

April 3, 2012, 6:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

1. Mayor Ives called the special meeting to order at 6:00 p.m.
2. Roll call found Council Members Abercrombie, Elliott, Rickman, Mayor Pro Tem Maciel and Mayor Ives present.
3. Items from the Audience – None.
4. CONDUCT A CITY COUNCIL WORKSHOP TO REVIEW THE PROPOSED FY 12-13 CAPITAL IMPROVEMENT PLAN (CIP) - Zane Johnston, Finance and Administrative Services Director, presented the staff report. The Capital Improvement Program (CIP) is a five year plan that identifies proposed capital projects for the City. The CIP contains a list of current projects (those that have not yet been completed) that have received an appropriation of funds in FY 11-12 or prior fiscal years. If any of those projects require additional funding it is noted in the year in which the funding is proposed.

In addition to current projects, new projects are also noted. These projects may have funds proposed for appropriation in the upcoming FY 12-13 or may indicate funding in some future year.

Projects with funding proposed for future years (FY 13-14 or after) are listed in the five year CIP horizon but they will not proceed toward implementation until appropriation is made by the Council. Adoption of the FY 12-13 CIP does not approve all projects in the CIP, but rather only those to receive funding in FY 12-13 and at the amount of that funding.

Likewise, those projects which have received appropriation in prior years are considered approved and authorized projects of the City. However, at various stages of the project development the Council may be requested to approve specific actions associated with that project. Such action could include award of a design contract, property acquisition, award of a construction contract, etc.

The CIP is organized into groups by the type of project. Groups include, General Government and Public Safety, Traffic Safety, Streets & Highways, Wastewater, Water, Drainage, Airport & Transit, Parks & Recreation, and Miscellaneous Projects.

Many capital projects are associated with development impact fee areas such as the North East Industrial or Gateway. Development Impact fees are collected in these areas and in turn provide funding for infrastructure improvements necessary as a result of that development. These funds must be spent on the projects that were identified in establishing the fee.

A number of capital projects are associated with other restricted funds. For example, gas tax must be spent on roadway and traffic safety improvements and transit funds spent only for transit purposes. Likewise water and wastewater funds can only be spent on projects associated with the enterprises.

The only capital fund the City has discretion to spend wherever desired is the City's General Projects Fund (Fund 301). There is currently \$7.2 million available in Fund 301. The following is a list noting from where these funds originated.

Source	Amount	Status
Fund Balance	\$800,000	7/1/11 unobligated
Close Out AD 87-3	\$1,473,618	Cash with Trustee after all bonds paid
Close Out of AD 87-3	\$730,040	Cash with City to transfer to Fund 301
Close Out of AD 84-1	\$1,579,850	Cash with City to transfer to Fund 301
Close Out of Land COP	\$326,905	Cash with City to transfer to Fund 301
Refinancing of CFD 99-2	\$770,000	Bonds closed 12/7/11
Grand lobby = Com. Center	\$1,077,000	Dev. Impact fee update approved by City Council
Engineering Deposits	\$1,207,646	Per Engineering Review
Total	\$7,965,059	
Committed		
CDBG	(\$20,000)	Non-reimbursable portion of CDBG projects
Loan to Tracy Rural station	(\$500,000)	Possible loan to be repaid to Fund 301
West High Pool	(\$250,000)	Replacement fund required by agreement
BALANCE	\$7,195,059	

There is no ongoing revenue source for Fund 301. In the past, Fund 301 occasionally received funding from the General Fund Operating Budget if revenues exceeded expenses. As this is likely not to occur in the next five years, the allocation of \$7.2 million will be all the funding available from Fund 301 for capital projects during the next five years.

Staff identified 46 potential projects requiring Fund 301 money. Of these, 24 projects were reviewed and evaluated. The projects were rated in accordance with a ranking sheet noting the following criteria:

1. Public Safety: Does the project eliminate or prevent an existing health, environment, or safety hazard?
2. Neighborhood/Community Impact: Does the project enhance property or increase quality of life within the City of Tracy?
3. Legal Requirements: Is the project in accordance with state, local and federal laws or regulations?
4. General Plan: Does the project advance the goals of the City of Tracy's General Plan?

5. Population Served: Who in the community will the project serve?
6. Fiscal Impact: Will the project have a net positive, neutral or negative impact on the City's finances? Does the project represent a good financial value for the cost? Does the project have high ongoing operational & maintenance costs?
7. Life Expectancy: How long is the improvement expected to last?
8. Economic Development: Does the project promote Economic Development?
9. Sustainability: Does the project promote sustainability efforts?

After the CIP staff review committee (composed of a staff representative from each department) evaluated and ranked each project, the City Manager reviewed staff's ratings and formulated his final recommendations for funding as part of the proposed CIP. The three options listed below were presented to Council for consideration in allocating approximately \$7.2 million Fund 301 money for capital projects.

OPTION 1:

Fund one (1) capital project with \$7.1 million Fund 301 money, plus an additional \$2.1 million from Plan C for a total of \$9.2 million (approximately \$100,000 remains in Fund 301 balance).

#	DESCRIPTION	Recommended Funding			
		Fund 301	Plan C	RSP	Total
1.	New 52-meter competition pool at Dr. Powers Park	7.1 Million	2.1 Million	-0-	\$9.2 Million
Total:		7.1 Million	2.1 Million	-0-	\$9.2 Million

Ongoing Operational Impact: The ongoing operational cost of **Option 1** is estimated at \$653,500 a year with estimated revenue of \$184,300, leaving a net ongoing General Fund impact for operations and maintenance of \$469,200 per year.

OPTION 2:

Fund four (4) capital projects with \$7.2 million in Fund 301 money, plus an additional \$2.1 million from Plan C for a total of \$9.3 million.

#	DESCRIPTION	Recommended Funding			
		Fund 301	Plan C	RSP	Total
1.	New Fire Station 92 – Banta Rd.	\$1,086,800	-0-	-0-	\$1,086,800
2.	New Animal Shelter, Grantline Rd.	\$3,213,000	-0-	-0-	\$3,213,000
3.	New 25-Meter Competition Pool @ Dr. Powers Park	\$2,300,000	\$2,100,000	-0-	\$4,400,000
4.	Police Firearms Training Facility	\$ 586,000	-0-	-0-	\$ 586,000
Total:		\$7,185,800	\$2,100,000	-0-	\$9,285,800

<p><u>Ongoing Operational Impact:</u></p> <ul style="list-style-type: none"> The ongoing operational cost of Option 2 for the 25-meter competition pool is estimated at \$403,900 a year with estimated revenue of \$130,600, leaving a net ongoing General Fund impact for operations and maintenance of \$273,300 per year.
<ul style="list-style-type: none"> No ongoing operational impact to the remaining two (2) projects.

OPTION 3:

Fund five (5) capital projects with approximately \$7.2 million in Fund 301 money, plus \$2.17 million from Plan C (and related areas), plus \$310,000 from the Residential Specific Plan (RSP) fund for a total of \$9.61 million.

#	DESCRIPTION	Recommended Funding			
		Fund 301	Plan C	RSP	Total Budget
1.	New Fire Station 92 – Banta Rd.	\$1,086,800	-0-	-0-	\$1,086,800
2.	New Animal Shelter, Grantline Rd.	\$3,213,000	-0-	-0-	\$3,213,000
3.	Police Firearms Training Facility	\$ 586,000	-0-	-0-	\$ 586,000
4.	Park & Playground Improvements (McDonald, Gretchen Talley, Kenner, Veterans, Barbosa, Cecilani, Hoyd, and Tracy Sports Complex)	\$ 325,000	-0-	-0-	\$ 325,000
5.	New 25-Meter Competition Pool @ Dr. Powers Park	\$1,925,000	\$2,175,000	\$310,000	\$4,400,000
Total:		\$7,135,800	\$2,175,000	\$310,000	\$9,610,800

<p><u>Ongoing Operational Impact:</u></p> <ul style="list-style-type: none"> The ongoing operational cost of Option 3 for the 25-meter competition pool is estimated at \$403,900 a year with estimated revenue of \$130,600, leaving a net ongoing General Fund impact for operations and maintenance of \$273,300 per year.
<ul style="list-style-type: none"> No ongoing operational impact to the remaining four (4) projects.

Staff recommended that Council consider Option 3, which is the option included in the initial draft of the Five-Year Capital Improvement Plan. All options include funding a new pool of some size. However, Number 9 of the 14 budget principles established by Resolution 2011-094 states: "Capital Improvement Projects shall not proceed for projects with annual operating and maintenance costs exceeding \$25,000 without City Council certification that funding will be made available in the applicable year of the cost impact."

Option 3 is recommended because it stretches Fund 301 money across more projects, therefore meeting more community needs. In addition to appropriating the available \$7.2 million from Fund 301, in order to fund all five projects recommended under this option, Plan C money in the amount of \$2,175,000 would be dedicated to the 25-meter competition pool, and \$310,000 from RSP funds would need to be allocated to fund this one time proposed capital improvement project list. Staff will prepare a complete analysis of the RSP funding for the April 17, 2012 City Council meeting. To date, the RSP Fund has been primarily utilized to meet economic development opportunities.

Staff will return to Council on June 5, 2012, for the official CIP budget adoption, as part of the City's budget adoption schedule.

The CIP identifies the source of funding for each project and was identified more specifically in the description of the options above.

Staff recommended the Council conduct a workshop to review the proposed FY 12-13 CIP and provide staff feedback.

Council Member Rickman referred to the 25-meter competition pool asking if the school district had been contacted to see if the City can use their pool for more practice and competition time. Mr. Churchill stated there had been brief discussions with the schools regarding pools, and at a recent City liaison meeting it was asked why the city was looking for more pools. Mr. Churchill added that a discussion regarding more pool time had not been addressed. Council Member Rickman indicated he would like staff to work with the community to ascertain their needs.

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

Annamarie Fuller addressed Council regarding the animal shelter and stated the City needs a new facility, along with a new location.

Pam McCain indicated the City did not have a pool that was available to the community; no pool is available to the public before school and no school facilities could be rented during graduation week.

Michele Loomis addressed Council regarding pool needs. Ms. Loomis stated the City needed a 50 meter or a 25 yard pool and that building anything different would be a waste of time. Ms. Loomis added that one of these types of pools would not be a replacement for an aquatic park.

Council Member Abercrombie asked for clarification regarding money designated for a pool. Mr. Johnston stated the City has access to the West High Pool and that the aquatic center fee is for new facilities, not for rehabilitation of an existing pool.

Ray Morelos addressed Council indicating McDonald Park was one of the last parks to be brought up to ADA compliance and that he supported option 3.

Dave Anderson, Tracy Airport Association, asked that item 18 be removed from the list. Mr. Anderson stated discussions with the FAA indicate they have no intention of investing money in moving the airport. Mr. Anderson asked staff to clarify item 23. Mr. Anderson asked Council, staff, and the County to declare the property where the brick

plant is located as non-conforming; the City needs to be prepared and ready to go to be able to receive grant funding.

Danny Presley addressed Council regarding a prior Capital Improvement Project (overlay of airport runway) indicating he did not see it on the CIP list and that it still needed to be addressed. Rod Buchanan, Parks & Community Services Director, responded the airport item referred to by Mr. Presley was covered under the 77 series, and that staff was applying for grant funding for the project.

Celeste Garamendi addressed Council regarding joint use for pools and multi purpose buildings. Ms. Garamendi asked for clarification regarding fees that were designated as aquatic fees. Mr. Johnston explained that impact fees are collected to develop facilities to mitigate the impact of the potential new population. Mr. Johnston added that Plan C fees are required to be put aside for new aquatic facilities.

Council Member Abercrombie stated the City previously had impact fees that were re-designated for economic development and asked how that could occur. Mr. Johnston stated the Residential Specific Plan group entered into an agreement regarding the close out of funds leaving the City with the ability to do what was needed; therefore the funds were considered discretionary funds.

Council Member Abercrombie suggested staff meet with those interested in a pool/aquatic center and put off making a decision on a 25 meter pool. Council Member Abercrombie stated he was in favor of option 4.

Council Member Rickman agreed with Council Member Abercrombie and added the City needs to work with the schools regarding joint uses.

Council Member Elliott stated he would like to have a better understanding on the appropriate size of a pool and that every option had some type of operating maintenance fee which would require a supplement from the General Fund. Council Member Elliott added the City needs to look at ways to counter-balance any on-going expense with a reduction in subsidies.

Mayor Pro Tem Maciel stated he supported option 3 with a variation to hold off on the pool. Mayor Pro Tem Maciel stated the proposed option should be considered when all other options fail. Mayor Pro Tem Maciel suggested deferring funds until the Surland issue has been resolved, but not longer than one year. Mayor Pro Tem Maciel suggested staff define the operating costs in as much detail as possible.

Council Member Elliott stated the City needs to make sure all the realities are examined, determine the situation regarding costs, and estimate how long before a competition pool can be built vs. what the City can do for the community on a smaller basis.

Mayor Ives recapped what Council would need including: preliminary work with the school district exploring their policies, especially regarding before school use, and how can they help us; bringing back the lowest cost option to fix the Joe Wilson pool; a clear understanding of the pool options; clarity on what the bigger plan is for the airport; and \$20,000 to complete a handball court at MacDonald Park.

Mayor Ives added that he believed the sanitary improvements at the police range were necessary. Mayor Ives also questioned whether there was an economic component to directional signs on I-205.

Mr. Churchill indicated staff had clarity on Council direction.

5. Adjournment - It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adjourn. Voice vote found all in favor; passed and so ordered. Time 7:08 p.m.

The agenda was posted at the Tracy City Hall on March 29, 2012. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

City Clerk