

January 23, 2024, 6:00 p.m.

City Hall, 333 Civic Center Plaza, Tracy

Web Site: www.cityoftracy.org

CALL TO ORDER – Chairperson Arriola called the meeting to order at 6:00 p.m.

ROLL CALL – Roll call found Chairperson Arriola and Co-Chairperson Bedolla present.

1. CONSENT CALENDAR – Motion was made by Co-Chairperson Bedolla and seconded by Chairperson Arriola to adopt the Consent Calendar. Roll call found all in favor; passed and so ordered.

- 1.A. Approval of December 12, 2023, special meeting minutes. – **Minutes were approved.**

2. ITEMS FROM THE AUDIENCE – There were no items from the audience.

3. REGULAR AGENDA

- 3A. Staff recommends that the Tracy Finance Committee recommend that the City Council adopt a resolution accepting the City of Tracy’s Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023.

Robert Harmon, Finance Accounting Manager, provided the staff report and sought committee feedback.

Committee asked clarifying questions.

There was no public comment.

ACTION: Motion was made by Co-Chairperson Bedolla and seconded by Chairperson Arriola that the Tracy Finance Committee recommend that the City Council adopt a resolution accepting the City of Tracy’s Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023. Roll call found all in favor; passed and so ordered.

- 3B. Staff recommends that The Tracy Finance Committee recommend that the City Council adopt a resolution amending the City’s Operating and Capital Budget for the Fiscal Year ending June 30, 2024, and authorizing the Budget Officer to amend the City’s position control roster for FY2023-24.

Felicia Galindo, Budget Officer, provided the staff report and sought committee feedback.

Committee asked clarifying comments. Co-Chairperson Bedolla requested a brief update on how changes on state level talks on Ecommerce taxes and the business license tax could affect this or future talks about the budget.

Co-Chairperson Bedolla also asked if this report includes a CIP for a police sub-station. Felicia Galindo responded that currently there is not a CIP for a sub-station and noted that there will be a workshop and project update in the future. Assistant City Manager, Karin Schnaider noted that the new sub-station is added on the new Facilities Master Plan--the Public Safety Master Plan and the impact fees will come before the council in March for consideration and would go into effect 60 days after for the first time. It will come forward as an unfunded CIP because the current direction of the City Council is to use public safety fees for the work on fire stations in Cordes Ranch and a new fire station in the Ellis Development.

There was no public comment.

ACTION: Motion was made by Co-Chairperson Bedolla and seconded by Chairperson Arriola that the Tracy Finance Committee recommend that the City Council adopt a resolution amending the City's Operating and Capital Budget for the Fiscal Year ending June 30, 2024, and authorizing the Budget Officer to amend the City's position control roster for FY2023-24. Roll call found all in favor; passed and so ordered.

STAFF ITEMS – Sara Cowell, Director of Finance, welcomed new Finance staff member, Senior Accountant, Michael Raithel to tonight's meeting. Sara Cowell also noted that there are scheduling conflicts in the upcoming committee meetings for 2024 and will bring updated by-laws before Council at the next Council meeting to propose new meeting dates.

Karin Schnaider, Assistant City Manager, gave an update on the sales tax working group of the City Managers group of League of California Cities on sales tax. It will not be proposed as 100% destination based. Also, there was some consensus at the revenue and taxation meeting that they'd move forward with some discussion with CDTFA and county cost allocation methodology that currently does not have to go through legislation. It was done as an easy administration by CDTFA after the Wayfair decision and the out of state sales tax coming into the county and they did not know where it should go so, they allocated it on the county pool. This should be an easy change to move to destination based and won't impact the City's sales tax directly in that it is not generated here and would depend on what is purchased here. It would also give a better idea of what could change as it starts to talk about Ecommerce and warehouses that are located here. It puts less of a target on the City of Tracy because the City will get a disproportionate amount of the county pool because of the warehouses. Therefore, there is almost a double hit by spreading it out to where it belongs to a destination based, we will find that those cities get that bump automatically. Ms. Schnaider stated that it should be supported. It's not a consensus between all of the member agencies but it is what is Cal Cities is recommending. They are watching the bills that are being

introduced and they haven't heard anything regarding Ecommerce. Mr. Glazier is coming after tax rebates, and they'll continue to watch that. He is looking to eliminate all tax rebates in the state. If he changes that policy, then the City would not want to endorse that as we have three current tax rebates that would be affected by his bill. The one Cal Cities adopted is almost the same as the City of Tracy's. Ms. Schnaider will provide updates in the five-year forecast. Budget Officer, Ms. Galindo is on the same committees and is attending the meetings with Ms. Schnaider and the next meeting is in March and there will be an update provided.

4. COMMITTEE ITEMS – Co-Chairperson Bedolla is looking forward to having Council or Committee looking at balancing where the Master Plan Fees go in regard to building out the Fire Station Plan and Police Sub-Station Plan. Chairperson Arriola would like to get support to implement a policy regarding the prioritization of CIP projects and Co-chairperson Bedolla gave his support.
5. ADJOURNMENT – Time: 6:32 p.m.

ACTION: Motion was made by Chairperson Arriola and seconded by Council Member Bedolla to adjourn. Motion found all in favor; passed and so ordered.

The agenda was posted at City Hall on January 19, 2024. The above are action minutes. A recording is available on the City's website.

Chairperson

ATTEST:

Clerk