

## NOTICE OF SPECIAL MEETING

Pursuant to Section 54956 of the Government Code of the State of California, a Special Meeting of the **Tracy City Council** is hereby called for:

**Date/Time:** **Tuesday, March 22, 2022, 6:00 p.m.**  
(or as soon thereafter as possible)

**Location:** **Tracy City Hall**  
**333 Civic Center Plaza, Tracy, CA.**

Government Code Section 54954.3 states that every public meeting shall provide an opportunity for the public to address the Tracy City Council on any item, before or during consideration of the item, however no action shall be taken on any item not on the agenda.

***This meeting will be open to the public for in-person and remote participation. In accordance with the California Department of Public Health Guidelines, universal masking indoors is recommended for all persons regardless of vaccination status. Members of the public may participate remotely in the meeting via the following method.***

### **For Remote Public Comment:**

*During the Items from the Audience, 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:** 2558 009 6693 and **Event Password:** TracyCC
  - ***If you would like to participate in the public comment anonymously***, you may submit your comment via phone or 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 25580096693#8722922#** Press \*3 to raise the hand icon to speak on an item
- *Protocols for commenting via WebEx:*
  - *If you wish to comment under “Items from the Audience/Public Comment” portion of the agenda:*
    - *Listen for the Mayor to open “Items from the Audience/Public Comment”, 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 “Items from the Audience/Public Comment” will be accepted until the public comment period is closed.*
- **The total allotted time for public comment under “Items from the Audience/Public Comment” will be 15 minutes.**

1. Call to Order
2. Roll Call
3. Items from the audience - *In accordance with Council Meeting Protocols and Rules of Procedure*, adopted by Resolution 2019-240, 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.
4. CONSENT CALENDAR
  - 4.A 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 MARCH 22, 2022 THROUGH APRIL 21, 2022 PURSUANT TO THE BROWN ACT
5. DISCUSSION ITEMS
  - 5.A RECEIVE REPORT AND PROVIDE DIRECTION REGARDING THE GENERAL FUND TEN-YEAR FORECAST FOR THE CITY'S GENERAL FUND
  - 5.B CONDUCT A CITY COUNCIL WORKSHOP TO REVIEW THE PROPOSED FY 2022-23 CAPITAL BUDGET AND THE PROPOSED FIVE-YEAR FY 2023-2027 CAPITAL IMPROVEMENT PLAN (CIP) OUTLOOK AND PROVIDE FEEDBACK
6. Council Items and Comments
7. Adjournment



Mayor

**Posting Date: March 17, 2022**

The City of Tracy is in compliance with the Americans with Disabilities Act and will make all reasonable accommodations for the disabled to participate in employment, programs and facilities. Persons requiring assistance or auxiliary aids in order to participate, should contact the City Manager's Office at (209) 831-6000 at least 24 hours prior to the meeting.

AGENDA ITEM 4.A

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 MARCH 22, 2022 THROUGH APRIL 21, 2022 PURSUANT TO THE BROWN ACT**

EXECUTIVE SUMMARY

During the City Council meeting on February 15, 2022, Council adopted Resolution No. 2022-016, 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 February 20, 2022, to March 21, 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 March 22, 2022, to April 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 MARCH 22, 2022, TO APRIL 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 March 22, 2022 through April 21, 2022.

The foregoing Resolution 2022-\_\_\_\_\_ was passed and adopted by the City Council of the City of Tracy on the 22nd day of March 2022, by the following vote:

AYES:            COUNCIL MEMBERS:  
NOES:            COUNCIL MEMBERS:  
ABSENT:        COUNCIL MEMBERS:  
ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

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

AGENDA ITEM 5.A

REQUEST

**RECEIVE REPORT AND PROVIDE DIRECTION REGARDING THE GENERAL FUND TEN-YEAR FORECAST FOR THE CITY'S GENERAL FUND**

EXECUTIVE SUMMARY

The purpose of a long-term forecast is to create a sustainable financial vision for the City. A budget forecast does not remain static; it is a dynamic tool that allows for consideration of the most reasonable outcomes. To that end, the forecast will continue to be updated at least annually. This will allow the City to better anticipate future challenges and opportunities, thereby creating a solid foundation to make strategic decisions about the City's financial position. Further, the forecast is reflective of economic estimations and assumptions based upon what is known today, providing guidance on what may be coming ahead. It should be used to provide guidance and policy direction to staff for the development of the operating, capital, and liabilities budget. Following this discussion, staff will seek direction from the City Council on the City's preliminary FY 2022-23 Operating and Capital Budget.

DISCUSSION

On February 18, 2020, staff presented the City Council with a mid-year report updating the General Fund projections for FY 2019/20 and the FY 2020/21, with no change in service levels. Building on those projections, staff has developed a 10-year General Fund forecast to anticipate future revenues and expenses for budget planning purposes. This forecast projected a deficit ranging from \$5M in FY 2020/21 to \$10M over the next decade. The deficit was amended after the statewide shutdown in response to the global pandemic and projected deficit grew to over \$11M in adopted FY 2020/21 budget. The City took immediate steps to reduce expenditures, including a hiring freeze of select positions, reducing funding for capital purchases, and delaying certain programming.

In addition, 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 is 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 has 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. The Ad-Hoc reports back quarterly to the City Council, which has helped develop proposed spending plan for the ten-year forecast with an emphasis to fund liabilities, deferred maintenance, and capital improvements, and create a balanced budget throughout the ten-year forecast.

**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 and 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. These reports are updated every 2-3 years based on Government Accounting Standards Board (GASB) rules. 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 2022/23 Operating and Capital Budget, City staff reviewed the FY 2021/22 amended budget and estimated the expenditures and revenues anticipated for the next year, FY 2022/23. These trends are then applied to the short term (first five years) to see projected outcomes. It reflects current market conditions both for revenues and expenditures. The long-term (5-10 years) forecast applies a more conservative revenue and expenditure trends that are indicative of the restrictiveness of revenues while applying current spending to measure the City's ability to sustain a fiscally balanced budget.

The economy is recovering both in housing prices that bolster property tax and diversification in commercial and retail that grows and strengthens the City's sales tax, hotel, and business tax revenues. 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.

**General Fund Fiscal Challenges and Recovery:** Almost two years ago, the world as everyone knew it changed and disrupted a growing and thriving economy. 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 2020.

Shortly after the adoption of the FY 2021/22 Operating and Capital Budget, the City received the January-March 2021 Sales Tax (Bradley Burns State 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 revenues. The result was due to a recent change in tax reporting by a predominant sales tax producer. This reporting change shifted the tax allocation from a statewide allocation through the County sales tax pool where the tax was distributed pro-rata throughout the State to a local sales tax allocation based upon the businesses' point-of-sale or fulfillment of the sale. 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 that resulted in a revenue growth of over \$5 million a quarter. In FY 2020/21, the General Fund estimated Sales Tax is expected to have an additional \$10 million over the estimated budget and in FY 2021/22, the General Fund estimated Sales Tax is expected to be \$25 million over the adopted budget. With new ecommerce businesses expected to open in FY 2022/23, the Sales Tax forecast is expected to grow an additional \$12M next year plus the economy growth of 5% for the next 2-3 years.

### **General Fund Fiscal Highlights:**

- Revenue Trends

**Property Tax:** 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 labor market, historically low interest rates, and high demand for housing, have all contributed to the strengthening of the General Fund revenue growth for the past five years. Property Tax revenue increased in FY 2021/22 over FY 2020/21 by \$2.3M, approximately 9%. As property tax revenue lags 12-18 months behind market conditions, the City estimates it will continue to grow another 5-7% annually over the next 3-5 years based on market turnover and valuation growth. In the long-term (5–10-year term), the City will see property tax slow to the 2% cap as allowed under Proposition 13.

**Sales Tax (Bradley Burns):** 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 2021/22, the City's Bradley Burns Sales Tax has increased nearly 100% from prior years and has resulted in a significant change in the City's estimated General Fund revenues. The growth in ecommerce and the City's growing commercial base will continue into FY 2022/23 with a growth of \$12M, plus it is projected to grow 5% annually in the short-term (3-5 years). In the long-term, the projections flatten to reflect average growth of 2-3% annually.

Sales Tax from Bradley Burns is now more than 50% of the City's total General Fund revenues because of this recent taxpayer allocation change. The City is currently tracking a policy discussion occurring within the League of California Cities to consider supporting legislation that would modify the allocation of Bradley Burns (1% of State Sales Tax) for ecommerce businesses statewide. This has the potential to have a significant impact to the City's Sales Tax revenues and its long-term forecast. As a result, staff continues to recommend that the 10-year forecast only shows the current Bradley Burns Sales Tax revenues from ecommerce in the short term (5 years). The forecast has a decline of \$40M in FY 2026-2027 to reflect the risk of the Sales Tax revenues being reduced. By placing this decline in the forecast, the City will have the flexibility to see the potential outcomes on a conservative basis to understand what these future impacts could generate.

**Measure V Sales Tax (Local Sales Tax):** In November 2016, the City Council and voters passed an additional ½ cent local sales tax (known as Measure V) that has a twenty-year sunset (expires April 2037). Over the last five years, the City Council has adopted several resolutions, which prioritized Measure V Sales Tax to fund multiple amenities located in the City: The Aquatic Center, Multigenerational Recreation Center, Legacy Fields Sports Complex, Ritter Family Ball Park, and the Nature Park. These capital expenditures demonstrate the City Council's Strategic Priority for improved Quality of Life and Economic Development as Tracy strives to

become a premier sports destination in the state. (See [City Council Special Meeting](#) on February 22, 2022 for more discussion on these and other CIPs.)

**Business License and Cannabis Tax.** The City's Business License Tax is currently calculated on a per employee basis and includes 14 different classifications. The tax has an annual minimum rate of \$100 and maximum rate of \$2,000, and currently does not include an inflation factor. The City currently issues approximately 5,452 business licenses annually and has generated \$850,000 on average per year over the last 5 years. The City's original Business License Tax was drafted in the 1970's and was last updated in 1984. Its current structure does not reflect modern tax structures.

Staff is currently drafting an update to modernize the City's Business License Tax to be based upon gross receipts to align with other jurisdictions. Under this model, the Business License Tax would be assessed on a business' gross receipts generated within Tracy. Similar to income tax, the annual license tax is based on the prior year's receipts. Gross receipts tax is typically based on an assigned tax rate associated with particular business classification. Rates are based on the business activity, including, but not limited to: manufacturer/ retail/ wholesaler, corporate headquarters, auto dealer, specialty contractor, professions, and recreation/entertainment. Modernizing the City's business license tax could generate up to an additional \$4M annually. If the City Council places the modernization of the Business License Tax on the November 2022 ballot, and if approved by the voters, the revenue will impact the forecast in 2-3 years; potentially offsetting some of the loss in revenue expected from the change projected in Sales Tax (1% Bradley Burns).

Additionally, cannabis tax is an overlay component of business license tax classifications. The City Council and voters approved a Cannabis Tax in 2020, which provided a gross receipts tax on retail, distribution, and manufacturing and a square foot tax on cultivation. This tax could potentially generate an additional \$1-2M annually in General Fund revenues.

### Expenditure Trends & Assumptions

Because it takes people to provide services, the City's General Fund personnel costs are 80% of operating expenses. Drivers of cost as it relates to personnel expenses over the forecast horizon include but are not limited to: changes in labor agreements, health care, and CalPERS normal cost and unfunded liability.

The General Fund forecast is based upon the assumption of full staffing levels. Although some attrition can be expected, it is difficult to rely upon personnel savings to reduce annual expenditures. In addition, it is uncertain when and where the vacancies may occur and their potential impact on service demands. It is not a good practice to rely upon salary savings as a permanent cost saving measure.

The General Fund forecast includes an inflation factor of 3% for expenses in the short term and flattens to 1-2% in the long-term. This factor is used to maintain the current buying power of the City. The trends for non-personnel may rise higher than the forecast of 3% due to steep rise in fuel costs and supply chain disruptions currently in the market. Said another way, the inflation factor may result in the

City's costs rising higher than the forecast and reducing the overall buying power. The City will continue to monitor the inflation rate on goods and services as it has historically outpaced the City's revenue growth due to regulatory restrictions on revenues. Staff will continue to monitor the costs of goods and services and their impacts on a quarterly basis.

Included in the forecast is the direction staff received from the City Council for the development of the FY 2022/23 Operating and Capital Budget on December 7, 2021. In prior forecasts, staff had recommended a policy to begin funding deferred maintenance and capital replacement.

## Recommendation for Budget Surplus

\$1M CalPERS (1% of revenues\*)  
\$1M Retiree Medical (1% of revenues\*)  
\$3M Deferred Maintenance (3% of revenues\*)  
\$3M Program Increase (3% of revenues\*)

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\$8M budget increase

\*Revenues defined as total General Fund revenues less  
Measure V-Sales Tax and Transfers In

❖ Future discussion: 10% of revenue add to future community priorities pending survey



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In the amended General Fund budget for FY 2021/22, revenue estimates are coming in \$4M higher. Staff recommends increasing the deferred maintenance by \$2M and pension/medical leave retirement pre-funding by \$2M. Doing so would pay down the City's pension liabilities as well as infuse the City funding to fix and maintain critical infrastructure such as roadways. This recommendation would not change the General Fund projected reserves. However, in the long-term forecast, all but the program increases will stop being funded in FY 2026/27, the same year the potential Sales Tax revenues could be reduced. As a result, the ten-year forecast shows that the General Fund is fiscally sustainable with the revenue growth from other tax sources and reduction on one-time funding commitments. Table 1 below Summarizes Staff FY 2022/23 recommended budget augmentations. Table 2 on the next page Summarizes the General Fund's Ten-Year Forecast and Estimated Reserves.



**Table 1: Summary of Recommended General Fund On-Going Budget Augmentations**

On-going Revenue/(Expenses)	City Council Direction 12/7/2021	Staff Recommended Augmentations 3/22/2022	Difference
<b>Sales Tax</b>		\$4M	(\$4M)
<b>CalPERS pre-fund</b>	\$1M	\$2M	\$1M
<b>Retiree Medical pre-fund</b>	\$1M	\$2M	\$1M
<b>Deferred Maintenance*</b>	\$3M	\$5M	\$2M
<b>Program Increase</b>	\$3M	\$3M	

\*A report on Capital Improvement Projects (CIP) and deferred maintenance will follow this report. Per the City Council’s direction, Measure V funds continue to be committed to funding capital improvements and operations of City amenities. The CIP report will recap the direction from the City Council at the February 22, 2022 meeting, as well as seek direction for future General Fund capital projects.

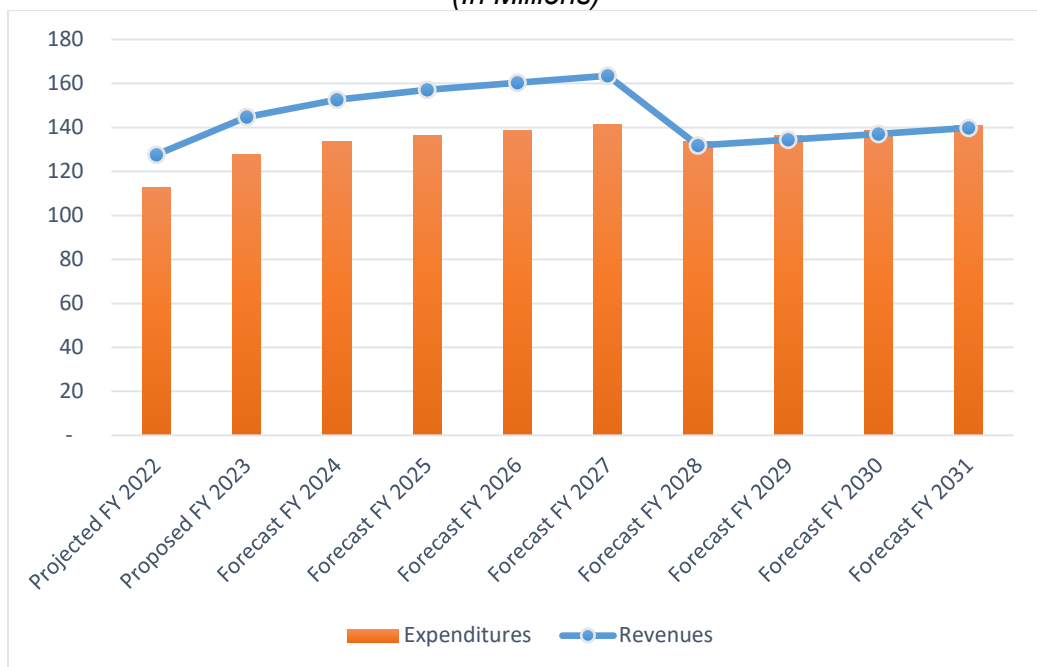
**Table 2: 10-Year General Fund Forecast**

(In Millions)

	Projected FY 2022	Proposed FY 2023	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029	Forecast FY 2030	Forecast FY 2031
Revenues	128	145	153	157	160	164	132	134	137	140
Expenditures	113	128	134	136	139	141	134	136	139	141
Surplus/(Deficit)	15	17	19	21	21	23	-2	-2	-2	-1

\*The General Fund Budget in years 2028/2031 is considered balanced as the deficit is less than a 1% margin of error for either revenue/expenditures.

**Chart 1: 10-Year Revenue and Expenditure Projections**  
(In Millions)



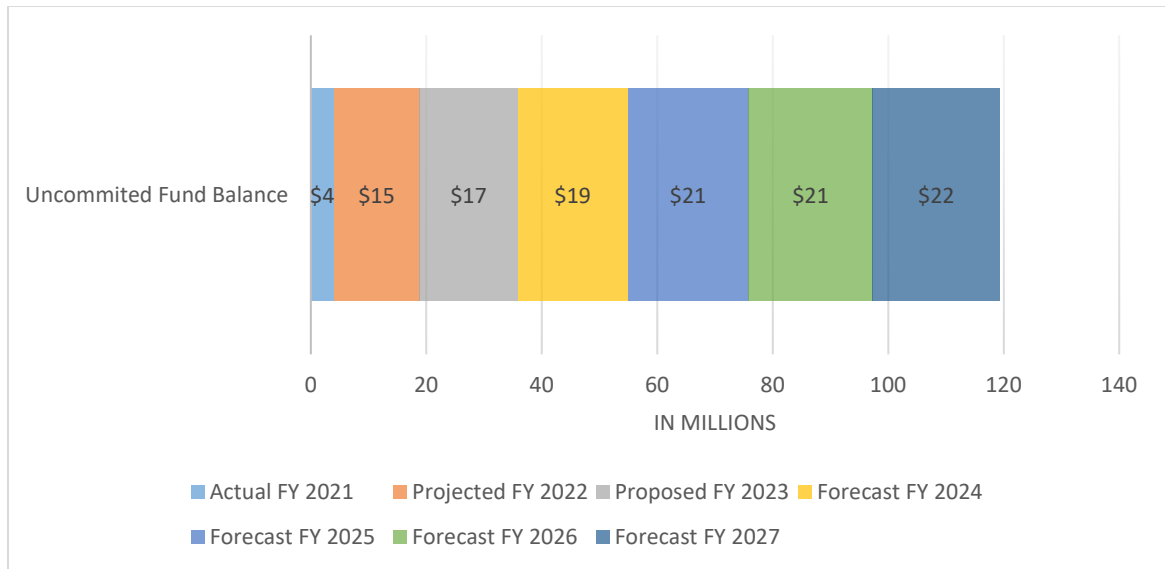
**GENERAL FUND RESERVES:** The City’s General Fund is projected to have a surplus for the next five years, assuming the Sales Tax revenues collected today remain in place for the next five years. The annual surplus is estimated at \$15M and could accumulate up to \$120M.

**Table 3: 5-Year General Fund Uncommitted Reserves  
 (In Millions)**

	Uncommitted Fund Balance	Cumulative Available for Future CIP
Actual FY 2021	4	4
Projected FY 2022	15	19
Proposed FY 2023	17	36
Forecast FY 2024	19	55
Forecast FY 2025	21	76
Forecast FY 2026	21	97
Forecast FY 2027	22	119

**Pre-funding Pension/Medical Leave Liabilities:** At the close of FY 2021/22, the City will have a projected uncommitted fund balance over \$30 million. During the December 7, 2021, Council meeting the City Council approved the recommendations from City Council’s Fiscal Sustainability Ad-Hoc Committee to begin setting aside funding for prefunding pension and retiree medical benefits, approximately \$2M. Staff projects an additional \$4M in revenues from Sales Tax and recommends increasing the pension/medical retirement benefit pre-funding to \$4M annually. The forecast continues this trend for five years, setting aside \$20M for staffing employee benefits and accelerating pension funding to mitigate future inflationary assumptions. The prefunding drops off in FY 2027 when Sales Tax is projected to decline.

**Deferred Maintenance and Capital Improvement Project:** During the December 7, 2021 Fiscal Sustainability Ad-Hoc’s update to the City Council, it was estimated that the City should be funding an average of \$5-8M annually for parks, \$3-5M annually for roads, and \$2-4M annually for building and other improvements. Staff recommends transferring the remaining uncommitted fund reserves to the General Fund Capital Fund for future deferred maintenance and capital improvement projects, such as road, building, and park improvement projects. It is estimated that the City could potentially set aside \$120M in future Capital funding in addition to the \$6M it is funding over the five-year period. This funding drops off in FY 2027 when Sales Tax is projected to decline. These capital reserves could sustain the City’s deferred maintenance another 20 years at a spending rate of \$6M.



**STRATEGIC PLAN**

This agenda item supports Governance Strategic Goal 3: Ensure Short and Long-term Financial Sustainability.

**FISCAL IMPACT**

There is no fiscal impact associated with this item. However, the ten-year forecast is critical in establishing financial policy. The forecasted outcome has the potential to improve or worsen. Some potential outcomes that would improve the forecast would include; higher employee vacancy rates (more vacant positions or vacancies for longer periods of time), delayed or weaker recessions, PERS investment gains, and stronger economic development activity beyond what is included in forecast.

Potential outcomes that could worsen the forecast include: PERS investment losses (or additional discount rate cuts), weaker revenue growth, fewer new hotel rooms, delays, or closures in commercial activities, inflationary or recessionary losses, adjustment in labor COLAs, staffing beyond current levels assumed in the forecast, and unplanned, one-time expenditures.

**RECOMMENDATION**

It is recommended that the City Council receive the report and provide direction regarding the development of the FY 2022/23 General Fund Operating and Capital Budget.

Prepared by: Karin Schnaider, Finance Director

Reviewed by: Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

Attachment A - Powerpoint



**CITY COUNCIL  
TEN-YEAR FORECAST UPDATE  
GENERAL FUND FY 2022-2031**

March 22, 2022

# Presentation Outline

- Revenue and Expenditure Trends
- Use of Reserves
  - Increase Funding for Pension and Medical Retirement Benefits
  - Increase Capital Reserves
- Next Steps





# Revenue and Expenditure Trends



# Revenue Trends

- Property Tax
  - Short Term: 5-7% growth
  - Long Term: 2% growth
- Sales Tax
  - Short Term: \$12M growth from new commercial spaces opening in FY 2022-23; plus 5% growth
  - Long Term: 1-2% growth; loss of \$40M in FY 2027 possible if ecommerce changes move forward
- Other Revenues
  - Short Term: 3-4% growth
  - Long Term: proposed Business License modernization \$4M; 1% growth

# Expenditure Trends

- Salary and Benefits
  - Short Term: 3-4% growth
  - Long Term: 1-2% growth.
  - Only considers current employee contracts
- Non-personnel
  - 3% growth for standard inflation
    - Current inflation rates are over 5%



# Budget Development Recommendation from December 7, 2021

\$1M CalPERS (1% of revenues\*)

\$1M Retiree Medical (1% of revenues\*)

\$3M Deferred Maintenance (3% of revenues\*)

\$3M Program Increase (3% of revenues\*)

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\$8M budget increase

\*Revenues defined as total General Fund revenues less  
Measure V-Sales Tax and Transfers In

❖ Future discussion: 10% of revenue add to future  
community priorities pending survey



# Summary of Budget Development Revised Recommendations for General Fund

On-going Revenue/(Expenses)	City Council Direction 12/7/2021	Staff Recommended Augmentations 3/22/2022	Difference
<b>Sales Tax</b>		\$4M	(\$4M)
<b>CalPERS pre-fund</b>	\$1M	\$2M	\$1M
<b>Retiree Medical pre-fund</b>	\$1M	\$2M	\$1M
<b>Deferred Maintenance*</b>	\$3M	\$5M	\$2M
<b>Program Increase</b>	\$3M	\$3M	

# General Fund 10-year Forecast FY 2022-2031

(in Millions)	<u>Projected</u>	<u>Proposed</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
Revenues	128	145	153	157	160
Expenditures	113	128	134	136	139
Surplus/(Deficit)	15	17	19	21	21
	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
Revenues	164	132	134	137	140
Expenditures	141	134	136	139	141
Surplus/(Deficit*)	23	-2	-2	-2	-1

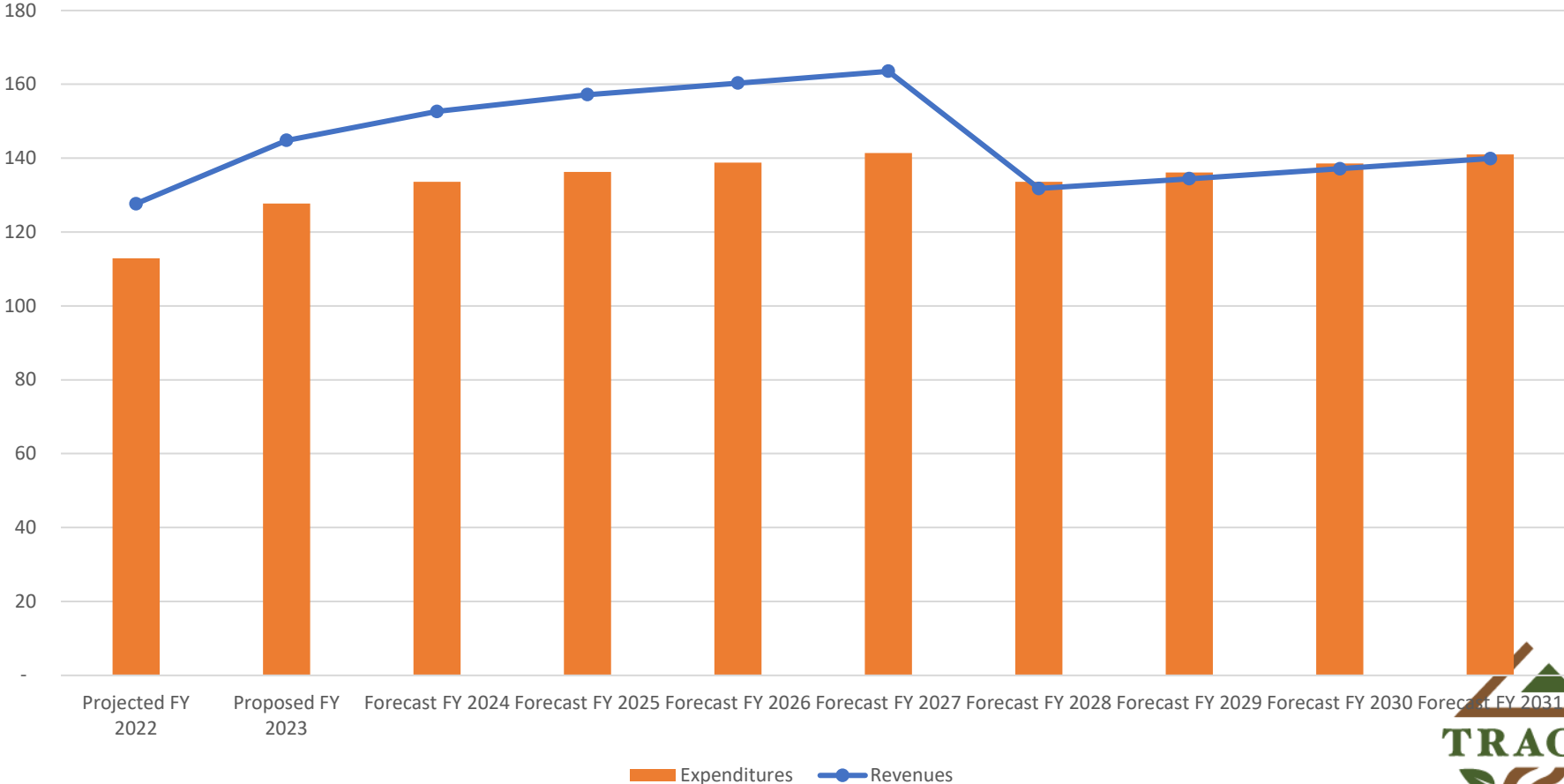


Think Inside the 'Triangle'

# General Fund 10-year Forecast FY 2022-2031

(in Millions)

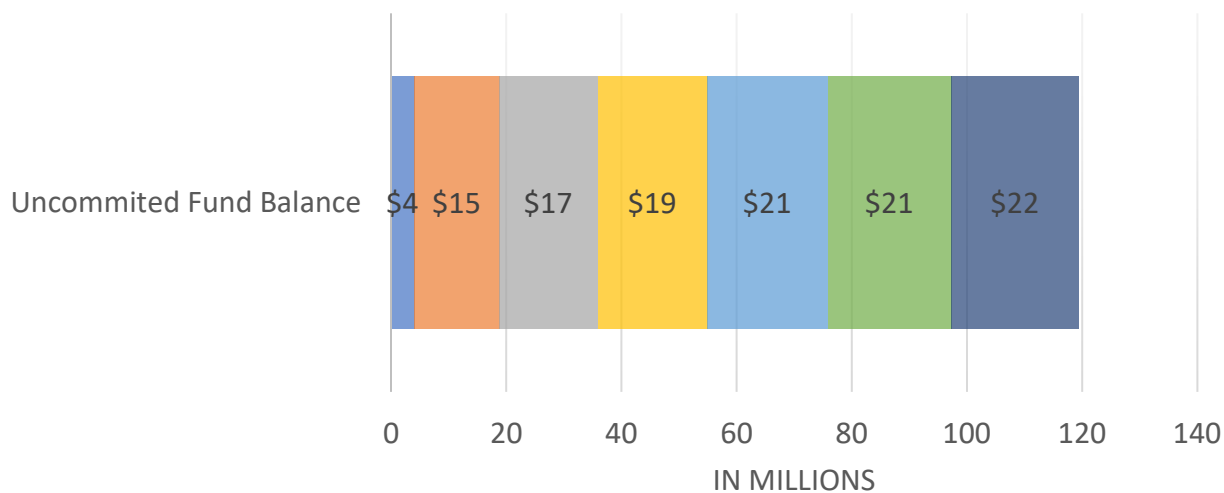
General Fund



Think Inside the Triangle



The City's General Fund is projected to have a surplus for the next five-years, assuming the Sales Tax revenues collected today remain in place for the next five years. The annual surplus is estimated at \$15M and could accumulate up to \$120M.



- Actual FY 2021
- Projected FY 2022
- Proposed FY 2023
- Forecast FY 2024
- Forecast FY 2025
- Forecast FY 2026
- Forecast FY 2027



Think Inside the Triangle™



# USE OF RESERVES



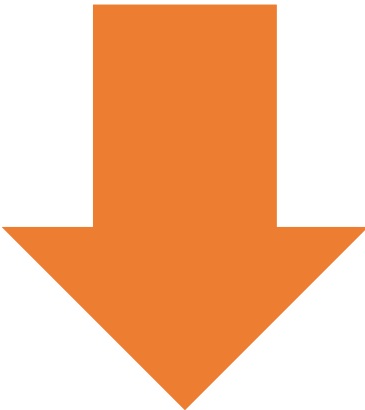
# Use of Forecast

- The forecast is meant to provide the City Council with potential impacts that could have a long-term impacts of the fiscal sustainability of the General Fund.
  - It provide indicators based on current trends and
  - Potential impacts as they are known today





# Use of Reserves: Offset Future Costs and Revenue Instability to Gain Fiscal Sustainability



## Projected Revenues/Expenses

- \$40M in revenue projections are temporary
- Expenses continue to rise



## Prefunding Liabilities/New Revenue Sources

- Prefunding deferred maintenance
- Prefunding employee retiree benefits
- Modernizing Business License Tax



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# Next Steps



# Next Steps

- Receive a report on the proposed Capital Improvement Projects
- Staff to return May 17, 2022 with Preliminary Operating and Capital Budget for FY 2022-23
- Staff to return in June with proposed Modernization of Business License tax for consideration of new ballot measure



Think Inside the Triangle™

# Q&A



AGENDA ITEM 5.B

REQUEST

**CONDUCT A CITY COUNCIL WORKSHOP TO REVIEW THE PROPOSED FY 2022-23 CAPITAL BUDGET AND THE PROPOSED FIVE-YEAR FY 2023-2027 CAPITAL IMPROVEMENT PLAN (CIP) OUTLOOK AND PROVIDE FEEDBACK**

EXECUTIVE SUMMARY

The purpose of this workshop is to provide City Council with an overview of the proposed FY 2022-23 Capital Budget, as well as the proposed five-year FY 2023-2027 Capital Improvement Plan (CIP) Outlook. The five-year CIP Outlook is an essential part of the overall Capital Budget development in order to strategically plan for the community's long-term capital maintenance, improvement, and replacement needs.

DISCUSSION

Over the last few budget cycles, departments have begun evaluating capital improvement needs and have compiled a five-year Capital Improvement Plan (CIP) Outlook into the FY 2022-23 budget planning. The CIP Outlook is a comprehensive five-year capital improvement plan designed to identify projects to construct, repair, maintain, or replace the City's infrastructure, which is consistent with the City Council's Strategic Priorities.

The Capital Improvement Plan (CIP) Outlook is a schedule of proposed public projects and purchases over a five-year period. Capital improvements are projects, which require acquisition, construction, or replacement of City assets, amenities, infrastructure, facilities, and utilities (e.g. vehicle and equipment, public landscaping and parks, city buildings, storm drainage systems, roadways, sidewalks, utility lines and treatment plants, and more).

The purpose of the CIP Outlook is to:

- identify capital expenditures which are anticipated to be requested over a five-year period;
- determine a source of funding for the requests; and
- provide an opportunity for long-term planning.

The CIP Outlook is not a budget. The CIP Outlook is a planning tool to assist in budget decisions and the allocation of resources required to meet the City's strategic goals that are critical to core services. By preparing the CIP Outlook, the City can monitor and evaluate funding availability while taking into account new needs that are of priority. It is a driver in funding strategies and policies for establishing utility rates, applying for grants, allocation of resources, pay-go or debt financing, and understanding future ongoing, operating costs.

The CIP Outlook is not static, but can and should be modified as new funding, regulations, priorities, urgency, and demands arise. It should be revisited at least

annually to provide the City Council, key stakeholders, and the public with information prior to the budget meetings to facilitate an informed discussion during the development of the annual Operating and Capital (CIP) Budget. This document does not include a complete compilation of all departmental or public requests that may be considered in preparation of future annual Operating and Capital budgets. In addition, not all projects listed have identified funding nor is funding being requested for appropriations. These costs are listed as unfunded. However, by listing the projects in the CIP Outlook, staff has identified these as priority projects in the event grants or other funding opportunities present themselves.

#### CIP Overview and Funding Source

A capital project is defined as an undertaking wherein labor and/or materials are used to construct, alter, append or replace a building or an item of infrastructure (or a component of a building or item of infrastructure). A capital project has specific objectives, includes a detailed scope of work, schedule and budget, and typically has a total cost in excess of \$50,000 with a typical useful life expectancy of ten or more years.

Capital projects are typically categorized as “Capital Maintenance” (deferred and/or ongoing), “Capital Improvements” and “Capital Assets.” The first category includes projects that provide a major rehabilitation or a replacement to existing infrastructure and/or facilities required to provide essential public services, ensure asset preservation, and maintain health and safety. Examples include roadway rehabilitation, roof replacement, HVAC system upgrades, and removal and replacement of deteriorated water or wastewater pipes. The second category includes projects that expand existing infrastructure and/or facilities, or construct new facilities, to address present and future needs of the Community. Examples include Wastewater expansion projects, new parks and amenities, new roads and road widening projects. The last category includes new assets that have been purchased or that have been contributed from development. Examples include new vehicles, land, major equipment and developer funded projects.

The Capital Improvement Plan (CIP) Outlook is a comprehensive five-year plan designed to identify projects to develop and maintain the City’s infrastructure. The CIP Outlook aims to provide information on the basis for revenue projections, criteria to determine capital infrastructure needs, and present a broad overview of capital infrastructure needs and funding over the next five fiscal years.

It is comprised of current, new and future projects. Current projects are those that have been appropriated in the prior or current fiscal years, but not yet been completed. The CIP Outlook also reflects new projects that are to be funded in the proposed FY 2022-23 Operating and Capital Budget. Future projects are new projects that are anticipated to occur in the outer years of the five-year plan. Some projects have potential funding identified, while most projects do not have funding identified. There is a finite amount of funding available per year for CIPs and numerous unfunded needs. This gap in available funding negatively affects the sustainability of the city’s infrastructure and assets. It also increases the cost of maintenance and eventual replacement of these items. As funding sources are identified, the CIP Outlook will be amended to reflect the funding of these projections in the future projects to reflect the expected completion.

The CIP Outlook is organized into groups by the type of project, such as Traffic Safety, General Government and Facilities, Streets and Highways, Parks and Recreation, etc. Depending on the legal requirements, CIP projects are funded by various internal funding sources and rarely have outside funding sources, like grants or fees. For the past several years there has not been ongoing, dedicated funding sources to support General Fund capital projects (i.e. Fund 301). With the recent changes in revenues, as part of this workshop Council will have the opportunity to review staff's recommendations for prioritize potential funding.

Currently, the majority of CIPs are funded through sources that have unique limitations on the use of funds, such as Special Revenue, Capital Impact Fees, or Utilities Enterprise Funds. CIPs are also supported through other funding sources, which may be comprised of developer contributions and various local, state, and federal grants.

- Special Revenue Funds receive revenues through dedicated fees or taxes, which are legally restricted for specific ("special") purposes. For example, Gas Tax monies must be spent on roadway and traffic safety improvements or repairs.
- Capital Projects Funds from Developer Impact Fees also support a number of CIP projects. The development impact fees collected in various areas of the City and provide funding for specific infrastructure expansion associated with a particular development and must be spent on the projects that were identified in establishing the fee. Examples include the Tracy Improvement Master Plan (TIMP) or Ellis Specific Plan which may be used for road, facilities, or utility expansion.
- Utilities Enterprise Funds: Water, Wastewater, Solid Waste, and Storm Water provide funding for projects from customer fees and are used to maintain, repair, or replace existing needed utilities infrastructure.

CIP's can also be funded through Internal Service (IS) Funds. IS Funds secure revenue through charges to other funds, but do not receive revenue directly from outside funding. They are designed to support city-wide services, including information technology, building maintenance, risk management, and vehicle and equipment replacement. The costs of equipment, vehicle, technology, and building maintenance and replacement are reported in these funds. Many of the projects associated with IS Funds have budgets for small capital assets under \$50,000 each, but collectively may exceed this threshold. When this occurs, the budget is reflected in the department's operating budget. For example, minor building repairs or upkeep would not be reflected in a CIP Outlook.

#### Capital Improvement Plan Outlook Estimates by Categories

Below is a summary of the proposed FY 2022-23 Capital budget for new items and the CIP Outlook for 2022-2027. Please note that the City has been returning to a five-year outlook on capital and many lists are still under development. The CIP Outlook is not reflective of all of the City's capital "Major Maintenance" (deferred and/or ongoing) or "New Public Improvements" needs. The report represents capital projects and programs prioritized to maximize the available resources reflective of their restrictive use and purpose. This report will continue to be monitored, updated, and reported at least

annually to the City Council with a goal of eventually reporting out the full list of capital needs throughout the city.

The CIP is organized into groups by the type of project. Groups include:

- Group 71: General Government and Public Safety Facilities
- Group 72: Traffic Safety
- Group 73: Streets and Highways
- Group 74: Wastewater Improvements
- Group 75: Water Improvements
- Group 76: Drainage Improvements
- Group 77: Airport and Transit Improvements
- Group 78: Parks and Recreation

*Group 71: General Government and Public Safety Facilities:* This category includes new construction, maintenance, and rehabilitation of City facilities, such as fire station renovations, roof replacement, HVAC system replacement, and facility expansions. It also encompasses other general capital projects, such as police equipment replacement, Public Safety and Facilities master plan updates, and vehicle and equipment replacement. The funding source for General Government and Public Safety Facilities projects comes primarily from the General Capital Projects (Fund 301) or Internal Service Funds. These funds are supported almost exclusively from transfers from the City's General Fund.

- Proposed FY 2022-23 Capital Budget

There are three new proposed projects recommended for the FY 2022-23 to be funded from General Fund Capital Projects:

- Police Headquarters Cooling System Study, engineering study of the existing closed loop water system that is experiencing frequent failures. Once the study is complete, this will determine funding needed for HVAC overhaul.
- Central Garage Carport Enclosure, this will enclose carport area that is located to the north of central garage. Request is to fund for design, once complete request for construction funding in FY 2023-24.
- Grand Theatre Audio Visual Upgrades, the historic Grand Theatre will celebrate 100 years in 2023. The facility was reopened 15 years ago and needs audio-visual equipment upgrades. This project will replace outdated audio and lighting equipment, including replacement of existing the older audio system with modern line array speakers and change the stage lighting in the Eleni Kounalakis Theatre to energy efficient LED stage lighting.

New Proposed Projects (3)			
Project Name	Fund	FY2022/23	FY2023/24
Police Headquarters Cooling System Study	301 - General Projects	80,000	-
Central Garage Carport Enclosure	301 - General Projects	50,000	550,000
Grand Theatre Audio Visual Upgrades	301 - General Projects	800,000	-
<b>Total</b>		<b>930,000</b>	<b>550,000</b>

- Proposed Capital Improvement Plan Outlook 2022-2027

Active Carryover	New		< ----- Projected ----- >				Un-Funded	Total
	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
12,723,530	4,300,000	930,000	550,000	-	-	-	-	18,503,530

*Group 72: Traffic Safety:* This category involves maintenance and upgrading of the City's existing roadways as it relates to traffic safety. Common projects include design and installation of new roadway, intersection, and traffic signal improvements to ensure adequate, safe, and efficient movement of traffic throughout the City. Funding for these projects comes from Special Revenues (Gas Tax), Grant Funding, and developer impact fees, when applicable.

- Proposed FY 2022-23 Capital Budget

There are three new proposed funded projects for Traffic:

- CIP 72125, Intersection Improvements & Traffic Signal Installation at Valpico & Corral Hollow, this project will involve the complete roadway improvements at the intersection of Valpico Road and Corral Hollow Road, including roadway widening, curb, gutter and sidewalk installation, drainage, addition of lanes, and installation of traffic signal poles and equipment. This project will be funded by CORE Area Traffic Impact Fees.
- CIP 72126, Street Light Installation Project, this project will install new streetlights at residential, collector and arterial streets which are lacking sufficient street lighting. This project will be funded through Gas Tax.
- CIP 72127, Traffic Signal Equipment Replacement, this project will assist in upgrading the existing 170 signal controllers to 2070 signal controllers, replace signal cabinets and/or meter pedestals, and install battery-backups and supporting equipment at certain high priority signalized intersections.



New Proposed Projects (3)			
Project Number	Project Name	Fund	FY2022/23
72125	IS & TS: Installation at Valpico & CH	375 - Core Area Traffic	2,000,000
72126	Street Light Installation Project	245 - Gas Tax	150,000
72127	Traffic Signal Equipment Replacement	245 - Gas Tax	200,000
<b>Total</b>			<b>2,350,000</b>

- Proposed Capital Improvement Plan Outlook 2022-2027

Active Carryover	New		< ----- Projected ----- >				Un-Funded	Total
	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
4,774,781	-	2,350,000	1,725,000	-	-	-	-	8,849,781

*Group 73: Streets and Highways:* The Streets and Highways category of projects encompasses the maintenance/replacement or construction of new/existing sidewalks, street, and roadways. Examples include the new I-205 freeway interchanges, Corral Hollow Widening, various roadway reconstructions, rehabilitations, extensions, and widening, as well as sidewalk improvements. Funding for these projects comes from Special Revenues (Gas Tax), Grant Funding, and developer impact fees, when applicable.

- Proposed FY 2021-22 Capital Budget

- There are 7 new proposed projects for FY 2022-23 for Streets.
- CIP 73186, Pavement Rehabilitation: Pavement rehabilitation by overlays or reconstruction is essential to reach the City's goal of achieving higher overall Pavement Condition Index (PCI) value for the roadway network. PCI is a numerical index which is used to indicate the general condition of a pavement section. Available funding is dependent on previous year's pavement rehabilitation projects carryover funds, and the Road Repair and Accountability Act of 2017 (SB1) funds received during the current fiscal year.
  - CIP 73187, Slurry Seal: Performing Slurry Sealing of various street segments as preventative maintenance.
  - CIP 73188, Annual Sidewalk, Curb, and Gutter Repair

- CIP 73189, Street Repair Program, this project will be an ongoing funding amount allocated for contracted medium-term repairs of roadways.
- CIP 73190, Valpico Road Widening - Tracy Blvd to MacArthur Drive, this project will involve the roadway widening of Valpico Road from Tracy Blvd to MacArthur Drive, with two lanes in each direction, complete with all necessary improvements like curb, gutter, sidewalk, median, irrigation facilities, landscaping, drainage facilities, street lighting, signage and striping.
- CIP 73191, Grant Line Road Widening Project, this project will involve the roadway widening of Grant Line Road from Bryon Road to Lammers Road, with two lanes in each direction, complete with all necessary improvements like curb, gutter, sidewalk, median, irrigation facilities, landscaping, drainage facilities, street lighting, signage and striping, and any modifications to the signals in this corridor.
- CIP 73192, Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road, Bessie Avenue Rehabilitation from Lowell to Grant Line: Replace water, sewer and storm drain mains, water and sewer laterals, remove and replace pavement, sidewalks, curbs and curb ramps, and street trees (as necessary).

New Proposed Projects (7)				
Project Number	Project Name	Fund	FY2022/23	FY2023/24
73186	Annual Pavement Rehabilitation Project	242 - Transp Sales Tax	540,000	
		245 - Gas Tax	135,000	
73187	Annual Slurry Seal Project	248 - SB1 RMRA	1,300,000	
		261 - ISTE A	600,000	
73188	Annual Sidewalk, Curb, and Gutter Repair	245 - Gas Tax	250,000	
73189	Street Repair Program	245 - Gas Tax	200,000	
73190	Valpico Road Widening - Tracy Blvd to MacArthur Drive	375 - Core Area	10,000,000	
		Traffic		
73191	Grant Line Road Widening Project	375 - Core Area	5,000,000	
		Traffic		
73192	Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road	301 - General Projects	400,000	3,000,000
<b>Total</b>			<b>18,425,000</b>	<b>3,000,000</b>

- Proposed Capital Improvement Plan Outlook 2022-2027

Active Carryover	New		< - - - - - Projected - - - - - >				Un-Funded	Total
	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
53,288,609	-	18,417,000	6,133,000	6,025,000	6,025,000	6,025,000	30,002,290	125,915,899

*Group 74: Wastewater Improvements:* Maintenance of and improvements to the City’s wastewater infrastructure and treatment facility are included in this category. Typical projects in this category include upgrades, extensions, and replacements to wastewater treatment lines and equipment, and expansion of the wastewater treatment plant. The primary sources of funding for these projects comes from customer and developer impact fees, when applicable. As part of the five-year CIP Outlook, the Wastewater Fund has proposed several unfunded Capital Maintenance projects that have been deferred, such as sewer line replacement, treatment plant upgrades and improvements, and manhole cover replacement. The City will be seeking bond financing and a customer rate study to potentially fund priority projects over the next five years, in addition to using developer impact fees and seeking various infrastructure grants.

- Proposed FY 2022-23 Capital Budget

There is one new proposed project for FY 2022-23 for Wastewater Improvements.

- 74166 Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road, Bessie Avenue Rehabilitation from Lowell to Grant Line: Replace water, sewer and storm drain mains, water and sewer laterals, remove and replace pavement, sidewalks, curbs and curb ramps, and street trees (as necessary).

New Proposed Projects (1)				
Project Number	Project Name	Fund	FY2022/23	FY2023/24
74166	Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road	252 - ARPA	216,000	1,684,000
<b>Total</b>			<b>216,000</b>	<b>1,684,000</b>

- Proposed Capital Improvement Plan Outlook 2022-2027

Active Carryover	New		< ----- Projected ----- >				Un-Funded	Total
	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
38,818,041	-	216,000	1,684,000	-	-	-	20,390,000	61,108,041

*Group 75: Water Improvements:* Water projects include the purchase of water supply, installation of new water infrastructure (pipeline, pump stations, water tanks, etc.), and rehabilitation/replacement of water infrastructure throughout the City. The primary source of funding comes from customer service rates, developer impact fees, and occasionally grants, when applicable. The Water Enterprise Fund has proposed several unfunded Capital Maintenance projects (e.g. water line replacement, treatment plant upgrades, well site studies and design, storage/reservoirs). There is limited funding for

new projects at this time as the Water Fund continues to build reserves for future pay-go projects.

- Proposed FY 2021-22 Capital Budget

There is one new proposed project for FY 2022-23 for Water Improvements.

- 75164 Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road, Bessie Avenue Rehabilitation from Lowell to Grant Line: Replace water, sewer and storm drain mains, water and sewer laterals, remove and replace pavement, sidewalks, curbs and curb ramps, and street trees (as necessary).

New Proposed Projects (1)				
Project Number	Project Name	Fund	FY2022/23	FY2023/24
75164	Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road	252 - ARPA	192,000	1,558,000
<b>Total</b>			<b>192,000</b>	<b>1,558,000</b>

- Proposed Capital Improvement Plan Outlook 2022-2027

Active Carryover	New		< ----- Projected ----- >				Un-Funded	Total
	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
11,716,341	1,200,000	192,000	1,558,000	-	-	-	16,100,000	30,766,341

*Group 76: Drainage Improvements:* This category of projects includes storm drain line replacements, installation of new storm drain lines, channel improvements and pump station upgrades. The primary source of funding comes from customer and developer impact fees, when applicable. The Storm Drain Enterprise Fund does not currently have the funds to support capital projects at this time and will continue to compile unfunded proposed projects as part of future planning.

- Proposed FY 2022-23 Capital Budget

There are no new proposed projects for Drainage Improvements.

- Proposed Capital Improvement Plan Outlook 2022-2027

Active Carryover	New		< ----- Projected ----- >				Un-Funded	Total
	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
3,000,547	-	-	-	-	-	-	8,700,000	11,700,547

*Group 77: Airport and Transit Improvements:* The maintenance and upgrades to the Tracy Municipal Airport, transit system improvements, and bus replacements are included in this category. The primary source of funding for this group comes in the form of grant funding from Transportation Development Act (TDA), Federal Transit Administration (FTA), and other grants. There are currently no new proposed projects for the Airport as they continue to finish out the Airport Layout Plan, which is necessary before an update can be done to the Airport Master Plan; once completed the department will begin evaluating potential capital projects to include in future CIP Outlook reports.

- Proposed FY 2022-23 Capital Budget

There are no new proposed projects for Airport and Transit Improvements.

- Proposed Capital Improvement Plan Outlook 2022-2027

Active Carryover	New		< - - - - - Projected - - - - - >				Un-Funded	Total
	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
5,799,266	-	-	-	-	-	-	250,000	6,049,266

*Group 78 Parks and Recreation Improvements:* This category consists of park and civic amenity construction, improvements, and maintenance. This category includes park improvements, bikeway improvements, playground equipment replacement, aquatics center, etc.

The Parks and Recreation Department is currently going through a comprehensive update of its Citywide Parks, Recreation and Trails Master Plan. This document will outline a long-range vision for the City’s system of parks and trails that responds to the community’s aspirations. An entire chapter of this document is dedicated to implementation and creates a framework for improving existing parks over the next 15 years. Since this policy document is not yet complete, the five-year CIP Outlook for Group 78 projects is very much a working document. The current project list takes into consideration a number of the priority project needs for renovating and expanding the City’s current park and recreation amenities, but is not a full account of all parks projects over the next five years, as staff is finalizing the master plan. Staff, along with the consultant team, plans to present the master plan document along with key findings later this year, which will highlight many key community priorities for new and existing parks and recreation amenities.

- Proposed FY 2022-23 Capital Budget

There are five new proposed projects for FY 2022-23 for Parks Improvements.

- Florence Stevens Park & Greenway Improvement, renovation of the playground, rehab of the sport court including replacement of equipment and addition of lighting, pathway lighting throughout greenway, replacement of site furnishings, landscape enhancements, and drought tolerant conversions, ADA barrier removal/improvements, and enhanced pedestrian crossings at street intersections.
- Edgar Thoming Park Improvement, this project would include renovation of the tennis and basketball courts including surfacing, lighting, and fencing upgrades.
- A.R. Glover Park Improvement, this project would include renovation of the playground, a new picnic area, renovation of the sport court including addition of court lighting, pathway lighting throughout park, ADA barrier removal, landscaping and site furnishing replacements.
- BMX Pump Track, construct a new 1/2 acre BMX pump track (bike park) in an existing City park. The project would create a looped asphalt track with a sequence of rollers and berms for bike riders. Associated improvements would include earthwork, drainage, accessibility, shaded seating as well as related site furnishings, and landscaping.

<b>New Proposed Projects (5)</b>		
<b>Project Name</b>	<b>Fund</b>	<b>FY2022/23</b>
Florence Stevens Park & Greenway Improvement	242 - Transp	75,000
	Sales Tax	
Edgar Thoming Park Improvement	271 - LMD	475,000
	301 - General Projects	525,000
A.R. Glover Park Improvement	301 - General Projects	875,000
	301 - General Projects	
BMX Pump Track	301 - General Projects	1,000,000
<b>Total</b>		<b>2,950,000</b>

- Proposed Capital Improvement Plan Outlook 2022-2027

<b>Active</b>	<b>New</b>		<b>&lt; - - - - - Projected - - - - - &gt;</b>				<b>Un-Funded</b>	<b>Total</b>
	<b>FY 2022/23</b>	<b>FY 2022/23</b>	<b>FY 2023/24</b>	<b>FY 2024/25</b>	<b>FY 2025/26</b>	<b>FY 2026/27</b>		
34,839,020	28,075,000	2,950,000	3,250,000	55,500,000	2,675,000	3,000,000	29,000,000	159,289,020

### Current Council Direction on Measure V Projects

As part of the annual CIP Outlook discussion, the City Council held a workshop to review the Measure V priorities and project timelines of the amenities based on available funding. At the February 22, 2022 City Council Workshop, the City Council gave direction to staff on project delivery for the Measure V major amenity projects. Below is a summary of the direction received from the City Council at the meeting:

1. Allocate \$40 million (\$31 million from Measure V and \$9 million other sources) to the Multi-generation Recreation Center project and construct the project in one phase.
2. Expansion of debt financing to include the Rec Center for \$31 million, commit Measure V reserves to the Aquatic Center's \$55 million (City) budget and construct the project in one phase.
3. Commit \$3 million in Measure V funds to begin the feasibility and design study of Ritter Family Ball Park.
4. Commit \$1 million in Measure V funds to begin design of Nature Park Phase 1.

### STRATEGIC PLAN

This agenda item addresses Goal 2 of the Governance Strategy to Ensure short and long-term fiscal health and Goal 3 of the Governance Strategy to increase public awareness around City finances and other civic matters.

### FISCAL IMPACT

The Capital Improvement Plan (CIP) Outlook is not intended to provide for precise budgeting assumptions. Capital costs are projected as estimates. Upon each update of the plan, deletions, additions, delays, or other revisions may occur, reflecting changing community needs and Council priorities. These changes allow for budget refinements as a particular project nears actual construction. The CIP Outlook should return to the City Council at least annually for consideration of new and future projects.

The adoption of the CIP Outlook does not provide for appropriations of funds into the City's budget. This process is done separately through the adoption of the annual Operating and Capital Budget (on or before June 30 each year). If any of the projects listed in the Operating and Capital Budget require additional funding or changes, amendments to those individual projects would return to the City Council both through quarterly budget updates and/or through annual adoption of the City's Operating and Capital Budget for requests for appropriations.

In addition to developing a five-year Capital Improvement Plan Outlook, staff has been reviewing the on-going maintenance and replacement costs that are associated with construction of new infrastructure, facilities, and amenities; as well as looking at the cost

to maintain and replace existing city assets. These costs are continuously absorbed into existing budgets that are already heavily strained to meet deferred maintenance and replacement needs. This is true across all funds, General Fund, Special Revenue, Capital, and Utilities. As part of the City Council's Fiscal Sustainability Budget Strategies, staff will undertake several maintenance and operations fiscal analysis studies to assess the full cost of operating, maintaining and planned replacement of its various capital assets. These will be captured within future versions of the five-year Capital Improvement Plan (CIP) Outlook and the City's annual Operating and Capital budget development.

#### RECOMMENDATION

It is recommended that the City Council receive this report and provide feedback on the proposed FY 2022-23 Capital Improvement Program (CIP) budget.

Prepared by: Felicia Galindo, Budget Officer

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

Approved by: Michael Rogers, City Manager

#### ATTACHMENT

A - FY 22-23 Draft Summary CIP 5 Year Plan

B - Powerpoint Presentation



Group 71: General Government and Public Safety Facilities

ATTACHMENT A

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< --- Projected --- >				Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27	
71027	Retrofit Water Tower 6th St	301 - General Projects	210,000	204,368	-	-	-	-	-	Renovation of tower
71078	Radio Tower @ Fs #96/#92	301 - General Projects	118,080	89,175	-	-	-	-	-	There are existing gaps in radio transmission coverage within the City. The two new radio towers will improve communications between Fire facilities and provide improved service area radio coverage.
71109	Fire Training Tower Site	605 - Equip Replacement	450,000	340,669	-	-	-	-	-	A fire department training tower site for site improvements at NEI reservoir.
71110	Multipurpose Reality Based Training Facility	231 - Asset Forfeiture	250,000	250,000	-	-	-	-	-	Provide a new 48' x 60' prefabricated classroom at existing range facility
		301 - General Projects	3,065,164	199,059	2,800,000	-	-	-	-	
		367 - TIMP Public Safety	200,000	144,940	-	-	-	-	-	
		605 - Equip Replacement	200,000	114,074	-	-	-	-	-	
71111	Grand Theater Repair	301 - General Projects	2,085,000	2,085,000	-	-	-	-	-	Emergency Repairs for the Grand Theater
		615 - Building Maintenance	415,000	290,766	-	-	-	-	-	
71112	Temporary Emergency Housing	252 - ARPA	4,500,000	2,952,097	1,500,000	-	-	-	-	Construction of a secured, temporary housing facility on a 0.8 acres City owned property on Arbor Road.
		261 - ISTE A	329,400	325,912	-	-	-	-	-	
		SJC - General Fund	3,661,113	3,661,113	-	-	-	-	-	
		268 - Comm Dev Block Gr	833,498	779,160	-	-	-	-	-	
		282 - Housing Successor	690,000	479,458	-	-	-	-		
71113	Station 91 Renovations	301 - General Projects	365,000	269,312	-	-	-	-	-	Fire Station 91 was constructed with shared dormitory rooms. The existing rooms are being reconfigured to create separate sleeping quarters to help prevent transmission of illnesses, like Covid-19, between and to provide adequate privacy.
71114	PD Communications Software	367 - TIMP Public Safety	167,000	44,677	-	-	-	-	-	The software purchase is considered part of the original project, there will be additional annual costs of \$40,000 that will be included in the Police Operational budget starting in FY2022/2023.
71115	Cardiac Monitors	252 - ARPA	293,750	293,750	-	-	-	-	-	Replacement of 10 ECG cardiac monitors currently in use by the South San Joaquin County Fire Authority (SSJCFA).

**Group 71: General Government and Public Safety Facilities**

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< --- Projected --- >				Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27	
71116	El Pescadero Park Wall Extension	301 - General Projects	200,000	200,000	-	-	-	-	-	This project will provide for an approximately 360' extension of the existing CMU wall located along the western edge of El Pescadero Park. The new wall will tie into the existing CMU wall in this area and extend northward toward Kavanagh Ave. During the December 21, 2021 Council meeting, Council asked the City Manager for an opportunity to fund the extension of the wall along this area.
71XXX	Police Headquarters Cooling System Study	301 - General Projects	80,000	-	80,000	-	-	-	-	Engineering study of the existing closed loop water system that is experiencing frequent failures.
71XXX	Central Garage Carport Enclosure	301 - General Projects	600,000	-	50,000	550,000	-	-	-	Enclose carport area that is located to the north of central garage
71XXX	Grand Theatre Audio Visual Upgrades	301 - General Projects	800,000	-	800,000	-	-	-	-	The historic Grand Theatre will celebrate 100 years in 2023. The facility was reopened 15 years ago and is in need of audio visual equipment upgrades. This project will replace outdated audio and lighting equipment, including replacement of existing the older audio system with modern line array speakers and change the stage lighting in the Eleni Kounalakis Theatre to energy efficient LED stage lighting.
<b>Totals</b>			<b>19,513,005</b>	<b>12,723,530</b>	<b>5,230,000</b>	<b>550,000</b>	-	-	-	

Group 72: Traffic Safety

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< - - - Projected - - - >				Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27	
72095	TS: CHR & Valpico	354 - Industrial SP, South	300,000	243,217	-	-	-	-	-	Installation of fully activated vehicular and pedestrian traffic signal at the intersection.
72098	Adaptive Traffic System	242 - Transp Sales Tax	701,250	690,588	-	-	-	-	-	Upgrade existing traffic signal controller and provide high speed communication system for
		245 - Gas Tax	100,163	92,602	-	-	-	-	-	
72104	Intersection Improvements - Corral Hollow & Linne	242 - Transp Sales Tax	330,000	330,000	-	-	-	-	-	Installation of fully activated pedestrian and vehicular traffic signal. Intersection improvements include railroad crossing
		331 - Ellis Area Traffic	300,000	235,721	-	-	-	-	-	
72113	Adaptive Traffic System - CHR	242 - Transp Sales Tax	877,250	828,624	-	-	-	-	-	Upgrade existing traffic signal controller & provide high speed communication system for
		245 - Gas Tax	100,000	100,000	-	-	-	-	-	
72116	Crosswalk Safety Enhancement on 11th St at F St	242 - Transp Sales Tax	230,000	230,000	-	-	-	-	-	This project will install Overhead Flashing Beacons at the uncontrolled crosswalk on 11th
		245 - Gas Tax	50,000	38,163	-	-	-	-	-	
72117	Traffic Cameras Repair/Replacment	245 - Gas Tax	50,000	49,482	-	-	-	-	-	
72118	Upgrade & Main of Traffic Management Center Software	245 - Gas Tax	140,000	139,277	-	-	-	-	-	This project will upgrade the existing Traffic Management Center Software to the current version.
72119	Local Roadway Safety Plan	245 - Gas Tax	8,000	(7,065)	-	-	-	-	-	LRSP is required to apply for future Highway Safety Improvement Program
		261 - ISTEPA	72,000	22,238	-	-	-	-	-	
72121	IS Imp Grant Line & MacArthur	363 - TIMP Traffic	160,715	150,161	-	-	-	-	-	This project will install a fence on the concrete median on Grant Line Road, west of MacArthur Drive.
72122	Holly Drive Pedestrian & Bikeway Improvements	245 - Gas Tax	105,000	105,000	-	1,725,000	-	-	-	On Holly Drive between 11th Street and Clover Road, install Class 3 bike route, Class 2 bicycle lanes, sidewalk, pavement patching, slurry seal, signage, striping, and pavement markings.
72123	Adaptive Traffic Signal System - Grant Line Road	242 - Transp Sales Tax	875,000	875,000	-	-	-	-	-	This project will install the adaptive traffic signal system on Grant Line Road, between Byron Road
		245 - Gas Tax	140,000	140,000	-	-	-	-	-	
72124	Temporary TS at CH & Valpico	245 - Gas Tax	275,000	275,000	-	-	-	-	-	
72120	IS:I-580 Ramps and Corral Hollow Rd				-	-	-	-	-	This project will design and install the necessary roadway improvements (Traffic Signals or Roundabouts) at the intersection of I-580 Ramps and Corral Hollow Road.
72074	Intersection Improvements - Tracy Blvd & Valpico Road	354 - Industrial SP, South			-	-	-	-	-	Intersection improvements to provide STAA movements for truck routes and to realign intersection to provide adequate transition.
72XXX	IS & TS: Installation at Valpico & CH	375 - Core Area Traffic	2,000,000		-	2,000,000	-	-	-	This project will involve the complete roadway improvements at the intersection of Valpico Road and Corral Hollow Road, including roadway widening, curb, gutter and sidewalk installation, drainage, addition of lanes, and installation of traffic signal poles and equipment.

Group 72: Traffic Safety

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< - - - Projected - - - >				Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27	
72XXX	Street Light Installation Project	245 - Gas Tax	150,000	-	150,000	-	-	-	-	This project will install new street lights at residential, collector and arterial streets which are lacking sufficient street lighting.
72XXX	Traffic Signal Equipment Replacement	245 - Gas Tax	200,000	-	200,000	-	-	-	-	This project will assist in upgrading the existing 170 signal controllers to 2070 signal controllers, replace signal cabinets and/or meter pedestals, and also install battery-backups and supporting equipment at certain high priority signalized intersections.
<b>Totals</b>			<b>7,459,378</b>	<b>4,774,781</b>	<b>2,350,000</b>	<b>1,725,000</b>	-	-	-	

Group 73: Streets and Highways

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< - - - Projected - - - >				Unfunded Amount	Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27		
73084	IC Impvts:I205 & Lammers	392 - Reg Transport Impact	715,000	298,824	-	-	-	-	-	-	Construction of new interchange to accommodate new development and improve
		356 - Gateway Area	293,000	257,257	-	-	-	-	-	-	
73103	AWid: CHR, 11th to Schulte	323 - Arterials Plan "C"	740,829	549,391	-	-	-	-	-	-	Widening from a 4-lane arterial to a 6-lane major arterial which includes modification of existing 40' median to accommodate 2 traffic lanes. Median modifications include new landscaping, irrigation system and installation of new railroad crossing arms.
73109	IC: I205 & Paradise	245 - Gas Tax	316,076	68,208	-	-	-	-	-	-	The construction of this new interchange is to accommodate new industrial
		363 - TIMP Traffic	1,376,504	370,582	-	-	-	-	-	996,290	
73144	AW: Cor Hol Rd, Linne to Old Schult	242 - Transp Sales Tax	3,000,000	(4,898)	-	-	-	-	-	13,000,000	Widen existing road from a 2 lane rural road to a 4 lane major arterial between Old Schulte Road and Linne Road.
		245 - Gas Tax	82,735	-	-	-	-	-	-	-	
		363 - TIMP Traffic	2,871,587	1,123,892	-	-	-	-	-	3,200,000	
73146	OC Upg-I205 & MH Pkwy	392 - Reg Transport Impact	157,616	-	-	-	-	-	-	-	Includes widening of the Mountain House Parkway overpass, construction of a westbound loop on-ramp and construction of a new intersection, relocation and widening of the westbound off-ramp, restriping of the eastbound off-ramp, widening of the eastbound on-ramp, restriping the northbound approach at the
		363 - TIMP Traffic	2,215,480	979,750	-	-	-	-	-	-	
73147	OC Upgrade-I580 & International Pkwy	242 - Transp Sales Tax	2,541,000	2,541,000	-	-	-	-	-	-	Includes converting the existing tight-diamond interchange to a diverging diamond interchange. This will require minor realignment to the existing on-off ramps. The proposed diverging diamond interchange will divert traffic in both directions to the opposite side of the road while crossing over I-580. This design provides direct left turn options both on and off the I-580 ramps. Traffic signals
		261 - ISTE A	24,884,000	24,884,000	-	-	-	-	-	-	
		363 - TIMP Traffic	1,000,000	353,553	-	-	-	-	-	12,806,000	
		392 - Reg Transport Impact	7,952,000	7,285,928	-	-	-	-	-	-	
73148	BW: DMC & Mt House Pkwy	363 - TIMP Traffic	101,205	83,296	-	-	-	-	-	-	Widen bridge on Mountain House Parkway over the Delta Mendota Canal.
73149	BW: DMC & Old Schulte Rd	363 - TIMP Traffic	101,716	90,858	-	-	-	-	-	-	Widen bridge on Mountain House Parkway over the California Aqueduct.
73150	BW-DM Canal & Old Schulte	363 - TIMP Traffic	101,716	75,930	-	-	-	-	-	-	Widen bridge on Old Schulte Road over the Delta Mendota Canal.
73161	Widening - Corral Hollow I580/Linne	301 - General Projects	1,900,000	898,580	-	-	-	-	-	-	Widen 2L to 4L arterial - Corral Hollow Road from Linne Road to I-580
		363 - TIMP Traffic	500,000	489,908	-	-	-	-	-	-	
73171	Sidewalk and Curb Ramp Project – West St & 6th St/West	245 - Gas Tax	305,000	266,395	-	-	-	-	-	-	ADA Curb Ramp and sidewalk upgrades.



Group 73: Streets and Highways

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< - - - Projected - - - >				Unfunded Amount	Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27		
73XXX	Street Repair Program (PW)	245 - Gas Tax	200,000	-	200,000	200,000	200,000	200,000	200,000	-	Annual Maintenance Program - Pot Holes
73XXX	Valpico Road Widening - Tracy Blvd to MacArthur Drive	375 - Core Area Traffic	10,000,000	-	10,000,000	-	-	-	-	-	This project will involve the roadway widening of Valpico Road from Tracy Blvd to MacArthur Drive, with two lanes in each direction, complete with all necessary improvements like curb, gutter, sidewalk, median, irrigation facilities, landscaping, drainage facilities, street lighting, signage and striping.
73XXX	Grant Line Road Widening Project	375 - Core Area Traffic	5,000,000	-	5,000,000	-	-	-	-	-	This project will involve the roadway widening of Grant Line Road from Bryon Road to Lammers Road, with two lanes in each direction, complete with all necessary improvements like curb, gutter, sidewalk, median, irrigation facilities, landscaping, drainage facilities, street lighting, signage and striping, and any modifications to the signals in this corridor.
73XXX	Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road	301 - General Projects	3,500,000	-	392,000	3,108,000	-	-	-	-	Bessie Avenue Rehabilitation from Lowell to Grant Line: Replace water, sewer and storm drain mains, water and sewer laterals, remove and replace pavement, sidewalks, curbs and curb ramps, and street trees (as necessary)
73XXX	Deferred Streets Maintenance	301 - General Projects	-	-	-	-	3,000,000	3,000,000	3,000,000	-	
			<b>88,337,984</b>	<b>53,288,609</b>	<b>18,417,000</b>	<b>6,133,000</b>	<b>6,025,000</b>	<b>6,025,000</b>	<b>6,025,000</b>	<b>30,002,290</b>	

Group 74: Wastewater Improvements

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< - - - Projected - - - >				Unfunded Amount	Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27		
74083	Second Outfall Pipeline - WW Treatment Plant	357 - NE Industrial Area #2	5,000,000	218,184	-	-	-	-	-	-	Construction of a second wastewater effluent discharge pipeline to the Old River.
		523 - Wastewater Capital	34,900,000	8,807,465	-	-	-	-	-	-	
74084	WW Lines Upgrade, East Side	354 - Industrial SP, South	756,000	721,013	-	-	-	-	-	-	Fix existing bottleneck on East Side Sewer mains south of Grant Line Road and MacArthur intersection. Install 4,000 LF of parallel 24 inch line or replace existing line south of Grant Line Rd.
74107	WWTP Expan Phase II	523 - Wastewater Capital	29,732,868	24,830,699	-	-	-	-	-	-	Expansion of treatment capacity to handle the additional inflow resulting from new
74159	Wastewater Master Plan	364 - TIMP Wastewater	781,200	273,429	-	-	-	-	-	-	Update to Wastewater Master plan
74162	Lincoln Avenue Sewer Connection	523 - Wastewater Capital	200,000	200,000	-	-	-	-	-	-	
74163	Lincoln Blvd Sewer Main & Lateral Replacement	523 - Wastewater Capital	320,000	317,251	-	-	-	-	-	-	
74164	Primary Clarifier Effluent Pumping System	523 - Wastewater Capital	450,000	450,000	-	-	-	-	-	-	
74165	Sewer Capacity Upgrade	337 - Ellis Area Wastewater	400,000	400,000	-	-	-	-	-	-	
		364 - TIMP Wastewater	2,600,000	2,600,000	-	-	-	-	-	-	
74XXX	Clean up of Pond 1 and Berm	523 - Wastewater Capital	1,750,000	-	-	-	-	-	-	1,750,000	The pond receives wastewater which is rich in solids; the pond has not been cleaned for
74XXX	WWTP and lift station PLC Replacement	523 - Wastewater Capital	650,000	-	-	-	-	-	-	650,000	Programmable Logic Controllers, PLCs, are critical to the many 'controlled' components of the treatment plant.
74XXX	Digester Flare Gas upgrade	523 - Wastewater Capital	1,000,000	-	-	-	-	-	-	1,000,000	The digester flare system needs to be repaired and replaced.
74XXX	Relocate Old Chlorine Building Generator to Headworks	523 - Wastewater Capital	450,000	-	-	-	-	-	-	450,000	
74XXX	Replace Turblex Blowers	523 - Wastewater Capital	1,800,000	-	-	-	-	-	-	1,800,000	The air blowers supply essential air to the aeration basins where much of the treatment of the waste is performed.
74XXX	Replace Primary Effluent Pumps	523 - Wastewater Capital	1,100,000	-	-	-	-	-	-	1,100,000	Essential pumps to transport primary settled wastewater to the next step in treatment, i.e., the aeration basins
74XXX	Relocate Electrical System from Basement to Electrical Room	523 - Wastewater Capital	1,000,000	-	-	-	-	-	-	1,000,000	
74XXX	HVAC & Roof Replacement - WWTP - LAB/Admin Building	523 - Wastewater Capital	450,000	-	-	-	-	-	-	450,000	Life Cycle replacement strategy requires replacing these units.
74XXX	Sewer Main and Lateral Annual Replacements	523 - Wastewater Capital	6,000,000	-	-	-	-	-	-	6,000,000	



Group 74: Wastewater Improvements

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< - - - Projected - - - >				Unfunded Amount	Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27		
74XXX	Asset Management - CMMS Program Expansion	523 - Wastewater Capital	100,000	-	-	-	-	-	-	100,000	This will help define and develop budget costing for replacement of utility equipment and will enable a more effective maintenance practice. Split between
74XXX	Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road	252 - ARPA	1,900,000	-	216,000	1,684,000	-	-	-	-	Grant Line: Replace water, sewer and storm drain mains, water and sewer laterals, remove and replace pavement, sidewalks, curbs and curb ramps, and street trees (as necessary)
74106	Larch Rd Pump Station Repairs	523 - Wastewater Capital	2,461,306	-	-	-	-	-	-	2,290,000	
74127	Aeration Diffuser Replacement	523 - Wastewater Capital	430,248	-	-	-	-	-	-	400,000	Existing diffusers have run out of life and need replacement
74128	Security System Cameras WWTP	523 - Wastewater Capital	407,793	-	-	-	-	-	-	400,000	Security cameras, lighting upgrades, parking, paving. Project includes various plant improvements to improve safety and security of the facility. The improvements include installation new fence at the property boundaries, grading property, security
74138	FOG Removal & Septage Rec System	523 - Wastewater Capital	730,000	-	-	-	-	-	-	600,000	Install new FOG removal integrated with sewer receiving station at headwork. Evaluate and rehabilitate existing system and structures at headworks to modify and
74139	Screen & Grit Removal	523 - Wastewater Capital	730,000	-	-	-	-	-	-	600,000	Replace screens with 1) low maintenance more efficient screens with effective removal of rags and debris 2) Without delicate side-plates or similar weaknesses and install a grit removal system to prevent
74160	Chemical Disinfection System Replacement & Expansion	523 - Wastewater Capital	1,875,887	-	-	-	-	-	-	1,800,000	Replace existing chemical disinfection system with the new Chlorine Bleach and Sodium Bisulphate system. The system will accommodate existing and near future chemical disinfection needs. Sphere of influence under fully developed conditions
			<b>99,201,613</b>	<b>38,818,041</b>	<b>216,000</b>	<b>1,684,000</b>	-	-	-	<b>20,390,000</b>	

Group 75: Water Improvements

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< - - - Projected - - - >				Unfunded Amount	Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27		
75130	Replace SCADA System - Water Treatment Plant	513 - Water Capital	675,000	310,535	-						Upgrades of Supervisor Control and Data Acquisition (SCADA) System - software and hardware which monitors and controls plant equipment and processes to maintain regulatory compliance, including necessary modifications and integration with Plant Programmable logic Controllers (PLC).
75153	Luis Manner Well Rehab	513 - Water Capital	964,973	526,148	-						Remove pump, shaft, clean, replace casing screens, testing sleeve as required and reinstall pump.
75155	Up Flow Clarifier Rehab	513 - Water Capital	400,000	400,000	-						
75156	WTP UV Upgrade	513 - Water Capital	400,000	253,622	-						The UV system needs a complete upgrade to achieve State Validation for disinfection credit.
75159	Water Master Plan	365 - TIMP Water	659,767	242,779	-						Update Water Master Plan
75160	Water Lines Lammers Rd	365 - TIMP Water	5,840,000	4,563,257	1,200,000	-	-	-	-		Construction of new water transmission main along Lammers Road to enable a connection from City-side Zone 3 in the Ellis Subdivision to the Cordes Ranch Specific Plan area.
75161	HACH WIMS eSMT Report Auto Generator	513 - Water Capital	120,000	120,000							Upgrade HACH WIMS Software
75162	Well Improvements	513 - Water Capital	1,500,000	1,500,000							Well Improvement Project: In order to meet the additional water demand during the peak periods and drought conditions- This funding needs to come out of development funds. We can supply the current rate payers without this funding. This is an upgrade to the existing system to support new development during drought.
75163	Tracy Hills Zone 5 Water Booster Station	513 - Water Capital	3,800,000	3,800,000							In order to serve the development of Vesting Tentative Subdivision Map completion of the Tracy Hills Zone 5 Booster Pump Station at John Jones Water Treatment Plant is required. This pump station and associated work are depicted in the Improvement Plans titled "Tracy Hills Zone 5 Pump Station" prepared by West Yost Associates and approved by the City on October 2021.
75XXX	Los Vaqueros Reservoir	513 - Water Capital	10,000,000	-						10,000,000	
75XXX	Filter Valves Replacement at JJWTP	513 - Water Capital	600,000	-						600,000	Replace 48 filter valves at JJWTP in two years (24 in each year)

**Group 75: Water Improvements**

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	<--- Projected --->				Unfunded Amount	Description		
						FY2023/24	FY2024/25	FY2025/26	FY2026/27				
75XXX	Water Intake Pump Station Rehabilitation at DMC - JJWTP	513 - Water Capital	200,000	-						200,000	Replace existing pumps, mag meters and accessories at Water Intake Pump Station located at DMC - JJWTP		
75XXX	Wells (1, 2, 3 4 and Lincoln) Study and Mitigation	513 - Water Capital	400,000	-	-					400,000	Study the existing wells (1,2,3,4 and Lincoln) Well to identify existing conditions of Bacteriological and PFOS and PFAS containment levels and initiate mitigations to address these issues. - Addition to project- Well 3 casing has a recent hole in it. The wells need to be assessed for replacement		
75XXX	Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road	252 - ARPA	1,750,000	-	192,000	1,558,000				-	Bessie Avenue Rehabilitation from Lowell to Grant Line: Replace water, sewer and storm drain mains, water and sewer laterals, remove and replace pavement, sidewalks, curbs and curb ramps, and street trees (as necessary)		
75XXX	Larch Rd 12" Water Line Replacement	513 - Water Capital	2,500,000	-	-					2,500,000	Replace 5400 LF of 12" water line and 58 services on Larch Rd. between Tracy Blvd. and Corral Hollow.		
75XXX	Annual Water Service/Line Replacement	513 - Water Capital	700,000	-	-					700,000	Annual Water Line Replacement Program		
75XXX	Water Valve Replacement	513 - Water Capital	100,000	-	-					100,000	Annual - Replace Water Distribution Valves in various parts of the City.		
75XXX	Flow-meter Replacements	513 - Water Capital	500,000	-	-					500,000			
75XXX	Security System Implementation for City's Water Facilities	513 - Water Capital	1,000,000	-	-					1,000,000			
75XXX	Asset Management - CMMS Program Expansion	513 - Water Capital	100,000	-	-					100,000	This will help refine and develop budget costing for replacement of utility equipment and will enable a more effective maintenance practice. (Split between 513/523)		
						<b>32,209,740</b>	<b>11,716,341</b>	<b>1,392,000</b>	<b>1,558,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,100,000</b>

Group 76: Drainage Improvements

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< --- Projected --- >				Unfunded Amount	Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27		
76059	South MacArthur, Ph 2-From Northern Boundary of	322 - Plan C Drainage 352 - South MacArthur	54,000 500,007	54,000 446,547	- -	- -	- -	- -	- -	- -	Improve capacity of 6800 LF of existing V-ditch channel completed under CIP 7634.
76087	Eastside Channel Lining from Grant Line Road to MacArthur	350 - NEI Storm Drain	2,500,000	2,500,000	-	-	-	-	-	-	Concrete line the bottom and sides 2500 feet of the Eastside Channel from from 400 feet north of Pescadero (downstream end of CHP channel improvements) to MacArthur
76XXX	Eastside Channel Desilting	541 - Drainage	700,000	-	-	-	-	-	-	700,000	Eastside Channel Desilting from Pescadero Road to Arbor Road.
76XXX	Trash Capture devices for storm water conveyance system	541 - Drainage	8,000,000	-	-	-	-	-	-	8,000,000	The State Regional Water Quality Control Board implemented regulations in 2019 that require NPEDS MS4 storm water permit agencies begin the implementation of for trash capture systems in all storm water conveyance systems. The period of time to complete the construction of these systems is 10 years so they must be in place in 2029. The requirement is intended to prevent the flow of any trash particles larger than 5mm into waters of the US.
			<b>11,754,007</b>	<b>3,000,547</b>	-	-	-	-	-	<b>8,700,000</b>	

**Group 77: Airport and Transit Improvements**

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< --- Projected --- >				Unfunded Amount	Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27		
77564	Transit Station Security Cameras	242 - Transp Sales Tax	140,000	138,296	-	-	-	-	-	-	Installation of additional cameras at the Tracy Transit Station.
77583	Airport Layout Plan/Geospatial	563 - Airport Capital	241,200	79,216	-	-	-	-	-	-	The Airport Layout Plan shows in
77584	Transit Station Rehab	241 - TDA Funds	2,441,024	2,385,367	-	-	-	-	-	-	Expansion of office facilities at the
	Transit Station Rehab	573 - Transit Capital	400,000	296,387	-	-	-	-	-	-	Transit Center into the Lobby area.
77585	Tracer Bus Stop Improvements	573 - Transit Capital	500,000	500,000	-	-	-	-	-	-	Various improvements to bus stops throughout the City, including but not limited to installation of concrete pads, benches, shelters, trash cans, signs, pullouts, etc.
77586	Transit Maintenance & Storage Yard (Land Acquisition)	573 - Transit Capital	1,000,000	1,000,000	-	-	-	-	-	-	Land Acquisition - Development of storage and maintenance facility for the Tracer bus system.
77587	ITS infrastructure Planning & Construction	241 - TDA Funds	280,000	280,000	-	-	-	-	-	-	This project will create a plan for the Tracer bus system to implement
	ITS infrastructure Planning & Construction	573 - Transit Capital	1,120,000	1,120,000	-	-	-	-	-	-	Intelligent Transportation System (ITS) technology within the City of Tracy.
77XXX	Airport Masterplan Update	563 - Airport Capital	250,000	-	-	-	-	-	-	250,000	This project consists of a master plan update that will encompass both Tracy Municipal Airport and New Jerusalem
			<b>6,372,224</b>	<b>5,799,266</b>	-	-	-	-	-	<b>250,000</b>	

Group 78: Parks and Recreation

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< --- Projected --- >				Unfunded Amount	Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27		
78054	Aquatics Center	Developer Contribution	8,000,000	-	-	-	8,000,000	-	-	-	
		301 - General Projects	2,000,000	697,109	-	-	-	-	-	-	
		307 - Measure V	53,000,000	958,152	-	-	52,000,000	-	-	-	
		324 - Gen Fac Plan "C"	1,645,946	1,645,520	-	-	-	-	-	-	
		354 - Industrial SP, South	231,500	231,500	-	-	-	-	-	-	
		355 - Presidio Area	114,700	114,700	-	-	-	-	-	-	
78170	Gretchen Tally Park Phase III	378 - Core Area Parks	4,098,878	3,049,901	1,000,000	-	-	-	-	-	This project is a 4.7-acre expansion of Gretchen Talley Park. Scope of work will include: a new park restroom, new small & large dog park, tennis/pickleball courts, a 2nd basketball court, fitness area, nature play area, pollinator garden, landscaping and open lawn area.
		361 - TIMP Parks	1,501,122	670	1,000,000	-	-	-	-	-	
78171	Bikeways Master Plan	241 - TDA Funds	100,000	5,591	-	-	-	-	-	-	Update Bikeways Master Plan
78178	Multi-Generational Rec Center	307 - Measure V	21,000,000	3,909,991	17,000,000	-	-	-	-	-	Design and construction of the multi-generational recreation center.
		Grant	5,000,000	-	5,000,000	-	-	-	-	-	
		Developer Contribution	4,000,000	-	4,000,000	-	-	-	-	-	
78183	CW Bikeways Mainenance	241 - TDA Funds	155,000	141,691	75,000	-	-	-	-	-	In addition to the restriping of faded bike lanes, staff is also working to implement a plan for green bikeways striping in high traffic areas throughout the city. (Annual Program)
78184	Hoyt Park - Per Capita Improvements	301 - General Projects	363,956	352,618	-	-	-	-	-	-	The City of Tracy has the opportunity to rehabilitate existing infrastructure at Hoyt Park through the Proposition 68, Per Capita Program.
78185	Legacy Field Site Phase 1E	307 - Measure V	21,000,000	19,360,577	-	-	-	-	-	-	Improvements would include: paving parking lots, slurry sealing existing asphalt, alternative exit south of the complex, build-out of the Eastern Wagon Wheel to closely resemble the Western Wagon Wheel, and wayfinding & signage.
78XXX	Ritter Family Ball Park Renovation	307 - Measure V	25,000,000	3,000,000	-	-	-	-	-	22,000,000	The first step in updating this dated facility is a master planning process, including public outreach, to establish a modern vision for this much needed infill project.

Group 78: Parks and Recreation

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< --- Projected --- >				Unfunded Amount	Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27		
78XXX	Nature Park Phase 1	307 - General Projects	8,371,000	1,371,000	-	-	-	-	-	7,000,000	Based on the Council-approved Master Plan, Phase 1 of this project will include: site preparation and earthmoving to create various habitats, over 2 miles of hiking paths including a walking loop with bridget and ADA accessible trails with seating and an overlook, elevated walkway and viewing platform, pre-fabricated restroom, dedicated traffic intersection with parking lot, interpretive signage and educational opportunities, wayfinding signage, windbreak trees and native understory plantings, seeding and erosion control.
78XXX	Florence Stevens Park & Greenway Improvement	242 - Transp Sales Tax	75,000	-	75,000	-	-	-	-	-	Renovation of the playground, rehab of the sport court including replacement of equipment and addition of lighting, pathway lighting throughout greenway, replacement of site furnishings, landscape enhancements, and drought tolerant conversions, ADA barrier
		271 - LMD	475,000	-	475,000	-	-	-	-	-	Renovation of the playground, rehab of the sport court including replacement of equipment and addition of lighting, pathway lighting throughout greenway, replacement of site furnishings, landscape enhancements, and drought tolerant conversions, ADA barrier
78XXX	A.R. Glover Park Improvement	301 - General Projects	875,000	-	875,000	-	-	-	-	-	This project would include renovation of the playground, a new picnic area, renovation of the sport court including addition of court lighting, pathway lighting throughout park, ADA barrier removal, landscaping and site furnishing replacements.
78XXX	BMX Pump Track	301 - General Projects	1,000,000	-	1,000,000	-	-	-	-	-	Construct a new 1/2 acre BMX pump track (bike park) in an existing City park. The project would create a looped asphalt track with a sequence of rollers and berms for bike riders. Associated improvements would include: earthwork, drainage, accessibility, shaded seating as well as related site furnishings, and landscaping. Staff is recommending the City Council select one of the following preferred sites to develop this amenity: Frank Hoyt Park or Edgar Thoming Park.

Group 78: Parks and Recreation

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< --- Projected --- >				Unfunded Amount	Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27		
78XXX	Edgar Thoming Park Improvement	301 - General Projects	525,000	-	525,000		-	-	-	-	This project would include renovation of the tennis and basketball courts including surfacing, lighting and fencing upgrades.
78XXX	Tracy Sports Complex Improvement	301 - General Projects	3,250,000	-	-	3,250,000	-	-	-	-	Renovation and upgrades to the concession building and meeting room. Site improvements including: new restroom for east side of park, playground renovations, parking lot renovations, removal of ADA barriers, landscaping, site furnishing replacements, fencing and major renovation of existing protective netting including replacement of short poles, repainting and replacement of netting.
78XXX	Veterans Park Improvement	301 - General Projects	500,000	-	-		500,000	-	-	-	Veterans Park is a 15.8 acre community park located in south Tracy. This project would renovate the existing parking lot, address ADA barriers, lighting upgrades including sport court and pathway lighting, minor renovations
78XXX	Robert Kenner Improvements	301 - General Projects	2,100,000	-	-		2,100,000	-	-	-	Project to install sport court lighting at basketball and tennis courts including rehab of the courts.
78XXX	Alden Park Improvement	301 - General Projects	900,000	-	-		900,000	-	-	-	This project would include rebuilding the entire walking loop within the park that is failing, a new shaded picnic area near the new playground, replacement of site furnishings, a new open lawn area within the walking loop, strategic turf reduction with drought tolerant plantings, and area/pathway lighting for improved safety in the park.



**Group 78: Parks and Recreation**

Project Number	Project Name	Proposed Funding Source	Estimated Cost/Budget	Carryover	Funding Request FY22/23	< --- Projected --- >				Unfunded Amount	Description
						FY2023/24	FY2024/25	FY2025/26	FY2026/27		
78XXX	William Larsen Park Improvements	301 - General Projects	450,000	-	-			450,000		-	This project will address the park comprehensively after the playground was just renovated. This includes installation of sport court lighting at tennis courts, a new fitness equipment area, and landscape improvements including enhancements around the public art sculpture and turf reduction strategies for water conservation
78XXX	Flag Poles City Hall Memorial	301 - General Projects	75,000	-	-			75,000		-	This project will install six (6) new flag poles at the Tracy War Memorial in Civic Center Plaza to represent the six (6) branches of the United States Military.
78XXX	Dry Climate Dog Park Project	301 - General Projects	350,000	-	-			350,000		-	The project would include demolition of certain existing features, fencing for large and small dog areas, a shaded seating area w/ drinking fountain, landscaping and ADA accessibility improvements.
78XXX	Sport Court Lighting Project	301 - General Projects	1,800,000	-	-			1,800,000		-	Installation of lighting for various sport courts to expand hours of use and promote safety within the General Fund parks.
78XXX	Annual Park Maintenance	301 - General Projects	3,000,000	-	-			-	3,000,000	-	
			<b>147,582,102</b>	<b>34,839,020</b>	<b>31,025,000</b>	<b>3,250,000</b>	<b>55,500,000</b>	<b>2,675,000</b>	<b>3,000,000</b>	<b>29,000,000</b>	



A CITY COUNCIL WORKSHOP TO REVIEW THE  
PROPOSED FY 2022-23 CAPITAL BUDGET AND THE  
PROPOSED FIVE YEAR FY 2022-2027 CAPITAL  
IMPROVEMENT PLAN (CIP) OUTLOOK

Finance Department

March 22, 2022

# Agenda

- CIP Outlook
  - Overview
  - Definitions
  - Funding Sources
  - Categories
- Proposed FY 2022-23 CIPs and 2022-2027 CIP Outlook by Category
- City Council Measure V Projects
- Proposed General Fund Projects
- ARPA Update
- Next Steps



# CIP Outlook



# CIP Outlook Overview

- The CIP Outlook is a planning tool to assist in budget decisions and the allocation of resources required to meet the City's strategic goals that are critical to core services.
- The CIP Outlook is not static, but can and should be modified as new funding, regulations, priorities, urgency, and demands arise.



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# CIP Outlook Overview

The purpose of the Capital Improvement Plan (CIP) Outlook is to:

- ✓ Identify capital expenditures which are anticipated to be requested over a five-year period;
  - ✓ Determine a source of funding for the requests;
  - ✓ Provide an opportunity for long-term planning.
- 
- The CIP Outlook should be monitored, updated, and reported at least annually to the City Council.

# CIP Outlook Key Definitions

- A capital project has specific objectives:
  - ✓ Detailed scope of work,
  - ✓ Schedule and budget,
  - ✓ Estimated total cost in excess of \$50,000,
  - ✓ Useful life expectancy of 10 or more years.

# CIP Outlook Definitions

## CAPITAL MAINTENANCE

- To maintain capital assets in fully functioning form
- To rehabilitate or replace existing infrastructure/facilities
  - Examples:
    - ✓ Roadway or sidewalk rehabilitation
    - ✓ HVAC replacement
    - ✓ Utility line maintenance and replacement

## CAPITAL IMPROVEMENTS

- To expand existing infrastructure and/or capital assets
- To construct new infrastructure/facilities
  - Examples:
    - ✓ Expand utility plants or city buildings
    - ✓ Widen or construct new roadways, sidewalks, bikeways to allow for more users
    - ✓ Build or improve parks for more usage



# CIP Outlook Definitions

CIP Outlook is comprised of three overlapping timelines related to the availability of funding.

## Active:

These are current projects that have been approved by the City Council in prior years but may cross over multiple fiscal years in the CIP Outlook.

## New:

These are new or planned projects that are ready for appropriations through either the annual adoption of the Operating and Capital budget or during one of the four quarterly updates of the Operating and Capital budget.

## Projected:

These are projects expected to be completed in future years (FY 2023-24 and beyond).

- They may include “Un-funded” portions of future or existing CIPs.



# CIP Overview of Funding Source

- The CIP Outlook is not a budget; nor are funds appropriated when adopting the CIP Outlook.
- Funding for Capital Improvements is almost exclusively from City revenues:
  - General taxes
  - Special taxes
    - Designated through law
    - Requires voter approval
  - Rates and user fees
    - Needs rate study to demonstrate nexus to improvement
    - Some require ballot action

# CIP Outlook Funding Sources

## General Fund

- Revenues from General Fund committed to City Council priorities
- Examples: Measure V Capital Projects for amenities

## Special Revenues Funds

- Revenues dedicated for special purpose through tax or fees
- Examples: Gas Tax for street and roads

## Capital Projects Funds

- Revenues dedicated for special purpose through tax or fees
- Examples: Development Impact fees established for specific new infrastructure

## Enterprise Funds

- Revenues collected through customer user fees
- Examples: Utilities or Transportation Funds rates to maintain, repair or replace existing capital assets



# Proposed FY 2022-23 CIPs and 2022-2027 CIP Outlook

By Category

# CIP Outlook Estimates by Categories

- The CIP is organized into groups by the type of project.
  - ✓ Group 71: General Government and Public Safety Facilities
  - ✓ Group 72: Traffic Safety
  - ✓ Group 73: Streets and Highways
  - ✓ Group 74: Wastewater Improvements
  - ✓ Group 75: Water Improvements
  - ✓ Group 76: Drainage Improvements
  - ✓ Group 77: Airport and Transit Improvements
  - ✓ Group 78: Parks and Recreation

# Group 71: General Government and Public Safety Facilities

Active		New	< - - - - Projected - - - - >				Un-Funded	Total
Carryover	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
12,723,530	4,300,000	930,000	550,000	-	-	-	-	18,503,530

New Proposed Projects (3)			
Project Name	Fund	FY2022/23	FY2023/24
Police Headquarters Cooling System Study	301 - General Projects	80,000	-
Central Garage Carport Enclosure	301 - General Projects	50,000	550,000
Grand Theatre Audio Visual Upgrades	301 - General Projects	800,000	-
<b>Total</b>		<b>930,000</b>	<b>550,000</b>

# Group 71: General Government and Public Safety Facilities

- **Police Headquarters Cooling System Study:** Engineering study of the existing closed loop water system that is experiencing frequent failures. Once the study is complete, this will determine funding needed for HVAC overhaul.
- **Central Garage Carport Enclosure:** Enclose carport area that is located to the north of central garage. Request is to fund for design, once complete request for construction funding in FY2023/24.

# Group 71: General Government and Public Safety Facilities

- **Grand Theatre Audio Visual Upgrades** : This project will replace outdated audio and lighting equipment, including replacement of the existing older audio system with modern line array speakers and change the stage lighting in the Eleni Kounalakis Theatre to energy efficient LED stage lighting.



# Group 72: Traffic Safety

Active		New	< - - - - - Projected - - - - - >				Un-Funded	Total
Carryover	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
4,774,781	-	2,350,000	1,725,000	-	-	-	-	8,849,781

New Proposed Projects (3)			
Project Number	Project Name	Fund	FY2022/23
72125	IS & TS: Installation at Valpico & CH	375 - Core Area Traffic	2,000,000
72126	Street Light Installation Project	245 - Gas Tax	150,000
72127	Traffic Signal Equipment Replacement	245 - Gas Tax	200,000
<b>Total</b>			<b>2,350,000</b>

# Group 72: Traffic Safety

- **CIP 72125, Intersection Improvements & Traffic Signal Installation at Valpico & Corral Hollow:** This project will involve the complete roadway improvements at the intersection of Valpico & Corral Hollow Road, including roadway widening, curb, gutter and sidewalk installation, drainage, addition of lanes, and installation of traffic signal poles and equipment.
- **CIP 72126, Street Light Installation Project:** This project will install new streetlights at residential, collector and arterial streets which are lacking sufficient street lighting.

# Group 72: Traffic Safety

- **CIP 72127, Traffic Signal Equipment Replacement:** This project will assist in upgrading the existing 170 signal controllers to 2070 signal controllers, replace signal cabinets and/or meter pedestals, and install battery-backups and supporting equipment at certain high priority signalized intersections.

# Group 73: Streets and Highways

Active		New	< - - - - Projected - - - - >				Un-Funded	Total
Carryover	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
53,288,609	-	18,417,000	6,133,000	6,025,000	6,025,000	6,025,000	30,002,290	125,915,899

New Proposed Projects (7)				
Project Number	Project Name	Fund	FY2022/23	FY2023/24
73186	Annual Pavement Rehabilitation Project	242 - Transp Sales Tax	540,000	
		245 - Gas Tax	135,000	
		248 - SB1 RMRA	1,300,000	
73187	Annual Slurry Seal Project	261 - ISTEА	600,000	
73188	Annual Sidewalk, Curb, and Gutter Repair	245 - Gas Tax	250,000	
73189	Street Repair Program (PW)	245 - Gas Tax	200,000	
73190	Valpico Road Widening - Tracy Blvd to MacArthur Drive	375 - Core Area Traffic	10,000,000	
73191	Grant Line Road Widening Project	375 - Core Area Traffic	5,000,000	
73192	Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road	301 - General Projects	400,000	3,000,000
<b>Total</b>			<b>18,425,000</b>	<b>3,000,000</b>



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# Group 73: Streets and Highways

- **CIP 73186, Annual Pavement Rehabilitation:** Pavement rehabilitation by overlays or reconstruction is essential to reach the City's goal of achieving higher overall Pavement Condition Index (PCI) value for the roadway network.
- **CIP 73187, Annual Slurry Seal:** Performing Slurry Sealing of various street segments as preventative maintenance.

# Group 73: Streets and Highways

- **CIP 73189, Annual Street Repair Program:** This project will be an ongoing funding amount allocated for contracted medium-term repairs of roadways. The program is intended to fill a gap in services that will allow PW crews to continue making short-term, and some mid-term repairs, and provide relief prior to the initiation of large, CIP reconstruction of roadways.

# Group 73: Streets and Highways

- **CIP 73190, Valpico Road Widening:** Tracy Blvd to MacArthur Drive, this project will involve the roadway widening of Valpico Road from Tracy Blvd to MacArthur Drive, with two lanes in each direction, complete with all necessary improvements like curb, gutter, sidewalk, median, irrigation facilities, landscaping, drainage facilities, street lighting, signage and striping.

# Group 73: Streets and Highways

- **CIP 73191, Grant Line Road Widening Project:**

This project will involve the roadway widening of Grant Line Road from Bryon Road to Lammers Road, with two lanes in each direction, complete with all necessary improvements like curb, gutter, sidewalk, median, irrigation facilities, landscaping, drainage facilities, street lighting, signage and striping, and any modifications to the signals in this corridor.





# Group 73: Streets and Highways

- **CIP 73192, Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road:** Bessie Avenue Rehabilitation from Lowell to Grant Line: Replace water, sewer and storm drain mains, water and sewer laterals, remove and replace pavement, sidewalks, curbs and curb ramps, and street trees (as necessary). Combined with CIP 74166 & 75164. Request is to fund for design, once complete request for construction funding in FY2023/24.

# Group 74: Wastewater Improvements

Active		New	< - - - - - Projected - - - - - >				Un-Funded	Total
Carryover	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
38,818,041	-	216,000	1,684,000	-	-	-	20,390,000	61,108,041

New Proposed Projects (1)				
Project Number	Project Name	Fund	FY2022/23	FY2023/24
74166	Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road	252 - ARPA	216,000	1,684,000
<b>Total</b>			<b>216,000</b>	<b>1,684,000</b>

# Group 74: Wastewater Improvements

- **CIP 74166, Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road:** Bessie Avenue Rehabilitation from Lowell to Grant Line: Replace water, sewer and storm drain mains, water and sewer laterals, remove and replace pavement, sidewalks, curbs and curb ramps, and street trees (as necessary). Combined with CIP 73192 & 75164. Request is to fund for design, once complete request for construction funding in FY2023/24.

# Group 75: Water Improvements

Active		New	< - - - - Projected - - - - >				Un-Funded	Total
Carryover	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
11,716,341	1,200,000	192,000	1,558,000	-	-	-	16,100,000	30,766,341

New Proposed Projects (1)				
Project Number	Project Name	Fund	FY2022/23	FY2023/24
75164	Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road	252 - ARPA	192,000	1,558,000
<b>Total</b>			<b>192,000</b>	<b>1,558,000</b>

# Group 75: Water Improvements

- **CIP 75164, Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road:** Bessie Avenue Rehabilitation from Lowell to Grant Line: Replace water, sewer and storm drain mains, water and sewer laterals, remove and replace pavement, sidewalks, curbs and curb ramps, and street trees (as necessary). Combined with CIP 73192 & 74166. Request is to fund for design, once complete request for construction funding in FY2023/24.

# Group 76: Drainage Improvements

Active		New	< - - - - - Projected - - - - - >				Un-Funded	Total
Carryover	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
3,000,547	-	-	-	-	-	-	8,700,000	11,700,547

There are no new proposed projects for FY2022-23 for Drainage Improvements due to lack of funding.

# Group 77: Airport and Transit Improvements

Active		New	< - - - - - Projected - - - - - >				Un-Funded	Total
Carryover	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
5,799,266	-	-	-	-	-	-	250,000	6,049,266

There are no new proposed projects for FY2022-23 for Airport and Transit Improvements.

# Group 78: Parks and Recreation

Active		New	< - - - - - Projected - - - - - >				Un-Funded	Total
Carryover	FY 2022/23	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27		
34,839,020	28,075,000	3,400,000	3,250,000	55,500,000	2,225,000	3,000,000	29,000,000	159,289,020

New Proposed Projects (4)		
Project Name	Fund	FY2022/23
Florence Stevens Park & Greenway Improvement	242 - Transp Sales Tax	75,000
	271 - LMD	475,000
Edgar Thoming Park Improvement	301 - General Projects	525,000
A.R. Glover Park Improvement	301 - General Projects	875,000
BMX Pump Track	301 - General Projects	1,000,000
<b>Total</b>		<b>2,950,000</b>



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# Group 78: Parks and Recreation

- **Florence Stevens Park & Greenway Improvement**, will rehabilitate existing infrastructure at Hoyt Park through the State of California's Proposition 68, Per Capita Program. The project includes resurfacing and re-stripping the parking lot, replacing bench and table furnishings in the park, and addressing other amenities, pending available funds.
- **Edgar Thoming Park Improvement** - This project would include renovation of the tennis and basketball courts including surfacing, lighting and fencing upgrades.



# Group 78: Parks and Recreation

- **A.R. Glover Park Improvement** - This project would include renovation of the playground, a new picnic area, renovation of the sport court including addition of court lighting, pathway lighting throughout park, ADA barrier removal, landscaping and site furnishing replacements.
- **BMX Pump Track** - Construct a new 1/2-acre BMX pump track (bike park) in an existing City park.



# Measure V Projects List



# Measure V Projects

Project	Estimated Cost	Measure V Committed	Other Funds	
<b>Tier 1</b>				
Legacy Fields (Final Phase 1)	21,000,000	21,000,000	-	Debt Financing
Multi-Gen Recreation Center (Includes Library & Skate Park)	30,000,000	21,000,000	9,000,000	Debt Financing, Grant, Developer Contribution
Aquatic Center	65,000,000	53,000,000	12,000,000	Impact Fees, Developer Contribution
<b>Tier 2</b>				
Nature Park	8,000,000	1,000,000	-	Council Direction 2/22/22
Ritter Family Ball Park	25,000,000	3,000,000	-	Council Direction 2/22/22 to Fund Design
Multi-Court Tournament-Sized Gymnasium				
<b>Tier 3</b>				
Airport				
Animal Shelter (Expansion)				
Community Center Renovation (Phase 2)				
<b>Completed</b>				
Senior Center	950,000	950,000		
Legacy Fields (Prior Phases)	6,135,668	6,135,668		



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# Proposed General Fund Projects



# Proposed General Fund FY2022/23

Project Name	FY2022/23	FY2023/24	FY2024/25	FY2025/26	FY2026/27
Multipurpose Reality Based Training Facility	2,800,000	-	-	-	-
BMX Pump Track	1,000,000	-	-	-	-
Reconstruction Bessie Avenue Between Lowell Avenue and Grant Line Road	400,000	3,100,000	-	-	-
A.R. Glover Park Improvement	875,000	-	-	-	-
Grand Theatre Audio Visual Upgrades	800,000	-	-	-	-
Edgar Thoming Park Improvement	525,000	-	-	-	-
Central Garage Carport Enclosure	50,000	550,000	-	-	-
Police Headquarters Cooling System Study	80,000	-	-	-	-
Parks Deferred Maintenance	-	3,000,000	3,000,000	3,000,000	3,000,000
Streets Deferred Maintenance	-	-	3,000,000	3,000,000	3,000,000
<b>Totals</b>	<b>\$ 6,530,000</b>	<b>\$ 6,650,000</b>	<b>\$ 6,000,000</b>	<b>\$ 6,000,000</b>	<b>\$ 6,000,000</b>



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# Future Proposed General Fund Projects

Project Name	Description	Estimated Cost
Flag Poles City Hall Memorial	This project will install six (6) new flag poles at the Tracy War Memorial in Civic Center Plaza to represent the six (6) branches of the United States Military.	75,000
Dry Climate Dog Park Project	Demolition of certain existing features, fencing for large and small dog areas, a shaded seating area w/ drinking fountain, landscaping and ADA accessibility improvements.	350,000
Sport Court Lighting Project	Installation of lighting for various sport courts to expand hours of use and promote safety within the General Fund parks.	1,800,000
Veterans Park Improvement	Renovate the existing parking lot, address ADA barriers, lighting upgrades including sport court and pathway lighting, minor renovations.	500,000
Tracy Sports Complex Improvement	Renovation and upgrades to the concession building and meeting room and site improvements.	3,250,000
Robert Kenner Improvements	Install sport court lighting at basketball and tennis courts including rehab of the courts.	2,100,000
Alden Park Improvement	Rebuild the entire walking loop within the park that is failing, a new shaded picnic area near the new playground, replacement of site furnishings.	900,000
Airport Masterplan Update	Master plan update that will encompass both Tracy Municipal Airport and New Jerusalem, contingent on Airport layout plan completion.	250,000
<b>Total</b>		<b>\$ 9,225,000</b>



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# ARPA Update





# Update on American Rescue Plan Act Funding Allocation

Eligible Programs (In Millions)	Revised Funding Allocation	Update
<b>Provide Government Fiscal Response</b> (Homeless Programs)	\$4.5	<i>Homeless shelter in design; developing warming center contract</i>
<b>Hazard Pay</b> (2% of salary)	\$1.5	<i>Complete: Paid in August 2022</i>
<b>Address Economic Effects</b> (Aid to Households, Businesses, Non-Profits)	\$4.5	<i>\$0.5 M to downtown parklets; \$0.5 contract services for business survey and development; remaining funding will be split between business, non-profits, and aid to households impacted by COVID-19.</i>
<b>Investments in Infrastructure</b> (Support for Water, Wastewater, Broadband)	\$3.0	<i>Proposed FY22/23 CIP for Bessie Road reconstruction and utility infrastructure</i>
<b>Total Estimated Funding</b>	\$13.5	(funds must be spent by 2024)

# Next Steps

- May 11<sup>th</sup> - CIP Chapter presented to Planning Commission.
- May 17<sup>th</sup> - CIP included with FY22/23 Budget for adoption.

# Summary

- The Capital Improvement Plan (CIP) Outlook is not intended to provide for precise budgeting assumptions.
- The adoption of the CIP Outlook does not provide for appropriations of funds into the City's budget.
- It is recommended that the City Council receive this report and provide feedback on the Proposed FY 2022-23 Capital Improvement Program (CIP) Budget.