

**October 19, 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 Scott McFarland, Journey Christian Church.

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

Mayor Ives presented a proclamation to Herve Chevallier, President, Tracy Rotary Club, and Mike Belden, President, Tracy Sunrise Rotary Club, recognizing October 24, 2010 as World Polio Day in Tracy.

As part of the City's ongoing effort to reduce costs Mayor Ives recognized vendors who have agreed to a voluntary reduction in the cost of their services to the City. The following companies were recognized: AP Technology, Government Outreach; Profit Stars; Loomis, and Moss, Levy & Hartzheim.

1. CONSENT CALENDAR - It was moved by Council Member Abercrombie and seconded by Mayor Pro Tem Tucker to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.
  - A. Minutes Approval – Special meeting minutes of August 31, 2010, and closed session minutes of October 5, 2010, were adopted
  - B. Approve the First Amendment to the Offsite Improvement Agreement with Winco Holdings, Inc. of Boise, Idaho, for the WinCo Foods Facility and Authorize the Mayor to Execute the Amendment – Resolution 2010-168 approved the amendment.
  - C. Approval of Permit for the Consumption of Alcoholic Beverages on City Streets for the Tracy Chamber of Commerce “Downtown Mixer” on October 28, 2010, and the Tracy City Center Association “Downtown Wine Stroll” on October 29, 2010 – Resolution 2010-169 approved the permit.
  - D. Approval of Amendment Number Two to the Professional Services Agreement with Design, Community, and Environment (DC&E) for the General Plan Amendment, Final Environmental Impact Report, and Municipal Services Review to Change the Scope of Work and Augment the Budget, Authorize the Use of \$24,639 from the Infrastructure Master Plans Staff Time Funds, and Authorize the Mayor to Execute the Amendment – Resolution 2010-170 approved the amendment.

- E. Approve an Expenditure Plan for the Use of Proposition 1B Funds in the Amount of \$1,205,764.40, for the Design and Reconstruction of Street Overlays in the City and Authorization to Amend the Budget to Include a New CIP for City-Wide Street Overlays with Proposition 1B Funds – Resolution 2010-171 approved the expenditure plan.
2. ITEMS FROM THE AUDIENCE - Dave Helm, a downtown business owner, addressed Council regarding the elimination of the downtown police officer. Mr. Helm expressed concern with vandalism and the presence of transients. Mr. Helm read a commendation for Officer Flores. Mr. Helm requested a future agenda item to discuss the issue.

Singh Dale, owner of Big O Tires, addressed Council regarding an increase in vandalism downtown due to the absence of Officer Flores. Mr. Dale indicated it was affecting the way he operated his business. Mr. Dale also requested a future agenda item to discuss the issue.

Brandy Hearld, President of Tracy Excellence Foundation, invited Council to attend a Murder Mystery Party, Saturday, October 25<sup>th</sup>, 2010, and provided Council with a flyer regarding the event.

Paul Miles, 1397 Mansfield Street, addressed Council regarding the statement read by Mayor Ives at the last City Council meeting. Mr. Miles provided a rebuttal to that statement and asked that his rebuttal be read into the record. The rebuttal is included as follows:

October 19, 2010  
City of Tracy City Council  
333 Civic Center Plaza Tracy, CA 95376

Members of the Council:

On October 5, 2010, Mayor Ives read a prepared statement in response to allegations I have made of serious misconduct on the part of the Tracy Police. This letter is a rebuttal to that statement.

Mr. Ives states that I disagree with the conclusions of a Tracy Police accident report and subsequent investigations. This is a mischaracterization. The report falsely represents both witness statements and the existing traffic control devices. These are not omissions, but falsification of the facts. Subsequent investigations added additional false statements and attempted to conceal criminal behavior. The Police are entitled to any conclusions they wish. They are not entitled to falsify the facts. These acts are red flags of corruption. Mr. Ives goes on to state that the council believes the Tracy Police Officers, and the Chief of Police, acted properly. On April 28, 2010 I delivered, to this Council, approximately 80 pages of documentation and digital recordings of witness interviews. This documentation unambiguously demonstrates that three officers of the Tracy Police Department have made false statements on official reports. The recordings moreover demonstrated that the witnesses were recorded without their knowledge, in their own homes, where they had every expectation of privacy. This is not proper or legal behavior. Moreover, as each member of this Council knows, Chief Thiessen has failed to respond to formal

citizen complaints alleging serious Police misconduct. Ms. Thiessen is required by both Department policy and the California Penal Code to respond in writing to these complaints, a fact which was brought to this Council's attention in writing on March 7, 2010 and orally on June 15, 2010. The law is unambiguous and unqualified: "The department or agency shall provide written notification to the complaining party of the disposition of the complaint within 30 days of the disposition." Violation of the Penal Code is not proper or legal behavior.

Mr. Ives closes his statement by asserting that the City Council has determined my allegations are unfounded – that is, false and without basis in fact. Like his earlier assertion of proper behavior, this statement is untrue, a fact which is easily demonstrated simply by Ms. Thiessen's failure to respond to my complaints. If Mr. Ives and this Council cannot show me, and the people of Tracy, Ms. Thiessen's response, then this statement is itself "unfounded."

I am extremely disturbed that this Council, collectively, could act so irresponsibly. You have taken a deliberate decision to close your eyes to not only allegations of criminal behavior on the part of City police, but gross negligence on the part of our City Manager and City Attorney. This is not the path to improved Public Safety. The fact that you chose to do this in closed session, such that the people of Tracy cannot know which of you are responsible, is still more troubling.

Your only honest and ethical course is to order an independent investigation of these allegations. Failure to do so will truly be a betrayal of every citizen of the City of Tracy.

Regretfully,  
Tracy, CA Paul Miles  
1397 Mansfield St.

Brian Van Lehn, 540 Winston Court, addressed Council regarding the lack of resolution to noise complaints with Leprino Foods. Mr. Van Lehn provided a petition signed by home owners in the neighborhood.

3. THAT COUNCIL CONDUCT A PUBLIC HEARING DECLARING THE EXISTENCE OF WEEDS, RUBBISH, REFUSE AND FLAMMABLE MATERIAL ON EACH OF THE PARCELS LISTED IN EXHIBIT "A" TO THIS AGENDA ITEM A NUISANCE; CONSIDER OBJECTIONS TO ABATEMENT OF SAID NUISANCE, AND APPROVE A RESOLUTION AUTHORIZING FIRE DEPARTMENT STAFF TO ORDER CONTRACTOR TO ABATE SAID NUISANCES WITH THE REMAINING FUNDS AVAILABLE - Germane Friends, Interim Fire Chief, presented the staff report. On September 2, 2010, and September 8, 2010, pursuant to Tracy Municipal Code, Section 4.12.280, the Fire Department sent a notice to the property owner(s) listed in Exhibit "A" to the staff report. The notice required the owner to abate weeds, rubbish, refuse and flammable material on his/her parcel within 20 days, and informed the property owner(s) that a public hearing would be conducted on October 19, 2010, where any protests regarding the notice to abate would be heard.

Under the provisions of Tracy Municipal Code, Section 4.12.290, the Fire Department will proceed at Council's direction with instructing the City's contractor to perform weed abatement on the parcels. After the parcels have been abated, Fire Department staff

will notify the property owners, pursuant to Tracy Municipal Code, Section 4.12.320, of a public hearing where Council will consider the report of costs for abatement and any objections of the property owners liable for the cost of abatement. A 25% administrative charge to each individual property will also be imposed.

The total fiscal year 2010/2011 budget for weed abatement is approximately \$12,000. The first weed abatement public hearing conducted on July 20, 2010 resulted in abatement costs totaling \$10,300 leaving a balance of \$1,700.

The current fiscal situation requires the City to re-evaluate its current practices for greater efficiencies and explore alternative approaches to address service delivery options. Staff proposed the following four strategies. Staff will return to Council at a later time for the appropriate Council actions related to the administrative fee adjustment, but the strategies were presented to inform Council of the proposed direction.

**Strategy One: Develop a Neighborhood Outreach Program:**

The City will ensure weed abatement is addressed utilizing the regulatory options available, including imposing administrative citations and administrative fees. In addition, the City will develop an outreach program to educate and empower neighborhoods to initiate actions that would better place weed abatement in the hands of the responsible parties. The outreach and education program will include working with existing Neighborhood Watch programs throughout the City to assess their interest in establishing a volunteer neighborhood clean up effort or to communicate with owners to urge them to ensure the property is maintained properly. This City/Neighborhood partnership ensures regulatory and administrative remedies are exercised by the City, while working with interested neighborhood groups to encourage property owners to take ownership in the fire safety of their properties.

**Strategy Two: Actively Assess Property Ownership:**

The City will initiate an assessment to clarify which properties to be abated are in foreclosure, which have absentee landlords, (property owners that do not live at the property to be abated) and which properties are owned by developers. This property assessment will result in targeted efforts by City staff to attempt to get the weeds abated.

**Strategy Three: Increase the Administrative Fee:**

Staff conducted an analysis of the weed abatement revenue received by the City over the last five years to determine whether the weed abatement program has recovered its costs and whether the administrative fees need to be adjusted. Table 1 below shows that the annual average cost recovery for weed abatement over the last five years is \$10,786.

The administrative charge for weed abatement was last reviewed in March 2003, Resolution 2003-059. Increasing the administrative charge from 25% to several times the cost of the abatement will be more reflective of the City's actual cost recovery needs and should encourage property owners to abate their own properties rather than neglect them, leaving the City to abate by default.

**Strategy four: Issue Administrative Citations:**

Currently, with respect to weed abatement, staff does not issue many administrative citations for non-responsive property owners. Staff intends to include the issuance of administrative citations as part of its overall strategy to reduce the number of properties requiring the City's contractor to perform weed abatement. Staff expects that combining regulatory and administrative remedies with a neighborhood partnership strategy will result in increased weed abatement compliance by property owners and increase the City's cost recovery efforts.

The weed abatement budget for FY 10/11 is \$12,100. There is a \$1,784 balance for the remainder of the fiscal year.

Staff recommended that Council conduct a public hearing declaring the existence of weeds, rubbish, refuse and flammable material on each of the parcels listed in exhibit "A"; consider objections to abatement of said nuisance, and approve a resolution authorizing fire department staff to order contractor to abate said nuisances with the remaining funds available.

Council Member Maciel asked if this action was primarily due to complaints about properties, or does the Fire Department find these properties on its own. Chief Friends indicated action was complaint driven. Council Member Maciel asked how the City notifies the property owners of violations. Chief Friends indicated by certified letter.

Council Member Abercrombie asked who would oversee the volunteers listed in Strategy 1. Chief Friends stated it would be part of the strategy made between the City and the neighbors. Council Member Maciel asked if the City would offer some type of resources. Chief Friends stated yes.

Council Member Tolbert indicated she was concerned with the approaches listed under Strategy 1 and asked if the City would divide abatement needs into absentee landlords, etc. Council Member Tolbert stated she also had concerns with Strategy 3, specifically the administrative charge. Council Member Tolbert further stated the City should make it a 100% cost recovery program, and while she did not have a problem with administrative citations they should have been put in place at the commencement of the program.

Mayor Pro Tem Tucker indicated she was concerned with the City being aggressive with those individuals living in the homes vs. absentee landlords.

Council Member Maciel asked if the administrative citation was an option. Bill Sartor, Assistant City Attorney, indicated an updated ordinance would be presented before the next weed abatement season.

Council Member Maciel stated that since the Fire Department is addressing the issue, he hoped that fire safety would be stressed and not aesthetics.

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

It was moved by Council Member Abercrombie and seconded by Mayor Pro Tem Tucker to adopt Resolution 2010-172 declaring the existence of weeds, rubbish, refuse and

flammable material on the parcels listed in Exhibit "A" to the staff report, a nuisance and authorize Fire Department staff to order the contractor to abate. Voice vote found all in favor; passed and so ordered.

4. RECEIVE PUBLIC TESTIMONY FROM PUBLIC HEARING FOR ANNUAL UNMET TRANSIT NEEDS, CITY OF TRACY, FISCAL YEAR 2010-11 - Ed Lovell, Management Analyst, presented the staff report. Under provisions of the State of California Transportation Development Act (TDA), local public hearings must be held annually to review any unmet transit needs prior to the allocation of TDA funds. The hearings were held on October 19, 2010, at 1:30 p.m. in the Tracy Transit Station Conference Room 105, and again at 7:00 p.m. in City Hall Council Chambers during the regularly scheduled Council meeting.

The City requested TDA funds for Fiscal Year 2009-10 for the following purposes:

1. Public Transportation Operating Costs	\$733,710
2. Public Transportation Capital Costs	\$178,139
3. Roads and Streets Projects	\$2,286,300
4. Pedestrian and Bicycle Projects	\$50,512
5. TDA Administration	\$90,845
 Total 2009-10 Claim	 \$3,339,506

The TRACER Public Transit System provides Fixed Route and Paratransit Bus services Monday through Friday from 7:00 a.m. until 7:00 p.m., and Saturdays from 9:00 a.m. to 5:00 p.m. The Paratransit Subsidized Taxi service operates during the days and hours that the Paratransit Bus service is not in operation.

The purpose of the public hearing is for the City Council to receive public testimony concerning any unmet transportation needs which may exist for the Tracy community. No decision as to the sufficiency of local transit services is requested from the Council. The minutes of the public hearing on October 19, 2010, shall be forwarded to the San Joaquin County Council of Governments (SJCOG) which has the responsibility of determining whether transit needs remain unmet and would be reasonable to meet by the applicable jurisdiction. Staff members from SJCOG attended the Tracy public hearings to witness the community responses and to answer specific questions concerning the TDA process.

Mayor Ives opened the public hearing. Since there was no one wishing to address Council on the item the public hearing was closed.

Council Member Abercrombie suggested staff look at the suggested items and bring back an estimate of what they would cost. Rod Buchanan indicated staff could bring that information back at a future meeting.

Mayor Ives asked how Mountain House was being funded for TDA. Mr. Buchanan stated the County receives the funding and that it was up to SJRTD to provide the service.

Mayor Ives asked if Mountain House residents were given an opportunity to offer suggestions. Mr. Buchanan stated yes.

Council Member Tolbert asked if information could be provided on ridership and how it is being marketed.

Council Member Maciel indicated a couple of the comments related to services outside the city limits. Mr. Buchanan stated due to funding restraints, the City is limited to local service. Mr. Buchanan added that in order to expand any services, the City would need to be able to quantify the service levels and ridership.

Council accepted the report.

5. APPROVAL OF AN AMENDMENT TO THE SAN JOAQUIN COUNTY MULTI-SPECIES HABITAT CONSERVATION AND OPEN SPACE PLAN (SJMSCP) DEVELOPMENT FEE, RESULTING IN AN OVERALL DECREASE IN FEES FOR 2011 - Victoria Lombardo, Senior Planner, presented the staff report. In 2001, City Council approved a resolution to establish the authority to collect a development fee for the SJMSCP. The fee was established in 2001, and subsequently updated in 2005, 2007, 2008, 2009 and 2010.

The formula for updating the fee was categorized into three distinct components to better calculate an accurate fee per acre [FEE = Category A (acquisition) + Category B (assessment & enhancement) + Category C (management & admin)]. The final mitigation fees (Table 1) reflect true costs in each category and other real costs associated to fulfill the goals of the plan.

**Category A (acquisition) – Comparables** - This category is directly related to land valuation based on comparables which occur in specific zones of the plan. This category is evaluated on a yearly basis by taking all qualified comparables in each zone, including SJCOG, Inc. easements, to set a weighted cost per acre using the same methodology as in the Financial Analysis Update in 2006 created by EPS. The SJCOG, Inc. easements are evaluated using the appraised value of the property in the before condition included with the fee title sales of other property occurring in San Joaquin County. The final weighted cost per acre of each zone is calculated into a blended rate under Category A (acquisition) figure for each habitat type.

The criteria to determine valid comparables used in the weighted calculation are:

1. All SJCOG, Inc. transactions (fee title and appraised value of unencumbered property)
2. Sales not less than 40 acres
3. Sales not greater than 500 acres
4. No parcels with vineyard or orchard (except SJCOG, Inc. transactions for special needs)
5. Must be land which would fulfill mitigation under the plan
6. Not greater than 2 years old from the date of June 30<sup>th</sup> of each year with all acceptable comparables included (criteria 1-5). A minimum of 10 acceptable comparables are required for analysis. If the minimum of 10 transactions are not available, the time period will extend at 3 month intervals prior to the beginning date until 10 comparables are gathered.

The calculation results in a decrease to the Agricultural/Natural Habitat type of Category A component from \$10,011.11 to \$8,576.04.

**Category B (assessment & enhancement) - Consumer Price Index (CPI)** - This category averages the CPI, as reported by the California Department of Finance, for a 12 month period following a fiscal year (July – June) to keep up with inflation on a yearly basis. The CPI has been deemed appropriate regarding the cost of inflation for this category. The California CPI calculation increased 1.8% which results in an increase of \$2,996.88 to the Category B component.

**Category C (management & administration) - Consumer Price Index (CPI)** - This category averages the CPI, as reported by the California Department of Finance, for a 12 month period following a fiscal year (July – June) to keep up with inflation on a yearly basis. The CPI has been deemed appropriate regarding the cost of inflation for this category. The California CPI calculation increased 1.8% which results in an increase of \$1,689.55 to the Category C component.

SJCOG, Inc. staff calculated the fees using the SJMSCP Financial Analysis formula model [FEE= Category A (acquisition) + Category B (assessment & enhancement) + Category C (management & Admin)] which is shown in Table 1 below. The overall result in the calculations was a decrease in the fees from 2010 to 2011.

All land within and adjacent to the current City limits is classified as Open Space or AG/Natural, as there are no vernal pools near the City. The current (2010) per-acre fees in the relevant categories are \$7,307 per acre for Open Space, and \$14,615 for AG/Natural.

**Monitoring Plan Funding** - Along with the annual index adjustment, the SJMSCP is required to monitor the plan to address funding shortfalls as stated in Section 7.5.2.1 of the plan. SJCOG, Inc. shall undertake an internal review of the SJMSCP funding plan every three years to evaluate the adequacy of each funding source identified in the plan, identify existing or potential funding problems, and identify corrective measures, should they be needed in the event of actual or potential funding shortfalls. This will be reported to the permitting agencies for review in Annual Reports. A review of the Financial Analysis Plan, similar to the process undertaken in the 2006 review, will occur every five years to ensure the adopted methodology is fulfilling the goals of the plan.

This agenda item does not require any specific expenditure of funds. All fees collected with each project will be applied toward the SJMSCP.

Staff recommended that the Council approve the amended development fees for the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan, as shown in the City Council Resolution 2010-173 dated October 19, 2010.

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

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to adopt Resolution 2010-173 amending development fees for the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan. Voice vote found Council Member Abercrombie, Maciel, Tolbert, and Mayor Ives in favor; Mayor Pro Tem Tucker opposed. Motion carried 4:1.



6. ADOPTION OF RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF TRACY AND THE BOARD OF ADMINISTRATION OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM; INTRODUCE AN ORDINANCE AUTHORIZING THE AMENDMENT TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN TO INCLUDE A '2% AT 55 MODIFIED FORMULA AND THREE-YEAR FINAL COMPENSATION' BENEFIT FOR MISCELLANEOUS CLASSIFICATION PLAN EMPLOYEES HIRED AFTER DECEMBER 16, 2010 - Maria Olvera, Human Resources Director, presented the staff report. Ms. Olvera stated that Council has recently taken a number of actions to approve a second tier of retirement benefits for miscellaneous classification employees. On August 17, 2010, Council approved the Teamster Memorandum of Understanding, which included a second-tier retirement benefit. On September 7, 2010, the Council approved a Letter of Understanding for Mid-Managers, as well as revisions to the Compensation and Benefits Plans for Department Heads, Confidential Managers, and Technical and Support Services Unit, to also provide for a second tier in employee retirement benefits.

This item is the next step in the process. Once all steps in the process are completed and approved by the Council, new employees in the miscellaneous classification plan, hired after December 16, 2010, will receive the reduced retirement benefit of 2% @ 55, three year final compensation. While the City does not anticipate hiring in the near future, over time, this reduced benefit level will decrease benefit costs paid by the City.

There is no fiscal impact for adoption of the new benefit formula. For FY 2010-11, there will be minimal, if any, savings from the implementation of this second tier (2% at 55) because all miscellaneous classification employees hired prior to the contract amendment will continue to receive the prior retirement formula of 2.5% at 55. The City will begin to see savings as new employees are hired at the less costly second tier formula.

Staff recommended the Council:

- 1) Adopt a Resolution of Intention to approve a contract amendment between the City of Tracy and the Board of Administration of the Public Employees' Retirement System to include the '2% at 55 Modified Formula' and 'Three-Year Final Compensation' benefit (Sections 21354 and 20037 of the Public Employees Retirement Law) for miscellaneous classification personnel hired after December 16, 2010; and
- 2) Introduce an Ordinance authorizing the amendment to the contract between the City of Tracy and the Board of Administration of the California Public Employees' Retirement System to implement this benefit effective December 17, 2010.

Mayor Pro Tem Tucker asked staff to provide a clear explanation of "2% at 55". Ms. Olvera explained that it represented 2% of an employee's final compensation multiplied by the number of years an employee has been in public service.

Council Member Maciel asked if there was a PERS cap at 90%. Ms. Olvera stated yes.

Robert Tanner, 1371 Rusher Street, addressed Council regarding funded and unfunded retirement benefits.

Leon Churchill, Jr., City Manager, stated the City is dependent on CalPers. A City is generally considered fully funded if the pension fund is 90% funded or greater. Mr. Churchill added that currently CalPers is approximately 83% funded.

Mayor Ives asked staff to discuss post employment benefits. Ms. Olvera stated the City of Tracy does not provide post retirement benefits.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to adopt Resolution 2010-174, a Resolution of Intention to approve an amendment to the contract between the City of Tracy and the Board of Administration of the Public Employees' Retirement System; to include a second tier, '2% at 55 modified formula and three-year final compensation' Benefit for miscellaneous classification plan employees hired after December 16, 2010. Voice vote found all in favor; passed and so ordered.

The Clerk read the title of proposed Ordinance 1153.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to waive the reading of the text. Voice vote found all in favor; passed and so ordered.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to introduce Ordinance 1153. Voice vote found all in favor; passed and so ordered.

7. PRELIMINARY FISCAL REPORT ON GENERAL FUND FOR FISCAL YEAR 09-10 AND FIRST REPORT ON FINANCIAL AND BUDGETING TRENDS AND CONDITIONS FOR FY 10-11 - Leon Churchill, Jr., City Manager, presented the staff report. The current economic environment has severely affected the fiscal condition of the City. The City receives 93% of its General Fund taxes from just two sources, property tax and sales tax. Because of lower property values, property tax to the City has fallen from \$20.5 million in FY 07-08 to about \$15 million in FY 09-10. Sales tax has fallen from \$13 million in FY 06-07 to about \$9.2 million in FY 09- 10.

The FY 09-10 budget as originally adopted anticipated that the City's General Fund would receive \$46.4 million in revenue, and that the City would have \$53.8 million in expenditures. This would mean the City would need to draw \$7.4 million from reserves. The following can be reported as preliminary figures to close out FY 09-10 (the City's annual audit has begun but has not yet been concluded – the auditor's may have other final adjusting entries for FY 09-10). Actual revenues of \$43.1 are substantially lower than what the budget anticipated (\$46.4 million). However, the City instituted significant budget cutting actions resulting in expenditures of \$49.4 million as compared to the budget of \$53.8. As such, the expected draw from reserves for FY 09-10 should be approximately \$5.9 million instead of \$7.4 million.

The FY 10-11 budget anticipates revenues of \$42.5 million and expenses of \$47.3 million thereby requiring a draw on reserves of \$4.8 million. The revenue projections included an anticipated decrease of 3% in property taxes in FY 10-11. The actual decrease is about 2.5%. As such the City should receive about \$100,000 more than budget in FY 10-11 from property taxes. The City expected sales tax would increase by 4.1% from \$9 million to \$9.4 million. Sales tax has been dropping every quarter for

several years. However, actual sales tax increased by 1.2% for the first quarter of calendar year 2010 as compared to the same quarter in 2009. Sales tax for the second quarter for 2010 also increased by 1.8% as compared to the second quarter in 2009. This, together with the opening of the new Macy's store, makes the original budget estimate of \$9.4 million in sales tax for FY 10-11 look firm.

The FY 10-11 budget also included revenue from the potential implementation of an EMS response fee in January 2011. This fee was estimated at \$227,000 for the six month period from January 2011 to June 2011. The original draw on reserves for FY 10-11 of \$4.8 million looks firm even if the EMS fee is not implemented. EMS fee revenue is likely to be offset by slightly better property tax revenue than budgeted and additional employee salary concessions that were not included in the budget.

The City has two sources of General Fund reserves, the balance of the Economic Uncertainty Fund and the undesignated balance of the General Fund. The balance of these two sources together is estimated as follows:

	Previous Estimate	Revised
Balance as of 6/30/10	\$27,301,785	\$28,801,785
Balance as of 6/30/11	\$22,468,785	\$23,968,785

Mayor Pro Tem Tucker asked for a snapshot of the EMS fees. Mayor Pro Tem Tucker indicated she would like to see this report placed on the website.

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

Robert Tanner, 1371 Rusher Street, addressed Council regarding the EMS fees and asked what would happen to those fees if the sales tax measure passes.

Mayor Ives indicated Council has options regarding the EMS fee and would consider it again in January.

Council Member Abercrombie asked that the report also be placed on Facebook.

Council accepted the report.

8. SECOND READING AND ADOPTION OF ORDINANCE 1152 AN ORDINANCE OF THE CITY OF TRACY AMENDING THE CONCEPT DEVELOPMENT PLAN FOR THE BROOKVIEW PLANNED UNIT DEVELOPMENT FROM A 95-LOT RESIDENTIAL SUBDIVISION TO AN 80-LOT RESIDENTIAL SUBDIVISION FOR THE 10-ACRE PARCEL LOCATED AT THE NORTHWEST CORNER OF BROOKVIEW DRIVE AND PERENNIAL PLACE, ASSESSOR'S PARCEL NUMBER 248-560-28 - The Clerk read the title of proposed Ordinance 1152.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to waive the reading of the text. Voice vote found all in favor; passed and so ordered.

Robert Tanner, 1371 Rusher Street, asked why the City was in favor of eliminating the low income housing portion of the project.

Mr. Churchill stated that statistically 98% of the housing in Tracy is affordable. Mr. Churchill further stated that the City reserves the right to activate an affordable housing component when it exceeds that affordability.

It was moved by Council Member Abercrombie and seconded by Council Member Maciel to Adopt Ordinance 1152. Roll call vote found all in favor; passed and so ordered.

9. ITEMS FROM THE AUDIENCE – None.
10. COUNCIL ITEMS - Council encouraged everyone to vote on November 2, 2010.
11. 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: 8:36 p.m.

The above agenda was posted at the Tracy City Hall on October 14, 2010. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

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City Clerk