

**August 3, 2010, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

Mayor Ives called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

The invocation was given by Pastor Edward Dondi – Church of the Resurrection.

Roll call found Council Members Abercrombie, Maciel, Tolbert, Mayor Pro Tem Tucker and Mayor Ives present.

1. CONSENT CALENDAR - It was moved by Council Member Abercrombie and seconded by Council Member Tolbert to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.
  - A. Minutes Approval – Regular meeting minutes of May 4, 2010, and June 1, 2010, and closed session minutes of July 20, 2010, were approved
  - B. Approval of a Union Pacific Railroad (UPRR) Company Supplemental Agreement to Reconstruct the Corral Hollow Road at Grade Railroad Crossing Near Old Schulte Road at Mile Post 69.20, on the Owens Illinois Lead and Authorization for the Mayor to Sign the Agreement – Resolution 2010-126 approved the supplemental agreement.
  - C. Authorize Amendment of the City's Classification and Compensation Plan and Position Control Roster by Approving the Establishment of a New Class Specification and Salary Range for Crime Prevention Specialist, Reallocation of Two Community Service Officer Positions to Crime Prevention Specialist, and Reclassification of One Employee to Crime Prevention Specialist – Resolution 2010-127 authorized amendment of the plan.
  - D. Authorization to Enter into a 5 Year Agreement with Microsoft for Automatic Updates to Computer and Selected Server Software and Authorization for the Mayor to Execute the Agreement – Resolution 2010-128 authorized entering into the agreement.
2. ITEMS FROM THE AUDIENCE - Brian Van Lehn, 540 Winston Court, addressed Council regarding noise issues with Leprino Foods. Mr. Van Lehn indicated that the City's refusal to address the noise problem subjects the City and Council to civil litigation. Mayor Ives responded that after reviewing the facts of this issue at the May 18, 2010 City Council meeting, staff has been unable to conclude that Leprino is in violation of its Conditional Use Permit or any of the City's municipal codes.

Robert Tanner addressed Council regarding budget cuts undertaken by the City. Mr. Tanner suggested the City still needed to make further cuts.

3. PUBLIC HEARING TO CONSIDER THE RE-ALLOCATION OF OUTSTANDING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS; AND APPROVAL OF A RE-ALLOCATION OF UNUSED COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING TO FUND IMPROVEMENTS TO THE MCHENRY HOUSE; A PROFESSIONAL SERVICES AGREEMENT WITH NEW CITY AMERICA AND THE ADA UPGRADE PROJECT DOWNTOWN; AND AUTHORIZE THE MAYOR TO SIGN THE PROFESSIONAL SERVICES AGREEMENT - Ursula Luna- Reynosa, Economic Development Director, provided the staff report. Ms. Luna-Reynosa stated that in fiscal year 2009-2010 McHenry House Homeless Shelter received a CDBG allocation of \$60,500 to re-roof the shelter house and carport. The work is under construction. The outside porch, at the rear of the house, contains the washer and dryer and is used by the residents not only as a place to do laundry but also as access to and from the back of the house. Currently the porch is a partially open structure exposed to the weather. If the porch could be enclosed, it would provide a dry and safe place for residents to do laundry, leave and enter the house, provide coverage for basement access and, besides providing shelter it would connect the house to the carport.

In fiscal year 2007-2008, McHenry House Homeless Shelter received an allocation of \$85,000 in CDBG HOME funds to perform work on the low-income units. Only part of that money was used and there is currently a balance of \$26,294.00 remaining. McHenry House has requested re-allocating the fund balance for the purpose of enclosing the porch at the back of McHenry House Shelter to make it weatherproof and connect it to the carport, and to perform needed plumbing and stucco repairs to the low-income units.

Currently, the exterior kitchen pipes at the low-income units are cast iron and are rotting and scaling. Six of the eight units need to have these pipes replaced with ABS pipes. In addition, the exterior stucco on the building is crumbling and there are leaks throughout the structure as well as wooden window frames that are rotting and in need of replacement.

The estimate to enclose the porch is \$13,400 which leaves a balance of \$12,894 (\$26,294 - \$13,400) for plumbing and stucco repairs. The final bill for the re-roof project has not yet been submitted but it is expected that there will be an excess balance of approximately \$4,300 left from the original allocation of \$60,500. McHenry House would like to add any excess from the roofing project to the \$12,894 balance for a total of approximately \$17,254 to be used for needed plumbing and stucco repairs on the low income units. This amount is in line with the estimates that have been received to perform the plumbing and stucco work.

In fiscal year 2009-2010 the City received a CDBG allocation of \$70,000 for the Lolly Hansen Senior Center Community Garden project. This project is not moving forward. The Tracy City Center Association (Association) has recently been incorporated as a non-profit corporation to manage the Downtown Tracy Community Benefit District (CBD). The City retained the services of New City America (Consultant) to establish the CBD and assist with the formation of the Association. The Association Board of Directors has requested that the City fund an additional year of support by the Consultant. The Consultant has provided a scope of work which results in a proposed Professional Services Agreement (PSA) for an amount not to exceed \$48,000. The CBD was formed for the purpose of assisting downtown businesses that are economically disadvantaged, are underutilized and are unable to attract customers due to inadequate facilities,

services and activities. The Consultant will provide expert technical assistance and support for one year to help the CBD realize its goals of bringing economic revitalization to the downtown business core which provides goods and services to low and moderate income residents living in and near the downtown.

CDBG funding is an eligible source of funds to pay for the Consultant's PSA under the eligible activity of economic development. Staff recommended that the City Council reallocate \$48,000 of the \$70,000 previously allocated to the Lolly Hansen Senior Center Community Garden project which will leave a remaining balance of \$22,000. Staff further recommended that the remaining \$22,000 be reallocated to the current City ADA upgrade project in the downtown. The reallocation of the \$70,000 is contingent upon the County's approval of the City's application for the \$48,000.

There is no fiscal impact to the City's General Fund or to the CDBG fund as the proposed action reallocates previously allocated money. Staff recommended that the City Council approve the following:

- Reallocate \$96,294 of CDBG funds
- \$26,294 to complete an enclosure to McHenry House Family Shelter that will cover a back porch, and make needed plumbing and stucco repairs to the low-income units and re-allocate any excess from fund 09-05 to the plumbing and stucco repair project at the McHenry House low-income units
- \$48,000 to fund the PSA with the Consultant
- \$22,000 toward current City ADA upgrade project in the downtown
- Approve the PSA by and between the City of Tracy and Consultant; and
- Authorize and direct the Mayor to sign the Agreement on behalf of the City.

Council Member Tolbert stated past practices were that CDBG funds were allocated yearly after non-profits submitted an application for funds. Council Member Tolbert further stated this process seemed different and wanted assurance that the process to allocate funds is allowable under the CDBG laws. Council Member Tolbert further asked if there was still going to be a separate allocation of CDBG funds.

Ms. Luna-Reynosa indicated the County approved the staff report and will be held accountable by HUD. Ms. Luna-Reynosa stated these funds were coming from the facility funds. The program fund is where the applications for funds are drawn from.

Sharon Marr, Community Development Analyst, added the application process came from San Joaquin County. The funds are not new, but were previously allocated to McHenry House.

Council Member Tolbert stated in the past, the County had representatives that sat on a panel that met once a year and asked if that process had been abandoned. Ms. Marr indicated she was not aware of that process. Ms. Marr indicated the cities of San Joaquin meet to discuss the annual allocation.

Council Member Tolbert asked when she was dropped from the CDBG board and not invited to provide input to that board. Ms. Marr indicated she would check into the membership of the CDBG Board.

Mayor Pro Tem Tucker stated was concerned with the \$70,000 being allocated to the recommended project. Mayor Pro Tem Tucker stated the consultant's fee sheet appears to be on the high end. Ms. Marr stated CDBG funds are federal funds that come to the City of Tracy through San Joaquin County and are used to serve low and moderate income families and projects that eliminate blight.

Mayor Ives invited members of the public to address Council on the item.

Paula McKig, 1981 Standard Road, had a question about City America and asked for clarification of the fees assessed to downtown property owners.

As there was no one further wishing to address Council on the item, the public hearing was closed.

Council Member Tolbert indicated she was not aware that the community garden project was not going to be done at the Lolly Hansen Senior Center.

Leon Churchill, Jr., City Manager, responded stating the community garden was approved, along with one that was approved at a church. Mr. Churchill added the Lolly Hansen Senior Center was not approved, along with another a community garden near Tracy High School. Mr. Churchill indicated there has not been sufficient interest in a community garden and if the City doesn't use the funds, the City will loose those funds. Mr. Churchill indicated there may be an opportunity to re-direct those funds to another project.

Council Member Maciel stated he was supportive of spending the money to enhance the McHenry House program.

Mayor Pro Tem Tucker asked how much New America had been paid to date. Ms. Luna-Reynosa outlined the expenses to date.

Council Member Tolbert indicated she liked their specific objective of revitalizing the downtown area. Council Member Tolbert added she would like to have a periodic report of the creative things they are coming up with and the support level they receive from the community.

Ms. Luna-Reynosa indicated she could provide that report to Council.

It was moved by Council Member Abercrombie and seconded by Council Member Tolbert to adopt Resolution 2010-129 approving the re-allocation of unused Community Development Block Grant Funds and Home Funds to fund improvements at the McHenry House; a Professional Services Agreement with New City America and the ADA upgrade project downtown. Roll call vote found Council Member Abercrombie, Maciel, Tolbert, and Mayor Ives in favor; Mayor Pro Tem Tucker opposed. Motion carried 4:0:1.

4. APPROVE ACTIONS RELATED TO THE PLACEMENT OF A ONE-HALF CENT TRANSACTIONS AND USE (SALES) TAX MEASURE ON THE NOVEMBER 2, 2010 BALLOT, INCLUDING (1) CALLING FOR A MUNICIPAL ELECTION TO SUBMIT TO THE VOTERS A LOCAL BALLOT MEASURE ADOPTING A ONE-HALF CENT TRANSACTIONS AND USE (SALES) TAX, WITH A FIVE-YEAR SUNSET CLAUSE, TO

FUND TRACY CITY SERVICES, REQUESTING THE BOARD OF SUPERVISORS OF SAN JOAQUIN COUNTY TO CONSOLIDATE A MUNICIPAL ELECTION ON THE LOCAL MEASURE WITH OTHER ELECTIONS TO BE HELD ON THE NOVEMBER 2, 2010 REGULAR ELECTION DATE; DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE; AND SETTING THE DATES FOR ARGUMENTS ON THE MEASURE; (2) INTRODUCTION OF AN ORDINANCE ENACTING A TRANSACTIONS AND USE (SALES) TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION UPON APPROVAL BY THE VOTERS AT THE NOVEMBER 2, 2010 ELECTION; (3) AUTHORIZATION FOR THE CITY COUNCIL, AS A LEGISLATIVE BODY, OR A COUNCIL MEMBER OR MEMBERS, TO AUTHOR THE ARGUMENT IN SUPPORT OF, AND/OR AGAINST, THE MEASURE AND SETTING THE DATES FOR ARGUMENTS REGARDING THE MEASURE - Maria Hurtado, Assistant City Manager, presented the staff report. Ms. Hurtado stated that over the course of the last couple of years, the City of Tracy has taken several actions to address the City's structural budget deficit. These actions include cost containment measures, service delivery model changes, and process improvement efforts. However, State Budget actions and the current economy compound the challenge to the City in addressing its structural budget deficit.

At the October 6, 2010 budget workshop, staff acknowledged that attrition had slowed significantly and achieving sufficient personnel savings solely through attrition was no longer a viable option. As such, staff began the right-sizing effort to sustain operations, maintain fiscal health, improve productivity, and ensure that quality customer service for core services continues.

On November 3, 2009, staff presented Council with the City Manager's right-sizing plan to reduce expenses. Five workforce reduction principles were used including (1) reducing complexity and consolidating similar services where possible; (2) de-layering management and supervision levels; (3) increasing span of control for all levels in the organization; (4) automating routine and back office functions where viable, and (5) contracting out where feasible.

