

June 17, 2014, 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 provided by Pastor Tim Heinrich, Crossroads Baptist Church.

Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel, and Mayor Ives present.

Mayor Ives presented a Proclamation regarding “Cardio Pulmonary Resuscitation (CPR) – Automated External Defibrillator (AED) Awareness” to Shannon Enos, Owner of Enos CPR Services.

1. CONSENT CALENDAR – Following the removal of item 1.B by Council Member Young, 1.I by Mayor Pro Tem Maciel, and 1.L by Interim City Manager, Maria Hurtado, it was moved by Mayor Pro Tem Maciel to adopt the consent calendar. For resolutions pertaining to Item 1.C, Mayor Ives voted on all Zones other than Zone 24 and abstained from voting on Zone 24; Council Member Young voted on all Zones other than Zone 3 and abstained from voting on Zone 3; Council Member Manne voted on all Zones other than Zone 18 and abstained from voting on Zone 18. Council Member Rickman seconded the motion. Roll call vote found all in favor; passed and so ordered.
 - A. Approval of Minutes – Closed session minutes of March 4, and March 5, 2014, joint TRFPD and City Council meeting of March 18, 2014, special meeting minutes of March 18, 2014, and regular meeting minutes of March 18, 2014, were approved.
 - C. Approval of Resolutions: (1) Initiating Proceedings for the Annual Levy for Tracy Consolidated Landscape Maintenance District, (2) Preliminarily Approving the Engineer’s Report for the Tracy Consolidated Landscape Maintenance District, (3) Declaring the Intention to Levy Annual Assessments, and (4) Setting the Date for the Public Hearing – Resolution 2014-093 initiated proceedings for the annual levy and collection of assessments. Resolution 2014-094 preliminarily approved the Engineer’s Report. Resolution 2014-095 declared the intention to levy annual assessments and set the date for the public hearing as July 1, 2014. Mayor Ives abstained from voting on Zone 24; Council Member Young abstained from voting on Zone 3; Council Member Manne abstained from voting on Zone 18.
 - D. Approve a Professional Services Agreement for the Printing of the Grand Theatre Center for the Arts Season Brochure and Arts Education Catalog and Authorize the Mayor to Execute the Agreement – Resolution 2014-096 approved the agreement
 - E. Authorization to Award Chemical Bids for Water and Wastewater Treatment for Fiscal Year 2014-15 – Resolution 2014-097 authorized the award.

- F. Accept Travel Report from City Attorney Regarding Attendance at League of California Cities City Attorneys' Conference – Report accepted
- G. Approve Amendment 1 to the Memorandum of Understanding Between the City of Tracy and the Tracy Chamber Of Commerce to Allow Free Use of the Transit Station for the Taste of the Valley Art and Food Festival and Authorize the Mayor to Execute the Amendment – Resolution 2014-098 approved the amendment.
- H. Grant Request from Mizuno Farms for the City of Tracy to Waive the 2014 Rent Payment of \$22,575 for City Owned Property at the Corner of Eleventh Street and Chrisman Road – Resolution 2014-099 waived the 2014 rent payment.
- J. Accept a Monetary Donation from Tracy Resident, Arlene Robbins, for the New Animal Shelter and Authorize a Budget Adjustment and Approve the Appropriation for the Purchase of Equipment in the Amount of \$10,000 – Resolution 2014-100 accepted the donation and approved the appropriation.
- K. Adopt Resolution Authorizing the Interim City Manager to Execute Contracts Necessary for the Purpose of Obtaining Proposition 63 Funds in the Amount of \$200,000 for the Mayor's Community Youth Support Network Grant Program and Appropriating \$200,000 from the San Joaquin County Behavioral Health Services Community Service Agreement – Resolution 2014-101 authorized the Interim City Manager to execute contracts.
- B. Award a Construction Contract to the Lowest Responsive and Responsible Bidder for El Pescadero and McDonald Park Renovation Project CIP 78141, 78143, 78144, 78146 and Authorize the Mayor to Execute the Contract - Vicki Dion, City Engineer, presented the staff report. In December 2011, the City of Tracy Parks Commission ranked El Pescadero Park a high priority due to its location and popularity. The park provides the only skateboard facility and dog park in the City, which contributes to its greater usage. The project scope at El Pescadero Park involves the construction of a restroom facility and a basketball court, and the installation of street lights within the park's perimeter. The facilities at McDonald Park need renovation to prolong their life span and reduce the cost of long-term maintenance. Due to the deteriorating conditions of the existing restroom facility within the park and the need to provide an ADA accessible restroom structure staff has opted to replace it with a new restroom facility that meets current standards. The project scope at McDonald Park involves replacement of the existing restroom building, resurfacing the existing handball and basketball courts, the installation of a shade structure, including concrete walkways, concrete pad and picnic tables, and the installation of a memorial monument stone.

The project was advertised for competitive bids on May 15, 22, and 29, 2014. Four bids were publicly opened at 2:00 p.m. on Tuesday, June 10, 2014. The contract will be compared on the basis of the total base bid amount without regard to the amounts of the additive bid items. Hobbs Construction of Fresno, California is the lowest monetary bidder. A1 through A5 represent Additive Bid Items as follows: A1 Concrete Pad at McDonald Park, A2 Splash Pad Water Spray System, A3 Splash Pad Recirculation System, A4 Basketball Court Resurfacing at McDonald Park, and A5 Streetlights at El Pescadero Park. A bid

analysis indicates the lowest monetary bid is responsive and the bidder is responsible.

Hobbs Construction has the appropriate contractor's license in active standing with the State of California, and has completed similar projects for other public agencies. Based on available funds, staff recommended awarding additive bid items A1, A4 and A5 only. The total estimated cost of this project, including base bid and additive bid items A1, A4 and A5, is \$921,060.00.

Council Member Young remarked that she was glad to see the basketball court at El Pescadero Park would soon be built.

Ray Morales, 1801 Foxwood Drive, Board Member Southside Community Organization, commented on MacDonald Park and stated the residents were looking forward to the renovation.

Mayor Ives suggested if any funding remains upon completion of this project, the unfunded items should receive primary consideration.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2014-102, Awarding a Construction Contract to the Lowest Responsive and Responsible Bidder for El Pescadero and McDonald Park Renovation Project. Voice vote found all in favor; passed and so ordered.

- I. Adopt a Resolution Authorizing the Public Works Director to Terminate the Professional Services Agreement with Sycamore Landscaping Corporation for Landscape, Parks, and Channelways Maintenance – David Ferguson, Director of Public Works, presented the staff report. On June 18, 2013, the City entered into an agreement with Sycamore Landscaping Corporation to provide landscaping maintenance services for the City.

The work performed has not satisfactorily conformed to all of the Agreement's requirements. On April 23, 2014 based on disagreements regarding the requirements of the Agreement, Sycamore Landscaping Corporation stopped work. Staff has determined that it is in the best interest of the City to terminate the Agreement and the Agreement allows the City to do so. The City will continue to provide landscape services until a long-term solution is implemented, which could be as early as July.

The City has temporarily mobilized its Public Works staff to assist in maintaining various landscape medians, streetscapes, storm channels and mini parks in the community.

Mr. Ferguson stated there will be a bid process in August and a staff report brought back for Council to approve a permanent contract in September.

Mayor Pro Tem Maciel stated he had been contacted by a number of residents concerned about the state of the landscaping. Mayor Pro Tem Maciel added he had reassured the residents that the City was aware of the issue and was taking action to improve the landscaping. One of the reasons the process is not moving more quickly is because there are legal reasons which have to be considered and because the City is looking at a long term solution. Council Member Manne

stated he had noticed considerable improvement in his neighborhood since City Public Works crews had begun working in the area.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Resolution 2014-103 terminating the Professional Services Agreement with Sycamore Landscaping Corporation. Voice vote found all in favor; passed and so ordered.

- L. Authorize a Roadway Reconstruction Agreement with Pacific Gas and Electric (PG&E) for the Asphalt Concrete Pavement Reconstruction of the Northern Half of Grant Line Road from Holly Drive to Approximately 600 Feet East of MacArthur Drive, and Authorize the Mayor to Sign the Agreement – Item rescheduled to July 1, 2014
2. ITEMS FROM THE AUDIENCE – Three Youth Organizers from the Community Partnership for Families of San Joaquin invited Council to attend a farewell dinner at The Playhouse, Central Avenue on Friday, June 27, from 6:00 to 8:30 p.m. The event commemorates the first Teen Empowerment Group's final day.

Ray Morales, 1801 Foxwood Drive, Steve Nicolaou, 1068 Atherton Drive, and Dave Helm commented on the San Joaquin County Civil Grand Jury report regarding issues with the length of one of the runways at the Tracy Municipal Airport and the City's interactions with a local developer.

Mayor Pro Tem Maciel stated the Grand Jury report found no inappropriate conduct on behalf of the City. However, Mayor Pro Tem Maciel encouraged staff to do an in depth review and to aggressively investigate the findings made by the Grand Jury.

In response to a question from Council Member Rickman as to when the response to the Grand Jury would be brought back to Council, Interim City Manager, Maria Hurtado responded September 2.
3. PUBLIC HEARING OF THE CITY COUNCIL TO CONSIDER ADOPTION OF THE CITY OF TRACY PROPOSED FISCAL YEAR 2014/15 ANNUAL CITY BUDGET AND AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 2014/15 – Jenny Haruyama, Administrative Services Director, presented the staff report and used a power point in her presentation. The proposed FY 2014/15 City Budget is approximately \$227,938,400 and is comprised of three parts, the Operating Budget, Capital Improvement Budget, and Debt Service Budget. The sections below reflect the proposed operating, capital and debt service budgets and reflect changes directed by Council at the June 3, 2014 Budget Workshop. Also included is an overview of the FY 2014/15 Budget Resolution, which must be authorized by the Council as part of the budget adoption process.

