



## NOTICE OF SPECIAL MEETING

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

**Date/Time:** **Tuesday, June 25, 2024, 7:00 p.m.**  
(or as soon thereafter as possible)

**Location:** **A quorum of City Council will be in attendance at:**  
**Tracy City Hall**  
**333 Civic Center Plaza, Tracy, CA. 95376**  
**And**  
**Mayor Young will be attending remotely at the following location:**  
**Atlanta Marriott Marquis**  
**265 Peachtree Center Ave NE**  
**Atlanta, GA 30303**

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

***This meeting will be open to the public for in-person and remote participation pursuant to Government Code Section 54953(e)***

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

*During the Items from the Audience, public comment will be accepted via the options listed below. If you would like to comment remotely, please follow the protocols below:*

- *Comments via:*
  - **Online by visiting** <https://cityoftracyevents.webex.com> and using the following **Event Number: 2551 546 1969** and **Event Password: TracyCC**
  - ***If you would like to participate in the public comment anonymously***, you may submit your comment via phone or in WebEx by typing “Anonymous” when prompted to provide a First and Last Name and inserting [Anonymous@example.com](mailto:Anonymous@example.com) when prompted to provide an email address.
  - **Join by phone by dialing +1-408-418-9388**, enter 25515461969#8722922# Press \*3 to raise the hand icon to speak on an item.
  
- *Protocols for commenting via WebEx:*
  - *If you wish to comment under “Items from the Audience/Public Comment” portion of the agenda:*
    - *Listen for the Mayor to open “Items from the Audience/Public Comment”, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.*
    - *If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.*
  - *Comments for the “Items from the Audience/Public Comment” will be accepted until the public comment period is closed.*

1. Call to Order
2. Actions, by Motion, of City Council pursuant to AB 2449, if any
3. Roll Call and Declaration of Conflicts
4. Items from the audience - *In accordance with Council Meeting Protocols and Rules of Procedure, adopted by Resolution No. 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, 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.*
5. DISCUSSION ITEMS
  - 5.A. Staff recommends that the Tracy City Council take the following actions:
    1. conduct a Public Hearing regarding the proposed Fiscal Year (FY) 2024/25 Annual Operating and Capital Budget; and upon conclusion,
    2. adopt resolutions(A) approving new positions for an annual aggregate cost of \$966,780 and authorizing the Budget Officer to amend the City's position control roster for FY 2024/25, B) adopting the FY 2024/25 annual operating and capital budget) approving the allocation of the FY 2024/25 Travel Budget of the City Council Body D) reflecting committed fund balances (Governmental Accounting Standards Board 54) for Fiscal Year ending June 30, 2024 in compliance with statement 54 of the governmental accounting standards board, and E) establishing FY 2024/25 appropriations limit pursuant to Article XIII B of the California State Constitution.
  - 5.B. Informational Report on the Corral Fire and the Status of Emergency Plans and Access for the Tracy Hills Neighborhood
6. Council Items and Comments
7. Adjournment

**Posting Date: June 21, 2024**

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

Agenda Item 5.A

RECOMMENDATION

**Staff recommends that the Tracy City Council take the following actions:**

**1) conduct a Public Hearing regarding the proposed Fiscal Year (FY) 2024/25 Annual Operating and Capital Budget; and upon conclusion,**

**2) adopt resolutions(A) approving new positions for an annual aggregate cost of \$966,780 and authorizing the Budget Officer to amend the City's position control roster for FY 2024/25, B) adopting the FY 2024/25 annual operating and capital budget) approving the allocation of the FY 2024/25 Travel Budget of the City Council Body D) reflecting committed fund balances (Governmental Accounting Standards Board 54) for Fiscal Year ending June 30, 2024 in compliance with statement 54 of the governmental accounting standards board, and E) establishing FY 2024/25 appropriations limit pursuant to Article XIII B of the California State Constitution.**

EXECUTIVE SUMMARY

The City's annual budget is a numerical representation of the City Council's goals and priorities. As such, the City Manager's proposed Fiscal Year (FY) 2024/25 Annual Operating and Capital Budget (Annual Budget) was developed under the framework of the City Council's adopted strategic priorities and objectives. The FY 2024/25 Annual Budget appropriations total approximately \$389 million from all funding sources including capital improvements of \$89 million. The budget document summarizes City funds and provides an overview of existing and new capital projects that will be funded in the upcoming fiscal year.

The public hearing scheduled for this evening will allow for additional discussion and community input prior to Council consideration and adoption of the proposed FY 2024/25 Annual Operating and Capital Budget, including authorization of the FY 2024/25 position control roster; adoption of the FY 2024/25 Committed Fund Balances (GASB 54); and the adoption of the Appropriation Limit (Gann Limit).

The City's Proposed FY 2024/25 Annual Operating and Capital Budget can be located at the City Clerk's Office in City Hall and on the City of Tracy Website: [Budget & Financial Documents and Policies | City of Tracy, CA](#)

DISCUSSION

**Proposed FY 2024/25 Citywide Annual Operating and Capital Budget**

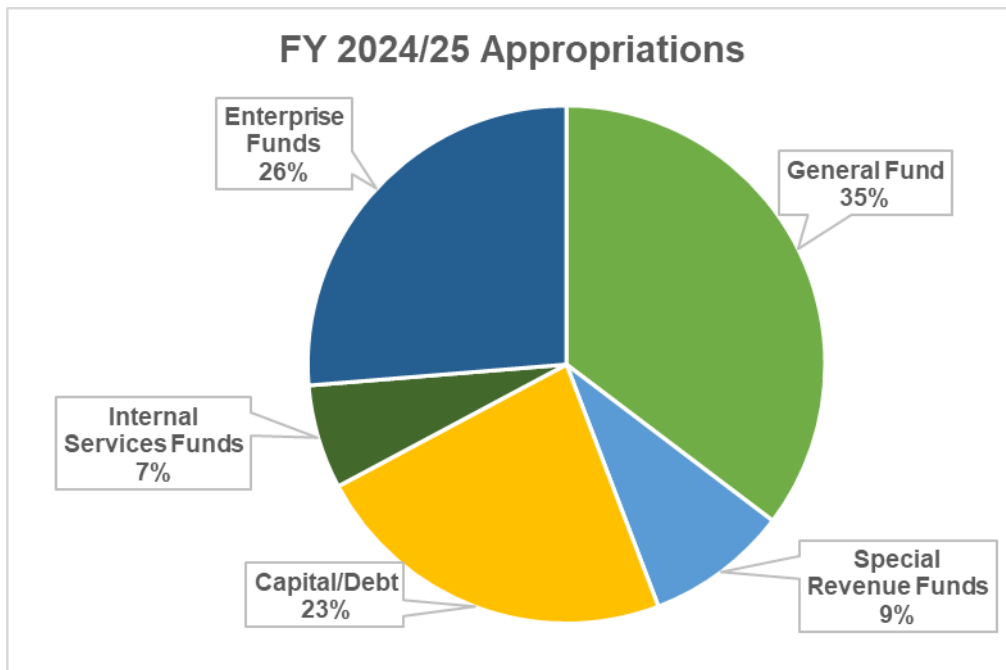
The FY 2024/25 Annual Operating and Capital Budget offers growth, innovation, and fiscal sustainability that will benefit the residents and community it serves. The budget will support enhanced services, new core programming, and policy initiatives that will strengthen the City's position as a place to live, play, and work. Core services such as public safety and the maintenance of parks, roads and streets, continue to remain a top focus for the City.

The proposed FY 2024-25 Operating and Capital budget reflects Council priorities, funds core services, and allows us to plan while maintaining a steadfast commitment to a solid financial foundation. As we head into a future with many unknowns, the City's commitment to continue

the implementation of its fiscal sustainability strategies to pay down future liabilities, fund deferred maintenance and City services will enhance the City’s ability to weather potential future economic changes. As outlined in the guiding budget principles (see [Attachment A](#)) City Council adopted January 12, 2021, to help ensure the long-term fiscal viability of the City.

The FY 2024/25 appropriations total approximately \$389 million, including \$30 million in Transfers Between funds and capital improvements of \$89 million. This reflects an overall increase of \$100 million dollars from the Adopted FY2023-24 Operating and Capital budget. The change is linked to the increase in funding for capital improvement projects being adopted into the proposed capital budget.

	<u>FY 2023/24</u> <u>Adopted</u> <u>Budget</u>	<u>FY 2024/25</u> <u>Proposed</u> <u>Budget</u>	<u>(Increase/</u> <u>Decrease) %</u>
General Fund	108,700,494	115,133,704	6%
Special Revenue Funds	39,412,742	33,224,532	(19%)
Capital/Debt	15,299,052	88,563,368	83%
Internal Services Funds	20,281,745	24,022,371	16%
Enterprise Funds	87,739,296	97,825,747	10%
Total Expenditures (without Transfers)	271,433,329	358,769,721	24%
Transfers Between Funds	20,581,459	30,375,044	32%
Total Expenditures (with Transfers)	292,014,788	389,144,765	25%



**Proposed budget for all funds**

<b>EXPENSES (in thousands)</b>	<b>FY 23/24 Amended</b>	<b>FY 24/25 Proposed</b>	<b>FY 25/26 Forecasted</b>
General Fund	\$ 139,321	\$ 137,180	\$ 139,751
Building Fees	6,966	6,525	6,771
Engineering Fees	8,614	8,404	8,768
Planning Fees	5,023	3,399	3,526
Gas Tax	14,578	5,746	2,467
Special Revenue	64,887	10,831	7,567
General Fund Capital	55,767	61,801	0
Capital	58,703	18,859	983
Debt	6,075	8,248	9,321
Internal Services	23,467	25,305	26,293
Water	30,642	26,850	27,472
Wastewater	53,066	23,153	23,884
Solid Waste	36,194	37,379	38,532
Storm Drain	757	622	647
Airport Enterprise	1,798	1,243	1,282
Transit	10,721	13,600	7,204
<b>Total Expenditures</b>	<b>516,579</b>	<b>389,145</b>	<b>304,468</b>

**Proposed FY 2024/25 General Fund Annual Operating and Capital Budget**

The General Fund forecast presented on March 5, 2024, included an inflation factor of 3% for expenses in the short term and flattens to 1-2% in the long-term. This factor is used to maintain the current buying power of the City. The trends for non-personnel may rise higher than the forecast of 3% due to a steep rise in inflation and supply chain disruptions currently in the market. The inflation factor may result in the City's costs rising higher than the forecast and reducing the overall buying power. The City will continue to monitor the inflation rate on goods and services as it has historically outpaced the City's revenue growth due to regulatory restrictions on revenues. Staff will continue to monitor the costs of goods and services and their impacts on a quarterly basis. The City's General Fund is projected to have a surplus for the next three fiscal years, assuming the Sales Tax revenues collected today remain in place for the next three years.

The following table is from the March 5, 2024, report to City Council on the 5 Year forecast that provided the financial framework to begin discussing new fiscal sustainability funding strategies that have been incorporated into the development of the FY 2024/25 budgets.

**5-Year Forecast**  
(in Millions)

	<b>Projected FY24</b>	<b>Proposed FY25</b>	<b>Forecast FY26</b>	<b>Forecast FY27</b>	<b>Forecast FY28</b>	<b>Forecast FY29</b>
Revenues	\$142	\$147	\$150	\$155	\$148	\$131
Expenditures	\$138	\$144	\$148	\$152	\$148	\$131
Surplus/Deficit	\$4	\$3	\$2	\$3	\$0	\$0

## **Budget and Fiscal Sustainability Funding Planning**

The City continues to diversify its sources of General Fund revenue in an effort to reduce its reliance on any one source. In November 2022, 72% of voters approved Measure B, the modernization of the Business tax, which took effect July 1, 2023. The change to the Business tax was aimed to ensure greater equity amongst businesses in Tracy. The tax is based upon the Gross Receipts of the business, with 75% of businesses reporting a reduction in the tax paid in FY2023-24. While the change benefited many Tracy businesses, some industries were impacted by the change. Through workshops with the Finance Committee, a recommendation for modification to the tax was heard by the City Council on May 21, 2024, and June 4, 2024. An outcome of the May 21, 2024, City Council Meeting was to defer the scheduled budget adoption to a later council meeting. Annually City Council is to adopt the City budget by resolution upon conclusion of the public hearing by June 30. If the City Council fails to adopt a budget prior to the beginning of a fiscal year, as per Tracy Municipal Code Chapter 2.12.090, the City Council must adopt an interim budget by resolution to continue City operations.

The City Council, in its meeting on June 4<sup>th</sup>, voted to adopt an urgency ordinance establishing a temporary moratorium on the collection of business tax for 45 days from the date of adoption. This decision was made because the City Council and staff required additional time to thoroughly analyze potential amendments to the existing tax structure. These amendments aim to mitigate the severe consequences that local businesses might face if tax bills were issued under the current system.

Recognizing Council's desire to make amendments to the Business Tax, staff reduced the Business Tax revenue from \$8 million received in FY2023-24 to \$6 million, initially. After the June 4, 2024, meeting in which the moratorium on payments was established, staff further reduced the Business Tax revenues to \$1.3 million, which is the amount of revenue that would be generated before implementing the revised structure, pending further direction from City Council to evaluate potential amendments and their actual fiscal impacts.

Staff returned to Council on June 18 to further discuss the fiscal impacts and options to amend business tax, upon conclusion staff recommended that council extend the moratorium at the July 2 meeting. It was determined that staff would need time to analyze additional data, and a town hall-style meeting would be needed for additional community engagement with the business community. With extension of the moratorium, staff reduced the Business Tax revenues for FY2024-25 to zero. Once Council has provided direction on amending Chapter 6.04 (Business Taxes), staff will return to Council with any enhancements to revenue and expenditures that may occur.

As a result of these actions, reductions to the Fiscal Sustainability strategies have been made to the proposed FY2024-25 budget. The summary table below outlines the reductions made regarding the funding from the fiscal sustainability policy:

Business Tax Revenue	
Original Assumption	6,000,000
Revised - pending amendments	-
<b>Total Reductions Needed</b>	<b>6,000,000</b>
City Services and Program Increase	(1,400,000)
CalPERS pre-fund	(500,000)
Retiree Medical pre-fund	(1,000,000)
Road Improvements-Deferred Maintenance	(3,100,000)
	<b>(6,000,000)</b>

The following table provides the policy applied to the proposed General Fund revenues (less Measure V Sales Tax) for FY2024/25 and estimates going forward. This includes with and without the reduction, allowing for comparison.

On-Going Revenue/(Expenses)	Estimated % of Revenues	FY 2024/25	FY 2024/25	FY 2025/26	FY 2026/27
General Fund Revenues		\$126	<b>\$126</b>	\$131	\$133
CalPERS pre-fund	2%	\$2.5	<b>\$2.0</b>	\$2.6	\$2.7
Retiree Medical pre-fund	2%	\$2.5	<b>\$1.5</b>	\$2.6	\$2.7
Road Improvements-Deferred Maintenance	3%	\$3.8	<b>\$0.7</b>	\$3.9	\$4.0
Parks -Deferred Maintenance	2%	\$2.5	<b>\$2.5</b>	\$2.6	\$2.7
City Services and Program Increase	3%	\$3.8	<b>\$2.4</b>	\$3.9	\$4.0
Annual Budget Increase	12%	\$15.1	<b>\$9.1</b>	\$15.6	\$16.1

Below is a summary of the General Fund Budget amended for FY 2023/24, proposed for FY 2024/25, and forecasted for FY 2025/26 that includes the above-mentioned policies. See [Attachment B](#) for additional detail.

*Proposed Revenues and Expenditures for the General Fund*

<b>REVENUES (in thousands)</b>	<b>FY23/24 (amended)</b>	<b>FY24/25 Proposed</b>	<b>FY25/26 Forecasted</b>
Property Tax	\$ 32,763	\$ 34,104	\$ 35,127
Sales Tax*	80,000	66,172	68,100
Sales Tax (Measure V)	12,010	12,026	12,356
Other Taxes	11,287	2,500	3,865
Other Revenues	23,867	23,406	23,761
<b>Total Revenues</b>	<b>\$ 159,927</b>	<b>\$ 138,208</b>	<b>\$ 143,209</b>

<b>EXPENDITURES (in thousands)</b>	<b>FY23/24 (amended)</b>	<b>FY24/25 Proposed</b>	<b>FY25/26 Forecasted</b>
Personnel	\$ 57,684	\$ 61,538	\$ 63,986
Contracted Services	29,555	32,224	33,839
Supplies & Equipment	4,166	3,489	3,594
Utilities	2,607	2,321	2,391
Internal Service Charges	12,904	14,872	15,318
Capital	1,931	-	-
Other Payments	812	690	705
<b>Total Expenditures</b>	<b>\$ 109,659</b>	<b>\$ 115,134</b>	<b>\$ 119,833</b>

Transfers In	\$ 10	\$ 10	\$ 10
Transfers Out	(35,817)	(15,447)	(14,099)
Transfers Out: Measure V Capital	(8,891)	(6,597)	(5,819)
<b>Total Net Transfers In/Out</b>	<b>\$ (44,698)</b>	<b>\$ (22,034)</b>	<b>\$ (19,908)</b>

<b>Total Change</b>	<b>\$ 5,570</b>	<b>\$ 1,040</b>	<b>\$ 3,468</b>
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For FY2023/24, the California Department of Tax and Fee Administration (CDTFA) made a one-time adjustment to the sales tax as a result of an audit conducted, resulting in an increase of over \$7 million. The CDTFA found that the allocations made in the fourth quarter of 2020 were too high, possibly due to errors or discrepancies in the original filings. The amended return from a large taxpayer triggered a reassessment, leading to corrections and reallocations within the statewide pools affected by these filings.

Council Fund Committed Reserve Policy

As part of the annual budget adoption the Emergency (17%) and Budget Stabilization (13%) reserves are established. This is determined from the annual budget for operating expenditures and recurring transfers out as shown in the following summary tables for FY2024/25 (additional detail provided in Attachment B):



Transfers (in thousands)	2025 Proposed Budget
Transfers In	10
Transfers Out:	(4,745)
Transfers Out: Debt Service	(4,775)
<b>Total Recurring Transfers</b>	<b>(9,510)</b>
Measure V Capital	(6,597)
Capital	(5,927)
<b>Total Capital Transfers</b>	<b>(12,254)</b>
<b>Total Transfers</b>	<b>(22,034)</b>

FY2024-25 Committed Reserves Calculation	
Operational Expenses	115,134
Recurring Transfers Out	9,510
<b>Total</b>	<b>124,644</b>
Contingency/Emergency Reserves (17%)	21,189
<b>Economic/Budget Stability Reserves (13%)</b>	<b>16,204</b>

Use of Reserves	2025 Proposed Budget
Prior Year Reserves	39,914
Non-Spendable	3,562
Contingency/Emergency Reserves (17%)	21,189
Economic/Budget Stability Reserves (13%)	16,204
GASB 54 (Carryover)	-
Unassigned	-
<b>Year End Reserves</b>	<b>40,955</b>

**FY 2024/25 Proposed Annual Operating and Capital Budget Personnel and Programs**

The FY 2024-25 budget builds on the growth and innovation stemming from the reorganization that occurred during FY 2023-24. Over the last fiscal year there was a realignment of resources to enhance efficiencies, resulting in the dissolution of the Mobility and Housing Department, transitioning the Development Services Department to Community and Economic Development, renaming Parks & Recreation to Parks, Recreation, and Community Services Department and Operations & Utilities back to Public Works. With these realignments, divisions were reassigned to these updated departments as follows:

<u>Division</u>	<u>Previous Department</u>	<u>New Department</u>
Homeless Services	Mobility and Housing	Parks, Recreation, and Community Services
Economic Development	Mobility and Housing	Community and Economic Development
Transit	Mobility and Housing	Public Works
Airport	Mobility and Housing	Public Works
Engineering	Community and Economic Development	Public Works
Cultural Arts	City Manager's Office	Parks, Recreation, and Community Services

In preparing the FY 2024/25 budget, staff has worked in conjunction with the Finance Committee, a two Council member subcommittee. On March 5, 2024, staff presented the five-year forecast to Council. On April 2, 2024, a workshop was conducted with the City Council to review budget augmentations and Capital Project requests for the upcoming FY2024-25 budget.

With the reductions for funding towards the fiscal sustainability strategies, staff needed to evaluate the total General Fund ongoing funding requests previously presented to council at the April 2, 2024, meeting. This totaled a \$1.4 million reduction, leaving \$2.4 million dedicated to ongoing City services and programs. The Homeless Services Division shelter provider contract for \$1.6 million accounts for most of the \$2.5 million funding. This had been previously paid from American Rescue Plan Act (ARPA) funds and now must be absorbed into the general fund. The remaining funding is allocated for additional increases to contract services and operational supplies, which are above the 3% Consumer Price Index (CPI) adjustment that had already been applied.

This budget includes funding for additional positions requested by various departments. However, requests with direct General Fund impacts have been deferred due to the \$1.3 million reduction. The proposed funded positions are existing job classifications and already reflected on the Master Salary Schedule. See Attachment C for a summary table of all the position control roster changes being proposed.

A full listing of all the FY 2024/25 positions (including historical staffing levels) can be found within each department budget. A separate Resolution is included in this agenda packet for the City Council to approve these additional positions and authorize the Budget Officer to make changes to the position control roster.

The total personnel requested for funding for FY2024/25 that are requested are in the following table:

Department	Division	Position	Funding Source	Amount
City Manager's Office	City Clerk	Administrative Assistant	General Fund	Deferred
Human Resources	Human Resources	Human Resources Analyst I/II	General Fund	Deferred
Police	Administration	Deputy Police Chief	General Fund	Deferred
Police	PD Operations	Police Officer	General Fund	Deferred
Public Works	Internal Services	Building Maintenance Worker, I/II	General Fund	Deferred
Public Works	Internal Services	Building Maintenance Worker, I/II	General Fund	Deferred
Parks, Recreation & Community Services	Parks Maintenance	Senior Maintenance Worker	City Wide & Ellis CFD	134,282
Police	PD Operations	Administrative Assistant	Grant *	129,496
Police	PD Operations	Homeless Outreach Coordinator	Grant *	157,691
Public Works	Transit Operations	Maintenance Worker I/II	Transit Operating	132,097
Public Works	Water Operations	Utility Operator	Water Operating	206,607
Public Works	Wastewater Operations	Utility Operator	Wastewater Operating	206,607

**Total: 966,780**

\* The Tracy Police Department will receive a \$336,350 grant award from the California Department of Health Care, Behavioral Health Justice Intervention Services Grant. Once grant funds are expended in 2025, the funding for the future Administrative Assistant and Homeless Outreach Coordinator would be appropriated from the City's General Fund beginning in FY2025/26.

Citywide across all funds there was \$6.6 million in augmentations, see Attachment D for additional details for all budget augmentations included in the FY2024/25 budget.

Total Request Amount	Other Fund On-Going	Other Fund One-Time	General Fund Ongoing	General Fund One-Time
\$ 6,606,206	\$ 3,225,852	\$ 656,900	\$ 2,386,076	\$ 291,800

### City Council Travel Budget

The City Council adopted a new travel policy for elected and Council appointed officials on April 18, 2023. The City Council approved, through Resolution 2023-195, allocations of \$20,000 per Council Member and \$30,000 for the Mayor for a total of \$110,000. The Travel Policy requires adoption of a travel budget per Council Member as well as an allocation of such budgeted funds amongst the individual Councilmembers. A separate Resolution is included in this agenda packet for the City Council to approve the FY2024/25 travel budget.

### Measure V Sales Tax

Measure V Sales Tax proposed revenues for FY2024/25 total \$12 million. Operating expenses total \$1.6 million, this includes staffing and operational expenses for Legacy Fields.

With the issuance of Lease Revenue Bonds for the Multi Gen Recreation Center (MGRC), there is an increased commitment towards debt service payments. For FY2024/25, total debt service payments amount to \$3.7 million. This is not reflective of a full year payment towards the MGRC bonds and will increase to \$4.7 in the next fiscal year. With this increase it reduces the availability of funding annually to fund capital. The current council direction has prioritized the Aquatics Center for funding, with current revenue projections the cities commitment of Measure V will be fully funded by the beginning of FY2024/25. With the available Measure V Funding, this will go to the next priority project of the Nature Park.

The following table provides a summary of proposed revenue and expenses for Measure V in FY2024/25. See Attachment E for a complete updated Measure V forecast.

	<u>FY 23/24</u> <u>Amended</u> <u>Budget</u>	<u>FY 24/25</u> <u>Proposed</u> <u>Budget</u>	<u>FY 25/26</u> <u>Projected</u> <u>Budget</u>
<b><u>REVENUES</u></b>			
Measure V Sales Tax	12,010,000	12,025,694	12,355,685
<b>Total Revenues</b>	<b>12,010,000</b>	<b>12,025,694</b>	<b>12,355,685</b>
<b><u>EXPENSES</u></b>			
<u>Operations</u>			
Staffing	1,374,468	1,439,802	1,504,121
Legacy Operations	728,440	244,000	251,320
MGRC Operations			2,000,000
	2,102,908	1,683,802	3,755,441
<u>Debt Service Payments</u>			
Debt Service - Bond Legacy	1,653,250	1,657,125	1,653,875
Debt Service - Bond MGRC	-	2,087,330	3,127,138
	1,653,250	3,744,455	4,781,013
<u>Transfers Out to Measure V Capital</u>			
78054-Aquatic Center	8,253,842	1,185,446	-
78186-Nature Park	-	5,411,991	1,588,009
78187-Ritter Family Ball Park	-	-	2,231,222
	8,253,842	6,597,437	3,819,231
<b>Total Expenses</b>	<b>12,010,000</b>	<b>12,025,694</b>	<b>12,355,685</b>

Capital Improvement Program

Continuous evaluation of capital improvement needs is crucial for effective budget planning and infrastructure development. In the current planning phase for the FY 2024/25 budget, staff has focused on updating projects and identifying funding requirements for the upcoming fiscal year. This targeted approach allows for timely adjustments and ensures that immediate priorities are addressed. Staff will return in the fall for a more comprehensive update of the 5-year plan once all master plans have been updated. This comprehensive approach enables the incorporation of updated master plans into the program, ensuring alignment with long-term strategic goals and priorities.

A total of \$14.2 million was requested for a total 11 projects for FY2024/25. Currently only five are being included in the Capital Improvement Budget for a total of \$7.8 million, and the other are being deferred (see Attachment F for project details). Those being deferred will be included in the comprehensive 5 Year plan discussion.

The deferred maintenance funding for Roads has been reduced to \$0.7 million as part of the reduction to the fiscal sustainability funding policy. The Parks maintenance funding was not adjusted as it has been committed to the financing plan for the Multi-Generational Rec Center, along with utilizing their allocation for FY2025/26 as a pre-funding from reserves for a total of \$5.2 million towards the project.

The following table is a list of projects requested from the general fund for FY2024/25:

Project	Requested	Fiscal Policy	Capital Projects	Deferred	Total Appropriations
City of Tracy Apparatus Replacement (SSJCFA)	500,000		500,000		500,000
Economic Development Incentive Program	250,000			250,000	-
Council Dais Extension	350,000			350,000	-
Security cameras for City Hall and a PA system for the Support Services Building	250,000			250,000	-
Cyber Security Firewalls	460,000			460,000	-
Multi-Generational Rec Center (Parks Deferred Maintenance FY25 & FY26)	5,229,704	2,500,000	2,729,704		5,229,704
Arterial Landscaping, Tree Maintenance & Removal (LMD)	721,500		721,500		721,500
Airport Pavement Maintenance Management Plan (PMMP)	140,000			140,000	-
Road Improvements - Public Works (Transfer Existing Operating Budget into Project)	650,000		650,000		650,000
Trash Capture Devices for Stormwater Conveyance	5,000,000			5,000,000	-
Annual Pavement Management Plan	700,000	700,000			700,000

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Total	14,251,204	3,200,000	4,601,204	6,450,000	7,801,204
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FY2025 Capital Transfers	5,927,000
General Fund Reserves	1,874,204
	<u>7,801,204</u>

*Deferred projects will be included in the Comprehensive Capital Projects Discussions this Fall*

### **Committed Fund Balances (GASB 54) for Fiscal Year Ending June 30, 2024**

In preparation for closing fiscal year ending June 30, 2024, staff reviews estimated fund balances and designates funds that have been committed for use in future periods. The fund balance policy requires that the City Council take formal action prior to the end of the fiscal year to commit fund balances of governmental funds (General Fund, Special Revenue Funds, Capital, and Debt funds). This item requests Council to approve the committed fund balances for fiscal year ending June 30, 2024. Upon Council approval, these funds will be appropriated to the next fiscal year in FY 2024/25, General Fund \$702,217 and Other Governmental \$2,038,071. Staff recommends adoption of the Committed Fund Balances for fiscal year ending June 30, 2024. (See [Attachment G](#) for details)

### **Annual Adjustment to Appropriations Limit (Gann Limit)**

Article XIII B of the California Constitution, informally known as the Gann Appropriations Limit, limits the total amount of appropriations in any fiscal year derived from the “proceeds of taxes.” The article further provides that appropriations from designated reserve funds are not appropriations from the proceeds of taxes. Additionally, appropriations from sources other than taxes are not controlled by the limit. The calculated appropriation limit for FY 2024/25 is \$94.9 million. Based on the budget adopted on June 25, 2024, \$93.5 million in appropriations are subject to the limit, and the City is currently \$1.4 million below the limit. Staff recommends adoption of the Annual Adjustment to Appropriations Limit (Gann Limit) pursuant to Article XIII B of the California State Constitution establishing the limit for FY 2024/25. (See [Attachment H](#) for calculation)

### **FISCAL IMPACT**

The FY 2024/25 proposed operating and capital budget appropriations total approximately \$389 million, including from \$30 million in Transfers Between funds and capital improvements of \$89 million. By June 30 of each year, the City of Tracy must formally adopt, by resolution, the annual operating, debt, and capital financial plans of each entity and include appropriations presented to the City Council.

### **PUBLIC OUTREACH/INTEREST**

Staff provided a report on the proposed department augmentations, operational updates, proposed Capital Projects to the Tracy Finance Committee on March 26, 2024, for feedback and direction. Staff then facilitated a public workshop with City Council on April 2, 2024, to further discuss the proposed augmentation requests as part of the budget development process.

### **STRATEGIC PLAN**

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

### **ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the Tracy City Council take the following actions:

- 1) conduct a Public Hearing regarding the proposed Fiscal Year (FY) 2024/25 Annual Operating and Capital Budget; and upon conclusion,

2) adopt Resolutions: (A) approving new positions for an annual aggregate cost of \$966,780 and authorizing the Budget Officer to amend the City's position control roster for FY 2024/25, B) adopting the FY 2024/25 annual operating and capital budget C) approving the allocation of the FY 2024/25 Travel Budget of the City Council Body D) reflecting committed fund balances (GASB 54) for Fiscal Year ending June 30, 2024 in compliance with statement 54 of the governmental accounting standards board, and E) establishing FY 2024/25 appropriations limit pursuant to Article XIII B of the California State Constitution.

Prepared by: Felicia Galindo, Budget Officer

Reviewed by: Sara Cowell, Director of Finance

Karin Schnaider, Assistant City Manager  
Bijal Patel, City Attorney

Approved by: Midori Lichtwardt, City Manager

#### ATTACHMENTS

Attachment A – Budget Principles

Attachment B – General Fund Revenue and Expenses

Attachment C – FY2024-25 Staffing – Position Control Roster Changes

Attachment D – FY2024-25 Budget Augmentations

Attachment E - Measure V Forecast

Attachment F – FY2024-25 General Fund Projects

Attachment G – Committed Fund Balances for Fiscal Year Ending June 30, 2024

Attachment H – FY 2024-25 Appropriations Limit Calculation

Attachment I – Budget Message

The City's Proposed FY 2024/25 Annual Operating and Capital Budget can be located at the City Clerk's Office in City Hall and on the City of Tracy Website: [Budget & Financial Documents and Policies | City of Tracy, CA](#)



## City of Tracy

### Budget Principles

The Council Financial Sustainability Ad Hoc Committee is recommending that the City Council establish a set of budget principles to guide future policy makers and staff to ensure the long-term financial sustainability of the City. The budget principles that are listed below reflect feedback provided by the Ad Hoc Committee and serve as a starting point for consideration in Tracy. The set that is ultimately approved by Council may result in new or updated Council policy.

*Reviewed and discussed with the Tracy Financial Sustainability Council Ad Hoc Committee:*

1. Ongoing expenditures should be supported by ongoing revenues.
2. Reserves and one-time revenues should not be used for ongoing expenditures on a continuous basis.
3. Any structural gap in a long-term financial forecast should be addressed in such a way that it is eliminated no later than the final year of the forecast (not to exceed 10 years).
4. Consistent with GFOA recommendations, the General Fund catastrophic reserve should be maintained at a minimum of 17% of annual operating revenue/expenditure, in addition to a budget stabilization reserve which should be maintained at a minimum of 13%.
5. When capital projects are considered, all associated costs - including annual operating expenses and any additional future costs - should be identified in order to properly assess future financial impacts.
6. Each enterprise fund should reflect the true cost of operations and be self-reliant upon fees and/or use rates paid by ratepayers.
7. Activities that are supported by user fees should be fully cost recoverable, except for Council-approved subsidized programs and events.
8. Private development should not be subsidized by public funds.
9. In general, it is preferred that discretionary General Fund revenues not be earmarked in order to allow for maximum flexibility when making funding decisions.
10. Budget development should be guided by a long-term financial plan proposed by the City Manager and adopted by the City Council and should include such considerations as the cost of deferred maintenance and unfunded liabilities.
11. Once adopted, annual budgets should be amended only when necessary and should identify a specific funding source for any new priorities.
12. Service level reductions will only be implemented if other strategies are not possible or cannot be achieved in a timely fashion.

Revenues (in thousands)	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Projected Budget	2025 Proposed Budget	2026 Projected	2027 Projected
Property Tax	24,905	27,249	28,972	31,265	32,763	34,104	35,127	36,181
Sales Tax	26,304	42,806	62,095	63,236	80,000	66,172	68,100	68,781
Sales Tax (Measure V)	10,735	13,843	13,017	10,488	12,010	12,026	12,356	12,479
Business License Tax	850	1,016	1,037	739	8,802	-	1,300	1,339
Cannabis Tax	-	-	-	-	385	500	505	510
Transient Lodging Tax	1,448	1,702	2,263	2,185	2,100	2,000	2,060	2,122
Charges for Services	11,330	10,280	12,710	13,476	12,059	13,882	14,298	14,728
Contributions	896	847	980	931	65	75	76	77
Fines and Forfeitures	180	780	168	195	160	170	175	180
Licenses and Permits	3,907	4,553	4,148	5,031	4,808	4,704	4,846	4,991
Other Revenues	4,697	785	369	773	605	295	304	313
Revenues From Other Agencies	1,630	861	2,360	3,809	3,670	2,280	2,002	2,062
Use of Money	917	254	(2,489)	1,522	2,500	2,000	2,060	2,122
<b>Total Revenues</b>	<b>87,799</b>	<b>104,976</b>	<b>125,630</b>	<b>133,650</b>	<b>159,927</b>	<b>138,208</b>	<b>143,209</b>	<b>145,885</b>

Expenses (in thousands)	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Projected Budget	2025 Proposed Budget	2026 Projected	2027 Projected
Personnel	43,298	46,114	50,115	54,419	57,684	61,538	63,986	66,194
Contracted Services	4,954	5,165	6,216	10,835	12,715	14,261	14,695	15,166
Contracted Services - SSJCFA	15,020	15,475	15,993	15,681	16,840	17,963	19,144	19,688
Supplies & Equipment	1,031	980	1,564	2,688	4,166	3,489	3,594	3,701
Utilities	1,804	2,020	2,236	2,693	2,607	2,321	2,391	2,462
Internal Service Charges	6,008	5,820	7,532	11,244	12,904	14,872	15,318	15,778
Other Payments	556	861	697	1,222	812	690	705	720
Capital	206	-	379	1,650	1,931	-	-	-
<b>Total Expenses</b>	<b>72,877</b>	<b>76,435</b>	<b>84,732</b>	<b>100,432</b>	<b>109,659</b>	<b>115,134</b>	<b>119,833</b>	<b>123,709</b>

Transfers (in thousands)	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Projected Budget	2025 Proposed Budget	2026 Projected	2027 Projected
Transfers In	27	56	70	931	10	10	10	10
Transfers Out:	(4,840)	(2,773)	(2,758)	(3,642)	(4,843)	(4,745)	(4,884)	(5,023)
Transfers Out: Debt Service	(1,238)	(1,121)	(1,121)	(2,672)	(2,676)	(4,775)	(5,828)	(5,838)
Total Recurring Transfers	(6,051)	(3,838)	(3,809)	(5,383)	(7,509)	(9,510)	(10,702)	(10,851)
Measure V Capital	(14,000)	(13,332)	(12,653)	(4,335)	(8,891)	(6,597)	(5,819)	(5,874)
Capital	-	(365)	(27,230)	(20,394)	(28,298)	(5,927)	(3,387)	(4,044)
Total Capital Transfers	(14,000)	(13,697)	(39,883)	(24,729)	(37,189)	(12,524)	(9,206)	(9,918)
Total Transfers	(20,051)	(17,535)	(43,692)	(30,112)	(44,698)	(22,034)	(19,908)	(20,769)
<b>Change in Fund Balance</b>	<b>(5,129)</b>	<b>11,006</b>	<b>(2,794)</b>	<b>3,106</b>	<b>5,570</b>	<b>1,040</b>	<b>3,468</b>	<b>1,407</b>

Use of Reserves	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Projected Budget	2025 Proposed Budget	2026 Projected	2027 Projected
Prior Year Reserves		23,047	34,030	31,236	34,342	39,915	40,955	44,423
Non-Spendable	62	62	62	4,062	4,062	3,562	5,262	5,462
Contingency/Emergency Reserves (17%)*	12,520	13,064	14,689	15,402	19,919	21,189	22,191	22,875
Economic/Budget Stability Reserves (13%)*	9,574	9,990	11,233	11,778	15,232	16,204	16,970	17,493
GASB 54 (Carryover)		360	587	1,235	702	-	-	-
Unassigned	(1,946)	10,554	4,665	1,865	-	-	-	-
	20,210	34,030	31,236	34,342	39,915	40,955	44,423	45,830

FY 2024/25 Proposed Annual Operating and Capital Budget Personnel				
Department	Division	Position	Funding Source	Other Fund
Parks, Recreation & Community Services	Parks Maintenance	Senior Maintenance Worker	City Wide & Ellis CFD	134,282
Police	PD Operations	Administrative Assistant	Grant *	129,496
Police	PD Operations	Homeless Outreach Coordinator	Grant *	157,691
Public Works	Transit Operations	Maintenance Worker I/II	Transit Operating	132,097
Public Works	Water Operations	Utility Operator	Water Operating	206,607
Public Works	Wastewater Operations	Utility Operator	Wastewater Operating	206,607
				966,780
<b>Total:</b>				<b>966,780</b>

\* The Tracy Police Department will receive a \$336,350 grant award from the California Department of Health Care, Behavioral Health Justice Intervention Services grant. Once grant funds are expended in 2025, the funding for the future Administrative Assistant and Homeless Outreach Coordinator would be appropriated from the City's General Fund.

FY 2024/25 Re-Allocated Positions			
Department	Division	Old Position	New Position
City Manager's Office	City Manager's Office	Multimedia Communications Assistant	Communications Coordinator
City Manager's Office	City Manager's Office	Assistant To City Manager	Management Analyst II
Community & Economic Development	Planning	Assistant Director of Development Services	Planning Manager
Police	PD Operations	Animal Services Officer II	Senior Animal Services Officer
Public Works	Utility Maintenance	Utility Maintenance Superintendent	Utility Maintenance Supervisor
Public Works	Utility Maintenance	Utilities Laboratory Superintendent	Utilities Laboratory Supervisor

### Parks, Recreation & Community Services:

One (1) Senior Maintenance Worker: This position is needed to meet the service level standards as outlined in the specific plan for these developments. The Senior Maintenance Worker position is the advanced journey level maintenance worker needed to perform the most technical and complex maintenance tasks, while exercising technical and functional direction over and providing training to lower-level staff.

### Police Department:

One (1) Administrative Assistant: Adding a dedicated administrative support position for the Familiar Faces Program is a strategic move to bolster its growth and effectiveness. This role will be essential in coordinating activities between program partners and patrol units, ensuring seamless communication and collaboration. The administrative support staff will play a vital role in uploading and validating incident responses into multiple data systems, streamlining data management processes for the program. By tracking and reporting program impact, they will provide valuable insights that can inform decision-making and improve program outcomes. This will be funded for 12 months through grant funding, and then absorbed into the departments operational budget.

One (1) Homeless Outreach Coordinator: The current caseload for each case manager in the Familiar Faces Program is double the recommended number according to best practices. With approximately 50-60 new clients identified each quarter due to the transient nature of the population, the workload is expected to increase further. Additionally, the recently formed Mobile Evaluation Team (MET), which works intensively with clients in crisis situations, is also experiencing growth in its caseload. As word spreads about the team's work among officers and partner programs, the team anticipates further growth in services. Given the increasing caseload and demand for services, it's essential to consider strategies to alleviate the workload on case managers while maintaining the quality of care provided to clients. This will be funded for 12 months through grant funding, and then absorbed into the departments operational budget.

### Public Works:

One (1) Maintenance Worker I/II: Adding an additional position to the Transit Division is a strategic move to shift from reactive maintenance tasks to more proactive preventative maintenance efforts. Currently, with a position allocated for maintenance work over only four hours each day, the focus is primarily on addressing immediate service requests rather than conducting essential preventative maintenance tasks. By adding this additional position, the Transit Division can allocate dedicated resources to perform preventative maintenance at transit locations throughout the city, including the Transit Station. This proactive approach ensures that critical maintenance tasks are addressed before they escalate into larger issues, minimizing downtime and enhancing the overall reliability of transit services.

Two (2) Utility Operator: Ensuring the safety and efficiency of Water and Wastewater Plant operations is paramount, especially during solo graveyard shifts. Adding an additional employee for each plant serves multiple critical purposes. The additional employees can act as relief during overtime-related work, mitigating the strain on the existing workforce. By addressing safety concerns and providing necessary relief during overtime, the addition of an employee for each plant improves overall operational efficiency and helps maintain high standards of safety and performance in Water and Wastewater Plant operations.

## FY2024-25 Budget Augmentations

Department	Augmentation Title	TYPE	Total Request Amount	Other Fund On-Going	Other Fund One-Time	General Fund Ongoing	General Fund One-Time
City Manager's Office	New Copy Machine	Operational Supplies	\$ 15,000		\$ 7,500		\$ 7,500
Human Resources	Labor Negotiations Support	Contracted Services	\$ 100,000		\$ 50,000		\$ 50,000
Human Resources	Investigations Support	Contracted Services	\$ 50,000	\$ 25,000		\$ 25,000	
Human Resources	Professional Development/HR	Contracted Services	\$ 5,000	\$ 2,500		\$ 2,500	
Human Resources	Professional Development/Risk	Contracted Services	\$ 5,000	\$ 2,500		\$ 2,500	
Human Resources	Employee Wellness	Contracted Services	\$ 5,000	\$ 2,500		\$ 2,500	
Human Resources	Mayor's Summer Internship Program	Personnel	\$ 53,000	\$ 26,500		\$ 26,500	
Human Resources	Mayor's Summer Internship Program	Contracted Services	\$ 5,000	\$ 2,500		\$ 2,500	
Innovation & Technology	Software Licensing Increase over CPI	Contracted Services	\$ 136,000	\$ 36,720		\$ 99,280	
Innovation & Technology	Innovation Lab	Contracted Services	\$ 25,000		\$ 6,750		\$ 18,250
Innovation & Technology	Workflow Product - LaserFiche Cloud	Contracted Services	\$ 45,000	\$ 5,400	\$ 6,750	\$ 14,600	\$ 18,250
Parks, Rec & Comm Services (Homeless Services)	Increase from GF for funding	Contracted Services	\$ 1,600,000			\$ 1,600,000	
Parks, Rec & Comm Services (Maintenance)	Storm Drain LMD	Operational Supplies	\$ 20,000	\$ 20,000			
Parks, Rec & Comm Services (Maintenance)	Landscaping New Parks Ellis	Operational Supplies	\$ 137,000	\$ 137,000			
Parks, Rec & Comm Services (Maintenance)	Landscaping New Parks Tracy Hills	Operational Supplies	\$ 369,000	\$ 369,000			
Parks, Rec & Comm Services (Maintenance)	Parks Maintenance Truck	Capital	\$ 45,150		\$ 45,150		
			\$ 45,150		\$ 45,150		
Parks, Rec & Comm Services (Maintenance)	(1) Senior Maintenance Worker	Personnel	\$ 67,141	\$ 67,141			
			\$ 67,141	\$ 67,141			
Parks, Rec & Comm Services (Maintenance)	Parks Maintenance Truck	Capital	\$ 45,150		\$ 45,150		
			\$ 45,150		\$ 45,150		
Police Department	Flock Maintenance	Contracted Services	\$ 118,000			\$ 118,000	
Police Department	Cellebrite Maintenance	Contracted Services	\$ 75,000			\$ 75,000	
Police Department	Tuition for Academy Recruit	Contracted Services	\$ 75,000				\$ 75,000
Police Department	Organizational Development	Contracted Services	\$ 25,000				\$ 25,000
Police Department	Ballistic Vest Replacement	Operational Supplies	\$ 22,225			\$ 22,225	
Police Department	WebChameleon	Contracted Services	\$ 13,841			\$ 3,841	\$ 10,000
Police Department	(1) Police Homeless Outreach Coordinator	Personnel	\$ 157,691			\$ 157,691	
Police Department	(1) Administrative Assistant	Personnel	\$ 129,496			\$ 129,496	
Public Works (Airport)	Weed Abatement	Contracted Services	\$ 20,000				\$ 20,000

## FY2024-25 Budget Augmentations

Department	Augmentation Title	TYPE	Total Request Amount	Other Fund On-Going	Other Fund One-Time	General Fund Ongoing	General Fund One-Time
Public Works (Airport)	Replacement/Retrofit of Airport Signage	Operational Supplies	\$ 47,000				\$ 47,000
Public Works (Transit)	Transit bus camera cloud storage	Contracted Services	\$ 32,000	\$ 12,000	\$ 20,000		
Public Works (Transit)	(1) Maintenance Worker II	Personnel	\$ 133,597	\$ 132,097	\$ 1,500		
Public Works (Transit)	(1) Vehicle - Maintenance Worker II	Capital	\$ 68,500	\$ 5,500	\$ 63,000		
Public Works (Utility Line Maintenance)	Drainage Maintenance	Contracted Services	\$ 150,000			\$ 150,000	
Public Works (Solid Waste Management)	Battery Box Program	Operational Supplies	\$ 72,000	\$ 72,000			
Public Works (Solid Waste Management)	Annual Booklet Increase	Operational Supplies	\$ 10,000	\$ 10,000			
Public Works (Building Maintenance)	Increase to Supplies over 3%	Operational Supplies	\$ 91,479	\$ 23,785		\$ 67,694	
Public Works (Pool Maintenance)	Pool Maintenance Increase Services	Contracted Services	\$ 55,000			\$ 40,000	\$ 15,000
Public Works (Pool Maintenance)	Pool Maintenance Increase Supplies	Operational Supplies	\$ 20,000			\$ 20,000	
Public Works (Streets)	Graffiti Removal Increase Supplies	Operational Supplies	\$ 15,000			\$ 15,000	
Public Works (Central Garage)	Increase in fuel costs	Operational Supplies	\$ 150,000	\$ 63,000		\$ 87,000	
Public Works (Central Garage)	Replace Tools & Equipment	Operational Supplies	\$ 20,000	\$ 4,200	\$ 4,200	\$ 5,800	\$ 5,800
Public Works (Central Garage)	Repair Parts	Operational Supplies	\$ 50,000	\$ 21,000		\$ 29,000	
Public Works (Utility Line Maintenance)	Underground Water Distribution Supplies	Operational Supplies	\$ 150,000	\$ 150,000			
Public Works (Utility Line Maintenance)	Underground Collection Supplies	Operational Supplies	\$ 150,000	\$ 150,000			
Public Works (Utility Line Maintenance)	(1) Cat Mini Excavator	Capital	\$ 64,100	\$ 4,100	\$ 60,000		
			\$ 64,100	\$ 4,100	\$ 60,000		
Public Works (Lab)	Increased Testing/Consultant	Contracted Services	\$ 20,000	\$ 10,000	\$ 10,000		
Public Works (Lab)	Increased Testing/Consultant	Contracted Services	\$ 20,000	\$ 10,000	\$ 10,000		
Public Works (Water Plant)	Increase Water Purchases	Contracted Services	\$ 515,314	\$ 515,314			
Public Works (Water Plant)	Increased costs to Chemicals	Operational Supplies	\$ 50,000	\$ 50,000			

**FY2024-25 Budget Augmentations**

Department	Augmentation Title	TYPE	Total Request Amount	Other Fund On-Going	Other Fund One-Time	General Fund Ongoing	General Fund One-Time
Public Works (Water Plant)	Professional Services - EPA Risk Assessment, reporting, updated manual	Contracted Services	\$ 250,000	\$ 250,000			
Public Works (Wastewater Plant)	Chemical Purchases	Operational Supplies	\$ 200,000	\$ 200,000			
Public Works (Wastewater Plant)	Dried Sludge Removal	Contracted Services	\$ 350,000	\$ 350,000			
Public Works (Wastewater Plant)	(1) John Deere Front/Loader Backhoe	Capital	\$ 177,500	\$ 6,500	\$ 171,000		
Public Works (Wastewater Plant)	(1) Utility Operator	Personnel	\$ 234,766	\$ 209,177	\$ 2,800		
Public Works (Water Plant)	(1) Utility Operator	Personnel	\$ 234,766	\$ 209,177	\$ 2,800		
			<u>\$ 6,606,206</u>	<u>\$ 3,225,852</u>	<u>\$ 656,900</u>	<u>\$ 2,386,076</u>	<u>\$ 291,800</u>





	Projected FYE 2032	Projected FYE 2033	Projected FYE 2034	Projected FYE 2035	Projected FYE 2036	Projected FYE 2037
<b>Revenue</b>						
Measure V Local Sales Tax	13,115,809	13,246,967	13,379,436	13,513,231	13,648,363	13,784,847
	13,115,809	13,246,967	13,379,436	13,513,231	13,648,363	13,784,847

**Expense/Actuals/Committed Funds**

Operations and Maintenance for Amenities:

Finance						
.50 Senior Accountant	111,108	112,219	113,341	114,474	115,619	116,775
Parks & Recreation						
1.0 Parks Planning Development Manager	267,720	270,398	273,101	275,833	278,591	281,377
1.0 Parks Coordinator	246,588	249,054	251,544	254,060	256,600	259,166
Legacy Fields Operations						
2.0 Senior Maintenance & 4.0 Maintenance						
Workers Parks	1,017,922	1,028,101	1,038,382	1,048,766	1,059,254	1,069,846
Operational Expenses	272,064	274,785	277,533	280,308	283,111	285,942
MultiGen Recreation Center						
Estimated FY26 Opening	2,123,040	2,144,271	2,165,713	2,187,371	2,209,244	2,231,337
Aquatics Center						
Estimated FY28 Opening	3,121,812	3,153,030	3,184,560	3,216,406	3,248,570	3,281,056
Small Business Small Business Relief Grant						
Operational Expense Subtotal	7,160,255	7,231,857	7,304,176	7,377,218	7,450,990	7,525,500

**Capital Projects In Progress:**

**Aquatic Center**

Aquatic Center (CIP 78054)

**MultiGen Recreation Center**

MutiGen Recreation Center (CIP 78178)

**Future Projects: (not fully funded)**

**Nature Park**

Nature Park (CIP 78186)

**Ritter Family Ball Park**

Ritter Family Ball Park (CIP 78187)

	1,175,541	1,228,097	1,292,123	1,352,751	1,415,361	1,475,334
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**Completed Projects:**

**Legacy Fields**

Legacy Fields land purchase  
 Legacy Fields Sports Complex (CIP 78163)  
 Legacy Fields Sports Complex (CIP 78164)  
 Legacy Fields Sports Complex (CIP 78185)

**Senior Center**

Senior Center Construction Contract (CIP 78155)

Capital Project Expense Subtotal	1,175,541	1,228,097	1,292,123	1,352,751	1,415,361	1,475,334
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Debt service:

**Lease Revenue Bond**

Legacy Fields (CIP 78185) 15 Year Bond	1,653,875	1,657,500	1,653,000	1,655,250	1,654,000	1,654,125
MultiGen Recreation Center (30 Year Bond)	3,126,138	3,129,513	3,130,138	3,128,013	3,128,013	3,129,888
Debt Expense Subtotal	4,780,013	4,787,013	4,783,138	4,783,263	4,782,013	4,784,013

<b>Grand Total</b>	<b>\$ 13,115,809</b>	<b>\$ 13,246,967</b>	<b>\$ 13,379,436</b>	<b>\$ 13,513,231</b>	<b>\$ 13,648,363</b>	<b>\$ 13,784,847</b>
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**Projected Un-Committed**

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City of Tracy Apparatus Replacement (SSJCFA) - The City, as a member agency under the SSJCFA joint powers agreement, owns and maintains the fire engines at each of its respective fire stations. On December 21, 2021, the SSJFCA board adopted a resolution (2021-034) approving the apparatus replacement plan. This project is to accumulate funding for future replacements. The City's fire apparatus replacement fund balance is currently \$925,000, this will add to the replacement funds.

Multi-Generational Rec Center (Parks Deferred Maintenance FY25 & FY26)- Funding Allocated towards deferred parks maintenance (FY25 & FY26) through the fiscal sustainability policy and will be used for the Multi Gen Rec Center Project.

Arterial Landscaping, Tree Maintenance & Removal (LMD)- Annual Maintenance Project Pursuant to Prop 218, revenue generated from the assessed zones in the LMD should not be utilized to support efforts which are considered a general benefit to the public. Per the Engineer's LMD report, arterial roadways are considered a general benefit to the community as individuals, businesses, and non-profits utilize them for ease of transportation and connectivity throughout the community. This project will be able to address areas of concern with funding one-time, while staff is evaluating the gaps in current funding levels and will return to council later for discussion.

Road Improvements (Public Works Maintenance)- With the purchase of the new asphalt grinder, new projects are anticipated to generate an increase in overall supplies used. New asphalt and concrete will be installed more frequently as the year progresses. In the last twelve months, 3,493 service requests have been created, with 2,762 closed, leaving the remaining 731 requests compounding the already extensive backlog of deferred maintenance requests. With new equipment, staffing, and materials recently approved and the Division will be able to perform approximately 2.5-3.5 miles annually with an anticipated size of .35 miles per project. These roadway repairs are to include minor grinding, <1.5" overlays, seal coating, striping, and signage during the individual projects. The existing operating budget will be transferred into this project.

Annual Pavement Management Plan - Funding Allocated towards deferred streets maintenance through the fiscal sustainability policy and is part of the Engineering Divisions annual pavement management plan funding.

GASB 54 Comitted Fund Balances  
for FY2023-24

Department	Fund Name	Vendor	Description	Balance
<b>General Fund</b>				
Public Works	General Fund	Pape Machinery	Fleet-BX15 Hydraulic Breaker with pins	20,126
Public Works	General Fund	RCA Investments	Fleet - (1) BMW Motor Traffic	39,590
Public Works	General Fund	RCA Investments	Fleet - (1) BMW Motor Traffic	39,590
Public Works	General Fund	72 Hr. LLC	Fleet - (1) Truck Streets	47,746
Parks, Recreation, & Community Services	General Fund	Ross Recreation Equipment	Replacement Park Benches for Park Maintenance	49,998
Community & Economic Development	General Fund	The Retail Coach	Economic Development Consultant Services	49,000
Parks, Recreation, & Community Services	Measure V	Dornach	Field Truck for Legacy Fields	88,791
City Attorney's Office	Central Admin	Price Postel & Parma LLP	Special Counsel Legal Services	4,000
City Attorney's Office	Central Admin	Burke, Williams & Sorensen, LLP	Special Counsel Legal Services	5,591
City Attorney's Office	Central Admin	Renne Public Law Group LLP	Special Counsel Legal Services	7,354
City Attorney's Office	Central Admin	Harper & Armstrong LLP	Special Counsel Legal Services	5,538
City Attorney's Office	Central Admin	Jarvis Fay LLP	Special Counsel Legal Services	8,170
City Attorney's Office	Central Admin	Meyers Nave	Special Counsel Legal Services	10,000
City Attorney's Office	Central Admin	Price Postel & Parma LLP	Special Counsel Legal Services	9,474
City Attorney's Office	Central Admin	Olson Remcho LLP	Special Counsel Legal Services	16,318
City Attorney's Office	Central Admin	Colantuono, Highsmith & Whatley, PC	Special Counsel Legal Services	15,800
Finance	Central Admin	Hinderliter, deLlamas & Assoc	Cannabis Consulting Services	22,000
City Attorney's Office	Central Admin	Atkinson, Andelson, Loya Ruud and Romo	Special Counsel Legal Services	22,568
Human Resources	Central Admin	Jobelephant.com Inc	Ongoing Recruitment Advertising Services	23,350
City Attorney's Office	Central Admin	Best Best & Krieger LLP	Special Counsel Legal Services	18,732
City Attorney's Office	Central Admin	Leone Alberts & Duus	Special Counsel Legal Services	30,000
City Attorney's Office	Central Admin	Burke, Williams & Sorensen, LLP	Special Counsel Legal Services	43,547
City Attorney's Office	Central Admin	Atkinson, Andelson, Loya Ruud and Romo	Special Counsel Legal Services	124,935
			<b>Total General Fund</b>	<b>702,217</b>
Community & Economic Development	Building Fees	West Yost & Associates	Fire Flow Testing	4,510
Community & Economic Development	Building Fees	Francis L Rainone	Building Division Training	8,300
Public Works	Engineering Fees	Amazon Capital Services Inc	ENG-Replacement books due to water damage	974
Public Works	Engineering Fees	Wood Rodgers Inc	Ongoing Project Storm Drain Tech Services	1,498
Public Works	Engineering Fees	West Yost & Associates	Ongoing Project/Scope Plan Reviews	2,014
Public Works	Engineering Fees	Wood Rodgers Inc	Ongoing Project Storm Drain Tech Services	3,080
Public Works	Engineering Fees	West Yost & Associates	Ongoing Project/Scope Plan Reviews	4,416
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	609
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	5,264
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	9,573
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	10,992
Public Works	Engineering Fees	Interwest Consulting Group Inc	Ongoing Project/Scope Plan Reviews	15,000
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	24,180
Public Works	Engineering Fees	Interwest Consulting Group Inc	Ongoing Project/Scope Plan Reviews	26,000
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	27,600
Public Works	Engineering Fees	Interwest Consulting Group Inc	Ongoing Project/Scope Plan Reviews	38,005
Public Works	Engineering Fees	Interwest Consulting Group Inc	Ongoing Project/Scope Plan Reviews	40,000
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	21,253
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	73,513
Public Works	Engineering Fees	CAD Masters Inc	CAD Training	600
Community & Economic Development	Planning Fees	Veronica Tam and Associates Inc	Consulting Services for Housing Element Update	71,110
Community & Economic Development	CDBG	Tracy Community Conn	2020-2021 CDBG Subrecipient Agreement	3,373
Community & Economic Development	CDBG	Tracy Seniors Assn	2022-2023 CDBG Subrecipient Agreement	3,893
Community & Economic Development	CDBG	Tracy Community Conn	2021-2022 CDBG Subrecipient Agreement	4,330
Community & Economic Development	CDBG	Tracy Earth Project	2023-2024 CDBG Subrecipient Agreement	5,234
Community & Economic Development	CDBG	Boys & Girls Club	2022-2023 CDBG Subrecipient Agreement	8,000
Community & Economic Development	CDBG	Coalition of Tracy	2023-2024 CDBG Subrecipient Agreement	8,000
Community & Economic Development	CDBG	McHenry House Family	2023-2024 CDBG Subrecipient Agreement	8,000
Community & Economic Development	CDBG	Roya Foundation	2023-2024 CDBG Subrecipient Agreement	8,000
Community & Economic Development	CDBG	Boys & Girls Club	2023-2024 CDBG Subrecipient Agreement	10,000
Community & Economic Development	CDBG	Boys & Girls Club	2020-2021 CDBG Subrecipient Agreement	354,438
Community & Economic Development	CDBG	Adam's Ashby	CDBG/HOME Technical Assistance	34,506
Public Works	Water	Carollo Engineers Inc	Filter Media Study - Water Plant	25,000
Public Works	Water	G3 Engineering Inc	Pump Replacement - Water Plant	28,006
Public Works	Water	Black & Veatch Corporation	Water & Revenue Rate Study	76,760
Public Works	Wastewater	VTS Sales LLC	Fleet - (1) Trailer for Wastewater	12,030
Public Works	Wastewater	Larry Walker Associates	WDR Permit Renewal	12,311
Public Works	Wastewater	Muniquip LLC	Drain pump - Wastewater	28,620
Public Works	Wastewater	TW Associates LLC	Ammonia tank replacement - Wastewater	45,701
Public Works	Wastewater	Industrial Electric Machinery LLC	Lift-Pump Repair - Hanson	5,880
Public Works	Wastewater	Larry Walker Associates	NPDES & WDR Reporting Compliance	195,837

GASB 54 Comitted Fund Balances  
for FY2023-24

Department	Fund Name	Vendor	Description	Balance
Public Works	Storm Drain	Larry Walker Associates	NPDES Phase II MS4 SW Compliance	3,500
Public Works	Storm Drain	Larry Walker Associates	SDM - Stormwater Resources Plan	7,559
Public Works	Airport	Brandley Engineering, Inc	Sinkhole Repair	13,520
Public Works	Transit	Radio Engineering Industries Inc	Transit-Hard drives for bus camera systems	49,466
Public Works	Central Garage	RYG Auto Paint Repair	Fleet - Vehicle Damage Repair	2,107
Public Works	Central Garage	Vehicle Service Group LLC	Fleet - Lift Install	33,197
Innovation & Technology	Central Services	ClientFirst	IT Strategic Plan	71,328
Public Works	Vehicle Replacement	CDWG Inc	Fleet - (6) PD vehicle computer setup	3,875
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,810
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,822
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,822
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,822
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,053
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,053
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	2,468
Public Works	Vehicle Replacement	AT&T Mobility	Fleet - Cradelpoint (6) vehicles	11,472
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet- Replace Old Asset-2310, New Asset-2704	27,023
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	53,421
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	53,421
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Truck PD Traffic	56,972
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	58,040
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	58,040
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	58,040
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	58,040
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet-Replacement Trucks	53,961
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet-New & Replacement Trucks	80,232
Public Works	Building Maint	Tracy Flooring Inc	Emergency flooring repair	6,600
			<b>Total Other Governmental Funds</b>	<b>2,038,071</b>

CITY OF TRACY  
2024/25 Appropriations Limit Calculation

<u>Description</u>	<u>Amount</u>
<b>2023-24</b> Appropriations Limit	\$ 90,357,845
2024-25 City population	1.0133
2024-25 Per capita income	1.0362
<b>2024-25 Appropriations Limit</b>	<b>\$ 94,874,062</b>

**2024/25 Projected Tax Revenues**

<u>Description</u>	<u>Amount</u>
Property Taxes	\$ 32,322,937
Sales & Use Tax	66,171,789
Sales & Use Tax - Measure V	12,209,000
Transient Occupancy Tax	2,000,000
Franchise Fees	1,950,000
Business License Tax	1,300,000
Real Property Transfer Tax	1,780,927
Interest Earnings	2,000,000

**2024-25 Projected Qualifying Expenses**

Exemptions

Debt Service	(4,775,000)
Qualified Capital Outlays	(21,500,000)

**Appropriations Subject to Limitation** **\$ 93,459,653**

**Margin** **\$ 1,414,409**



City of Tracy  
333 Civic Center Plaza  
Tracy, CA 95376

CITY MANAGER'S OFFICE

MAIN 209.831.6000

FAX 209.831.6120

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

June 25, 2024

Honorable Mayor and City Council,

I am pleased to present for your review and consideration, the proposed Fiscal Year (FY) 2024-25 Annual Operating and Capital Budget to the City Council for consideration and adoption. The proposed budget is balanced and reflects the City's commitment to provide quality services to residents and businesses, while maintaining the City's long-term fiscal sustainability strategies.

In preparing the FY 2024-25 budget, staff has worked in conjunction with the Finance Committee, a two Council member subcommittee. On March 5, 2024, staff presented the five-year forecast to Council. On April 2, 2024, a workshop was conducted with the City Council to review budget augmentation requests and the Capital Improvement Plan for the upcoming FY2024-25 budget.

The City's budget was developed in alignment with the following City Council strategic priorities:

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

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

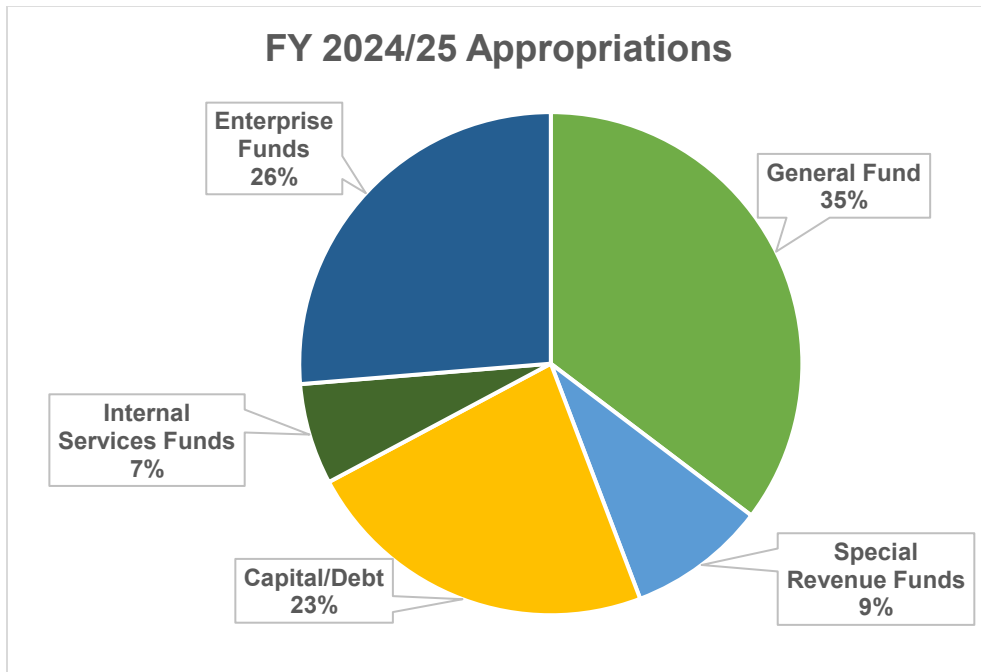
**Quality of Life** – To provide an outstanding quality of life by enhancing the City's amenities, business mix and service, and cultivating connections to promote positive change and progress in our community.

**Governance** – To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance engagement and transparency for the betterment of the community.

The proposed FY 2024-25 Operating and Capital budget totals \$389 million, of which \$115 million is funded through the General Fund. The General Fund budget also includes Measure V, a half-cent General sales tax approved by voters, for the construction, operation, and support of community amenities. The proposed budget is balanced and represents the City's financial plan for the upcoming fiscal year. The plan reflects prudent investments to reflect community needs and support Council initiatives. Core services such as public safety, the maintenance of parks, roads and streets, and providing services to support the unhoused continue to remain a top focus for the City.

**FY 2024-25 Proposed Budget**

General Fund	\$115,133,704
Special Revenue Funds	33,224,532
Capital/Debt	88,563,368
Internal Service Funds	24,022,371
Enterprise Funds	97,825,747
Total Expenditures (without transfers)	<u>358,769,721</u>
Transfers Between Funds	<u>30,375,044</u>
Total Expenditures (with transfers)	<u><u>\$389,144,765</u></u>



The FY2024-25 proposed operating and capital budget reflects an overall increase of \$100 million dollars from the FY2023-24 adopted operating and capital budget. The increase is primarily linked to one-time investments in capital projects, such as the Multi-Generational Recreation Center and capital road repairs.

Over the last three fiscal years, the City has utilized ARPA funds to construct and operate the City’s first Temporary Emergency Homeless Shelter, complete major roadway repairs, and bolster economic



development efforts. As the City’s allocation of Federal American Rescue Plan Act (ARPA) funds are expected to be fully expended in FY2024-25, the City continues its lobbying efforts to minimize the impact on the General Fund.

Also included in the FY 2024-25 Operating budget is the continuation of the City Council’s fiscal sustainability strategies totaling \$9.1 million. In the proposed budget, the strategies represent 7.25% of the General Fund revenues, less Measure-V sales tax and transfers in. These strategies have been reduced from the prior fiscal year’s 12% General Fund revenue contribution to present a balanced budget. The fiscal sustainability strategies reflect City Council’s continued investment in paying down future liabilities, funding deferred maintenance and enhancing City programs and services, while remaining fiscally prudent in the current fiscal year.

On-Going Revenue	Estimated % of Revenues	FY24/25
General Fund Revenues*		\$126
CalPERS Pre-funding	1.5%	\$2.0M
Retiree Medical Pre-funding	1.25%	\$1.5M
Road Improvements - Deferred Maintenance	0.5%	\$0.7M
Parks - Deferred Maintenance	2%	\$2.5M
City Services and Program Increase	2%	\$2.4M
<b>Total</b>	<b>7.25%</b>	<b>\$9.1M</b>

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

This year’s budget also reflects a realignment of City resources to enhance efficiency. With this realignment, the Development Services Department will now become Community and Economic Development. Parks & Recreation is now Parks, Recreation and Community Services, Operations & Utilities is now Public Works, and the Mobility and Housing department has been dissolved. The divisions listed below have been absorbed into departments, as listed below.

<u>Division</u>	<u>Previous Department</u>	<u>New Department</u>
Homeless Services	Mobility and Housing	Parks, Recreation, and Community Services
Economic Development	Mobility and Housing	Community and Economic Development
Transit	Mobility and Housing	Public Works
Airport	Mobility and Housing	Public Works

Engineering	Community and Economic Development	Public Works
Cultural Arts	City Manager's Office	Parks, Recreation, and Community Services

### ECONOMIC INDICATORS

Tracy's economy has experienced consistent growth, supported by diverse sectors such as logistics and manufacturing. In 2022, the local economy saw housing prices continue to rise, which bolstered property tax and diversification of commercial and retail growth that strengthened the City's sales tax, hotel, and business tax revenues.

In 2023, a shortage of homes for sale and high costs of borrowing had a negative impact on housing inventory and demand. Despite mortgage rates continuing to increase, Tracy remains more affordable than the neighboring bay area. As a result, it is expected the City will see a moderate increase in home prices over the next year.

The double-digit gains of the past two fiscal years slowed in 2023 and consumer spending, while still positive, has also slowed, with a focus on the balance between discretionary and demand spending. Rising consumer debt is driving the reduction in discretionary spending by consumers. Thanks to the expansion of existing businesses and attraction of new businesses, the City of Tracy's unemployment rate remains low, at 5.20% as of April 2024, while San Joaquin County's unemployment rate has risen to 7.1%, above California's unemployment rate of 5.3%. The result of these factors is a continued overall slowing in the rate of General Fund revenue growth.

Tracy's growing population creates promising future economic and development growth opportunities. With a prime location adjacent to the greater San Francisco Bay Area and a supportive local economy of diverse logistics and manufacturing sectors, Tracy offers the perfect environment for businesses of all sizes, from local downtown shops to major national and international brands like Amazon, Costco, Target and Walmart.

With the City's population nearing 100,000, Tracy has a robust job market, thanks to expanding existing and attracting new businesses. Cross-departmental efforts have allowed companies such as Heirloom Carbon Technologies, Burlington Coat Factory, Bay Area Retina Associates, Drippin Chickin, and Tracy Fireplace & Hot Tub Co. to call Tracy their home. Other new and upcoming businesses in the Tracy community include the Courtyard by Marriott Hotel, Popeyes, La Quinta Inn Hotel & Suites, and BJ's Restaurant.

In FY 2023-24, The City's Economic Development Division focused on the principles outlined in the Economic Development Strategic Plan, including strategies to pursue organizational capacity, promote a diverse and resilient economy, encourage real estate development, and focus on quality of life. The attraction of commercial retail amenities and getting resources back into the hands of small businesses were substantial areas of emphasis. The implementation of the Downtown Parklet Grant Program fostered relationships with downtown businesses. Through partnerships with the Tracy Chamber of Commerce and Tracy's City Center Association, the Discover Tracy marketing campaign was launched to promote tourism in the area. The 2024 Restaurant and Retail Survey was also released, aimed at

obtaining resident input on shopping, dining, and entertainment choices, which garnered significant community engagement with nearly 1000 responses collected. Bolstering the city's profile at local and national trade events was a priority, too, with our attendance at the International Council of Shopping Center (ICSC) conference helping to build and maintain relationships with retail real estate and development professionals. In the upcoming fiscal year, the City will continue to leverage opportunities with our strategic partners, develop and implement the Tracy Retail Attraction Plan, activate business incentive pilot programs, and identify underperforming, underdeveloped, and underutilized properties needing repurposing, redevelopment, or revitalization to encourage private development.

### **FISCAL HIGHLIGHTS AND CHALLENGES**

Over the last three fiscal years, the City has experienced strong growth in both property and sales tax. As rising inflation and interest rates have occurred over the last year, consumer spending has slowed as well as the local real estate market, both in volume and price. The combination of these economic factors is leading to an overall slowing in the growth of the City's General Fund revenue.

In 2023, continued interest rate hikes drove a reduction in the sale of existing homes, however, new construction continued to thrive in Tracy. In 2023, Tracy saw an increase in new home sales of 35%, from 322 in 2022 to 434 in 2023. This is largely due to the combination of a lack of inventory of existing homes and Tracy's affordability in comparison to bay area home prices. Commercial and industrial real estate sales have continued to see moderate growth. As property tax revenue lags 12-18 months behind market conditions, it is expected that FY 2024-25 will see some slowing in the real estate market with an estimated increase of \$1.4M.

The City continues to diversify its sources of General Fund revenue in an effort to reduce its reliance on any one source. In November 2022, 72% of voters approved Measure B, the modernization of the Business tax, which took effect July 1, 2023. The change to the Business tax was aimed to ensure greater equity amongst businesses in Tracy. The tax is based upon the Gross Receipts of the business, with 75% of businesses reporting a reduction in the tax paid in FY2023-24. While the change benefited many Tracy businesses, some industries were impacted by the change. Through workshops with the Finance Committee, recommendations for modification to the tax was heard by the City Council on May 21, 2024 and June 4, 2024. At the June 4, 2024 meeting, Council adopted an urgency ordinance establishing a forty-five-day moratorium on the collection of Business Tax. Staff returned to Council on June 18, 2024 for continued discussion on Business Tax. During this meeting, Council requested a Town Hall style workshop to allow interactive discussion with the business community. As a result, the moratorium on Business Tax payments will be extended. This allows Council additional time to thoroughly analyze potential amendments to the tax structure.

Recognizing Council's desire to make amendments to the Business Tax, staff has reduced the Business Tax revenue in the proposed budget to zero. Upon Council direction for adoption of an updated ordinance that provides additional Business Tax Revenue, staff will return to Council for the consideration of budget augmentations.

The City collects a Transient Occupancy Tax (TOT), also known as the hotel tax. With several additional hotels in the planning or construction phase that are expected to open in future years, the City anticipated to see TOT revenue grow. As the new hotels come online and the City invests in amenities such as Legacy Fields, aimed to bring sports tourism to Tracy, TOT will continue to grow in future years.

Additionally, Cannabis tax is an overlay component of the Business License tax classifications. The City Council and voters approved a Cannabis Tax in 2020, which provided a gross receipts tax on retail, distribution, and manufacturing in a square foot tax on cultivation. In July 2023, the City's first Cannabis based business opened its doors. There are currently four Cannabis based businesses open in Tracy, with two additional businesses in the process of opening. It is projected that revenues from the City's Cannabis tax will reach \$0.5M in FY2024-25.

The City is also tracking anticipated changes to statewide sales tax allocation related to ecommerce. In 2022, the California Department of Tax and Fee Administration (CDTFA) published a study related to sales tax specific to e-commerce, which reviewed the impacts of changing the method of sales tax allocation from the point of fulfillment to the point of delivery. The study showed that if this change occurred, the impact to the City would be 25% or greater from the City's current allocation, which could equate to \$20-40 million. While no decision has been made, staff is tracking possible changes and their impacts. The forecast reflects a drop in sales tax beginning in FY2027-28. In anticipation of this change, the City has been utilizing the previously mentioned fiscal sustainability strategies to pay down future liabilities, fund deferred maintenance and make one-time investments in City services and programs so that as any changes to sales tax occur, the City can pivot and reduce major impacts to essential City services.

#### LOOKING FORWARD

The proposed FY 2024-25 Operating and Capital budget reflects Council priorities, funds core services and allows us to plan for the future while maintaining a steadfast commitment to a solid financial foundation.

As we head into a future with many unknowns, the City's commitment to continue the implementation of its fiscal sustainability strategies to pay down future liabilities, fund deferred maintenance and City services will allow the City to weather any future economic changes.

As your City Manager, I present a proposed budget that supports the overall vision articulated by the City Council, one that aims to benefit all Tracy residents.

Sincerely,



Midori Lichtwardt  
City Manager

**TRACY CITY COUNCIL**

**RESOLUTION NO. \_\_\_\_\_**

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**APPROVING NEW POSITIONS FOR AN ANNUAL AGGREGATE COST OF \$966,780 AND AUTHORIZING THE BUDGET OFFICER TO AMEND THE CITY'S POSITION CONTROL ROSTER FOR FISCAL YEAR 2024-25.**

**WHEREAS**, On June 18th, 2024, the City Manager proposed the adoption of the Financial Plan, including the addition of (6) new positions, and (6) re-allocated positions attached hereto as Exhibit A; and

**WHEREAS**, The City Council has reviewed the employee positions listed in the budget document and has considered authorizing the City Manager to fill those positions not specifically exempted, provided said positions have sufficient appropriations; and

**WHEREAS**, The Budget Officer will be adding (1) Senior Maintenance Worker I/II to the Parks, Recreation & Community Services position control roster, and

**WHEREAS**, The Budget Officer will be adding (1) Administrative Assistant and (1) Homeless Outreach Coordinator to the Police Departments position control roster, and

**WHEREAS**, The Budget Officer will be adding (1) Maintenance Worker I/II, and (2) Utility Operators to the Public Works position control roster, and

**WHEREAS**, The Budget Officer will be deleting (1) Multimedia Communications Assistant and adding (1) Communications Coordinator to the City Manager's position control roster, and

**WHEREAS**, The Budget Officer will be deleting (1) Assistant to City Manager and adding (1) Management Analyst II to the City Manager's position control roster, and

**WHEREAS**, The Budget Officer will be deleting (1) Assistant Director of Development Services and adding (1) Planning Manager to the Community & Economic Development position control roster, and

**WHEREAS**, The Budget Officer will be deleting (1) Animal Services Officer II and adding (1) Senior Animal Services Officer to the Police Department's position control roster, and

**WHEREAS**, The Budget Officer will be deleting (1) Utility Maintenance Superintendent and adding (1) Utility Maintenance Supervisor to the Public Works position control roster, and

**WHEREAS**, The Budget Officer will be deleting (1) Utilities Laboratory Superintendent and adding (1) Utilities Laboratory Supervisor to the Public Works position control roster, and

now, therefore, be it

**RESOLVED:** That the City Council of the City of Tracy approves the positions set forth in Exhibit A; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the Budget Officer to amend the City's Position Control Roster for Fiscal Year 2024/25 to reflect the positions set forth in Exhibit A.

\* \* \* \* \*

The foregoing Resolution 2024-\_\_\_\_\_ was adopted by the Tracy City Council on \_\_\_\_\_, 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

ATTACHMENTS:  
Exhibit A: FY2024-25 Staffing – Position Control Roster Changes

FY 2024/25 Proposed Annual Operating and Capital Budget Personnel				
Department	Division	Position	Funding Source	Other Fund
Parks, Recreation & Community Services	Parks Maintenance	Senior Maintenance Worker	City Wide & Ellis CFD	134,282
Police	PD Operations	Administrative Assistant	Grant *	129,496
Police	PD Operations	Homeless Outreach Coordinator	Grant *	157,691
Public Works	Transit Operations	Maintenance Worker I/II	Transit Operating	132,097
Public Works	Water Operations	Utility Operator	Water Operating	206,607
Public Works	Wastewater Operations	Utility Operator	Wastewater Operating	206,607
				966,780
<b>Total:</b>				<b>966,780</b>

\* The Tracy Police Department will receive a \$336,350 grant award from the California Department of Health Care, Behavioral Health Justice Intervention Services grant. Once grant funds are expended in 2025, the funding for the future Administrative Assistant and Homeless Outreach Coordinator would be appropriated from the City's General Fund.

