

Tuesday, May 17, 2022, 7:00 P.M.

Tracy City Hall Chambers, 333 Civic Center Plaza, Tracy

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

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

**IN ACCORDANCE WITH THE CALIFORNIA DEPARTMENT OF PUBLIC HEALTH GUIDELINES, UNIVERSAL MASKING IS RECOMMENDED FOR ALL PERSONS REGARDLESS OF VACCINATION STATUS.**

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

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

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

**Remote Public Comment:**

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

- *Comments via:*
  - **Online by visiting** <https://cityoftracyevents.webex.com> and using the following **Event Number: 2559 654 6407** and **Event Password: TracyCC**
  - ***If you would like to participate in the public comment anonymously***, you may submit your comment in WebEx by typing "Anonymous" when prompted to provide a First and Last Name and inserting [Anonymous@example.com](mailto:Anonymous@example.com) when prompted to provide an email address.
  - **Join by phone** by dialing +1-408-418-9388, enter 25596546407#8722922# Press \*3 to raise the hand icon to speak on an item.
- *Protocols for commenting via WebEx:*
  - *If you wish to comment on the "Consent Calendar", "Items from the Audience/Public Comment" or "Regular Agenda" portions of the agenda:*
    - *Listen for the Mayor to open that portion of the agenda for discussion, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.*
    - *If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.*

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

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

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

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

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

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

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

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL

PRESENTATIONS

1. Certificate of Recognition - Transportation Advisory Commission
2. Certificate of Recognition - San Joaquin Mosquito Vector Control District

1. CONSENT CALENDAR

- 1.A. ADOPTION OF MAY 3, 2022 REGULAR MEETING MINUTES
- 1.B. RATIFY THE SAN JOAQUIN COUNCIL OF GOVERNMENTS ANNUAL FINANCIAL PLAN FOR FISCAL YEAR 2022-2023
- 1.C. APPROVAL OF PURCHASE OF BUS SHELTERS AND BUS SHELTER REPAIR PARTS IN THE AMOUNT OF \$342,979 FROM TOLAR MANUFACTURING PURSUANT TO TRACY MUNICIPAL CODE SECTION 2.20.270(B) SOLE SOURCE BID EXCEPTION AND AS PART OF THE TRACER BUS STOP IMPROVEMENTS CIP 77585
- 1.D. AWARD A CONSTRUCTION CONTRACT TO VALENTINE CORPORATION FOR THE CONSTRUCTION OF THE TRACY HILLS ZONE 5 PUMP STATION CIP 75163 IN THE AMOUNT OF \$3,323,369, AT THE JOHN JONES WATER TREATMENT PLANT (JJWTP), WITH A NOT TO EXCEED BUDGET OF \$4,154,211 AND APPROVE A PROFESSIONAL SERVICES AGREEMENT (PSA) WITH WEST YOST AND ASSOCIATES (WYA) TO PROVIDE ENGINEERING SUPPORT SERVICES DURING CONSTRUCTION WITH A NOT TO EXCEED AMOUNT OF \$115,000
- 1.E. APPROVE A RESOLUTION DECLARING INTENTION TO REIMBURSE EXPENDITURES FOR THE MULTI-GENERATIONAL RECREATION CENTER FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY THE CITY AND DIRECTING CERTAIN ACTIONS
- 1.F. APPROVE AMENDMENT NO.1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH MARK THOMAS AND COMPANY, INC. TO (1) AUGMENT THE SCOPE FOR PROJECT APPROVAL (PA), ENVIRONMENTAL DOCUMENT (ED), AND PLANS, SPECIFICATIONS AND ESTIMATES (PS&E) FOR MODIFICATION OF I-205 AND I-580 / MOUNTAIN HOUSE EXISTING INTERCHANGES CIP NOS. 73146 & 73147, AND (2) INCREASE THE CONTRACT AMOUNT BY AN ADDITIONAL \$351,288, FOR A NEW NOT-TO-EXCEED TOTAL CONTRACT AMOUNT OF \$4,649,324

2. ITEMS FROM THE AUDIENCE

3. REGULAR AGENDA

3.A RECEIVE AN INFORMATIONAL REPORT REGARDING THE CURRENT STATUS OF CANNABIS PERMIT PROCESSING, INCLUDING FINGERPRINT-BASED BACKGROUND CHECKS FOR THE OPERATION OF CANNABIS BUSINESSES, AND INFORMATION ON ANTICIPATED FUTURE AMENDMENTS TO THE TRACY MUNICIPAL CODE RELATED TO CANNABIS PERMITS

3.B AN UPDATE REGARDING THE CITY OF TRACY'S EFFORTS ADDRESSING HOMELESSNESS AND A SUMMARY OF A FUTURE PLAN TO ALLEVIATE THE IMPACT OF HOMELESS ENCAMPMENTS AT EL PESCADERO PARK ON THE SURROUNDING COMMUNITY

4. ITEMS FROM THE AUDIENCE

5. STAFF ITEMS

6. COUNCIL ITEMS

7. ADJOURNMENT

**May 3, 2022, 7:00 p.m.**

City Hall, 333 Civic Center Plaza, Tracy

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

Mayor Young called the meeting to order at 7:02 p.m.

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

Mayor Young led the Pledge of Allegiance.

Pastor Doug Diestler, Mission City Church offered the invocation.

Michael Rogers, City Manager announced the Employee of the Month Award for May, Brian Langley, Utilities Department.

Mayor Young presented a Certificate of Reappointment to Transportation Advisory Commissioner Timothy Silva and Certificate of Appointment to new commissioner Rajpal Dhillon.

Mayor Young presented a Proclamation for Older American's Month to David Vigil.

Mayor Young presented a Proclamation for Neurofibromatosis Awareness Month to Jessica Contreras.

Mayor Young presented a Proclamation for Bike to Work Week to Dotty Nygard.

Mayor Young presented a Proclamation for AAPI Heritage Month to Mariah Taloa and Lani Alfonso.

Mayor Young presented a Proclamation for National Public Works Week to David Murphy.

Mayor Young presented Proclamations for National Day of Prayer to Pastor James Young from His Image Ministries, and Pastor Scott McFarland from Journey Christian Church.

#### REGULAR MEETING – 7:00 P.M.

1. CONSENT CALENDAR – Following the removal of consent item 1.D by Michael Rogers, City Manager motion was made by Mayor Pro Tem Vargas and seconded by Council Member Davis to adopt the consent calendar. Roll call found all in favor; passed and so ordered.

- 1.A ADOPTION OF THE APRIL 19, 2022 JOINT CITY COUNCIL AND TRACY PUBLIC FINANCING AUTHORITY MEETING MINUTES – **Minutes were adopted.**

- 1.B ADOPT RESOLUTION AUTHORIZING THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT OPERATION PROGRAM (LCTOP) FOR THE USE OF FREE FARE BUS RIDES USING AN ALLOCATION OF \$67,412 IN LCTOP FUNDS – Resolution 2022-053 authorized the submittal of a project nomination and allocation request for the Low Carbon Transit Operation Program (LCTOP).
- 1.C APPROVE THE PROFESSIONAL SERVICES AGREEMENT WITH AECOM TO UPDATE THE CITY'S ECONOMIC DEVELOPMENT STRATEGIC PLAN FOR A NOT-TO-EXCEED AMOUNT OF \$152,000 – Resolution 2022-054 approved the Professional Services Agreement with AECOM to update the City's Economic Development Strategic Plan.
- 1.D APPROVE AMENDMENT NO.1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. TO AMEND THE SCOPE FOR THE CITYWIDE ROAD AND TRANSPORTATION AND BIKEWAYS MASTER PLAN UPDATE CIP 73173 & CIP 78171, AND INCREASE THE COMPENSATION BY AN ADDITIONAL \$136,900, FOR A TOTAL CONTRACT AMOUNT OF \$748,485 – ITEM WAS PULLED FROM AGENDA
- 1.E AUTHORIZE THE ACCEPTANCE OF A \$495,735 GRANT FROM STATE WATER RESOURCES CONTROL BOARD FOR THE CALIFORNIA WASTEWATER ARREARAGE PAYMENT PROGRAM FOR RESIDENTIAL AND COMMERCIAL WASTEWATER ARREARAGES – Resolution 2022-055 authorized the acceptance of a \$495,735 grant from State Water Resources Control Board for the California Wastewater Arrearage Payment Program for residential and commercial wastewater customer arrearages.
- 1.F AMEND RESOLUTION No. 2021-196, DATED DECEMBER 21, 2021, TO AUTHORIZE THE DIRECT PURCHASE OF A SIXTY (60) FOOT WIDE BY ONE HUNDRED FIVE (105) FOOT LONG, HIGH TENSION MEMBRANE STRUCTURE FROM SPRUNG INSTANT STRUCTURES, INC., TO BE INSTALLED AS PART OF THE SITE IMPROVEMENTS AT THE TEMPORARY EMERGENCY HOUSING PROJECT, CIP 71112, AT 370 ARBOR AVENUE, FOR A NOT-TO-EXCEED AMOUNT OF \$455,000 – Resolution 2022-056 amended Resolution No. 2021-196, and authorized the direct purchase of a sixty (60) foot wide by one hundred five (105) foot long, high tension membrane structure from Sprung Instant Structures, Inc., to be installed as part of the site improvements at the Temporary Emergency Housing Project CIP 71112, at 370 Arbor Avenue.
2. ITEMS FROM THE AUDIENCE – Dan Evans stated that El Pescadero Park is getting worse, spoke about a report that surfaced over the weekend that there was an overdose and another fire and there was damage to a fence in the adjacent neighborhood. Mr. Evans expressed his frustration regarding the delays in the construction of the Temporary Housing Facility.

Robert Tanner shared his concerns about the increase in garbage rates, lack of smaller cans, asked why the City cannot offer a smaller can and shared the example of what the City of San Francisco is doing.

### 3. REGULAR AGENDA

#### 3.A REVIEW THE TOP THREE (3) NAMES RECOMMENDED BY THE PARKS AND COMMUNITY SERVICES COMMISSION AND SELECT ONE (1) FOR THE NAME OF THE NEW LINEAR PARK IN THE HILLVIEW DEVELOPMENT OF TRACY HILLS

Thien Nguyen, Recreation Supervisor provided the staff report and responded to questions.

Steve Abercrombie stated the Front Street Plaza would be a great place to name after Ray Morelos because of the proximity to his restaurant and South Side Area, and requested Council direct staff to bring an item back naming the plaza after Ray and move forward with naming the parks after the other nominees.

Mary Mitracos shared that the plaza should not be renamed due to the historical importance to the City that goes back to when Tracy was founded and stated City residents should be naming the parks and not the developers.

Robert Tanner agreed with Mary Mitracos regarding the City taking over the naming of the parks. Mr. Tanner shared that the parks should be named in the order presented and expressed his support for the first park to be named Ray Morelos, the next two parks be named after Gene Birk and Daniel R. Schack in that order.

John Palmer shared that on behalf of the Tracy Hills Team they are proud and honored to be part of this process along with the Planning Commission, Parks Commission, City Council, volunteers, and community leaders. Mr. Palmer added there are 16 more parks that will come online over the next few years and encouraged Council to direct staff to ensure that the remaining two candidates get parks named after them in Tracy Hills.

The following residents shared historical information, personal stories, and support to name the Linear Park in the Hillview Development after Mr. Raymond P. Morelos, Jr.: Walter Gouveia, Mercedes Silveira-Gouveia, Juana Dement, and Alice English.

Tim Silva expressed his support for the park to be named after Mr. Daniel Schack because of his work with Friends of the Park non-profit and his architectural background.

The following residents continued to express support for the park to be named after Mr. Raymond P. Morelos, Jr.: Mitra Behnam, Richard Soto, Conrad Levoit, Lisa Guerrero, and Gurneel Bopara.

Todd Lieberg requested that staff bring back to Council a discussion for plaques to be erected at the parks that articulate the achievements of the individuals and why the parks are being named after them.

Council discussion continued.

**ACTION:** Motion was made by Mayor Pro Tem Vargas and seconded by Council Member Davis to adopt **Resolution 2022-057** approving the recommendation from the Parks and Community Services Commission and select Raymond P. Morelos, Jr. as the name for the new linear park in the Hillview Development. Roll call found all in favor; passed and so ordered.

3.B APPOINTMENT OF CITY COUNCIL SUBCOMMITTEE AND AN ALTERNATE TO INTERVIEW APPLICANTS TO FILL ONE TERM VACANCY ON THE SAN JOAQUIN COUNTY MOSQUITO ABATEMENT DISTRICT BOARD

Necy Lopez, Deputy City Clerk provided the staff report.

There were no public comments.

There were no Council comments.

**ACTION:** Motion was made by Council Member Bedolla and seconded by Council Member Arriola to appoint Council Member Davis and Council Member Arriola to the subcommittee and Mayor Young to serve as alternate to interview applicants to fill one term vacancy on the San Joaquin County Mosquito Abatement District Board. Roll call found all in favor; passed and so ordered.

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

5. STAFF ITEMS – Michael Rogers, City Manager announced the following: A workshop for the Multi-Generational Recreational Center on Wednesday, May 4, 2022 from 6 p.m. to 7 p.m. at North School which will provide the community an opportunity to provide input on programming and the site. There will also be a Bike Ways workshop on Wednesday, May 11, 2022 at 7:00 p.m. at the Tracy Community Center to provide an opportunity for the community to review the existing planned and future bike lanes. There is ongoing sewer improvement night work taking place on Corral Hollow and Valpico Road. This is taking place from 7 p.m. to 4 a.m. and is scheduled to end on May 6, 2022. Mr. Rogers will be attending the One Voice Conference in Washington DC. Brian MacDonald, Parks and Recreation Director will be acting City Manager in his absence.

6. COUNCIL ITEMS – Council Member Davis requested that a discussion take place about being more proactive regarding the conduct of the unsheltered population considering the recent events at El Pescadero Park, requested the policy be looked at and the discussion to potentially increase police officers. Mayor Pro Tem Vargas seconded the request. City Manager, Michael Rogers requested clarification whether this report was to be issued to the ADHOC Committee and stated that the problem is growing because of lack of being proactive. Mayor Pro Tem Vargas shared that it's okay to camp at night but having the tents the entire day is different than the intent of the law. Council Member Davis reiterated that a policy discussion that defines how parks and public spaces will be used is important, it's a conduct issue and not a homeless status issue and that things are getting out of control in the park, and this is impacting the quality of life to all citizens. Mr. Rogers shared that this item will be brought back before July.



Council Member Arriola reported on the Homeless Advisory Committee meeting, the homeless shelter, and the homeless strategic plan and asked about details of a transition plan. Council Member Arriola shared that there will be policy discussions and transition plan details and the importance of having a policy in place prior to the opening of the Temporary Housing Facility. Council Member Arriola will be attending the One Voice Conference in Washington D.C. and wished everyone a Happy Mother's Day and Happy Cinco de Mayo.

Mayor Pro Tem Vargas reported information from the Financial Sustainability ADHOC Committee and will be providing Council an update in a few weeks. Mayor Pro Tem Vargas also reported information regarding the meeting at the California League of Cities Transportations and Public Works Committee. Mayor Pro Tem Vargas will not be attending the One Voice Conference on May 11 and 12, 2022, the California Latino Caucus will be lobbying in Sacramento on behalf of Valley Link. Wished all moms a Happy Mother's Day.

Mayor Young shared her update to Council via email, stated it will be included in the public comments. Will be attending One Voice in Washington D.C. Made mention of the RAD card and encouraged the community to participate. Reminded everyone that May 5, 2022 is not only Cinco de Mayo but also the National Day of Prayer and wished a Happy Mother's Day.

7. ADJOURNMENT – Time: 9:38 p.m.

**ACTION:** Motion was made by Mayor Pro Tem Vargas and seconded by Council Member Arriola to adjourn. Roll call found Council Members Arriola, Bedolla, Mayor Pro Tem Vargas and Mayor Young in favor; passed and so ordered. Council Member Davis was absent from the vote.

The above agenda was posted at the Tracy City Hall on April 28, 2022. The above are action minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

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City Clerk

May 17, 2022

AGENDA ITEM 1.B

REQUEST

**RATIFY THE SAN JOAQUIN COUNCIL OF GOVERNMENTS ANNUAL FINANCIAL PLAN FOR FISCAL YEAR 2022-2023**

EXECUTIVE SUMMARY

This item seeks Council approval and ratification of the San Joaquin Council of Governments (SJCOG) Annual Financial Plan.

DISCUSSION

The Joint Powers Agreement forming the SJCOG, which the City is a party to, requires that the Annual Financial Plan be sent to member agencies for ratification by each governing body.

Attached is correspondence from SJCOG, dated April 4, 2022, requesting the City ratify the Plan prior to June 30, 2022; Resolution R-22-68 adopting the Plan; and a copy of the Annual Financial Plan (Attachment A).

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's Strategic Plans.

FISCAL IMPACT

SJCOG receives funding from a variety of sources and distributes those funds to local jurisdictions. The City does not make a direct contribution to SJCOG, therefore there is no fiscal impact associated with this action.

RECOMMENDATION

Staff recommends that City Council, by resolution, ratify the SJCOG Annual Financial Plan for Fiscal Year 2022-2023.

Prepared by: Adrienne Richardson, City Clerk

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

Approved by: Michael Rogers, City Manager

ATTACHMENTS

Attachment A - San Joaquin Council of Government's Annual Financial Plan for FY 2022-2023



## SAN JOAQUIN COUNCIL OF GOVERNMENTS

555 E. Weber Avenue • Stockton, California 95202 • P 209.235.0600 • F 209.235.0438 • [www.sjcog.org](http://www.sjcog.org)

April 4, 2022

Michael Rogers  
City of Tracy  
333 Civic Center Plaza  
Tracy, CA 95376

*Leo Zuber*  
CHAIR

*Robert Rickman*  
VICE CHAIR

*Diane Nguyen*  
EXECUTIVE DIRECTOR

*Member Agencies*  
CITIES OF  
ESCALON,  
LATHROP,  
LODI,  
MANTECA,  
RIPON,  
STOCKTON,  
TRACY,  
AND  
THE COUNTY OF SAN  
JOAQUIN

Dear Mr. Rogers:

Enclosed is a summary of the San Joaquin Council of Governments' Annual Financial Plan (AFP) for Fiscal Year 2022/23.

The SJCOG Board staff report is included in this letter as well as a copy of the adopting resolution. Pursuant to SJCOG's Joint Powers Agreement, following adoption of the budget by the SJCOG Board, it is to be delivered to member agencies for ratification by each governing body. Approval by a majority of the governing bodies representing 55% or more of the county's population is considered ratification.

Therefore, SJCOG requests you place SJCOG's Annual Financial Plan for Fiscal Year 2022/23 on a forthcoming agenda prior to June 30, 2022, for approval.

The Annual Financial Plan implements the FY 2022/23 Overall Work Program (OWP) that was also adopted by the SJCOG Board on March 24, 2022.

The attached proposed Annual Financial Plan (AFP) provides detail of revenues and expenditures by cost category and line item comparing the proposed FY 2022-2023 budgets with the current year (FY 2021-2022) adopted budget, as most recently amended, along with FY 2020-2021 actual expenditures. The total revenues and expenditures total **\$23,995,953.00**. The proposed AFP represents the general fund budget for SJCOG. The revenues and expenditures in the AFP are the same as the Overall Work Program (OWP), however, presented in a traditional line-item format compared to the work element format of the OWP.

The attached includes a summary of revenues and expenditures in the AFP and schedules detailing each of those categories (Revenues, Service and Supplies, Transportation, Training and Travel, Professional Services and Fixed/Capital Assets). The attached includes a summary of revenues and expenditures in the AFP and detail for each of those categories.

Readers should note several differences between SJCOG and its member agencies' budgets:

- SJCOG revenue sources are quite different from our member agencies.
- SJCOG employs staff on an at-will basis, vis-à-vis civil service and has its own employee handbook and policies.
- SJCOG has its own Financial and Accounting Policy guiding our financial matters including procurement procedures.

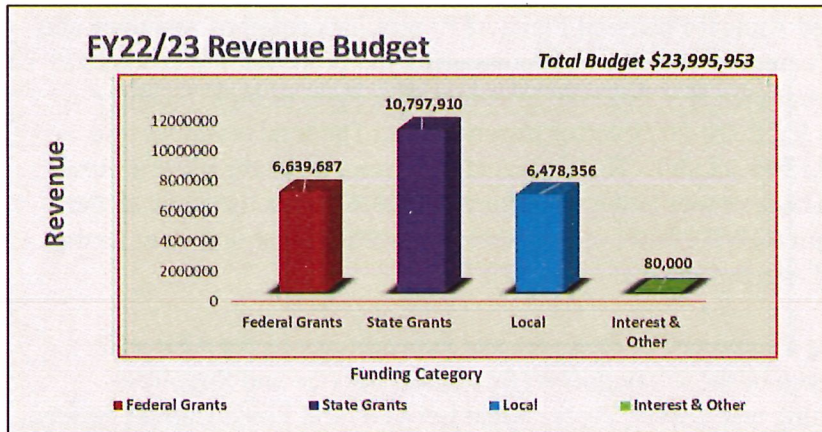
- SJCOG employees are exempted from Social Security except for Medicare.
- As noted below, SJCOG offers a defined contribution retirement plan to its employees. SJCOG has no CalPERS or post employments benefit obligations except limited sick leave conversion as noted.

The following assumptions are incorporated in the budget:

1. Work will not begin, and expenses will not be incurred unless anticipated revenue sources are secured.
2. The AFP anticipates SJCOG to be fully staffed. The budget includes a 5.94% pool that can be drawn upon for merit-based increases and potential promotions. The full impact of that pool is incorporated into the salary-driven benefits (retirement, Medicare, disability).
3. SJCOG has no significant liability exposure for post-employment benefits.
  - a. The employee retirement program is a defined contribution program managed by the International City Managers Association Retirement Program (Mission Square Retirement).
  - b. SJCOG employee vacation accruals are capped at two times the individual’s annual leave.
  - c. Upon separation with 50 years of age or 20 years of SJCOG employment, an employee can convert accrued sick leave hours to be deposited into a Retirement Health Savings Account to pay for health-related expenses. The conversion is based upon the employee’s salary at retirement.

**REVENUES**

Compared to the current year amended AFP, SJCOG general fund operating revenues are proposed to decrease from \$26,704,682.85 to \$23,995,953.00, a decrease of \$2,708,729.85.



Overall, federal funding for general fund activities is \$619,632.58 or 8.54% lower than FY 2021-22 due primarily to consumption of one year of Congestion Mitigation/Air Quality funds (CMAQ) for dubs, SJCOG’s Transportation Demand Management program.

State funding sources are

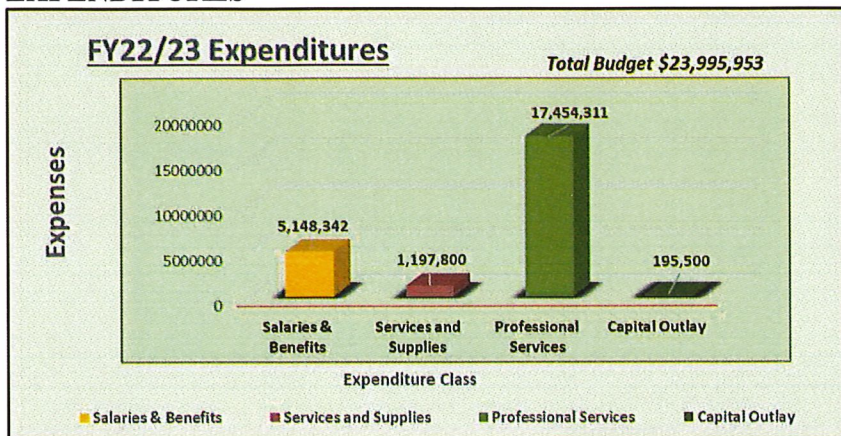
lower \$3,054,062.27 or 22.05% due to:

- \$1,154,000 drawdown on prior year’s Freeway Service Patrol funding.
- \$1,900,000 is available for FY 22-23 future years of Freeway Service Patrol funding.
- \$472,543 drawdown has occurred on four years of Senate Bill 1 (SB1) Sustainable Transportation Planning Grants offset by a FY 22-23 allocation of \$341,671.
- There is \$250,000 from the State Transportation Improvement Program (STIP) for planning.

- Expenditure of \$2,211,597.07 from the state grant for Sustainable Transportation Equity Project (STEP).
- \$31,777 is carried over from the prior year’s Affordable Housing & Sustainable Community grant.

Local revenues are higher by \$955,965.00 or 17.31% due to increased sales tax receipts bolstering the Local Transportation Fund by \$512,165 and Measure K by \$443,800.

**EXPENDITURES**



**Salaries and Benefits** are proposed to decrease by \$4,886 or .9% from \$5,153,228.26 to \$5,148,342.22 compared to the FY 21-22 amended budget. The budget includes a \$200,000 or 5.68% of total salaries pool for merit-based raises. The salary-driven benefits adjust accordingly.

**Services and Supplies** are proposed to increase slightly by \$42,500. Computer software and licensing has increased by \$40,000 to support both a return to the office, working remotely and heightened cybersecurity. Non-capital equipment and furniture is increasing \$15,000. Rents and leases-equipment is increased slightly by \$6,000. General office supplies, postage and subscriptions are reduced a combined \$18,500.

**Transportation, Travel, and Training**

Assuming work conditions are returning to normal, there will be more travel. In addition, with several new employees, more training expenses are expected. This budget is increased \$34,000 up to \$100,000. This will help to support such activities as the annual One Voice® trip.

**Professional Services – Decreases \$2,780,343.81 from FY 21-22 from \$20,234,654.59 to 17,454,310.78**

There is consumption of various grants and funding sources. For example, the SB-1 Sustainable Communities Grants consumed \$560,000. The Regional Transportation Plan update is nearing the end of the cycle. This work consumed \$322,000 in funding. The Sustainable Transportation Equity Project (STEP) has consumed \$1,800,000.

**Fixed Assets/capital** remains the same as the previous year at \$195,000.

**Position Classification and Salary Schedule**

Per board policy, the salary ranges at both the minimum and maximum levels are adjusted by the CPI change. The past year saw a 6.52% increase in CPI. This is not a 6.52% raise for all

employees, only and adjustment to the salary ranges to keep them competitive in the marketplace.

SJCOG staff would be pleased to appear before your policymakers to answer any questions they might have regarding this matter. **We request ratification prior to June 30, 2022.** Please let me know when this will be on your agenda. If you have any questions regarding this matter, don't hesitate to contact me at 235-0600.

Thank you for your assistance.

Sincerely,

DocuSigned by:  
  
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STEVE DIAL  
Deputy Executive Director/Chief Financial Officer

Attachments:

R-22-68

FY 2022-23 Annual Financial Plan Staff Report

FY 2022-23 Annual Financial Plan Board Summary



**RESOLUTION  
SAN JOAQUIN COUNCIL OF GOVERNMENTS**

**R-22-68**

**RESOLUTION APPROVING THE ADOPTION OF THE 2022-2023  
ANNUAL FINANCIAL PLAN  
FOR THE SAN JOAQUIN COUNCIL OF GOVERNMENTS**

WHEREAS, the San Joaquin Council of Governments is required by the Joint Powers Agreement to adopt a budget (Annual Financial Plan) annually, and

WHEREAS, the adopted budget is to be sent to the member agencies for ratification.

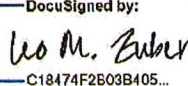
NOW THEREFORE BE IT RESOLVED, that the San Joaquin Council of Governments adopts the FY 2022-2023 Annual Financial Plan and directs the Executive Director to transmit it to the member agencies for ratification.

PASSED AND ADOPTED this 24th day of March 2022 by the following vote of the San Joaquin Council of Governments, to wit:

AYES: Councilmember Canepa, Stockton; Councilmember Jobrack, Stockton; Councilmember Kuehne, Lodi; Supervisor Miller, SJC; Supervisor Rickman, SJC; Councilmember Singh, Manteca; Supervisor Winn, SJC; Councilmember Wright, Stockton; Mayor Young, Tracy; Councilmember Zuber

NOES:

ABSENT: Councilmember Bellinger, Escalon; Vice Mayor Lazard, Lathrop

DocuSigned by:  
  
C18474F2E03B405...  
LEO M. ZUBER,  
Chair

March 2022  
SJCOG Board

## STAFF REPORT

**SUBJECT:** FY 2022-2023 Proposed Annual Financial Plan (AFP)

**RECOMMENDED ACTION:** That the Board Adopt Resolution 22-68 Approving the FY 2022-2023 Annual Financial Plan

The attached proposed Annual Financial Plan (AFP) provides detail of revenues and expenditures by cost category and line item comparing the proposed FY 2022-2023 budgets with the current year (FY 2021-2022) adopted budget, as most recently amended, along with FY 2020-2021 actual expenditures. The total revenues and expenditures total **\$23,995,953.00**. The proposed AFP represents the general fund budget for SJCOG. The revenues and expenditures in the AFP are the same as the Overall Work Program (OWP), however, presented in a traditional line-item format compared to the work element format of the OWP.

Below is a summary of revenues and expenditures in the AFP. For the detail for each of those categories please refer to the attached.

Readers should note several differences between SJCOG and its member agencies' budgets:

- SJCOG revenue sources are quite different from our member agencies.
- SJCOG employs staff on an at-will basis, vis-à-vis civil service and has its own employee handbook and policies.
- SJCOG has its own Financial and Accounting Policy guiding our financial matters including procurement procedures.
- SJCOG employees are exempted from Social Security except for Medicare.
- As noted below, SJCOG offers a defined contribution retirement plan to its employees. SJCOG has no CalPERS or post employments benefit obligations except limited sick leave conversion as noted.

Upon adoption by the board, pursuant to the SJCOG Joint Powers Agreement, the AFP will be sent to the member agencies for ratification. Ratification is achieved when a majority of the member agencies representing 55% of the county population approve the AFP.

The following assumptions are incorporated in the budget:

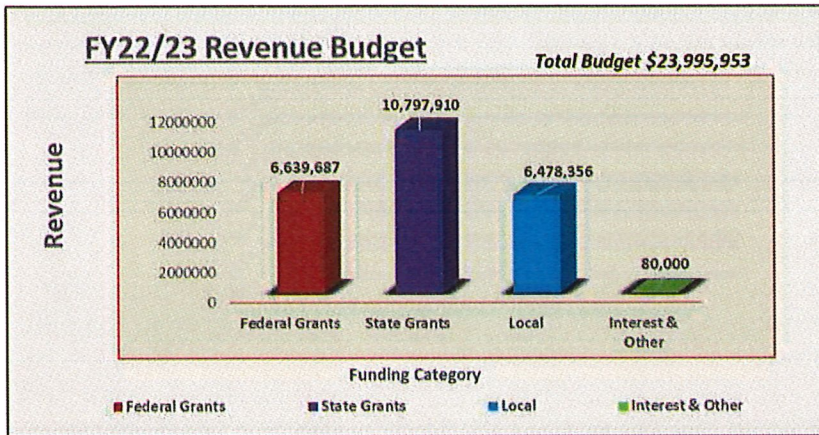
1. Work will not begin, and expenses will not be incurred unless anticipated revenue sources are secured.
2. The AFP anticipates SJCOG to be fully staffed. The budget includes a 5.94% pool that can be drawn upon for merit-based increases and potential promotions. The full impact of that pool is incorporated into the salary-driven benefits (retirement, Medicare, disability).
3. SJCOG has no significant liability exposure for post-employment benefits.



- a. The employee retirement program is a defined contribution program managed by the International City Managers Association Retirement Program (Mission Square Retirement).
- b. SJCOG employee vacation accruals are capped at two times the individual's annual leave.
- c. Upon separation with 50 years of age or 20 years of SJCOG employment, an employee can convert accrued sick leave hours to be deposited into a Retirement Health Savings Account to pay for health-related expenses. The conversion is based upon the employee's salary at retirement.

## REVENUES

Compared to the current year amended AFP, SJCOG general fund operating revenues are proposed to decrease from \$26,704,682.85 to \$23,995,953.00, a decrease of \$2,708,729.85.



Overall, federal funding for general fund activities is \$619,632.58 or 8.54% lower than FY 2021-22 due primarily to consumption of one year of Congestion Mitigation/Air Quality funds (CMAQ) for dibs, SJCOG's Transportation Demand Management program.

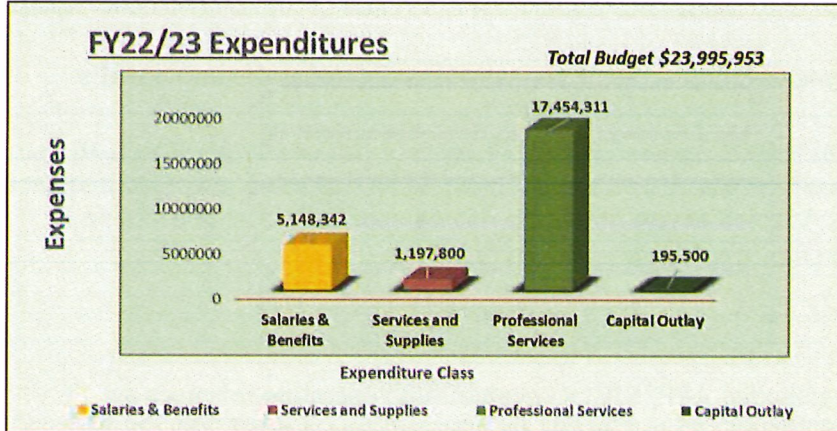
State funding sources are

lower \$3,054,062.27 or 22.05% due to:

- \$1,154,000 drawdown on prior year's Freeway Service Patrol funding.
- \$1,900,000 is available for FY 22-23 future years of Freeway Service Patrol funding.
- \$472,543 drawdown has occurred on four years of Senate Bill 1 (SB1) Sustainable Transportation Planning Grants offset by a FY 22-23 allocation of \$341,671.
- There is \$250,000 from the State Transportation Improvement Program (STIP) for planning.
- Expenditure of \$2,211,597.07 from the state grant for Sustainable Transportation Equity Project (STEP).
- \$31,777 is carried over from the prior year's Affordable Housing & Sustainable Community grant.

Local revenues are higher by \$955,965.00 or 17.31% due to increased sales tax receipts bolstering the Local Transportation Fund by \$512,165 and Measure K by \$443,800.

**EXPENDITURES**



**Salaries and Benefits** are proposed to decrease by \$4,886 or .9% from \$5,153,228.26 to \$5,148,342.22 compared to the FY 21-22 amended budget. The budget includes a \$200,000 or 5.68% of total salaries pool for merit-based raises. The salary-driven benefits adjust accordingly.

**Services and Supplies** are proposed to increase slightly by \$42,500. Computer software and licensing has increased by \$40,000 to support both a return to the office, working remotely and heightened cybersecurity. Non-capital equipment and furniture is increasing \$15,000. Rents and leases-equipment is increased slightly by \$6,000. General office supplies, postage and subscriptions are reduced a combined \$18,500.

**Transportation, Travel, and Training**

Assuming work conditions are returning to normal, there will be more travel. In addition, with several new employees, more training expenses are expected. This budget is increased \$34,000 up to \$100,000. This will help to support such activities as the annual One Voice® trip.

**Professional Services – Decreases \$2,780,343.81 from FY 21-22 from \$20,234,654.59 to 17,454,310.78**

There is consumption of various grants and funding sources. For example, the SB-1 Sustainable Communities Grants consumed \$560,000. The Regional Transportation Plan update is nearing the end of the cycle. This work consumed \$322,000 in funding. The Sustainable Transportation Equity Project (STEP) has consumed \$1,800,000.

**Fixed Assets/capital** remains the same as the previous year at \$195,000.

**Position Classification and Salary Schedule**

Per board policy, the salary ranges at both the minimum and maximum levels are adjusted by the CPI change. The past year saw a 6.52% increase in CPI. This is not a 6.52% raise for all employees, only an adjustment to the salary ranges to keep them competitive in the marketplace.

**FISCAL IMPACT**

All revenues in the AFP are secured and available. The Annual Financial Plan is required to be adopted by the Board of Directors prior to April 1 each year and disseminated to the member agencies for ratification. The Annual Financial Plan is the traditional line-item budget

identifying estimated revenues and expenditures for the fiscal year. The Annual Financial Plan is complementary to the Overall Work Program.

## **RECOMMENDATION**

That the Board adopt Resolution 22-68 approving the FY 2022-23 Annual Financial Plan.

*Prepared by: Steve Dial, Deputy Executive Director/CFO, and Grace Orosco, Manager of Finance*



**San Joaquin Council of Governments  
ANNUAL FINANCIAL PLAN  
Fiscal Year 2022/23**

**Proposed Final March 24, 2022**

**CHAIR**

Councilmember Leo Zuber, City of Ripon

**VICE-CHAIR**

Supervisor Robert Rickman, San Joaquin County

**BOARD OF DIRECTORS**

Councilmember Doug Kuehne  
Vice Mayor Diane Lazard  
Councilmember Gary Singh  
Councilmember Paul Canepa  
Councilmember Sol Jobrack  
Councilmember Dan Wright  
Supervisor Kathy Miller  
Supervisor Chuck Winn  
Mayor Nancy Young  
Councilmember David Bellinger

City of Lodi  
City of Lathrop  
City of Manteca  
City of Stockton  
City of Stockton  
City of Stockton  
County of San Joaquin  
County of San Joaquin  
City of Tracy  
City of Escalon

**EX OFFICIO DIRECTORS**

Dennis Agar, Director  
Gary Giovanetti, Director  
Anthony Barkett, Commissioner

Caltrans District 10  
San Joaquin Regional Transit District  
Port of Stockton

**SUBMITTED BY:**

Diane Nguyen  
Executive Director

Steve Dial  
Deputy Executive Director/  
Chief Financial Officer

**San Joaquin Council of Governments**  
**ANNUAL FINANCIAL PLAN**  
**Fiscal Year 2022/2023**  
**Proposed Final March 24, 2022**

REVENUES	FY 20-21 Actual	FY 2021-22 Amd #2	FY 2022-23 Proposed Final	+/- Change	+/- % Change
Federal Grants	5,367,138.67	7,259,319.58	6,639,687.00	(619,632.58)	-8.54%
State Grants	1,765,556.88	13,851,972.27	10,797,910.00	(3,054,062.27)	-22.05%
Local	5,207,017.69	5,522,391.00	6,478,356.00	955,965.00	17.31%
Interest	9,924.38	20,000.00	20,000.00	-	0.00%
Other	51,662.44	51,000.00	60,000.00	9,000.00	17.65%
<b>SJCOG OPERATING REVENUE</b>	<b>12,401,300.06</b>	<b>26,704,682.85</b>	<b>23,995,953.00</b>	<b>(2,708,729.85)</b>	<b>-10.14%</b>
<b>EXPENDITURES</b>					
Salaries & Benefits	4,068,938.40	5,153,228.26	5,148,342.22	(4,886.04)	-0.09%
Services & Supplies	981,384.57	1,121,300.00	1,197,800.00	76,500.00	6.82%
Office Expense	284,346.72	261,500.00	298,000.00	36,500.00	13.96%
Communications	58,827.07	60,000.00	60,000.00	-	0.00%
Memberships	34,372.11	45,000.00	45,000.00	-	0.00%
Maintenance - Equipment	4,531.64	10,000.00	10,000.00	-	0.00%
Rents & Leases - Equipment	97,230.00	125,000.00	131,000.00	6,000.00	4.80%
Transportation, Travel & Training (In & Out of State)	8,485.68	66,000.00	100,000.00	34,000.00	51.52%
Publications & Legal Notices	8,539.52	7,500.00	7,500.00	-	0.00%
Insurance	137,046.83	146,300.00	146,300.00	-	0.00%
Building Operations & Maintenance	194,115.00	200,000.00	200,000.00	-	0.00%
SJCOG Building Debt Service Principal and Interest	153,890.00	200,000.00	200,000.00	-	0.00%
Professional Services	5,945,599.90	20,234,654.59	17,454,310.78	(2,780,343.81)	-13.74%
Capital Outlay	71,482.52	195,500.00	195,500.00	-	0.00%
Unallocated/Reserve					
<b>SJCOG OPERATING EXPENDITURES</b>	<b>11,067,405.39</b>	<b>26,704,682.85</b>	<b>23,995,953.00</b>	<b>(2,708,729.85)</b>	<b>-10.14%</b>

San Joaquin Council of Governments  
 ANNUAL FINANCIAL PLAN  
 Fiscal Year 2022/2023  
 Proposed Final March 24, 2022

REVENUE

Revenue Source	FY 2020-21 Actual	FY 2021-22 Amd #2	FY 2022-23 Proposed Final	+/- Change
<b>FEDERAL GRANTS</b>				
<i>U.S. Department of Transportation:</i>				
Federal Highway Administration (PL)	\$ 1,407,914	\$ 1,383,630	\$ 1,707,304	\$ 323,674
Federal Highway Administration (PL FY 20/21 C/O)		\$ 3,885		\$ (3,885)
Federal Transit Administration MPO Planning (FTA 5303)	\$ 284,130	\$ 378,781	\$ 378,781	\$ -
Federal Transit Administration MPO Planning (FTA 5303 FY 19/20 C/O)	\$ 211,901	\$ 72,392		\$ (72,392)
Federal Transit Administration MPO Planning (FTA 5303 FY 20/21 C/O)		\$ 45,769		\$ (45,769)
RSTPCML 6088(068) I-205 Managed Lanes Widening	\$ 1,603,321	\$ 2,421,802	\$ 2,421,802	\$ -
TDM - Merced CAG CMAQ	\$ 101,635	\$ 201,800	\$ 40,000	\$ (161,800)
TDM - Merced CAG CMAQ	\$ 56,507	\$ 48,365	\$ 75,000	\$ 26,635
TDM - StanCOG CMAQ	\$ 368,562	\$ 580,958	\$ 566,800	\$ (14,158)
CMAQ TDM	\$ 1,333,169	\$ 2,121,937	\$ 1,450,000	\$ (671,937)
	\$ 5,367,139	\$ 7,259,320	\$ 6,639,687	\$ (619,633)
<b>STATE GRANTS</b>				
<i>California Department of Transportation:</i>				
STIP Planning & Programming	\$ 207,316	\$ 290,000	\$ 250,000	\$ (40,000)
STIP Planning & Programming FY 20/21 Carryover	\$ 41,342	\$ 41,342	\$ -	\$ (41,342)
FY 17/18 Caltrans Sustainable Transportation Planning Grant (SB1)		\$ -	\$ -	\$ -
FY 18/19 Caltrans Sustainable Transportation Planning Grant (SB1)	\$ 121,583	\$ -	\$ -	\$ -
FY 19/20 Caltrans Sustainable Transportation Planning Grant (SB1)	\$ 153,588	\$ 181,488		\$ (181,488)
FY 19/20 Caltrans Adaptation Planning Grant (SB1)	\$ 89,416	\$ 99,198		\$ (99,198)
FY 20/21 Caltrans Sustainable Transportation Planning Grant (SB1)	\$ 221,487	\$ 132,325	\$ 12,837	\$ (119,488)
FY 21/22 Caltrans Sustainable Transportation Planning Grant (SB1)		\$ 347,369	\$ 275,000	\$ (72,369)
FY 22/23 Caltrans Sustainable Transportation Planning Grant (SB1)			\$ 341,671	\$ 341,671
Sub-recipient of SB1 Competitive Planning Grant (City of Lodi)	\$ 4,837	\$ 92,513	\$ -	\$ (92,513)
State Planning & Research (Fmrlly CT Rural Planning Assistance)	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Caltrans-FSP (I-205) FY 18-19 Carryover FSP19-6088(064)	\$ 103,579			\$ -
Caltrans-FSP (I-205) FY 19-20 allocation FSP20-6088(069)	\$ 207,984	\$ 362,262	\$ -	\$ (362,262)
Caltrans-FSP (I-205) FY 20-21 allocation FSP21-6088(073)		\$ 546,122	\$ 186,122	\$ (360,000)
Caltrans-FSP (I-205) FY 21-22 allocation FSP21-6088(076)		\$ 547,781	\$ 547,781	\$ -
Freeway Service Patrol (FSP18 SB1 6088-063) Carryover		\$ 35,831	\$ -	\$ (35,831)
Caltrans-FSP18SB1 FY 18-19 allocation FSP19 SB1-6088(066)	\$ 374,905	\$ 11,679	\$ -	\$ (11,679)
Caltrans-FSP19SB1 (6088-070) FY 19-20 allocation		\$ 490,646	\$ 106,646	\$ (384,000)
Caltrans-FSP21 SB1 (6088-074) FY 20-21 allocation		\$ 454,873	\$ 454,873	\$ -
Caltrans-FSP21 SB1 (6088-077) FY 21-22 allocation		\$ 584,555	\$ 584,555	\$ -
Affordable Housing & Sustainable Communities FY 19/20 Enterprise		\$ -	\$ -	\$ -
Affordable Housing & Sustainable Communities FY 20/21 Enterprise	\$ 7,785	\$ 32,777	\$ 31,777	\$ (1,000)
State Transit Assistance	\$ 105,939	\$ 132,850	\$ 145,863	\$ 13,013
Clean Mobility Options Program(EV Car Share)		\$ 998,614	\$ 699,030	\$ (299,584)
SJV Regional Early Action Planning Committee for Housing (REAP)	\$ 45,061	\$ 970,097	\$ 1,923,702	\$ 953,605
Sustainable Transportation Equity Project (STEP)	\$ 30,735	\$ 7,449,650	\$ 5,238,053	\$ (2,211,597.07)
<b>SUBTOTAL</b>	<b>1,765,556.88</b>	<b>13,851,972</b>	<b>10,797,910</b>	<b>(3,054,062.27)</b>
<b>LOCAL</b>				
TDA (LTF Planning + TDA Administration)	\$ 1,723,670	\$ 1,473,900	\$ 1,986,065	\$ 512,165
Measure K Project Management	\$ 1,483,644	\$ 1,000,000	\$ 1,000,000	\$ -
Measure K Administration	\$ 187,356	\$ 671,000	\$ 912,000	\$ 241,000
Measure K dibs	\$ 146,020	\$ 864,000	\$ 1,066,800	\$ 202,800
RTIF	\$ 466,200	\$ 341,491	\$ 341,491	\$ -
Valley MPOs Air Quality Planning	\$ 168,212	\$ 200,000	\$ 200,000	\$ -
Tri-County Travel Demand (Merced, Stanislaus, San Joaquin)				\$ -
SACOG TDM (Trip Planning System, 511, dibs)	\$ 70,266	\$ 150,000	\$ 150,000	\$ -
Merced- Modeling	\$ 28,279	\$ -	\$ -	\$ -
SACOG FSP Match	\$ 190,503	\$ 207,000	\$ 207,000	\$ -
COG Fees		\$ 10,000	\$ 10,000	\$ -
SJCOGI	\$ 742,868	\$ 605,000	\$ 605,000	\$ -
<b>SUBTOTAL</b>	<b>5,207,018</b>	<b>5,522,391</b>	<b>6,478,356</b>	<b>955,965.00</b>
<b>OTHER</b>				
Interest	\$ 9,924	\$ 20,000	\$ 20,000	\$ -
Other (ALUC Fees+doc fees)	\$ 51,662	\$ 51,000	\$ 60,000	\$ 9,000
<b>SUBTOTAL</b>	<b>61,587</b>	<b>71,000</b>	<b>80,000</b>	<b>9,000</b>
<b>TOTAL</b>	<b>\$ 12,401,300.06</b>	<b>\$ 26,704,682.85</b>	<b>\$ 23,995,953.00</b>	<b>(2,708,729.85)</b>

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SERVICE AND SUPPLIES

Title	Line Item Description	FY 20-21	FY 2021-22	FY 2022-23	+/-
		Actual	Amd #2	Proposed Final	
Office Expense - General	General Supplies	\$ 11,240	\$ 35,000	\$ 20,000	\$ (15,000)
	Recognitions	\$ -	\$ 500	\$ 500	\$ -
	Printing	\$ 691	\$ 4,000	\$ 4,000	\$ -
	Noncapital Equip/Furniture	\$ 37,214	\$ 20,000	\$ 35,000	\$ 15,000
	Computer Software & License	\$ 232,412	\$ 195,000	\$ 235,000	\$ 40,000
<b>Office Expense - General Subtotal</b>		<b>\$ 281,556</b>	<b>\$ 254,500</b>	<b>\$ 294,500</b>	<b>\$ 40,000</b>
<b>Office Expense - Postage Subtotal</b>		<b>\$ 1,085</b>	<b>\$ 3,000</b>	<b>\$ 1,500</b>	<b>\$ (1,500)</b>
<b>Office Expense - Subscriptions Subtotal</b>		<b>\$ 1,705</b>	<b>\$ 4,000</b>	<b>\$ 2,000</b>	<b>\$ (2,000)</b>
<b>Office Expense - Subtotal</b>		<b>\$ 284,347</b>	<b>\$ 261,500</b>	<b>\$ 298,000</b>	<b>\$ 36,500</b>
<b>Communications-Subtotal</b>		<b>\$ 58,827</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ -</b>
<b>Memberships - Subtotal</b>		<b>\$ 34,372</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ -</b>
<b>Maintenance - Equipment - Subtotal</b>		<b>\$ 4,532</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>
<b>Rents &amp; Leases - Equipment - Subtotal</b>		<b>\$ 97,230</b>	<b>\$ 125,000</b>	<b>\$ 131,000</b>	<b>\$ 6,000</b>
<b>Publications &amp; Legal Notices - Subtotal</b>		<b>\$ 8,540</b>	<b>\$ 7,500</b>	<b>\$ 7,500</b>	<b>\$ -</b>
<b>Insurances - Subtotal</b>		<b>\$ 137,047</b>	<b>\$ 146,300</b>	<b>\$ 146,300</b>	<b>\$ -</b>
<b>Building Maintenance - Subtotal</b>		<b>194,115.00</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ -</b>
<b>BuildingDebt Service - Principle &amp; Interest</b>		<b>153,890.00</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ -</b>
<b>TOTAL SERVICES &amp; SUPPLIES</b>		<b>\$ 972,899</b>	<b>\$ 1,055,300</b>	<b>\$ 1,097,800</b>	<b>\$ 42,500</b>

POSITION CLASSIFICATIONS & SALARY SCHEDULE  
ANNUAL

Proposed March 24, 2022 - Effective July 1, 2022

Position	12 month Change in CPI	Minimum		Maximum	
		Previous CONTRACT	New CONTRACT	Previous CONTRACT	New CONTRACT
<b>Executive Director</b>					
<b>GROUP A</b>					
Deputy Executive Director/CFO	6.5220%	\$ 173,984.00	\$ 185,331.24	\$ 243,578.00	\$ 259,464.16
<b>GROUP B</b>					
Deputy Director Planning Deputy Director Programming & Project Delivery	6.5220%	\$ 153,946.00	\$ 163,986.36	\$ 215,525.00	\$ 229,581.54
<b>GROUP C</b>					
	6.5220%	\$ 136,235.00	\$ 145,120.25	\$ 190,730.00	\$ 203,169.41
<b>GROUP D</b>					
Regional Planning or Programming Manager	6.5220%	\$ 121,098.00	\$ 128,996.01	\$ 169,537.00	\$ 180,594.20
<b>GROUP E</b>					
Habitat Conservation Program Manager Manager of Administrative Services Information Technology Manager Communications Manager Manager of Finance	6.5220%	\$ 109,097.00	\$ 116,212.31	\$ 152,736.00	\$ 162,697.44
<b>GROUP F</b>					
Chief Accountant Senior Regional Planner Senior Program Specialist	6.5220%	\$ 98,286.00	\$ 104,696.21	\$ 137,600.00	\$ 146,574.27
<b>GROUP G</b>					
	6.5220%	\$ 88,546.00	\$ 94,320.97	\$ 123,964.00	\$ 132,048.93
<b>GROUP H</b>					
Associate Regional Planner Associate Habitat Planner Public Information Officer	6.5220%	\$ 80,496.00	\$ 85,745.95	\$ 112,695.00	\$ 120,044.97
<b>GROUP I</b>					
Human Resources Assistant Office Administrator	6.5220%	\$ 73,178.00	\$ 77,950.67	\$ 102,450.00	\$ 109,131.79
<b>GROUP J</b>					
Associate Program Specialist Staff Accountant Contract/Grants Specialist	6.5220%	\$ 66,526.00	\$ 70,864.83	\$ 93,136.00	\$ 99,210.33
<b>GROUP K</b>					
Assistant Regional Planner Assistant Program Specialist Assistant Habitat Planner Junior Accountant	6.5220%	\$ 60,478.00	\$ 64,422.38	\$ 84,669.00	\$ 90,191.11
<b>GROUP L</b>					
	6.5220%	\$ 54,980.00	\$ 58,565.80	\$ 76,972.00	\$ 81,992.11
<b>GROUP M</b>					
Administrative Technician Accounting Assistant II	6.5220%	\$ 49,982.00	\$ 53,241.83	\$ 69,975.00	\$ 74,538.77
<b>GROUP N</b>					
	6.5220%	\$ 45,320.00	\$ 48,275.77	\$ 63,448.00	\$ 67,586.08
<b>GROUP O</b>					
Accounting Assistant I	6.5220%	\$ 41,963.00	\$ 44,699.83	\$ 58,748.00	\$ 62,579.54



**San Joaquin Council of Governments  
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**Transportation Travel & Training**

	FY 20-21	FY 2021-22	FY 2022-23	+/-
	Actual	Amd #2	Proposed Final	Change
In and Out of State Travel	\$ 1,458	\$ 45,000	\$ 72,000	\$ 27,000
Training	\$ 7,028	\$ 20,000	\$ 25,000	\$ 5,000
Rideshare Incentive	\$ -	\$ 1,000	\$ 3,000	\$ 2,000
<b>Transportation &amp; Travel - Subtotal</b>	<b>\$ 8,486</b>	<b>\$ 66,000</b>	<b>\$ 100,000</b>	<b>\$ 34,000</b>

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PROFESSIONAL SERVICES

<i>Work Element No./Project Description</i>	FY 20-21 Actual	FY 2021-22 Amd #2	FY 2022-23 Proposed Final	+/- Change
601.01--Regional Transportation Plan	\$ 76,279	\$ 471,883	\$ 150,000	\$ (321,883)
601.011--Regional Transportation Plan (AHSC)		\$ 32,000	\$ 31,777	\$ (223)
601.012--SCS Implementation FY 17/18 SB1 grant	\$ -	\$ -	\$ -	\$ -
601.013--SCS Implementation FY 18/19 SB1 grant	\$ 47,304	\$ -	\$ -	\$ -
601.014--SCS Implementation FY 19/20 SB1 grant	\$ 157,520	\$ 200,000	\$ -	\$ (200,000)
601.015--19/20 Caltrans Adaptation Planning grant SB1	\$ 62,271	\$ 100,000	\$ -	\$ (100,000)
601.016--SCS Implementation FY 20/21 SB1 grant	\$ 280,525	\$ 141,074	\$ 141,074	\$ -
601.017--SCS Implementation FY 21/22 SB1 grant	\$ -	\$ 200,000	\$ 12,837	\$ (187,163)
601.017--SCS Implementation FY 21/22 SB1 grant	\$ -	\$ 347,369	\$ 275,000	\$ (72,369)
601.018--SCS Implementation FY 22/23 SB1 grant			\$ 341,671	\$ 341,671
601.02--Regional Planning Studies	\$ 38,301	\$ 30,000	\$ 30,000	\$ -
602.01--RTIP	\$ -			\$ -
603.01--Road & Street Monitoring	\$ 430	\$ 900,000	\$ 900,000	\$ -
603.015--I-205 Managed Lanes Widening Project	\$ 2,008,407	\$ 2,000,000	\$ 2,000,000	\$ -
603.02--Transit Coordination				\$ -
603.03--Transportation Air Quality	\$ 143,436	\$ 200,000	\$ 200,000	\$ -
603.04--Goods Movement				\$ -
603.041 --Goods Movement Partnership Planning Grant				\$ -
701.01--Technical Assistance	\$ 24,854	\$ 97,350	\$ 97,350	\$ -
801.01--Intergovernmental Coordination	\$ 120,073	\$ 130,000	\$ 130,000	\$ -
801.012--Intergovernmental Coordination (St. Pln. & Reas)	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
801.02--Projections & Forecasts	\$ 72,058	\$ 140,000	\$ 140,000	\$ -
801.03--Airport Land Use Commission		\$ 10,000	\$ 10,000	\$ -
801.04--Congestion Management	\$ 81,872	\$ 50,000	\$ 50,000	\$ -
801.05--Regional Planning	\$ 9,506	\$ 15,000	\$ 15,000	\$ -
801.06--Valley MPO Coordination	\$ 18,212	\$ 45,000	\$ 45,000	\$ -
801.09--SJCOG Inc	\$ -	\$ 85,000	\$ 85,000	\$ -
901.01--Measure K	\$ 19,194	\$ 50,000	\$ 50,000	\$ -
901.02--RTIF	\$ 5,586	\$ 15,000	\$ 15,000	\$ -
901.03--Smart Growth				\$ -
1001.01--COG OWP	\$ 13,810	\$ 5,000	\$ 5,000	\$ -
1001.02--TDA Administration	\$ 158,614	\$ 300,000	\$ 250,000	\$ (50,000)
1001.03--Community Involvement	\$ 46,429	\$ 25,000	\$ 25,000	\$ -
1001.04--FAST ACT Management				\$ -
1101.01--Transportation Demand Management	\$ 1,480,744	\$ 2,135,713	\$ 1,973,913	\$ (161,800)
1101.03--Transportation Demand Management				\$ -
1201.01--Freeway Service Patrol	\$ 833,684	\$ 3,034,555	\$ 2,219,903	\$ (814,652)
1201.03 - SJCOG Interns				\$ -
1301.01 - Performance Based Planning and Programming				\$ -
1350.01 - SJV Regional Early Action Planning Committee for Housing (REAP)	\$ 6,887	\$ 849,097	\$ 1,923,702	\$ 1,074,605
1375.01 - Sustainable Transportation Equity Project (STEP)	\$ 17,915	\$ 7,049,650	\$ 5,238,053	\$ (1,811,597)
1380.01 - CMO voucher program	\$ -	\$ 998,000	\$ 699,030	\$ (298,970)
Indirect	\$ 171,689	\$ 527,963	\$ 400,000	\$ (127,963)
<b>TOTAL</b>	<b>\$ 5,945,600</b>	<b>\$ 20,234,655</b>	<b>\$ 17,454,311</b>	<b>\$ (2,780,344)</b>

**San Joaquin Council of Governments**  
**ANNUAL FINANCIAL PLAN**  
**Fiscal Year 2022/2023**  
**Proposed Final March 24, 2022**

**FIXED ASSETS**

<i>Title</i>	<i>Description</i>	FY 20-21	FY 2021-22	FY 2022-23	+/-
		Actual	Amd #2	Proposed Final	Change
	Office Furniture/Equipment		\$ 10,000	\$ 10,000	\$ -
	Replacement Printers (2)	\$ -	\$ -	\$ -	\$ -
	Server Upgrade	\$ 10,308	\$ 20,500	\$ 20,500	\$ -
	ERP Accounting System	\$ -	\$ -	\$ -	\$ -
	Customer Relation Management		\$ 25,000	\$ 25,000	\$ -
	Computer Upgrades	\$ 51,205	\$ 20,000	\$ 20,000	\$ -
	Capitalized Building Maintenance/Upgrades	\$ 9,970	\$ 120,000	\$ 120,000	\$ -
<b>TOTAL</b>		\$ 71,483	\$ 195,500	\$ 195,500	\$ -

San Joaquin Council of Governments  
STAFF ALLOCATION

Approved March 25, 2021  
Amendment #1 October 28, 2021

<u>Position</u>	3/25/2021	10/28/2021	3/24/2022
	2021-22	2021-22	Proposed 2022-23
Executive Director	1	1	1
Deputy Executive Director/Chief Financial Officer	1	1	1
Deputy Director	2	2	2
Project Manager Habitat	1	1	1
Manager of Finance		1	1
Public Communications Officer	1	1	1
Senior Regional Planner	4	4	4
Senior Program Specialist	1	1	1
Chief Accountant	1	1	0
Assistant/Associate Regional Transportation Planner	6	3	4
Assistant/Associate Program Specialist	2	2	1
Assistant/Associate Habitat Planner	1	1	1
Planner Tech	1	0	1
Administrative Analyst	0	0	0
Administrative Technician	3	4	5
Manager of Administrative Services	1	1	0
Information Technology Manager	1	1	1
Office Administrator	1	1	1
Administrative Clerk I/II	0	0	0
Senior Accountant	1	1	1
Junior Accountant	1	1	1
Contract/Grant Specialist	1	0	0
Payroll Specialist-HR Assistant	1	0	0
Accounting Assistants I/II	2	3	2
<b>TOTAL</b>	<b>34</b>	<b>31</b>	<b>30</b>
Regular Positions:	34	34	34
Interns/Temporary/Part-Time Positions:	3	0	2

APPROVED AS TO FORM AND LEGALITY

\_\_\_\_\_  
CITY ATTORNEY'S OFFICE

**TRACY CITY COUNCIL**

**RESOLUTION 2022 \_\_\_\_\_**

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**RESOLUTION APPROVING THE SAN JOAQUIN COUNCIL OF GOVERNMENTS ANNUAL FINANCIAL PLAN FISCAL YEAR 2022-2023**

**WHEREAS**, The Joint Powers Agreement between the San Joaquin Council of Governments and its member agencies requires the Annual Financial Plan to be ratified by the governing body of each member agency; and

**WHEREAS**, The Tracy City Council considered the Annual Financial Plan at its meeting of May 17, 2022; now, therefore, be it

**RESOLVED:** That City Council of the City of Tracy hereby approves the San Joaquin Council of Governments Annual Financial Plan for Fiscal Year 2022-2023.

\* \* \* \* \*

The foregoing Resolution 2022-\_\_\_\_\_ was adopted by the Tracy City Council on May 17, 2022, by the following vote:

AYES:                    COUNCIL MEMBERS:  
NOES:                    COUNCIL MEMBERS:  
ABSENT:                COUNCIL MEMBERS:  
ABSTENTION:        COUNCIL MEMBERS:

\_\_\_\_\_  
NANCY D. YOUNG  
Mayor of the City of Tracy, California

ATTEST:

\_\_\_\_\_  
ADRIANNE RICHARDSON  
City Clerk and Clerk of the Council of the  
City of Tracy, California

AGENDA ITEM 1.C

REQUEST

**APPROVAL OF PURCHASE OF BUS SHELTERS AND BUS SHELTER REPAIR PARTS IN THE AMOUNT OF \$342,979 FROM TOLAR MANUFACTURING PURSUANT TO TRACY MUNICIPAL CODE SECTION 2.20.270(B) SOLE SOURCE BID EXCEPTION AND AS PART OF THE TRACER BUS STOP IMPROVEMENTS CIP 77585**

EXECUTIVE SUMMARY

The City of Tracy's Tracer Bus System has various bus shelters located throughout the city. Since initial installation, some of the shelters have become damaged and need to have various panels replaced. Additionally, the solar lighting systems that were initially installed have been vandalized and need to be replaced.

The shelters were produced by Tolar Manufacturing, and they are the only vendor able to produce parts for their shelters. Costs for the replacement shelters and parts will be paid for using the State of Good Repair funding through the State of California.

DISCUSSION

The City of Tracy's Tracer Bus System has 46 bus shelters located throughout the city as amenities for passengers utilizing the fixed route bus service. The first phase of bus shelters was installed in 2008 and the second phase was installed in 2012. The first phase of bus shelters was originally designed with glass panels on the back of the shelter. Many of those panels have been broken due to both wear and tear as well as vandalism and need to be replaced. The missing panels will be replaced with decorative perforated metal panels like those that were installed for the phase two shelters, which will increase the durability and lifespan of the panel and shelter.

Each of the shelters also was installed with a solar lighting system. Over the years, the solar systems have either stopped functioning as a result of age and vandalism. New solar lighting systems will be purchased and installed on each of the bus shelters throughout the city, providing additional visibility to those using the stops when it is dark outside.

Staff will also be purchasing three complete bus shelters, two of which will be installed at the bus stop located near Winco on Pavillion Parkway, and the bus stop near the Community Center at East and 9<sup>th</sup> Street. The third shelter will be used as a spare shelter that can be immediately installed should an existing shelter become damaged and have to be removed.

The following is a breakdown of components to be purchased:

Qty	Item	Unit Price	Total Price
3	Bus Shelter, including bench and solar lighting	\$17,810	\$53,430
60	Perforated metal screens	\$940	\$56,400

46	Bus shelter solar lighting systems	\$4,450	\$204,700
1	Freight (estimated)		\$2,500
1	Sales Tax		\$25,949
<b>GRAND TOTAL</b>			<b>\$342,979</b>

The total cost for all the replacement parts will be \$342,979. Tolar Manufacturing is the only manufacturer of these particular shelters and the only source for the needed parts as they are the originators and holder of the shelter design. As such, staff is requesting a sole source exception to the bidding process pursuant to Tracy Municipal Code section 2.20.270(b).

The cost for this purchase will be funded through the State of Good Repair program through the State of California.

#### STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's Strategic Plans.

#### FISCAL IMPACT

There are available funds in the approved Capital Improvement Project (CIP #77585) and the purchase will be paid for through the Transit Capital Fund.

#### RECOMMENDATION

That City Council approve the purchase of bus shelters and bus shelter repair parts in the amount of \$342,979 from Tolar Manufacturing pursuant to Tracy Municipal Code section 2.20.270(b) Sole Source Bid Exception and as part of the Tracer Bus Stop Improvements CIP 77585.

Prepared by: Ed Lovell, Transit Manager

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

Approved by: Michael Rogers, City Manager

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

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

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**APPROVING PURCHASE OF BUS SHELTERS AND BUS SHELTER REPAIR PARTS IN THE AMOUNT OF \$342,979 FROM TOLAR MANUFACTURING PURSUANT TO TRACY MUNICIPAL CODE SECTION 2.20.270(B) SOLE SOURCE BID EXCEPTION AND AS PART OF THE TRACER BUS STOP IMPROVEMENTS CIP 77585**

**WHEREAS**, The City of Tracy's Tracer Bus System has bus shelters throughout the City as amenities for passengers utilizing the fixed route bus service; and

**WHEREAS**, Multiple shelters have been damaged and/or vandalized and are in need of replacement parts; and

**WHEREAS**, The cost to purchase the bus shelters and bus shelter replacement parts is \$342,979; and

**WHEREAS**, Tolar Manufacturing of Corona, California, originally manufactured these shelters and is the only source of the replacement bus shelter parts; and

**WHEREAS**, Tracy Municipal Code Section 2.20.270(b) allows a Public Project contract to forgo the competitive bidding process by City Council resolution when the contract is for a unique product available from only one source; and

**WHEREAS**, The City Council finds that the purchase of the bus shelters and bus shelter replacement parts are unique products only available from Tolar Manufacturing and therefore a competitive bidding process is not required; and

**WHEREAS**, The City Council independently finds and determines that this action is exempt from CEQA based on CEQA Guidelines Section 15301 (Existing Facilities) because the action is limited to the minor alteration and/or replacement of existing facilities as well as CEQA Guidelines Section 15303 (small structures exemption); and

**WHEREAS**, This purchase is part of the approved Tracer Bus Stop Improvement CIP 77585; and

**WHEREAS**, This purchase will be funded through the State of Good Repair Program through the State of California; now, therefore, be it

**RESOLVED:** That City Council approve the purchase of bus shelters and bus shelter repair parts in the amount of \$342,979 from Tolar Manufacturing pursuant to Tracy Municipal Code section 2.20.270(b) Sole Source Bid Exception and as part of the Tracer Bus Stop Improvements CIP 77585.

\*\*\*\*\*



The foregoing Resolution 2022-\_\_\_\_\_ was adopted by the Tracy City Council on May 17, 2022, by following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

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NANCY D. YOUNG  
Mayor of the City of Tracy, California

ATTEST:

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ADRIANNE RICHARDSON  
City Clerk and Clerk of the Council of  
the City of Tracy, California

AGENDA ITEM 1.D

REQUEST

**AWARD A CONSTRUCTION CONTRACT TO VALENTINE CORPORATION FOR THE CONSTRUCTION OF THE TRACY HILLS ZONE 5 PUMP STATION CIP 75163 IN THE AMOUNT OF \$3,323,369, AT THE JOHN JONES WATER TREATMENT PLANT (JJWTP), WITH A NOT TO EXCEED BUDGET OF \$4,154,211 AND APPROVE A PROFESSIONAL SERVICES AGREEMENT (PSA) WITH WEST YOST AND ASSOCIATES (WYA) TO PROVIDE ENGINEERING SUPPORT SERVICES DURING CONSTRUCTION WITH A NOT TO EXCEED AMOUNT OF \$115,000**

EXECUTIVE SUMMARY

This agenda item requests two actions from the City Council: To award a construction contract for the Tracy Hills Zone 5 Pump Station Project (CIP 75163) and to approve a Professional Services Agreement (PSA) for providing engineering support services during construction for this project. The project involves the construction of a booster pump station, located south of the existing Clearwell #2 at the City's JJWTP, equipped with three pumps, a surge tank, and various other appurtenances in order to serve the proposed Tracy Hills Zone 5 development area. The PSA with WYA allows for necessary design support services during construction of this project.

Award of the construction contract and approval of the PSA will expedite the completion of construction of the Tracy Hills Zone 5 Pump Station at the JJWTP in a timely manner to provide water services to the Tracy Hills Developments.

DISCUSSION

1. Project:

The Tracy Hills Zone 5 Pump Station Project (CIP 75163) consists of the construction of a 5.2 million gallon per day (mgd) booster pump station equipped with three 1,205 gallon per minute (gpm) pumps, a surge tank, and various other appurtenances to serve the proposed Tracy Hills Zone 5 development area. The proposed pump station will be located south of the existing Clearwell #2 at the City's JJWTP.

The project cost will be paid by Lennar Homes of California, LLC through a fully executed funding agreement approved by City Council on March 29<sup>th</sup>, 2022. The project cost includes all costs of design, construction, and management of the project.

2. Construction Contract

The project improvement plans, specifications and cost estimates (PSE) were prepared by the City's consultant, WYA and the project was advertised for construction bids on March 10, 2022. The PSE and the bid documents included a Base Bid and an Additive Bid Item. The Base Bid included the scope of work discussed above in this staff report. The Additive Bid item involving installation of a fourth pump at this pump station was included at the developer's request and at their cost for serving future developments of Tracy Hills. The bid documents required that the construction contract will be awarded on the basis of the lowest monetary Base Bid only. Further, the bid documents allowed the City to award the construction

contract for base bid with or without the additive bid item at the City’s discretion. The developer has now deferred the construction of the Additive Bid item to the future phases.

A total of three bids were received on April 7, 2022, as listed below:

<b>Contractor</b>	<b>Base Bid</b>	<b>Additive Bid</b>
Valentine Corporation	\$3,323,369	\$165,000
Steve P. Rados, Inc.	\$3,650,000	\$127,000
Mountain Cascade Inc.	\$3,417,500	\$185,000

The Base Bid from Valentine Corporation is the lowest monetary bid. The bid analysis indicates that the lowest bid from Valentine Corporation is responsive, and the bidder is responsible. Staff recommends that City Council award the construction contract for base bid only. If City Council awards the construction project as recommended, the construction is anticipated to be substantially complete by February 2023 and the estimated cost to complete the project is as follows:

Contractor’s Bid for Construction	\$ 3,323,369
Construction Contingency (15%)	\$ 498,505
Construction Management Services (10%)	\$ 332,337
<b>Total Construction Cost</b>	<b>\$ 4,154,211</b>

3. PSA for Engineering Services During Construction

This project involves construction management, inspection, and day-to-day coordination with operating staff to ensure smooth functioning of both the construction project and the operations of the JJWTP. While construction management will be conducted by City staff, the engineering support services are needed during construction from the original design consultant, WYA.

West Yost Associates submitted a proposal to provide the design support services on hourly rates and as needed basis for a not to exceed amount of \$115,000. A total of \$79,500 unused amount remains available from the WYA’s original design services agreement and will be first used for this task before billing the remaining amount if needed.

STRATEGIC PLAN

This agenda item is a routine development item and is not related to the Council’s Strategic Plans.

FISCAL IMPACT

Tracy Hills Zone 5 Pump Station is an approved Capital Improvement Program project (CIP 75163) with full funding from Lennar Homes of California, LLC under an approved agreement with the City.

RECOMMENDATION

That the City Council, by two separate resolutions:

1. Award a Construction Contract to Valentine Corporation for the Tracy Hills Zone 5 Pump Station, Project CIP 75163, at the John Jones Water Treatment Plant for the Base Bid only in the amount of \$3,323,369, with a not to exceed budget of \$4,154,211
2. Approve the Professional Services Agreement with West Yost and Associates to provide Engineering Services During Construction for the Tracy Hills Zone 5 Pump Station Project with a total not-to-exceed amount of \$115,000.

Prepared by: Lemar Saffi, Assistant Engineer

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

Approved by: Michael Rogers, City Manager

ATTACHMENTS:

Attachment A - Professional Services Agreement with West Yost & Associates, Inc.

**CITY OF TRACY  
PROFESSIONAL SERVICES AGREEMENT WITH  
West Yost & Associates, Inc. for As-Needed Engineering Services During Construction of the  
Tracy Hills Zone 5 Pump Station (CIP 75163) project at the  
John Jones Water Treatment Plant (JJWTP)**

This Professional Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and West Yost & Associates, Inc., a California Corporation (**Consultant**). City and Consultant are referred to individually as "Party" and collectively as "Parties."

**Recitals**

**A.** City desires to retain Consultant for engineering services during construction of the Tracy Hills Zone 5 Pump Station; and

**B.** West Yost & Associates provided the original design services and are needed to provide design support during construction of the Tracy Hills Zone 5 Pump Station (**Project**). On April 26, 2022, Consultant submitted its proposal for the Project to the City. City has determined that Consultant possesses the skills, experience and certification required to provide the services.

**C.** After negotiations between the City and Consultant, the Parties have reached an agreement for the performance of services in accordance with the terms set forth in this Agreement.

**D.** This Agreement is being executed pursuant to Resolution No. \_\_\_\_ approved by Tracy City Council on May 17, 2022.

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

**1. Scope of Work.** Consultant shall perform the services described in Exhibit "A" attached and incorporated by reference. The services shall be performed by, or under the direct supervision of, Consultant's Authorized Representative: Elizabeth Drayer, P.E. Consultant shall not replace its Authorized Representative, nor shall Consultant use or replace any subcontractor or subconsultant, without City's prior written consent. A failure to obtain the City's prior written consent for any change or replacement in personnel or subcontractor/subconsultant may result in the termination of this Agreement.

**2. Time of Performance.** Time is of the essence in the performance of services under this Agreement and the timing requirements set forth shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. Consultant shall begin performance and shall complete all required services no later than the dates set forth in "Section 2.1 Term". Any services for which times for performance are not specified in this Agreement shall be started and completed by Consultant in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the Consultant. Consultant shall submit all requests for time extensions to the City in writing no later than ten days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. City shall grant or deny such requests at its sole discretion.

**2.1 Term.** The term of this Agreement shall begin on May 17, 2022 and end on May 17, 2024, unless terminated in accordance with Section 6.

**3. Compensation.** City shall pay Consultant on a time and expense basis, at the billing rates set forth in Exhibit "B," attached and incorporated by reference for services performed under this Agreement.

**3.1 Not to Exceed Amount.** Consultant's total compensation under this Agreement shall not exceed \$115,000. Consultant's billing rates shall cover all costs and expenses for Consultant's performance of this Agreement. No work shall be performed by Consultant in excess of the total compensation amount provided in this section without the City's prior written approval.

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

**3.2.1** If Consultant is providing services in response to a development application, separate invoice(s) must be issued for each application and each invoice shall contain the City's designated development application number.

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

**3.3 Payment.** Within 30 days after the City's receipt of invoice(s), City shall make payment to the Consultant based upon the services described on the invoice(s) and approved by the City.

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

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

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

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

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

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

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

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

**5.4 Professional Liability** "claims made" coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Consultant in an amount not less than \$1,000,000 per claim.

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

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

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

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

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

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

**5.9 Substitute Certificates.** Consultant shall provide a substitute certificate of insurance no later than 30 days prior to the policy expiration date of any insurance policy required by this Agreement.

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

**6. Termination.** The City may terminate this Agreement by giving ten days’ written notice to Consultant. Upon termination, Consultant shall give the City all original documents, including preliminary drafts and supporting documents, prepared by Consultant for this Agreement. The City shall pay Consultant for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.

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

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

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

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

**7.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

**7.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

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

**8. Ownership of Work.** All original documents prepared by Consultant for this Agreement, whether complete or in progress, are the property of the City, and shall be given to the City at the completion of Consultant's services, or upon demand from the City. No such documents shall be revealed or made available by Consultant to any third party without the City's prior written consent.

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

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

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

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

To City:  
City of Tracy  
Utilities Department  
3900 Holly Drive  
Tracy, CA 95304

To Consultant:  
West Yost & Associates, Inc.  
Elizabeth Drayer, P.E.  
6800 Kill Center Parkway  
Suite 150  
Pleasanton, CA 94566

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

**13. Miscellaneous.**

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



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

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

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

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

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

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

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

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

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

**13.9 Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

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

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

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

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

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

**[SIGNATURES ON FOLLOWING PAGE]**

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

**City of Tracy**

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

Attest:


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

Approved as to form:

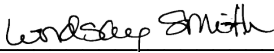
\_\_\_\_\_  
Bijal Patel, City Attorney

**Consultant**

West Yost & Associates, Inc.  
6800 Koll Center Parkway  
Suite 150  
Pleasanton, CA 94566

  
\_\_\_\_\_  
By: Elizabeth Drayer  
Title: Vice President  
Date: 4/27/2022

Federal Employer Tax ID No. 68-0370826

  
\_\_\_\_\_  
By: Lindsay Smith  
Title: Treasurer  
Date: 4/27/22

Exhibits:

- A Scope of Work
- B Compensation (See Agreement section 3.)

## EXHIBIT A - Scope of Work

### **Task 1. Project Management and Coordination**

Project management includes coordination of work being performed by the West Yost team and communicating and coordinating with City staff. West Yost's work on this project will be managed by a single Project Manager (Elizabeth Drayer). The subtasks for project management consist of the following:

- **Work Coordination:** Project Manager will be responsible to assign West Yost labor resources and coordinate with City staff.
- **Budget Control and Progress Reporting:** Project Manager will monitor West Yost's project progress, respond to City requests and concerns, and maintain communications with City staff to ensure satisfactory completion of the work.
- **QA/QC:** West Yost will implement a quality assurance/quality control (QA/QC) program. Under this program, all work products and deliverables prepared by the West Yost team will be reviewed by senior staff.

### **Task 1 Deliverables**

- West Yost will provide Progress Reports included in monthly invoices.

### **Task 2: Construction Period Services**

West Yost will provide engineering services during construction of the pump station and on-site transmission main on an as-needed basis as requested by the City. Subconsultants to be utilized will include A TEEM, JDH Corrosion and VE Solutions; each of these subconsultants participated in the design of the pump station. It is assumed that construction management would be by others. Task 2 activities are anticipated to include:

- Prepare one set of conformed construction drawings and technical specifications based on the bid documents, addenda (if any), and any changes during contract approval.
- Respond to and process requests for information, review and comment on change orders, and review and comment on field orders.
- Review contractor submittals.
- Provide observation and field reports by the design team and attend regular on-site construction status meetings.
- Participate in final inspection and testing and start-up and make recommendations to the City regarding project acceptance. Final inspection will include assisting the Construction Manager in the preparation of a punch list. Start-up services will include witnessing and verifying the field tests and start-up of electrical and control equipment.
- Prepare record drawings of final project based on information provided by the Contractor and Construction Manager.

It is assumed the third-party Construction Manager will:

- Process all requests for information, submittals, payment applications, and field orders.

- Conduct weekly meetings at the jobsite while Contractor is mobilized.
- Establish list of required Contractor's submittals, review Contractor's shop drawings and other submittals, including material submittals, project schedule, and schedule of values.
- Prepare and use a permit inventory throughout the course of the project to ensure that the required permits obtained by the City and the Contractor are received and are complied with.
- Provide on-site inspection and construction management services during construction.
- Monitor compliance with permit conditions and environmental mitigation measure (if required).
- Conduct final inspection and testing and start-up and make recommendations to the City regarding project acceptance.
- Coordinate special inspections with Contractor and City Inspector.

## **Task 2 Deliverables**

- West Yost will provide construction drawings and specifications conformed to addenda, correspondence and review documentation, and record drawings and specifications.

EXHIBIT B - Compensation

**2022 Billing Rate Schedule**

(Effective January 1, 2022 through December 31, 2022)

POSITIONS	LABOR CHARGES (DOLLARS PER HOUR)
<b>ENGINEERING</b>	
Principal/Vice President	\$318
Engineer/Scientist/Geologist Manager I / II	\$301 / \$315
Principal Engineer/Scientist/Geologist I / II	\$272 / \$289
Senior Engineer/Scientist/Geologist I / II	\$244 / \$256
Associate Engineer/Scientist/Geologist I / II	\$209 / \$224
Engineer/Scientist/Geologist I / II	\$168 / \$195
Engineering Aide	\$98
Field Monitoring Services	\$90
Administrative I / II / III / IV	\$86 / \$109 / \$130 / \$144
<b>ENGINEERING TECHNOLOGY</b>	
Engineering Tech Manager I / II	\$313 / \$315
Principal Tech Specialist I / II	\$287 / \$297
Senior Tech Specialist I / II	\$263 / \$275
Senior GIS Analyst	\$238
GIS Analyst	\$225
Technical Specialist I / II / III / IV	\$168 / \$191 / \$215 / \$240
Technical Analyst I / II	\$120 / \$144
Technical Analyst Intern	\$97
Cross-Connection Control Specialist I / II / III / IV	\$125 / \$136 / \$152 / \$170
CAD Manager	\$189
CAD Designer I / II	\$147 / \$166
<b>CONSTRUCTION MANAGEMENT</b>	
Senior Construction Manager	\$304
Construction Manager I / II / III / IV	\$185 / \$199 / \$211 / \$267
Resident Inspector (Prevailing Wage Groups 4 / 3 / 2 / 1)	\$162 / \$180 / \$201 / \$209
Apprentice Inspector	\$147
CM Administrative I / II	\$79 / \$106
Field Services	\$209

- Hourly rates include Technology and Communication charges such as general and CAD computer, software, telephone, routine in-house copies/prints, postage, miscellaneous supplies, and other incidental project expenses.
- Outside Services such as vendor reproductions, prints, shipping, and major West Yost reproduction efforts, as well as Engineering Supplies, etc. will be billed at actual cost plus 15%.
- The Federal Mileage Rate will be used for mileage charges and will be based on the Federal Mileage Rate applicable to when the mileage costs were incurred. Travel other than mileage will be billed at cost.
- Subconsultants will be billed at actual cost plus 10%.
- Expert witness, research, technical review, analysis, preparation and meetings billed at 150% of standard hourly rates. Expert witness testimony and depositions billed at 200% of standard hourly rates.
- A Finance Charge of 1.5% per month (an Annual Rate of 18%) on the unpaid balance will be added to invoice amounts if not paid within 45 days from the date of the invoice.

### Equipment Charges

EQUIPMENT	BILLING RATES
2" Purge Pump & Control Box	\$270 / day
Aquacalc / Pygmy or AA Flow Meter	\$28 / day
Emergency SCADA System	\$35 / day
Gas Detector	\$80 / day
Generator	\$39 / day
Hydrant Pressure Gauge	\$10 / day
Hydrant Pressure Recorder, Impulse (Transient)	\$55 / day
Hydrant Pressure Recorder, Standard	\$40 / day
Low Flow Pump Controller	\$75 / day
Powers Water Level Meter	\$32 / day
Precision Water Level Meter	\$19 / day
Stainless Steel Wire per foot	\$0 / day
Storage Tank	\$15 / day
Sump Pump	\$24 / day
Transducer Components (per installation)	\$23 / day
Trimble GPS – Geo 7x	\$220 / day
Tube Length Counter	\$22 / day
Turbidity Meter	\$22 / day
Vehicle	\$10 / day
Water Flow Probe Meter	\$20 / day
Water Quality Meter	\$27 / day
Water Quality Multimeter	\$185 / day
Well Sounder	\$30 / day

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

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

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**AWARD A CONSTRUCTION CONTRACT TO VALENTINE CORPORATION FOR THE CONSTRUCTION OF THE TRACY HILLS ZONE 5 PUMP STATION CIP 75163 IN THE AMOUNT OF \$3,323,369, AT THE JOHN JONES WATER TREATMENT PLANT (JJWTP), WITH A NOT TO EXCEED BUDGET OF \$4,154,211**

**WHEREAS**, Tracy Hills Zone 5 Pump Station is an approved Capital Improvement Project, CIP 75163; and

**WHEREAS**, the project involves the construction of a booster pump station, located south of the existing Clearwell #2 at the City's JJWTP; and

**WHEREAS**, the project improvement plans, specifications, and cost estimates (PSE) were prepared by West Yost and Associates, and the project was advertised for construction bids on March 10, 2022, pursuant to Tracy Municipal Code 2.20.250 et seq.; and

**WHEREAS**, the bid documents included a base bid and an additive bid; and

**WHEREAS**, the bid documents require the award of the construction contract based upon the lowest monetary base bid only; and

**WHEREAS**, the bid document allows the City to award the construction for base bid with or without the additive item; and

**WHEREAS**, the base bid from Valentine Corporation is the lowest monetary bid; and

**WHEREAS**, Lennar Homes of California, LLC (Developer) is funding the total cost of this project under an approved agreement with the City; and

**WHEREAS**, the City desires to award a construction contract for the base bid only; and now, therefore, be it

**RESOLVED**: that the City Council of the City of Tracy, by resolution, awards a Construction Contract to Valentine Corporation for the Tracy Hills Zone 5 Pump Station, Project CIP 75163, at the John Jones Water Treatment Plant for the base bid in the amount of \$3,323,369, with a not to exceed budget of \$4,154,211

**RESOLVED FURTHER**: The City Council independently finds and determines that this action is exempt from CEQA based on CEQA Guidelines Section 15303 (Small Structures) because the action is limited to the installation of small new equipment.



\*\*\*\*\*

The foregoing Resolution 2022-\_\_\_\_ was adopted by the Tracy City Council on May 17, 2022, by the following vote:

AYES:                   COUNCIL MEMBERS:  
NOES:                   COUNCIL MEMBERS:  
ABSENT:                COUNCIL MEMBERS:  
ABSTENTION:         COUNCIL MEMBERS:

\_\_\_\_\_  
NANCY D. YOUNG  
Mayor of the City of Tracy, California

ATTEST:

\_\_\_\_\_  
ADRIANNE RICHARDSON  
City Clerk and Clerk of the Council of the  
City of Tracy, California

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

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

**APPROVE A PROFESSIONAL SERVICES AGREEMENT (PSA) WITH WEST YOST AND ASSOCIATES (WYA) TO PROVIDE ENGINEERING SERVICES DURING THE CONSTRUCTION OF THE TRACY HILLS ZONE 5 PUMP STATION CIP 75163 AT THE JOHN JONES WATER TREATMENT PLANT WITH A NOT TO EXCEED AMOUNT OF \$115,000**

**WHEREAS**, Tracy Hills Zone 5 Pump Station is an approved Capital Improvement Project, CIP 75163; and

**WHEREAS**, the project involves the construction of a booster pump station, located south of the existing Clearwell #2 at the City's JJWTP; and

**WHEREAS**, the project improvement plans, specifications, and cost estimates (PSE) were prepared by West Yost and Associates, and the project was advertised for construction bids on March 10, 2022; and

**WHEREAS**, a construction contract is being awarded by City Council simultaneously with this PSA; and

**WHEREAS**, engineering services are needed during the construction of this project; and

**WHEREAS**, West Yost Associates submitted a proposal to provide the engineering support services during construction for a not to exceed the amount of \$115,000 on hourly rates and as-needed basis; and

**WHEREAS**, Lennar Homes of California, LLC is funding the total project cost of this project under an approved agreement with the City; and now, therefore, be it

**RESOLVED**, that the City Council of the City of Tracy, by resolution approve the Professional Services Agreement with West Yost and Associates to provide engineering services during construction for the Tracy Hills Zone 5 Pump Station Project CIP 75163 with a total not-to-exceed amount of \$115,000.

\*\*\*\*\*

The foregoing Resolution 2022-\_\_\_\_ was adopted by the Tracy City Council on May 17, 2022, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

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NANCY D. YOUNG  
Mayor of the City of Tracy, California

ATTEST:

---

ADRIANNE RICHARDSON  
City Clerk and Clerk of the Council of the  
City of Tracy, California

AGENDA ITEM 1.E

REQUEST

**APPROVE A RESOLUTION DECLARING INTENTION TO REIMBURSE EXPENDITURES FOR THE MULTI-GENERATIONAL RECREATION CENTER FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY THE CITY AND DIRECTING CERTAIN ACTIONS**

EXECUTIVE SUMMARY

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

Staff is asking Council to declare its intent to issue tax-exempt bonds to reimburse expenditures for the Rec Center.

DISCUSSION

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

In early 2021, the City Council approved a new timeline and funding plan for Measure V projects, including prioritizing the Rec Center.

Under federal tax law, the City may issue tax-exempt bonds to reimburse prior expenditures by the City for capital projects only if it has declared its intent to do so no later than 60 days after it has made the expenditures. Adopting this resolution declares the intention to reimburse expenditures from the proceeds of the tax-exempt obligation, but does not commit the City to pay for the entire project or to issue bonds.

STRATEGIC PLAN

This agenda item is consistent with the City Council’s adopted Quality of Life Strategy and meets the following goals:

Goal 4: Engage in Efforts to Enhance Community Aesthetics.

Goal 5: Improve current recreational, cultural arts and entertainment programming and services to reflect community interests and demands.

FISCAL IMPACT

The City expects to pay certain costs of the Rec Center prior to the date of issuance debt to finance the Rec Center and to use a portion of the proceeds of such debt for

reimbursement of expenditures for the Rec Center that are paid before the date of issuance of the debt.

RECOMMENDATION

That the City Council approve a resolution declaring its intention to reimburse expenditures on the Rec Center from the proceeds of tax-exempt obligations to be issued by the City and directing certain actions.

Prepared by: Karin Schnaider, Director of Finance

Reviewed by: Brian MacDonald, Parks & Recreation Director  
Richard Joaquin, Parks Planning & Development Manager  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

**Tracy City Council**

**RESOLUTION 2022-\_\_**

---

**DECLARING INTENTION TO REIMBURSE EXPENDITURES RELATED TO MULTI-GENERATIONAL RECREATION CENTER FROM THE PROCEEDS OF OBLIGATIONS TO BE ISSUED BY THE CITY AND DIRECTING CERTAIN ACTIONS**

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

**WHEREAS**, The City of Tracy (the "City") proposes to issue debt for the Rec Center and to use a portion of the proceeds of such debt to reimburse expenditures made for the Rec Center prior to the issuance of the debt; and

**WHEREAS**, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

**WHEREAS**, It is in the public interest and for the public benefit that the City declares its official intent to reimburse the expenditures referenced herein; and now therefore, be it

**RESOLVED**: That the City intends to issue obligations (the "Obligations") for the purpose of financing the Rec Center; and be it

**FURTHER RESOLVED**: That the City hereby declares that it reasonably expects (i) to pay certain costs of the Rec Center prior to the date of issuance of the Obligations and (ii) to use a portion of the proceeds of the Obligations for reimbursement of expenditures for the Rec Center that are paid before the date of issuance of the Obligations; and be it

**FURTHER RESOLVED**: That the maximum principal amount of the Obligations is \$45,000,000.

\* \* \* \* \*

The foregoing Resolution 2022- was adopted by the Tracy City Council on the 17th day of May, 2022, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

---

NANCY D. YOUNG  
Mayor of the City of Tracy, California

ATTEST:

---

ADRIANNE RICHARDSON  
City Clerk and Clerk of the Council of the  
City of Tracy, California

AGENDA ITEM 1.F

REQUEST

**APPROVE AMENDMENT NO.1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH MARK THOMAS AND COMPANY, INC. TO (1) AUGMENT THE SCOPE FOR PROJECT APPROVAL (PA), ENVIRONMENTAL DOCUMENT (ED), AND PLANS, SPECIFICATIONS AND ESTIMATES (PS&E) FOR MODIFICATION OF I-205 AND I-580 / MOUNTAIN HOUSE EXISTING INTERCHANGES CIP NOS. 73146 & 73147, AND (2) INCREASE THE CONTRACT AMOUNT BY AN ADDITIONAL \$351,288, FOR A NEW NOT-TO-EXCEED TOTAL CONTRACT AMOUNT OF \$4,649,324**

EXECUTIVE SUMMARY

This agenda item, with City Council approval, would approve Amendment No.1 to the Professional Services Agreement with Mark Thomas and Company, Inc. for Professional Engineering Services for the Project Approval (PA), Environmental Document (ED), and Plans, Specifications and Estimates (PS&E) for Modification of I-205 and I-580/Mountain House Existing Interchanges CIP Nos. 73146 & 73147, to amend the scope of services and increase the contract amount by an additional \$351,288 for a new not-to-exceed total contract amount of \$4,649,324.

DISCUSSION

On October 16, 2018, Resolution No. 2018-216 was adopted by Council approving a Professional Services Agreement (PSA) for Mark Thomas and Company, Inc. for Professional Engineering Services for the Project Approval (PA), Environmental Document (ED), and Plans, Specifications and Estimates (PS&E) for Modification of I-205 and I-580/Mountain House Existing Interchanges for a total contract amount of \$4,298,036.

The PSA requires that for the I-580/Mountain House interchange, Mark Thomas will complete the technical reports required for the PA and ED phase and deliver the final plans, specifications, and estimates. Generally, this will include project management, topographic surveying and base mapping, environmental and project approvals preliminary and final engineering, right-of-way engineering, bidding and construction services. Mark Thomas will also coordinate all design submittals and QA/QC for the project design. Mark Thomas will serve as the central coordinator for all activities between the consulting team, California Department of Transportation (CalTrans), City staff, and other regulatory agencies.

For the I-205/Mountain House interchange, Mark Thomas will complete the engineering and environmental technical reports required for completion of the Project Approval & Environmental Document (PA&ED) phase. Generally, this will include project management, topographic surveying and base mapping, geometric design, right-of-way & utilities evaluation, environmental analysis, public outreach, and project approvals. Mark Thomas will also coordinate all project submittals and perform QA/QC services for the deliverables. Mark Thomas will serve as the central coordinator for all activities between the consulting team, CalTrans, Federal Highway Administration, City staff, County staff, and other regulatory agencies.



The PA&ED Phase of I-205/Mountain House Interchange is in the final stage of completion. The I-580/Mountain House Interchange is in the design phase with anticipated completion by September 2022, followed by right-of-way certification by December 2022. The I-580/Mountain House Interchange is anticipated to be ready for bid for construction by February 2023.

Performance of additional tasks are required under this PSA to address changes in the project delivery work program as related to the revision of the I-580/Mountain House Interchange eastbound ramp design. The revision or re-design of the I-580 east bound ramps is to avoid the 20" Crimson Oil line identified during the PS&E phase.

The City requested a proposal from the Consultant for the time and materials required to complete the additional tasks. On October 14, 2021, the Consultant submitted its proposal to the City. After negotiations between the City and Consultant, the parties have reached an agreement for the performance of these additional services for a not-to-exceed amount of \$351,288.

#### STRATEGIC PLAN

This agenda item supports the City of Tracy's Quality of Life Strategic Priority, which is to provide an outstanding quality of life by enhancing the City's amenities, business mix and services and cultivating connections to promote positive change and progress in our community.

#### FISCAL IMPACT

The PSA with Mark Thomas and Company, Inc. for Professional Engineering Services for the Project Approval (PA), Environmental Document (ED), and Plans, Specifications and Estimates (PS&E) for Modification of I-205 and I-580/Mountain House Existing Interchanges is budgeted under two approved Capital Improvement Projects, CIP 73146 and 73147, with sufficient funds available for the Amendment No.1 to the PSA in the amount of \$351,288.

#### RECOMMENDATION

Staff recommends that City Council, by resolution, approve Amendment No.1 to the PSA with Mark Thomas and Company, Inc. to amend the scope for the Project Approval (PA), Environmental Document (ED), and Plans, Specifications and Estimates (PS&E) for Modification of I-205 and I-580/Mountain House Existing Interchanges CIP Nos. 73146 & 73147, and increase the compensation by an additional \$351,288 for a new not-to-exceed total contract amount of \$4,649,324.

Prepared by: Anju Pillai, PE, Senior Civil Engineer

Reviewed by: Robert Armijo, PE, City Engineer / Assistant Director of Development Services  
Karin Schnaider, Finance Director  
William Dean, Interim Development Services Director  
Midori Lichtwardt, Assistant City Manager

Agenda Item 1.F  
May 17, 2022  
Page 3

Approved by: Michael Rogers, City Manager

ATTACHMENTS

Attachment A – Amendment No.1 to PSA with Mark Thomas & Company, Inc.

**CITY OF TRACY  
AMENDMENT NO. 1 TO  
PROFESSIONAL SERVICES AGREEMENT  
FOR  
PROJECT APPROVAL (PA), ENVIRONMENTAL DOCUMENT (ED), AND PLANS,  
SPECIFICATIONS AND ESTIMATES (PS&E) FOR  
MODIFICATION OF I-205 and I-580 / MT. HOUSE EXISTING INTERCHANGES  
CIP NOS. 73146 & 73147**

This Amendment No. 1 (**Amendment**) to the Professional Service Agreement for the Modification of I-205 and I-580 / Mt. House Existing Interchanges is entered into between the City of Tracy, a municipal corporation (**City**), and Mark Thomas and Company, Inc. City and Consultant are referred to individually as "**Party**" and collectively as "**Parties**."

**Recitals**

- A.** The City and Consultant entered into a Professional Service Agreement (**Agreement**) for Modification of I-205 and I-580 / Mt. House Existing Interchanges in the amount not to exceed \$4,298,036 which was approved by the City Council on October 16, 2018, under Resolution No. 2018-216.
- B.** A contract amendment request is needed to perform additional tasks to address changes in the project delivery work program as related to the revision of the I-580/Mountain House Hwy interchange eastbound ramp design. The revision or re-design of the I-580 EB ramps is to avoid the 20" Crimson Oil line identified during the PS&E phase. The terms and requirements stated on the original contract remain in full force and effort.
- C.** This Amendment is being executed pursuant to Resolution No. \_\_\_\_\_ approved by Tracy City Council June 7th, 2022.

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

- 1. Incorporation by Reference.** This Amendment incorporates by reference all terms set forth in the Agreement, unless specifically modified by this Amendment. The terms which are not specifically modified by this Amendment will remain in effect.
- 2. Terms of Amendment.**
  - A.** The following language shall be added to Section 1. SCOPE OF SERVICES of the Agreement:

"For services performed pursuant to Exhibit A-1, City shall pay Consultant a not-to-exceed amount of \$351,288 at the billing rates set forth in Exhibit B-1.
  - B.** Exhibit A-1 "Scope of Services," attached hereto shall supplement Exhibit "A" of the Agreement. Consultant is responsible for completing all tasks identified in Exhibits "A" and "A-1."

**3. Modifications.** This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

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

**5. Signatures.** The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment. This Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

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

City of Tracy

Mark Thomas and Company, Inc.

By: \_\_\_\_\_

By:  \_\_\_\_\_  
Robert Himes

Title: Mayor

Title: Vice President

Date: \_\_\_\_\_

Date: 03/01/2022

Attest:

By: \_\_\_\_\_  
Adrienne Richardson, City Clerk

By:  \_\_\_\_\_  
R. Matt Brogan

Title: Secretary

Date: 03/01/2022

Approved as to form


By: \_\_\_\_\_  
Bijal Patel, City Attorney

## EXHIBIT A-1 – Additional Services

- 1. PROJECT REPORT/ENVIRONMENTAL DOCUMENT/DESIGN STANDARD DECISION DOCUMENT:** As a result of the changes to the approved interchange design, prepare Supplemental Project Report, Environmental Re-Validation and Supplemental Design Standard Decision Document as required by Caltrans to document project revisions.
- 2. PLANS, SPECIFICATIONS AND ESTIMATE:** Perform additional design services required due to the revision of eastbound ramps. Services include revision to Storm water data Report, drainage study, Structure Advance Planning Study, geotechnical investigations, roadway/drainage design, stage construction, signal/lighting design and potholing. Services also include design of 1,500 -ft of new Caltrans standard plan retaining wall. The design revision involves modification of approximately 116 plan sheets.
- 3. PROJECT MANAGEMENT:** Perform additional project management and meeting services as required to execute the work program.

## Exhibit B-1 Compensation

### COST PROPOSAL FOR PROJECT SCOPE: Tracy I-205/I-580 Mountain House Interchanges (CIP #73146 & #73147)

												Subconsultants			TOTAL COST	
		Engineering Manager \$312	Sr. Technical Lead \$270	Technical Lead \$242	Sr. Project Engineer \$200	Project Engineer \$173	Design Engineer II \$147	Design Engineer I \$121	Survey Technician \$120	2 Person Field Crew \$295	Total Hours	Total MT Cost	FEHR & PEERS	GEOCON		ICF
<b>200</b>	<b>MOUNTAIN HOUSE I-580</b>															
015	Fact Sheets for Design Exceptions	8		40			40			88	\$18,056					\$18,056
017	Prepare Project Report	8		40			40			88	\$18,056					\$18,056
018	Control & Supplemental Topographic Survey							8	16	24	\$5,680					\$5,680
022	Roadway Drainage Report					20		20		40	\$5,880					\$5,880
023	Storm Water Data Report					20		20		40	\$5,880					\$5,880
024	Geotechnical & Foundation Report				8					8	\$1,384					\$1,384
026	Structure Type Selection Report		20		40					60	\$13,400					\$13,400
029	Final Utility Coordination	8	16			40				64	\$13,736					\$13,736
030	Roadway Plans	32	80			160	400	400		1072	\$166,464					\$166,464
<b>099</b>	<b>MT REIMBURSABLES</b>									0	\$26,251					\$26,251
200	F&P: Traffic Modeling/Analysis									0	\$0	10,000				\$10,000
201	F&P: Traffic Signal/Highway Lighting									0	\$0	19,907				\$19,907
202	F&P: TMP									0	\$0	4,204				\$4,204
300	GEOCON: Geotechnical/Foundation Reports									0	\$0		38,390			\$38,390
423	ICF: Final IS/MND									0	\$0			4,000		\$4,000
<b>Subtotal Phase 200</b>		<b>56</b>	<b>116</b>	<b>80</b>	<b>40</b>	<b>248</b>	<b>480</b>	<b>440</b>	<b>8</b>	<b>16</b>	<b>1484</b>	<b>\$274,787</b>	<b>\$34,111</b>	<b>\$38,390</b>	<b>\$4,000</b>	<b>\$351,288</b>
<b>TOTAL HOURS</b>		<b>56</b>	<b>116</b>	<b>80</b>	<b>40</b>	<b>248</b>	<b>480</b>	<b>440</b>	<b>8</b>	<b>16</b>	<b>1484</b>					
<b>Anticipated Salary Increases</b>											\$0	\$0	\$0	\$0	\$0	\$0
<b>OTHER DIRECT COSTS</b>											\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL COST</b>		<b>\$17,472</b>	<b>\$31,320</b>	<b>\$19,360</b>	<b>\$8,000</b>	<b>\$42,904</b>	<b>\$70,560</b>	<b>\$53,240</b>	<b>\$960</b>	<b>\$4,720</b>	<b>\$274,787</b>	<b>\$34,111</b>	<b>\$38,390</b>	<b>\$4,000</b>	<b>\$351,288</b>	

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

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

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**APPROVING AMENDMENT NO.1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH MARK THOMAS AND COMPANY, INC. TO (1) AUGMENT THE SCOPE FOR PROJECT APPROVAL (PA), ENVIRONMENTAL DOCUMENT (ED), AND PLANS, SPECIFICATIONS, AND ESTIMATES (PS&E) FOR MODIFICATION OF I-205 and I-580 / MOUNTAIN HOUSE EXISTING INTERCHANGES CIP NOS. 73146 & 73147, AND (2) INCREASE THE CONTRACT AMOUNT BY AN ADDITIONAL \$351,288, FOR A NEW NOT-TO-EXCEED TOTAL CONTRACT AMOUNT OF \$4,649,324**

**WHEREAS**, On October 16, 2018, Resolution No. 2018-216 was adopted by Council approving a Professional Services Agreement (PSA) Mark Thomas and Company, Inc. for Professional Engineering Services for the Project Approval (PA), Environmental Document (ED), and Plans, Specifications and Estimates (PS&E) for Modification of I-205 and I-580/Mountain House Existing Interchanges for a total contract amount of \$4,298,036; and

**WHEREAS**, The PSA requires that for the I-580/Mountain House interchange, Mark Thomas will complete the technical reports required for the PA and ED phase and deliver the final plans, specifications, and estimates; and

**WHEREAS**, For the I-205/Mountain House interchange, Mark Thomas will complete the engineering and environmental technical reports required for completion of the Project Approval & Environmental Document (PA&ED) phase; and

**WHEREAS**, The PA&ED Phase of I-205/Mountain House Interchange is in the final stage of completion; and

**WHEREAS**, The I-580/Mountain House Interchange is in the design phase with anticipated completion by September 2022, followed by right-of-way certification by December 2022; and

**WHEREAS**, The I-580/Mountain House Interchange is anticipated to be ready for bid for construction by February 2023; and

**WHEREAS**, It is required to perform additional tasks under this PSA to address changes in the project delivery work program as related to the revision of the I-580/Mountain House Interchange eastbound ramp design; and

**WHEREAS**, The revision or re-design of the I-580 eastbound ramps is to avoid the 20" Crimson Oil line identified during the PS&E phase; and

**WHEREAS**, The City requested a proposal from the Consultant for the time and materials required to complete the additional tasks and on October 14, 2021, the Consultant submitted its proposal to the City; and

**WHEREAS**, After negotiations between the City and Consultant, the parties have reached an agreement for the performance of these additional services for a not-to-exceed amount of \$351,288, and now, therefore; be it

**RESOLVED**: That the City Council of the City of Tracy, by resolution, hereby approves Amendment No.1 to the PSA with Mark Thomas and Company, Inc. to (1) augment the scope for the Project Approval (PA), Environmental Document (ED), and Plans, Specifications and Estimates (PS&E) for Modification of I-205 and I-580/Mountain House Existing Interchanges CIP Nos. 73146 & 73147, and (2) increase the contract amount by an additional \$351,288 for a new not-to-exceed total contract amount of \$4,649,324.

\* \* \* \* \*

The foregoing Resolution 2022-\_\_\_\_\_ was passed and adopted by the Tracy City Council on the 17<sup>th</sup> day of May 2022, by the following vote:

AYES:                    COUNCIL MEMBERS:  
NOES:                    COUNCIL MEMBERS:  
ABSENT:                COUNCIL MEMBERS:  
ABSTENTION:         COUNCIL MEMBERS:

\_\_\_\_\_  
NANCY D. YOUNG  
Mayor of the City of Tracy, California

ATTEST:

\_\_\_\_\_  
ADRIANNE RICHARDSON  
City Clerk and Clerk of the Council of the  
City of Tracy, California



AGENDA ITEM 3.A

REQUEST

**RECEIVE AN INFORMATIONAL REPORT REGARDING THE CURRENT STATUS OF CANNABIS PERMIT PROCESSING, INCLUDING FINGERPRINT-BASED BACKGROUND CHECKS FOR THE OPERATION OF CANNABIS BUSINESSES, AND INFORMATION ON ANTICIPATED FUTURE AMENDMENTS TO THE TRACY MUNICIPAL CODE RELATED TO CANNABIS PERMITS**

EXECUTIVE SUMMARY

This is an informational item to update Council on the status of the cannabis permit processing. Through a series of meetings and amendments, the City Council approved the issuance of 20 Cannabis Business Permits (with 17 of those following through to receive a permit). In addition to the Business Permits, applicants must obtain a Conditional Use Permit. Nine applications for the required Conditional Use Permits have been received to date, the first of which was approved in April of this year. Further, prior to commencement of operations, the Department of Justice (DOJ) must approve the City's Cannabis Program, after which approval applicants must complete background checks and fingerprinting through the LiveScan process. The DOJ approval is still pending, and City staff are in regular communications with DOJ personnel to expedite the process.

Due to the delay in DOJ approval, several elements of the City's program will need to be amended. These issues are discussed in more detail below. In addition, City staff have recommendations on other future amendments the City Council may wish to consider, to more effectively implement the Cannabis Program.

DISCUSSION

In the summer of 2018, Council began discussions regarding adopting regulations to allow for commercial cannabis use in the City of Tracy. Between September of 2018 and July of 2020, Council held 13 hearings regarding cannabis regulations, ultimately adopting the regulations for commercial cannabis regulations within Title 6, Businesses, Professions and Trades, accompanied by an amendment to the City's zoning regulations establishing where such businesses may locate. Guidelines for the application process were also adopted, and the first set of applications were received in September and October 2020. Since that time, staff has evaluated 41 applications, and initially awarded the four permits for dispensaries that were allowed under the Tracy Municipal Code. Since that time, Council has held four additional hearings to discuss and amend the cannabis regulations and guidelines, which resulted in the issuance of 13 additional Cannabis Business Permits. Nine applications for the required Conditional Use Permits have been received to date, the first of which was approved in April of this year.

Throughout this lengthy process described above, the City has been working with the Department of Justice (DOJ) to gain access to their background check system with continued delays due to a review process controlled and required by the DOJ (summarized below). Because of this, none of the permit awardees will be able to commence operations within the one-year timeframe allowed pursuant to the current

regulations, hence the discussion below to potentially amend the regulations to allow for additional time.

#### Cannabis Business Permit Expirations and Renewals

TMC Section 6.36.100 requires that renewal of Cannabis Business Permits undergo the same application requirements for a new Cannabis Business Permit (sections b and c). Due to the extent of the review process, the volume of application materials, and to streamline the process for permit holders, staff is drafting an ordinance revision that would eliminate the current renewal process and instead require permit holders to complete and submit a simple City form (approved by the Police Chief) attesting to no changes in operation or ownership. The grounds for denying the renewal of a permit would remain unchanged.

In addition, TMC Section 6.36.080 requires that Cannabis Business Permits be renewed annually, with applications for renewal to be filed at least 60 days prior the expiration date of the current permit. The first four provisional Cannabis Business Permits were issued June 21, 2021, with an expiration date of June 20, 2022. The next 13 were issued March 3, 2022. No renewal applications have been received to date. In order to ensure that the first group of permittees (all permits issued in June of 2021 and March of 2022) have the ability to commence operations, staff recommends an amendment to Section 6.36.080 so that all existing permits will be tolled until June 30, 2023. This amendment will allow the current permit holders to have the time needed to establish the cannabis businesses. While the City has issued 17 Cannabis Business Permits, and to date nine have applied for the required Conditional Use Permit (one has been approved thus far), none of the cannabis businesses will be able to commence operations until the Chief of Police is able to complete the background checks as required per the Ordinance. After June 30, 2023, expirations would again occur after 12 months. Staff is preparing a draft ordinance revision to adopt this change at the next properly noticed Council hearing.

#### *Background Checks Update*

TMC section 6.36.050 requires that “Interested Parties” undergo fingerprint-based background checks to obtain a cannabis business permit. Penal Code Sections 11105(b)(11) and 13300(b)(11) authorize cities to access state and local summary criminal history information for employment, licensing, or certification purposes. Penal Code Section 11105(b)(11) also authorizes cities to access federal level criminal history information by transmitting fingerprint images and related information to DOJ to be transmitted to the Federal Bureau of Investigation (FBI).

In order to access fingerprint-based criminal history information, DOJ requires that the City submit a proposed Resolution that would authorize the City to access such criminal history information.

On August 20, 2020, DOJ advised staff of the resolution requirement. Resolution No. 2020-159 was approved by City Council on September 1, 2020, which was provided to DOJ. On November 5, 2020, DOJ advised staff that Resolution No. 2020-159 was forwarded to the FBI for review, and the review process would take four (4) to six (6)

months. On February 24, 2021, DOJ requested that the City provide its cannabis ordinance, which staff provided the same day.

For the next several months, staff continued to contact DOJ requesting the status of approving Resolution No. 2020-159. On December 14, 2021, DOJ advised staff that the term "Interested Parties" defined under TMC section 6.36.050 was overly broad, and notified the City that it had to modify section 6.36.050 to include specific categories of individuals who will be subject to a background check. DOJ requested that the City resubmit drafts of a revised resolution and amended municipal code sections for DOJ's review and preliminary approval by the FBI prior to Council approval.

Since December 14, 2021, staff has provided DOJ with multiple drafts of a revised resolution and amended municipal code sections. Most recently, on April 12, 2022, DOJ provided the below timeline for review:

- **Draft Review & Approval**
  - DOJ staff may take up to **30 days**. Once approved by the DOJ, the draft will be submitted to the FBI.
  - The FBI may take **30 to 60 days** to review the draft.
  - Once approved by the FBI, DOJ requires that the City obtain approval from Council.
- **Final Review & Approval**
  - Once approved and re-submitted to the DOJ, the resolution will be submitted to the FBI for final review. This process may take **up to 150 days**.

This is the most recent update staff has received from DOJ.

Because of these unpredictable delays from the DOJ beyond the City's control, none of the permit holders will be able to commence operations within the current one-year life of their permits, hence the recommendation for a tolling of the expiration through June of next year.

#### *Additional Cannabis Discussion Items*

The following items have been raised by Council Members, applicants, and staff as items for discussion in future meetings and will be agendaized (with public notification to interested parties) as time permits:

- Transfers of ownership:
  - Evaluating the requirements for transferring ownership and discussion regarding the importance of local ownership and social equity. At the time of adoption of cannabis regulations, local preference and social equity were a Council priority. Changes in ownership have the potential to heavily modify or entirely eliminate the original local owners.
- Duration of Cannabis Business Permits:
  - Request direction from Council regarding the duration of cannabis business permits, and future availability of cannabis business permits.
- Community Benefits agreements/contributions:
  - Discussion regarding implementation of such agreements.

- Land use-based regulation of cannabis (using Conditional Use Permits as a tool rather than regulatory Cannabis Business Permits):
  - Council has expressed a desire to expedite the process for the establishment of cannabis businesses. Fewer regulations and reliance on Conditional Use Permits may provide a methodology for that.
- DOJ background checks:
  - The delays incurred as a result of the lack of response from the DOJ have been excessive. Council may direct the Police Chief to consider removal of this requirement (as it is not universally required by the State).

#### STRATEGIC PLAN

This agenda item is informational only.

#### FISCAL IMPACT

There is no fiscal impact associated with this agenda item.

#### RECOMMENDATION

That the City Council receive the update from staff on the expirations, renewals and DOJ items, and discuss possible agenda items for future Council meetings.

Prepared by: Victoria Lombardo, Senior Planner

Reviewed by: Bill Dean, Interim Development Services Director  
Midori Lichtwardt, Assistant City Manager

Approved by: Michael Rogers, City Manager

AGENDA ITEM 3.B

REQUEST

**AN UPDATE REGARDING THE CITY OF TRACY'S EFFORTS ADDRESSING HOMELESSNESS AND A SUMMARY OF A FUTURE PLAN TO ALLEVIATE THE IMPACT OF HOMELESS ENCAMPMENTS AT EL PESCADERO PARK ON THE SURROUNDING COMMUNITY**

SUMMARY

At the City Council meeting on May 3, 2022, Council requested that staff provide an update regarding the existing conditions associated with the homeless encampments at El Pescadero Park. Council further requested a report on the City's efforts in addressing the nuisances and illegal activities occurring at the park. This report is in response to Council's request and summarizes the City's efforts in addressing homelessness in the City of Tracy. Note that the discussion of the broad economic and social conditions that give rise to homelessness and to homeless encampments is beyond the scope of this discussion.

DISCUSSION

The City of Tracy, not unlike many other areas in California, has experienced an increase in the number of unsheltered or homeless individuals over the past several years with the largest encampment located at El Pescadero Park. To address the issues surrounding homelessness strategically, both regional and Tracy-specific strategic plans were drafted in the Fall 2019 (attached). The City's Plan established short and long-term goals to address housing issues and bolstered support services to those experiencing homelessness within the City. This Plan includes the development of Tracy's first Temporary Emergency Housing Project for the unsheltered.

The City's Limitations Under *Martin v. Boise*

In September of 2018, the Ninth Circuit in *Martin v. City of Boise* held that local jurisdictions may not enforce ordinances that prohibit sleeping outside on public property when those individuals have no option for shelter. Specifically, the Ninth Circuit held that an ordinance in Boise, Idaho barring public camping violated the Eighth Amendment's Cruel and Unusual Punishment Clause because it criminalizes the "status" of homelessness. The court determined that enforcement of ordinances that prohibit sleeping or camping on public property is unconstitutional when those individuals do not have a meaningful alternative, such as shelter space or a legal place to camp (*Martin v. City of Boise* (2018) 902 F.3d 1031, 1048). As a result, the City cannot prohibit public sleeping or camping, including public sleeping or camping at El Pescadero Park, until it provides shelter for its homeless population.

City's Efforts in Addressing Homeless Encampments

The San Joaquin County Continuum of Care's 2019 Point in Time Count tallied 155 homeless individuals in the City of Tracy, many of whom are located in El Pescadero Park. The numbers for the 2022 Point in Time Count have not yet been released. Recognizing the

importance of responding to the human services needs of our homeless population, the City has devoted significant resources toward this effort, including:

- Coordinated efforts between the City's Public Works Department, South County Fire Authority, Tracy Police Department and Code Enforcement team to proactively address issues related to homelessness (camping in parks, code violations, illegal activities, unleashed dogs, smoking in the park, etc.) and providing bi-weekly park clean-ups. These clean-ups also serve as an opportunity to educate the homeless population.
- Deploying "Operation Helping Hands" (OHH): This team includes the Tracy Police Neighborhood Resource Officers, San Joaquin County Homeless Behavioral Health Department, Care-Link and Central Valley Low-Income Housing. Local non-profit and church organizations also accompany the team on the third Wednesday of each month, performing site visits to the various locations where the unsheltered gather, to share information on available services and programs and educate the park users on violations and hazards that exist in the park. This first-person approach uses progressive engagement and works to build trust through a series of interactions over a period of time.
- Collaboration with other allied agencies and community partners for homelessness prevention and intervention in Tracy.
- Coordinate with San Joaquin County and Continuum of Care to ensure continuity among strategic plans.
- Established the Tracy Homeless Advisory Committee allowing for City staff updates on its efforts regarding homelessness as well as roundtable discussions with stakeholder groups.
- Secured grants to fund and support homeless services.
- Coordinated cleanups with Caltrans.

On September 1, 2020, the Council gave staff direction to move forward with the development of plans for the design and construction of a temporary emergency housing facility. Subsequently, on March 2, 2021, the Council allocated funding for design and construction. The project is located on 4.8 acres at 370 W. Arbor Avenue and the first phase of construction will include a 60' x 105' structure that will accommodate up to 68 guests, a day room, and offices for operations, administration and client services in an accessible climate-controlled space with fire alarm and sprinkler systems. The 6,300 square foot low-barrier shelter will accommodate people, pets, and possessions. Auxiliary structures will be prefabricated and will include a kitchen, restrooms, showers, laundry, and storage. Site improvements include security fencing, fire access lanes, parking, landscaping and space for future expansion based on funding availability (see attached diagram). The first phase of the project will also include selection of a service provider(s) to operate the facility and provide case management to connect clients experiencing homelessness with health, employment and housing resources. Auxiliary structures will be prefabricated and will include a kitchen, restrooms, showers, laundry, and storage.

### El Pescadero Park – a Site Chosen by the Homeless Population

There are many reasons why the unsheltered selected to camp at El Pescadero Park. Its close proximity to donation services, liquor stores, recycling centers, and its easy access to major arterial roadways collectively make El Pescadero Park a convenient location to camp. Additionally, the unsheltered enjoy the expansive park space which provides them with the room to set up several tents to live in and to house their personal possessions.

### Impacts Resulting from the El Pescadero Park Encampments

Effects on City resources has been incredibly costly to the City. Community insistence on a quick response to homelessness prompts immediate response by City staff. For example, Public Works staff are often pulled from their regular duties and tasked with posting clean up notices, collecting and storing personal belongings, and removing an excessive amount of trash and debris. The area has further become a popular site for illegal dumping, abandoned shopping carts, fires, biowaste/unsanitary conditions, graffiti, drug use, unleashed and unlicensed dogs, degradation/soil erosion, damaged landscaping, use of generators and general disorder.

The most significant impact of these encampments is that legitimate park users no longer visit the park and skateboard amenity due to a sense of fear, feeling unwelcome and being intimidated by transients who occupy the park. As such, this park is rarely frequented by the general community.

### Current Efforts

In addition to the development of the shelter, City staff has embarked on an extensive and robust program to respond to the needs of the community and is outlined as follows:

1. The development of a draft ordinance to address public sleeping and storage of personal items will be before Council within the next few months for review and consideration. In summary, this ordinance sets parameters for the following:
  - Designated hours for public sleeping;
  - Defines the amount of personal/excessive personal items;
  - Provides the designation of a Sensitive Area that prohibits homeless individuals from occupying, including libraries, schools, day care facilities, recreational and open space parks, and areas that provide services to the homeless; and
  - Penalty provisions for violations of the ordinance.
2. Launched an educational campaign, carried out by Operation Helping Hands and City staff assigned to the park cleanup detail, providing literature and dialogue regarding existing ordinances that address nuisances, hazards, and criminal activities taking place in the park. This campaign also provides the opportunity for staff to discuss the shelter

construction progress, identify the various services the shelter will provide, and outline the potential consequences of refusing shelter living when bed space is available.

3. Development of a Familiar Faces Program: This homeless outreach program will be staffed by personnel who have experienced homelessness serving as case workers (also known as Peer Navigators) for Tracy's homeless population. These Peer Navigators, along with Police Neighborhood Resource Officers, will perform community engagement, seek out individuals to assist in motivating behavioral change, promote family reunification, coordinate job training assistance and offer transportation services to the temporary emergency housing facility.
4. The Police Department's Neighborhood Resource Officers, in partnership with clinicians from San Joaquin County Office of Behavioral Health Services, piloted the department's Mental Health Evaluation Team (MET). The MET pairs clinicians with officers for the purpose of responding to some of the 910 calls for service involving those in a behavioral health-related crisis. MET's ultimate goal is to help those in crisis by providing them real-time assistance and clinician access, relieving patrol resources from behavioral related calls so those patrol resources may be utilized for other public safety needs.
5. Preparation of a Phasing Plan for relocating the homeless from the park to the shelter once the shelter is completed: This plan will provide a seamless transition for relocation of the homeless and their belongings to the shelter facility.

Following complaints from neighbors and other concerned community members that the lack of police supervision has allowed crime to fester unchecked, Tracy Police Department has increased its proactive patrol in and around El Pescadero Park. Even with the increased police presence, Police cannot be everywhere at once. Therefore, in an effort to bolster safety and deter crime for people in and near the park, the City is in the midst of preparing a Request for Proposals (RFP) for private security services at El Pescadero Park. Many cities have moved towards using private security services as a secure and economically viable option to address existing and emerging issues associated with homeless encampments. There are a host of security solutions that a private security service can provide, which includes around-the clock, 24-hour security support, immediate communication with Tracy Police for emergency response to medical needs and/or criminal activity and Telescoping Mobile Video Surveillance Unit.

#### Alternative Site for the El Pescadero Park Encampments

Many cities have developed and implemented varying responses to assist people living in encampments while protecting the best interest of the community. Some cities manage its encampments by officially sanctioning them or opting to not create or enforce policies that would disrupt the people who live in them.

Given the community impacts surrounding the encampments at El Pescadero Park, City staff has received suggestions from the public to designate another location within the City of Tracy that would alleviate the impact on the North Tracy community. Community members have proposed designating a "safe ground" adjacent to the proposed Temporary



Emergency Housing Facility on Arbor Road. However, this option bears no long-term community benefit and, as such, is not a viable alternative.

STRATEGIC PLAN

Discussion of this item falls under the City's Homelessness Strategic Plan.

FISCAL IMPACT

This discussion item has no impact to the City's General Fund.

RECOMMENDATION

Staff recommends Council consider this report and provide direction.

Prepared by: Ana Contreras, Community Preservation Manager  
Miguel Contreras, Police Lieutenant

Reviewed by: Sekou Millington, Chief of Police  
Riana Daniel, Deputy City Attorney

Approved by: Michael Rogers, City Manager

Attachment:

Attachment A: Temporary Emergency Housing Facility Diagram

# CITY OF TRACY

## TEMPORARY EMERGENCY HOUSING PROJECT

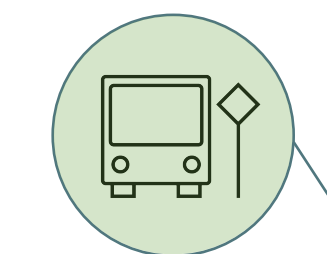
370 W Arbor Ave, Tracy, CA

Date: 05/04/22

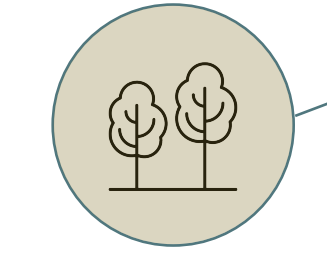
ATTACHMENT A



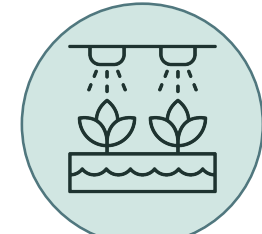
Biweekly Update Report



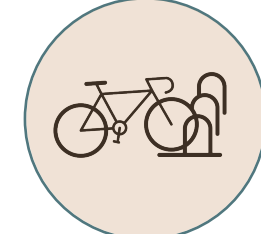
**Transportation Access**  
Transportation services to local public transportation and access to Dial a Ride



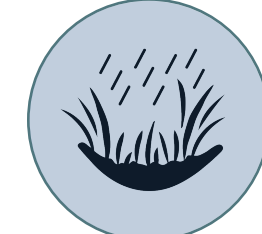
**Trees**  
Trees provide shade and help to reduce the heat island effect generated by development in urban areas



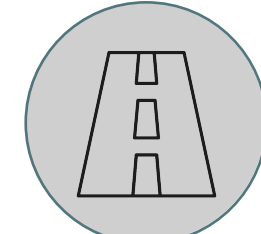
**Bioretention & Irrigation**  
Bioretention provides treatment of site stormwater and reduces runoff. Drip irrigation reduces landscape water use by 30%



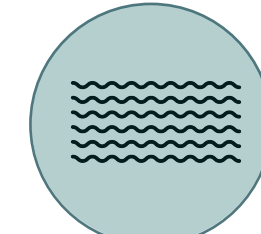
**Bike Storage**  
Bike Storage ensures user bikes are securely parked and also aids in reducing vehicular traffic



**Stormwater Management**  
**Permeable Surfaces**  
Stormwater management reduces particulates and contaminants in rainwater through the use of permeable pavers and bioretention areas water and air pass through before leaving the site



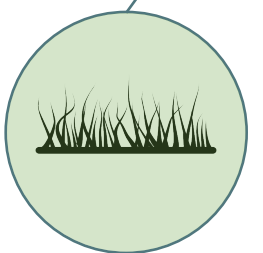
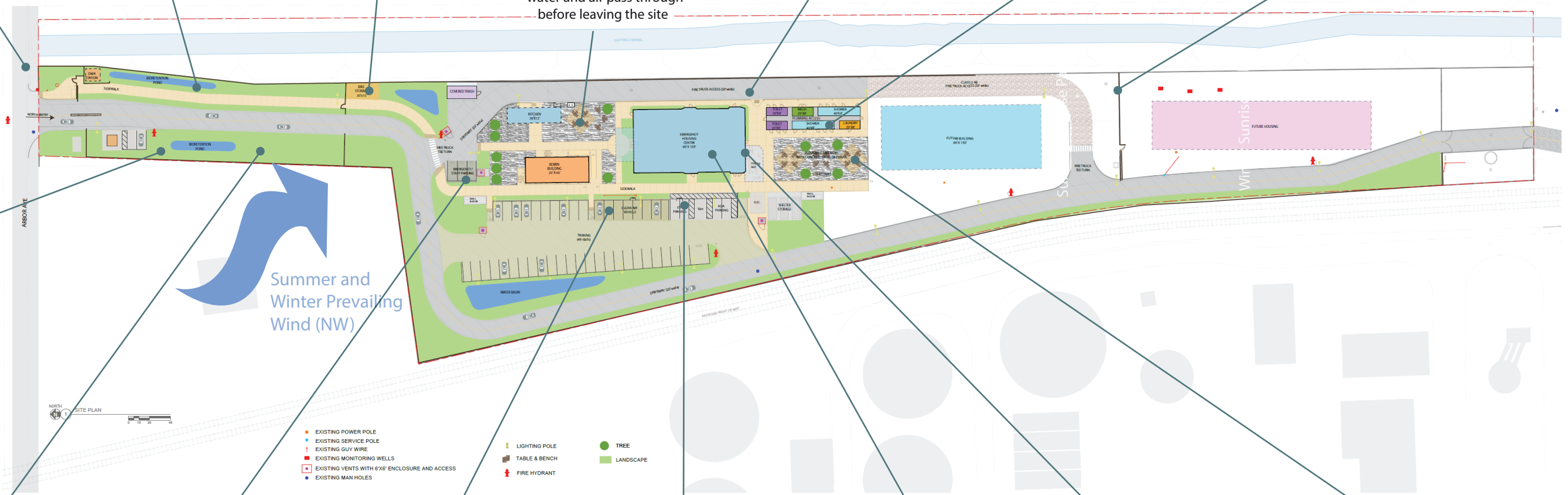
**Permeable Pavement**  
Permeable pavers are made from recycled materials, reducing waste, providing stormwater treatment and providing attractive surfaces



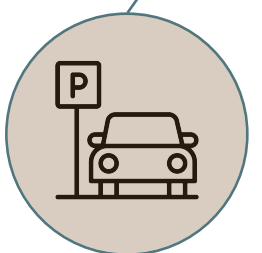
**Indoor Water Use Reduction**  
Reduce aggregate water consumption by 20% with effective water management



**Construction Management Planning**  
A Construction Waste Management Plan requires that 75% of construction waste be recycled



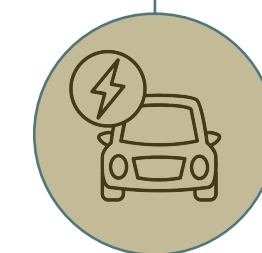
**Sustainable Plant Species**  
Landscaped areas will be planted with native, drought tolerant ground cover that provides additional stormwater treatment and reduces irrigation water



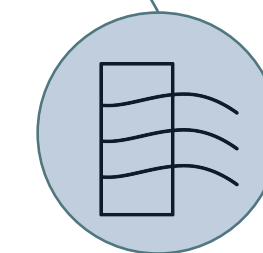
**Loading Zone**  
Loading Zone located at an area that provides greater and easier access for site operations



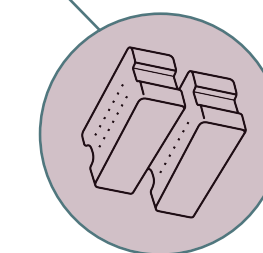
**Clean Air & ADA Parking**  
Accessible parking spaces improve site accessibility and parking for green power vehicles encourages use of alternative energy vehicles



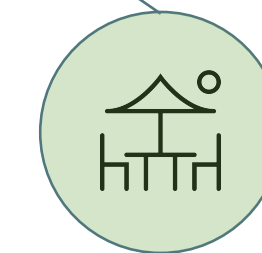
**Electric Vehicle Charging Station**  
Charging Station infrastructure allows for future recharging of electric vehicles



**Indoor Air Quality and Control**  
Control over air quality by regulating smoking near and on the site and by meeting standards for indoor air quality



**Building Products Optimization**  
Raw materials used in construction are low emitting and sourced responsibly and locally with environmentally and economically preferable life-cycles



**Shaded Outdoor Seating Areas**  
Outdoor seating area provides connection to nature and rest from public waiting areas