The proposed FY 2014/15 Operating Budget was presented to Council at a Budget Workshop on June 3, 2014. The operating budget is identical to that presented at the workshop as Council did not request any changes to the proposed budget. The proposed City operating budget for FY 2014/15 for all funds is \$126,270,560 including the General Fund.

The General Fund expenditure budget was \$56,402,850. A correction involving a personnel position and reassignment between Development Services and the Utilities

Departments was made, increasing the General Fund by \$19,800 and slightly reducing the Enterprise Funds (Water and Wastewater). Including this change, the proposed FY 2014/15 General Fund expenditure budget is \$56,422,650. Revenues are sufficient to cover expenses, and excess revenue of \$674,090 is anticipated.

The proposed FY 2014/15 Capital Budget was presented to the Council at the April 15, 2014 CIP Workshop, and June 3, 2014 Budget Workshop. The proposed capital budget is now \$73,116,210. At the June 3, 2014 Budget Workshop, Council directed staff to include the following CIP items:

1. Approximately \$3,522,880 has been included for the demolition, design, and reconstruction of Joe Wilson Pool. Staff recommended redirecting General Projects Fund 301 funding (\$1,909,000) from the Aquatics Center CIP 78054 and using approximately \$1,614,000 of the \$4.7 million from FY 2013/14 estimated year-end revenue. The project is anticipated to be completed by March 2016.
2. Approximately \$75,000 has been included for the repainting of the water tower located at the Civic Center. The funding source is General Projects Fund 301. Staff recommended this item be included in the adopted FY 2014/15 Capital Budget. Council would also have the opportunity to consider this item again when the project contract is brought forward upon the receipt of bids.

The proposed FY 2014/15 City Debt Service Budget for all funds is \$26,937,630. Interfund transfers for FY 2014/15 are \$3,934,970. These include, but are not limited to, transfers from the General Fund to pay debt service and excess revenue to the Economic Uncertainty Reserve.

The text of the proposed budget resolution authorizes the appropriations and interfund transfers for FY 2014/15 in Sections 1 and 2. Section 3 provides for all investment earnings and gains in FY 2013/14 and FY 2014/ 15 for funds with General Fund derived cash balances and the City's internal services funds will be allocated to the General Fund 101. Section 4 appropriates any unappropriated proceeds of taxes to contingency reserves, although none are anticipated. This section provides for a formal statement of the practice as policy for purposes of Gann Limit compliance. Also, it sets a targeted fund balance of \$18,985,100 for the City's General Fund 101, and authorizes staff to maintain this fund balance at fiscal year-end, by transferring monies in or out of the General Fund 101 with the Economic Uncertainty Fund 299. Section 5 specifies there is no uncommitted development impact fee monies held by the City from prior fiscal years. All fees collected to date have either been spent on capital projects or are committed to projects scheduled in the City's CIP. Section 6 provides that any over expenditures in the current FY 2013/14 operating budget as amended at the fund and department level may be offset by an equal reduction for the same fund and department in the adopted budget for FY 2014/15. Section 7 deals with fee revenues that are projected to cover program costs. If actual revenues are less than projected, actual program expenses should also decrease by an equal amount. This section provides that any expenditure of unrealized revenues may also be offset by an equal amount if over by 5%.

Ms. Haruyama closed her presentation by thanking Alan Borwick, Budget Officer for putting the budget together and recommended that Council adopt the budget and appropriate items included in the budget.

Mayor Pro Tem Maciel stated Council's direction was to move forward with the Joe Wilson pool but added he was concerned with taking money from the Swim Center. Mayor Pro Tem Maciel inquired if monies could be reallocated to the Swim Center if, and when they become available. Ms. Haruyama responded yes, with Council approval. Mayor Pro Tem Maciel was concerned with the size of the Joe Wilson pool and a lack of parking at the site.

In response to a question from Council Member Rickman as to when the item would be brought back to Council, Ms. Haruyama responded August 19.

Mayor Ives opened the public hearing.

Marsha McCray, 560 West Schulte, commented on the large number of people using the West High pool and suggested the same number of people could not be accommodated at the Joe Wilson pool. Ms. McCray stated the community would benefit from having a larger pool, but was concerned that money taken from the Swim Center would not be reimbursed.

Mayor Ives closed the public hearing.

Mayor Pro Tem Maciel stated he was concerned with a lack of funding for the Landscape Maintenance District. Ms. Haruyama stated some zones are underfunded. They do have reserve amounts, but it would require a vote of the community to increase the amount.

Council Member Young asked if alternative funding could be used for the Joe Wilson pool other than the funding for the swim center. Maria Hurtado, Interim City Manager, stated other sources were considered but what is before you is what staff has recommended. Money from Cordes Ranch will come in phases. If Council wants to replenish the fund for the Swim Center, Council will need to make that decision at an upcoming meeting. In response to a question from Council Member Young regarding what makes up the Council budget, Ms. Haruyama stated a variety of costs including trips, training, healthcare and the Council stipend.

Council Member Rickman stated he did not feel painting the water tower at a cost of \$75,000 was a necessity, and suggested using the funds on the Tracy Ballpark which would provide more of an economic benefit for the City. Ms. Haruyama stated staff will have a better idea of the cost after bids have been received and the item is brought back for Council approval. Mr. Rickman added he was not in favor of getting rid of the water tower, but was in favor of leaving the tower the way it is now.

Mayor Ives stated he believed the water tower needed to be cleaned up and preserved.

Council Member Manne stated the water tower was an asset to the City and it was important to preserve it and to consider the safety issues.

Mayor Pro Tem Maciel stated the water tower is part of the City complex campus and added the City should be proud of the complex. The \$75,000 will be well spent if it preserves the tower and improves the overall appearance.

Council Member Young stated she felt it was important to preserve the City's image and didn't see anything competing for the \$75,000 at this point.

Ms. Hurtado stated staff will have a breakdown of costs after the bids come in and Council will have another opportunity to review the costs.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Council Member Manne to adopt Resolution 2014-104, Approving the Annual Budget and Appropriation for the City of Tracy for Fiscal Year 2014-15, as amended to reflect corrected amount of \$117,160 under General Fund 101 – Equipment Acquisition Program. Voice vote found all in favor; passed and so ordered.

4. COUNCIL DISCUSSION AND DIRECTION REGARDING OPTIONS FOR A CITY INFRASTRUCTURE FUNDING PROGRAM AND AN UPDATE ON NEIGHBORHOOD DISCUSSIONS WITH RESIDENTS OF THE MOUNT OSO, MOUNT DIABLO AND C STREET AREA (MOUNT OSO AREA) REGARDING INFRASTRUCTURE NEEDS – Andrew Malik, Development Services Director presented the staff report and used a power point in his presentations. On May 7, 2013, City Council discussed a request from Montessori School representatives to have the City fund certain infrastructure improvements associated with development of a proposed new Montessori school in the Mount Oso Area of the City. Council directed staff to defer consideration of a City-funded infrastructure program until after the 2013 legislative session to see if there were any bills that would provide funding. As way of an update, SB 33 (Wolk) was placed as an inactive bill by Assembly Member Atkins. However, there are a number of new bills similar to SB 33 being introduced this year which, if passed, may provide funding for the infrastructure needs in the Mount Oso Area.

On March 4, 2014, in response to a request for Code Enforcement and infrastructure assistance in the Mount Oso Area, Council directed staff to work with the property owners in that area on various neighborhood issues. In addition, Council asked that staff to bring back options relative to a potential city-wide infrastructure program in an effort to assist with infrastructure needs in the Mount Oso area and other similar areas of the City. Code Enforcement items related to weed abatement and other general cleanup have been addressed with the neighbors, and staff's main focus has been on the infrastructure items.

Several neighborhood meetings have been held with area residents to discuss potential options related to a citywide infrastructure approach to addressing their concerns.

Staff provided the following draft Public Infrastructure Funding Program description for Council's consideration.

The purpose of the Public Infrastructure Funding Program is to encourage development in blighted areas of the City and to leverage private investment by expediting the construction of public infrastructure including water, sewer, storm drainage, and roadway improvements including frontage improvements such as curb, gutter, sidewalk and one lane of travel in specific areas of the City.

Direct public benefit means benefits to the City and community which justify the expedited construction of public infrastructure. Such benefits may include, but are not limited to: (1) the creation of jobs; (2) the amount of net new sales tax (if appropriate) to

be received by the City over a fixed period of time; and (3) capital investment by the property owners in the area; and (4) elimination of blight in certain areas of the City. Qualifying Geographic Area means the area is coterminous with the boundary of the City's former Redevelopment Area.

Any person may request that the City Council expedite the construction of public infrastructure. In determining whether to consider or grant such requests, City Council may take into account the following:

1. The area must be within the City and have development potential; and
2. The development planned for the area must create a minimum of five new jobs in the City or solve neighborhood infrastructure / safety issues; and
3. The improvements must be located within the identified program area
4. The area property owners and residents have demonstrated all three criteria listed below:
 - i. A willingness to work collectively (majority of neighbors) at solving their neighborhood infrastructure issue, and
 - ii. A willingness to raise / commit some level of private funding to solve their neighborhood infrastructure issue (CFD, Assessment or other funding types), and
 - iii. Designation of a point-of-contact / representative with whom staff will interact.

No construction contract for public infrastructure under this program would be considered by the City unless it has collected private funding and secured applicable (Council appropriated) public funding to complete the infrastructure project. Should Council wish to proceed to establish an Infrastructure Funding Program, some level of on-going funding will be required in order to leverage the private funding raised by individual development areas.

California, cities have very few funding options at their disposal to address these types of neighborhood issues. The City of Tracy, although in better shape than many other cities, also has limited funding available. The following represents potential funding options for the proposed program.

One-time Funding: One particular funding source discussed during previous Council meetings was to use any remaining portion of the Residential Specific Plan, Economic Development Fund. After accounting for previous Council commitments, there is a remaining fund balance of \$89,899. This money could be used for the initial funding source for the Public Infrastructure Program but would not be considered an on-going funding source.

On-Going (Limited Use) Community Development Block Grant (CDBG) Funds: Every year the City receives Federal CDBG funds that are to be used for low and moderate income programs to either: 1) provide operational funding for local service organizations; and 2) provide capital funding in support of service organizations or census tract areas that qualify under the low and moderate income categories.

In past years, the City has used CDBG funds to construct alley improvements and ADA improvements primarily in the downtown area. CDBG funds can be used for water and

sewer lines within those two designated areas because they meet HUD standards for low and moderate income criteria. While the Mount Oso Area is not eligible to receive CDBG funding for public infrastructure improvements, staff is pursuing an approach where individual qualifying property owners throughout the City may be eligible to receive grants to cover certain on-site infrastructure costs. More specifically, property owners who meet certain income requirements may be able to receive CDBG funds to pay for their on-site water or sewer conveyance connections and corresponding fees. Staff will bring this potential CDBG program back for Council consideration and adoption later this summer.

One-Time Private Funding: Community Facilities District (CFD) Funds CFDs are a common funding mechanism to construct various infrastructures needed for development. CFDs have been widely used in Tracy to fund infrastructure in mostly vacant undeveloped areas such as NEI, ISP, and various residential projects. A CFD is a land based financing method where tax exempt bonds are issued and the source of repayment is an annual assessment on the lands within the District. This approach has been successfully used in the Berg / Byron area as well as other development areas of the City. An important step is to get district property owners to buy into the concept of developing their property. Staff has been working with the property owners of the Mount Oso Area to identify infrastructure costs as well as the potential for forming a CFD to fund the improvements they deem important.

On-Going SB 33 (Wolk) – Infrastructure Financing Districts (IFDs) Bills - Senator Lois Wolk's proposed legislation, Senate Bill 33 and more recent bills related to IFDs, would allow cities and counties to borrow money for economic development projects through infrastructure financing districts. Similar to Redevelopment funding, IFDs would capture tax increment funding over a certain tax base that could be used to fund infrastructure improvements within the specific IFD area over a certain period of time.

Ongoing Funds – Annual Gas Tax Street Repair / Overlay Program - The City receives approximately \$600,000 annually from the Countywide Gas Tax to maintain repair and improve the street pavements throughout the City by completing slurry seals, overlays and reconstruction projects. These improvements are provided to streets identified by the City's Pavement Management Systems Program for such repairs. While leaving the majority of this program intact, Council could use a portion of these funds each year to fund the proposed Infrastructure Funding Program with regard to improving streets, curb gutter sidewalks, etc. The amount would be limited to \$50,000 annually so as not to impact the maintenance and repair of the existing roadway network.

Staff held a meeting with the Mount Oso Area residents in April to solicit input and assess the infrastructure needs in that area. The residents wanted full improvement to their frontage streets including storm water, wastewater, street lights, curb and gutter. Separate cost estimates for completion of utilities were made to provide options. After completing preliminary designs, staff prepared infrastructure cost estimates and met with the residents in May to share the information:

Total Cost of full improvements including streets and utilities (water and sewer), storm drainage, curb, gutter and sidewalk	\$3,100,000
Cost of Utilities (water and sewer) only	\$ 670,000

At the conclusion of the May meeting it was agreed that the neighbors would review the infrastructure information and reach out to other residents in the area who did not attend the meeting. The next steps were for residents to review the infrastructure improvements for priorities and or concerns regarding the scope of construction, and to reach out to other residents of the area in an effort to have more property owners participate in the funding of the infrastructure. To date we have not yet heard from the property owners regarding this next step. Based on staff's current interactions with the Mount Oso Area neighbors, the following are the options for consideration.

Option 1 - Defer consideration of the Public Infrastructure Program until more information is known about the private funding commitment from the Mount Oso area property owners. This will assist staff in better understanding the level of public funding requested for this area as well as how that funding request would work in the context of a citywide program. After conducting two Mount Oso Area neighborhood meetings, the property owners are now working to identify and prioritize the type of improvements as well as their private funding commitment should Council move forward with a citywide program. Under this option, staff would continue to work with representatives of the Mount Oso area to better understand their infrastructure needs and funding commitment. This additional time would also allow staff to monitor if IFD Bills look like they may be passed this legislative year.

Option 2 - Adopt the program and use the remaining \$89,899 RSP Economic Development Funds as well as \$50,000 annually from the Gas Tax fund to support this program. This option would commit the last remaining RSP Economic Development Funds to this new program and \$50,000 annually from the City's Gas Tax fund. As stated in Option 1, staff does not know the level of funding commitment coming from the Mount Oso Area, nor the corresponding public funding request. In addition, it is not known how many other projects would qualify or be interested in this program. From preliminary cost estimates for the infrastructure in the Mount Oso Area, staff does not believe this amount of funding will be sufficient to cover a majority of the infrastructure costs, without spreading the funding out over multiple years.

Option 3 - Pursue the creation of a Community Facilities District (CFD) for key areas of the City. This option would involve staff working proactively with developers and property owners in key development areas of the City to solve infrastructure needs. This approach was employed in the Berg / Byron and Larch / Clover areas over the years. This approach is staff intensive in that it involves staff reaching out to vacant property owners to gauge their interest in developing or placing an assessment on their property in anticipation of developing.

In response to a question from Council Member Young regarding funding for Safe Routes to School, Mr. Malik responded an application is pending with the state and staff should know something by September. Council Member Young asked what was being done to make sure all the residents in the area have a voice. Mr. Malik stated a gentleman has stepped up to represent the community. The goal is to do as much outreach as possible. Council Member Young asked what is included in Option 2. Mr. Malik responded it is a funding mechanism which could be a pilot program. The amount needed to fund everything for that area is \$3.1m. Mr. Malik added staff is looking for funding options which do not impact the General Fund and that could be phased in, or done block by block over a number of years. Council Member Young stated she appreciated the work that staff had done and added she was in favor of Option 1.

In response to a question from Mayor Pro Tem Maciel regarding who would foot the bill, Mr. Malik responded if an assessment district was formed it would be the property owners. Mayor Pro Tem Maciel asked if the primary reason the area is undeveloped is because of a lack of development, could the City front the costs and be reimbursed. Mr. Malik responded that if the City fronted the costs the City could be reimbursed when development occurs.

Mayor Ives stated the Byron/Berg Avenue area initiated a CFD to raise funds for improvements. These infrastructure improvements do raise property values. Other areas in the City are in need of improvements, but to complete all of them would cost close to \$100m. Mr. Malik stated there is a difference among residents as to whether they want sidewalks and/or sewer hookups.

Mayor Ives invited public comment.

Ray Morelos, 1801 Foxwood Drive, thanked staff for attending the meeting. A lot of information was made available to the property owners. Before the area was annexed into the City residents were promised improvements, which have not materialized. Mr. Morales felt it would be advantageous to continue the discussion between the property owners and the City regarding financing.

A resident of C Street, thanked staff and stated the neighborhood is looking better. The resident suggested moving forward with a small group of committed residents who are interested in contributing to the cost. The resident implored staff to contact the county for any available funding.

Mayor Pro Tem Maciel stated he was in favor of Option 1 with some modifications.

In response to a question from Council Member Young regarding how many property owners there were in the area, Mr. Malik stated approximately 38 parcels and another 20-25 parcels.

Council opted for Option 1 and directed staff to continue outreach to homeowners and property owners, and to apply for funding from the state for the Safe Routes to School program.

5. REVIEW AND ACCEPT CHANGES TO THE TRACER FIXED ROUTE BUS SYSTEM EFFECTIVE AUGUST 1, 2014 – Ed Lovell, Management Analyst II, Public Works Department, presented the staff report and used a power point in his presentation. In December of 2009, the Council approved a Short Range Transit Plan (SRTP) for the City's TRACER bus system. Since approval of the SRTP, some recommendations have been implemented including a fare increase and extension of service to the Kimball High School area.

The Council approved a contract with MV Transportation in July of 2011 to operate the TRACER bus system which contains an annual increase in the number of service hours available to provide bus service. In July 2012, the City Council approved changes to the fixed route including limited increased frequency and the extension of service to new areas that were previously not served by TRACER. Those changes have been well received by transit users and an increase in ridership came as a result.

SUMMARY OF CHANGES

- Extended service hours: 7am – 8pm Monday through Friday, and 9am – 7pm on Saturdays on A, B, C, and D routes
- 30-minute service all day on Routes A and B (currently service is every 30 minutes from 11am – 3pm)
- Convert D Route to a regular fixed route with 2 additional peak hour trips at 5:30am and 7:00am
- Expand E route service to the Outlet Mall and add a second loop in the morning
- Eliminate A Route service to the Outlet Mall
- Eliminate 2 peak hours of service on the C Route
- Extend F Route to the ACE Station and the Library

Staff will monitor the changes over the course of the year and will make any minor adjustments to the service as necessary to make the best use of the funds. Staff presented the changes to the Transportation Advisory Commission on May 8th and received feedback. The changes were well received by the Commission.

In an effort to market the changes, the month of August will be a free ride month. This will allow passengers to try the service for free to see how it can help them reach their destinations. Information will be in all of the buses as well posters in various bus shelters throughout the city. A press release will also be issued notifying the public of the changes and the opportunity to ride for free. A major push will also be geared toward getting the information out to students. Staff is working with TUSD to be able to disseminate information during school registration periods and at back to school nights.

While it is difficult to predict the actual ridership increase that can be attained by these changes, the SRTP identifies that there is a significant increase in willingness to ride the TRACER Fixed Route services if greater frequency were offered. As experienced from the most recent changes that were approved by Council in 2012, staff anticipates an increase in ridership due to the increased frequency and increase in areas served. The year after the 2012 changes were implemented, the fixed route had a ridership increase of approximately 25%. Ridership is continuing to grow on the fixed route and is currently up 16% over the same time period the previous year. Implementing these changes will not affect the ability of the City to meet their established performance measures from the San Joaquin Council of Governments.

The FY14/15 contract with MV Transportation has a not to exceed amount of \$1,353,317. It is anticipated that the cost for operation under these new service levels will be \$1,232,000.

Council Member Rickman commented on the free rides during the month of August. Mr. Lovell stated free rides for students are offered during August, but whenever the City has major changes such as these free rides are offered to everyone.

In response to a question from Mayor Pro Tem Maciel regarding which areas showed increased ridership, Mr. Lovell responded students, seniors and ADA passengers.

Robert Tanner, 1371 Rusher Street, commented on the lack of service on Sundays and asked if Sunday service had been considered, particularly for seniors. Mr. Lovell responded not at this time since staff does not feel there is the ridership to sustain Sunday service.

In response to a question from Council Member Young regarding when paratransit is available, Mr. Lovell responded Monday through Saturday, but the City does offer subsidized taxi fares for paratransit riders which can be used on Sundays.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2014-105, Accepting changes to the Tracer Fixed Route Bus System effective August 1, 2014, as outlined in the staff report. Voice vote found all in favor; passed and so ordered.

6. DISCUSS WHETHER TO CANCEL THE REGULAR CITY COUNCIL MEETINGS SCHEDULED FOR TUESDAY JULY 1 AND JULY 15, 2014 AND SCHEDULE A SPECIAL MEETING ON JULY 1, 2014 – Gary Hampton, Interim Assistant City Manager presented the staff report. Due to the recruitment schedule for a new City Manager, Council will schedule a minimum of three closed session meetings during the month of July in order to interview candidates. The proposed closed session dates and times are as follows:

July 1, 2014 5:00 p.m. Closed Session (directly following the special meeting)
July 18, 2014 8:00 a.m. – 6:00 p.m. Closed Session
July 19, 2014 8:00 a.m. – 2:00 p.m. Closed Session

Staff requested a special Council meeting be held on July 1, 2014, in order to review consent and regular agenda items. Closed session will immediately follow the special meeting. Staff also requests that the Council consider cancelling the July 15, 2014, regularly scheduled Council meeting.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to cancel the regular City Council meetings scheduled for July 1 and July 15, 2014, and schedule a special meeting on July 1, July 18 and July 19, 2014. Voice vote found all in favor; passed and so ordered.

7. ITEMS FROM THE AUDIENCE – Marsha McCray, 560 West Schulte, commented on the Grand Jury findings and stated she did not always agree with every decision the Council made, but appreciated the hard work and dedication the Council put into making Tracy a better place to live.

James Young, 1517 Arigotti Lane, personally thanked the Mayor and Council for helping to make the Juneteenth celebration a success.

8. STAFF ITEMS

- A. Interim City Manager's Report – Interim City Manager Maria Hurtado stated the former Chevy's building has been demolished to make way for the new Red Robin restaurant which is expected to open in November 2014. Origins Books will open on June 21st at 33 W. 10th Street in downtown Tracy. Grant Bar & Lounge received Planning Commission approval for a nightclub and restaurant at 2706 Pavilion Parkway, just behind Extended Stay America.

Staff recently received notification that Mi Pueblo Food Center will close their location at 3225 N. Tracy Blvd. The local WorkNet office has been in contact with Mi Pueblo to assist the displaced employees. Staff is working with the property

owner and commercial broker on outreach efforts for new tenants for the 42,000 sf space.

Oak Valley Community Bank will occupy a portion of the former Ward Real Estate building, at the southeast corner of Central Avenue and 11th Street in downtown Tracy. Harbor Freight Tools is expected to open their new location at 3077 N. Tracy Blvd. on June 24th. The Commons Restaurant opened their new downtown location at 49 W. 10th Street today.

Glassfab Tempering is finalizing improvements on a 67,000 square-foot expansion. The glass fabricator currently employs approximately 150 people and is expected to add 25-30 more positions by the end of the year.

The Commons, a downtown restaurant, opened their doors earlier today at 49 West 10th Street, Tracy.

Aspire Apartments near the I-205 business park on Pavilion Parkway will be completed this summer and will feature 301 units. Yosemite Vista, Phase II, off MacArthur Drive will produce 166 single family units by the end of the year. Grading and construction work is also taking place off of South MacArthur Drive near Valpico Road for the Tiburon Village development which is expected to produce 105 units. Lastly, Murfield/Phase 4 located off of Starflower Drive has begun construction and models are available for viewing and sale.

As part of the City's efforts to enhance public engagement and communication, the City has launched an online E-Newsletter which delivers electronic information on various City news and advisories to subscribers. To enroll visit the City's website at www.thinkinsidethetriangle.com, click on the "Join E-Subscriptions" link on any department page. You will then be prompted to a webpage where you can select which informational areas you'd like to receive updates on. Electronic newsletters are sent to the subscriber's email on a recurrent basis.

In April, Governor Gerry Brown called on California residents to reduce water use as the State battles the drought. The City requested residents to do their part to conserve water as much as possible.

With the hot summer temperatures comes a need to cool off in swimming pools. The Tracy Fire Department is continuing their endeavor to prevent childhood drowning's in the community by educating the public on pool safety. All members of the household are encouraged to take swim classes and individuals over the age of 12 are recommended to have CPR and First Aid training. Swim classes are available through the City. More information can be found on the City's website, or by calling the City Hall at (209) 831-6200.

The City is currently in the process of transitioning its contractor for Landscape Maintenance District services. Public Works staff is assisting in maintaining various landscape medians, streetscapes, storm channels and mini parks during the transition. The City anticipates having a new contractor in place by September.

The City and the Tracy Chamber of Commerce will host one of San Joaquin County's largest Fourth of July events in Lincoln Park. The event starts at 6 a.m. with a hot air balloon lift and Pancake Breakfast hosted by the Tracy Breakfast Lion's Club. A parade through downtown begins 10:00 a.m., ending up at Lincoln Park for the opening ceremonies at 11:30 a.m. Mayor Brent Ives will welcome the public. Vendors, live music and family activities take place throughout the day. At 8:00 p.m. the Tracy High Football Stadium will open for a fireworks show which begins at 9:30 p.m.

To ensure that the community enjoys a safe Fourth of July holiday, the Tracy Fire Department has reminded the community that Safe and Sane fireworks are only legal within Tracy's City limits from June 28th through July 4th. All fireworks are illegal in unincorporated San Joaquin County and Mountain House. Safe and Sane fireworks are available from local non-profits in town.

Several fun events are lined up for this summer's Block Party series at the Downtown Plaza. Upcoming themes and entertainment include Rhythm & Blues – Nathan Owens Soul Band; Rock & Roll – Audioboxx; Totally Tubular 80's – Fast Times; Boots & Buckles – Chris Garder Band; and Party Band – Take 2.

Movies on the Plaza are shown in Tracy's Civic Center Plaza. The movies will begin at sunset and include Frozen, Despicable Me2 and the Hunger Games – Catching Fire.

The 2014 Music in the Park Series, kicks off on June 12th. These family-friendly concerts start at 7 p.m. at Lincoln Park. Musical acts range from Rock, Latin, Big Band, and R&B.

National Night Out is one of the biggest Crime Prevention events in Tracy. This year, the event will be held on Tuesday, August 5th. The event raises community awareness on crime prevention programs, such as Neighborhood Watch, and promotes public safety and community partnerships. Participants host events such as block parties or park cook-outs to strengthen neighborhood connections, and become better acquainted with local law enforcement officials. The Tracy Police Department and City Council members will make their way around the community that evening to support National Night Out activities.

The application period for the City Manager recruitment closed on Monday, June 16th. Preliminary interviews with first round candidates will take place from June 23rd – 27th. Finalist recommendations will then be made to Council on July 1st, with second round interviews taking place on July 18th and 19th, during Council closed session. A candidate selection is anticipated by August 1st.

Tracy Police Chief Gary Hampton will complete his three month rotation as Interim Assistant City Manager on July 1st. Jenny Haruyama, Administrative Services Director, has agreed to assist as the interim Assistant City Manager from July 1st through September 30th.

Independent auditors Chavan and Associates have completed their final evaluation and review of the City's credit card purchases and practices, and a community meeting will be held on Wednesday, June 25, 2014 at 7:00 p.m., at the Tracy

Transit Station, 50 E. 6th Street, Room 104, to discuss the findings and obtain community feedback prior to the completion of the final audit report. The final report will be presented to Council on September 2nd. Community members who are unable to attend the meeting, but would like to share their comments and/or suggestions, may contact the City at manager@ci.tracy.ca.us or (209) 831-6000.

9. COUNCIL ITEMS

- A. Council Designation of Voting Delegate and up to Two Voting Alternates for the League of California Cities 2014 Annual Conference Business Meeting – Gary Hampton, Interim Assistant City Manager, stated the League of California Cities Annual Conference is scheduled for Wednesday, September 3, 2014, through Friday, September 5, 2014, in Los Angeles, California.

An important part of the Annual Conference is the League of California Cities' Annual Business Meeting, held on September 5, 2014. At this meeting, the League membership takes action on resolutions that establish League policy. In order to expedite the conduct of business at this policy-making meeting, each City Council should designate a voting delegate and up to two alternates who will be registered at the conference and present at the Business Meeting.

The League of California Cities has requested the names of the designated delegates be forwarded to them no later than Friday, June 20, 2014. Resolution 2014-106 designated Mayor Pro Tem Maciel as voting delegate and Council Members Young and Manne as voting alternates.

Council Member Rickman stated on June 21st the annual Portuguese festival will take place in Tracy. This year is the festival's 90th anniversary.

Mayor Pro Tem Maciel stated a Police Explorers event would be held in Ripon in the near future.

10. ADJOURNMENT – It was moved by Council Member Rickman and seconded by Council Member Manne to adjourn. Voice vote found all in favor; passed and so ordered. Time 9:43 p.m.

The above agenda was posted at the Tracy City Hall on June 12, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

Interim City Clerk