FY 2024/25 Re-Allocated Positions			
Department	Division	Old Position	New Position
City Manager's Office	City Manager's Office	Multimedia Communications Assistant	Communications Coordinator
City Manager's Office	City Manager's Office	Assistant To City Manager	Management Analyst II
Community & Economic Development	Planning	Assistant Director of Development Services	Planning Manager
Police	PD Operations	Animal Services Officer II	Senior Animal Services Officer
Public Works	Utility Maintenance	Utility Maintenance Superintendent	Utility Maintenance Supervisor
Public Works	Utility Maintenance	Utilities Laboratory Superintendent	Utilities Laboratory Supervisor

### Parks, Recreation & Community Services:

One (1) Senior Maintenance Worker: This position is needed to meet the service level standards as outlined in the specific plan for these developments. The Senior Maintenance Worker position is the advanced journey level maintenance worker needed to perform the most technical and complex maintenance tasks, while exercising technical and functional direction over and providing training to lower-level staff.

### Police Department:

One (1) Administrative Assistant: Adding a dedicated administrative support position for the Familiar Faces Program is a strategic move to bolster its growth and effectiveness. This role will be essential in coordinating activities between program partners and patrol units, ensuring seamless communication and collaboration. The administrative support staff will play a vital role in uploading and validating incident responses into multiple data systems, streamlining data management processes for the program. By tracking and reporting program impact, they will provide valuable insights that can inform decision-making and improve program outcomes. This will be funded for 12 months through grant funding, and then absorbed into the departments operational budget.

One (1) Homeless Outreach Coordinator: The current caseload for each case manager in the Familiar Faces Program is double the recommended number according to best practices. With approximately 50-60 new clients identified each quarter due to the transient nature of the population, the workload is expected to increase further. Additionally, the recently formed Mobile Evaluation Team (MET), which works intensively with clients in crisis situations, is also experiencing growth in its caseload. As word spreads about the team's work among officers and partner programs, the team anticipates further growth in services. Given the increasing caseload and demand for services, it's essential to consider strategies to alleviate the workload on case managers while maintaining the quality of care provided to clients. This will be funded for 12 months through grant funding, and then absorbed into the departments operational budget.

### Public Works:

One (1) Maintenance Worker I/II: Adding an additional position to the Transit Division is a strategic move to shift from reactive maintenance tasks to more proactive preventative maintenance efforts. Currently, with a position allocated for maintenance work over only four hours each day, the focus is primarily on addressing immediate service requests rather than conducting essential preventative maintenance tasks. By adding this additional position, the Transit Division can allocate dedicated resources to perform preventative maintenance at transit locations throughout the city, including the Transit Station. This proactive approach ensures that critical maintenance tasks are addressed before they escalate into larger issues, minimizing downtime and enhancing the overall reliability of transit services.

Two (2) Utility Operator: Ensuring the safety and efficiency of Water and Wastewater Plant operations is paramount, especially during solo graveyard shifts. Adding an additional employee for each plant serves multiple critical purposes. The additional employees can act as relief during overtime-related work, mitigating the strain on the existing workforce. By addressing safety concerns and providing necessary relief during overtime, the addition of an employee for each plant improves overall operational efficiency and helps maintain high standards of safety and performance in Water and Wastewater Plant operations.



CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_

**ADOPTING THE CITY OF TRACY FISCAL YEAR (FY) 2024/25 ANNUAL OPERATING AND CAPITAL BUDGET**

**WHEREAS**, City of Tracy Municipal Code section 2.12.050 requires the City Manager of the City of Tracy to submit a proposed budget to the City Council; and

**WHEREAS**, The City Manager presented a proposed budget for Fiscal Year 2024/25 to the City Council on April 2, 2024, during the Budget and Capital Improvement Plan Workshop, for all Municipal Funds; and

**WHEREAS**, On June 25th, 2024, the City Manager proposed the adoption of the Financial Plan along with specific adjustments directed by the City Council and listed in the attached Financial Plan Summaries attached to this Resolution as Exhibit A and hereby included herein; and

**WHEREAS**, The Proposed FY 2024/25 Annual Operating and Capital Budget (Budget) can be located at the City Clerk's Office in City Hall and on the City of Tracy Website (Budget & Financial Documents and Policies | City of Tracy, CA); and

**WHEREAS**, the proposed Budget reflects additional positions that the City Council is considering by separate action; and

**WHEREAS**, The City Council has reviewed the level of budgeting control needed by the City Manager to ensure efficiency in managing the operations of the City, including the authorization of budget transfers within a single fund and within given appropriations of said fund; and now, therefore, be it

**RESOLVED:** That the City Council hereby adopts the Proposed FY 2024/25 City of Tracy Operating and Capital Budget on file with the City Clerk, subject to approval of the additional positions by separate action of the City Council.

\* \* \* \* \*

The foregoing Resolution 2024-\_\_\_\_\_ was adopted by the Tracy City Council on \_\_\_\_\_, 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

ATTACHMENTS:  
Exhibit A: Citywide Operating and Capital Budget

## Citywide Operating and Capital Budget

<b>REVENUES (in thousands)</b>	<b>FY 23/24 Amended</b>	<b>FY 24/25 Proposed</b>	<b>FY 25/26 Forecasted</b>
General Fund	\$ 139,711	\$ 138,218	\$ 143,219
Building Fees	12,691	5,960	6,139
Engineering Fees	7,191	5,687	5,857
Planning Fees	377	747	769
Gas Tax	5,012	5,060	5,212
Special Revenue	11,917	7,874	8,110
General Fund Capital	30,494	12,524	9,207
Capital	34,392	800	824
Debt	5,932	8,212	9,259
Internal Services	23,191	25,601	26,369
Water	23,516	23,144	23,839
Wastewater	21,147	23,206	23,903
Solid Waste	33,346	38,122	39,266
Storm Drain	774	854	879
Airport Enterprise	1,571	1,244	1,281
Transit	5,953	7,767	8,000
<b>TOTAL REVENUES</b>	<b>357,215</b>	<b>305,020</b>	<b>312,133</b>
<b>EXPENSES (in thousands)</b>	<b>FY 23/24 Amended</b>	<b>FY 24/25 Proposed</b>	<b>FY 25/26 Forecasted</b>
General Fund	\$ 139,321	\$ 137,180	\$ 139,751
Building Fees	6,966	6,525	6,771
Engineering Fees	8,614	8,404	8,768
Planning Fees	5,023	3,399	3,526
Gas Tax	14,578	5,746	2,467
Special Revenue	64,887	10,831	7,567
General Fund Capital	55,767	61,801	0
Capital	58,703	18,859	983
Debt	6,075	8,248	9,321
Internal Services	23,467	25,305	26,293
Water	30,642	26,850	27,472
Wastewater	53,066	23,153	23,884
Solid Waste	36,194	37,379	38,532
Storm Drain	757	622	647
Airport Enterprise	1,798	1,243	1,282
Transit	10,721	13,600	7,204
<b>Total Expenditures</b>	<b>516,579</b>	<b>389,145</b>	<b>304,468</b>

APPROVED AS TO FORM AND LEGALITY

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

**TRACY CITY COUNCIL**

**RESOLUTION NO. \_\_\_\_\_**

**APPROVING THE ALLOCATION OF THE FISCAL YEAR 2024-25 TRAVEL BUDGET OF THE CITY COUNCIL BODY**

**WHEREAS**, The City Council adopted a new travel policy for elected and Council appointed officials on April 18, 2023 (Travel Policy); and

**WHEREAS**, The City Council approved, through Resolution 2023-195, allocations of \$20,000 per Council Member and \$30,000 for the Mayor for a total of \$110,000; and

**WHEREAS**, The Travel Policy requires adoption of an annual travel budget per Council Member as well as an allocation of such budgeted funds amongst the individual Councilmembers; and

**WHEREAS**, Concurrently with this action, the City Council adopted a new Budget for Fiscal Year (FY) 2024-2025 on June 25, 2024, in which Budget the Council appropriated \$110,000 for its travel budget; and now therefore be it

**RESOLVED:** That the City Council of the City of Tracy approves the allocation of the FY 2024- 25 travel budget of the City Council body in the amount of \$20,000 for each Council Member and \$30,000 for the Mayor totaling \$110,000.

\*\*\*\*\*

The foregoing Resolution 2024-\_\_\_\_\_ was adopted by the Tracy City Council on \_\_\_\_\_, 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 NO. \_\_\_\_\_**

**APPROVING THE COMMITTED FUND BALANCES FOR FISCAL YEAR  
ENDING JUNE 30, 2024 IN COMPLIANCE WITH STATEMENT 54 OF THE  
GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

**WHEREAS**, City of Tracy follows Governmental Accounting Standards Board (GASB) for the basis its financial reporting; and

**WHEREAS**, GASB issued Statement 54: Fund Balance Reporting and Governmental Fund Type Definition and the requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010 (GASB 54); and

**WHEREAS**, The objective of GASB 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions; and

**WHEREAS**, The City Council has committed revenues collected from the passage of Measure V; now, therefore, be it

**RESOLVED:** That the City Council of the City of Tracy hereby approves the list shown on Exhibit A to this Resolution as the Committed Fund Balances for the City's governmental funds, including the General Fund and Special Revenue funds for June 30, 2024; and be it

**FURTHER RESOLVED:** The City Council hereby provides the Finance Director the authority to assign uses to fund balance amounts in compliance with Statement 54 of the GASB, as may be necessary.

\*\*\*\*\*

The foregoing Resolution 2024-\_\_\_\_\_ was adopted by the Tracy City Council on \_\_\_\_\_, 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

The foregoing Resolution 2024-\_\_\_\_\_ was adopted by the Tracy City Council on \_\_\_\_\_,  
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

ATTACHMENTS:  
Exhibit A: Committed Fund Balances for Fiscal Year Ending June 30, 2024

GASB 54 Comitted Fund Balances  
for FY2023-24

Exhibit A

Department	Fund Name	Vendor	Description	Balance
<b>General Fund</b>				
Public Works	General Fund	Pape Machinery	Fleet-BX15 Hydraulic Breaker with pins	20,126
Public Works	General Fund	RCA Investments	Fleet - (1) BMW Motor Traffic	39,590
Public Works	General Fund	RCA Investments	Fleet - (1) BMW Motor Traffic	39,590
Public Works	General Fund	72 Hr. LLC	Fleet - (1) Truck Streets	47,746
Parks, Recreation, & Community Services	General Fund	Ross Recreation Equipment	Replacement Park Benches for Park Maintenance	49,998
Community & Economic Development	General Fund	The Retail Coach	Economic Development Consultant Services	49,000
Parks, Recreation, & Community Services	Measure V	Dornach	Field Truck for Legacy Fields	88,791
City Attorney's Office	Central Admin	Price Postel & Parma LLP	Special Counsel Legal Services	4,000
City Attorney's Office	Central Admin	Burke, Williams & Sorensen, LLP	Special Counsel Legal Services	5,591
City Attorney's Office	Central Admin	Renne Public Law Group LLP	Special Counsel Legal Services	7,354
City Attorney's Office	Central Admin	Harper & Armstrong LLP	Special Counsel Legal Services	5,538
City Attorney's Office	Central Admin	Jarvis Fay LLP	Special Counsel Legal Services	8,170
City Attorney's Office	Central Admin	Meyers Nave	Special Counsel Legal Services	10,000
City Attorney's Office	Central Admin	Price Postel & Parma LLP	Special Counsel Legal Services	9,474
City Attorney's Office	Central Admin	Olson Remcho LLP	Special Counsel Legal Services	16,318
City Attorney's Office	Central Admin	Colantuono, Highsmith & Whatley, PC	Special Counsel Legal Services	15,800
Finance	Central Admin	Hinderliter, deLlamas & Assoc	Cannabis Consulting Services	22,000
City Attorney's Office	Central Admin	Atkinson, Andelson, Loya Ruud and Romo	Special Counsel Legal Services	22,568
Human Resources	Central Admin	Jobelephant.com Inc	Ongoing Recruitment Advertising Services	23,350
City Attorney's Office	Central Admin	Best Best & Krieger LLP	Special Counsel Legal Services	18,732
City Attorney's Office	Central Admin	Leone Alberts & Duus	Special Counsel Legal Services	30,000
City Attorney's Office	Central Admin	Burke, Williams & Sorensen, LLP	Special Counsel Legal Services	43,547
City Attorney's Office	Central Admin	Atkinson, Andelson, Loya Ruud and Romo	Special Counsel Legal Services	124,935
			<b>Total General Fund</b>	<b>702,217</b>
Community & Economic Development	Building Fees	West Yost & Associates	Fire Flow Testing	4,510
Community & Economic Development	Building Fees	Francis L Rainone	Building Division Training	8,300
Public Works	Engineering Fees	Amazon Capital Services Inc	ENG-Replacement books due to water damage	974
Public Works	Engineering Fees	Wood Rodgers Inc	Ongoing Project Storm Drain Tech Services	1,498
Public Works	Engineering Fees	West Yost & Associates	Ongoing Project/Scope Plan Reviews	2,014
Public Works	Engineering Fees	Wood Rodgers Inc	Ongoing Project Storm Drain Tech Services	3,080
Public Works	Engineering Fees	West Yost & Associates	Ongoing Project/Scope Plan Reviews	4,416
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	609
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	5,264
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	9,573
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	10,992
Public Works	Engineering Fees	Interwest Consulting Group Inc	Ongoing Project/Scope Plan Reviews	15,000
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	24,180
Public Works	Engineering Fees	Interwest Consulting Group Inc	Ongoing Project/Scope Plan Reviews	26,000
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	27,600
Public Works	Engineering Fees	Interwest Consulting Group Inc	Ongoing Project/Scope Plan Reviews	38,005
Public Works	Engineering Fees	Interwest Consulting Group Inc	Ongoing Project/Scope Plan Reviews	40,000
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	21,253
Public Works	Engineering Fees	SNG & Associates Inc	Ongoing Project/Scope Plan Reviews	73,513
Public Works	Engineering Fees	CAD Masters Inc	CAD Training	600
Community & Economic Development	Planning Fees	Veronica Tam and Associates Inc	Consulting Services for Housing Element Update	71,110
Community & Economic Development	CDBG	Tracy Community Conn	2020-2021 CDBG Subrecipient Agreement	3,373
Community & Economic Development	CDBG	Tracy Seniors Assn	2022-2023 CDBG Subrecipient Agreement	3,893
Community & Economic Development	CDBG	Tracy Community Conn	2021-2022 CDBG Subrecipient Agreement	4,330
Community & Economic Development	CDBG	Tracy Earth Project	2023-2024 CDBG Subrecipient Agreement	5,234
Community & Economic Development	CDBG	Boys & Girls Club	2022-2023 CDBG Subrecipient Agreement	8,000
Community & Economic Development	CDBG	Coalition of Tracy	2023-2024 CDBG Subrecipient Agreement	8,000
Community & Economic Development	CDBG	McHenry House Family	2023-2024 CDBG Subrecipient Agreement	8,000
Community & Economic Development	CDBG	Roya Foundation	2023-2024 CDBG Subrecipient Agreement	8,000
Community & Economic Development	CDBG	Boys & Girls Club	2023-2024 CDBG Subrecipient Agreement	10,000
Community & Economic Development	CDBG	Boys & Girls Club	2020-2021 CDBG Subrecipient Agreement	354,438
Community & Economic Development	CDBG	Adam's Ashby	CDBG/HOME Technical Assistance	34,506
Public Works	Water	Carollo Engineers Inc	Filter Media Study - Water Plant	25,000
Public Works	Water	G3 Engineering Inc	Pump Replacement - Water Plant	28,006
Public Works	Water	Black & Veatch Corporation	Water & Revenue Rate Study	76,760
Public Works	Wastewater	VTS Sales LLC	Fleet - (1) Trailer for Wastewater	12,030
Public Works	Wastewater	Larry Walker Associates	WDR Permit Renewal	12,311
Public Works	Wastewater	Muniquip LLC	Drain pump - Wastewater	28,620
Public Works	Wastewater	TW Associates LLC	Ammonia tank replacement - Wastewater	45,701
Public Works	Wastewater	Industrial Electric Machinery LLC	Lift-Pump Repair - Hanson	5,880
Public Works	Wastewater	Larry Walker Associates	NPDES & WDR Reporting Compliance	195,837

GASB 54 Comitted Fund Balances  
for FY2023-24

Department	Fund Name	Vendor	Description	Balance
Public Works	Storm Drain	Larry Walker Associates	NPDES Phase II MS4 SW Compliance	3,500
Public Works	Storm Drain	Larry Walker Associates	SDM - Stormwater Resources Plan	7,559
Public Works	Airport	Brandley Engineering, Inc	Sinkhole Repair	13,520
Public Works	Transit	Radio Engineering Industries Inc	Transit-Hard drives for bus camera systems	49,466
Public Works	Central Garage	RYG Auto Paint Repair	Fleet - Vehicle Damage Repair	2,107
Public Works	Central Garage	Vehicle Service Group LLC	Fleet - Lift Install	33,197
Innovation & Technology	Central Services	ClientFirst	IT Strategic Plan	71,328
Public Works	Vehicle Replacement	CDWG Inc	Fleet - (6) PD vehicle computer setup	3,875
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,810
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,822
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,822
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,822
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,053
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	1,053
Public Works	Vehicle Replacement	CDWG Inc	Fleet-Laptop, Docking, Printer for PD Vehicle	2,468
Public Works	Vehicle Replacement	AT&T Mobility	Fleet - Cradelpoint (6) vehicles	11,472
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet- Replace Old Asset-2310, New Asset-2704	27,023
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	53,421
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	53,421
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Truck PD Traffic	56,972
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	58,040
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	58,040
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	58,040
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet - (1) Patrol Vehicles	58,040
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet-Replacement Trucks	53,961
Public Works	Vehicle Replacement	72 Hr. LLC	Fleet-New & Replacement Trucks	80,232
Public Works	Building Maint	Tracy Flooring Inc	Emergency flooring repair	6,600
			<b>Total Other Governmental Funds</b>	<b>2,038,071</b>



**TRACY CITY COUNCIL**

**RESOLUTION NO. \_\_\_\_\_**

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**ESTABLISHING FISCAL YEAR 2024/25 APPROPRIATIONS LIMIT (GANN) PURSUANT TO  
ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION**

**WHEREAS**, In November 1979, the voters of the State of California approved Proposition 4, which states that beginning July 1, 1980, all state and local government budget appropriations cannot exceed the amount resulting from a formula based upon the 1978-79 budget, plus adjustments for cost of living and population changes, and specific exceptions (Gann Appropriation Limit Initiative); and

**WHEREAS**, Proposition 4 implemented the Gann Appropriation Limit Initiative through the addition of Article XIII B to the California Constitution; and

**WHEREAS**, the State Legislature adopted Government Code Section 7900 to establish the process for calculating the state and local government appropriations limits under Article XIII B of the California Constitution, and Proposition 111, adopted in June 1990, provided new adjustment formulas (as modified, the Gann Limit);

**WHEREAS**, in accordance with these State laws, the City of Tracy has prepared documentation establishing the Fiscal Year (FY) 2024-25 appropriation limit, and has made the documentation used in the determination of the Gann Limit available to the public in the proposed FY 2024-25 budget more than fifteen (15) days before this resolution is being considered and adopted; and

**WHEREAS**, The Finance Director of the City of Tracy has determined that the percentage change in per capita income and the city population is the preferred method of calculation in the cost-of-living adjustment; and

**WHEREAS**, The calculation results in a Gann Limit of \$94,874,062 as provided in Attachment A to this Resolution; and

**WHEREAS**, Prior to the adoption of this Resolution, the City Council has considered and adopted the FY 2024/25 budget on June 4, 2024; now, therefore, be it

**RESOLVED:** That the City Council hereby establishes the Fiscal Year 2024/245 appropriations limit in the amount of \$94,874,062 pursuant to Article XIII B of the California State Constitution; and be it

**FURTHER RESOLVED:** That the City Council hereby finds that the Adopted Budget for Fiscal Year 2024-25 includes \$93,459,653 in appropriations that are subject to the limit, and proceeds of taxes of \$94,874,062; and be it

**FURTHER RESOLVED:** That the City Council hereby finds that for Fiscal Year 2024-25, the City of Tracy is currently \$1,414,409 below the limits of Article XIII B of the California Constitution.

\*\*\*\*\*

The foregoing Resolution 2024-\_\_\_\_\_ was adopted by the Tracy City Council on \_\_\_\_\_, 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

ATTACHMENTS:  
Exhibit A: FY 2024/25 Appropriations Limit Calculation

CITY OF TRACY  
2024/25 Appropriations Limit Calculation

<u>Description</u>	<u>Amount</u>
<b>2023-24</b> Appropriations Limit	\$ 90,357,845
2024-25 City population	1.0133
2024-25 Per capita income	1.0362
<b>2024-25 Appropriations Limit</b>	<b>\$ 94,874,062</b>

**2024/25 Projected Tax Revenues**

<u>Description</u>	<u>Amount</u>
Property Taxes	\$ 32,322,937
Sales & Use Tax	66,171,789
Sales & Use Tax - Measure V	12,209,000
Transient Occupancy Tax	2,000,000
Franchise Fees	1,950,000
Business License Tax	1,300,000
Real Property Transfer Tax	1,780,927
Interest Earnings	2,000,000

**2024-25 Projected Qualifying Expenses**

<u>Exemptions</u>	
Debt Service	(4,775,000)
Qualified Capital Outlays	(21,500,000)

<b>Appropriations Subject to Limitation</b>	<b>\$ 93,459,653</b>
<b>Margin</b>	<b>\$ 1,414,409</b>

Agenda Item 5.B

RECOMMENDATION

**Staff recommends that the City Council receive an informational report on the June 1, 2024 Corral Fire and the status of emergency plans and access for the Tracy Hills Development located within the Tracy Hills Specific Plan Area.**

EXECUTIVE SUMMARY

This informational report provides an overview of the response to the June 1, 2024 Corral Fire, outlines the current emergency preparedness plans for the residential development project built in multiple phases pursuant to the Tracy Hills Specific Plan (Tracy Hills Development) and describes the improvement plans and schedule for South Lammers Road and the Lammers Interchange.

BACKGROUND AND LEGISLATIVE HISTORY

On June 1, 2024, a wildfire occurred on W. Corral Hollow Road in unincorporated San Joaquin County (County) to the south of the City of Tracy and adjacent to Interstate 580. The wildfire burned until June 6, 2024, and ultimately consumed 14,168 acres. During the Corral Fire, South San Joaquin County Fire Authority (SSJCFA) command staff monitored the Tracy Hills Development to ensure community safety. For this particular incident, CALFIRE was the lead agency and SSJCFA and TPD worked under their direction for events occurring outside of the city limits.

On-duty personnel from the Tracy Police Department (TPD) responded to the Corral Fire incident at the mutual aid request of the San Joaquin County Sheriff's Department (SJCSO). The request was to support and assist SJCSO with evacuations of designated rural and county properties threatened by the fire as directed by SJCSO. Simultaneously, additional TPD resources were called in and executive staff responded to the Incident Command Post to evaluate and plan for any potential risk to properties within the City limits or jurisdiction of the City of Tracy, specifically the Tracy Hills Development. Regular and constant communication was maintained with the SSJCFA and CALFIRE (the lead agency) while at the Incident Command Post.

TPD personnel recognized that many Tracy Hills residents were self-evacuating based on the messaging and information being circulated on various news and social media platforms and therefore proactively sent resources to the main intersection to facilitate safe exit of the residents. Additional officers patrolled the Tracy Hills Development throughout the night for any suspicious activity and to deter any looting as residents had self-evacuated. Upon conclusion of this operational period, there were no reported injuries or loss of property to any City of Tracy residents or staff.

Since June 1, 2024, City, TPD, SSJCFA, San Joaquin SO and County OES staff have held several meetings to debrief on the fire and communications during the incident. Meetings are ongoing to identify lessons learned and important takeaways to better serve the Tracy Hills Development as well as the City of Tracy in general. Additional meetings have been convened with the Tracy Hills Community, and Developers. Some of these takeaways included:

- The need for verified and accurate messaging with clear geographical boundaries.
- Emergency exit locks have been re-keyed for appropriate public safety access during and emergency.
- The need for reaffirming and re-training on evacuation responsibilities with the various entities and emergency preparedness for residents.
- Confirmation that homeowners in the Tracy Hills Development have all been issued a contemporary and comprehensive evacuation plan for the Tracy Hills Development prior to this event that conforms to the current access points and also focuses on proper preparedness.

In response to the fire and its proximity to the Tracy Hills Development, several residents presented their concerns to the City Council at its June 4, 2024, meeting. Council Member Bedolla, seconded by Council Member Evans requested that City staff return with an informational report that would allow for a general discussion of the emergency preparedness posed by the Tracy Hills Development residents.

#### Emergency Preparedness and Response

In January 2015, during the planning stages of the Tracy Hills Development, SSJCFA reviewed and approved the proposed width of Tracy Hills Drive. After the completion of Phase 1A, SSJCFA mandated expanding the road width for future phases to comply with revised State requirements. During the initial review, SSJCFA also stipulated the construction of an Emergency Vehicle Access (EVA) road linking Tracy Hills Drive to Lammers Road. This EVA was intended as an evacuation route to ensure a secondary exit from the Tracy Hills Development. Before occupancy of the first homes, SSJCFA worked with the Developer and TPD to develop and endorse a community evacuation plan, which s subsequently distributed to new homeowners. Presently, SSJCFA is collaborating with TPD and the developer to revise the community evacuation plan to incorporate additional evacuation routes.

As part of the planning process, SSJCFA also mandated the developer to conduct a wildland fire assessment. This assessment primarily focuses on Phase 2 of the development located on the southwest side of I-580. The wildland fire assessment plan necessitates a 70-foot buffer and requires homes adjacent to wildland areas to comply with wildland interface building code requirements. All homes in the Tracy Hills Development are constructed to the current building and fire codes, including the provision of fire sprinklers and fire-resistant roofing and siding in all new homes.

Resident have suggested the use of masonry sound walls as a possible deterrent for wildfires. Masonry sound walls are constructed as acoustic barriers and are not designed or intended to stop or slow wildfires. They are not “firewalls”. The use of masonry sound walls in the Tracy Hills Development was intentionally limited by design to provide a more attractive view from I-580. In summary, the construction of masonry walls is not an accepted means of addressing wildfire concerns, primarily because large wildfires often spread through airborne embers that are not deterred by walls.

The City of Tracy is also collaborating with the SSJCFA and the San Joaquin County OES to enhance communication with residents during emergencies. These efforts include enrolling residents in the SJReady communication system and working with the SSJCFA and County

OES to establish direct communication channels with residents of the Tracy Hills Development. Additionally, SSJCFA is in the process of developing plans to implement a Community Emergency Response Team (CERT) program. CERT is a volunteer program designed to train people to respond to disasters within their communities, with the first class scheduled for Fall 2024. City of Tracy remains dedicated to enhancing overall emergency preparedness throughout the community by working closely with the SSJCFA, the Developer, and residents of the Tracy Hills Development.

Should evacuation of the Tracy Hills neighborhood ever be necessary, SSCFA and TPD maintain evacuation plans. TPD would lead the evacuation and provide traffic control and SSCFA would manage fire logistics and operation. According to the community evacuation plan, traffic would be directed to Tracy Hills Drive and Corral Hollow Road, to the northerly South Lammers Road connection, and to the future South Lammers Road connection to Sierra View Drive and Corral Hollow Road. From Corral Hollow Road, vehicles could be directed to Interstate 580 or northward into the interior of the City of Tracy. The Tracy Hills Development Evacuation Map is attached for reference.

#### South Lammers Road/Lammers Interchange

Currently, access to the Tracy Hills Development is provided from a single access point at Tracy Hills Drive and Corral Hollow Road. The ultimate build-out includes additional egress points at South Lammers Road to the north and from a second outlet at Corral Hollow Road to the south. The Tracy Hills Specific Plan Environmental Impact Report (EIR) also includes a mitigation measure that require the developer to construct a new interchange at Lammers Road and I580, depending on the scope of the Corral Hollow Interchange that is ultimately built. These additional egress points and the interchanges are required by certain development thresholds that are set forth in the EIR as well as a Development Agreement between the developer and the City of Tracy

South Lammers Road is planned as a major north-south arterial connecting Interstate 205 in the north to Interstate 580 in the south, ultimately connecting to Sierra View Drive and Corral Hollow Road in the southern Tracy Hills neighborhood. The road surface and capacity vary greatly from a 6-lane arterial in the north to a two-lane rural road design in the south. Much of the central segment of the road (shown in red) is located beyond the City limits within unincorporated San Joaquin County.

In the south, the roadway terminates at a locked gate adjacent to the Union Pacific Railroad crossing. The road segment between this gate and Tracy Hills Drive (shown in blue) is not accessible to the public, though the City holds legal access to the roadway. Mitigation Measure 4.12-2 of the Tracy Hills Specific Plan Environmental Impact Report (THSPEIR) states the following:

4.12-2: Prior to issuance of the first certificate of occupancy, the developer shall construct an all-weather, emergency vehicle access to all points of the project site from Lammers Road (including crossings of the Delta Mendota Canal, Union Pacific Railroad, and California Aqueduct). The emergency vehicle access shall be available to police, fire, and all other necessary and relevant emergency responders. The design, location, and maintenance of the access shall meet City standards to the satisfaction of the Fire Chief. The access shall be continuously maintained by the developer until permanent

access is developed and accepted for maintenance by the City.

The roadway/EVA was improved to meet the above requirement. The all-weather road currently serves as an evacuation route and EVA for the Tracy Hills Development. City Public Works, the Tracy Police Department and the SSCFA all have keys to the lock and can open the gates on the roadway as needed.

Ultimately, this segment of South Lammers Road will be developed into a conventional roadway and will provide full and unimpeded access to the public. City staff is currently in discussion with the developer regarding the timing of this segment, along with construction of the Lammers/I-580 Interchange

The southernmost extension of South Lammers Road (shown in orange) will connect Tracy Hills Drive to Sierra View Drive and Corral Hollow Drive. This roadway segment is currently under construction and is expected to be complete in the coming year.

#### CEQA DETERMINATION

No action is requested of the City Council. As such, this information report is not a project under the California Environmental Quality Act.

#### FISCAL IMPACT

No action is requested of the City Council. As such, there is not potential for fiscal impact.

#### STRATEGIC PRIORITY

This agenda item supports the Strategic Priority of Public Safety by providing the public and the City Council with information that will strengthen citywide emergency operations preparedness.

#### ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council receive an informational report on the June 1, 2024, Corral Fire and the status of emergency plans and access for the Tracy Hills Development located within the Tracy Hills Specific Plan Area.

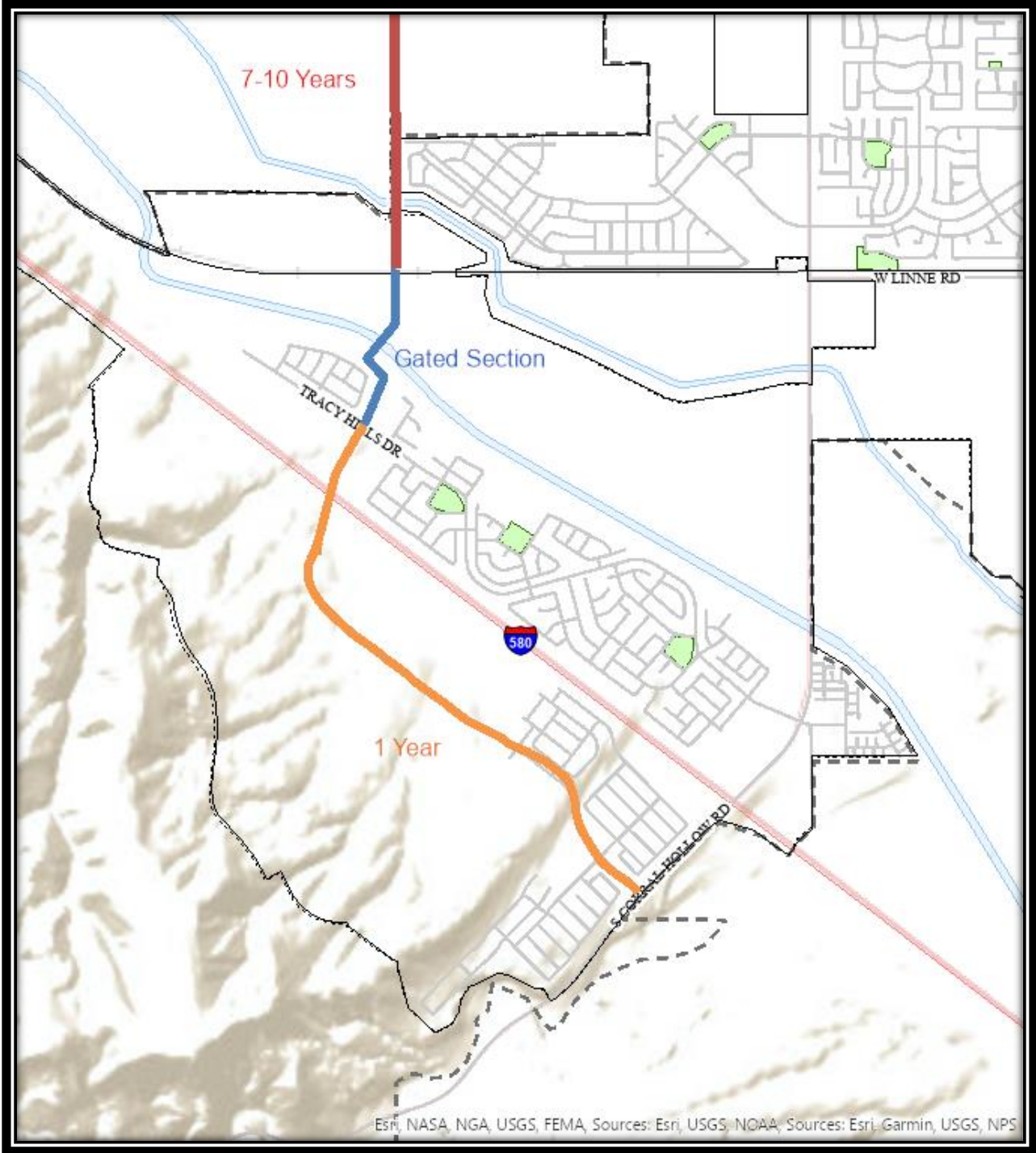
Prepared By: Forrest Ebbs, Director of Community and Economic Development

Reviewed by: Sara Cowell, Director of Finance  
Bijal M. Patel, City Attorney  
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, City Manager

#### ATTACHMENTS

1. Vicinity Map of South Lammers Road
2. Tracy Hills Community Association Emergency Evacuation & Preparedness Plan



**VICINITY MAP OF SOUTH LAMMERS ROAD**

- Red = Future Improvements**
- Blue = Restricted Access EVA**
- Orange = Under Construction**





**Tracy Hills Community Association  
Emergency Evacuation & Preparedness Plan**

Prepared By:

Tracy Hills Community Association

Updated March 1, 2024

## INTRODUCTION

Emergencies and disasters can happen at any moment, and sometimes occur without warning. When an emergency strikes, our immediate safety and prompt recovery will depend upon the existing levels of preparedness among the Association and property owners.

This Emergency Plan will provide comprehensive, yet simple and flexible procedures that can be applied to a variety of incidents that may occur, including:

- Wildfires
- Extended Power or Utility Outages
- Hazardous Materials Incidents
- Earthquakes
- Floods
- Various Natural Disasters

Emergency planning has the potential and probability of saving lives, reducing suffering and minimizing property damage. The purpose of the guidelines is to help achieve the following:

- Identify key emergency roles and responsibilities
- Plan for evacuations and effective emergency communications
- Develop strategies for resuming normal functions after the emergency conditions subside

Local Emergencies:

When local emergencies occur within your home, business or neighborhoods, the Tracy Police Department and the South County Fire Authority have the resources available to respond and mitigate those emergencies. There are two (2) types of emergencies:

1. That which South County Fire and/or Tracy Police Department typically respond to and mitigate immediately.
2. Those that are protracted and broad and may require residents to be more self-sufficient for a period of time. Larger, regional emergencies

(earthquakes, floods, wildfires) may impact the availability of local emergency response resources and Association members may be required to self-sustain and to take protective actions when first responders are not available.

## **PLANNING & PREPARATION**

### 1. Pre-Emergency Communication Plan

- a. Please be sure that the Association management team has your current email, mailing address and phone number on file.
- b. Resident Preparedness Flyer and maps showing ingress/egress routes have been distributed to all owners.
- c. Residents are encouraged to prepare a Family Checklist of items to take in case of evacuation.
- d. The Emergency Preparedness information is available on the Tracy Hills Community Website as a resource for owners. Email blasts will be sent out as needed.
- e. The appropriate public safety agency having jurisdiction over emergency (either FIRE or Tracy PD, depending on the type of emergency) will direct the Association on who needs to be contacted and when.

### 2. Utility Shutoff Planning

- a. **Shutting off Natural Gas-** Natural gas leaks and explosions are responsible for a significant number of fires following disasters. Because there are different gas shut off procedures for different gas meter configurations, it is important to contact your local gas company for guidance or preparations and response regarding gas appliances and gas service to your home. If you smell gas or hear a blowing or hissing noise, open a window and get everyone out as quickly as possible. Turn off the gas, using the outside main valve if you can, and call the gas company from a neighbor's home. **NEVER ATTEMPT TO TURN THE GAS BACK ON YOURSELF. ANY RESTORATION OF UTILITIES MUST BE PERFORMED BY THE APPROPRIATE UTILITY PROVIDER. (E.G. PG&E)**

**b. Shutting off Water-** Water is a precious resource following disasters. All family members should learn to shut off the water at the main house valve. Before an emergency happens, locate the shut off valve for the water line that enters your home and label this valve with a tag for easy identification. Make sure this valve can be completely shut off. Your valve may be rusted open or it may partially only partially close. If so, replace it! Cracked lines may pollute the water supply to your house. It is wise to shut off your water until you hear from authorities that it is safe for drinking.

**c. Shutting off Electricity-** Electrical sparks could ignite natural gas if it is leaking and they could also cause other flammable materials to catch fire. Locate your electrical box. For your safety, always shut off the individual circuits before shutting off the main circuit.

## **PREPARATION**

Assess Disaster Risk:

Fire is the highest disaster risk for the Association. To safeguard your home, please use the following guidelines:

### 1. Landscaping and Maintenance:

- Trim branches that overhang the home, porch and decks
- Prune branches of large trees up to 6 to 10 feet from the ground
- Remove plants containing resins, oils and waxes
- Remove any dead vegetation. Standing dead trees are approved for removal; however dying and diseased trees should be identified and reviewed for removal. Dead trees must be replaced; however please contact the Association for a list of approved trees.

### 2. Roofing and Vents

- Inspect shingles or roof tiles and repair/replace those that are loose or missing to prevent ember penetration
- Roof and attic vents should be screened to prevent ember entry

### 3. Decks and Porches

- Never store flammable materials underneath decks or porches
- Remove dead vegetation and debris from under decks or porches and between deck board joints
- Roofs and gutters need to be kept clean and free of debris

### Emergency Responder Access

- Develop, discuss and practice an emergency action plan with everyone in the home
- Know two ways out of your neighborhood and have a pre-designated meeting place
- Always evacuate if you feel it is unsafe to stay- don't wait to receive emergency notification if you feel threatened by fire

The American Red Cross Family Disaster Plan form is included as an appendix to this document. It is recommended that you fill this out and review escape routes from your home, select a meeting place if family members are separated, etc.

## **EVACUATION**

You will be notified if you need to evacuate. Please stay on property unless directed to leave. This will help ensure roadways remain open for emergency responders.

The Family Checklist listing items to take in case of an evacuation should be used at this time.

### Owner Responsibility:

Always provide for personal safety first. If in imminent danger, do not put yourself or family directly in harm's way. If physically able, during an evacuation, owners are responsible for shutting off all utilities at their home. If possible, please shut off the following utilities prior to evacuating:

- Natural Gas
- Water
- Electricity

There are three (3) types of egress routes out of Tracy Hills. Please see the attached map for reference. If you are instructed to evacuate, you will be told which exit route to use and where to go. Onsite first responders (Fire or PD) will direct owners in the affected areas. For broader emergencies, notification systems via social media or San Joaquin County Everbridge notification system can advise residents of evacuation orders, directions, or if they need to shelter in place.

The three (3) areas of egress are:

1. Tracy Hills Drive, out of the main entrance
2. Tracy Hills has an Emergency Vehicle Access (EVA) that the fire or police department may open if necessary
3. There is a maintenance access road along the Aqueduct Conservation Corridor that can be used for emergency egress.

Please note, there will be additional access points added to Tracy Hills as the community grows.

Public shelters will be set up by the Red Cross, if needed. Information on the location of the shelters will be provided when received from the appropriate public safety agency.

Association Responsibility:

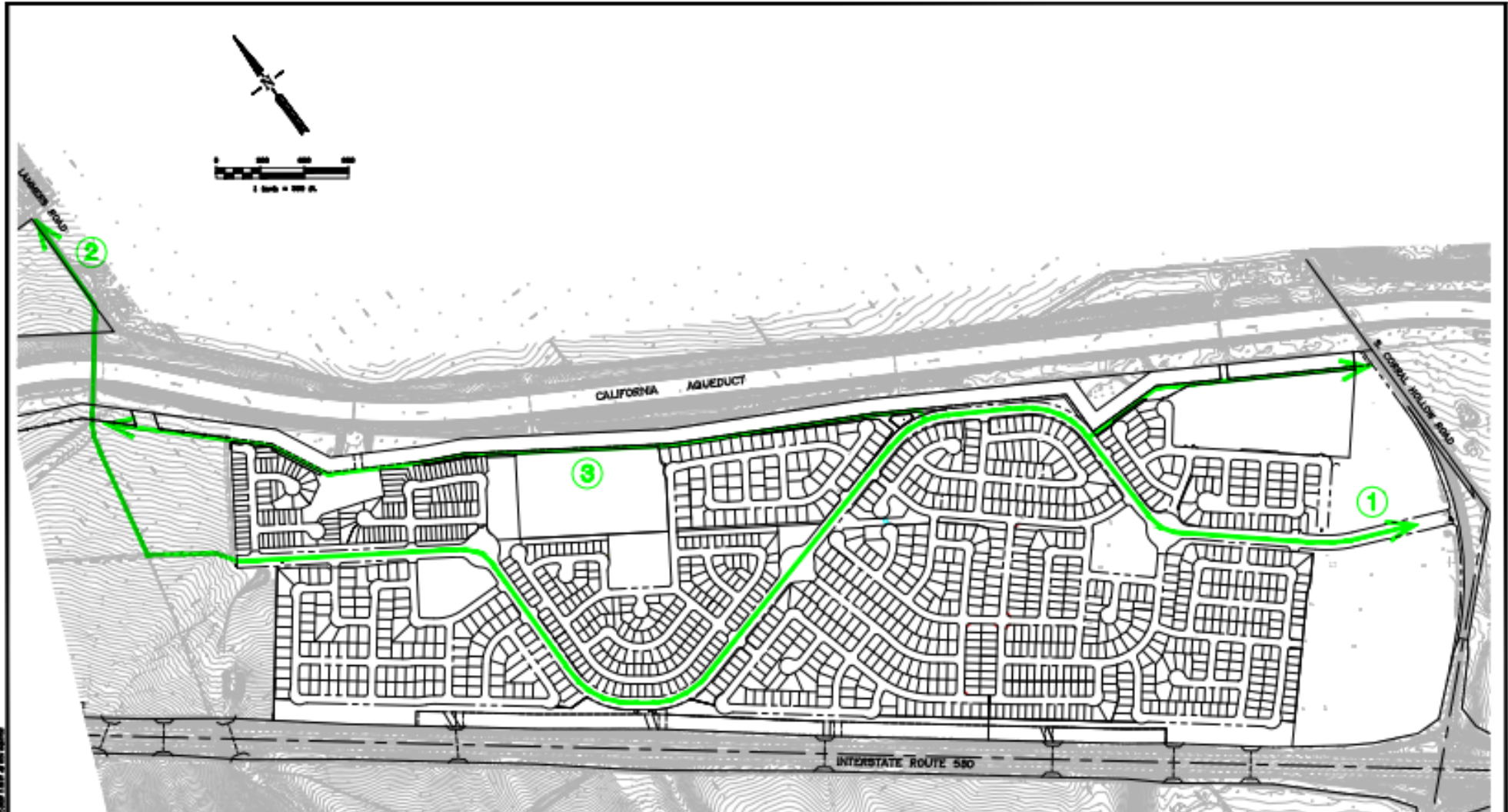
Budget and Financial Plans- Operating Funds and Reserve Funds will be used as needed to fund disaster expenses. The signers on the Association bank accounts are authorized to cover any costs associated with these types of expenses. Management, with Board approval, and a quorum of Board of Directors are authorized to approve contracts and expenditures during a disaster. Bank account information and checks are stored off site with the Association's management company.

All Association files are backed up digitally on a server with the management company. Governing documents, insurance policies, bank account information and statements, account receivable files, architectural correspondence and contracts are all included in these backed up files.

Association insurance policies and procedures for loss reporting will be followed. The Association may explore grant and funding opportunities through federal programs.

Association coordination with the appropriate agency will be completed in the event of an emergency.

Association Assets: The Association has a record on file of all cut off valves and switches for common area utilities. Association vendors and/or management will complete the necessary shut offs.



**LEGEND**

- ① TRACY HILLS DRIVE
- ② TRACY HILLS EMERGENCY VEHICLE ACCESS (EVA)  
(TO BE USED AT THE DIRECTION OF PUBLIC SAFETY OFFICIALS)
- ③ AQUEDUCT MAINTENANCE ROADS

**TRACY HILLS EMERGENCY PREPAREDNESS PLAN  
EVACUATION PLAN MAP**  
CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA  
FOR INTERNAL USE ONLY

**RJA**  
**PLANNERS-JENNEN-AZAR**  
12000 N. GARDEN AVENUE, SUITE 100, GARDEN CITY, CA 95957  
Phone: 916.432.8800 Fax: 916.432.8809  
DATE: DECEMBER 2, 2009 JOB NO. 11200





## **How to Use the American Red Cross Family Disaster Plan PDF Template**

Download the American Red Cross Family Disaster Plan PDF template. If you do not already have Adobe Reader X, you can download it at <http://get.adobe.com/reader/>.

Open the Family Disaster Plan template on your computer, and fill in the fields of the template with the appropriate information from your disaster plan. You can use the 'Tab' key to continue on to the next field as you enter your family's information.

Save your plan on your computer under your own filename. Your Family Disaster Plan can be edited and resaved at any time.

Email the file of your completed Family Disaster Plan to relatives and close friends. Make sure to print a few paper copies for you and your family and store them in places that will be easily accessible in an emergency.

Tell family, friends, and neighbors that you made a plan and encourage them to make one as well.



## Family Disaster Plan

Family Last Name(s) or Household Address:

Date:

Family Member/Household Contact Info (If needed, additional space is provided in #10 below) :

Name	Home Phone	Cell Phone	Email:

Pet(s) Info:

Name:	Type:	Color:	Registration #:

### Plan of Action

1. The disasters most likely to affect our household are:

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2. What are the escape routes from our home?

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3. If separated during an emergency, what is our meeting place near our home?

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9. Family Member Responsibilities in the Event of a Disaster

Task	Description	Family Member Responsible
Disaster Kit*	Stock the disaster kit and take it if evacuation is necessary. Include items you might want to take to an evacuation shelter. Remember to include medications and eye glasses.	
Be informed	Maintain access to NOAA or local radio, TV, email or text alerts for important and current information about disasters.	
Family Medical Information	Make sure the household medical information is taken with us if evacuation is necessary.	
Financial Information	Obtain copies of bank statements and cash in the event ATMs and credit cards do not work due to power outages. Bring copies of utility bills as proof of residence in applying for assistance.	
Pet Information	Evacuate our pet(s), keep a phone list of pet-friendly motels and animal shelters, and assemble and take the pet disaster kit.	
Sharing and Maintaining the Plan	Share the completed plan with those who need to know. Meet with household members every 6 months or as needs change to update household plan.	

\*What supplies and records should go in your disaster kit? Visit [www.redcross.org](http://www.redcross.org)

0. Other information, if not able to be included above.

*Congratulations on completing your family disaster plan! Please tell others: "We've made a family disaster plan and you can, too, with help from the American Red Cross."*

Get the facts about what you should do if an emergency or disaster occurs at [www.redcross.org](http://www.redcross.org)