Since then, a number of labor negotiations have been completed and several labor units and groups have worked with the City to address the fiscal situation. During the past year, the City has cut spending by \$5 million a year and eliminated 16% of the work force, including police officers, firefighters, parks, recreation, and maintenance staff. Unfortunately, the recession and state takeaways continue to reduce the City's revenue. In today's tough economy and state budget crisis, the City has been working diligently on a strategy of maintaining current levels of police, fire and emergency medical services including neighborhood patrols, crime prevention and investigation programs, and 9-1-1 response times, as well as other City services, such as recreation and after school programs. At the same time, the City must address a \$4.8 million budget deficit projected for fiscal year 2010/2011. Without additional revenue the City will have to cut \$4.8 million to close its current budget gap which will significantly affect its ability to continue providing services at the level that residents desire.

At the November 17, 2009, Council meeting, Council discussed potential placement of a public safety parcel tax or a Landscape Maintenance District (LMD) revenue measure on the ballot and requested that staff return with additional information.

At the June 1, 2010, Council meeting, Council discussed a number of revenue options, which including a LMD financing measure, parcel tax and the implementation of the EMS fee. Staff informed Council that preliminary community survey efforts were underway via the Godbe Research firm to assess the community's perspectives on a variety of issues, including its potential support of a local revenue measure to maintain local services. At that meeting, Council determined that staff should return with the results of the revenue measure community survey and postpone implementation of the EMS fee until January, 2011.

On June 15, 2010, Council approved Resolution 2010-088 calling a municipal general election, and Resolution 2010-089 requesting the City's election be consolidated with the State General Election on November 2, 2010.

At the July 6, 2010, Council meeting, staff presented the results of the community survey and informed Council that the survey results indicated strong community support (64%) for a half-cent sales tax measure to maintain City services. The survey also found that a shorter duration would garner stronger support, with 67% of respondents indicating support for a measure that had a five-year sunset clause.

Additionally, the community survey found that having a resident oversight committee would be preferred to ensure transparency about how the funds were spent. Polling results show that a majority of Tracy residents have identified public safety and economic development as top priorities. The survey also found that the priorities of the community align with the funding needs of the City, including maintenance of public safety and emergency medical services, economic development, and programs for seniors and youth.

Given the results of the survey, staff recommended that the Council place a one-half cent transactions and use (sales) tax measure on the November 2, 2010, ballot with a five year sunset clause. Revenue from this measure will assist in achieving the City's objective of maintaining current levels of service, such as maintaining firefighters, police officers, 9-1-1 emergency response services, neighborhood police patrols and fire protection, and other essential City services. Money from this measure is legally required to be spent only on the City's needs and none of the money can be taken or borrowed by the State.

If the measure is approved by the voters an ordinance needs to be adopted imposing a transactions and use tax to be administered by the State Board of Equalization. This ordinance makes all the necessary adjustments to the Municipal Code to clarify how the tax would be imposed, collection procedures, and use of tax proceeds. The ordinance also clarifies that the authority to levy the tax expires five years from the date the tax starts being collected. Additionally, the ordinance specifies that the Residents' Oversight Committee will be established no later than March 1, 2011, to review the expenditures of the revenue from the proposed transactions and use (sales) tax. Staff from the California State Board of Equalization have reviewed and approved the form of the proposed ordinance.

As mentioned in the July 20, 2010 staff report related to the City Clerk ballot measure, if the Council chooses to file an argument in support of or against the measure it may authorize the argument to be authored by the entire legislative body. In the past, when

using this method to submit an argument related to a measure, the Council has created an ad hoc subcommittee to draft and file the argument on its behalf.

Alternatively, City Council may authorize one or more of its members to author and file a written argument in support of and/or against the measure. If neither of the above options is chosen, under California Elections Code section 9287, a bona fide citizens group or a registered voter may file arguments in favor of, or against, the measure.

Only one argument filed in support of, or against, a measure may be selected to appear with the measure. If multiple arguments in favor of, or against, the measure are timely filed with the City Clerk's Office, then the City Clerk must grant preference first to any argument authored by the legislative body, then to an authorized Council member or members, then to a bona fide citizens group, and finally to an individual voter registered and eligible to vote on the measure.

Funds to cover the cost of the City's General Municipal Election have been allocated in the budget for Fiscal Year 2010-2011.

Staff recommended that Council:

(1) adopt a resolution calling for a municipal election to submit to the voters a local ballot measure adopting a one-half cent transactions and use (sales) tax, with a five-year sunset clause, to fund Tracy city services, requesting the Board of Supervisors of San Joaquin County to consolidate a municipal election on the local measure with other elections to be held on the November 2, 2010, regular election date; directing the City Attorney to prepare an impartial analysis of the measure; and setting the dates for arguments on the measure;

(2) introduce an ordinance enacting a transactions and use (sales) tax to be administered by the State Board of Equalization upon approval by the voters at the November 2, 2010 election, and

(3) adopt a resolution authorizing City Council, as a legislative body, to author the argument in support of, and/or against, the measure.

Mayor Ives asked for clarification regarding the "and/or" arguments for the initiative.

Mr. Sodergren indicated the City Council as a body could author one argument, and if a Council Member wanted to author an opposing argument and the Council authorizes them to do so, that Council member can write the argument. If Council does not allow the Council member to file the opposing argument, that Council member can write a rebuttal as an individual.

Council Member Tolbert stated that as a professional public administrator she applauded the efforts of administrative staff and managers regarding the measures that have been taken to streamline the system. Council Member Tolbert stated she would like to see a pie graph of things that cannot be cut because of contracts, state mandates, etc.

Mayor Ives asked what this meant to other cities in the county. Leon Churchill, Jr., City Manager stated sales tax rates in surrounding cities are currently at 9.25%. Approval of this measure would put Tracy on a par with those cities.

Mayor Ives asked if other cities had a sunset clause. Mr. Churchill stated it was common.

Mayor Ives opened the public hearing.

Tim Case, 10906 W. Larch Road, stated that he was surprised that a sales tax is even being considered. Mr. Case stated although he was impressed with what has been done to date including cutting services he had not seen any across the board pay cuts. Mr. Case further added there would be a good reason to look at re-distributing the wealth between the salary levels. Mr. Case indicated retirement benefits in the high 5% or 6% and funded by the public is extreme.

Robert Tanner, 1371 Rusher Street, stated Council has not shown the public enough cuts before asking for an increase in sales tax. Mr. Tanner urged Council to take further cuts.

Larry Gamino, 21 W. First Street, addressed Council indicating now was not the time to tax Tracy residents. Mr. Gamino urged Council to not raise taxes.

Jim Freeman, 705 Mt. Rushmore Ave., addressed Council regarding the survey on the proposed tax measure. Mr. Freeman stated he was concerned that the funds will not be earmarked for 911 or police services, but placed in the General Fund. Mr. Freeman stated he believed that buyers would notice the tax increase and would choose not to purchase in Tracy.

Paula McKay, 1981 Standridge Road, addressed Council stating a new sales tax is not good, and that she didn't believe the voters would approve it. Ms. McKay added revenue will go down because people would buy less because they cannot afford it.

John Morley, 4262 Middlefield Drive, President and co-founder of the Tracy Tea Party, stated he was opposed to a sales tax increase. Mr. Morley stated raising taxes would mean less revenue and suggested decreasing taxes by ½ cent to encourage spending.

Council Member Maciel thanked the speakers and complimented those who had done their homework. Council Member Maciel stated he had looked at Tracy's history and appreciated that the City is on sound fiscal footing. Council Member Maciel indicated he supported the measure because the City is asking residents for direction regarding maintaining the current level of services in Tracy. The City will continue to cut where it can, but the City's only source of income comes from taxpayers.

Council Member Tolbert stated if the Council was voting to raise taxes she would vote no, but Council is asking taxpayers to raise their taxes. Council Member Tolbert added this was a statement of how residents want to raise money to provide necessary services.

Mayor Pro Tem Tucker stated the problem the City has relates to the general fund which is made up of property tax and sales tax. The City receives \$.01 of the 8.75% sales tax collected. Mayor Pro Tem Tucker added the City still needed to cut 10% across the board in salary and benefits and to get tougher with the unions. Mayor Pro Tem Tucker stated she was opposed to asking for any increase in taxes or placing the measure on the ballot.



Council Member Abercrombie asked how much sales tax is generated from individuals who live outside of Tracy. Ms. Hurtado stated approximately 40%.

Council Member Abercrombie asked what cuts employees have taken. Mr. Churchill stated the total value of employee concessions totals \$2.8 million across all union groups. Mr. Churchill stated that in order to achieve the remaining \$5 million needed would require an additional 25% pay cut in addition to what has already been realized. Mr. Churchill indicated additional efforts will be taken to reduce costs through cuts.

Council Member Abercrombie asked if the City excludes pay cuts how many positions would need to be eliminated. Mr. Churchill stated approximately 90-100 positions. Mr. Churchill added currently, the City has 470 employees.

Mr. Churchill stated if the sales tax measure did not pass, there would be further cuts that would include police and fire. Mr. Churchill stated it was a question of what services residents want, and what sort of community they want in the next four to five years.

Council Member Maciel asked for clarification regarding the labor groups and their percentage of reductions. Mr. Churchill indicated between 2%-8%. Mr. Churchill added executive staff had made double digit reductions.

Mayor Ives indicated this was a difficult situation for the Council and was a question of service levels. Mayor Ives further indicated the City will fix the structural deficit. Mayor Ives stated he was in favor of putting the measure before the voters.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to adopt Resolution 2010-130 calling for a Municipal Election to submit to the voters a local ballot measure adopting a one-half cent transactions and use (sales) tax to fund Tracy city services, requesting the Board of Supervisors of San Joaquin County to consolidate a Municipal Election on the local measure with other elections to be held on the November 2, 2010 regular election date; directing the City Attorney to prepare an impartial analysis of the measure; and setting dates for arguments on the measure. Voice vote found Council Member Abercrombie, Maciel, Tolbert, and Mayor Ives in favor; Mayor Pro Tem Tucker opposed.

The Clerk read the title of proposed Ordinance 1151.

It was moved by Councilmember Abercrombie and seconded by Council Member Maciel to waive the reading of the text. Voice vote found Council Members Abercrombie, Maciel, Tolbert, and Mayor Ives in favor; Mayor Pro Tem Tucker opposed. Motion carried 4:1.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to introduce Ordinance 1151. Voice vote found Council Member Abercrombie, Maciel, Tolbert, and Mayor Ives in favor; Mayor Pro Tem Tucker opposed. Motion carried 4:1.

Mayor Pro Tem Tucker indicated she was not interested in providing an argument in opposition to the measure. Council Member Tolbert suggested a staff member prepare the argument. Mr. Sodergren indicated staff was restricted to providing only information. Mr. Sodergren indicated the deadline to file an argument was next Friday.

Council Member Maciel indicated he was in favor of working on the argument. Council Member Abercrombie stated he would work with Council Member Maciel.

Mr. Sodergren stated the resolution would be amended accordingly.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to adopt Resolution 2010-132 authorizing Council Member Maciel and Council Member Abercrombie to author written arguments for a City measure adopting a one-half cent transactions and use (sales) tax to fund Tracy city services. Voice vote found Council Member Abercrombie, Maciel, Tolbert, and Mayor Ives in favor; Mayor Pro Tem Tucker opposed. Motion carried 4:1.

Mayor Ives called for a recess at 8:52 p.m. The meeting was reconvened at 9:00 p.m.

5. RECEIVE AND DISCUSS THE END OF YEAR REPORT ON THE GRAND THEATRE CENTER FOR THE ARTS - Leon Churchill, Jr., City Manager, introduced Jeff Haskett who presented the staff report. Mr. Haskett stated that the Grand Theatre Center for the Arts' Presenting Season has scheduled performances from September through May. During the third year of operations, five categories were offered in various styles of presentation: three Off-Broadway; two World Entertainment; three Family Treasures; and the Classic Movie Series showing three classics on the big screen and three Hitchcock classics in the studio theatre. Also introduced for the first time to fill the Studio Theatre Series was a new Resident Theatre Program.

The Tracy Performing Arts Foundation was accepted as The Grand Theatre's first resident company and supplied five successful shows.

Family Treasures, the most successful Series, originally offered three performances in the morning that were geared toward school assemblies. The series was so well attended that a fourth had to be added. The response to the Classic Cinema Series inspired the purchase of a projector and expansion of such a series for next year. The total attendance for the presenting season was 4,838 a 24% increase from last year.

**COMMUNITY AND COMMERCIAL PRESENTATIONS** - The community has continued to respond positively to the Grand Theatre Center for the Arts, evidenced by the continuing high demand for the use of the facility. The Grand Theatre Center for the Arts' rentals totaled 157 in the third year. The majority of the rentals are non-profit community-based organizations, but several commercial rentals continue to return to the Grand Theatre Center for the Arts. Rental operations remain active six to seven days a week depending on demand, and staff continues to work with community groups to showcase their performances. Overall attendance for the community and commercial presentations was 15,814 patrons during the 2009-2010 Season.

**GRAND GALLERIES** - The Grand Galleries exhibition schedule operated five days a week from July 2009 through June of 2010 and presented six exhibits. The most notable exhibition was *Socio-technic Evolution* by artist Adam Reeder of San Ramon, an emerging celebrated sculptor and arts educator. Not only was this the first large scale sculpture exhibit in the galleries but one of Mr. Reeder's pieces, Atlas, was put on display as part of the Macworld Conference & Expo in San Francisco this last February.

Across the 2008-09 Season, the overall attendance of the Grand Galleries was 8,965. Visitors and patrons interacted with exhibitions programming, including a multitude of special events such as receptions, gallery talks by the artists, demonstrations and workshops.

Introduced at the start of the holiday season in December of 2009, a new program called Art Co-opted was placed in the Matthews Gallery and served as a modern, cooperative exhibition space. The Co-Op exhibited original artwork, limited editions and artist designed products at low prices. During the first year 100 items were sold grossing \$4,415.50.

**ARTS EDUCATION** - The Arts Education Program operates 12 months of the year, six days a week, 12 hours a day. The Arts Education Program presented a variety of classes and workshops in visual and performing arts for children, teens, and adults. Classes included tap, ballet, hip-hop, ballroom dance, oil and acrylic painting, drawing, ceramics wheel throwing, photography and private and group music instruction. There were 12 new and 34 returning contract instructors hired to facilitate this programming. Staff will continue to assess the interests and demands of arts education within our community by listening to public feedback, appraising student evaluations, and speaking with faculty members. The program held 999 classes with 2,825 participants.

**UPCOMING FISCAL YEAR 2009-2010 PROGRAMMING** - This year for the anniversary weekend, the Season will kick off with Comedian John Heffron, winner of NBC's Last Comic Standing, on Saturday evening, September 11, 2009. The following Sunday the festivities continue with "Sound of Music" on the big screen for .25¢ per person. The Arts Leadership Alliance will underwrite the weekend performances. The Grand Galleries season will kickoff the anniversary weekend with a historical exhibition, noting the 100 year anniversary of the incorporation of the City of Tracy.

The remainder of the 2010-2011 Season will consist of two musicals, eight plays, seven concerts, six family events, a jazz night club series and 22 cinematic treasures. In addition, five performances will be scheduled during the day for school-age children to attend and will be marketed directly to the schools for assembly attendance. The Galleries will feature six exhibitions and a special holiday event in the Co-Op, and the Arts Education program will continue its regular programming and explore new classes to offer.

The 2009-10 fiscal year actual operating budget expenditures for the Cultural Arts Division were \$1,247,079. Actual funding sources for the Cultural Arts Division budget included \$ 830,681 from the General Fund, and \$ 416,398 from fee revenues.

Staff recommended Council discuss the end of year report on the Grand Theatre Center for the Arts.

Mayor Ives invited members of the public to address Council on the item.

Juana Dement, 1525 Franklin Ave., thanked Mr. Haskett for putting together the presentation, and stated staff at the Grand has done a wonderful job.

Council Member Maciel thanked Mr. Haskett for the report, and encouraged everyone to attend an event at the Grand.

Mayor Pro Tem Tucker stated she was thrilled that the City is on the right track; the goal being to have the Grand as self sufficient as possible. Mayor Pro Tem Tucker indicated the subsidy needs to continue decreasing each year.

Mayor Ives stated the City was moving in the right direction in regard to the Grand Theatre.

Council accepted the end of the year report on the Grand Theatre Center of the Arts.

## 6. COUNCIL ITEMS

- A. Designation of Voting Delegate and Up to Two Voting Alternates for the 2010 League of California Cities Annual Conference - Maria Hurtado, Assistant City Manager, presented the staff report. The League of California Cities Annual Conference is scheduled for Wednesday, September 15, 2010, through Friday, September 17, 2010, in San Diego. An important part of the Annual Conference is the Annual Business Meeting. At this meeting, the League membership considers and takes action on resolutions that establish League policy. In order to expedite the conduct of business at this policy-making meeting, each City Council should designate a voting delegate and up to two alternates who will be registered at the conference and present at the Annual Business Meeting. A voting card will be given to the City official who is designated on the Voting Delegate Form.

Staff recommended that Council designate a voting delegate and up to two voting alternates for the League of California Cities Annual Conference Business Meeting.

Council Member Maciel suggested one delegate should represent the City. Council Member Tolbert volunteered to be the voting delegate.

Mayor Ives invited members of the public to address Council on the item. There was no one wishing to address Council on the item.

It was moved by Council Member Maciel and seconded by Mayor Pro Tem Tucker to designate Council Member Tolbert as the voting delegate for the League of California Cities Annual Business Meeting. Voice vote found all in favor; passed and so ordered.

- B. Adopt a Resolution Approving the Argument in Favor of the Measure Regarding Whether the Office of the City Clerk Should be Appointed and Requesting the Board of Supervisors of San Joaquin County to Consolidate the Local Measure with the State General Election to be Held on November 2, 2010 - Maria Hurtado, Assistant City Manager, presented the staff report. Ms. Hurtado stated that during the past two months the Council has taken a number of actions related to the City's General Municipal Election to be held on November 2, 2010. On June 15, 2010, the Council adopted Resolution 2010-088 calling for the election of the Mayor and two Council Members, and Resolution 2010-089 requesting the County consolidate the City's General Municipal Election with the State's General Election.

On July 6, 2010, the Council adopted Resolution 2010-111 authorizing a measure be placed on the November 2, 2010 ballot to allow Tracy voters to determine if the office of the City Clerk should be appointed. On July 20, 2010, the Council adopted three resolutions related to the ballot measure. Resolution 2010-122 sets the deadline for submitting arguments for and against the measure for August 13, 2010 at 5:00 p.m. and directs the City Attorney to prepare an impartial analysis; Resolution 2010-123, amends Resolution 2008-101, and sets the deadline for submitting rebuttal arguments for August 23, 2010 at 6:00 p.m. and, Resolution 2010-124 authorizes the Council, as a legislative body, to author the argument in support of the measure. The Council also created an ad hoc subcommittee consisting of Council Member Maciel and Council Member Abercrombie to draft an argument in favor of the measure and bring it back to Council for review at the August 3, 2010 meeting.

The Registrar of Voters Office has requested the Council adopt a resolution requesting the Board of Supervisors of San Joaquin County to consolidate the local measure with the state general election to be held on November 2, 2010.

All costs associated with the City's consolidated election have been included in the FY 10-11 budget.

Staff recommended that the City Council adopt a resolution approving the argument in favor of the measure regarding whether the office of the city clerk should be appointed, and requesting the Board of Supervisors of San Joaquin County to consolidate the local measure with the state general election to be held on November 2, 2010.

Tom Benigno, 2473 Angora Court, addressed Council in opposition to removing the election process from the City Clerk's position. Mr. Benigno referred to the three stage process of preparing an argument. Mr. Benigno stated he was prepared to provide an argument in opposition to the ballot measure.

Mayor Ives asked staff to address who can file an opposition statement, and the salary savings to be realized.

Ms. Hurtado discussed the salary savings to be realized by appointing the City Clerk. Mr. Sodergren stated any individual or citizens group could file a statement in opposition with the City Clerk by August 13, 2010.

It was moved by Council Member Abercrombie and seconded by Council Member Tolbert to adopt Resolution 2010-131 approving the argument in favor of the measure regarding whether the office of the City Clerk should be appointed and requesting the Board of Supervisors of San Joaquin County to consolidate the local measure with the State General Election to be held on November 2, 2010. Voice vote found all in favor; passed and so ordered. It was Council consensus to allow the subcommittee to file a rebuttal if necessary. Voice vote found all in favor; passed and so ordered.

7. ITEMS FROM THE AUDIENCE – None.

8. ADJOURNMENT - It was moved by Council Member Abercrombie and seconded by Council Member Maciel to adjourn. Voice vote found all in favor; passed and so ordered. Time: 9:38 p.m.

The above agenda was posted at the Tracy City Hall on July 29, 2010. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

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City Clerk