

NOTICE OF SPECIAL MEETING

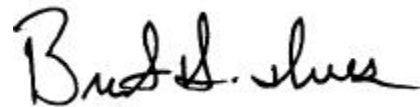
Pursuant to Section 54956 of the Government Code of the State of California, a Special meeting of the **Tracy City Council** is hereby called for:

Date/Time: **Tuesday, March 18, 2014, 6:55 p.m.**
(or as soon thereafter as possible)

Location: **Council Chambers, City Hall**
333 Civic Center Plaza, Tracy

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

1. Call to Order
2. Roll Call
3. Items from the Audience - *In accordance with Procedures for Preparation, Posting and Distribution of Agendas and the Conduct of Public Meetings, adopted by Resolution 2008-140 any item not on the agenda brought up by the public at a meeting, shall be automatically referred to staff. If staff is not able to resolve the matter satisfactorily, the member of the public may request a Council Member to sponsor the item for discussion at a future meeting.*
4. AUTHORIZE PAYMENT IN THE AMOUNT OF \$40,000 FOR THE PURCHASE OF AVIATION FUEL TO BE SOLD AT THE TRACY MUNICIPAL AIRPORT
5. Adjournment



Mayor

March 17, 2014

The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in public meetings. Persons requiring assistance or auxiliary aids in order to participate should call City Hall (209-831-6105), at least 24 hours prior to the meeting.

Any materials distributed to the majority of the Tracy City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's office located at 333 Civic Center Plaza, Tracy, during normal business hours.

AGENDA ITEM 4

REQUEST

AUTHORIZE PAYMENT IN THE AMOUNT OF \$40,000 FOR THE PURCHASE OF AVIATION FUEL TO BE SOLD AT THE TRACY MUNICIPAL AIRPORT

EXECUTIVE SUMMARY

On February 4, 2014, City Council authorized the City Manager to terminate the agreement with Turlock Air Center, LLC doing business as Tracy Air Center, ("TAC") to serve as a Fuel Sales Operator and assume full responsibility for the operations of the fuel facility. In order to continue operations, payment for a fuel delivery will need to be approved.

DISCUSSION

On October 18, 2011, the City entered into a Fuel Sales Operator and Fuel Facility Lease Agreement ("Original Agreement") with TAC to oversee the airport fuel service operation. The Original Agreement was amended on June 18, 2013 ("Amendment"). The Original Agreement along with the City Council Amendment are referred to here as the "Agreement."

On February 4, 2014, City Council authorized the City Manager to terminate the Agreement with Turlock Air Center, LLC doing business as Tracy Air Center, ("TAC") to serve as a Fuel Sales Operator and assume full responsibility for the operations of the fuel facility. Termination of the contract was in response to TAC's failure to comply with various terms of the Agreement.

Since the February 4, 2014, Council meeting, staff has taken the necessary steps to effectually assume control of the fuel facility. When the Agreement with TAC was terminated, there was minimal fuel left in the fuel tanks. In order to continue providing fuel to the airport users, the City needs to pay for a delivery of approximately 8,300 gallons of aviation fuel in the amount of \$40,000. Once payment is made, additional fuel deliveries can be paid for through sales receipts from the fuel sales. After a period of evaluation, staff will return to the City Council with a recommended long term airport fuel facility management plan.

STRATEGIC PLAN

This item does not directly relate to the Council's Strategic Plans.

FISCAL IMPACT

The adopted FY13/14 budget reflects approximately \$50,000 in fuel revenue. Fuel sales are anticipated to be higher than the adopted revenue levels which will offset expected expenditures.

RECOMMENDATION

That City Council authorize a payment in the amount of \$40,000 for the purchase of aviation fuel to be sold at the Tracy Municipal Airport.

Prepared by: Ed Lovell, Management Analyst II

Reviewed by: David Ferguson, Public Works Director
Jenny Haruyama, Administrative Services Director

Approved by: Maria A. Hurtado, Interim City Manager

RESOLUTION 2014-_____

AUTHORIZING PAYMENT IN THE AMOUNT OF \$40,000 FOR THE PURCHASE OF AVIATION FUEL TO BE SOLD AT THE TRACY MUNICIPAL AIRPORT

WHEREAS, On February 4, 2014, City Council authorized the City Manager to terminate the agreement with Turlock Air Center, LLC doing business as Tracy Air Center, ("TAC") to serve as a Fuel Sales Operator and assume full responsibility for the operations of the fuel, and

WHEREAS, Staff has taken the necessary steps to effectually assume control of the fuel facility, and

WHEREAS, In order to continue providing fuel to the airport users, the City needs to pay for a delivery of approximately 8,300 gallons of Aviation Fuel in the amount of \$40,000;

NOW, THEREFORE, BE IT RESOLVED, The City Council authorizes payment in the amount of \$40,000 for the purchase of aviation fuel to be sold at the Tracy Municipal Airport.

* * * * *

The foregoing Resolution 2014-_____ was passed and adopted by the Tracy City Council on the 18th day of March 2014, by the following vote:

- AYES: COUNCIL MEMBERS:
- NOES: COUNCIL MEMBERS:
- ABSENT: COUNCIL MEMBERS:
- ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK