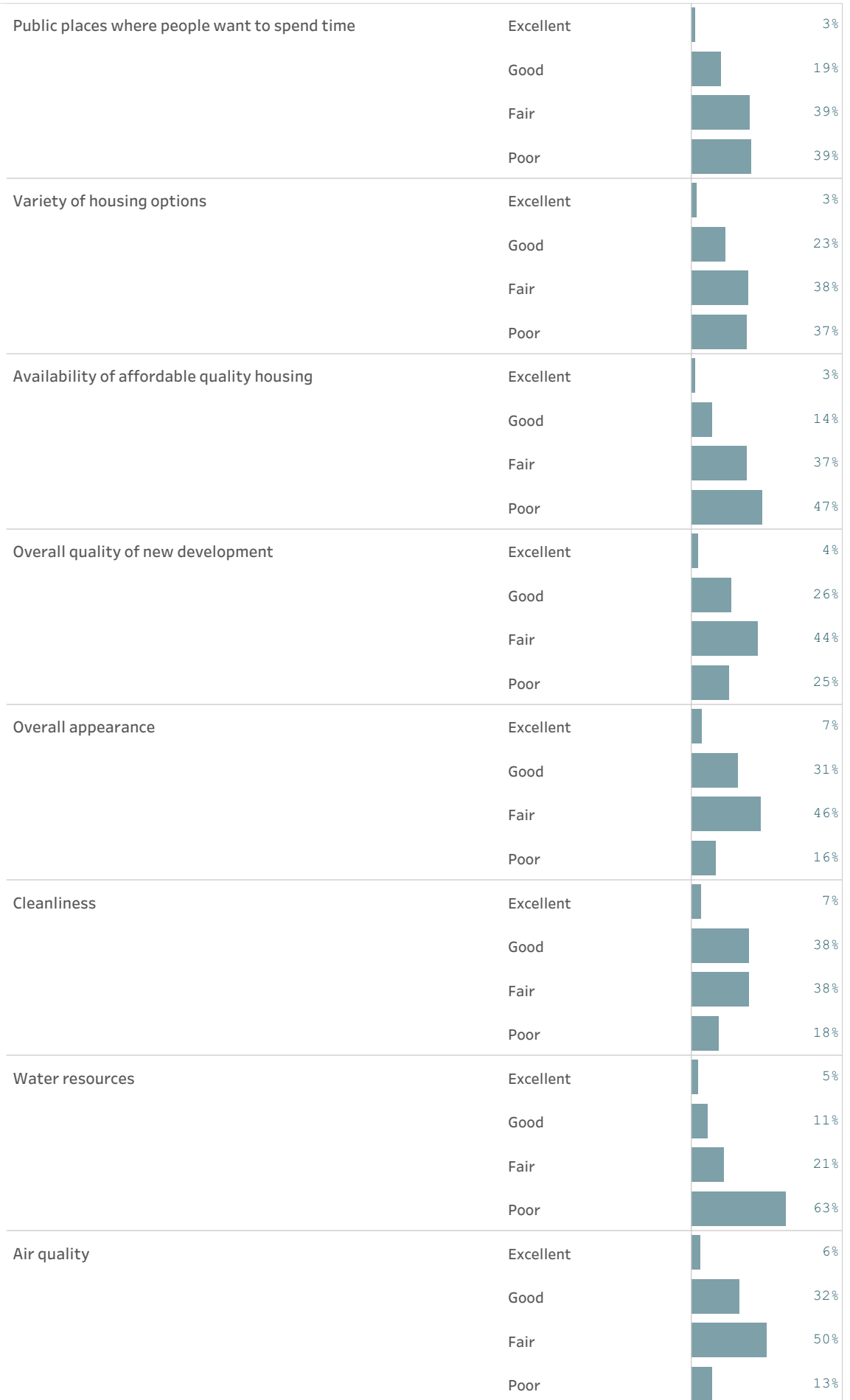


**Please also rate each of the following in the Tracy community.**

Please also rate each of the following in the Tracy community.



Please also rate each of the following in the Tracy community.



Please also rate each of the following in the Tracy community.

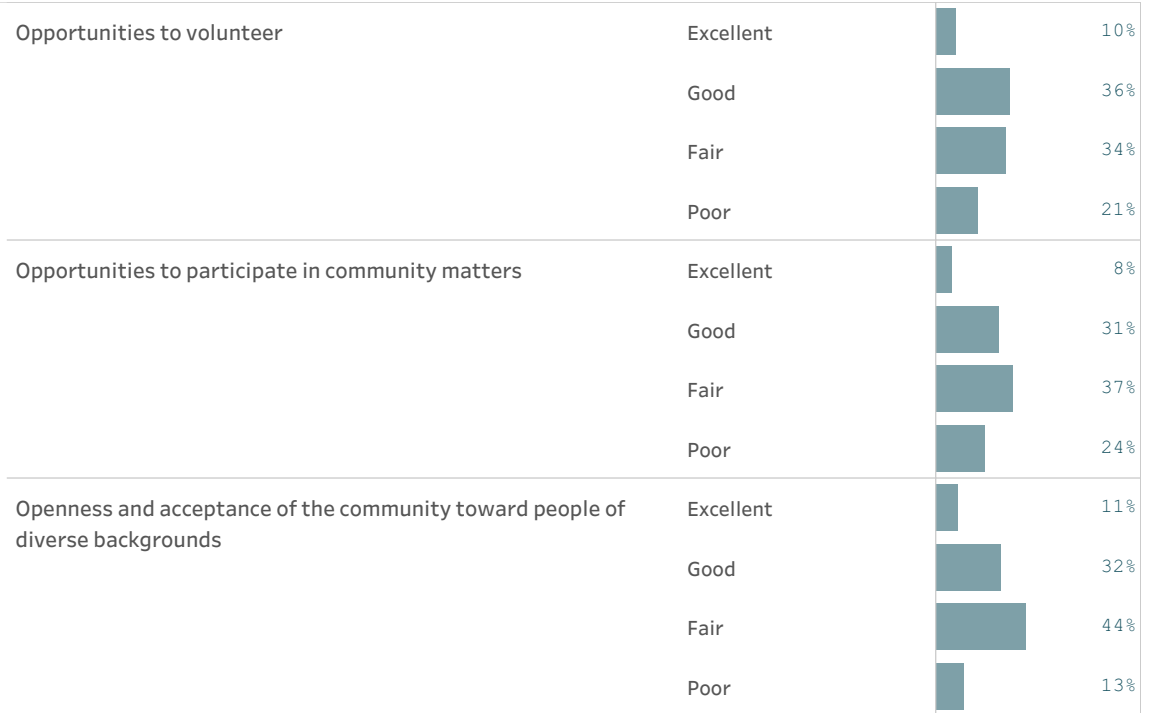


Please also rate each of the following in the Tracy community.

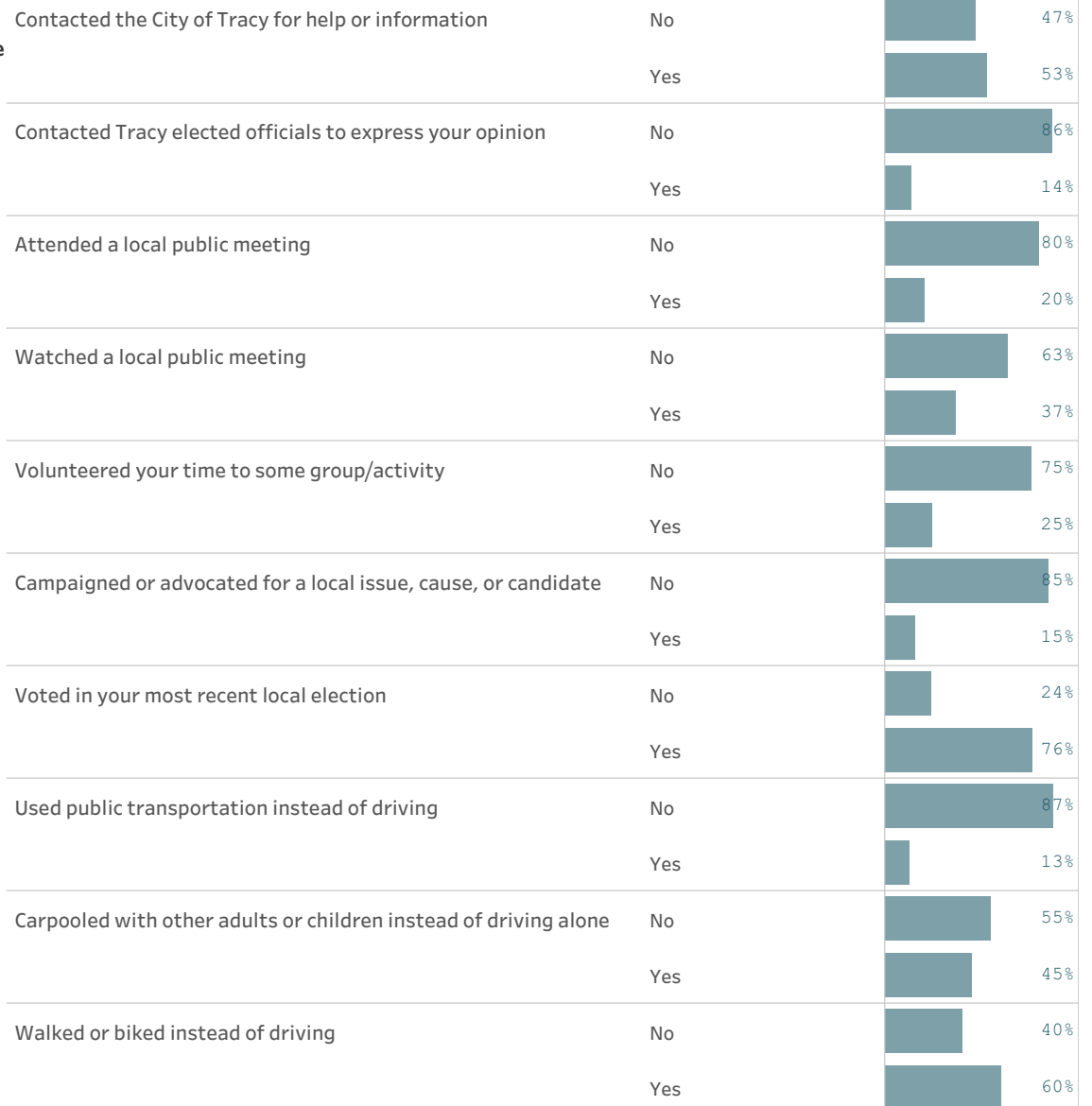




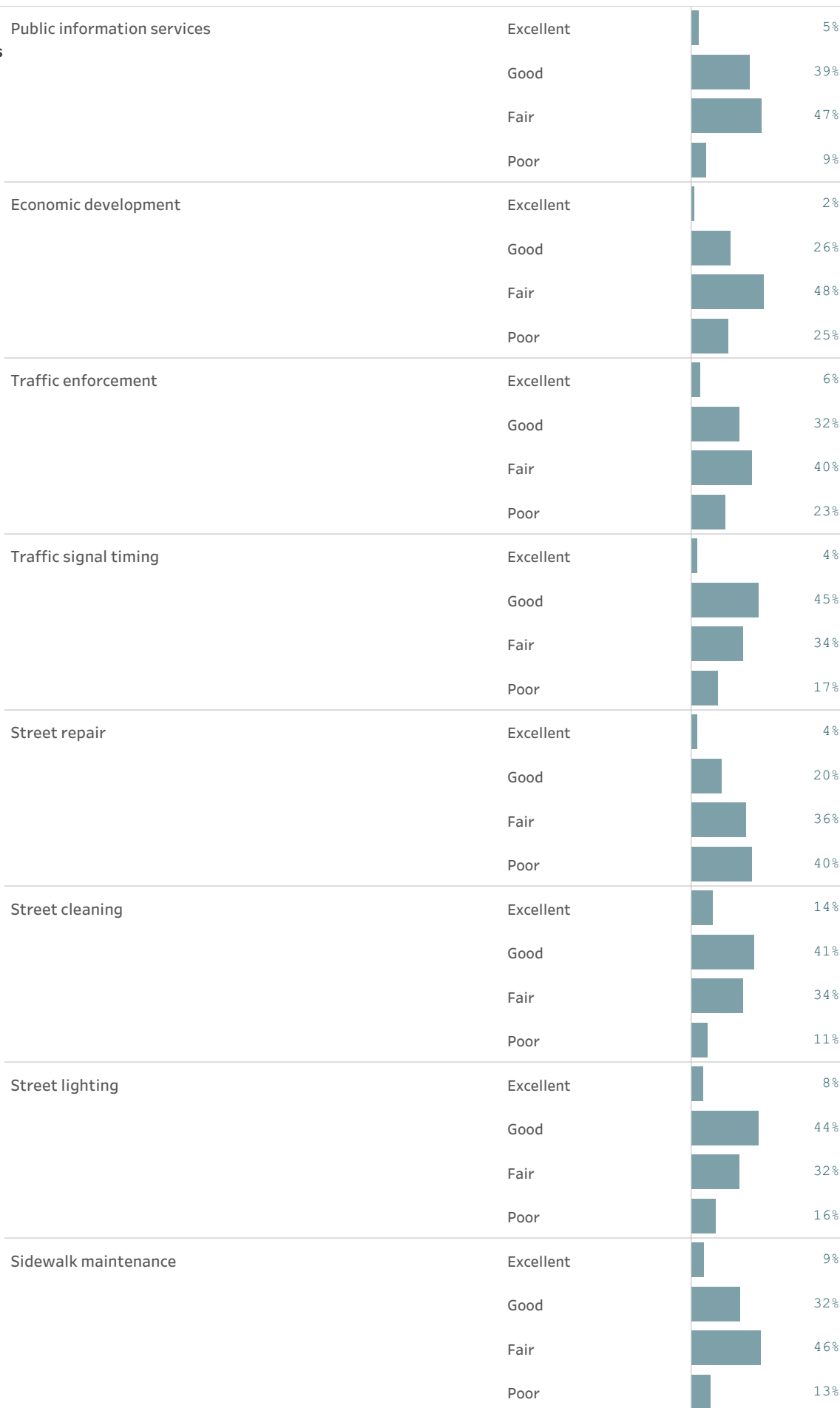
**Please also rate each of the following in the Tracy community.**



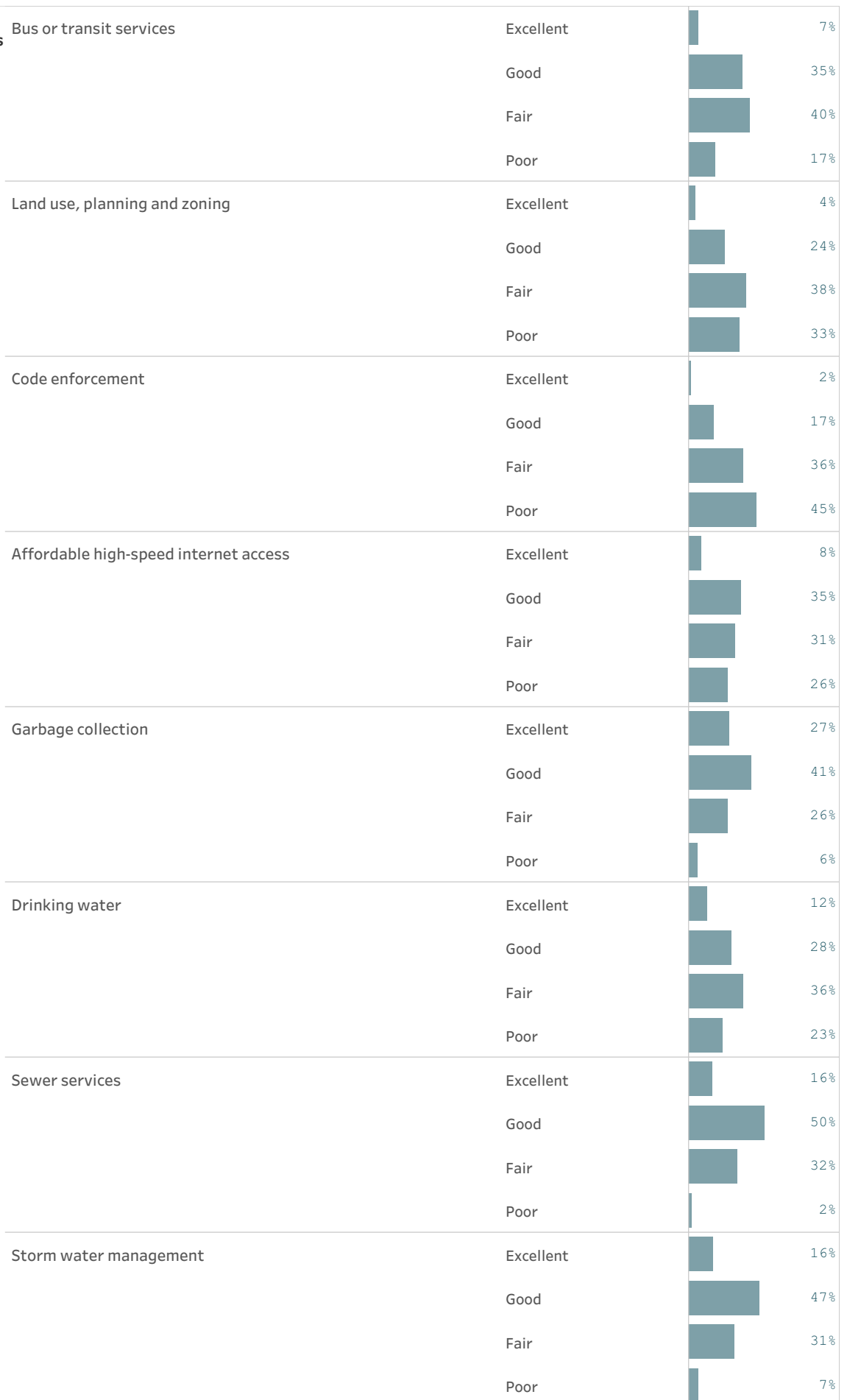
**Please indicate whether or not you have done each of the following in the last 12 months.**



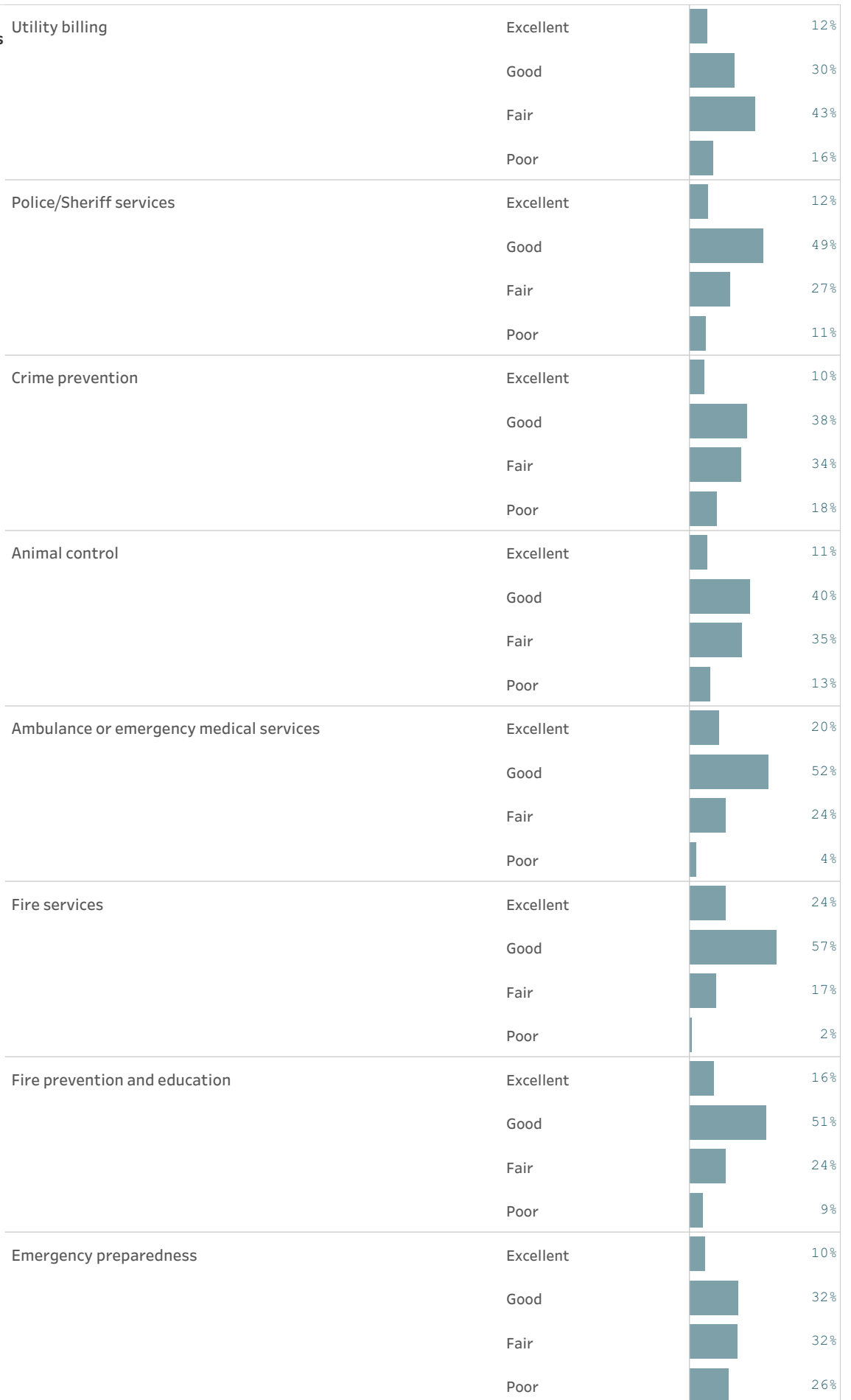
**Please rate the quality of each of the following services in Tracy.**



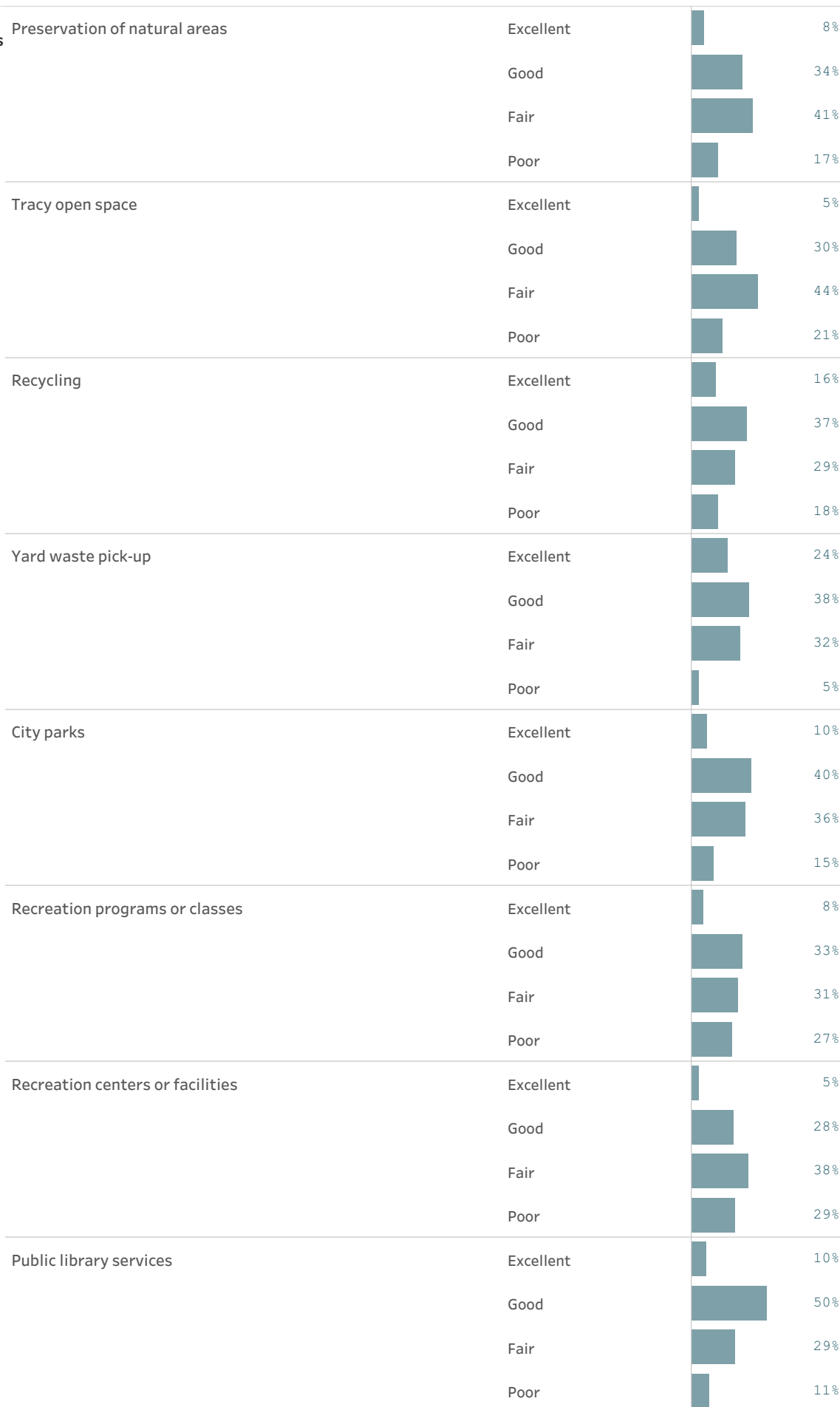
Please rate the quality of each of the following services in Tracy.

































































Please rate the quality of each of the following services in Tracy.



Please rate the quality of each of the following services in Tracy.



































|  |   |           |   |     |
|--|---|-----------|---|-----|
| <b>Please rate the quality of each of the following services in Tracy.</b>   | Overall customer service by Tracy employees                     | Excellent |     | 9%  |
|  |   | Good      |    | 55% |
|  |   | Fair      |    | 30% |
|  |   | Poor      |    | 7%  |
| <b>Please rate the following categories of Tracy government performance.</b> | The value of services for the taxes paid to Tracy               | Excellent |    | 4%  |
|  |   | Good      |    | 27% |
|  |   | Fair      |    | 34% |
|  |   | Poor      |    | 35% |
|  | The overall direction that Tracy is taking                      | Excellent |    | 6%  |
|  |   | Good      |    | 19% |
|  |   | Fair      |    | 40% |
|  |   | Poor      |    | 35% |
|  | The job Tracy government does at welcoming resident involvement | Excellent |    | 8%  |
|  |   | Good      |    | 22% |
|  |   | Fair      |   | 49% |
|  |   | Poor      |  | 21% |
|  | Overall confidence in Tracy government                          | Excellent |  | 8%  |
|  |   | Good      |  | 21% |
|  |   | Fair      |  | 41% |
|  |   | Poor      |  | 31% |
|  | Generally acting in the best interest of the community          | Excellent |  | 7%  |
|  |   | Good      |  | 24% |
|  |   | Fair      |  | 37% |
|  |   | Poor      |  | 32% |
|  | Being honest  | Excellent |  | 11% |
|  |   | Good      |  | 25% |
|  |   | Fair      |  | 36% |
|  |   | Poor      |  | 28% |
|  | Being open and transparent to the public                        | Excellent |  | 8%  |
|  |   | Good      |  | 23% |
|  |   | Fair      |  | 37% |
|  |   | Poor      |  | 32% |

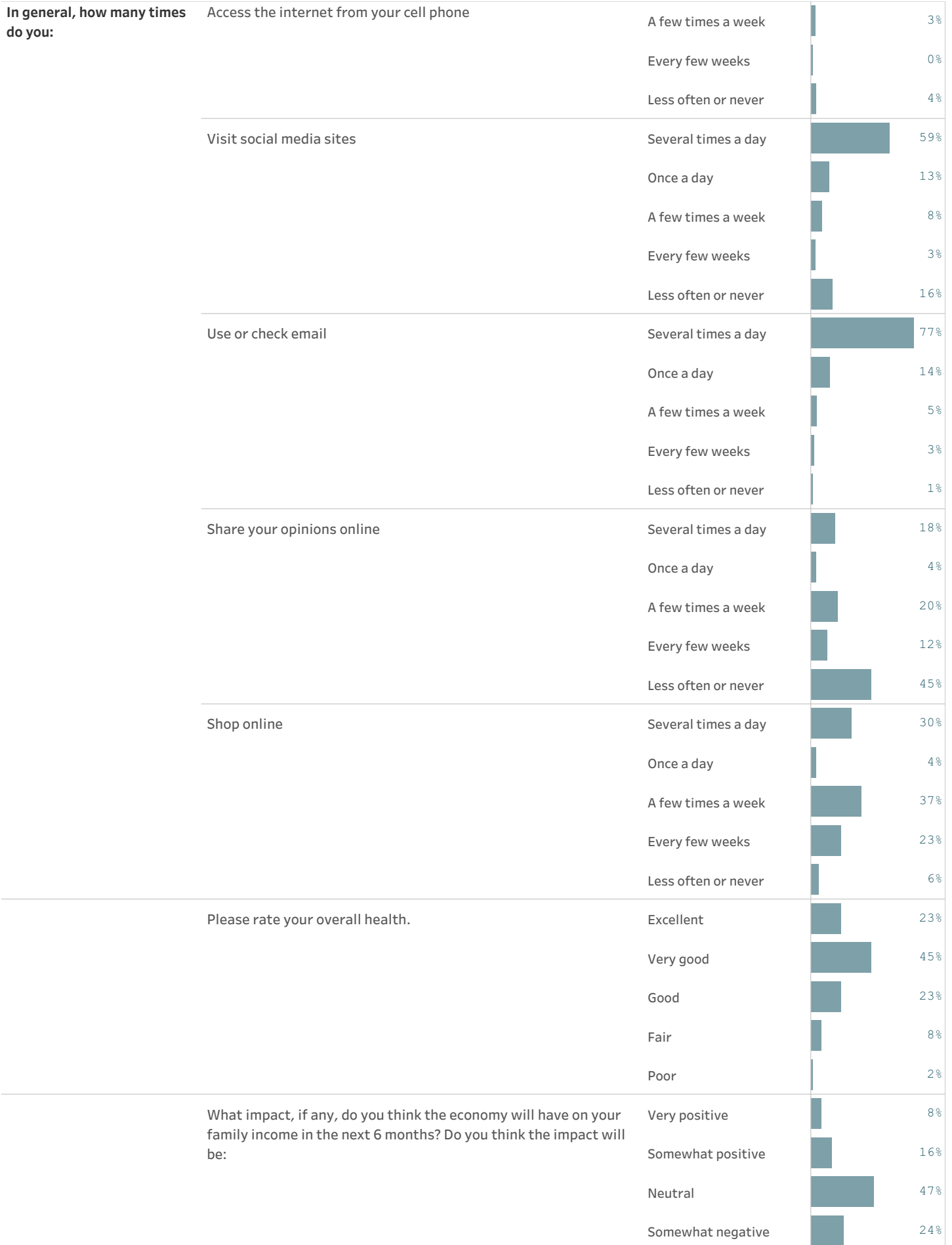
|   |  |                      |   |     |
|---|--|----------------------|---|-----|
| <b>Please rate the following categories of Tracy government performance.</b>  | Informing residents about issues facing the community        | Excellent            |     | 7%  |
|   |  | Good                 |    | 24% |
|   |  | Fair                 |    | 36% |
|   |  | Poor                 |    | 34% |
|   | Treating all residents fairly                                | Excellent            |    | 8%  |
|   |  | Good                 |    | 32% |
|   |  | Fair                 |    | 37% |
|   |  | Poor                 |    | 23% |
|   | Treating residents with respect                              | Excellent            |    | 11% |
|   |  | Good                 |    | 41% |
|   |  | Fair                 |    | 33% |
|   |  | Poor                 |    | 16% |
| <b>Overall, how would you rate the quality of the services provided by each of the following?</b>   | The City of Tracy  | Excellent            |    | 9%  |
|   |  | Good                 |    | 36% |
|   |  | Fair                 |    | 43% |
|   |  | Poor                 |  | 12% |
|   | The Federal Government                                       | Excellent            |  | 7%  |
|   |  | Good                 |  | 20% |
|   |  | Fair                 |  | 42% |
|   |  | Poor                 |  | 31% |
| <b>Please rate how important, if at all, you think it is for the Tracy community to focus on each of the following in the coming two years.</b> | Overall economic health                                      | Essential            |  | 48% |
|   |  | Very important       |  | 45% |
|   |  | Somewhat important   |  | 7%  |
|   | Overall quality of the transportation system                 | Essential            |  | 29% |
|   |  | Very important       |  | 41% |
|   |  | Somewhat important   |  | 27% |
|   |  | Not at all important |  | 3%  |
|   | Overall design or layout of residential and commercial areas | Essential            |  | 45% |
|   |  | Very important       |  | 40% |
|   |  | Somewhat important   |  | 14% |
|   |  | Not at all important |  | 1%  |
|   | Overall quality of the utility infrastructure                | Essential            |  | 48% |

| Please rate how important, if at all, you think it is for the Tracy community to focus on each of the following in the coming two years.  |  |               |     |     |
|---|--|---------------|-----|-----|
| Overall quality of the utility infrastructure   | Very important                                       |               | 38% |     |
|   | Somewhat important                                   |               | 12% |     |
|   | Not at all important                                 |               | 2%  |     |
| Overall feeling of safety   | Essential  |               | 65% |     |
|   | Very important                                       |               | 32% |     |
|   | Somewhat important                                   |               | 3%  |     |
|   | Not at all important                                 |               | 0%  |     |
| Overall quality of natural environment  | Essential  |               | 38% |     |
|   | Very important                                       |               | 45% |     |
|   | Somewhat important                                   |               | 16% |     |
|   | Not at all important                                 |               | 1%  |     |
| Overall quality of parks and recreation opportunities   | Essential  |               | 41% |     |
|   | Very important                                       |               | 44% |     |
|   | Somewhat important                                   |               | 14% |     |
|   | Not at all important                                 |               | 1%  |     |
| Overall health and wellness opportunities   | Essential  |               | 45% |     |
|   | Very important                                       |               | 34% |     |
|   | Somewhat important                                   |               | 20% |     |
|   | Not at all important                                 |               | 1%  |     |
| Overall opportunities for education, culture, and the arts  | Essential  |               | 38% |     |
|   | Very important                                       |               | 32% |     |
|   | Somewhat important                                   |               | 27% |     |
|   | Not at all important                                 |               | 3%  |     |
| Residents' connection and engagement with their community   | Essential  |               | 25% |     |
|   | Very important                                       |               | 46% |     |
|   | Somewhat important                                   |               | 27% |     |
|   | Not at all important                                 |               | 3%  |     |
| Transit Oriented Development, or TOD, is a style of development that encourages the creation of walkable and bikeable mixed-use communities generally located within a ¼ or ½ mile radius of a transit hub (bus, rail, airport). The goal is to create a vibrant, connected community where people can easily get to and from their homes, jobs, shopping, dining, and entertainment opportunities. Having a mix of uses within walking or biking dista.. | Strongly support                                     |               | 42% |     |
|   | Somewhat support                                     |               | 40% |     |
|   | Somewhat oppose                                      |               | 11% |     |
|   | Strongly oppose                                      |               | 6%  |     |
| <b>If a TOD were to be built in Tracy, how much of a priority</b>   | Transportation options (rail, bus, ride share, etc.) | High priority |     | 41% |

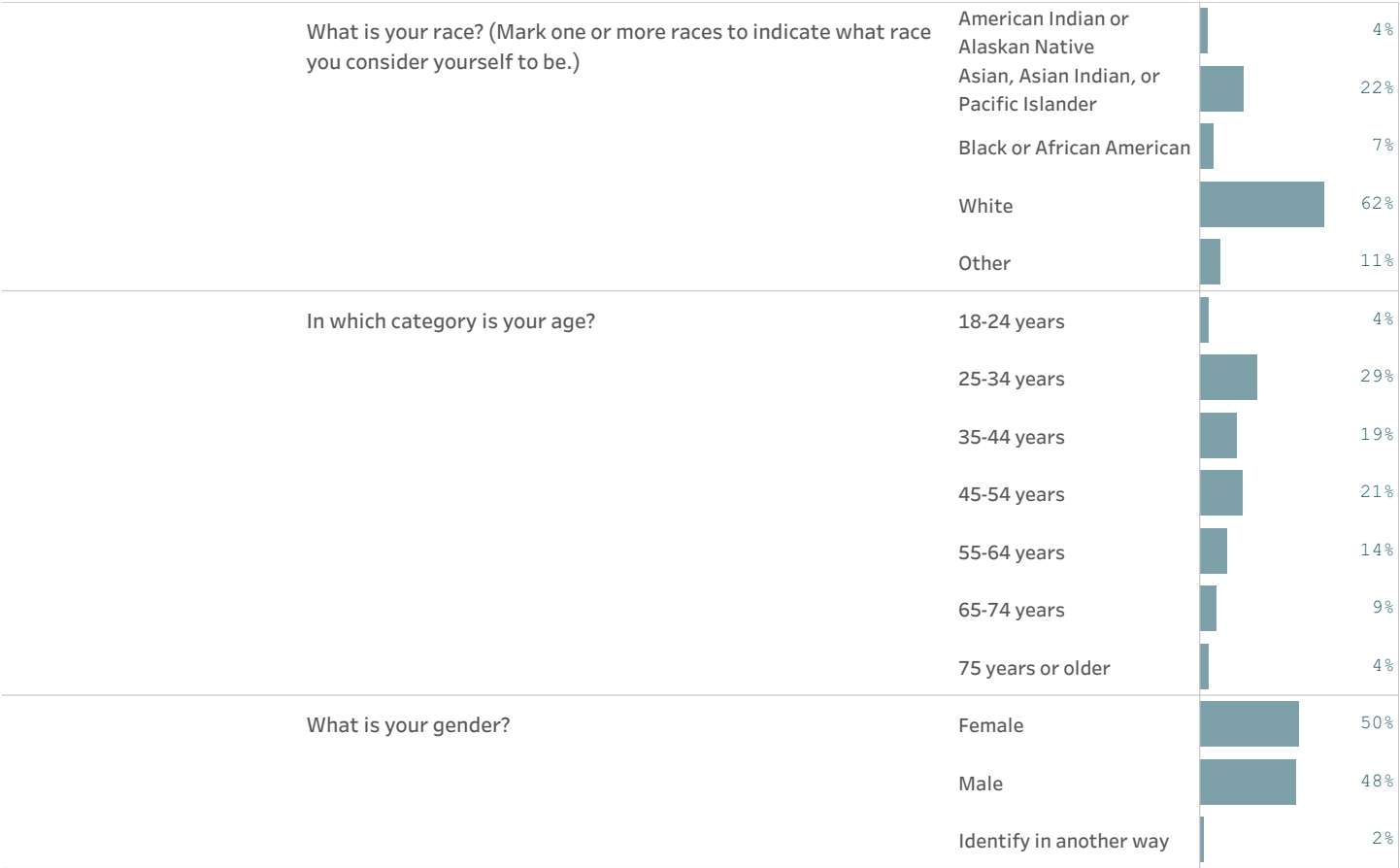


| If a TOD were to be built in Tracy, how much of a priority, if any, do you think each of the following should be to include in this development? |  |  |     |  |
|--|--|--|-----|--|
|  |  |  |     |  |
| Transportation options (rail, bus, ride share, etc.)   | Moderate priority                              |  | 48% |  |
|  | Not a priority                                 |  | 11% |  |
| Housing  | High priority                                  |  | 39% |  |
|  | Moderate priority                              |  | 43% |  |
|  | Not a priority                                 |  | 18% |  |
| Office and co-working spaces   | High priority                                  |  | 30% |  |
|  | Moderate priority                              |  | 43% |  |
|  | Not a priority                                 |  | 27% |  |
| New shops and restaurants  | High priority                                  |  | 58% |  |
|  | Moderate priority                              |  | 37% |  |
|  | Not a priority                                 |  | 5%  |  |
| Walkable areas and bike paths  | High priority                                  |  | 48% |  |
|  | Moderate priority                              |  | 38% |  |
|  | Not a priority                                 |  | 14% |  |
| Public spaces for events   | High priority                                  |  | 37% |  |
|  | Moderate priority                              |  | 44% |  |
|  | Not a priority                                 |  | 20% |  |
| Entertainment venues   | High priority                                  |  | 43% |  |
|  | Moderate priority                              |  | 41% |  |
|  | Not a priority                                 |  | 16% |  |
| Parks and green space  | High priority                                  |  | 49% |  |
|  | Moderate priority                              |  | 43% |  |
|  | Not a priority                                 |  | 8%  |  |
| Connectivity to existing neighborhoods   | High priority                                  |  | 41% |  |
|  | Moderate priority                              |  | 41% |  |
|  | Not a priority                                 |  | 18% |  |
| Mixed-use spaces (combines two or more types of real estate, such as retail and residential properties, work and office space)                   | High priority                                  |  | 25% |  |
|  | Moderate priority                              |  | 43% |  |
|  | Not a priority                                 |  | 32% |  |
| What is your preferred location for a future rail/bus hub (e.g. Valley Link) and TOD in Tracy?   | I-205/Mall area (north Tracy)                  |  | 31% |  |
|  | Downtown Tracy (central Tracy)                 |  | 16% |  |
|  | Near the Tracy ACE Train Station (south Tracy) |  | 36% |  |

|  |  |   |   |     |
|--|--|---|---|-----|
|  | What is your preferred location for a future rail/bus hub (e.g. Valley Link) and TOD in Tracy? | I do not think we should have a TOD district in Tra..                                 |    | 17% |
| <b>Please indicate how much of a priority, if any, you think each of the following should be for the City to fund?</b> | Begin next phase of Legacy Field Sports Complex - Phase II                                     | High priority   |    | 20% |
|  |  | Medium priority   |    | 39% |
|  |  | Not a priority  |    | 41% |
|  | Begin the Tracy Nature Park  | High priority   |    | 36% |
|  |  | Medium priority   |    | 46% |
|  |  | Not a priority  |    | 18% |
|  | Redeveloping the downtown area   | High priority   |    | 48% |
|  |  | Medium priority   |    | 37% |
|  |  | Not a priority  |    | 15% |
|  | Expanding recycled water infrastructure  | High priority   |    | 32% |
| Medium priority  |  |    | 55%   |     |
| Not a priority   |  |    | 13%   |     |
| Pursuing green initiatives (reducing Tracy's carbon footprint and responding to effects of climate change)             | High priority  |    | 41%   |     |
|  | Medium priority  |   | 33%   |     |
|  | Not a priority   |  | 26%   |     |
| Renovating and updating existing City parks and facilities   | High priority  |  | 33%   |     |
|  | Medium priority  |  | 57%   |     |
|  | Not a priority   |  | 10%   |     |
| Renovating and updating existing City infrastructure including streets, sidewalks, and underground utility pipelines   | High priority  |  | 57%   |     |
|  | Medium priority  |  | 40%   |     |
|  | Not a priority   |  | 3%  |     |
| Constructing new Police and Fire stations  | High priority  |  | 16%   |     |
|  | Medium priority  |  | 49%   |     |
|  | Not a priority   |  | 35%   |     |
| <b>In general, how many times do you:</b>  | Access the internet from your home   | Several times a day   |  | 84% |
|  |  | Once a day  |  | 6%  |
|  |  | A few times a week  |  | 5%  |
|  |  | Every few weeks   |  | 5%  |
|  |  | Less often or never   |  | 0%  |
|  | Access the internet from your cell phone   | Several times a day   |  | 89% |
| Once a day   |  |  | 3%  |     |



|  |  |   |     |
|--|--|---|-----|
| family income in the next 6 months? Do you think the impact will be:   | Very negative  |   | 5%  |
| How many years have you lived in Tracy?  | Less than 2 years                                      |   | 10% |
|  | 2-5 years  |   | 20% |
|  | 6-10 years   |   | 22% |
|  | 11-20 years  |   | 19% |
|  | More than 20 years                                     |   | 29% |
|  | Which best describes the building you live in?         | One family house detached from any other .. |     |
| Building with two or more homes (duplex, townhom..   |  |   | 16% |
| Mobile home  |  |   | 1%  |
| Other  |  |   | 1%  |
| Do you rent or own your home?  | Rent   |   | 37% |
|  | Own  |   | 63% |
| About how much is your monthly housing cost for the place you live (including rent, mortgage payment, property tax, property insurance and homeowners' association (HOA) fees)?                            | Less than \$500  |   | 3%  |
|  | \$500 to \$999   |   | 9%  |
|  | \$1,000 to \$1,499                                     |   | 14% |
|  | \$1,500 to \$1,999                                     |   | 14% |
|  | \$2,000 to \$2,499                                     |   | 23% |
|  | \$2,500 to \$2,999                                     |   | 21% |
|  | \$3,000 to \$3,499                                     |   | 13% |
|  | \$3,500 or more  |   | 4%  |
| Do any children 17 or under live in your household?  | No   |   | 47% |
|  | Yes  |   | 53% |
| Are you or any other members of your household aged 65 or older?   | No   |   | 78% |
|  | Yes  |   | 22% |
| How much do you anticipate your household's total income before taxes will be for the current year? (Please include in your total income money from all sources for all persons living in your household.) | Less than \$25,000                                     |   | 5%  |
|  | \$25,000 to \$49,999                                   |   | 11% |
|  | \$50,000 to \$74,999                                   |   | 9%  |
|  | \$75,000 to \$99,999                                   |   | 23% |
|  | \$100,000 to \$149,999                                 |   | 26% |
|  | \$150,000 or more                                      |   | 25% |
| Are you Spanish, Hispanic or Latino?   | No, not Spanish, Hispanic, or Latino                   |   | 65% |
|  | Yes, I consider myself to be Spanish, Hispanic, or L.. |   | 35% |



## Full trends

This table contains the trends over time for the City of Tracy. The combined "percent positive" responses for each survey year are presented (e.g., excellent/good or yes). If an item was not included during an administration of the survey, no percentage will be shown in the table. If the difference between the 2016 and 2021 surveys is greater than nine percentage points, the change is statistically significant.

It is important to note that in 2020, The NCS survey was updated to include new and refreshed items. Consequently, some of the trends may be impacted due to wording modifications that could have potentially altered the meaning of the item for the respondent.

|  |  | 2014 | 2016 | 2021 |
|--|--|------|------|------|
| <b>Please rate each of the following aspects of quality of life in Tracy.</b>                | Tracy as a place to live                                     | 80%  | 77%  | 69%  |
|  | Your neighborhood as a place to live                         | 77%  | 79%  | 71%  |
|  | Tracy as a place to raise children                           | 78%  | 77%  | 63%  |
|  | Tracy as a place to work                                     | 38%  | 29%  | 38%  |
|  | Tracy as a place to visit                                    | 33%  | 22%  | 22%  |
|  | Tracy as a place to retire                                   | 62%  | 47%  | 33%  |
|  | The overall quality of life                                  | 68%  | 63%  | 50%  |
|  | Sense of community   | 49%  | 53%  | 46%  |
| <b>Please rate each of the following characteristics as they relate to Tracy as a whole.</b> | Overall economic health                                      | 39%  | 43%  | 35%  |
|  | Overall quality of the transportation system                 |      |      | 33%  |
|  | Overall design or layout of residential and commercial areas | 56%  | 43%  | 46%  |
|  | Overall quality of the utility infrastructure                |      |      | 55%  |
|  | Overall feeling of safety                                    | 62%  | 72%  | 53%  |
|  | Overall quality of natural environment                       | 57%  | 52%  | 41%  |
|  | Overall quality of parks and recreation opportunities        |      |      | 39%  |
|  | Overall health and wellness opportunities                    | 53%  | 44%  | 38%  |
|  | Overall opportunities for education, culture, and the arts   | 36%  | 39%  | 29%  |
|  | Residents' connection and engagement with their community    |      |      | 30%  |
| <b>Please indicate how likely or unlikely you are to do each of the</b>                      | Recommend living in Tracy to someone who asks                | 82%  | 76%  | 68%  |

|  |  |             |
|--|--|-------------|
| <b>unlikely you are to do each of the following.</b>                                   | Remain in Tracy for the next five years                | 86% 77% 68% |
| <b>Please rate how safe or unsafe you feel:</b>  | In your neighborhood during the day                    | 82% 90% 87% |
|  | In Tracy's downtown/commercial area during the day     | 82% 83% 84% |
|  | From property crime                                    | 51%         |
|  | From violent crime                                     | 67%         |
|  | From fire, flood, or other natural disaster            | 85%         |
| <b>Please rate the job you feel the Tracy community does at each of the following.</b> | Making all residents feel welcome                      | 49%         |
|  | Attracting people from diverse backgrounds             | 58%         |
|  | Valuing/respecting residents from diverse backgrounds  | 64%         |
|  | Taking care of vulnerable residents                    | 38%         |
| <b>Please rate each of the following in the Tracy community.</b>                       | Overall quality of business and service establishments | 41% 43% 39% |
|  | Variety of business and service establishments         | 25%         |
|  | Vibrancy of downtown/commercial area                   | 22% 26% 33% |
|  | Employment opportunities                               | 18% 16% 26% |
|  | Shopping opportunities                                 | 33% 29% 27% |
|  | Cost of living   | 36% 40% 20% |
|  | Overall image or reputation                            | 50% 50% 38% |
| <b>Please also rate each of the following in the Tracy community.</b>                  | Traffic flow on major streets                          | 61% 51% 38% |
|  | Ease of public parking                                 | 47%         |
|  | Ease of travel by car                                  | 73% 64% 49% |
|  | Ease of travel by public transportation                | 47% 31% 34% |
|  | Ease of travel by bicycle                              | 51% 41% 39% |
|  | Ease of walking  | 66% 59% 44% |
|  | Well-planned residential growth                        | 32%         |
|  | Well-planned commercial growth                         | 23%         |
|  | Well-designed neighborhoods                            | 44%         |

| Please also rate each of the following in the Tracy community.        |     |     |     |
|---|-----|-----|-----|
|   |     |     |     |
| Preservation of the historical or cultural character of the community |     |     | 42% |
| Public places where people want to spend time                         | 43% | 34% | 22% |
| Variety of housing options  | 43% | 42% | 25% |
| Availability of affordable quality housing                            | 37% | 34% | 16% |
| Overall quality of new development                                    | 42% | 41% | 30% |
| Overall appearance  | 54% | 54% | 37% |
| Cleanliness   | 50% | 57% | 44% |
| Water resources   |     |     | 16% |
| Air quality   | 45% | 50% | 37% |
| Availability of paths and walking trails                              | 53% | 41% | 27% |
| Fitness opportunities   | 51% | 45% | 32% |
| Recreational opportunities  | 31% | 33% | 27% |
| Availability of affordable quality food                               | 53% | 53% | 45% |
| Availability of affordable quality health care                        | 47% | 52% | 37% |
| Availability of preventive health services                            | 51% | 51% | 42% |
| Availability of affordable quality mental health care                 |     |     | 29% |
| Opportunities to attend cultural/arts/music activities                | 36% | 39% | 36% |
| Community support for the arts  |     |     | 40% |
| Availability of affordable quality childcare/preschool                |     |     | 34% |
| K-12 education  |     |     | 42% |
| Adult educational opportunities                                       | 37% | 37% | 30% |
| Sense of civic/community pride  |     |     | 32% |
| Neighborliness of residents   | 51% | 52% | 38% |
| Opportunities to participate in social events and activities          | 41% | 40% | 34% |
| Opportunities to attend special events and festivals                  | 43% | 54% | 37% |
| Opportunities to volunteer  | 48% | 51% | 45% |



|  |  |                             |     |     |
|--|--|-----------------------------|-----|-----|
| <b>Please also rate each of the following in the Tracy community.</b>                            | Opportunities to participate in community matters                          | 44%                         | 46% | 38% |
|  | Openness and acceptance of the community toward people of diver..          | 61%                         | 64% | 43% |
| <b>Please indicate whether or not you have done each of the following in the last 12 months.</b> | Contacted the City of Tracy for help or information                        | 52%                         | 51% | 53% |
|  | Contacted Tracy elected officials to express your opinion                  | 8%                          | 18% | 14% |
|  | Attended a local public meeting  | 14%                         | 24% | 20% |
|  | Watched a local public meeting   | 23%                         | 26% | 37% |
|  | Volunteered your time to some group/activity                               | 33%                         | 41% | 24% |
|  | Campaigned or advocated for a local issue, cause, or candidate             | 12%                         | 26% | 16% |
|  | Voted in your most recent local election                                   |                             |     | 76% |
|  | Used public transportation instead of driving                              | 20%                         | 15% | 14% |
|  | Carpooled with other adults or children instead of driving alone           | 45%                         | 48% | 45% |
|  | Walked or biked instead of driving   | 56%                         | 53% | 60% |
|  | <b>Please rate the quality of each of the following services in Tracy.</b> | Public information services | 52% | 51% |
| Economic development   |  | 31%                         | 34% | 27% |
| Traffic enforcement  |  | 59%                         | 56% | 38% |
| Traffic signal timing  |  | 56%                         | 54% | 48% |
| Street repair  |  | 44%                         | 34% | 24% |
| Street cleaning  |  | 57%                         | 62% | 55% |
| Street lighting  |  | 52%                         | 60% | 51% |
| Sidewalk maintenance   |  | 51%                         | 49% | 40% |
| Bus or transit services  |  | 56%                         | 46% | 41% |
| Land use, planning and zoning  |  | 35%                         | 33% | 28% |
| Code enforcement   |  | 29%                         | 31% | 19% |
| Affordable high-speed internet access  |  |                             |     | 42% |
| Garbage collection   |  | 78%                         | 85% | 68% |
| Drinking water   |  | 44%                         | 46% | 41% |

|  |   |     |     |     |
|--|---|-----|-----|-----|
| <b>Please rate the quality of each of the following services in Tracy.</b>   | Sewer services  | 64% | 74% | 65% |
|  | Storm water management  | 68% | 71% | 62% |
|  | Utility billing   | 67% | 64% | 41% |
|  | Police/Sheriff services   | 70% | 75% | 61% |
|  | Crime prevention  | 48% | 60% | 48% |
|  | Animal control  | 43% | 55% | 51% |
|  | Ambulance or emergency medical services                         | 83% | 82% | 72% |
|  | Fire services   | 90% | 91% | 81% |
|  | Fire prevention and education                                   | 66% | 72% | 66% |
|  | Emergency preparedness  | 31% | 41% | 42% |
|  | Preservation of natural areas                                   | 36% | 40% | 42% |
|  | Tracy open space  | 36% | 40% | 35% |
|  | Recycling   | 83% | 80% | 53% |
|  | Yard waste pick-up  | 81% | 81% | 62% |
|  | City parks  | 65% | 61% | 49% |
|  | Recreation programs or classes                                  | 49% | 57% | 41% |
|  | Recreation centers or facilities                                | 48% | 51% | 33% |
|  | Public library services   | 63% | 64% | 59% |
| Overall customer service by Tracy employees                                  | 58%   | 64% | 63% |     |
| <b>Please rate the following categories of Tracy government performance.</b> | The value of services for the taxes paid to Tracy               | 39% | 41% | 31% |
|  | The overall direction that Tracy is taking                      | 43% | 43% | 25% |
|  | The job Tracy government does at welcoming resident involvement | 49% | 37% | 30% |
|  | Overall confidence in Tracy government                          | 41% | 41% | 28% |
|  | Generally acting in the best interest of the community          | 39% | 46% | 31% |
|  | Being honest  | 43% | 48% | 35% |
|  | Being open and transparent to the public                        |     |     | 31% |

|   |  |             |
|---|--|-------------|
| <b>Please rate the following categories of Tracy government performance.</b>  | Informing residents about issues facing the community                | 30%         |
|   | Treating all residents fairly  | 43% 51% 40% |
|   | Treating residents with respect                                      | 51%         |
| <b>Overall, how would you rate the quality of the services provided by each of the following?</b>   | The City of Tracy  | 67% 63% 45% |
|   | The Federal Government   | 46% 33% 26% |
| <b>Please rate how important, if at all, you think it is for the Tracy community to focus on each of the following in the coming two years.</b> | Overall economic health  | 96% 95% 93% |
|   | Overall quality of the transportation system                         | 70%         |
|   | Overall design or layout of residential and commercial areas         | 77% 80% 86% |
|   | Overall quality of the utility infrastructure                        | 86%         |
|   | Overall feeling of safety  | 97% 94% 96% |
|   | Overall quality of natural environment                               | 81% 81% 83% |
|   | Overall quality of parks and recreation opportunities                | 85%         |
|   | Overall health and wellness opportunities                            | 85% 81% 79% |
|   | Overall opportunities for education, culture, and the arts           | 90% 86% 71% |
|   | Residents' connection and engagement with their community            | 82% 87% 71% |
| <b>In general, how many times do you:</b>   | Access the internet from your home                                   | 95%         |
|   | Access the internet from your cell phone                             | 96%         |
|   | Visit social media sites   | 80%         |
|   | Use or check email   | 96%         |
|   | Share your opinions online   | 43%         |
|   | Shop online  | 71%         |
|   | Please rate your overall health.                                     | 58% 65% 68% |
|   | What impact, if any, do you think the economy will have on your fa.. | 38% 41% 24% |

## Methods (open participation)

As part of its participation in The National Community Survey™ (The NCST™), the City of Tracy conducted a survey of 272 residents. Survey invitations were mailed to randomly selected households and data were collected from November 3 to December 22, 2021. The results from this main survey effort represent the most robust estimate of your residents’ opinions.

After the above data collection period was underway, a link to an online open participation survey was publicized by the City of Tracy. The open participation survey was identical to the probability sample survey with two small updates; it included a map at the beginning asking where the respondent lives and also a question about where they heard about the survey. The open participation survey was open to all city residents and became available on December 8, 2021. The survey remained open for three weeks and there were 121 responses.





























The open participation survey data were not collected through a random sample and it is unknown who in the community was aware of the survey; therefore, a level of confidence in the representativeness of the sample cannot be estimated. However, to reduce bias where possible, these data were statistically weighted to match the demographic characteristics of the 2010 Census and 2019 American Community Survey estimates for adults in the City of Tracy. The characteristics used for weighting were age, sex, race, Hispanic origin, housing type, housing tenure, and area. No adjustments were made for design effects. Weights were calculated using an iterative, multiplicative raking model known as the ANES Weighting Algorithm.\* The results of the weighting scheme for the open participation survey are presented in the following table.

\* Pasek, J. (2010). ANES Weighting Algorithm. Retrieved from <https://web.stanford.edu/group/iriss/cgi-bin/anesrake/resources/RakingDescription.pdf>

|                        |   | Unweighted | Weighted | Target* |
|------------------------|---|------------|----------|---------|
| Age                    | 18-34   | 10%        | 26%      | 33%     |
|                        | 35-54   | 51%        | 44%      | 40%     |
|                        | 55+   | 39%        | 30%      | 27%     |
| Area                   | 1   | 14%        | 22%      | 25%     |
|                        | 2   | 4%         | 18%      | 16%     |
|                        | 3   | 44%        | 35%      | 36%     |
|                        | 4   | 38%        | 25%      | 23%     |
| Hispanic origin        | No, not Spanish, Hispanic, or Latino            | 86%        | 64%      | 65%     |
|                        | Yes, I consider myself to be Spanish, Hispana.. | 14%        | 36%      | 35%     |
| Housing tenure         | Own   | 89%        | 63%      | 63%     |
|                        | Rent  | 11%        | 37%      | 37%     |
| Housing type           | Attached  | 4%         | 17%      | 17%     |
|                        | Detached  | 96%        | 83%      | 83%     |
| Race & Hispanic origin | Not white alone                                 | 43%        | 66%      | 64%     |
|                        | White alone, not Hispanic or Latino             | 57%        | 34%      | 36%     |
| Sex                    | Female  | 62%        | 56%      | 51%     |
|                        | Male  | 38%        | 44%      | 49%     |
| Sex/age                | Female 18-34                                    | 8%         | 18%      | 16%     |
|                        | Female 35-54                                    | 26%        | 22%      | 21%     |
|                        | Female 55+                                      | 28%        | 15%      | 14%     |
|                        | Male 18-34                                      | 2%         | 8%       | 17%     |
|                        | Male 35-54                                      | 25%        | 22%      | 20%     |
|                        | Male 55+  | 11%        | 14%      | 13%     |

## Open participation survey results

This dashboard contains a complete set of responses to each question on the open participation survey. By default, "don't know" responses are excluded, but may be added to the table using the response filter to the right. When a table for a question that only permitted a single response does not total to exactly 100%, it is due to the common practice of percentages being rounded to the nearest whole number.




























|   |   |   |   |     |
|---|---|---|---|-----|
|   | In which area of Tracy do you live? (Refer to map above.) | Area 1 (purple)   |    | 22% |
|   |   | Area 2 (orange)   |    | 13% |
|   |   | Area 3 (green)  |    | 34% |
|   |   | Area 4 (blue)   |    | 25% |
|   |   | I don't live in Tracy   |    | 7%  |
| <b>Please rate each of the following aspects of quality of life in Tracy.</b> | Tracy as a place to live                                  | Excellent   |    | 14% |
|   |   | Good  |    | 43% |
|   |   | Fair  |    | 35% |
|   |   | Poor  |    | 8%  |
|   | Your neighborhood as a place to live                      | Excellent   |    | 27% |
|   |   | Good  |    | 46% |
|   |   | Fair  |   | 23% |
|   |   | Poor  |  | 4%  |
|   | Tracy as a place to raise children                        | Excellent   |  | 24% |
|   |   | Good  |  | 32% |
|   |   | Fair  |  | 41% |
|   |   | Poor  |  | 3%  |
|   | Tracy as a place to work                                  | Good  |  | 14% |
|   |   | Fair  |  | 15% |
|   |   | Poor  |  | 72% |
|   | Tracy as a place to visit                                 | Excellent   |  | 5%  |
| Good  |   |  | 20%   |     |
| Fair  |   |  | 28%   |     |
| Poor  |   |  | 47%   |     |
| Tracy as a place to retire  | Excellent   |  | 8%  |     |
|   | Good  |  | 19%   |     |
|   | Fair  |  | 29%   |     |
|   | Poor  |  | 44%   |     |

|  |  |           |     |     |
|--|--|-----------|-----|-----|
| <b>Please rate each of the following aspects of quality of life in Tracy.</b>                | The overall quality of life                                  | Excellent |     | 1%  |
|  |  | Good      |     | 46% |
|  |  | Fair      |     | 44% |
|  |  | Poor      |     | 9%  |
|  | Sense of community   | Excellent |     | 7%  |
|  |  | Good      |     | 44% |
|  |  | Fair      |     | 36% |
|  |  | Poor      |     | 13% |
| <b>Please rate each of the following characteristics as they relate to Tracy as a whole.</b> | Overall economic health                                      | Excellent |     | 2%  |
|  |  | Good      |     | 22% |
|  |  | Fair      |     | 52% |
|  |  | Poor      |     | 25% |
|  | Overall quality of the transportation system                 | Excellent |     | 2%  |
|  |  | Good      |     | 19% |
|  |  | Fair      |     | 36% |
|  |  | Poor      |     | 44% |
|  | Overall design or layout of residential and commercial areas | Excellent |     | 1%  |
|  |  | Good      |     | 31% |
|  |  | Fair      |     | 24% |
|  |  | Poor      |     | 44% |
|  | Overall quality of the utility infrastructure                | Excellent |     | 6%  |
| Good   |  |           | 36% |     |
| Fair   |  |           | 41% |     |
| Poor   |  |           | 16% |     |
| Overall feeling of safety  | Excellent  |           | 1%  |     |
|  | Good   |           | 29% |     |
|  | Fair   |           | 59% |     |
|  | Poor   |           | 11% |     |
| Overall quality of natural environment   | Excellent  |           | 5%  |     |
|  | Good   |           | 17% |     |
|  | Fair   |           | 47% |     |
|  | Poor   |           | 31% |     |

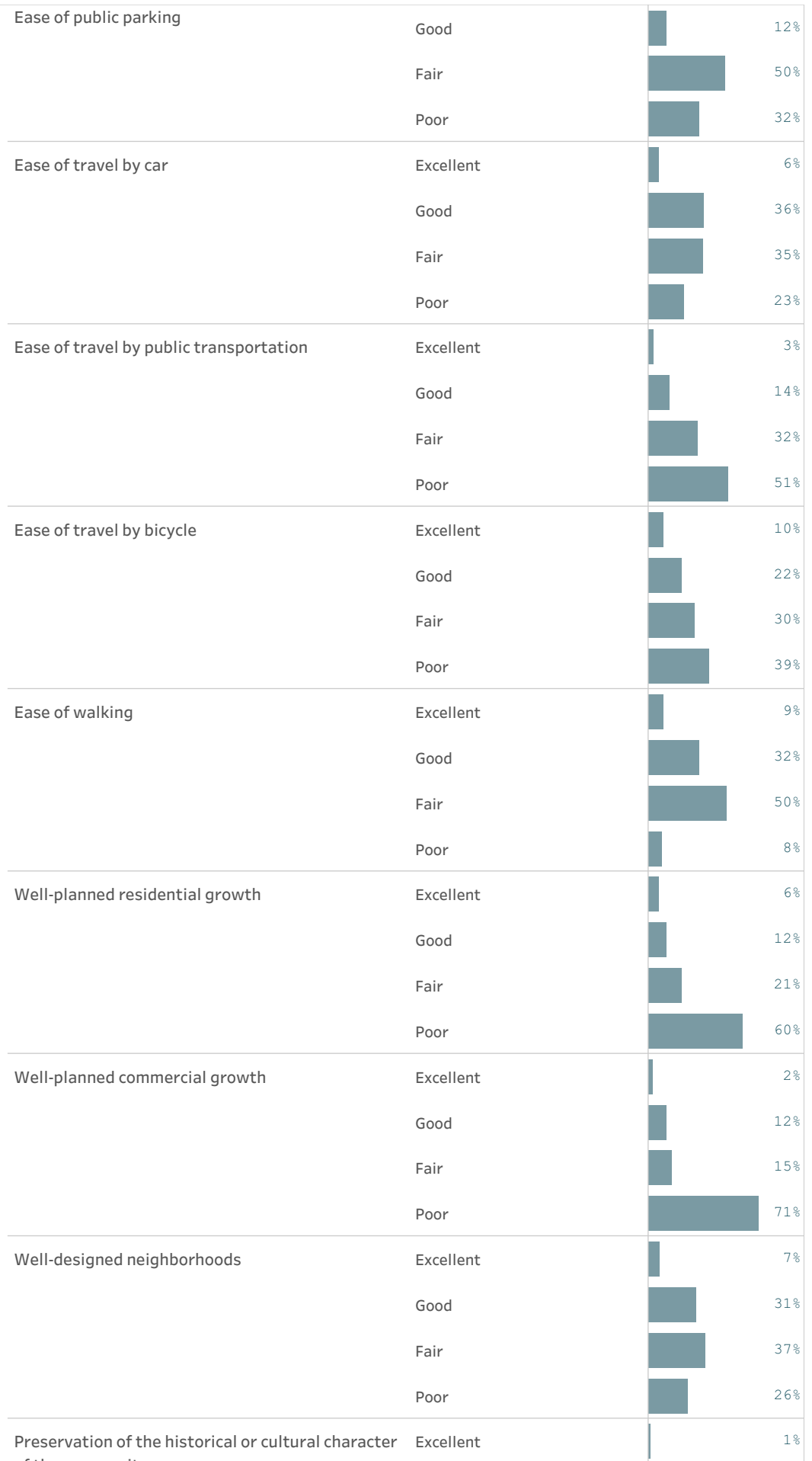
|  |  |                         |     |     |
|--|--|-------------------------|-----|-----|
| <b>Please rate each of the following characteristics as they relate to Tracy as a whole.</b> | Overall quality of parks and recreation opportunities      | Excellent               |     | 1%  |
|  |  | Good                    |     | 29% |
|  |  | Fair                    |     | 44% |
|  |  | Poor                    |     | 26% |
|  | Overall health and wellness opportunities                  | Excellent               |     | 1%  |
|  |  | Good                    |     | 29% |
|  |  | Fair                    |     | 53% |
|  |  | Poor                    |     | 18% |
|  | Overall opportunities for education, culture, and the arts | Excellent               |     | 0%  |
|  |  | Good                    |     | 19% |
|  |  | Fair                    |     | 41% |
|  |  | Poor                    |     | 39% |
| Residents' connection and engagement with their community                                    | Excellent  |                         | 5%  |     |
|  | Good   |                         | 22% |     |
|  | Fair   |                         | 48% |     |
|  | Poor   |                         | 26% |     |
| <b>Please indicate how likely or unlikely you are to do each of the following.</b>           | Recommend living in Tracy to someone who asks              | Very likely             |     | 10% |
|  |  | Somewhat likely         |     | 44% |
|  |  | Somewhat unlikely       |     | 27% |
|  |  | Very unlikely           |     | 19% |
|  | Remain in Tracy for the next five years                    | Very likely             |     | 40% |
|  |  | Somewhat likely         |     | 25% |
|  |  | Somewhat unlikely       |     | 17% |
|  |  | Very unlikely           |     | 18% |
| <b>Please rate how safe or unsafe you feel:</b>  | In your neighborhood during the day                        | Very safe               |     | 47% |
|  |  | Somewhat safe           |     | 41% |
|  |  | Neither safe nor unsafe |     | 8%  |
|  |  | Somewhat unsafe         |     | 4%  |
|  | In Tracy's downtown/commercial area during the day         | Very safe               |     | 41% |
|  |  | Somewhat safe           |     | 36% |
|  |  | Neither safe nor unsafe |     | 14% |
|  |  | Somewhat unsafe         |     | 5%  |

|  |  |                         |     |     |
|--|--|-------------------------|-----|-----|
| <b>Please rate how safe or unsafe you feel:</b>  | In Tracy's downtown/commercial area during the day     | Very unsafe             |     | 4%  |
|  | From property crime                                    | Very safe               |     | 9%  |
|  |  | Somewhat safe           |     | 47% |
|  |  | Neither safe nor unsafe |     | 5%  |
|  |  | Somewhat unsafe         |     | 28% |
|  |  | Very unsafe             |     | 11% |
|  | From violent crime                                     | Very safe               |     | 19% |
|  |  | Somewhat safe           |     | 48% |
|  |  | Neither safe nor unsafe |     | 13% |
|  |  | Somewhat unsafe         |     | 15% |
|  |  | Very unsafe             |     | 4%  |
|  | From fire, flood, or other natural disaster            | Very safe               |     | 31% |
|  |  | Somewhat safe           |     | 52% |
| Neither safe nor unsafe  |  |                         | 11% |     |
| Somewhat unsafe  |  |                         | 7%  |     |
| <b>Please rate the job you feel the Tracy community does at each of the following.</b> | Making all residents feel welcome                      | Excellent               |     | 9%  |
|  |  | Good                    |     | 38% |
|  |  | Fair                    |     | 35% |
|  |  | Poor                    |     | 19% |
|  | Attracting people from diverse backgrounds             | Excellent               |     | 16% |
|  |  | Good                    |     | 37% |
|  |  | Fair                    |     | 26% |
|  |  | Poor                    |     | 21% |
|  | Valuing/respecting residents from diverse backgrounds  | Excellent               |     | 12% |
|  |  | Good                    |     | 42% |
|  |  | Fair                    |     | 26% |
|  |  | Poor                    |     | 20% |
|  | Taking care of vulnerable residents                    | Excellent               |     | 7%  |
|  |  | Good                    |     | 14% |
|  |  | Fair                    |     | 38% |
|  |  | Poor                    |     | 40% |
| <b>Please rate each of the following in the Tracy community:</b>                       | Overall quality of business and service establishments | Excellent               |     | 1%  |

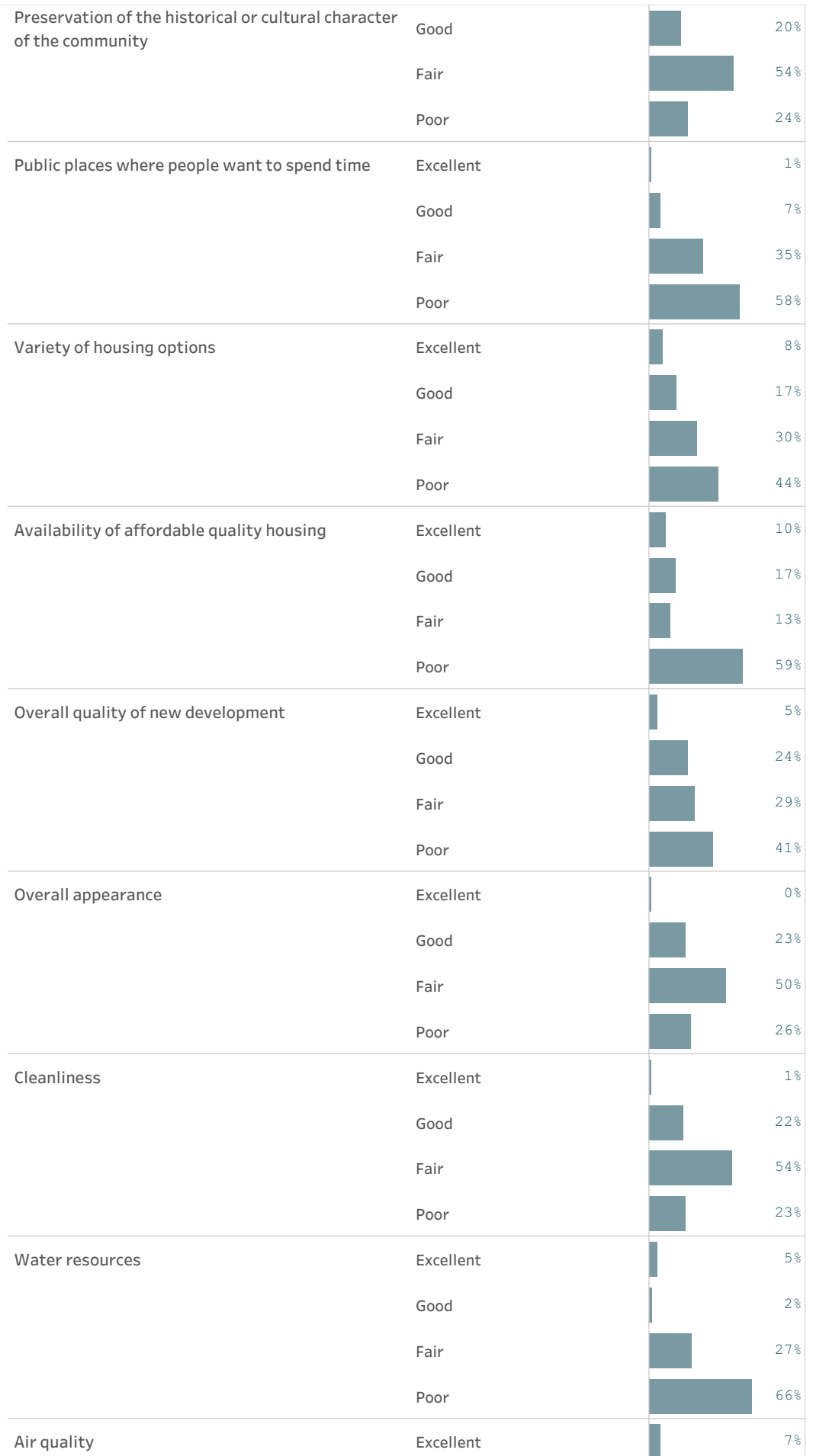


|   |  |   |   |     |
|---|--|---|---|-----|
| <b>Please rate each of the following in the Tracy community.</b>      | Overall quality of business and service establishments | Good  |    | 27% |
|   |  | Fair  |    | 45% |
|   |  | Poor  |    | 27% |
| Variety of business and service establishments                        | Excellent  |    | 0%  |     |
|   | Good   |    | 13%   |     |
|   | Fair   |    | 33%   |     |
|   | Poor   |    | 53%   |     |
| Vibrancy of downtown/commercial area                                  | Excellent  |    | 0%  |     |
|   | Good   |    | 9%  |     |
|   | Fair   |    | 44%   |     |
|   | Poor   |    | 47%   |     |
| Employment opportunities  | Excellent  |    | 1%  |     |
|   | Good   |    | 2%  |     |
|   | Fair   |    | 26%   |     |
|   | Poor   |    | 71%   |     |
| Shopping opportunities  | Excellent  |  | 0%  |     |
|   | Good   |  | 15%   |     |
|   | Fair   |  | 21%   |     |
|   | Poor   |  | 63%   |     |
| Cost of living  | Excellent  |  | 13%   |     |
|   | Good   |  | 10%   |     |
|   | Fair   |  | 46%   |     |
|   | Poor   |  | 32%   |     |
| Overall image or reputation   | Excellent  |  | 6%  |     |
|   | Good   |  | 21%   |     |
|   | Fair   |  | 49%   |     |
|   | Poor   |  | 25%   |     |
| <b>Please also rate each of the following in the Tracy community.</b> | Traffic flow on major streets                          | Excellent   |  | 1%  |
|   |  | Good  |  | 3%  |
|   |  | Fair  |  | 55% |
|   |  | Poor  |  | 41% |
| Ease of public parking  | Excellent  |  | 6%  |     |


























Please also rate each of the following in the Tracy community.




































**Please also rate each of the following in the Tracy community.**



Please also rate each of the following in the Tracy community.

|  |           |   |     |
|--|-----------|---|-----|
| Air quality  | Good      |    | 25% |
|  | Fair      |    | 52% |
|  | Poor      |    | 16% |
| Availability of paths and walking trails               | Excellent |    | 0%  |
|  | Good      |    | 21% |
|  | Fair      |    | 28% |
|  | Poor      |    | 52% |
| Fitness opportunities                                  | Excellent |    | 2%  |
|  | Good      |    | 26% |
|  | Fair      |    | 29% |
|  | Poor      |    | 43% |
| Recreational opportunities                             | Good      |    | 18% |
|  | Fair      |    | 30% |
|  | Poor      |    | 52% |
| Availability of affordable quality food                | Excellent |    | 3%  |
|  | Good      |  | 43% |
|  | Fair      |  | 30% |
|  | Poor      |  | 25% |
| Availability of affordable quality health care         | Excellent |  | 1%  |
|  | Good      |  | 35% |
|  | Fair      |  | 47% |
|  | Poor      |  | 17% |
| Availability of preventive health services             | Excellent |  | 1%  |
|  | Good      |  | 29% |
|  | Fair      |  | 52% |
|  | Poor      |  | 19% |
| Availability of affordable quality mental health care  | Good      |  | 9%  |
|  | Fair      |  | 48% |
|  | Poor      |  | 43% |
| Opportunities to attend cultural/arts/music activities | Excellent |  | 1%  |
|  | Good      |  | 19% |
|  | Fair      |  | 39% |

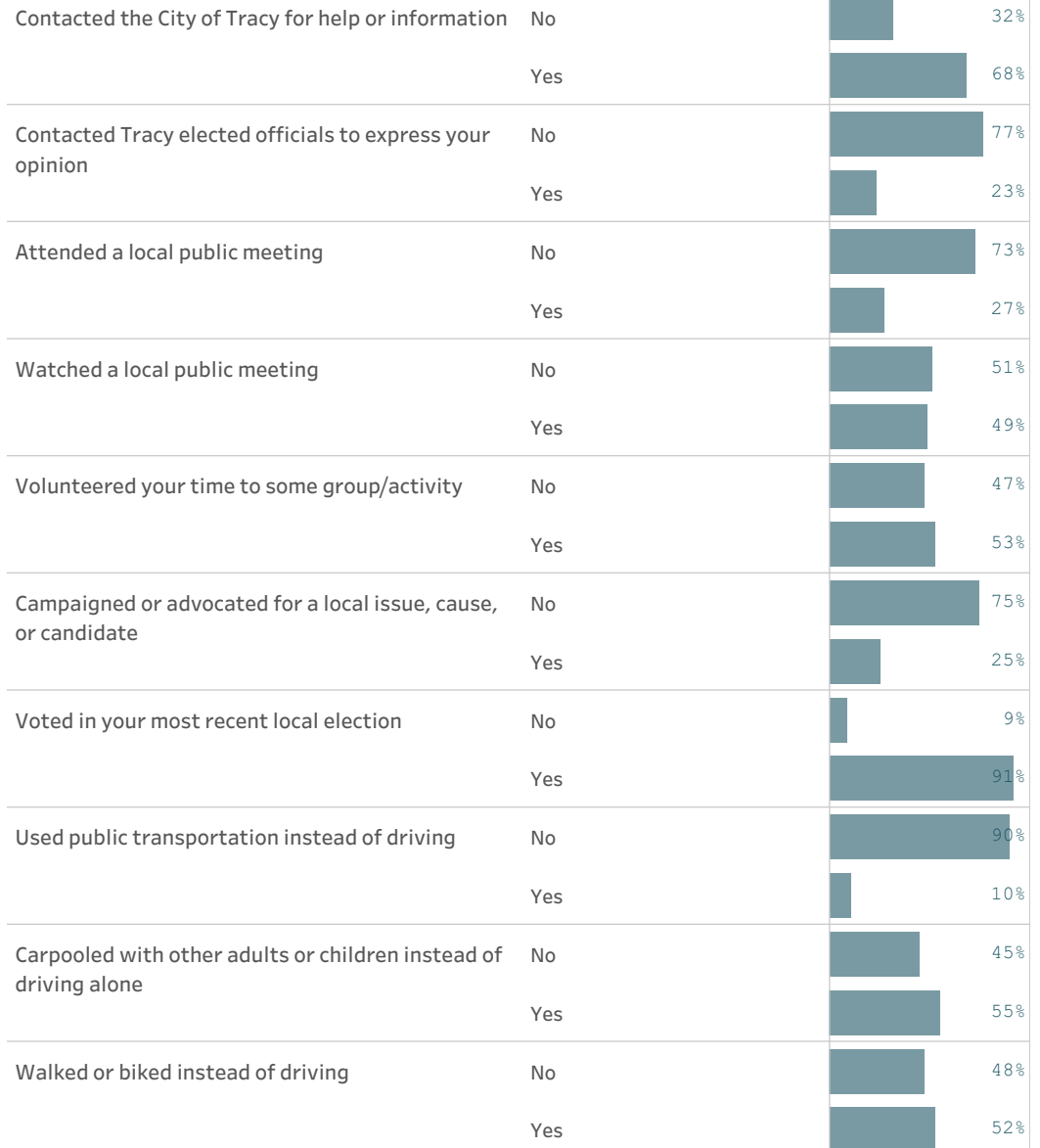
Please also rate each of the following in the Tracy community.

|  |           |   |     |
|--|-----------|---|-----|
| Opportunities to attend cultural/arts/music activities       | Poor      |     | 42% |
|  | Excellent |    | 1%  |
|  | Good      |    | 32% |
|  | Fair      |    | 37% |
| Community support for the arts                               | Poor      |    | 30% |
|  | Excellent |    | 1%  |
|  | Good      |    | 17% |
|  | Fair      |    | 65% |
| Availability of affordable quality childcare/preschool       | Poor      |    | 16% |
|  | Excellent |    | 5%  |
|  | Good      |    | 48% |
|  | Fair      |    | 38% |
| K-12 education   | Poor      |    | 8%  |
|  | Good      |    | 46% |
|  | Fair      |   | 47% |
|  | Excellent |  | 7%  |
| Adult educational opportunities                              | Excellent |  | 1%  |
|  | Good      |  | 22% |
|  | Fair      |  | 54% |
|  | Poor      |  | 23% |
| Sense of civic/community pride                               | Poor      |  | 12% |
|  | Good      |  | 41% |
|  | Fair      |  | 44% |
|  | Excellent |  | 3%  |
| Neighborliness of residents                                  | Excellent |  | 1%  |
|  | Good      |  | 29% |
|  | Fair      |  | 37% |
|  | Poor      |  | 33% |
| Opportunities to participate in social events and activities | Excellent |  | 0%  |
|  | Good      |  | 34% |
|  | Fair      |  | 37% |
|  | Poor      |  | 29% |
| Opportunities to attend special events and festivals         | Excellent |  | 0%  |
|  | Good      |  | 34% |
|  | Fair      |  | 37% |
|  | Poor      |  | 29% |

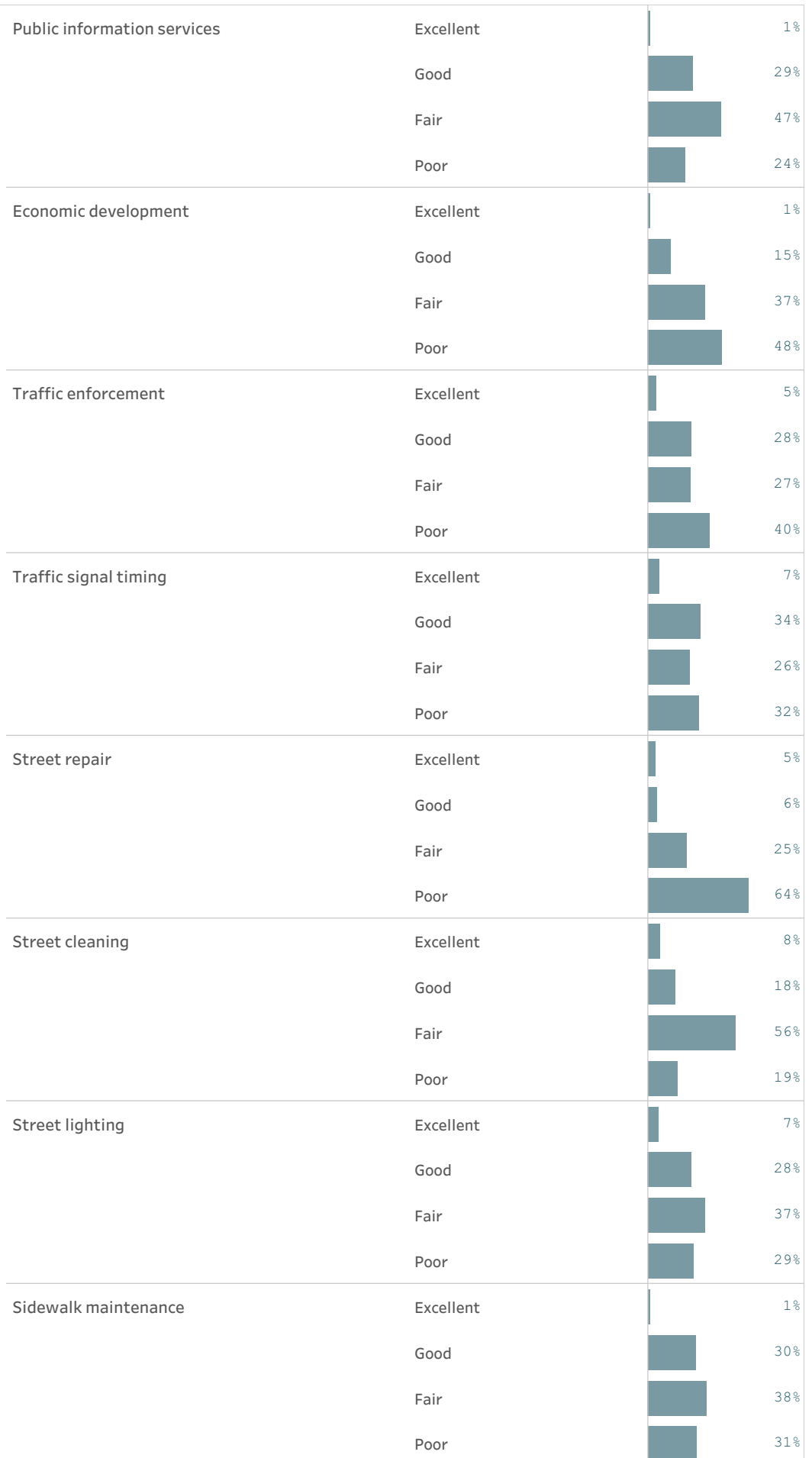
**Please also rate each of the following in the Tracy community.**



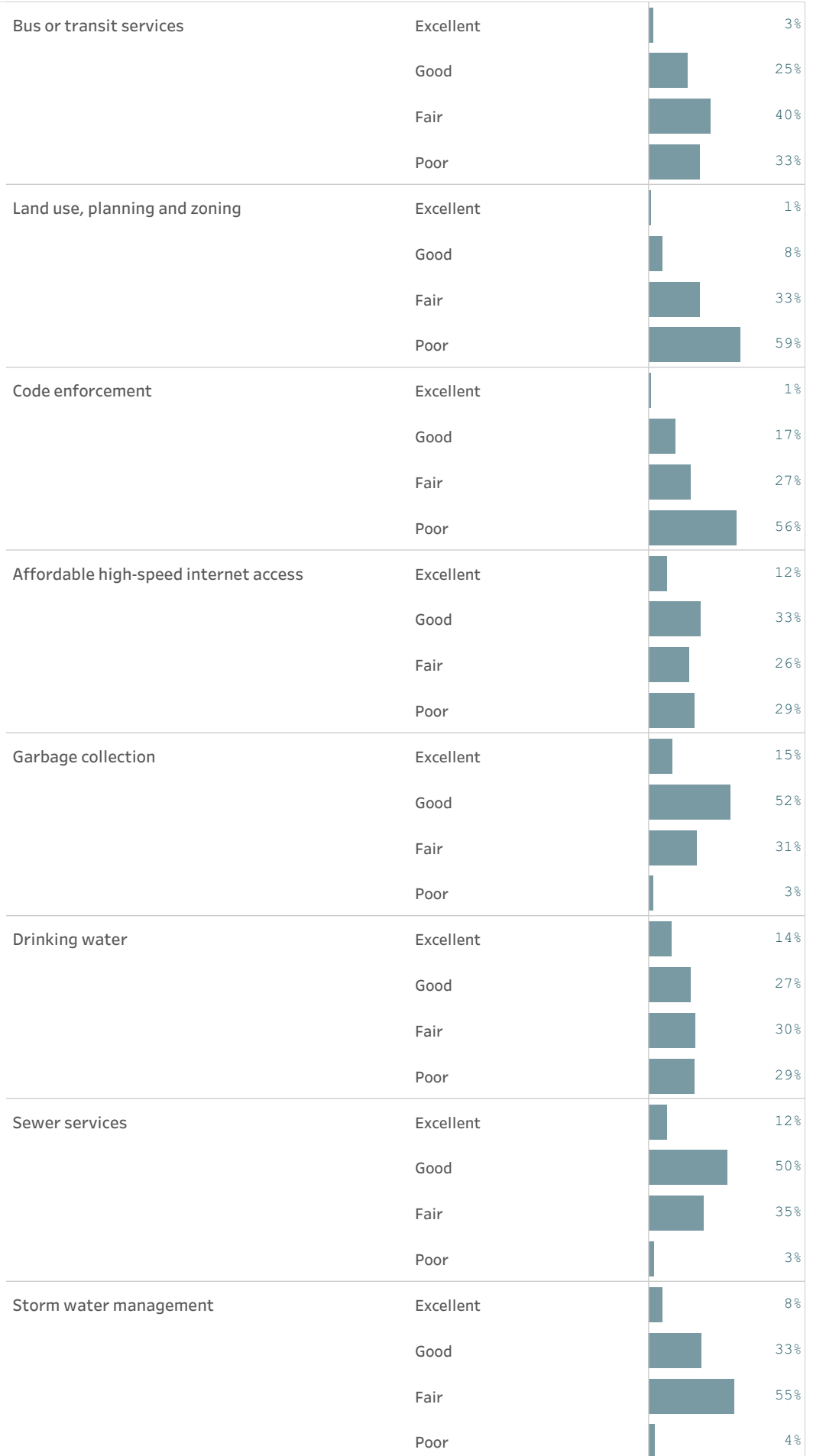
**Please indicate whether or not you have done each of the following in the last 12 months.**



Please rate the quality of each of the following services in Tracy.

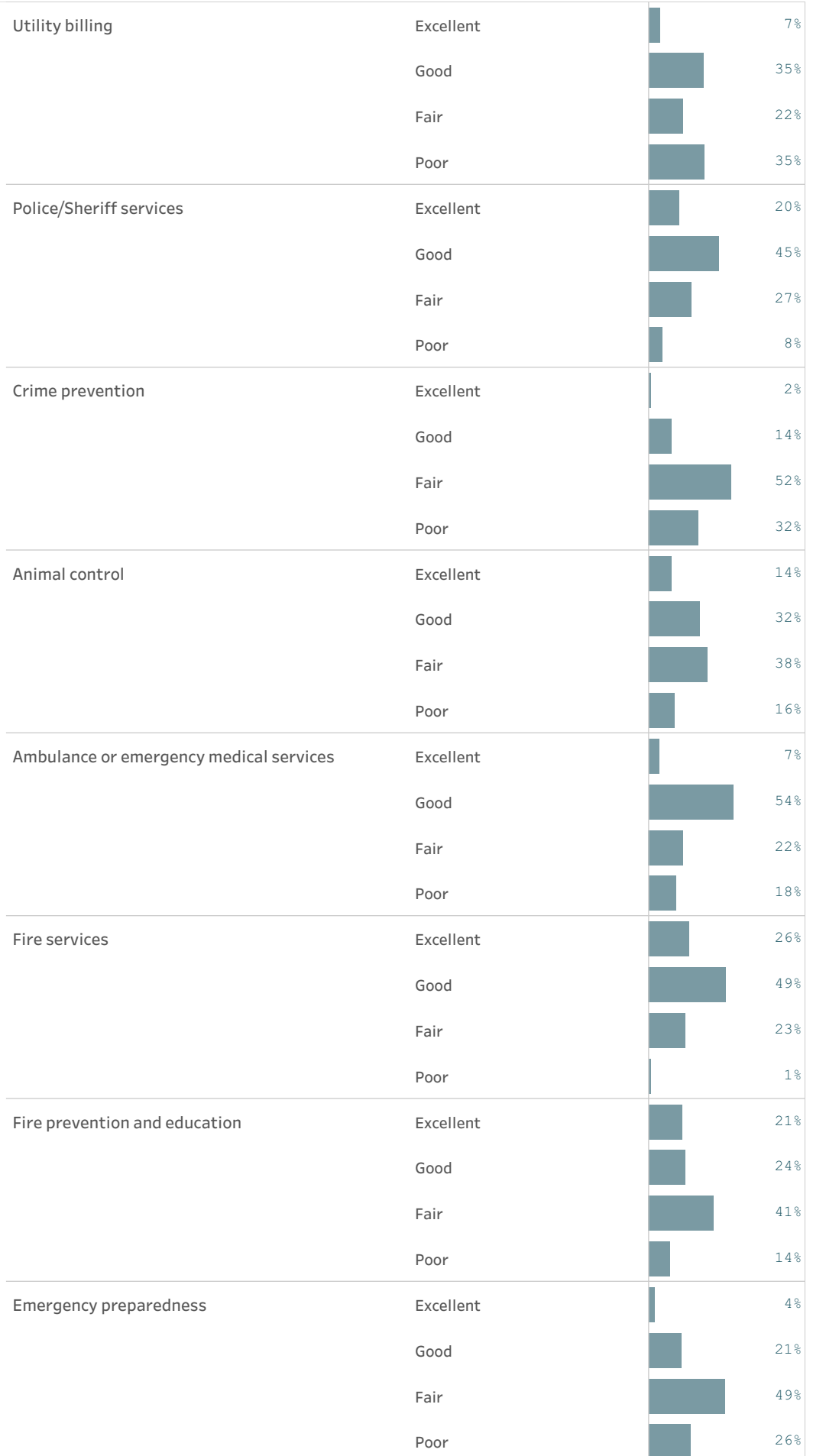


Please rate the quality of each of the following services in Tracy.

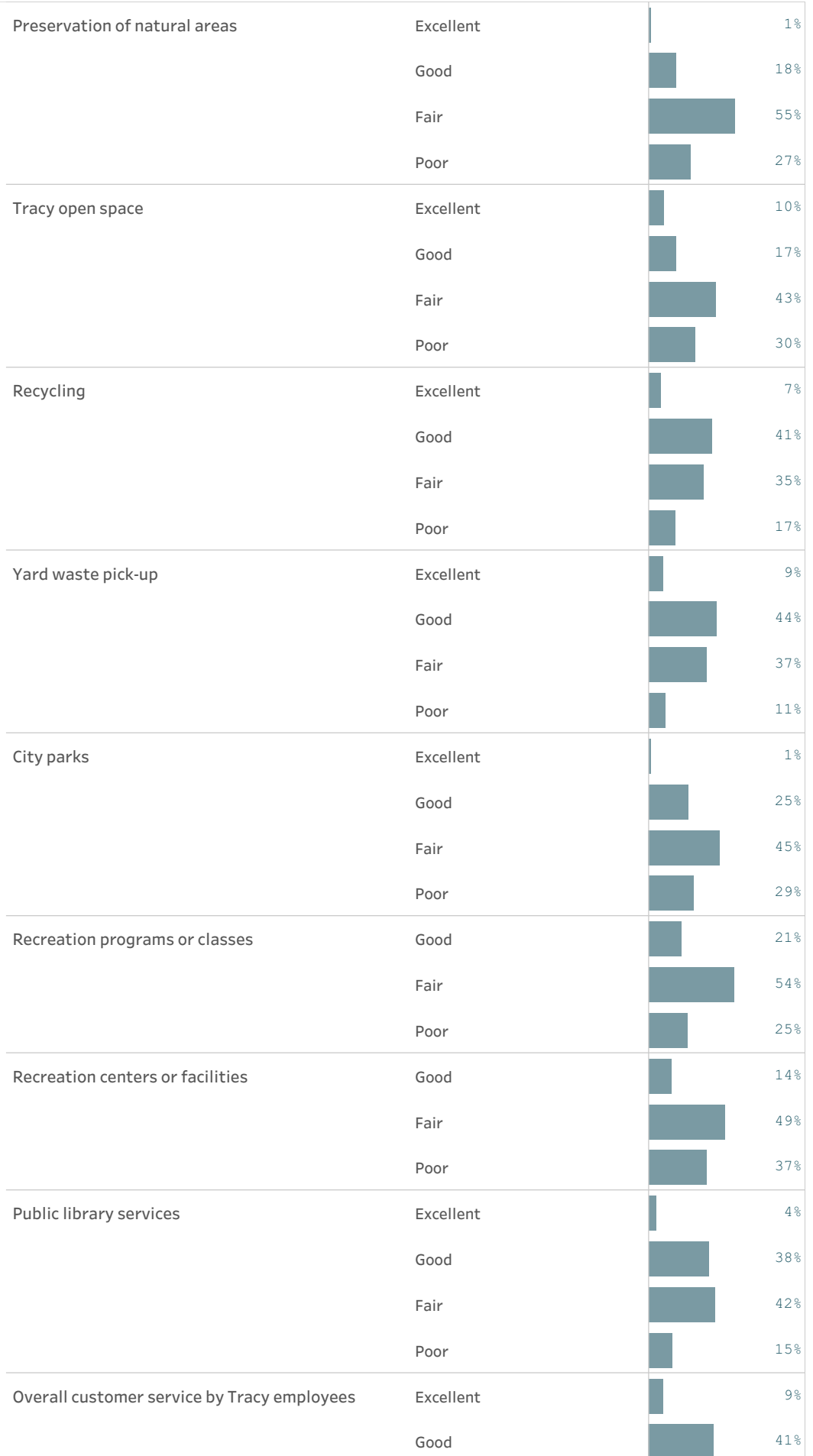

























































Please rate the quality of each of the following services in Tracy.



Please rate the quality of each of the following services in Tracy.



|  |   |   |   |     |
|--|---|---|---|-----|
| <b>Please rate the quality of each of the following services in Tracy.</b>   | Overall customer service by Tracy employees                     | Fair  |  | 32% |
|  |   | Poor  |  | 17% |
| <b>Please rate the following categories of Tracy government performance.</b> | The value of services for the taxes paid to Tracy               | Excellent   |  | 1%  |
|  |   | Good  |  | 10% |
|  |   | Fair  |  | 32% |
|  |   | Poor  |  | 57% |
|  | The overall direction that Tracy is taking                      | Excellent   |  | 5%  |
|  |   | Good  |  | 13% |
|  |   | Fair  |  | 18% |
|  |   | Poor  |  | 65% |
|  | The job Tracy government does at welcoming resident involvement | Excellent   |  | 6%  |
|  |   | Good  |  | 7%  |
|  |   | Fair  |  | 35% |
|  |   | Poor  |  | 52% |
| Overall confidence in Tracy government                                       | Excellent   |    | 1%  |     |
|  | Good  |  | 18%   |     |
|  | Fair  |  | 21%   |     |
|  | Poor  |  | 61%   |     |
| Generally acting in the best interest of the community                       | Excellent   |  | 1%  |     |
|  | Good  |  | 10%   |     |
|  | Fair  |  | 30%   |     |
|  | Poor  |  | 60%   |     |
| Being honest   | Excellent   |  | 1%  |     |
|  | Good  |  | 14%   |     |
|  | Fair  |  | 25%   |     |
|  | Poor  |  | 61%   |     |
| Being open and transparent to the public                                     | Excellent   |  | 1%  |     |
|  | Good  |  | 17%   |     |
|  | Fair  |  | 25%   |     |
|  | Poor  |  | 58%   |     |
| Informing residents about issues facing the community                        | Excellent   |  | 2%  |     |
|  | Good  |  | 19%   |     |

|   |  |   |   |     |
|---|--|---|---|-----|
| <b>Please rate the following categories of Tracy government performance.</b>  | Informing residents about issues facing the community        | Fair  |    | 23% |
|   |  | Poor  |    | 56% |
|   | Treating all residents fairly                                | Excellent   |    | 2%  |
|   |  | Good  |    | 28% |
| Fair  |  |    | 28%   |     |
| Poor  |  |    | 42%   |     |
| Treating residents with respect   | Excellent  |    | 5%  |     |
|   | Good   |    | 30%   |     |
|   | Fair   |    | 28%   |     |
|   | Poor   |    | 37%   |     |
| <b>Overall, how would you rate the quality of the services provided by each of the following?</b>   | The City of Tracy  | Excellent   |    | 2%  |
|   |  | Good  |    | 23% |
|   |  | Fair  |    | 37% |
|   |  | Poor  |    | 39% |
|   | The Federal Government                                       | Excellent   |    | 1%  |
|   |  | Good  |   | 19% |
|   |  | Fair  |  | 44% |
|   |  | Poor  |  | 37% |
| <b>Please rate how important, if at all, you think it is for the Tracy community to focus on each of the following in the coming two years.</b> | Overall economic health                                      | Essential   |  | 76% |
|   |  | Very important  |  | 24% |
|   |  | Somewhat important  |  | 0%  |
|   | Overall quality of the transportation system                 | Essential   |  | 27% |
|   |  | Very important  |  | 46% |
|   |  | Somewhat important  |  | 26% |
|   |  | Not at all important  |  | 1%  |
|   | Overall design or layout of residential and commercial areas | Essential   |  | 48% |
|   |  | Very important  |  | 33% |
|   |  | Somewhat important  |  | 19% |
|   | Overall quality of the utility infrastructure                | Essential   |  | 41% |
|   |  | Very important  |  | 42% |
|   |  | Somewhat important  |  | 16% |
| Overall feeling of safety   | Essential  |  | 74%   |     |

































|   |  |                      |  |     |
|---|--|----------------------|--|-----|
| <b>Please rate how important, if at all, you think it is for the Tracy community to focus on each of the following in the coming two years.</b>   | Overall feeling of safety                            | Very important       |  | 25% |
|   |  | Somewhat important   |  | 1%  |
| Overall quality of natural environment  |  | Essential            |  | 36% |
|   |  | Very important       |  | 35% |
|   |  | Somewhat important   |  | 28% |
|   |  | Not at all important |  | 1%  |
|   |  |                      |  |     |
| Overall quality of parks and recreation opportunities   |  | Essential            |  | 32% |
|   |  | Very important       |  | 41% |
|   |  | Somewhat important   |  | 26% |
|   |  | Not at all important |  | 1%  |
| Overall health and wellness opportunities   |  | Essential            |  | 33% |
|   |  | Very important       |  | 51% |
|   |  | Somewhat important   |  | 17% |
|   |  | Not at all important |  | 0%  |
| Overall opportunities for education, culture, and the arts  |  | Essential            |  | 36% |
|   |  | Very important       |  | 39% |
|   |  | Somewhat important   |  | 25% |
|   |  | Not at all important |  | 0%  |
| Residents' connection and engagement with their community   |  | Essential            |  | 36% |
|   |  | Very important       |  | 32% |
|   |  | Somewhat important   |  | 32% |
|   |  | Not at all important |  | 0%  |
| Transit Oriented Development, or TOD, is a style of development that encourages the creation of walkable and bikeable mixed-use communities generally located within a ¼ or ½ mile radius of a transit hub (bus, rail, airport). The goal is to create a vibrant, connected community where people can easily get to and from their homes, jobs, shopping,... |  | Strongly support     |  | 34% |
|   |  | Somewhat support     |  | 35% |
|   |  | Somewhat oppose      |  | 21% |
|   |  | Strongly oppose      |  | 10% |
| <b>If a TOD were to be built in Tracy, how much of a priority, if any, do you think each of the following should be to include in this development?</b>   | Transportation options (rail, bus, ride share, etc.) | High priority        |  | 53% |
|   |  | Moderate priority    |  | 35% |
|   |  | Not a priority       |  | 12% |
| Housing   |  | High priority        |  | 42% |
|   |  | Moderate priority    |  | 31% |
|   |  | Not a priority       |  | 27% |

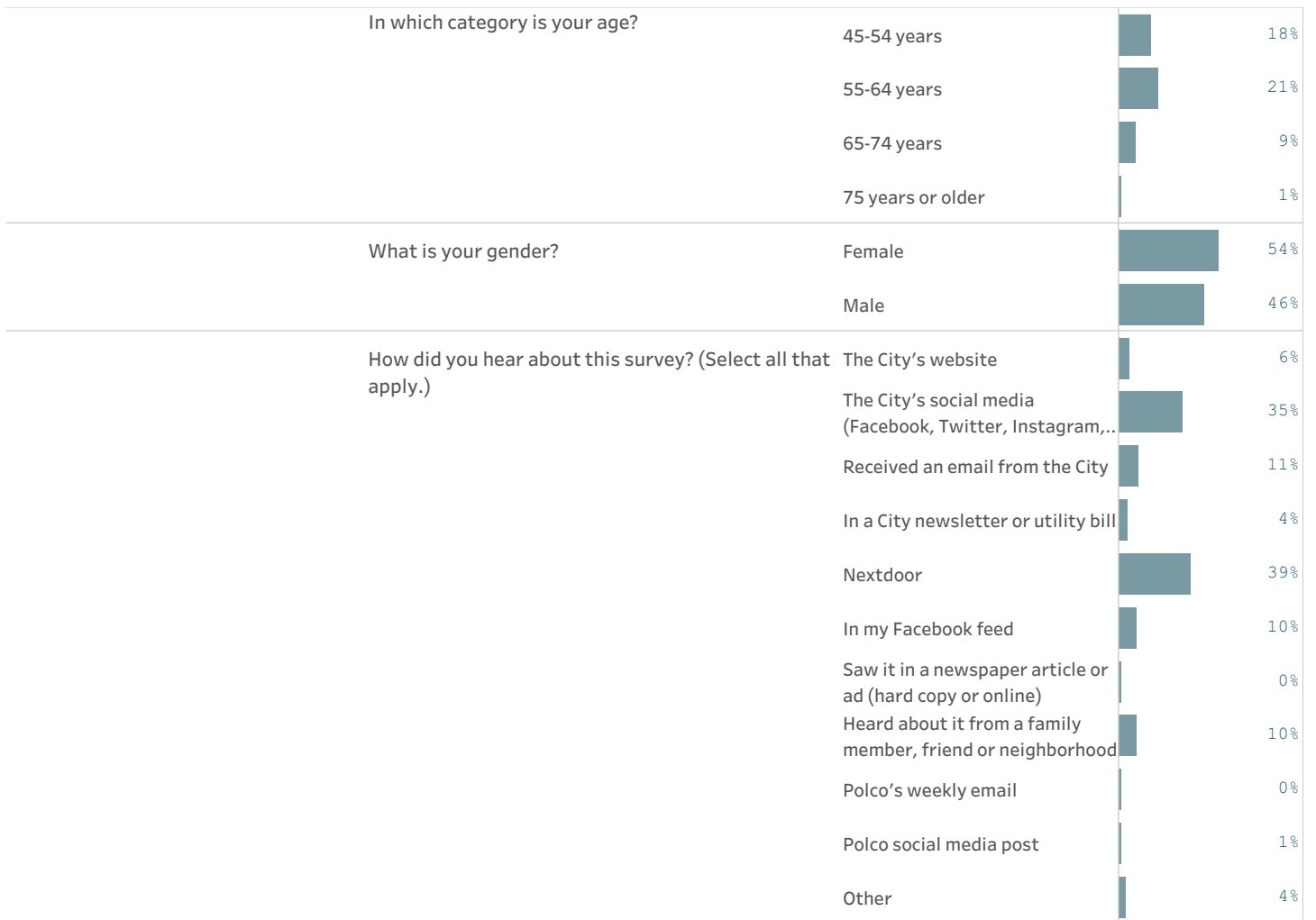
|   |  |                   |     |     |
|---|--|-------------------|-----|-----|
| <b>If a TOD were to be built in Tracy, how much of a priority, if any, do you think each of the following should be to include in this development?</b> | Office and co-working spaces                               | High priority     |     | 35% |
|   |  | Moderate priority |     | 53% |
|   |  | Not a priority    |     | 12% |
|   | New shops and restaurants                                  | High priority     |     | 75% |
|   |  | Moderate priority |     | 24% |
|   |  | Not a priority    |     | 1%  |
|   | Walkable areas and bike paths                              | High priority     |     | 61% |
|   |  | Moderate priority |     | 37% |
|   |  | Not a priority    |     | 2%  |
| Public spaces for events  | High priority  |                   | 49% |     |
|   | Moderate priority  |                   | 32% |     |
|   | Not a priority   |                   | 19% |     |
| Entertainment venues  | High priority  |                   | 51% |     |
|   | Moderate priority  |                   | 36% |     |
|   | Not a priority   |                   | 13% |     |
| Parks and green space   | High priority  |                   | 45% |     |
|   | Moderate priority  |                   | 50% |     |
|   | Not a priority   |                   | 5%  |     |
| Connectivity to existing neighborhoods  | High priority  |                   | 57% |     |
|   | Moderate priority  |                   | 34% |     |
|   | Not a priority   |                   | 9%  |     |
| Mixed-use spaces (combines two or more types of real estate, such as retail and residential properties, work and office space)                          | High priority  |                   | 30% |     |
|   | Moderate priority  |                   | 38% |     |
|   | Not a priority   |                   | 32% |     |
| What is your preferred location for a future rail/bus hub (e.g. Valley Link) and TOD in Tracy?  | I-205/Mall area (north Tracy)                              |                   | 26% |     |
|   | Downtown Tracy (central Tracy)                             |                   | 35% |     |
|   | Near the Tracy ACE Train Station (south Tracy)             |                   | 25% |     |
|   | I do not think we should have a TOD district in Tracy      |                   | 14% |     |
| <b>Please indicate how much of a priority, if any, you think each of the following should be for the City to fund?</b>                                  | Begin next phase of Legacy Field Sports Complex - Phase II | High priority     |     | 42% |
|   |  | Medium priority   |     | 24% |
|   |  | Not a priority    |     | 34% |
|   | Begin the Tracy Nature Park                                | High priority     |     | 26% |

| Please indicate how much of a priority, if any, you think each of the following should be for the City to fund? |  |                     |     |     |
|---|--|---------------------|-----|-----|
|   | Begin the Tracy Nature Park  | Medium priority     |     | 43% |
|   |  | Not a priority      |     | 30% |
|   | Redeveloping the downtown area   | High priority       |     | 61% |
|   |  | Medium priority     |     | 27% |
|   |  | Not a priority      |     | 11% |
|   | Expanding recycled water infrastructure  | High priority       |     | 33% |
|   |  | Medium priority     |     | 44% |
|   |  | Not a priority      |     | 24% |
|   | Pursuing green initiatives (reducing Tracy's carbon footprint and responding to effects of climate change)           | High priority       |     | 30% |
|   |  | Medium priority     |     | 34% |
|   |  | Not a priority      |     | 36% |
|   | Renovating and updating existing City parks and facilities   | High priority       |     | 48% |
|   |  | Medium priority     |     | 45% |
|   |  | Not a priority      |     | 6%  |
|   | Renovating and updating existing City infrastructure including streets, sidewalks, and underground utility pipelines | High priority       |     | 72% |
| Medium priority   |  |                     | 19% |     |
| Not a priority  |  |                     | 9%  |     |
| Constructing new Police and Fire stations   | High priority  |                     | 25% |     |
|   | Medium priority  |                     | 33% |     |
|   | Not a priority   |                     | 42% |     |
| In general, how many times do you:  | Access the internet from your home   | Several times a day |     | 87% |
|   |  | Once a day          |     | 4%  |
|   |  | A few times a week  |     | 3%  |
|   |  | Every few weeks     |     | 2%  |
|   |  | Less often or never |     | 4%  |
|   | Access the internet from your cell phone   | Several times a day |     | 95% |
|   |  | Once a day          |     | 4%  |
|   |  | A few times a week  |     | 0%  |
|   |  | Less often or never |     | 1%  |
|   | Visit social media sites   | Several times a day |     | 75% |
|   |  | Once a day          |     | 16% |
|   |  | A few times a week  |     | 5%  |

|  |                                  |                     |     |
|--|----------------------------------|---------------------|-----|
| <b>In general, how many times do you:</b>  | Visit social media sites         | Every few weeks     | 5%  |
|  |                                  | Less often or never | 0%  |
| Use or check email   | Several times a day              | 94%                 |     |
|  | Once a day                       | 4%                  |     |
|  | A few times a week               | 1%                  |     |
|  | Every few weeks                  | 1%                  |     |
|  | Less often or never              | 0%                  |     |
|  | Share your opinions online       | Several times a day | 22% |
|  | Once a day                       | 1%                  |     |
| A few times a week   | 20%                              |                     |     |
|  | Every few weeks                  | 28%                 |     |
|  | Less often or never              | 29%                 |     |
|  | Shop online                      | Several times a day | 21% |
|  | Once a day                       | 9%                  |     |
| A few times a week   | 34%                              |                     |     |
|  | Every few weeks                  | 26%                 |     |
|  | Less often or never              | 9%                  |     |
|  | Please rate your overall health. | Excellent           | 27% |
|  | Very good                        | 46%                 |     |
| Good   | 19%                              |                     |     |
| Fair   | 8%                               |                     |     |
| Poor   | 0%                               |                     |     |
| What impact, if any, do you think the economy will have on your family income in the next 6 months? Do you think the impact will be: | Very positive                    | 14%                 |     |
|  | Somewhat positive                | 15%                 |     |
|  | Neutral                          | 47%                 |     |
|  | Somewhat negative                | 18%                 |     |
|  | Very negative                    | 5%                  |     |
| How many years have you lived in Tracy?  | Less than 2 years                | 14%                 |     |
|  | 2-5 years                        | 9%                  |     |
|  | 6-10 years                       | 10%                 |     |
|  | 11-20 years                      | 28%                 |     |
|  | More than 20 years               | 38%                 |     |



|   |  |   |   |     |
|---|--|---|---|-----|
|   | Which best describes the building you live in?   | One family house detached from any other houses           |    | 87% |
|   |  | Building with two or more homes (duplex, townhome, apa..  |    | 13% |
|   | Do you rent or own your home?  | Rent  |    | 34% |
|   |  | Own   |    | 66% |
| <b>About how much is your monthly housing cost for the place you live (including rent, mortgage payment, property tax, property insurance, and homeowners' association (HOA) fees)?</b> | About how much is your monthly housing cost for the place you live (including rent, mortgage payment, property tax, property insurance and homeowners' association (HOA) fees)?                            | Less than \$500   |    | 0%  |
|   |  | \$500 to \$999  |    | 8%  |
|   |  | \$1,000 to \$1,499  |    | 17% |
|   |  | \$1,500 to \$1,999  |    | 10% |
|   |  | \$2,000 to \$2,499  |    | 29% |
|   |  | \$2,500 to \$2,999  |    | 20% |
|   |  | \$3,000 to \$3,499  |    | 3%  |
|   |  | \$3,500 or more   |    | 13% |
|   | Do any children 17 or under live in your household?  | No  |    | 61% |
|   |  | Yes   |    | 39% |
|   | Are you or any other members of your household aged 65 or older?   | No  |    | 76% |
|   |  | Yes   |   | 24% |
|   | How much do you anticipate your household's total income before taxes will be for the current year? (Please include in your total income money from all sources for all persons living in your household.) | Less than \$25,000  |  | 1%  |
|   |  | \$25,000 to \$49,999                                      |  | 13% |
|   |  | \$50,000 to \$74,999                                      |  | 8%  |
|   |  | \$75,000 to \$99,999                                      |  | 21% |
|   |  | \$100,000 to \$149,999                                    |  | 19% |
|   |  | \$150,000 or more   |  | 39% |
| <b>Are you Spanish, Hispanic, or Latino?</b>  | Are you Spanish, Hispanic or Latino?   | No, not Spanish, Hispanic, or Latino                      |  | 67% |
|   |  | Yes, I consider myself to be Spanish, Hispanic, or Latino |  | 33% |
|   | What is your race? (Mark one or more races to indicate what race you consider yourself to be.)   | American Indian or Alaskan Native                         |  | 0%  |
|   |  | Asian, Asian Indian, or Pacific Islander                  |  | 18% |
|   |  | Black or African American                                 |  | 11% |
|   |  | White   |  | 66% |
|   |  | Other   |  | 14% |
|   | In which category is your age?   | 18-24 years   |  | 8%  |
|   |  | 25-34 years   |  | 19% |
|   |  | 35-44 years   |  | 25% |



Dear Tracy Resident,

It won't take much of your time to make a big difference!

Your household has been randomly selected to participate in Tracy's 2021 Community Survey. You can go online and complete the **confidential survey** at:

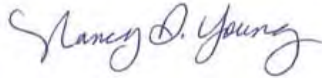
**<https://polco.us/xxplaceholder>**

**Please do not share your survey link.** This survey is for randomly selected households only. The City will conduct a separate survey that is open to all residents just a few weeks from now. You can also wait a few days for the survey to arrive in the mail.

If you have any questions about the survey, please call 209-831-6000.

Thank you for helping create a better City!

Sincerely,



Nancy Young  
Mayor/Alcalde

Estimado Residente de Tracy,

¡No le tomará mucho de su tiempo para marcar una gran diferencia!

Su hogar ha sido elegido al azar para participar en Encuesta de la Comunidad del 2021 de Tracy. Puede completar la **encuesta confidencial** en línea en español en:

**<https://polco.us/xxplaceholder>**

**Por favor no comparta el enlace de su encuesta.**

Esta encuesta es solamente para hogares seleccionados al azar. La Ciudad conducirá una encuesta separada que está abierta a todos los residentes dentro de unas semanas. También puede esperar unos días hasta que la encuesta llegue por correo.

Si tiene alguna pregunta sobre la encuesta, por favor llame al 209-831-6000. ¡Gracias por ayudar a crear una ciudad mejor!

Atentamente,

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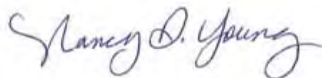
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Nancy Young  
Mayor/Alcalde



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October 2021

Dear City of Tracy Resident:

Please help us shape the future of Tracy! You have been selected at random to participate in the 2021 Tracy Community Survey. **If you've** already completed the survey online, thank you. Please do not respond twice.

Please take a few minutes to fill out the enclosed survey. Your participation in this survey is very important—especially since your household is one of only a small number of households being surveyed. Your feedback will help Tracy make decisions that affect our City.

A few things to remember:

- Your responses are confidential and no identifying information will be shared.
- In order to hear from a diverse group of residents, the adult 18 years or older in your household who most recently had a birthday should complete this survey.
- You may return the survey by mail in the enclosed postage-paid envelope, or you can complete the survey online at:

<https://polco.us/xxplaceholder>

Please do not share your survey link. This survey is for randomly selected households only. The City will conduct a separate survey that is open to all residents just a few weeks from now.

If you have any questions about the survey, please call 209-831-6000.

Thank you for your time and participation!

Sincerely,

Estimado Residente de la Ciudad de Tracy:

¡Por favor ayúdenos a moldear el futuro de Tracy! Usted ha sido seleccionado al azar para participar en la Encuesta de la Comunidad de Tracy del 2021. Si ya completó la encuesta en línea, gracias. Por favor no responda dos veces.

Por favor tome unos minutos para completar la encuesta adjunta; si usted preferiría completar la encuesta en español, por favor siga las instrucciones abajo para acceder a la encuesta en español por medio de la red. Su participación en esta encuesta es muy importante—especialmente porque su hogar es uno de solamente un número pequeño de hogares que se están encuestando. Sus observaciones le ayudarán a Tracy tomar decisiones que afectarán a nuestra Ciudad.

Algunas cosas para recordar:

- Sus respuestas son confidenciales y no se compartirá ninguna información de identificación.
- Para poder escuchar a un grupo diverso de residentes, el adulto de 18 años o más en su hogar que haya celebrado su cumpleaños más recientemente debe completar esta encuesta.
- Puede devolver la encuesta *en inglés* por correo en el sobre pre-pagado adjunto, o puede completar la encuesta en línea *en español* en:

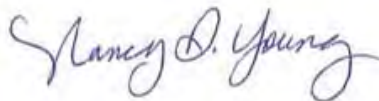
<https://polco.us/xxplaceholder>

Por favor no comparta el enlace de su encuesta. Esta encuesta es solamente para hogares seleccionados al azar. La Ciudad conducirá una encuesta separada que está abierta a todos los residentes dentro de unas semanas.

Si tiene alguna pregunta sobre la encuesta, por favor llame al 209-831-6000.

¡Gracias por su tiempo y participación!

Atentamente,



November 2021

Dear City of Tracy Resident:

Here's another chance if you haven't already responded to the 2021 Tracy Community Survey! If you completed it and sent it back, we thank you for your time and ask you to recycle this survey. Please do not respond twice.

Please help us shape the future of Tracy! You have been selected at random to participate in the 2021 Tracy Community Survey.

Please take a few minutes to fill out the enclosed survey. Your participation in this survey is very important—especially since your household is one of only a small number of households being surveyed. Your feedback will help Tracy make decisions that affect our City.

A few things to remember:

- Your responses are confidential and no identifying information will be shared.
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If you have any questions about the survey, please call 209-831-6000.

Thank you for your time and participation!

Sincerely,

Estimado Residente de la Ciudad de Tracy:

¡Aquí tiene otra oportunidad si usted aún no ha respondido a la Encuesta de la Comunidad de Tracy del 2021! Si usted la completó y la devolvió, le damos las gracias por su tiempo y le pedimos que recicle esta encuesta. Por favor no responda dos veces.

¡Por favor ayúdenos a moldear el futuro de Tracy! Usted ha sido seleccionado al azar para participar en la Encuesta de la Comunidad de Tracy del 2021.

Por favor tome unos minutos para completar la encuesta adjunta; si usted preferiría completar la encuesta en español, por favor siga las instrucciones abajo para acceder a la encuesta en español por medio de la red. Su participación en esta encuesta es muy importante—especialmente porque su hogar es uno de solamente un número pequeño de hogares que se están encuestando. Sus observaciones le ayudarán a Tracy tomar decisiones que afectarán a nuestra ciudad.

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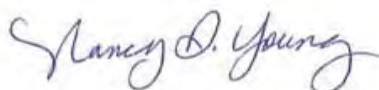
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¡Gracias por su tiempo y participación!

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Mayor/Alcalde

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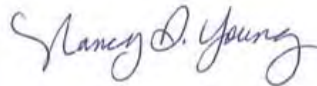
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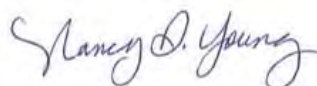
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Dear Tracy Resident,

Just a reminder—if you have not yet completed Tracy's 2021 Community Survey, please do so. **If you have completed it, thank you. Please do not respond twice.**

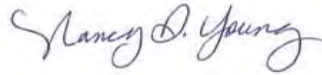
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Mayor/Alcalde

Estimado Residente de Tracy,

Solamente un recordatorio—si usted aún no ha completado la Encuesta de la Comunidad del 2021 de Tracy, por favor hágalo. **Si ya lo ha completado, gracias. Por favor no responda dos veces.**

Su participación en esta **encuesta confidencial** es muy importante—sus respuestas le ayudarán al Tracy para tomar decisiones que afectan nuestra comunidad. Puede completar la encuesta en línea en español en:

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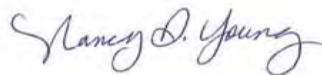
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# The City of Tracy 2021 Community Survey

Please complete this survey if you are the adult (age 18 or older) in the household who most recently had a birthday (the year of birth does not matter). Your responses are confidential and no identifying information will be shared.

## 1. Please rate each of the following aspects of quality of life in Tracy.

|  | <u>Excellent</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> | <u>Don't know</u> |
|--|------------------|-------------|-------------|-------------|-------------------|
| Tracy as a place to live.....              | 1                | 2           | 3           | 4           | 5                 |
| Your neighborhood as a place to live ..... | 1                | 2           | 3           | 4           | 5                 |
| Tracy as a place to raise children.....    | 1                | 2           | 3           | 4           | 5                 |
| Tracy as a place to work .....             | 1                | 2           | 3           | 4           | 5                 |
| Tracy as a place to visit .....            | 1                | 2           | 3           | 4           | 5                 |
| Tracy as a place to retire.....            | 1                | 2           | 3           | 4           | 5                 |
| The overall quality of life in Tracy.....  | 1                | 2           | 3           | 4           | 5                 |
| Sense of community.....                    | 1                | 2           | 3           | 4           | 5                 |

## 2. Please rate each of the following characteristics as they relate to Tracy as a whole.

|   | <u>Excellent</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> | <u>Don't know</u> |
|---|------------------|-------------|-------------|-------------|-------------------|
| Overall economic health of Tracy .....  | 1                | 2           | 3           | 4           | 5                 |
| Overall quality of the transportation system (auto, bicycle, foot, bus) in Tracy .....                                    | 1                | 2           | 3           | 4           | 5                 |
| Overall design or layout of Tracy's residential and commercial areas (e.g., homes, buildings, streets, parks, etc.) ..... | 1                | 2           | 3           | 4           | 5                 |
| Overall quality of the utility infrastructure in Tracy (water, sewer, storm water, electric, gas) .....                   | 1                | 2           | 3           | 4           | 5                 |
| Overall feeling of safety in Tracy.....   | 1                | 2           | 3           | 4           | 5                 |
| Overall quality of natural environment in Tracy.....  | 1                | 2           | 3           | 4           | 5                 |
| Overall quality of parks and recreation opportunities.....  | 1                | 2           | 3           | 4           | 5                 |
| Overall health and wellness opportunities in Tracy.....   | 1                | 2           | 3           | 4           | 5                 |
| Overall opportunities for education, culture, and the arts.....   | 1                | 2           | 3           | 4           | 5                 |
| Residents' connection and engagement with their community .....   | 1                | 2           | 3           | 4           | 5                 |

## 3. Please indicate how likely or unlikely you are to do each of the following.

|   | <u>Very likely</u> | <u>Somewhat likely</u> | <u>Somewhat unlikely</u> | <u>Very unlikely</u> | <u>Don't know</u> |
|---|--------------------|------------------------|--------------------------|----------------------|-------------------|
| Recommend living in Tracy to someone who asks ..... | 1                  | 2                      | 3                        | 4                    | 5                 |
| Remain in Tracy for the next five years .....       | 1                  | 2                      | 3                        | 4                    | 5                 |

## 4. Please rate how safe or unsafe you feel:

|  | <u>Very safe</u> | <u>Somewhat safe</u> | <u>Neither safe nor unsafe</u> | <u>Somewhat unsafe</u> | <u>Very unsafe</u> | <u>Don't know</u> |
|--|------------------|----------------------|--------------------------------|------------------------|--------------------|-------------------|
| In your neighborhood during the day.....                 | 1                | 2                    | 3                              | 4                      | 5                  | 6                 |
| In Tracy's downtown/commercial area during the day ..... | 1                | 2                    | 3                              | 4                      | 5                  | 6                 |
| From property crime.....                                 | 1                | 2                    | 3                              | 4                      | 5                  | 6                 |
| From violent crime.....                                  | 1                | 2                    | 3                              | 4                      | 5                  | 6                 |
| From fire, flood, or other natural disaster .....        | 1                | 2                    | 3                              | 4                      | 5                  | 6                 |

## 5. Please rate the job you feel the Tracy community does at each of the following.

|  | <u>Excellent</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> | <u>Don't know</u> |
|--|------------------|-------------|-------------|-------------|-------------------|
| Making all residents feel welcome .....                                      | 1                | 2           | 3           | 4           | 5                 |
| Attracting people from diverse backgrounds.....                              | 1                | 2           | 3           | 4           | 5                 |
| Valuing/respecting residents from diverse backgrounds.....                   | 1                | 2           | 3           | 4           | 5                 |
| Taking care of vulnerable residents (elderly, disabled, homeless, etc.)..... | 1                | 2           | 3           | 4           | 5                 |

## 6. Please rate each of the following in the Tracy community.

|   | <u>Excellent</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> | <u>Don't know</u> |
|---|------------------|-------------|-------------|-------------|-------------------|
| Overall quality of business and service establishments in Tracy ..... | 1                | 2           | 3           | 4           | 5                 |
| Variety of business and service establishments in Tracy .....         | 1                | 2           | 3           | 4           | 5                 |
| Vibrancy of downtown/commercial area .....                            | 1                | 2           | 3           | 4           | 5                 |
| Employment opportunities .....  | 1                | 2           | 3           | 4           | 5                 |
| Shopping opportunities .....  | 1                | 2           | 3           | 4           | 5                 |
| Cost of living in Tracy.....  | 1                | 2           | 3           | 4           | 5                 |
| Overall image or reputation of Tracy .....                            | 1                | 2           | 3           | 4           | 5                 |

**7. Please also rate each of the following in the Tracy community.**

|   | <u>Excellent</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> | <u>Don't know</u> |
|---|------------------|-------------|-------------|-------------|-------------------|
| Traffic flow on major streets.....  | 1                | 2           | 3           | 4           | 5                 |
| Ease of public parking.....   | 1                | 2           | 3           | 4           | 5                 |
| Ease of travel by car in Tracy.....   | 1                | 2           | 3           | 4           | 5                 |
| Ease of travel by public transportation in Tracy.....                                 | 1                | 2           | 3           | 4           | 5                 |
| Ease of travel by bicycle in Tracy.....   | 1                | 2           | 3           | 4           | 5                 |
| Ease of walking in Tracy.....   | 1                | 2           | 3           | 4           | 5                 |
| Well-planned residential growth.....  | 1                | 2           | 3           | 4           | 5                 |
| Well-planned commercial growth.....   | 1                | 2           | 3           | 4           | 5                 |
| Well-designed neighborhoods.....  | 1                | 2           | 3           | 4           | 5                 |
| Preservation of the historical or cultural character of the community.....            | 1                | 2           | 3           | 4           | 5                 |
| Public places where people want to spend time.....                                    | 1                | 2           | 3           | 4           | 5                 |
| Variety of housing options.....   | 1                | 2           | 3           | 4           | 5                 |
| Availability of affordable quality housing.....                                       | 1                | 2           | 3           | 4           | 5                 |
| Overall quality of new development in Tracy.....                                      | 1                | 2           | 3           | 4           | 5                 |
| Overall appearance of Tracy.....  | 1                | 2           | 3           | 4           | 5                 |
| Cleanliness of Tracy.....   | 1                | 2           | 3           | 4           | 5                 |
| Water resources (beaches, lakes, ponds, riverways, etc.).....                         | 1                | 2           | 3           | 4           | 5                 |
| Air quality.....  | 1                | 2           | 3           | 4           | 5                 |
| Availability of paths and walking trails.....   | 1                | 2           | 3           | 4           | 5                 |
| Fitness opportunities (including exercise classes and paths or trails, etc.)... ..    | 1                | 2           | 3           | 4           | 5                 |
| Recreational opportunities.....   | 1                | 2           | 3           | 4           | 5                 |
| Availability of affordable quality food.....  | 1                | 2           | 3           | 4           | 5                 |
| Availability of affordable quality health care.....                                   | 1                | 2           | 3           | 4           | 5                 |
| Availability of preventive health services.....                                       | 1                | 2           | 3           | 4           | 5                 |
| Availability of affordable quality mental health care.....                            | 1                | 2           | 3           | 4           | 5                 |
| Opportunities to attend cultural/arts/music activities.....                           | 1                | 2           | 3           | 4           | 5                 |
| Community support for the arts.....   | 1                | 2           | 3           | 4           | 5                 |
| Availability of affordable quality childcare/preschool.....                           | 1                | 2           | 3           | 4           | 5                 |
| K-12 education.....   | 1                | 2           | 3           | 4           | 5                 |
| Adult educational opportunities.....  | 1                | 2           | 3           | 4           | 5                 |
| Sense of civic/community pride.....   | 1                | 2           | 3           | 4           | 5                 |
| Neighborliness of residents in Tracy.....   | 1                | 2           | 3           | 4           | 5                 |
| Opportunities to participate in social events and activities.....                     | 1                | 2           | 3           | 4           | 5                 |
| Opportunities to attend special events and festivals.....                             | 1                | 2           | 3           | 4           | 5                 |
| Opportunities to volunteer.....   | 1                | 2           | 3           | 4           | 5                 |
| Opportunities to participate in community matters.....                                | 1                | 2           | 3           | 4           | 5                 |
| Openness and acceptance of the community toward people<br>of diverse backgrounds..... | 1                | 2           | 3           | 4           | 5                 |

**8. Please indicate whether or not you have done each of the following in the last 12 months.**

|  | <u>No</u> | <u>Yes</u> |
|--|-----------|------------|
| Contacted the City of Tracy (in-person, phone, email, or web) for help or information.....   | 1         | 2          |
| Contacted Tracy elected officials (in-person, phone, email, or web) to express your opinion.....   | 1         | 2          |
| Attended a local public meeting (of local elected officials like City Council or County<br>Commissioners, advisory boards, town halls, HOA, neighborhood watch, etc.)..... | 1         | 2          |
| Watched (online or on television) a local public meeting.....  | 1         | 2          |
| Volunteered your time to some group/activity in Tracy.....   | 1         | 2          |
| Campaigned or advocated for a local issue, cause, or candidate.....  | 1         | 2          |
| Voted in your most recent local election.....  | 1         | 2          |
| Used bus, rail, subway, or other public transportation instead of driving.....   | 1         | 2          |
| Carpooled with other adults or children instead of driving alone.....  | 1         | 2          |
| Walked or biked instead of driving.....  | 1         | 2          |

# The City of Tracy 2021 Community Survey

## 9. Please rate the quality of each of the following services in Tracy.

|   | <u>Excellent</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> | <u>Don't know</u> |
|---|------------------|-------------|-------------|-------------|-------------------|
| Public information services.....  | 1                | 2           | 3           | 4           | 5                 |
| Economic development.....   | 1                | 2           | 3           | 4           | 5                 |
| Traffic enforcement.....  | 1                | 2           | 3           | 4           | 5                 |
| Traffic signal timing.....  | 1                | 2           | 3           | 4           | 5                 |
| Street repair.....  | 1                | 2           | 3           | 4           | 5                 |
| Street cleaning.....  | 1                | 2           | 3           | 4           | 5                 |
| Street lighting.....  | 1                | 2           | 3           | 4           | 5                 |
| Sidewalk maintenance.....   | 1                | 2           | 3           | 4           | 5                 |
| Bus or transit services.....  | 1                | 2           | 3           | 4           | 5                 |
| Land use, planning, and zoning.....   | 1                | 2           | 3           | 4           | 5                 |
| Code enforcement (weeds, abandoned buildings, etc.).....  | 1                | 2           | 3           | 4           | 5                 |
| Affordable high-speed internet access.....  | 1                | 2           | 3           | 4           | 5                 |
| Garbage collection.....   | 1                | 2           | 3           | 4           | 5                 |
| Drinking water.....   | 1                | 2           | 3           | 4           | 5                 |
| Sewer services.....   | 1                | 2           | 3           | 4           | 5                 |
| Storm water management (storm drainage, dams, levees, etc.).....  | 1                | 2           | 3           | 4           | 5                 |
| Utility billing.....  | 1                | 2           | 3           | 4           | 5                 |
| Police/Sheriff services.....  | 1                | 2           | 3           | 4           | 5                 |
| Crime prevention.....   | 1                | 2           | 3           | 4           | 5                 |
| Animal control.....   | 1                | 2           | 3           | 4           | 5                 |
| Ambulance or emergency medical services.....  | 1                | 2           | 3           | 4           | 5                 |
| Fire services.....  | 1                | 2           | 3           | 4           | 5                 |
| Fire prevention and education.....  | 1                | 2           | 3           | 4           | 5                 |
| Emergency preparedness (services that prepare the community for natural disasters or other emergency situations)..... | 1                | 2           | 3           | 4           | 5                 |
| Preservation of natural areas (open space, farmlands, and greenbelts).....  | 1                | 2           | 3           | 4           | 5                 |
| Tracy open space.....   | 1                | 2           | 3           | 4           | 5                 |
| Recycling.....  | 1                | 2           | 3           | 4           | 5                 |
| Yard waste pick-up.....   | 1                | 2           | 3           | 4           | 5                 |
| City parks.....   | 1                | 2           | 3           | 4           | 5                 |
| Recreation programs or classes.....   | 1                | 2           | 3           | 4           | 5                 |
| Recreation centers or facilities.....   | 1                | 2           | 3           | 4           | 5                 |
| Public library services.....  | 1                | 2           | 3           | 4           | 5                 |
| Overall customer service by Tracy employees (police, receptionists, planners, etc.).....                              | 1                | 2           | 3           | 4           | 5                 |

## 10. Please rate the following categories of Tracy government performance.

|  | <u>Excellent</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> | <u>Don't know</u> |
|--|------------------|-------------|-------------|-------------|-------------------|
| The value of services for the taxes paid to Tracy.....               | 1                | 2           | 3           | 4           | 5                 |
| The overall direction that Tracy is taking.....                      | 1                | 2           | 3           | 4           | 5                 |
| The job Tracy government does at welcoming resident involvement..... | 1                | 2           | 3           | 4           | 5                 |
| Overall confidence in Tracy government.....                          | 1                | 2           | 3           | 4           | 5                 |
| Generally acting in the best interest of the community.....          | 1                | 2           | 3           | 4           | 5                 |
| Being honest.....  | 1                | 2           | 3           | 4           | 5                 |
| Being open and transparent to the public.....                        | 1                | 2           | 3           | 4           | 5                 |
| Informing residents about issues facing the community.....           | 1                | 2           | 3           | 4           | 5                 |
| Treating all residents fairly.....                                   | 1                | 2           | 3           | 4           | 5                 |
| Treating residents with respect.....                                 | 1                | 2           | 3           | 4           | 5                 |

## 11. Overall, how would you rate the quality of the services provided by each of the following?

|                             | <u>Excellent</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> | <u>Don't know</u> |
|-----------------------------|------------------|-------------|-------------|-------------|-------------------|
| The City of Tracy.....      | 1                | 2           | 3           | 4           | 5                 |
| The Federal Government..... | 1                | 2           | 3           | 4           | 5                 |

**12. Please rate how important, if at all, you think it is for the Tracy community to focus on each of the following in the coming two years.**

|   | Essential | Very important | Somewhat important | Not at all important |
|---|-----------|----------------|--------------------|----------------------|
| Overall economic health of Tracy .....  | 1         | 2              | 3                  | 4                    |
| Overall quality of the transportation system (auto, bicycle, foot, bus) in Tracy.....                                     | 1         | 2              | 3                  | 4                    |
| Overall design or layout of Tracy’s residential and commercial areas (e.g., homes, buildings, streets, parks, etc.) ..... | 1         | 2              | 3                  | 4                    |
| Overall quality of the utility infrastructure in Tracy (water, sewer, storm water, electric, gas).....                    | 1         | 2              | 3                  | 4                    |
| Overall feeling of safety in Tracy.....   | 1         | 2              | 3                  | 4                    |
| Overall quality of natural environment in Tracy.....  | 1         | 2              | 3                  | 4                    |
| Overall quality of parks and recreation opportunities.....  | 1         | 2              | 3                  | 4                    |
| Overall health and wellness opportunities in Tracy.....   | 1         | 2              | 3                  | 4                    |
| Overall opportunities for education, culture, and the arts.....   | 1         | 2              | 3                  | 4                    |
| Residents’ connection and engagement with their community .....   | 1         | 2              | 3                  | 4                    |

**13. Transit Oriented Development, or TOD, is a style of development that encourages the creation of walkable and bikeable mixed-use communities generally located within a ¼ or ½ mile radius of a transit hub (bus, rail, airport). The goal is to create a vibrant, connected community where people can easily get to and from their homes, jobs, shopping, dining, and entertainment opportunities. Having a mix of uses within walking or biking distance of a transit station makes it convenient for riders to run errands on the way to work or on the way home without using a car. TOD is not one-size-fits-all, and the preferences of another community may not be the same preferences in Tracy.**

**To what extent do you support or oppose the creation of a Transit Oriented Development District in Tracy?**

- Strongly support    Somewhat support    Somewhat oppose    Strongly oppose    Don’t know

**14. If a TOD were to be built in Tracy, how much of a priority, if any, do you think each of the following should be to include in this development?**

|   | High priority | Moderate priority | Not a priority | Don’t know |
|---|---------------|-------------------|----------------|------------|
| Transportation options (rail, bus, ride share, etc.) .....  | 1             | 2                 | 3              | 4          |
| Housing .....   | 1             | 2                 | 3              | 4          |
| Office and co-working spaces .....  | 1             | 2                 | 3              | 4          |
| New shops and restaurants.....  | 1             | 2                 | 3              | 4          |
| Walkable areas and bike paths .....   | 1             | 2                 | 3              | 4          |
| Public spaces for events.....   | 1             | 2                 | 3              | 4          |
| Entertainment venues .....  | 1             | 2                 | 3              | 4          |
| Parks and green space .....   | 1             | 2                 | 3              | 4          |
| Connectivity to existing neighborhoods .....  | 1             | 2                 | 3              | 4          |
| Mixed-use spaces (combines two or more types of real estate, such as retail and residential properties, work and office space)..... | 1             | 2                 | 3              | 4          |

**15. What is your preferred location for a future rail/bus hub (e.g. Valley Link) and TOD in Tracy?**

- I-205/ Mall area (north Tracy)    Near the Tracy ACE Train Station (south Tracy)  
 Downtown Tracy (central Tracy)    I do not think we should have a TOD district in Tracy

**16. Please indicate how much of a priority, if any, you think each of the following should be for the City to fund?**

|   | High priority | Moderate priority | Not a priority | Don’t know |
|---|---------------|-------------------|----------------|------------|
| Begin next phase of Legacy Field Sports Complex – Phase II.....   | 1             | 2                 | 3              | 4          |
| Begin the Tracy Nature Park.....  | 1             | 2                 | 3              | 4          |
| Redeveloping the downtown area.....   | 1             | 2                 | 3              | 4          |
| Expanding recycled water infrastructure .....   | 1             | 2                 | 3              | 4          |
| Pursuing green initiatives (reducing Tracy’s carbon footprint and responding to effects of climate change).....           | 1             | 2                 | 3              | 4          |
| Renovating and updating existing City parks and facilities.....   | 1             | 2                 | 3              | 4          |
| Renovating and updating existing City infrastructure including streets, sidewalks, and underground utility pipelines..... | 1             | 2                 | 3              | 4          |
| Constructing new Police and Fire stations .....   | 1             | 2                 | 3              | 4          |

# The City of Tracy 2021 Community Survey

Our last questions are about you and your household.  
Again, all of your responses to this survey are confidential and no identifying information will be shared.

**D1. In general, how many times do you:**

|   | Several<br>times a day | Once<br>a day | A few times<br>a week | Every<br>few weeks | Less often<br>or never | Don't<br>know |
|---|------------------------|---------------|-----------------------|--------------------|------------------------|---------------|
| Access the internet from your home using a computer, laptop, or tablet computer ..... | 1                      | 2             | 3                     | 4                  | 5                      | 6             |
| Access the internet from your cell phone.....   | 1                      | 2             | 3                     | 4                  | 5                      | 6             |
| Visit social media sites such as Facebook, Twitter, Nextdoor, etc. ....               | 1                      | 2             | 3                     | 4                  | 5                      | 6             |
| Use or check email.....   | 1                      | 2             | 3                     | 4                  | 5                      | 6             |
| Share your opinions online.....   | 1                      | 2             | 3                     | 4                  | 5                      | 6             |
| Shop online.....  | 1                      | 2             | 3                     | 4                  | 5                      | 6             |

**D2. Please rate your overall health.**

- Excellent    
  Very good    
  Good    
  Fair    
  Poor

**D3. What impact, if any, do you think the economy will have on your family income in the next 6 months?**

**Do you think the impact will be:**

- Very positive    
  Somewhat positive    
  Neutral    
  Somewhat negative    
  Very negative

**D4. How many years have you lived in Tracy?**

- Less than 2 years  
 2-5 years  
 6-10 years  
 11-20 years  
 More than 20 years

**D5. Which best describes the building you live in?**

- One family house detached from any other houses  
 Building with two or more homes (duplex, townhome, apartment, or condominium)  
 Mobile home  
 Other

**D6. Do you rent or own your home?**

- Rent  
 Own

**D7. About how much is your monthly housing cost for the place you live (including rent, mortgage payment, property tax, property insurance, and homeowners' association (HOA) fees)?**

- Less than \$500      \$2,000 to \$2,499  
 \$500 to \$999      \$2,500 to \$2,999  
 \$1,000 to \$1,499      \$3,000 to \$3,499  
 \$1,500 to \$1,999      \$3,500 or more

**D8. Do any children 17 or under live in your household?**

- No      Yes

**D9. Are you or any other members of your household aged 65 or older?**

- No      Yes

**D10. How much do you anticipate your household's total income before taxes will be for the current year? (Please include in your total income money from all sources for all persons living in your household.)**

- Less than \$25,000      \$75,000 to \$99,999  
 \$25,000 to \$49,999      \$100,000 to \$149,999  
 \$50,000 to \$74,999      \$150,000 or more

**D11. Are you Spanish, Hispanic or Latino?**

- No, not Spanish, Hispanic, or Latino  
 Yes, I consider myself to be Spanish, Hispanic, or Latino

**D12. What is your race? (Mark one or more races to indicate what race you consider yourself to be.)**

- American Indian or Alaskan Native  
 Asian, Asian Indian, or Pacific Islander  
 Black or African American  
 White  
 Other

**D13. In which category is your age?**

- 18-24 years      55-64 years  
 25-34 years      65-74 years  
 35-44 years      75 years or older  
 45-54 years

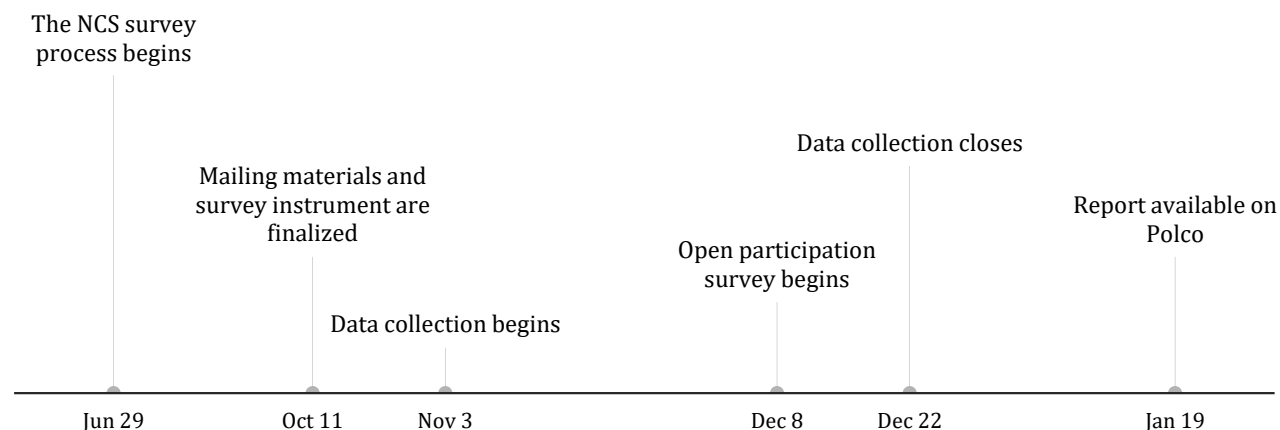
**D14. What is your gender?**

- Female  
 Male  
 Identify in another way

**Thank you!** Please return the completed survey in the postage-paid envelope to:  
**National Research Center, Inc., PO Box 549, Belle Mead, NJ 08502**



## Timeline for The National Community Survey™



| Item   | Date             |
|--|------------------|
| <b>Preparing for the Survey</b>  |                  |
| Program Manager sends The NCS instrument for review  | Jun 29           |
| Send Program Manager drafts of <b>optional</b> custom questions to add to the survey   | Jul 6            |
| Mailing materials and survey instrument are finalized  | Oct 11           |
| Program Manager generates sample of representative households in your community  | Oct 11           |
| Polco prints materials, prepare mailings and sets up the survey online   | Oct 11 to Nov 3  |
| <b>Conducting the Survey</b>   |                  |
| Data collection is open for The NCS - track response on Polco!   | Nov 3 to Dec 22  |
| Group A postcards sent   | Nov 3            |
| Wave 1 survey invitations sent for Group A and Group B   | Nov 10           |
| Wave 2 survey invitations sent for Group A and Group B   | Nov 17           |
| Open participation survey begins (Program Manager will provide link)   | Dec 8            |
| Data collection closes for the random sample survey and open participation survey  | Dec 22           |
| Send Program Manager final count of returned postcards   | Dec 22           |
| Survey analysis and report writing   | Dec 22 to Jan 19 |
| Program Manager provides link to report on Polco   | Jan 19           |
| <b>After the Survey</b>  |                  |
| After your community has completed The NCS, stay engaged with your community members by posting additional surveys and polls on Polco! |                  |

**THE NCS™**

THE NATIONAL COMMUNITY SURVEY™



# Results for the City of Tracy, CA

February 15, 2022



## Civic Communication & Analytics Platform

Smarter, better connected communities. A civic surveying, policy polling, and constituent communication tech platform.



## Advanced Survey Science & Performance Analytics

Data insights to help communities move forward. The premiere provider of professional civic surveys and performance benchmarking analyses.

Questions about our product?

Visit [www.polco.us](http://www.polco.us) to learn more

Exclusive partners of:



# Role of Resident Surveys in Local Governance



**Monitor trends in resident opinion**



**Measure government performance**



**Inform budget, land use, strategic planning decisions**



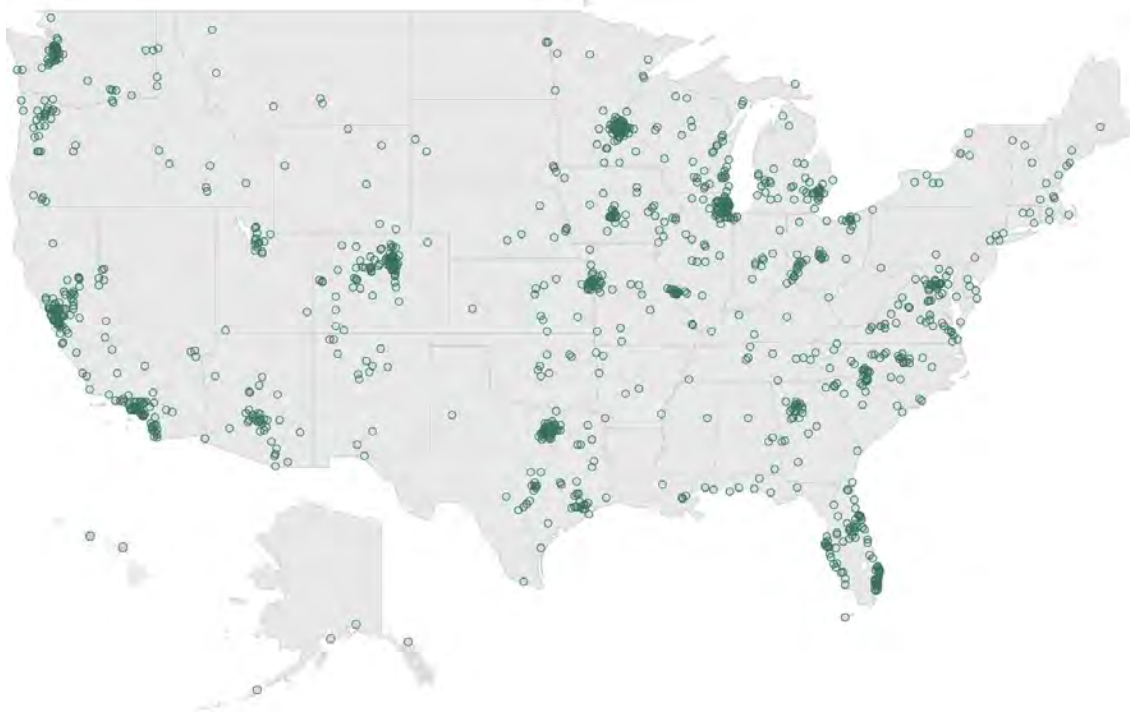
**Benchmark service ratings**

## The NCS™ for Tracy, CA

- Survey conducted from November 3 to December 22, 2021
- “Hybrid” mailing approach employed:
  - Probability-based sample of 3,200 households (1,500 Group A, 1,700 Group B)
  - 272 total responses received (101 paper, 171 online)
  - 9% overall response rate
  - Non-probability, open-participation sample: 121 responses
- Results statistically weighted to reflect Tracy overall
- 95% confidence interval with a +/- 6% margin of error



# National Benchmark Comparison Database



More than **500** comparison communities across the nation.

Representing the opinions of more than **50 million** residents.

**THE NCS**<sup>™</sup>

THE NATIONAL COMMUNITY SURVEY<sup>™</sup>

# Facets of Community Livability



# Overview of Survey Results



# Facets of Community Livability: Quality

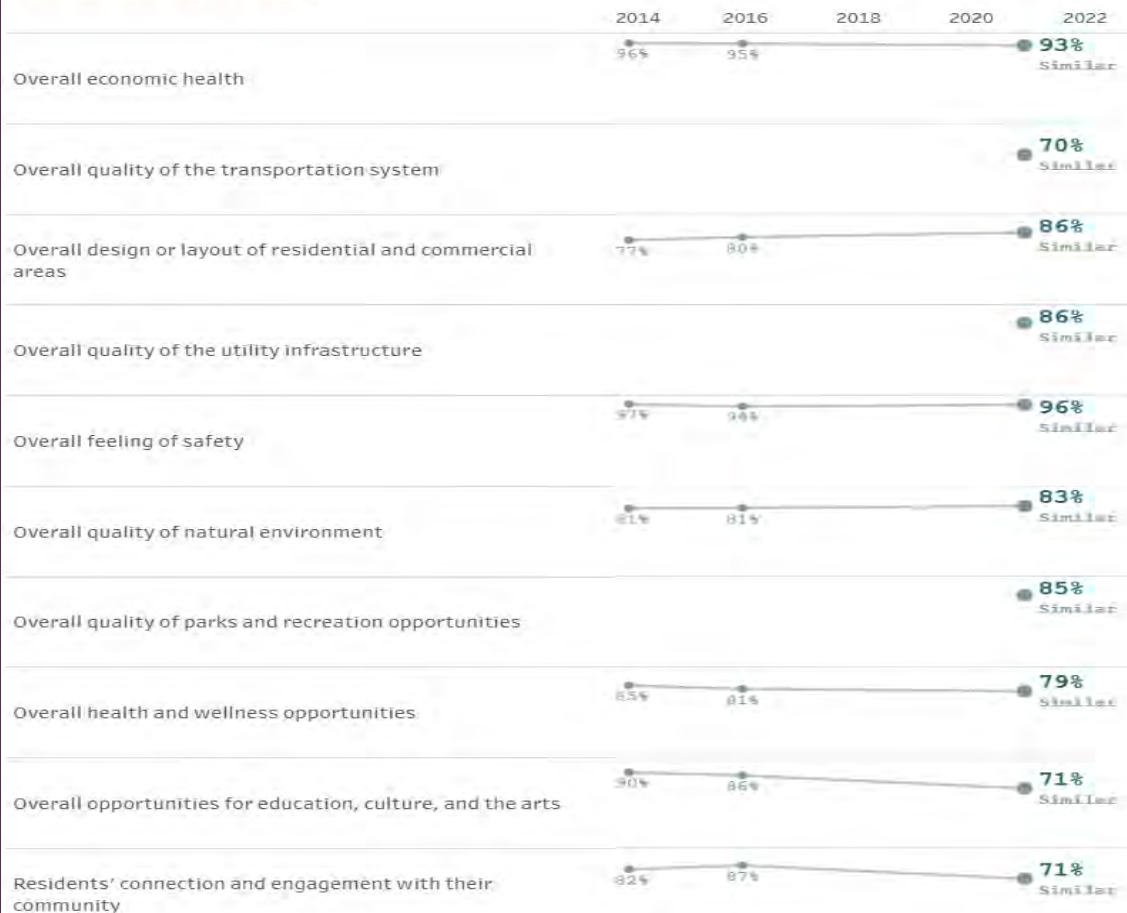
Please rate each of the following characteristics as they relate to Tracy as a whole.  
(% excellent or good)



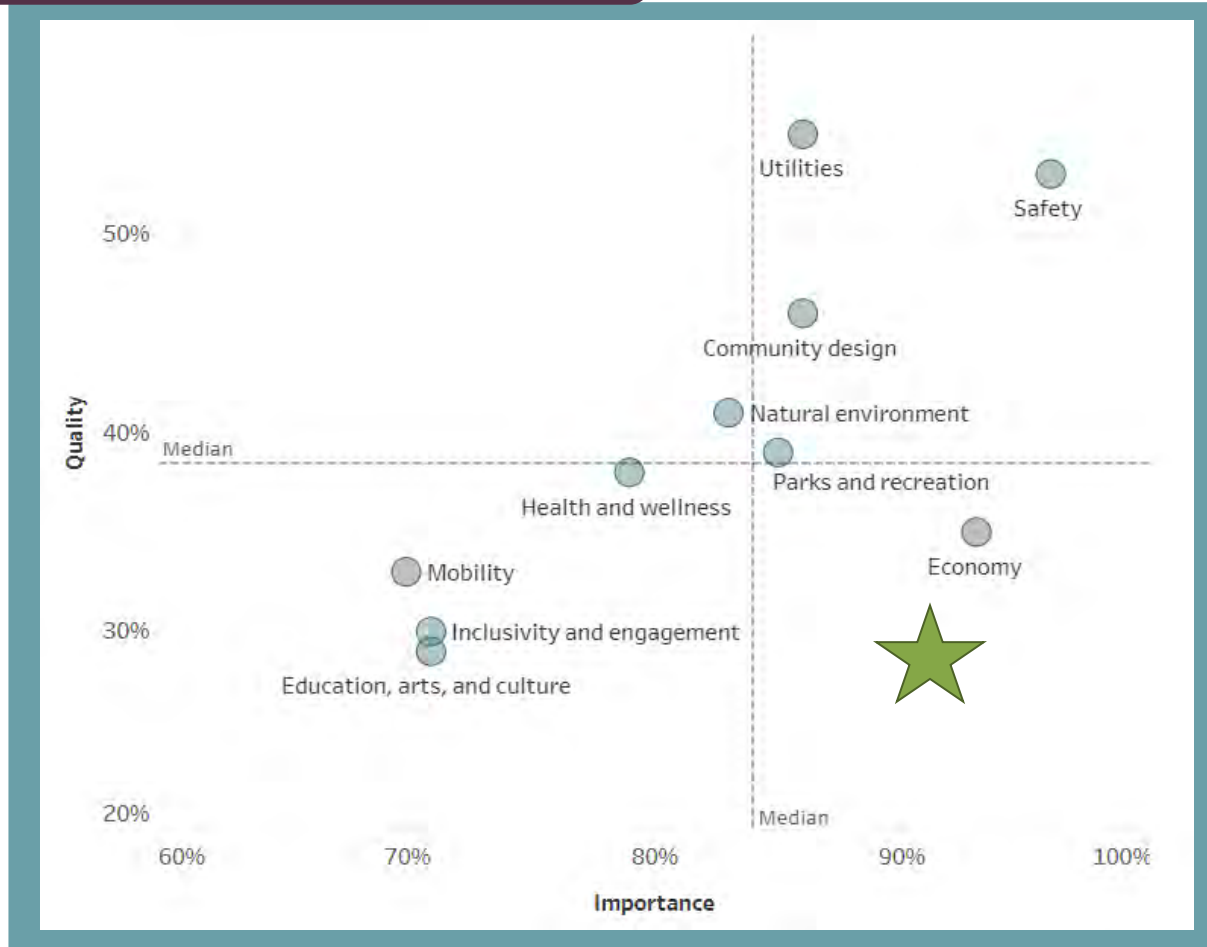
# Facets of Community Livability: Importance

Please rate how important, if at all, you think it is for the Tracy community to focus on each of the following in the coming two years.

(% essential or very important)



# Balancing Quality and Importance



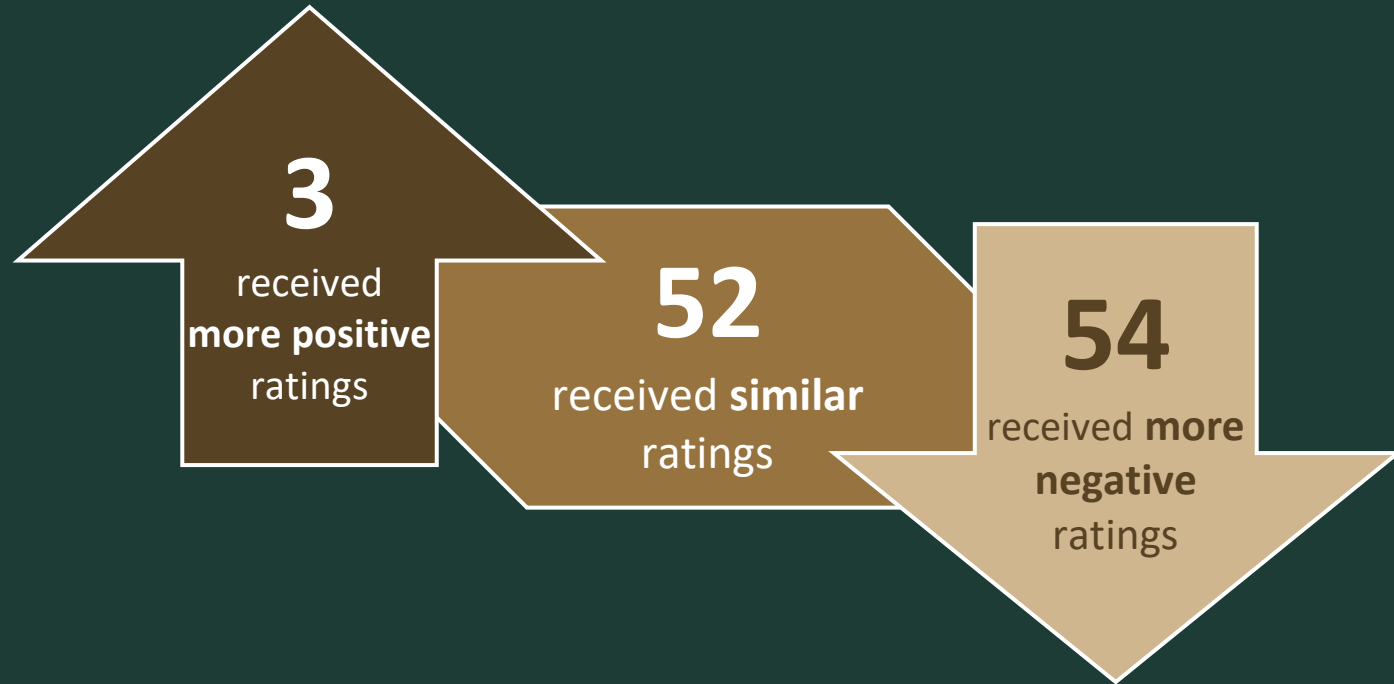
# Comparisons to National Benchmarks



# Comparisons to Custom/Peer Benchmarks



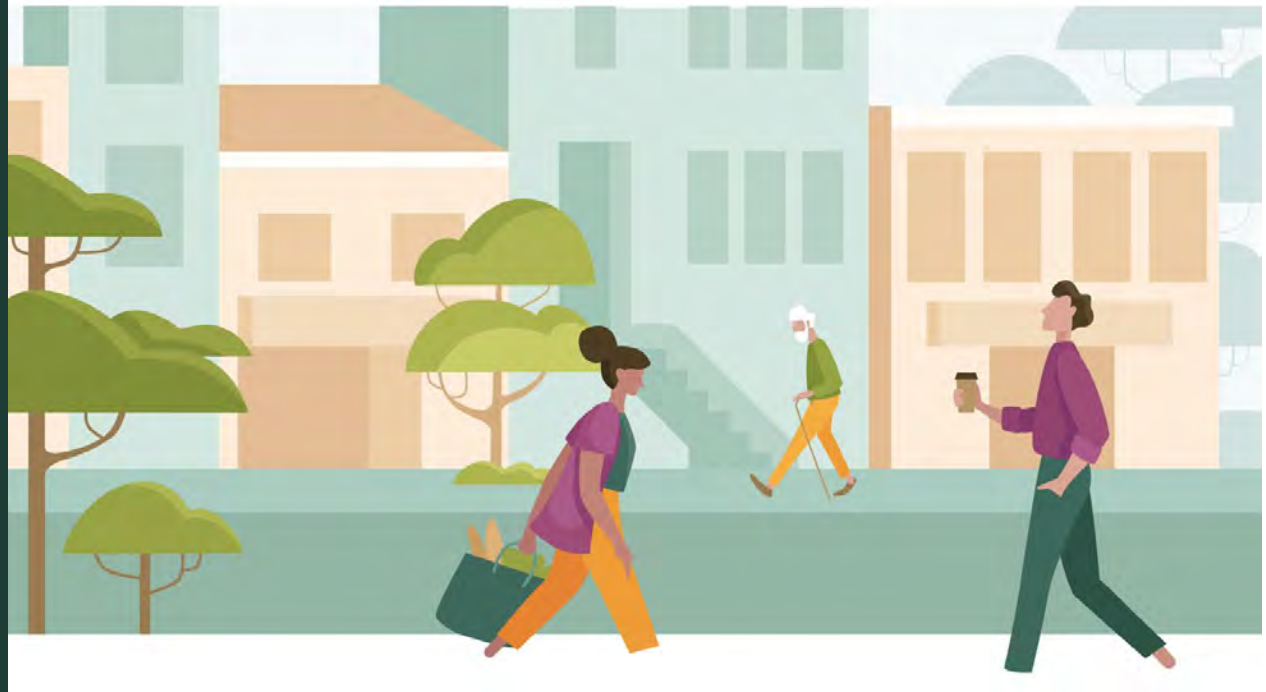
# Comparisons to 2016



# Survey Highlights

Key Finding #1:

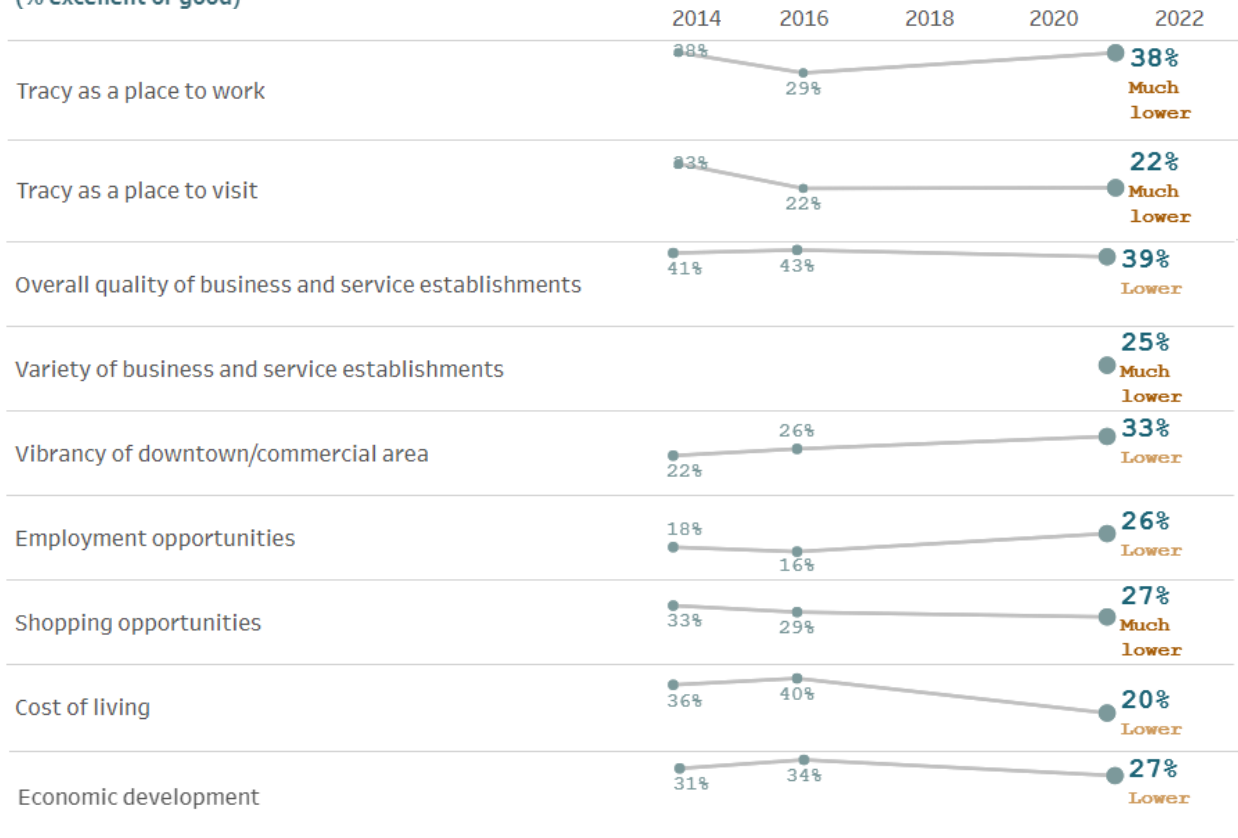
**The economy continues to be an area of priority and affordability ratings have declined over time.**





# The Economy in Tracy

Please rate each of the following characteristics as they relate to Tracy as a whole.  
(% excellent or good)



Overall economic health of Tracy, 2021

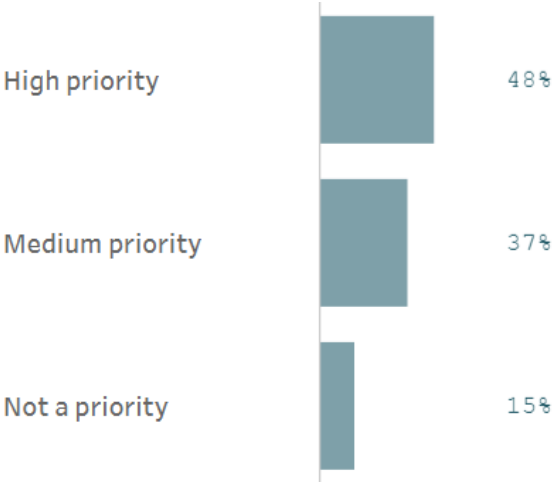


**24%** of residents have a very or somewhat positive future economic outlook

# City Priorities - Downtown

Please indicate how much of a priority, if any, you think each of the following should be for the City to fund?

## *Redeveloping the downtown area*



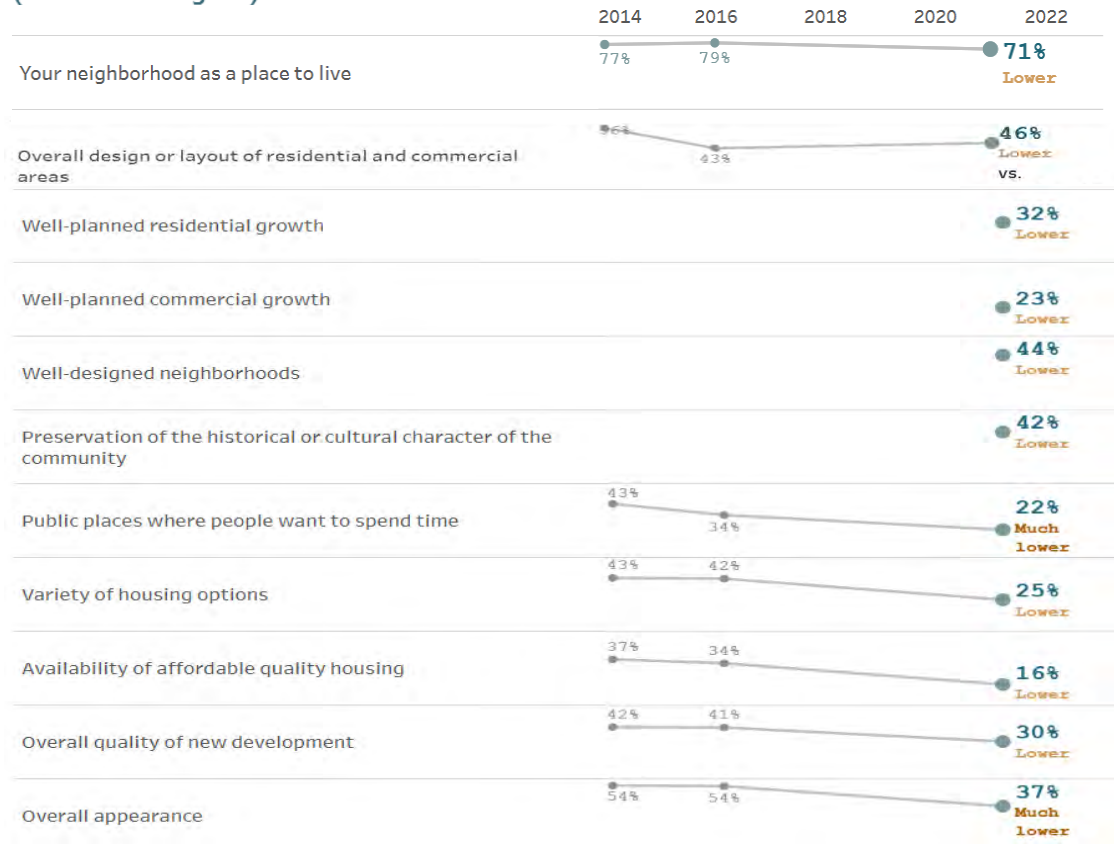
Key Finding #2:

**Community design  
is also a focus area  
for Tracy.**



# Community Design in Tracy

Please rate each of the following characteristics as they relate to Tracy as a whole.  
(% excellent or good)



Overall design or layout of Tracy's residential and commercial areas, 2021





Key Finding #3:

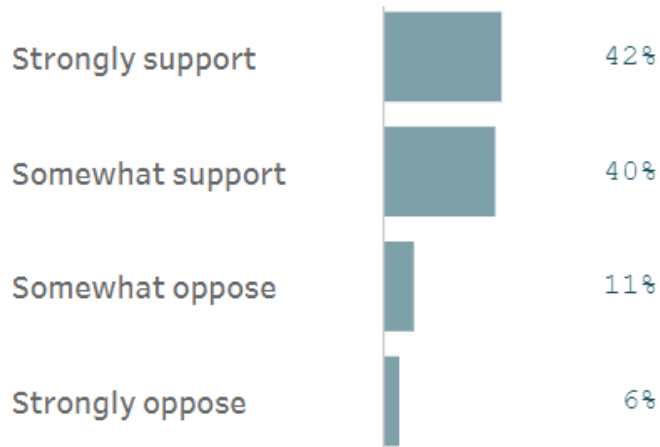
**Residents support the creation of a Transit Oriented Development District in Tracy.**



# Transit Oriented Development (TOD) in Tracy



Transit Oriented Development, or TOD, is a style of development that encourages the creation of walkable and bikeable mixed-use communities generally located within a ¼ or ½ mile radius of a transit hub (bus, rail, airport). The goal is to create a vibrant, connected community where people can easily get to and from their homes, jobs, shopping, dining, and entertainment opportunities. Having a mix of uses within walking or biking distance of a transit station makes it convenient for riders to run errands on the way to work or on the way home without using a car. TOD is not one-size-fits-all, and the preferences of another community may not be the same preferences in Tracy.



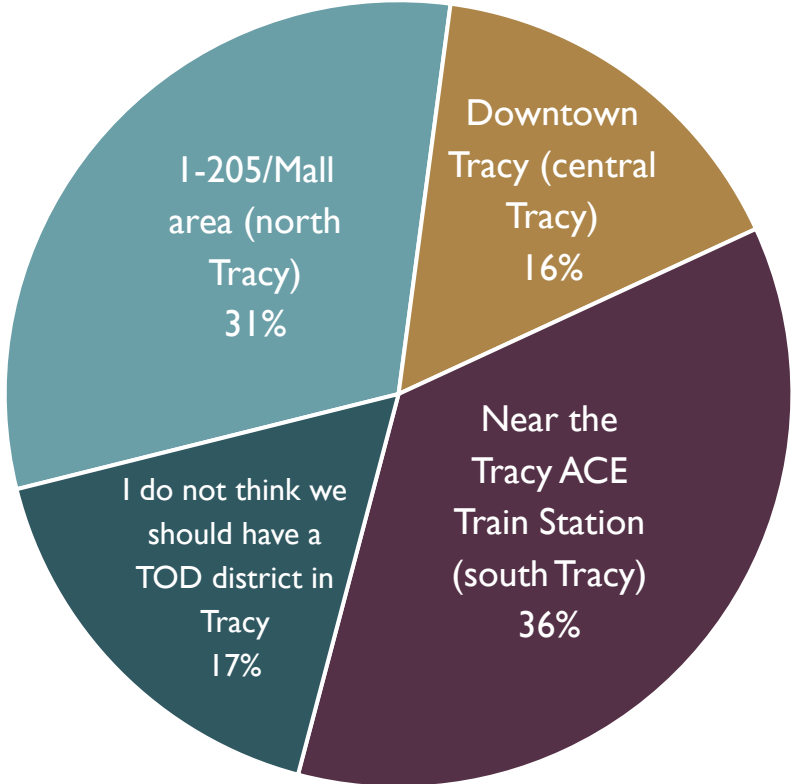
**To what extent do you support or oppose the creation of a Transit Oriented Development District in Tracy?**

**If a TOD were to be built in Tracy, how much of a priority, if any, do you think each of the following should be to include in this development?**

- 95% New shops and restaurants
- 92% Parks and green space
- 89% Transportation options (rail, bus, ride share, etc.)
- 86% Walkable areas and bike paths
- 84% Entertainment venues
- 82% Housing
- 82% Connectivity to existing neighborhoods
- 80% Public spaces for events
- 73% Office and co-working spaces
- 68% Mixed-use spaces

# Preferred TOD Location in Tracy

What is your preferred location for a future rail/bus hub (e.g. Valley Link) and TOD in Tracy?





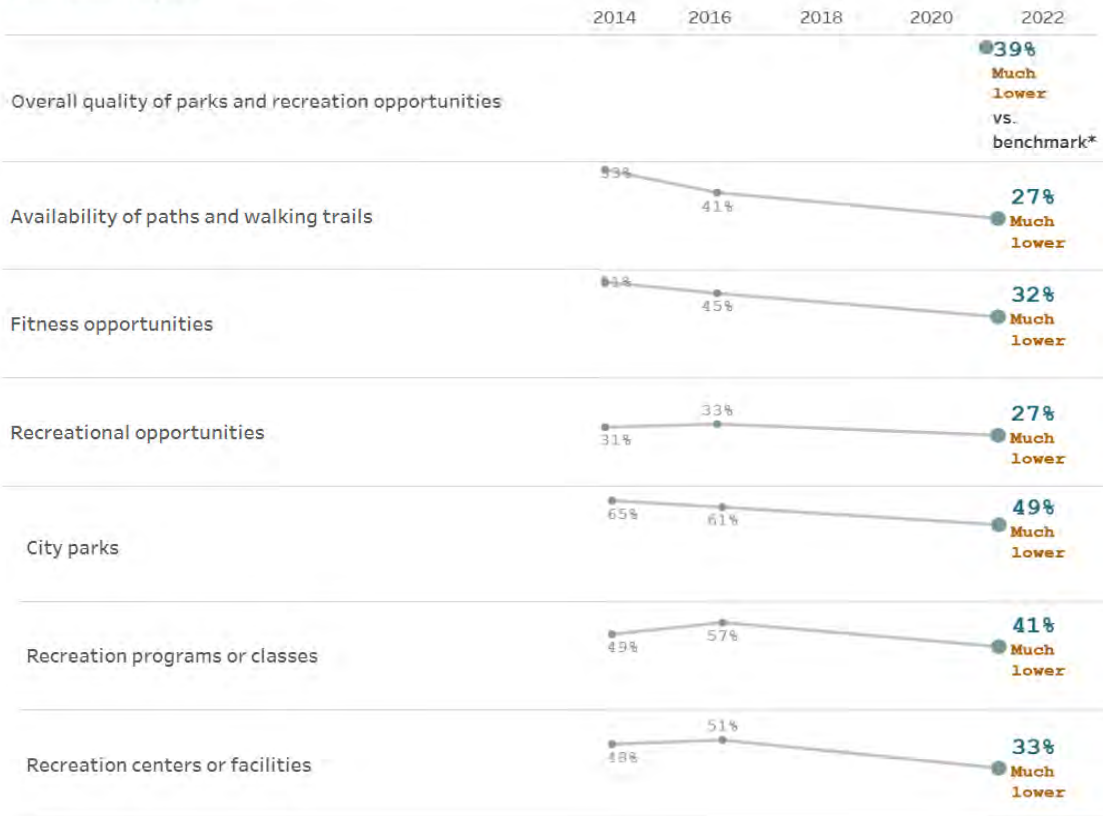
Key Finding #4:

**Ratings for  
Parks and  
Recreation  
have decreased  
since 2016.**

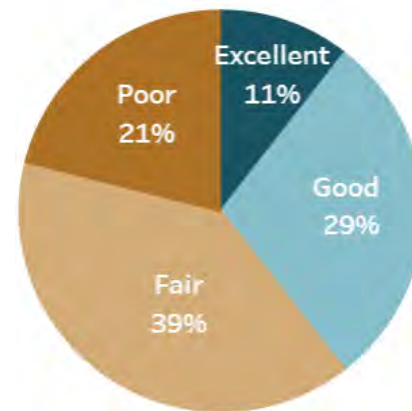


# Parks and Recreation in Tracy

Please rate each of the following characteristics as they relate to Tracy as a whole.  
(% excellent or good)



Overall quality of parks and recreation opportunities, 2021



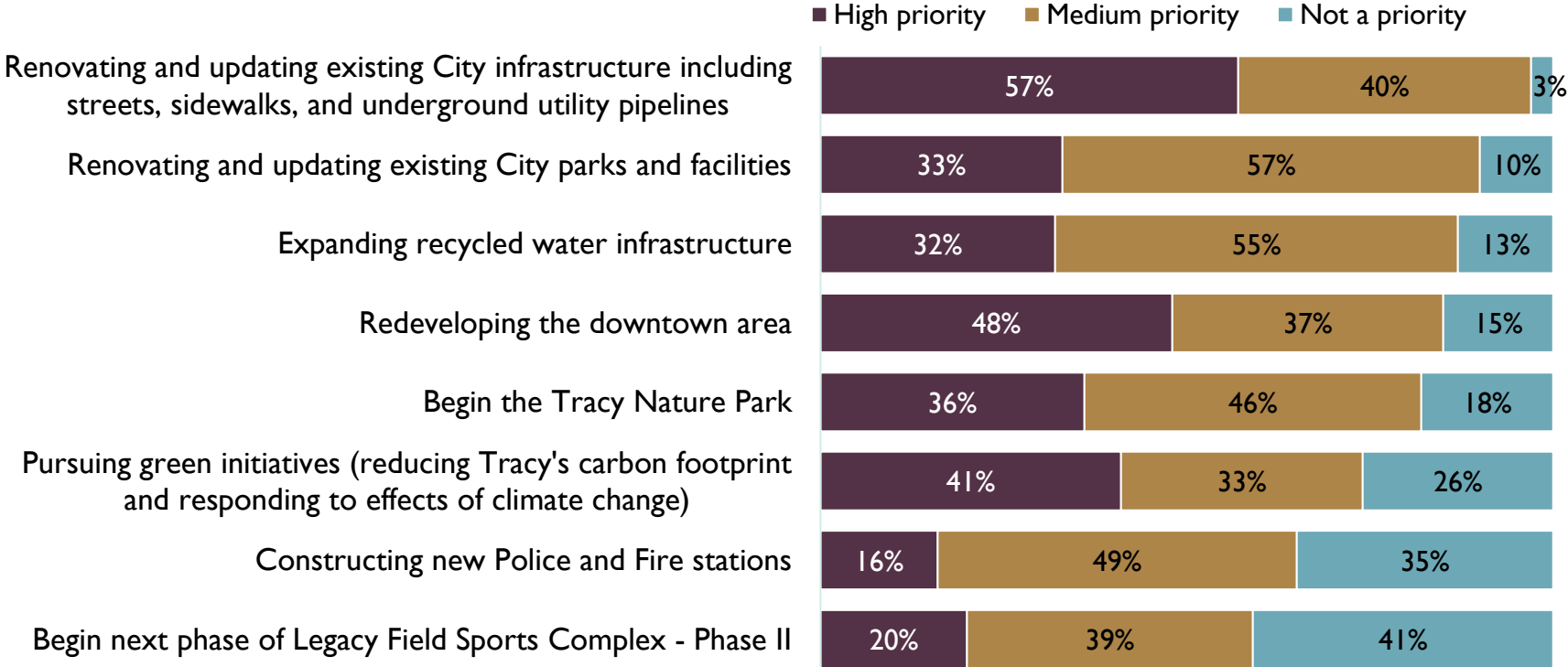
**8 in 10** residents or more rated:

- Renovating/updating City parks and facilities
- Beginning the Tracy Nature Park

As a high or medium priority

# City Funding Priorities

Please indicate how much of a priority, if any, you think each of the following should be for the City to fund?



# Conclusions

- The economy continues to be an area of priority and affordability ratings have declined over time.
- Community design is also a focus area for Tracy.
- Residents support the creation of a Transit Oriented Development District in Tracy.
- Ratings for Parks and Recreation have decreased since 2016.



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Mark E. Robertson Photographer

## Suggested Next Steps: Digging Deeper



### **Quality of Life:**

- Declining survey ratings in Parks and Recreation, Housing Affordability support Goal #3 and Goal #4 in Quality of Life-related City Council Strategic Priorities

### **Economic Development:**

- Action item: conduct follow-up engagement on the Polco platform with residents and the business community on downtown redevelopment, “Shop Tracy” marketing campaign
- Use “TOD Priorities” data to help shape Transit-Oriented Development Scope of Work/Plan

### **Governance:**

- Use “City Funding Priorities” data to help inform budget recommendations





# Continue Engagement Through The Policy Lifecycle

*Don't let the community input and dialogue conclude with the survey.*



## Identify Sentiment Baselines and Trends

- Conduct annual surveys, performance metric checks, and other broadly-scoped questionnaires for feedback
- Establish a baseline understanding and discover new trends in sentiment

*"How satisfied are you with (parks, roads, transportation, economic development)?"*

*"How would you rank our community as a place to live?"*



## Crowdsource Concerns, Brainstorm Ideas

- Seek community input through structured discussions that uncover new ideas and solutions
- Tap individual perspectives and wisdom often unheard at town halls

*"What sort of amenities would you like to see more of downtown?"*

*"What events would you like to see more of being held on a Friday Night?"*



## Prioritize Initiatives and Alternatives

- Engage your constituents on fund allocation exercises and participatory budgeting projects
- Determine community priority areas that may require additional focus

*"How would you allocate next year's budget across the following initiatives?"*

*"Which of the following options for an aquatic center would you prefer?"*



## Collect Verified Input on Specific Proposals

- Receive citable input on hot topic issues that consume open listening sessions
- Gauge final community sentiment before beginning on costly, controversial projects

*"Would you be willing to pay \$3.18 a month more for bi-weekly curbside recycling?"*

*"Do you believe we should be using pesticides on public property?"*

*Identify opportunities for improvement. Engage along the way to cultivate buy in. Demonstrate Progress. Repeat.*



# It's Easy To Continue To Engage Your Panel

## Post



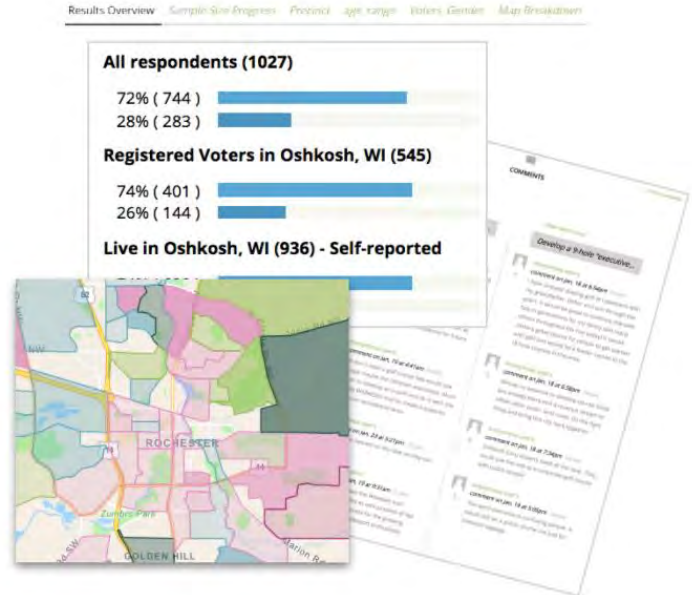
- Library of professional civic content
- Easily post custom surveys & polls

## Share



- Representative samples of households
- Accumulating residents on digital panels

## Analyze



- Maps, trendlines and dashboards
- Advanced benchmarking analyses



# The Process To Deliver Great Outcomes



More participation



Good government



More informed participation



Data driven performance management

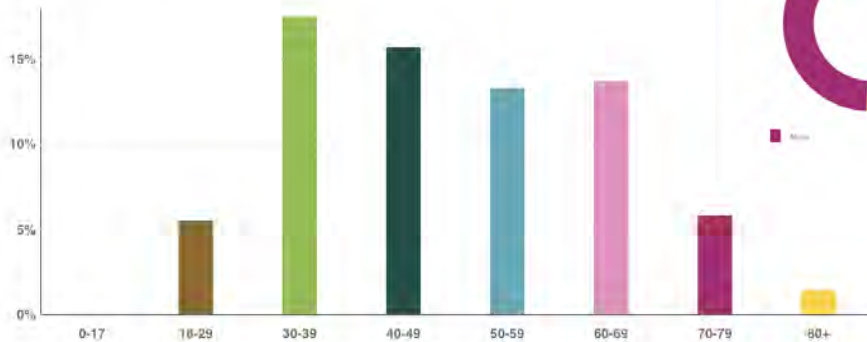


Better balanced participation



Save staff time and effort

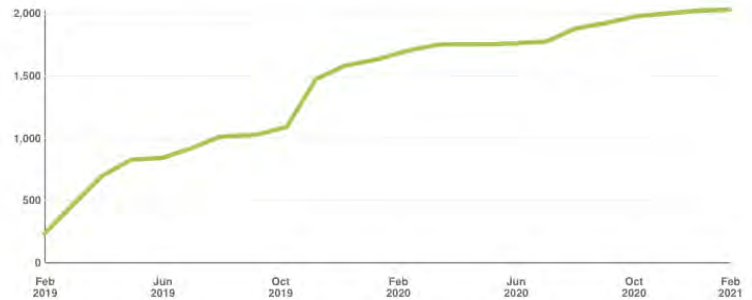
Representativeness By Age  
27.2% unknown



Representativeness By Gender  
25.8% unknown



Subscriber Growth Over Time (per month)



Oshkosh ( View Profile | Edit Profile )

## Dashboard

- Dashboard
- Content
- Outreach
- Premium
- Superadmin
- Configuration

Subscriber Locations

Subscriber Growth Over Time



**Questions?**

# Thank you!

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Polco/National Research Center  
jade@polco.us  
(303) 226-6987



February 15, 2022

AGENDA ITEM 3.E

REQUEST

**DISCUSS AND APPROVE UPCOMING OUT-OF-STATE TRAVEL FOR CITY COUNCIL MEMBERS, INCLUDING TRAVEL TO WASHINGTON, D.C. FOR NATIONAL LEAGUE OF CITIES CONFERENCE AND TRAVEL TO DALLAS, TEXAS FOR PUBLIC-PRIVATE PARTNERSHIP (P3) CONFERENCE AND EXPO; AND CONSIDER ALTERNATIVES TO MARCH 15, 2022 CITY COUNCIL MEETING**

EXECUTIVE SUMMARY

On January 18, 2022, Mayor Pro Tem Vargas requested an agenda item to discuss the membership with the National League of Cities to provide education and lobbying opportunities, including attending the annual conference for training of the City Council and staff. The item was seconded by Mayor Young. Following this discussion, Mayor Young requested adding the Public-Private Partnership (P3) Conference and Expo as an additional opportunity for education and economic development opportunities.

Per the City Council travel policy, “expenses for international and out-of-state travel, other than the annual ‘One-Voice’ trip to Washington D.C. coordinated through the San Joaquin County Council of Governments, require(s) prior City Council approval.” The National League of Cities will be held in Washington DC and P3 Conference will be held in Dallas, Texas. Both conferences are scheduled from March 14 to March 16. As part of this staff report, the City Council will be asked to consider alternatives to the March 15, 2022 regularly scheduled City Council meeting.

DISCUSSION

On January 18, 2022, Mayor Pro Tem Vargas requested an agenda item to discuss the membership with the National League of Cities (NLC) to provide education and lobbying opportunities, including attending the annual conference for training of the City Council and staff. The item was seconded by Mayor Young.

City staff has researched the membership and conference benefits for the City. The membership, approximately \$9,000 per year, offers federal lobbying supporting local government and provides webinars and other regular training opportunities for the City Council and staff. For example, the NLC was largely responsible for lobbying and gaining COVID-19 Federal stimulus funds, American Rescue Plan Act (ARPA); in which the City of Tracy received \$14 million. Other initiatives of NLC that align with the City Council’s Strategic Priorities is identifying Federal grants for equity initiatives, transportation, affordable housing, and homeless services. Similarly, the NLC Congressional City Conference has a variety of educational sessions that align with the City Council’s Strategic Priorities, such as sessions on ARPA, Build Infrastructure Legislation (BIL), Federal advocacy training, grant management, and more.

During discussion on economic development, Mayor Young requested adding the Public-Private Partnership (P3) Conference and Expo as an additional opportunity for education and economic development opportunities for the City Council and staff. "The Public-Private Partnership Conference & Expo unites leaders from states and localities, higher education institutions, and public agencies, with industry to discuss infrastructure challenges faced nationwide; and how innovations in project delivery, procurement, life cycle asset management, and technology can help solve critical issues." The P3 conference sessions align with the City Council's Strategic Priorities of infrastructure and transportation planning, and Economic Development.

Both conferences are being held out of state on the dates of March 14-16. The NLC Congressional City Conference has two pre-conference training sessions that begin on March 12-13. Depending on the direction provided by the City Council, City Council attendance may impact the March 15, 2022 regularly scheduled City Council meeting. Staff recommends canceling the meeting. Other alternatives include rescheduling the meeting to another date. Currently, the City Council has a Budget Workshop scheduled on March 22 that may be rescheduled. Alternatively, the City Council may consider meeting remotely and keeping the March 15 meeting; but may want to consider an earlier start time as there is a three-hour difference for NLC conference attendees.

#### STRATEGIC PLAN

This item is a routine operational item and does not relate to any of the Council's Strategic Plans.

#### FISCAL IMPACT

The annual appropriation for Council conference fee, travel, meals and lodging is \$4,000 per person. There are sufficient funds for this request.

#### RECOMMENDATION

Discuss out-of-state travel plans for City Council for the National League of Cities Congressional Cities Conference held in Washington DC and Public-Private Partnership Conference and Expo held in Dallas, Texas. Discuss and provide direction to staff regarding the March 15, 2022 regular City Council meeting.

Prepared by: Karin Schnaider, Finance Director

Reviewed by: Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager