

January 17, 2012, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: 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 offered by Pastor Zacchaeus Dunham, Jr., of Agape Baptist Church.

Roll call found Council Members Abercrombie, Elliott, Rickman, Mayor Pro Tem Maciel and Mayor Ives present.

Mayor Ives presented a Certificate of Recognition to outgoing Commissioner Barbara Howard, Certificates of Appointment to new Commissioners Grace Paget and Nicole McClain, and Certificates of Reappointment to Mercedes Silveira-Gouveia and Anne Marie Fuller, Tracy Arts Commission.

1. CONSENT CALENDAR - Following the removal of item 1-E by Andrew Malik, Development Services Director, it was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.
 - A. Minutes Approval – Closed session minutes of January 3, 2012, were approved.
 - B. Approval of a Professional Services Agreement No. DE 1 with Dokken Engineering to Provide Professional Services to Prepare Project Study Report/Project Development Support (PSR/PDS) Documents for the I-205/Chrisman Road New Interchange Project CIP 73109, Federal No. HPLULN-5192 (034). For a Not to Exceed Amount of \$218,068, Authorization for the Mayor to Execute the Agreement, Authorize the Development and Engineering Services Director to Approve Amendments to this Agreement for Additional Services if Needed Up to an Amount of \$21,807 – Resolution 2012-011 approved the agreement and amendments for additional services.
 - C. Acceptance of the HVAC Replacement – Parks & Community Services Building Project - CIP 78119, Completed by Champion Industrial Contractors, Inc., of Modesto, California, and Authorization for the City Clerk to File the Notice of Completion – Resolution 2012-012 accepted the project.
 - D. Adoption of the Mitigated Negative Declaration as Required Per California Environmental Quality Act (CEQA) for the Replacement of the 11th Street East Tracy Overhead Bridge - CIP 73063, and Federal Project No. BHLS-5192(020) – Resolution 2012-013 approved the mitigated negative declaration.
 - E. Approve Amendment 1 to the Deferred Improvement Agreement with Patillo Development Partners, LLC to Exclude Certain Improvements Already Constructed by the Developer and Authorization for the Mayor to Execute the

Agreement, and Authorization for the City Clerk to File the Agreement with the San Joaquin County Recorder – Item to be brought back at a later date.

- F. Appropriate \$80,000 from Fund 301 for Emergency Repairs to the FBO Building at the Tracy Municipal Airport – Resolution 2012-014 approved the appropriation.
 - G. Approve Memorandum of Understanding (MOU) with California State University, Stanislaus; and Authorize the Mayor to Execute the MOU – Resolution 2012-015 approved the MOU.
2. ITEMS FROM THE AUDIENCE – Carene Brandrup, 939 Tokay Place, Manteca, on behalf of Barbosa Cabinets, asked why item 1-E had been postponed. Andrew Malik, Director of indicated one of the parties had not signed the agreement.

Mayor Ives stated Agenda item 4 would be heard out of order.

DEVIATION

4. APPROVE A JOINT RESOLUTION OF CITIES, COUNTY, AND OTHER SAN JOAQUIN COUNTY STAKEHOLDERS REGARDING LAND USE, WATER, AND OTHER DELTA RELATED ISSUES - Andrew Malik, Development Services Director, presented the staff report. Mr. Malik requested that Council adopt a joint resolution in coordination with other cities, the county, and other stakeholders in San Joaquin County in support of an initiative for joint action, advocacy, and mutual interests on issues concerning the Sacramento-San Joaquin River Delta (Delta). Other County and regional stakeholders include, but are not limited to representatives of San Joaquin County, other cities within the county, San Joaquin Council of Governments, Port of Stockton, San Joaquin Farm Bureau, Delta Counties Coalition, Delta Protection Commission, reclamation/flood control districts/agencies, water districts/agencies, select non-governmental environmental and resource conservation organizations, San Joaquin Partnership, Business Council, Building Industry Association of the Delta, and major developers.

The purpose of this process is to facilitate a coordinated and collaborative response, with other affected stakeholders in opposition to the Delta Stewardship Council's proposed Draft Delta Plan and corresponding DPEIR, the BDCP, and other related Delta plans or programs that may adversely affect economic development and sustainability in the City of Tracy and San Joaquin County.

Mr. Malik further stated that staff would be bringing to Council, an opportunity to participate in a concerted advocacy effort aimed at communicating to the state legislature and the region's federal legislative delegation vital information regarding the interests of this broad coalition of Delta stakeholders, and potentially facilitating future legislation. This effort will involve the retention of an advocate for this purpose, likely by the City of Stockton, with the financial burden of that retention and the ensuing advocacy effort shared amongst the stakeholders.

In November 2009, the California Legislature enacted Senate Bill X7 1 (The Delta Reform Act). It established the Delta Stewardship Council (DSC) an independent State agency, and requires that the DSC develop, adopt, and implement by January 1, 2012, the Delta Plan, a legally enforceable, comprehensive, long-term management plan for the Sacramento-San Joaquin Delta and the Suisun March (Delta) that achieves the

“coequal goals” as specified in California Water Code Section 85300(a). The coequal goals are the two goals of providing a more reliable water supply for California and protecting, restoring and enhancing the Delta ecosystem. The coequal goals are to be achieved in a manner that protects and enhances the unique cultural, recreational, nature resource and agricultural values of the Delta as an evolving place” (Water Code section 85054). Achieving the coequal goals is a preliminary and fundamental purpose of the Delta Plan. The DSC has issued several staff drafts of the Delta Plan, the most recent being the Fifth Staff Draft, which is the “project” or “program” analyzed in the recently released Draft Program Environmental Impact Report for the Delta Plan.

The Fifth Staff Draft Delta Plan generally covers five topic areas and goals, including increased water supply reliability, restoration of the Delta ecosystem, improved water quality, reduced risks of flooding in the Delta, and protection and enhancement of the Delta as an evolving place. Although the DSC, through the Delta plan, does not propose or contemplate constructing, owning, or operating any facilities related to these five topic areas, the Delta Plan sets the regulatory policies, and recommendations, that seek to influence the actions, activities and projects of cities, counties, State, Federal, regional and other local agencies toward meeting the goals in the five topic areas. In other words, local public agencies such as the City of Tracy will be required to conform their actions to the policies in the Delta plan and to the regulatory and appeal procedures established to implement the Plan.

City staff has monitored the development of the draft Delta Plan and provided comments and coordinated with San Joaquin and other affected parties. The City and other agencies are concerned with the scope and extent of proposed regulatory and review authority that the DSC is considering for adoption. The City continues to encourage the DSC to create a Delta Plan that helps achieve California’s coequal goals of providing reliable water supplies and restoring the Delta habitat while recognizing and protecting the Delta as a place where people work and live. The proposed Delta plan, in its current form, continues to threaten the ability of local communities to grow and prosper, takes away local decision making, and provides an appointed body with the authority to veto local land use and other decisions based upon subjective criteria.

City staff has attended periodic coordination meetings with representatives of San Joaquin County and the City of Stockton in the establishment and coordination of stakeholder meetings to facilitate a collaborative and uniform effort to address mutual concerns with the proposed adoption and implementation of the Delta Plan, the Program EIR, and with related Delta plans and programs such as the Bay Delta Conservation Plan (BDCP). Presently, the stakeholder group is preliminary known as the “San Joaquin County Delta Initiative Coalition Stakeholders”. Currently, the stakeholders include representatives of the City of Tracy, representatives of San Joaquin County (including Board of Supervisors Larry Ruhstaller and County staff), the City of Stockton, City of Ripon (including Mayor Elden Nutt), City of Lodi (including Bob Johnson), City of Escalon (including Mayor Fox), San Joaquin Council of Governments, Port of Stockton, San Joaquin Farm Bureau, non-governmental environmental and resource conservation organizations (Restore the Delta and CA Sports fishing Protection Alliance), and representatives of the Delta Protection Commission, Central Delta Water Agency, Business Council Inc., of San Joaquin County, Building Industry Association of the Delta, AG Spanos Companies, and the Grupe Company. The intent is to expand this group to include other affected San Joaquin County cities and interested parties with mutual

concerns to improve our negotiating position with the DES and with legislators in Sacramento and Washington, D.C.

On November 4, 2011, the DSC released a 2,200 page Draft Program Environmental Impact Report for the Delta Plan (DPEIR) and established a 60-day public review period. On November 8, 2011, the City of Stockton submitted a letter requesting that the review period be extended an additional 90 days to April 2, 2011. However, at their meeting on November 17, 2011, the DSC only extended the public review period by an additional 30 days ending on February 2, 2012.

City staff members are in the process of reviewing the DPEIR and are coordinating efforts with the aforementioned stakeholder group to develop a comment letter and to finalize the above-referenced separate joint stakeholder comment letter expressing shared concerns and overarching issues regarding the DPEIR. Those letters will be submitted on or prior to the February 2, 2012, deadline.

Staff requested that the Council adopt the above-referenced joint resolution in coordination with other stakeholders in San Joaquin County in support of an initiative for joint action, advocacy, and mutual interests on issues concerning the Sacramento-San Joaquin River Delta (Delta).

Staff will periodically update the City Council as significant developments occur and as further direction is necessary.

There is no immediate fiscal impact to the City's General Fund resulting from this item. However, at a future meeting, the Council will be given the opportunity to decide whether to participate in the stakeholder advocacy effort, which would require some financial commitment.

Staff recommended that the Council adopt a joint resolution of Cities, County, and other San Joaquin County stakeholders regarding land use, water, and other Delta related issues.

Mayor Ives welcomed Frank L. Ruhstaller, San Joaquin Board of Supervisors, who thanked staff for their involvement in the stakeholder group. Mr. Ruhstaller explained the threat to the cities because of the proposed Delta Plan. Mr. Ruhstaller asked Council for their support.

Mayor Pro Tem Maciel asked who was on the Delta Stewardship Council and how does someone get on the Council. Supervisor Ornellas stated it was formed in 2009 when the legislation came into being and outlined the various members of the Council.

Council Member Elliott asked for clarification regarding the power of the Delta Stewardship Council. Supervisor Ornellas stated the hardest thing to get out of the agencies is the actual Plan.

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

Council Member Elliott stated it looked as though this was an example of an appointed, not elected set of bureaucrats making decisions. Council Member Elliott suggested the Council should not stand by and let it happen.

Mayor Pro Tem Maciel stated he was in support of the resolution.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-016 in support of cities, county, and other San Joaquin County stakeholders regarding land use, water, and other Delta related issues. Voice vote found all in favor; passed and so ordered.

5. THAT COUNCIL DISCUSS AND ACCEPT THIS UPDATE REPORT BY THE POLICE DEPARTMENT STAFF REGARDING THE ANNUAL PROGRESS OF THE VIOLENT CRIME AND GANG SUPPRESSION PLAN - Lt. Greg Farmanian presented the staff report. Lt. Farmanian stated that the Police Department has sustained the program throughout 2011 as previously outlined to Council. The four prong approach focused on improving Enforcement, Intervention, Education, and Communication remains a priority.

Since January of 2011, the Police Department has:

- Reshaped the Directed Patrol Unit to consist of a 6 Patrol Officer team
- Directed Patrol Team (DPU) formed a direct link with Gang And Narcotics
- Enforcement Team (GNET) as a liaison to patrol
- Increased the number of gang related contacts and documentation
- Trained 3 V.I.P.S. to update and manage Cal Gang files
- 477 Cal Gang files have been created or updated by the V.I.P.S.
- Purged and updated the internal gang files at the police department
- Scheduled monthly meeting with Mayor's Community Youth Support Network (MCYSN), School Resource Officers, Gang & Narcotics Enforcement Team and Crime Prevention
- Coordinated and scheduled semi-monthly meetings with adult and juvenile probation in an effort to streamline communication and enforcement efforts
- Organized a team of instructors to train and teach Gang Resistance Education titled T.A.G. (Tracy Against Gangs)
- Crime Analyst provides weekly updates and temporal maps on gang related contacts and enforcement activity
- Juvenile probation is posting weekly updates to the juvenile probation list through the Police Department's Intranet
- GNET and General Investigations Unit (GIU) conducted 12 presentations to schools and service providers
- Implemented an addendum to the suppression plan in November 2011, to increase enforcement and suppression efforts through the remainder of 2011.

Through this plan, the Tracy Police Department has taken a number of steps to increase its overall efforts to interdict violent crime and criminal gang activity and discourage conduct that interferes with quality of life in the City of Tracy. 2011 contacts with documented gang members represent the total number of contacts by both the Directed Patrol Unit and Patrol Officers. Contacts resulting in an arrest were stable throughout the year and averaged a 26% arrest to contact ratio.

The Tracy Police Department's internal database on documented gang members was updated and out of date information purged in compliance with Department of Justice guidelines. The Department of Justice requires agencies to purge any gang intelligence

files if an individual has not had a gang related contact within a five year period; therefore, these numbers are constantly fluctuating.

The database contains the names of 802 individuals that have come in contact with Tracy Police Officers over the past five years. Each of these individuals had at least one validated gang contact with Tracy Police during this time period. Of the 802 documented gang members, 97 were juveniles and 705 were adults. While these individuals were contacted in Tracy and were entered into the City's database, this information should not be construed as being the number of documented gang members who actually reside in Tracy. The actual number of gang members residing in Tracy at the time of their contact during the past five years is 588.

The mission of the Violent Crime and Gang Suppression Operation remains the same - to provide high police visibility, strong enforcement, and regular contacts with individuals suspected of committing crimes of violence or involved in gang-related activity. Long-term goals will continue to focus on education and intervention as well as continually improving communication with all stakeholders.

Staff members from the Tracy Police Department met with representatives from the community, DARE, MCYSN, and the Tracy Unified School District to begin the process of implementing an educational program targeting positive life skills and gang resistance training to 5th grade students. The program is designed to deliver three or four lesson plans at the completion of DARE instruction to 5th grade students. The team, titled TAG (Tracy Against Gangs), has developed a curriculum and is in the process of refining the program through pilot program presentations. The program will be evaluated at the completion of the pilot program to assess the viability of sustaining a long term commitment to presenting TAG lessons.

First and second quarter fiscal year 11/12 costs are an accurate reflection of the actual costs of the program. These funds are primarily designed to cover costs associated with suppression deployment and training. Based on data since the beginning of fiscal year 11/12 the Police Department has utilized approximately \$40,000 of the \$125,000 dedicated to the Violent Crime and Gang Suppression Operation.

Staff recommended that the Council accept the updated report as it relates to the violent crime and gang suppression plan and provide direction to staff regarding future briefings.

Mayor Pro Tem Maciel referred to the fluctuations over the course of the year and asked if information was available. Lt. Farmanian mentioned the spike and indicated it was due to operation Gateway - a decrease has been shown after that event.

Council Member Elliott asked for clarification regarding the definition of a contact. Lt. Farmanian explained the definition and process.

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

Brian Benning, Hamilton Drive, asked if contacts fall off the list because they move. Lt. Farmanian indicated the Tracy Police Department works with Cal Gangs and explained how the process works.

Robert Tanner, 1371 Rusher Street, asked about the increase in the number of contacts, and asked how many contacts dropped off the list. Lt. Farmanian indicated he did not have that number available.

Dave Helm asked for clarification of a gang member who has been incarcerated for over 5 years. Lt. Farmanian explained if there has been no contact, they would drop off the list. Chief Hampton indicated an incarcerated individual who continues gang activity while incarcerated could remain on the list; it depended on their conduct while in prison.

Council Member Abercrombie referred to the slide that represents where gang members live and asked how much contact Tracy has with gang units from the other cities. Lt. Farmanian indicated they work with Cal Gangs and the City of Hayward, but not with other cities in the Bay Area. Chief Hampton indicated the County has a gang taskforce, but a Tracy police officer is not currently assigned to the taskforce.

Mayor Ives stated it was important to train the VIPS to update the data base and keep the City on the cutting edge with the ability to manage the information received from Cal Gangs.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to accept the report regarding the Annual Progress of the Violent Crime and Gang Suppression Plan. Voice vote found all in favor; passed and so ordered.

6. CITY COUNCIL DIRECTION REGARDING SIGN ORDINANCE AMENDMENTS RELATED TO ELECTRONIC MESSAGEBOARDS AND ELECTRONIC READER BOARD SIGNAGE ON PRIVATE SCHOOL PROPERTY - Bill Dean, Assistant DES Director, presented the staff report. Section 10.08.4510(i) of the Tracy Municipal Code (TMC) prohibits electronic readerboard signs and electronic scrolling signs. Specifically, prohibited signs include any sign which "flashes, blinks, moves, changes color, appears to change color, changes intensity, or contains any part of an attachment which does the same, except that barber poles and time and temperature signs shall be permitted in the commercial and industrial zones."

There are several signs in Tracy that do utilize electronic scrolling as a component of their signage. These signs are located on Tracy Unified School District property and advertise various school-related events and activities. The signs are not subject to conformance with the TMC because (in very general terms) the TMC does not apply to public school district property (Government Code Section 53090 and following).

Pursuing the Council's direction in an effort to allow the same sign type enjoyed by the public school district on private school property, an require an amendment to the TMC.. Accordingly, a draft TMC Amendment has been prepared for discussion, and was attached to the staff report.

In order to achieve the same type of sign on private school property as the existing public school signs the sign ordinance would have to be amended in four areas, as follows:

- The first area of amendment relates to the language on prohibited signs. Section 10.08.4510(i) would be amended to add an additional exception to the prohibition

on signs that change copy/color to include/allow private schools to utilize this sign type;

- The second area of amendment would be to create standards (now non-existent) related to how a sign can change color, mainly related to the intensity or brightness of the signs, and the speed or frequency of the message changes;
- The third area of amendment would relate to where such signs could be allowed in Tracy, for example, in which zone districts. Private schools are located throughout Tracy across numerous zone districts (Attachment A suggests that changeable copy be allowed at schools with grades 1 through 12, on sites greater than one acre, regardless of which zone the school is in. This, of course, could create challenges regarding the status of the sign if the school closes or relocates.).
- The fourth area of amendment would be to allow Freestanding Signs (a type of sign, up to 15 feet high and 100 square feet in area) in a wider range of zone districts, or possibly in any zoning district where a qualifying school was located. Otherwise, the schools would be limited to a Monument Sign (a sign typically 6 feet tall and 24 square feet for retail uses, and 4 feet tall and 12 square feet for other uses); Freestanding Signs are the type of sign currently used by several public schools to accommodate their scrolling message boards.

Staff suggested that if a TMC amendment be approved in the future for this type of signage, the process should require approval of a Conditional Use Permit (CUP) from the Planning Commission. The CUP process would enable the City to apply reasonable conditions of approval on the project (sign) related, for example, to potentially the hours of operation and ability to have the sign illumination moderated given its proximity or adjacency to residences and other uses that might be disturbed by the brightness or hours of operation. This is similar to the City's longstanding conditions of project approval that require, for example, parking lot lights to be downward pointing and capable of shielding against light spillage onto adjacent areas.

Staff has drafted an ordinance that would allow scrolling message boards on signs similar to existing public school signs. In considering the amendments, staff requested Council direction on the following:

- Confirm that this amendment would apply to "public or private schools located on property of one acre or more";
- Whether the amendment would include allowing Freestanding Signs (up to 15 feet high) as well as Monument Signs (4-6 feet high);
- Confirm that the amendment be limited to scrolling message boards similar to today's public schools.

Based on Council's direction, staff would proceed with an amendment to the TMC Sign Ordinance and conduct public hearing(s) at the Planning Commission before bringing a draft ordinance to the City Council. The amendment could be before the Planning Commission within two months.

There is no fiscal impact in pursuing a sign ordinance amendment other than the cost associated with staff time.

Staff recommended that the Council provide direction regarding sign ordinance amendments related to electronic message board signage on private school property.

Mayor Pro Tem Maciel indicated he was concerned that the cost may be prohibitive. Mayor Pro Tem Maciel indicated a lot of the private schools are affiliated with churches and asked how the size of the property was determined. Mr. Dean explained staff looked at schools with grades 1-2 and most schools were larger than 1 acre. Mr. Dean stated the aim was to make it as wide-spread as possible. Mayor Pro Tem Maciel indicated that would be his preference.

Council Member Elliott asked if there were schools in Tracy that are less than 1 acre. Mr. Dean indicated he was referring to K-12 schools; there are many home schools or daycare sites that would not be included.

Council Member Rickman asked if residential settings were being taken into account. Mr. Dean stated yes.

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

Council Member Abercrombie indicated he would support staff moving forward and liked the direction staff was pursuing. Council Member Elliott agreed.

Mayor Pro Tem Maciel indicated he would like to keep the cost of the conditional use permit to a minimum and would like grades K-8 included. Mayor Pro Tem Maciel stated he did not believe it would be appropriate to include private day care. Council agreed.

It was moved by Council Member Abercrombie and seconded by Council Member Rickman to direct staff to continue working on sign ordinance amendments related to electronic message board signage on private school property. Voice vote found all in favor; passed and so ordered.

8. RECEIVE UPDATE AND PROVIDE INPUT ON AIRPORT IMPROVEMENT OPTIONS - Ed Lovell, Management Analyst, presented the staff report. On October 18, 2011, the City Council and Transportation Advisory Commission held a joint meeting to discuss future improvements for the Tracy Municipal Airport. During that meeting, a list of items addressing various issues at the Airport was presented to Council for consideration. Many Airport Improvement Options on the Short Term list were presented with the Airport Fund as the potential funding source. In its present state, the Airport Fund would not be able to support any of the options listed without having a negative impact on the operating budget.

Attachment A (attached to the staff report) shows an update of the current projected timeline of each of the Short Term projects and the two Medium Term projects that Council asked to be brought back for further vetting and approval. Each item shows a time frame for starting and completing the project, depending on other factors that may or may not occur such as funding availability or the completion of other projects.

To date staff has completed the design and engineering documents. The project is expected to cost approximately \$2.12 million and staff has been working to secure funding from various means including bond sales, a State loan, and private loans. Staff has been unsuccessful thus far in securing funding for the project primarily because of the current financial condition of the Airport Fund. Staff is preparing a final bid package that will be published in February which will determine actual costs for establishing the needed funding.

On October 18, 2011, Council approved a Fuel Services Operator (FSO) Agreement with Turlock Air Center, doing business as Tracy Air Center, to operate the fuel services at the airport. Tracy Air Center has expressed interest in constructing a restaurant/café at the airport. In the City's current agreement with Skyview Aviation, Skyview has the first right to negotiate for improvements of that nature. Within the next 60 days, staff intends to bring a proposal to Skyview for the construction of a restaurant/café at the airport. If negotiations are unsuccessful after a period of 45 days, then the City will enter into negotiations with Tracy Air Center. If an agreement cannot be reached with Tracy Air Center, then a Request for Proposals will be sent out in order to proceed with the construction of a restaurant/café at the airport.

In July 2008, Council authorized the submittal of four grant applications for runway repair and fencing projects at the New Jerusalem Airport. The applications were accepted by the State and the funds were awarded. Currently, the design and engineering work is complete and is being reviewed by Caltrans. Upon completion of Caltrans' review, staff will go out to bid on the project. It is anticipated construction will start in July 2012.

Pavement core samples have been taken in various locations throughout the airport runways and taxiways. The samples are currently being analyzed to determine their composition. A report will be generated stating the make-up of the existing pavement along with potential options to address the current condition. Staff should have the report by the end January 2012. Based on the findings in the report, staff will meet with the City Attorney's Office and the FAA to discuss courses of action. Staff will bring the results of the report back to Council along with the recommended course of action to address the current runway condition. Staff will request funding from the FAA as necessary to complete the work. It is anticipated the runway repairs should be completed within six months from the receipt of funding.

There have been some discrepancies as to the actual length of runway 12/30. Confirming the runway lengths is the first step in future planning for the airport as indicated in Step 5 of the Financial Strategies below. A survey has been completed to ascertain the accurate length. The actual length of the runway under current conditions is 3,996. This length will be considered as the base starting point for future airport multi-phase planning effort as well as defining optimal runway lengths to maximize opportunities for the airport.

Since this item will be key to realizing any future growth and sustainability at the airport, staff asked Council to provide input on the potential fund balance strategies relative to the Airport Operating Budget. By ensuring the success of the Airport Operating Budget, the Airport Fund will be in a better position to be a viable funding source for many of the Short Term items.

Currently, the Airport Enterprise Fund operates at an annual deficit and has done so for many years. In FY 2011/12, the airport budget will realize a deficit of approximately \$103,000. The deficit has accumulated over the years to a current fund balance of \$525,000.

In addition to the operating budget, the Airport Fund has five outstanding loans which continue to have a negative impact on the fund. The Airport Fund has more financial obligations than revenue generation. In order to reverse this trend, staff proposed a five step fund balance strategy which will bring the operating budget into a position of annual positive cash flow by the end of FY 2015/2016. Each of the five steps is critical in providing a means for the Airport to grow and implement many of the improvement options that were presented to Council.

The Airport Enterprise Fund has four loans from the Water Fund, which it has not been able to pay as anticipated, and needs to renegotiate terms. Many of the loans do not have concrete terms or interest rates, with one being silent in both areas. Restructuring the existing loans would result in making the Water Fund whole. The Water Fund will benefit by entering into new loan terms that can be repaid by the Airport Fund

There is a total of 1.92 FTEs in the Airport Operating Budget. Due to a recent Fuel Service Operator agreement approved by the Council, and the recent reorganization throughout the City, the FTE count could be reduced by as much as 0.75 FTEs in a few years through attrition and restructuring of current positions. Further analysis will be necessary to evaluate impacts as retirements occur.

In addition to reducing expenses in the budget, increasing revenues will help achieve financial stability. The primary source of revenue for the Airport Enterprise Fund is hangar rentals. One project approved by Council is the construction of 42 new hangars at a cost of approximately \$2.2 million. To increase annual revenue, a request to the FAA to sell a portion of the New Jerusalem Airport property could be made. For example, selling 200 acres of the property at approximately \$5,000 per acre would result in \$1,000,000 for the hangar project which would result in a lower loan amount and lower annual payments. Under this scenario the City would still be required to keep the airport operational. There is an existing farm lease on the property which brings in approximately \$50,000 in revenue per year. Selling a portion of the property would result in a lesser amount of revenue. It is estimated that a farm lease on the remaining property would bring in approximately \$10,000. Revenue from the new hangars would offset the new loan payment and bring in net revenue of approximately \$85,000.

Applying for a partial release is a viable option because a partial release would be easier to obtain from the FAA than a full release. However, it is important to note that the FAA may not approve the funds from any such sale to be used in this manner. If the FAA were to not approve the partial release, or use of the funds, the hangar project would be put on hold until alternative funding could be identified.

There has been interest by outside parties in the construction of both a restaurant and corporate hangars at the Tracy Airport. By negotiating an agreement to move forward with both of these projects, it is anticipated that an additional \$10,000 in revenue could be generated through ground leases.

While the previous four steps take care of the immediate need for financial reform, long term planning must be taken into consideration to maintain financial viability and growth. A number of ideas fall into this fifth strategy. One idea would be to restructure the airport leases for privately owned hangars at the airport. All leases are approximately 20 years old and need to be revised. In addition, the exploration of a farm lease at Tracy Municipal Airport and the potential for revenue from advertising on the hangars could be completed. The medium term items M-1 and M-2 are being considered to be combined to conduct a comprehensive study that will identify the optimal runway length that will maximize opportunities for the Airport as well as locations that could accommodate an airport with such a runway length. Subsequent actions may include evaluating the feasibility of airport development opportunities and creating a business plan for the airport. The first step in this process will be to identify current runway lengths.

In total a net realization of approximately \$132,000 of additional funds could be brought into the Airport Enterprise Fund annually. This would eliminate the need for the General Fund to cover any deficit created from the existing condition of the Airport Enterprise Fund. These actions will stop the negative cash flow in the Airport Fund. The next steps for these fund balance strategies are for Council to provide direction and for staff to bring back options on achieving step 1.

There no impact to the General Fund for this item. Currently the Airport Enterprise Fund is operating at a deficit which is carried by the General Fund. Future actions may have positive budgetary impacts to the General Fund.

Staff recommended that Council accept the report and provide input on Airport Improvement Options.

Council Member Abercrombie asked what year the seal coat was put on the runway. Mr. Lovell stated in 2007.

Council Member Abercrombie asked if the report would indicate why the runway broke down. Mr. Lovell responded core samples were being taken which would determine if they met the specifications in the bid documents and what course of action if any could be taken.

Council Member Abercrombie asked if the FAA signed off on the runway project. Mr. Buchanan stated Caltrans, FAA, and city inspectors would inspect and sign off on the project. Mr. Buchanan added a tolerance level of the materials would not usually occur; that the contractor is expected to follow the scope of work and specifications.

Mayor Pro Tem Maciel asked if there were any restrictions on selling part of the New Jerusalem Airport. Mr. Buchanan stated it required the same release process.

Mayor Pro Tem Maciel asked how much of the New Jerusalem Airport would be fenced. Mr. Buchanan stated the access points would be gated immediately and then the airport property.

Council Member Elliott stated it was his understanding that the General Fund was contributing \$103,000 yearly to the airport. Mr. Buchanan stated the General Fund was carrying the balance until the airport had a positive cash flow.

Council Member Elliott agreed the budget needed to be balanced and asked if some of these steps were mutually exclusive. Mr. Buchanan indicated the strategy would be refined along the way, but one could not be done without the other.

Council Member Elliott asked what the fallback plan was if the City was not able to sell the New Jerusalem Airport. Mr. Buchanan stated staff would explore other funding options. Once the loans were under a certain structure, CalTrans would again talk to the City about a loan.

Council Member Elliott asked if staff expected to receive funding from the FAA for the seal coat. Mr. Buchanan stated staff would talk to the city attorneys about any remedies, and that they were meeting with the FAA in person. Mr. Buchanan stated it was likely that it would be funded.

Council Member Rickman asked if there was a market for advertising at the airport, and if staff was maximizing opportunities. Mr. Buchanan stated there might be a market for advertising. Mr. Buchanan added staff would look at all five projects at one time and will see if the FAA would fund this plan. Mr. Buchanan stated the key was to stop the negative cash flow problem.

Council Member Rickman asked about grant opportunities. Mr. Buchanan stated there was currently \$600,000 waiting for the City to apply for.

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

Dave Anderson, Vice President of the Airport Association, thanked staff for their efforts in getting the runway issue resolved. Mr. Anderson offered his support to work with the FAA and CalTrans to determine the cost of the runway repair.

George Riddle, 1850 Harvest Landing Lane, referred to item S17 stating he believed it was a key item that needs to be worked on first. Lower gas prices and available hangars available would be necessary to keep the airport viable. Mr. Riddle thanked Council and staff for their efforts in seeing these items come to fruition.

Mayor Ives indicated he agreed with Mr. Riddle on item S17B; the pavement has to be stable. Mayor Ives asked if discussions were still taking place with the FAA regarding runways and lengths. Mr. Buchanan indicated it is one of the points that would be discussed.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to accept the report and provide input on Airport Improvement Options. Voice vote found all in favor; passed and so ordered.

9. APPROVE CONSOLIDATION OF AIRPORT ENTERPRISE FUND LOANS - Ed Lovell, Management Analyst, presented the staff report along with a recap of all Water Fund loans.

Resolution 97-399 authorized a \$70,000 loan from the Water Fund. This loan specified no interest rate and no annual payment, resulting in a current loan balance of \$70,000.

Resolution 98-275 authorized a \$275,000 loan from the Water Fund. This loan specified an interest rate of 6% and annual payments of \$20,000. The Airport Enterprise Fund has made the required annual payments, resulting in a loan balance of \$ 253,921.

Resolution 98-299 authorized a \$250,000 loan is from the State of California. This loan has a specified interest rate of 4.9874% and annual payments of \$23,165. The Airport Enterprise Fund has made the required annual payments, resulting in a loan balance of \$91,541.

Resolution 99-279 authorized a \$470,000 loan from the Water Fund. This loan was issued on the assumption that the sale of the New Jerusalem Airport was imminent and that the loan would be repaid with proceeds from the sale. Any future sale of the New Jerusalem airport property will be contingent on the FAA releasing the City from deed restrictions, and in that release, the FAA will stipulate that sales-proceeds be used only for the funding of new improvements at the Tracy Municipal Airport. The FAA will not allow the proceeds to be utilized to pay off any existing airport loans. Although an interest rate of 6% was specified, no loan payments were required and none have been made, resulting in a current loan balance of \$ 892,201 (interested accrued increases total loan balance by \$422,201 to date.)

Resolution 2009-190 authorized a \$47,500 loan from the Water Fund. This loan specified interest at the Local Agency Investment Funds (LAIF) interest rate, but no annual loan payment. Repayment has not yet started on this loan as the project has not yet been completed.

The Airport Enterprise Fund is going further into debt each year given the inability of sufficient revenue to fund payments against loan balances. Many of the loans do not have concrete terms or interest rates, with one being silent in both areas. Restructuring the existing loans would result in making the Water Fund whole. The Water Fund will benefit by entering into new loan terms that can be repaid by the Airport Fund. In order to provide the Water Fund with the guarantee of repayment, staff recommended the Council consider consolidation of the Water Fund loans.

Staff proposed that all four Water Fund loans be consolidated into one new loan equaling a combination of the original principle for each of the four loans. The new loan amount would total \$862,500 and the interest and principle paid to date to the Water Fund would be retained by the Water Fund.

The new loan amount will be the total of:

| |
|--|
| \$70,000 (Loan 1) |
| \$275,000 (Loan 2) |
| \$470,000 (Loan 4) |
| <u>\$47,500 (Loan 5)</u> |
| \$862,500 Total – New Consolidated Water Fund Loan |

There is no impact to the General Fund for this item. There will be a modification to the Water Fund and Airport Enterprise Fund. The interest of 2.42% is recommended due to experienced LAIF rates over the last 10 years (range from 0.46% to 5.15%; average 2.42%). By allowing an interest rate of 2.42% for the existing loans, the Water Fund can be made whole and the Airport Fund will be in a better position to eventually eliminate current debt.

Under the new loan consolidation, the first three years' payments will be interest only payments of \$20,872.50. Beyond 3 years, once Loan 3 to the State has been paid off, annual payments of \$40,770 will be made for the next 30 years at which time the balance to the Water Fund will be paid off.

Staff recommended that City Council approve the Airport Enterprise Fund loan consolidation.

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

Dave Anderson stated he believed it was in the best interest of the fund and requested Council support the request.

George Riddle urged Council to restructure the loans in order to move on with the Airport and make it a centerpiece of our municipal area.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-017 approving consolidation of Airport Enterprise Fund Loans in the amount of \$862,500. Voice vote found all in favor; passed and so ordered.

10. **AUTHORIZE AMENDMENT OF THE CITY'S CLASSIFICATION AND COMPENSATION PLANS AND POSITION CONTROL ROSTER BY ESTABLISHING OR AMENDING CLASSIFICATION SPECIFICATIONS AND SALARY RANGES AND REALLOCATING VARIOUS POSITIONS AS PART OF THE CITY'S CONTINUING REORGANIZATION EFFORTS** - Maria Olvera, Human Resources Director, presented the staff report. Ms. Olvera stated that over the past two years, the City has implemented ongoing rightsizing and reorganization efforts, aimed at reducing fiscal expenditures to ensure the organization retains an appropriate workforce size and pool of talent. In October 2011, Council authorized an Incentivized Workforce Reduction which will eliminate 18 positions by early 2013 and reclassify a number of positions to a lower level. Approximately 90 positions were eliminated in FY 2009-10, which required City services to be provided by remaining staff with resulting impacts on their job duties and classifications.

In assessing the impact of the many changes which have occurred in the workforce, a number of classification studies indicate that various positions have changed significantly. These changes warrant the establishment of new classification(s) or amendment of existing classifications, and reallocation of incumbents into retitled and/or different positions.

In making determinations regarding whether or not an existing classification is appropriate for a particular set of duties, allocation factors must be considered. These include factors such as nature and type of knowledge required; scope of responsibility in terms of nature and variety of assignments; judgment and initiative involved in achieving work objectives; types of problems solved; impact of decision making; and types, nature, and purpose of interpersonal contacts including the policy and organizational impact.

The following information provides detail on the affected departments and positions, a brief explanation of the organizational changes that have occurred, and the recommended actions.

City Manager's Office - Cultural Arts Division - In FY 2009-10, three regular, permanent full-time equivalents (FTEs) and two additional FTEs were eliminated as part of the City's rightsizing efforts. The manager and supervisory levels in the Cultural Arts Division were compressed into one level after the Arts Program Manager position was vacated. The decision to eliminate the position resulted in a significant change in organizational structure as well as a significant change in the duties of the Gallery Supervisor and Technical Theatre Supervisor, as Arts Program Manager duties and responsibilities were shifted to the two subordinate supervisor positions.

As a result, the classification study found that the classification specifications of the Gallery Supervisor and the Technical Theatre Supervisor are no longer appropriate. The organizational changes have redefined the focus, and the original purpose of the two positions, in terms of duties and their levels of responsibility based on characteristics such as scope, difficulty, and impact of decision-making.

Establish Classification Specification and Salary Range: Cultural Arts Manager – Visual Arts; Cultural Arts Manager – Performing Arts

It is recommended that a new classification of Cultural Arts Manager be used in place of the original classifications of Gallery Supervisor, Technical Theatre Supervisor, and Arts Program Manager. One Cultural Arts Manager would oversee Visual Arts, one would oversee Performing Arts. This recommendation is based on findings of a significant shift from the original organization structure and classification concepts due to the City's rightsizing and de-layering efforts. A broad classification provides flexibility in assigning and sharing management, supervisory, and administrative duties across the entire Cultural Arts Division as changing needs at various times may necessitate, while also providing for specifically recruiting and hiring arts professionals in either the Visual Arts or the Performing Arts areas as needed.

The recommended title of the expanded classifications is based on industry standards for positions with similar duties and responsibilities. The recommended salary range of the position would remain equivalent to that of the Gallery Supervisor salary range, or \$6,207.54 to \$7,545.31 per month. The increased cost associated with this recommendation is approximately \$24,374 per year.

Establish Classification Specification and Salary Range: Arts Education Coordinator

The Arts Education Coordinator is a Limited Service Employee Compensation and Benefit Plan classification reporting to the proposed Cultural Arts Manager - Visual Arts. It is responsible for coordinating a variety of Arts Education Programs, evaluating and developing curriculum for the Grand Theatre Center's Arts Education Program, including programming in dance, drama, music, and visual arts for children, teens, and adults. The position will also oversee part-time arts program staff, volunteers and contractors/consultants, as well as work with artists and local arts groups and commissions.

Although the classification was specified as a Recreation Coordinator upon creation, this occurred prior to the opening of the Grand Theatre. The position has evolved into a highly specialized position. While the Grand Theatre had staffing of 9.1 FTEs in FY 2009-10, it has decreased its full-time, regular staffing by three positions since that time. This position will be part-time only and will add a key professional element to the existing team. Moreover, the establishment of the Arts Education Coordinator classification

facilitates the organizational change to occur in the City Manager's Office/Cultural Arts Division and ensures that the arts programs provided at the Grand Theatre are esteemed and sustainable. The Grand Theatre remains integral to the history and business strategy of the Tracy downtown area's revitalization plans.

Currently, the City is utilizing half of a full-time, regular position from the Parks and Community Services (PCS) Department to perform arts education duties. These hours will be returned to the PCS Department as part of the City's future organizational structure approved by Council on October 4, 2011. It is recommended that the hourly salary range for the part-time Arts Education Coordinator be \$19.81 to \$24.08 per hour. In filling the position at .75 FTE, the annual cost is estimated at approximately \$41,340.

Development and Engineering Services Department - In FY 2009-10, the City's right-sizing plan called for streamlining fire prevention services to coincide with the Building Division plan review and inspection program. All activities are now staffed within the Development and Engineering Services Department (DES). The move has allowed for greater efficiencies, as inspection staff is being trained to obtain the necessary skill sets to perform compliance duties in connection with both building and fire inspection.

Amend Class Specification and Salary Range: Supervising Building and Fire Inspector

An evaluation of the Supervising Building Inspector classification found that, due to the elimination of the Fire Marshall position and streamlining of fire prevention services, the Supervising Building Inspector has functioned as the supervisor of both building inspection and fire inspection services. This consolidation requires additional skills and abilities, including State required certifications. Staff recommended that the classification be amended to reflect the increased responsibilities and required certification and that the compensation be increased to allow not only for market equity, but to alleviate compaction that has occurred.

The new salary range recommended is \$6,168.34 to \$7,497.66 per month. The increased cost is estimated to be approximately \$11,042 annually.

Finance and Administrative Services Department - In FY 2009-10, the Information Systems Manager position was eliminated, which placed an increased level of responsibility on the Information Systems Administrator position. It was noted at the time that, while this action would provide needed cost savings and could work in the short-term (2-3 years) with minimal impact, it was unlikely to continue effectively long-term, as the elimination would reduce time available for planning and implementation of future significant projects in the information systems arena.

Establish Classification Specification and Salary Range: Information Technology Manager

A recent analysis of the Information Systems Administrator concluded that the position has changed significantly since the rightsizing of FY 2009-10. The position had been responsible for performing system analysis, programming operations, and providing support to departments and ensuring integration of all systems with citywide information systems functions. It has also been responsible for the development of overall Information technology strategies and departmental information systems, including enterprise class server, storage and network security architecture, GIS and other

telecommunication systems, and research and analysis of emerging industrial technology trends. The position has assumed more responsibility for preparing and administering the division budget, forecasting costs, and procuring systems and supplies. The position also provides technical leadership and facilitates workflow and work products. Moreover, the position has transitioned from liaison and managing information systems, to developing and implementing management information systems. The new salary range recommended is \$8,030.80 to \$9,761.50 per month. The increased cost is estimated to be approximately \$7,530 annually.

Parks and Community Services Department - The Parks and Community Services Department operates nine successful recreation program sections. In FY 2009-10, the Department reduced staffing by 4.57 FTEs. A vacant Deputy Director position was eliminated as were two full-time, regular Recreation Program Coordinator positions. Classification analyses have found that these actions have significantly impacted the duties and scope of responsibilities of one of the Recreation Services Supervisor positions, as well as one of the Recreation Program Coordinator positions. In addition, recent adoption of the City's future organizational structure will change the Parks and Community Services Department to a Division of the City Manager's Office. This organizational change will provide for the elimination of the Director position and further increase the span of control of the positions identified.

Establish Classification Specification and Salary Range: Recreation Services Program Manager

It is recommended that a new classification of Recreation Services Program Manager be established. Since the right-sizing of FY 2009-10, a shift has occurred in which duties of one of the Recreation Services Supervisors has changed significantly with regard to the level and complexity of recreational programs managed, oversight of major City-wide special events, and implementation of a larger scope of services both directly and through subordinates. A classification study indicates that the position provides a greater scope and higher level of professional assistance to the Department Head and/or other executive level management, represents the Department to Boards, Commissions and community groups, and is responsible for developing funding sources. The recommended salary range of the new position is \$6,828.30 to \$8,299.84 per month. The increased costs associated with this recommendation are approximately \$12,223 per year.

Amend Recreation Program Coordinator Classification and Salary Range: Recreation Program Coordinator I/II

Also as a result of the right-sizing, the Recreation Program Coordinator position responsible for supervising the Senior Center has also significantly changed. The position now has some responsibility for administering grants and helping to develop funding sources, as well as managing a much broader range of programs, which currently includes After School Programs, Youth and Teen Programs, and Senior Center operations. Each program is multi-faceted and has distinctly different operational models. In overseeing these programs, the position is required to exercise a higher level of decision-making and independent action to carry out assignments.

Finally, the position may serve as liaison with select Boards and Commissions as directed. It is recommended that the classification specification be amended to provide

for a second tier, allowing for Recreation Program Coordinator I and Recreation Program Coordinator II classifications, with the aforementioned Recreation Program Coordinator position being reallocated to a Recreation Program Coordinator II and the incumbent reclassified.

The recommended salary range of the Recreation Program Coordinator I position will remain at the current range of \$4,292.74 to \$5,217.84 and the Recreation Program Coordinator II position will be \$4,722.00 to \$5,739.62, reflecting a 10% increase. The increased costs associated with this action are approximately \$8,453 annually.

Public Works Department - As part of the rightsizing of FY 2009-10, one Public Works Maintenance and Operations Superintendent was left vacant upon the incumbent's retirement. Since that time, the Landscape District Maintenance Supervisor has been managing additional responsibilities related to Streets, Sidewalks, and Traffic. These additional duties have increased his supervision from six to 17 direct reports. He is responsible for managing approximately 40 budgets. The position is now responsible for evaluating operations, recommending improvements and modifications, developing new programs, assisting in establishing goals and objectives and interacting with both the public and City staff to a much greater degree. It is recommended that the Landscape District Maintenance Supervisor position be reallocated to Public Works Maintenance and Operations Superintendent and the incumbent reclassified. The additional costs associated with this action are approximately \$9,019 annually.

The City addressed its structural budget deficit by utilizing various workforce reduction principals. Actions taken during the FY 2009-10 rightsizing resulted in a reduction of 16% of the workforce as well as reduced personnel expenditures of over \$5 million. In addition, recent action to incentivize a further reduction in workforce will net estimated savings of over \$2 million annually. The increase in costs associated with implementing the recommended changes in this report is approximately \$113,981 annually.

Staff recommended that the Council authorize the Human Resources Director to amend the City's classification and compensation plans and the Budget Officer to amend the position control roster by approving the establishment or amendment of classification specifications and salary ranges and reallocating various positions as part of the City's continuing reorganization efforts.

Council Member Elliott asked if the total increase in costs annually was based on the new salaries. Ms. Olvera stated it was based on the maximum that could be seen.

Council Member Elliott asked if this took care of all of the reclassifications that we can see. Ms. Olvera stated this should be an end to the last two waves of changes in the organization.

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

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-018 amending the City's Classification and Compensation Plans and Position Control Roster by establishing or amending classification specifications and salary ranges and reallocating various positions as part of the City's continuing reorganization efforts. Voice vote found all in favor; passed and so ordered.

14. A. Consider an Item for Discussion on a Future City Council Agenda Related to Creating a Code of Conduct for Elected Officials - Mayor Pro Tem Maciel indicated many municipalities have guidelines and roles for elected officials regarding how items are presented to staff and at what point Council removes themselves from the process.

Council Member Elliott indicated the subject sounded like a standard operating procedure vs. how to conduct yourself honorably. Mayor Pro Tem Maciel stated it was guidelines for officials and staff regarding their roles and what is expected.

Mayor Ives indicated he has worked on developing such standards or protocols and outlined various scenarios on the process. Mayor Ives suggested having a workshop or discussion of the roles.

Council Member Rickman asked what happened if someone doesn't abide by the procedures/guidelines, and agreed a workshop would be of benefit. Council Member Abercrombie indicated one item to address would be when the entire Council receives a complaint from one person.

Mayor Ives indicated he sensed that Council was not opposed to having a workshop on the item. Mayor Ives directed staff to begin working on some best practices to present to Council for discussion sometime in the reasonable future, possibly within the next 3 months.

Mayor Ives invited members of the public to address Council.

Dave Helm indicated it would be nice to have a handbook that Council could agree upon, but stated he was concerned that if he sees a Council Member on the street, that member should be able to look into a situation without triggering a major staff event.

Robert Tanner indicated he did not want to see a wall set up before a resident can contact a staff member or Council for resolution of a problem. Mr. Tanner further indicated he would like the workshop open to the public.

Linda Jiminez, POB 1065, indicated she wanted assurance that when someone has an issue and comes to Council, that the Council Member listens to what they have to say, discusses it and then moves forward.

Susan Goulding, Egret Drive, President of Tracy Little League, suggested the citizens of Tracy elect Council Members because they already had those sensibilities, and indicated it may not be a wise use of staff time.

Nancy Young indicated she believed it was a good idea and having a standardized way of handling situations would be an important investment.

It was Council consensus to direct staff to present discussion items at a future workshop.

Mayor Ives called for a recess at 8:58 p.m., and excused himself from the remainder of the Council meeting. The meeting reconvened at 9:06 p.m.

3. PUBLIC HEARING AND ALLOCATION TO REVIEW THE POLICE DEPARTMENT'S RECOMMENDATION TO APPROPRIATE \$100,000 RECEIVED FROM CITIZENS OPTIONS FOR PUBLIC SAFETY "COPS" GRANT PROGRAM TO THE POLICE DEPARTMENT BUDGET TO PURCHASE EQUIPMENT FOR ENHANCED TRAINING AND DEPLOYMENT AND TO FUND DIRECTED AND SATURATION OVERTIME
Police Chief Hampton presented the staff report. Chief Hampton stated that the Citizens' Option for Public Safety (COPS) program provides grants to every city and county that provide law enforcement services in proportion to population which is allocated to county Supplemental Law Enforcement Services Funds (SLESF). Government Code 30061 specifies In order to utilize these funds, under California Government Code Section 30061(c)(2), "...the city council shall appropriate existing and anticipated moneys exclusively to fund frontline municipal police services, in accordance with the written requests submitted by the chief of police..." These written requests shall be acted upon by the city council at a public hearing.

The Police Department intends to use the funds to purchase equipment that will assist with firearms training, support the need to increase the Patrol unit's rifle inventory and fund directed overtime.

Beyond the firearms simulator training, this system uses video scenarios and varied potential conclusions to test the officer's critical decision making skills on force options during ever evolving scenarios in real time. This purchase will allow the department to train more effectively and economically by finding an alternative to training with live ammo. This purchase includes "on-site" training and set-up of the equipment along with a 4-year warranty.

The department will purchase 15 Colt AR-15 semi-automatic rifles equipped with Surefire lights and EOTech sights to supplement the current inventory of eight rifles. The department has POST certified instructors to train officers in the use of these firearms and currently has qualified 30 patrol officers to carry these rifles. This purchase will enhance the patrol unit's much needed demand to outfit patrol officers with these firearms.

As issues arise in the community the department will conduct extra patrols to aggressively deal with those involved in criminal behavior. This will assist in funding overtime to continue gang and violent crime suppression efforts into FY 2012-13.

Objective: Directed and saturation overtime addresses and implements the safety and quality of life issues in our community.

The City will receive \$100,000 from the State COPS Grant for FY 2012-13. There is no immediate impact to the current fiscal budget.

Staff recommended that following the public hearing Council approve the request to appropriate and expend the COPS Grant funds for the aforementioned purchases.

Council Member Rickman asked if all funds were from grants. Chief Hampton stated yes and added the COPS funds came at the expense of the City by withholding a certain amount of vehicle license fees.

Mayor Pro Tem Maciel referred to the force option simulator and asked about possible enhancements to the range. Chief Hampton stated it was the device, but because it was not yet budgeted, it could be funded from this grant.

Council Member Rickman asked if the resources were adequate for the Police Department. Chief Hampton stated yes.

Council Member Elliott asked if the City could count on this type of funding every year. Chief Hampton stated no. Chief Hampton explained that it was complicated because of the language and could not even be budgeted for.

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

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-019 approving the Police Department's recommendation to appropriate \$100,000 received from the State "Cops" Grant Program to the Police Department budget to purchase equipment and enhanced training and service delivery improvements and to fund directed and saturation overtime. Voice vote found Council Member Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1

7. ESTABLISH A PROCESS TO RECOGNIZE THE CONTRIBUTIONS OF MEMBERS OF THE COMMUNITY FOR THEIR MILITARY SERVICE WITH A CERTIFICATE OF COMMENDATION UPON THEIR HONORABLE SEPARATION FROM THE ARMED FORCES - Rod Buchanan, Parks and Community Services Director, presented the staff report. Currently, the City has a variety of documents it issues upon request to recognize the contributions and/or actions of members of the community. Qualifying acts include exceptional accomplishments or contributions to the community, acts of heroism, academic or sporting achievements, etc.

In light of the long history of Tracy residents serving their country through military service, it is appropriate to establish a process to specifically recognize Tracy veterans. Current policy states that a Certificate of Commendation may be issued for "Acts of heroism." Staff recommended that this would be the appropriate level of recognition available to any Tracy resident who is honorably discharged from the Army, Navy, Air Force, Marines, Coast Guard and the reserve components of those services or the National Guard. "Tracy resident" would be defined as anyone residing in Tracy either at the time of discharge or enlistment into military service.

Qualified individuals would submit an application to the City that lists the applicant's name, address (or other qualifying connection to Tracy), branch of the military, rank upon discharge, term of service, type of duties performed, theaters served in and any awards or decorations. The application will be supported by copies of proof of residency, military discharge documents (DD 214), etc.

In addition to the City's usual methods of public outreach, local veterans groups and veteran support organizations would be enlisted to make separating veterans aware of this available recognition. When desired, the Certificate of Commendation would be presented during City Council meetings.

A minimal amount of staff time will be needed to review and verify requests and there will be a modest expense to print certificates. There is no additional fiscal impact.

Staff recommended that Council approve an amendment to Resolution 2010-059 to establish a process for Tracy veterans to apply for a Certificate of Commendation upon their honorable discharge from military service.

Council Member Abercrombie asked if it was retroactive. Mr. Buchanan stated it could be if that was Council's direction. Council Member Abercrombie suggested some time frame be considered.

Mayor Pro Tem Maciel stated if someone showed up with the appropriate credentials, then he did not have a problem recognizing them.

Council Member Elliott suggested the definition of a Tracy resident when they enlisted or were discharged covered the situations.

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

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-020 approving an amendment to Resolution 2010-059 to establish a process for Tracy Veterans to apply for a Certificate of Commendation upon their honorable discharge from military service. Voice vote found Council Member Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

11. CITY COUNCIL AFFIRMS ITS INTENT TO SERVE AS THE SUCCESSOR AGENCY OF TRACY COMMUNITY DEVELOPMENT AGENCY, PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34171 (j) AND 34173, AND TO CONSIDER WHETHER TO ELECT TO RETAIN THE HOUSING ASSETS AND FUNCTIONS PREVIOUSLY PERFORMED BY THE TRACY COMMUNITY DEVELOPMENT AGENCY, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176 - Andrew Malik, Development Services Director, presented the staff report. Mr. Malik stated that between June 28 and June 30, 2011, the Governor approved the State Budget for FY 2011/12, and signed a number of implementing trailer bills, including ABX1 26 ("Dissolution Act") and ABX1 27 ("Alternative Redevelopment Program Act"). These bills suspended a redevelopment agency's ability to issue debt or enter into new obligations until October 1, 2011, at which time the redevelopment agency would dissolve, unless the city enacts an ordinance to participate in the Alternative Redevelopment Program and make certain required contributions to local schools and special districts.

On December 29, 2011, the California Supreme Court delivered its decision in the *California Redevelopment Association v. Matosantos* case, finding the Dissolution Act constitutional and Alternative Redevelopment Program Act unconstitutional. Additionally, the Court extended the compliance time period contained in the Dissolution Act by four months. The Court's bifurcated decision means that all California redevelopment agencies, including the CDA, will be dissolved under the Dissolution Act on February 1, 2012, and none will have the opportunity to opt into continued existence under the unconstitutional Alternative Redevelopment Program Act.

The Dissolution Act provides that the city that authorized the creation of the redevelopment agency shall be the “successor agency” to the dissolved redevelopment agency unless the city elects not to serve as the successor agency under Section 34173(d)(1) of the Redevelopment Law. Staff requested that the Council affirm that the City will serve as the successor agency.

The actions of the successor agency will be monitored, and in some cases approved, by an Oversight Board, which will be composed of seven members including:

- County Board of Supervisors (two members)
- City of Tracy Mayor
- County Superintendent of Education
- Chancellor of California Community Colleges
- Largest special district taxing entity
- A former redevelopment agency employee appointed by the Mayor

The role of the successor agency and Oversight Board would be to wind down the affairs of the Agency including disposing of all assets. Serving as the successor agency, may entitle the City to receive an annual operating budget to defray its administrative costs in an amount up to five percent of the property tax allocated to the successor agency for FY 2011-12 to pay the former CDA’s existing debts, and up to three percent of the property tax allocated to the successor agency each succeeding fiscal year; provided, however, that the annual amount shall not be less than \$250,000. With the City acting as the successor agency, the question of whether the City is interested in retaining the housing assets and functions still needs to be answered as part of the Dissolution Act.

Section 34176(a) of the Redevelopment Law provides that the city that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the former redevelopment agency. While no specific date for such action is set forth in the Dissolution Act, most jurisdictions are adopting resolutions prior to February 1, 2012, at which time redevelopment agencies will dissolve.

Should the City not elect to retain the housing assets and functions, such housing functions and all related assets will be transferred to the local Housing Authority. If the City does elect to retain the housing assets and functions, it will continue to fulfill existing housing obligations and will be able to exercise Redevelopment Law housing powers to fulfill such obligations. It is important to note that no new housing programs or assets will be funded; rather, all on-going functions will be limited to preserving or selling assets and maintaining existing functions, such as loans etc.

With regard to housing assets, the CDA does not currently own any physical assets (land or buildings etc.). As such, the entity (City or Housing Authority) ultimately responsible for the housing assets and functions will not be burdened with the requirement to sell off physical assets. The CDA does, however, have various housing, down payment and rehabilitation loans with affordability covenants secured by the various housing projects. These loans are monitored monthly for program compliance and payments. It is estimated that between 10 – 15 hours a week is spent maintaining existing housing functions. If the City elects to retain these housing functions, the costs could be funded by the \$250,000 minimum administrative revenue allowed by the Dissolution Act.

The two options for Council consideration are:

1. Allow the San Joaquin Housing Authority to retain the agency housing assets and functions

Advantage: It would free up City staff from having to perform loan compliance and maintenance functions relative to affordable housing, down payment assistance and rehabilitation loans.

Disadvantage: The City would lose local control over its existing housing, down payment and rehabilitation loans. The City would have to share the administrative funding allowed within the Dissolution Act with the SJ County Housing Authority.

2. City to retain the agency housing assets and functions

Advantage: City maintains local control over existing housing loans. City has access to full share of administrative costs allowed within the Dissolution Act.

Disadvantage: Loan compliance and maintenance functions continue with potentially fewer staff.

In order to maintain local control over the City's existing housing loans and to access maximum administrative costs allowed within the Dissolution Act, staff recommended that the City elect to retain the housing assets and functions previously performed by the former redevelopment agency.

Senator Alex Padilla is working with the League of California Cities SB 659 which would postpone the February 1, 2012 deadline when redevelopment agencies will be dissolved. According to the League "postponement will allow time for the Legislature and Governor to develop a new job creation and neighborhood renewal program, and to develop a solution that ensures that schools and the State budget receive the funding intended by the Legislature when they passed the redevelopment budget legislation last year." However, in order for the bill to take effect before the February 1st deadline, it would have to be passed as an urgency measure requiring a 2/3rds vote in both the Assembly and Senate.

In September of 2011, the City of Cerritos, along with nine other cities and their redevelopment agencies, filed a separate lawsuit against the state challenging the Dissolution Act (*City of Cerritos, et al. v. State of California, et al.* (Sacramento Superior Court Case 34-2011-80000952)). The Plaintiffs in this lawsuit are raising other legal arguments that the California Supreme Court refused to consider in its opinion in the *California Redevelopment Association v. Matosantos* case. These include other constitutional arguments, that the Act impairs contracts, and was passed in violation of legislative procedure. The judge in the *Cerritos* case put the matter on hold pending the California Supreme Court's consideration of the *Matosantos* case. Now, that the California Supreme Court has taken action in that case, the Plaintiffs in the *Cerritos* case have asked the judge for an order immediately staying the Dissolution Act. There is a hearing on the request set for January 27, 2012.

It is unclear how these other efforts will ultimately reshape, if at all, the future of redevelopment in the State.

As mentioned above, the Dissolution Act's timelines were modified as part of the California Supreme Court's ruling in the *California Redevelopment Association v. Matosantos* case. Attached is the modified timeline for cities and redevelopment agencies to comply with the Dissolution Act.

The State action to end redevelopment will permit approximately \$400,000 of redevelopment funds in FY 11-12 to be used by the City for administration and only \$250,000 annually thereafter. Currently the CDA has a budget of \$253,270 for general administrative activities and \$341,560 for housing related activities. The total of the two activities is \$594,830 versus just \$250,000 allowed. As such, the City will need to reduce expenditures (primarily staff) by \$344,830 in order to prevent previous redevelopment activities from becoming a City General Fund expense. If the City does not maintain the ongoing housing related activities and instead have these performed by another entity, that entity's costs would also have to come from the \$250,000 allocated for such purposes.

Staff recommended that the Council: (1) affirm that the City will be the successor agency to the CDA; (2) elect to retain the housing functions previously performed by the CDA; and direct staff to file the appropriate notifications of these elections in accordance with the Dissolution Act.

Council Member Elliott asked how the City was going to reduce the budget to \$250,000. Mr. Malik indicated some functions were partially paid and staff was working with Finance on the situation. Leon Churchill, City Manager, stated it was reasonable that staff may be reduced by one person in that area. Mr. Churchill further added it was highly likely that it would be a budget issue in the amount of \$250,000-\$300,000.

Council Member Elliott asked how long the \$250,000 was intended to be allocated to cities. Mr. Malik stated it was provided to wind down the operations of the Agency and theoretically was available as long as there were obligations.

Mayor Pro Tem Maciel asked if the function would eventually disappear. Mr. Malik stated it was unclear, but the dissolution bill was about winding down operations. Mr. Malik stated some portions of staff were funded by Redevelopment.

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

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-021 of the City of Tracy affirming its intent to serve as the successor agency of the Tracy Community Development Agency, pursuant to Health and Safety Code Section 34171(j) and Section 34173, and to elect to retain the housing assets and functions previously performed by the Tracy Community Development Agency, pursuant to Health and Safety Code Section 34176. Voice vote found Council Members Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

12. APPOINT THREE APPLICANTS TO THE PARKS AND COMMUNITY SERVICES COMMISSION - There are three vacancies on the Parks and Community Services Commission due to term expirations. To fill the vacancies the City Clerk's office conducted a recruitment which opened on November 29, 2011, and closed on December 20, 2011. Six applications were received. On January 10, 2012, a Council subcommittee consisting of Council Member Abercrombie and Council Member Rickman interviewed the six applicants. In addition the Council subcommittee may consider two applicants who were placed on an eligibility list following a previous recruitment and interview process. In accordance with Resolution 2004-152, the Council subcommittee will recommend three applicants for appointment. The appointees will serve four year terms, which will end on January 31, 2016. The subcommittee can recommend the Council establish an eligibility list to be used to fill any mid-term vacancy that might occur in the upcoming 12 months.

It was moved by Council Member Abercrombie and seconded by Council Member Rickman to approve the subcommittee's recommendation and appoint Linda Jiminez, Gloria Saltzman, and Tim Jayne to the Parks and Community Services Commission to serve four year terms which will end on January 31, 2016. Voice vote found Council Members Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1.

13. ITEMS FROM THE AUDIENCE – None.

14. COUNCIL ITEMS

- A. Review Appointments to Council Committees - Maria Hurtado, Assistant City Manager presented the staff report. Ms. Hurtado stated that appointments to Council subcommittees are reviewed on an annual basis. The appointments were last reviewed on January 4, 2011.

Committees can be deleted from the list if they are no longer active or if Council participation is no longer required. Likewise, active committees not on the list may need to be added. Council members may be reappointed to the same committees on which they are currently serving, or new assignments can be made upon request.

Staff recommended that the Council delete or add to the list of committees, and make appointments to the remaining committees as appropriate.

Council Member Abercrombie indicated he was fine with his current appointments.

Council Member Rickman indicated he had a conflict with the City Schools committee. Mayor Pro Tem Maciel indicated he would be willing to take on that committee.

Council Member Rickman replaces Mayor Pro Tem as the alternate on the Special City Selection Committee of SJVAPCD.

Council Member Rickman asked for the status of the vacant building and cultivation of marijuana staff reports. Leon Churchill, City Manager, indicated the items would be coming forward in February.

15. ADJOURNMENT - It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adjourn. Voice vote found Council Members Abercrombie, Elliott, Rickman, and Mayor Pro Tem Maciel in favor; Mayor Ives absent. Motion carried 4:0:1. Time 9:37 p.m.

The above agenda was posted at the Tracy City Hall on January 12, 2012. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk