

March 18, 2014, 6:55 p.m.

City Council Chambers, 333 Civic Center Plaza

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

1. Call to Order – Mayor Ives called the meeting to order at 7:03 p.m.
2. Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present
3. ITEMS FROM THE AUDIENCE – None.
4. AUTHORIZE PAYMENT IN THE AMOUNT OF \$40,000 FOR THE PURCHASE OF AVIATION FUEL TO BE SOLD AT THE TRACY MUNICIPAL AIRPORT – Ed Lovell, Management Analyst II, provided the staff report. Mr. Lovell stated on October 11, 2011, the City entered into a Fuel Sales Operator and Fuel Facility Lease Agreement with Tracy Air Center (TAC) to oversee the airport fuel service operation. The Original Agreement was amended on June 18, 2013.

On February 4, 2014, 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 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.

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.

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

Mayor Ives asked how long services have been interrupted. Mr. Lovell stated there have been no interruptions in service and prices have been adjusted appropriately.

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

Trina Anderson thanked staff for doing a great job.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to authorize payment in the amount of \$40,000 for the purchase of aviation fuel to be sold at the Tracy Municipal Airport. Voice vote found all in favor; passed and so ordered.

5. ADJOURNMENT – It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adjourn. Voice vote found all in favor; passed and so ordered. Time: 7:08 p.m.

The above agenda was posted at the Tracy City Hall on March 17, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

City Clerk