

NOTICE OF REGULAR MEETING

Pursuant to Section 54956 of the Government Code of the State of California, a Regular meeting of the **Finance Committee** is hereby called for:

Date/Time: **Wednesday, May 17, 2023, at 7:00 p.m.**
(or as soon thereafter as possible)

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

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

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

For Remote Public Comment:

During the upcoming Tracy Finance Committee 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: 2558 112 1629 and Event Password: Finance***
 - *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 when prompted to provide an email address.*
 - *Join by phone by dialing +1-408-418-9388, enter 25581121629 #75457659# 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 Chairperson 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.

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

Full copies of the agenda are available on the City's website: www.cityoftracy.org

CALL TO ORDER
ROLL CALL

1. CONSENT CALENDAR

- 1.A. ADOPTION OF APRIL 19, 2023, REGULAR MEETING MINUTES
- 1.B. ADOPTION OF TRACY FINANCE COMMITTEE BYLAWS
2. Items from the Audience – In accordance with Council Meeting Protocols and Rules of Procedure, adopted by Resolution 2019-240, and last amended by Resolution No. 2021-049, 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, Committee Member 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 the Committee.
3. REGULAR AGENDA
 - 3.A Discuss and provide feedback to the staff on the FY2023-24 Proposed City Council budget.
 - 3.B. Discuss and provide an informational update regarding the new digital budget book.
4. STAFF ITEMS
5. COMMITTEE ITEMS
6. Adjournment

Posting Date: May 12, 2023

The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in public meetings. Persons requiring assistance or auxiliary aids in order to participate should call City Hall (209-831-6000), at least 24 hours prior to the meeting.

Any materials distributed to the majority of the Finance Committee regarding any item on this agenda will be made available for public inspection in the Finance and Administrative Services Department located at 333 Civic Center Plaza during normal business hours.

TRACY FINANCE COMMITTEE MEETING MINUTES

April 19, 2023, 7:00 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy

2nd Floor, Room 203

1. CALL TO ORDER – Council Member Arriola called the meeting to order at 7:15 p.m.
2. ROLL CALL – Roll call found Council Member Arriola present. Mayor Young participated remotely.
3. ITEMS FROM THE AUDIENCE – There were no items from the audience.
4. DISCUSSION ITEMS

4A. Committee selection of a chairperson

ACTION: Motion was made by Council Member Arriola to nominate Council Member Arriola as chairperson and seconded by Mayor Nancy Young. Motion found all in favor; passed and so ordered.

4B. STAFF RECOMMENDS THAT THE TRACY FINANCE COMMITTEE RECEIVE AN INFORMATIONAL REPORT AND UPDATE REGARDING THE PRELIMINARY FY2023-24 OPERATING BUDGET

Sara Cowell, Finance Director, provided the staff report and update on the preliminary FY 2023-24 operating budget.

Mayor Young asked about the totals on the staffing requests. Budget Officer Felicia Galindo and Director of Finance Sara Cowell explained that other costs are included such as purchases, services, and supplies. It also encompasses materials costs, utilities, and solid waste contract increase. Innovation and technology requests are related to ensure that we have software contracts and the City Attorney’s office is requesting outside legal counsel due to increase in litigation and for backfill when one employee is to be out on leave.

Mayor Young requested an additional slide in between the Preliminary FY2023-24 Budget Augmentations and the Staffing Requests slide. Council Member Arriola requested an extra slide describing the additional costs breakdown.

Arriola stated that perhaps we could use this space to assist staff with the presentation to the public and council. He suggested that on the sales tax update slide to include percentages and numbers. On the budget augmentation slide he inquired as to what is

the 4.1 million for Operations and Utilities, three positions are listed, what constitutes the remainder. The response by staff was that 2.9 million is fuel expense, waste contract, staff and one-time items related to vehicles and purchases. The majority is from increasing the contract which is money in and out as we collect the fees and then pay them out for the contract.

Assistant City Manager Karin Schnaider commented – sales tax information was disseminated, and we will have more information within two weeks. It may be larger than the loss of Amazon. She expects a bill on the floor in January.

No public comment no action needed to be taken.

- 4C. STAFF RECOMMENDS THAT THE TRACY FINANCE COMMITTEE RECEIVE AN INFORMATIONAL REPORT RELATED TO PARTICIPATION IN THE CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST (CEPPT) PROGRAM, FOR THE PREFUNDING OF THE CITY'S ACCURED PENSION COSTS

Sara Cowell, Finance Director, provided the staff report on participation in the California Employers' Pension Prefunding Trust (CEPPT) program, for the prefunding of the City's accrued pension costs.

Council Member Arriola questioned would our intent be to continue with this should the E Commerce go away. The response was that we have money set aside and we think we have at least one year so two more million in the trust through 2024, at which time sustainability strategies will go away.

No public comment no action needed to be taken.

5. STAFF ITEMS – Sara Cowell, Finance Director, asked if the current day and time was acceptable to the committee members as the bylaws have not yet been approved. This topic will be revisited later via email as not all members had their calendars accessible.
6. COMMITTEE ITEMS – Council Member Arriola inquired as to whether there would be the opportunity to discuss individual travel budget before this committee before the June council meeting. The response was that yes, staff will bring back an item to the May Finance Committee meeting.
7. ADJOURNMENT – Time: 7:43 pm

Mayor _____

ATTEST:

Executive Assistant

Agenda Item 3.A.

RECOMMENDATION

STAFF RECOMMENDS THAT THE TRACY FINANCE COMMITTEE RECEIVE AN INFORMATIONAL REPORT AND PROVIDE FEEDBACK ON THE FY 2023-24 PROPOSED CITY COUNCIL BUDGET.

EXECUTIVE SUMMARY

At the April 19, 2023, Finance Committee meeting, committee members requested staff return with an informational item on the City Council's FY2023-24 proposed budget.

BACKGROUND AND LEGISLATIVE HISTORY

In the current FY2022-23 fiscal year, the City Council's budget has three account lines related to travel: Travel (5228, consisting of lodging, meals, transportation); Memberships (5292); and Registration (5293). The budget for each line item was adopted with the FY2022-23 Operating and Capital Budget, based upon amounts spent by the Council in prior years.

On February 21, 2023, the City Council approved a budget augmentation of \$50,000 to increase the City Council's Travel (5228) line item to accommodate the approved travel requests, bringing the total to \$103,354. Staff did not bring a request to augment other line items at that time, as staff was unaware that some of the additional approved travel required additional membership fees. In the chart below, staff has estimated the travel costs for the remaining portion of the year and has reported it as an encumbrance, since some of the travel expenses have not completed the payment process. Based upon the current estimation, Council is within the augmented budget amount.

ACCOUNT	DESCRIPTION	ORIGINAL APPROPRIATION	AUGMENT	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCE	PROJECTED FY 2023	AVAILABLE BUDGET	% USED
12561101-5228	Travel, Meals, Lodging	\$ 53,354	\$ 50,000	\$ 103,354	\$ 15,987	\$ 59,107	\$ 75,094	\$ 28,260	76%
12561101-5292	Memberships	\$ 1,545	\$ -	\$ 1,545	\$ 8,145	\$ -	\$ 8,145	\$ (6,600)	527%
12561101-5293	Registration	\$ 6,592	\$ -	\$ 6,592	\$ 14,034	\$ 718	\$ 14,752	\$ (8,160)	224%
TOTAL		\$ 61,491	\$ 50,000	\$ 111,491	\$ 38,166	\$ 59,825	\$ 97,991	\$ 13,500	

Over the last three fiscal years, Council's travel has increased, which has also increased the requests for memberships and organizations related to travel. The chart below depicts the summary of travel expenses since fiscal year 2018. Due to the COVID-19 pandemic, travel and related expenses for fiscal years 2020 and 2021 were significantly lower than other years.

ACCOUNT	DESCRIPTION	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Revised FY 2023	Projected FY 2023
12561101-5228	Travel, Meals, Lodging	\$ 27,425	\$ 44,023	\$ 6,412	\$ 130	\$ 34,095	\$ 103,354	\$ 75,094
12561101-5292	Memberships	\$ 300	\$ 1,725	\$ -	\$ 400	\$ 400	\$ 1,545	\$ 8,145
12561101-5293	Registration	\$ 5,560	\$ 5,200	\$ 1,711	\$ 3,530	\$ 7,370	\$ 6,592	\$ 14,752
TOTAL		\$ 33,285	\$ 50,948	\$ 8,123	\$ 4,060	\$ 41,865	\$ 111,491	\$ 97,991

At the April 18, 2023, meeting, the City Council adopted a new policy for reimbursement for travel and expenses for Elected and Council-Appointed Officials. As part of the change in policy, each Elected Official will now have an individual budget that is separately approved by the City Council through the budget approval process. The budget allocation will be for all costs, including the cost of registration and/or memberships required to secure the relevant travel and/or training.

The FY24 proposed City Council budget is depicted in the chart below and totals \$466,901. The proposed budget includes the Personnel costs for City Council, professional services, supplies (including postage, printing, advertising and operating supplies), Internal Service Charges (for the City Council's share of cost related to phones, IT, and other internal City services), and Travel.

DESCRIPTION	REVISED FY23	PROPOSED FY24
Personnel - City Council	88,040	105,675
Postage, Printing, Copying & Advertising	927	955
Professional Services	13,905	54,322
Travel	111,491	154,836
Operating Supplies	6,186	6,372
Internal Service Charges	139,300	144,742
Total City Council Budget	359,849	466,901

Included in the FY24 proposed budget are \$80,000 in ongoing augmentations requested. Augmentations include \$40,000 for the purchase of software for monitoring Strategic Priorities and goals, and \$40,000 for travel to account for the memberships and registrations that are required for some of the previously approved Council travel.

FY24 City Council Budget Augmentations

Description	Amount
Professional Services - Software for Strategic Priority Tracking	40,000
Travel	40,000
Total	80,000

The total proposed FY24 travel budget for City Council is \$154,836, which includes the line items that were previously broken out for Travel, Memberships, and Registration. This total will be allocated, by Council Member through the budget adoption process on June 6, 2023.

FISCAL IMPACT

The proposed FY24 City Council budget totals \$466,901, which is an increase of \$107,052, or 30%, from the FY23 Revised budget and includes \$80,000 in augmentations. Augmentations include software for the purpose of tracking strategic priorities and goals and an increase to travel to account for required registrations and memberships that accompany previously approved travel.

STRATEGIC PLAN

This agenda item supports the Governance strategic priority, goal two, ensure short and long-term fiscal health.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Tracy Finance Committee receive an informational report and provide feedback on the FY2023-24 Proposed City Council budget.

Prepared by: Sara Cowell, Director of Finance

Reviewed by: Riana Daniel, Deputy City Attorney

Attachment A: FY2023-24 Proposed City Council Budget Powerpoint Presentation



FY2023-24 Proposed City Council Budget

Finance Committee

May 17, 2023

Presentation Outline

- Review of current FY23 City Council Travel Budget and structure
- Review of historical City Council Travel Budget
- Proposed FY2023-24 Council Budget
- Proposed FY2023-24 Council Budget Augmentations
- Q&A

Current FY2022-23 Council Travel Budget

ACCOUNT	DESCRIPTION	ORIGINAL APPROPRIATION	AUGMENT	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCE	PROJECTED FY 2023	AVAILABLE BUDGET	% USED
12561101-5228	Travel, Meals, Lodging	\$ 53,354	\$ 50,000	\$ 103,354	\$ 15,987	\$ 59,107	\$ 75,094	\$ 28,260	76%
12561101-5292	Memberships	\$ 1,545	\$ -	\$ 1,545	\$ 8,145	\$ -	\$ 8,145	\$ (6,600)	527%
12561101-5293	Registration	\$ 6,592	\$ -	\$ 6,592	\$ 14,034	\$ 718	\$ 14,752	\$ (8,160)	224%
TOTAL		\$ 61,491	\$ 50,000	\$ 111,491	\$ 38,166	\$ 59,825	\$ 97,991	\$ 13,500	

Historical Council Travel Budget

ACCOUNT	DESCRIPTION	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Revised FY 2023	Projected FY 2023
12561101-5228	Travel, Meals, Lodging	\$ 27,425	\$ 44,023	\$ 6,412	\$ 130	\$ 34,095	\$ 103,354	\$ 75,094
12561101-5292	Memberships	\$ 300	\$ 1,725	\$ -	\$ 400	\$ 400	\$ 1,545	\$ 8,145
12561101-5293	Registration	\$ 5,560	\$ 5,200	\$ 1,711	\$ 3,530	\$ 7,370	\$ 6,592	\$ 14,752
TOTAL		\$ 33,285	\$ 50,948	\$ 8,123	\$ 4,060	\$ 41,865	\$ 111,491	\$ 97,991

Proposed FY2023-24 Council Budget

DESCRIPTION	REVISED FY23	PROPOSED FY24
Personnel - City Council	88,040	105,675
Postage, Printing, Copying & Advertising	927	955
Professional Services	13,905	54,322
Travel	111,491	154,836
Operating Supplies	6,186	6,372
Internal Service Charges	139,300	144,742
Total City Council Budget	359,849	466,901

FY 2023-24 Proposed Council Budget Augmentations

Description	Amount
Professional Services - Software for Strategic Priority Tracking	40,000
Travel	40,000
Total	80,000

Q&A

May 17, 2023



Agenda Item 3.B.

RECOMMENDATION

Staff recommends that the Tracy Finance Committee receive an informational report regarding the new digital budget book.

EXECUTIVE SUMMARY

As part of increased financial transparency, the City of Tracy has elected to use ClearGov for the compilation of the annual operating and capital budget book. This platform is highly customizable and delivers the budget book as an easy-to-navigate website that engages residents with interactive content.

BACKGROUND AND LEGISLATIVE HISTORY

Annually, the Operating and Capital Budget for the upcoming fiscal year is presented to City Council for adoption. Traditionally, the proposed budget has been printed and uploaded to the City's website as a large file document and can be difficult to navigate.

ANALYSIS

The FY 2022/23 Annual Operating and Capital Budget reflected the Council's vision for the community and the values that guide the Council's policy decisions as well as growth, innovation, and fiscal sustainability that will benefit the residents and community it serves.

In preparing for the FY 2023/24 budget, the City sought out how to further this vision by digitizing the budget document to be more accessible and have smoother navigation. With the onboarding of ClearGov, Council, staff, and residents can navigate the operating budget citywide and by the departments. This also allows for additional information regarding capital improvement projects, with location, funding costs, and additional photos. Another advantage of using a digital budget book is reducing paper consumption and saving on printing costs.

Once published, the digital budget book will be posted on the Finance page of the City's website. The digital budget book can also be downloaded into PDF format for those who want a hard copy. Users can select which sections they want to download, allowing users to print the page's most important to them.

FISCAL IMPACT

The cost of the implementation has been absorbed in the finance department's operating budget and will reduce overall costs of printing budget books.

STRATEGIC PLAN

This agenda item supports the Governance strategic priority, goal one, model good governance, teamwork, and transparency.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Tracy Finance Committee receive an informational report regarding the new digital budget book.

Prepared by: Felicia Galindo, Budget Officer

Reviewed by: Sara Cowell, Director of Finance
Riana Daniel, Deputy City Attorney