

August 19, 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.

Maria Hurtado, Interim City Manager, presented the Employee of the Month Awards for July 2014, to Thomas Baldochi, Fire Department, and for August 2014, to Bill Cathey, Public Works Department.

Mayor Ives and Interim Police Chief Jeremy Watney presented a Certificate of Recognition to Daniel Romas for risking his own health and well-being to assist in removing an unresponsive driver from his vehicle following an accident in Tracy on June 18, 2014.

Mayor Ives and Fire Chief Nero administered the Oath of Office to Jared Bryant who was promoted to Engineer and Scott Byers and Larry Vickers who were promoted to Captain.

1. CONSENT CALENDAR – Following the removal of Item 1.D by Council Member Young it was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt the consent calendar. Roll call vote found all in favor; passed and so ordered.
 - A. Approval of Minutes – Regular meeting minutes of May 6, 2014, closed session minutes of June 17, 2014, July 18, 2014, July 19, 2014, and August 5, 2014, and special meeting minutes of July 1, 2014, and August 5, 2014, were approved.
 - B. Authorize the Appointment of Four Youth Commissioners to the Youth Advisory Commission – Resolution 2014-118 authorized the appointments.
 - C. Approval of Out-of-State Travel Request for Interim City Manager Maria Hurtado to Attend the International City/County Management Association (ICMA) Annual Conference on September 14-17, 2014 in Charlotte, North Carolina – Resolution 2014-119 approved the request.
 - E. Approval of a Four Year General Services Agreement With Stockton Petroleum Company, Inc. for Gasoline and Diesel Fuel Supply Services and Authorization for the Mayor to Execute the Agreement – Resolution 2014-120 approved the agreement.
 - F. Find it is in the Best Interest of the City to Forego the Formal Request for Proposal Process and Authorize an Amendment to Increase the Not to Exceed Contract Amount by \$100,000 for the Professional Services Agreement With XL Landscape Development for Temporary Landscape Maintenance of Street Medians, Streetscapes, Parks, and Channelways Maintenance Until a Long Term

Contract is Executed and Authorize the Mayor to Sign the Amendment – Resolution 2014-121 approved the increase to the contract amount.

- G. Approve the Purchase of Geographic Information System (GIS) Software Licenses Through the Environmental Systems Research Institute, Inc. (ESRI) Small Government Enterprise Licensing Agreement and Authorize the Mayor to Sign the Agreement – Resolution 2014-122 approved the purchase.
- H. Authorization to Amend Section B, Roles and Responsibilities, of the Measure E Residents' Oversight Committee Bylaws to Change the Date of the Annual Written Report Presentation to Council from June to August – Resolution 2014-123 authorized the amendment.
- I. Authorize Amendment of the Position Control Roster by Approving the Reclassification and Reallocation of a Recreation Program Coordinator II to the Position of Recreation Services Supervisor – Resolution 2014-124 authorized the amendment.
- J. Authorize Amendment of the City's Classification Plan and Position Control Roster by Approving the New Classification of Division Manager I/ Division Manager II; and Reallocation of the Senior Human Resources Analyst in the Administrative Services Department, Human Resources Division; and the Recreation Services Program Manager in the City Manager's Office, Recreation and Cultural Arts Division; to Division Manager II, and Reclassification of Incumbents – Resolution 2014-125 authorized the amendment.
- K. The City Council of the City of Tracy Acting as the Governing Body of the Successor Agency for the Community Development Agency of the City of Tracy Approving the Recognized Obligation Payment Schedule (ROPS) – Resolution 2014-126 approved the ROPS.
- L. That Council, by Resolution, Transfer \$500,000 from the Schulte Road Property Acquisition CIP 79367, to the Residential Specific Plan (RSP) Economic Development Fund and Adopt a Resolution Authorizing the City Manager to Sign Task Orders With Various Consultants for Work Related to Environmental and or Other Entitlement Work Where the Entitlement Process is Either City- Initiated or Related to City-Owned Property in Order to Streamline our Processes and be Prepared to Respond Quickly to Job Generating Economic Development Opportunities – Resolution 2014-127 approved the transfer and authorization.
- M. Approval of Permits for the Consumption of Alcoholic Beverages on City Streets for the Chamber of Commerce "Taste of the Valley Art And Food Festival" on September 6 & 7, 2014 – Resolution 2014-128 approved the permits.
- D. Acceptance of the Valpico Road Sidewalk Improvement Project – CIP 73133, Completed by Dunton Construction of Anderson, California, and Authorization for the City Clerk to File the Notice of Completion – Council Member Young stated she had pulled the item for information. Victoria Dion, City Engineer, presented the staff report. On December 17, 2013, the Council awarded a construction contract in the amount of \$115,501.50 to Dunton Construction of Anderson, California, for construction of the Valpico Road Sidewalk Improvement Project.

The scope of work involved installation of approximately 3,409 square feet of new sidewalk and the removal of plants, trees, barricades, and lawns. The new sidewalk connects to existing sidewalks on both ends of the project and will comply with the Americans with Disabilities Act (ADA).

One change order was issued in the amount of \$11,425.43, which included installation of an 18" storm drain pipe, installation of additional signs and paving existing drives to comply with ADA requirements. The project construction contract unit prices are based on estimated engineering quantities. Actual payment is based on field measured quantities installed by the contractor. According to the City's inspection records, actual field measurement quantities exceeded the contract quantities in the amount of \$10,192.50. These quantities were paid in accordance with the bid unit prices of the contract and are listed as over run quantities.

Estimated budget and project costs are as follows:

A. Construction Contract Amount	\$115,501.50
B. Change Orders	\$ 11,425.43
C. Over Run of Quantities	\$ 10,192.50
D. Design, Construction Management, Inspection, Testing & Miscellaneous Expenses	\$ 13,496.00
E. Project Management Charges	\$ 9,140.00
Total Project Costs	\$ 159,755.43
Budgeted Amount	\$ 170,000.00

The project has been completed within the available budget, on schedule, per plans, specifications, and City of Tracy standards.

Council Member Young stated it was good to see different projects completed.

Ken Silver, 435 West Lowell, asked if anything was being done on the north side where there is a vacant field.

Kul Sharma, Director of Utilities, stated the sidewalk on the north side will be completed either when development occurs or when MacArthur is widened from the west.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2014-129, Accepting the Valpico Road Sidewalk Improvement Project, CIP 73133, Completed by Dunton Construction of Anderson, California, and Authorizing the City Clerk to File the Notice of Completion. Voice vote found all in favor; passed and so ordered.

- ITEMS FROM THE AUDIENCE – Mollie Lowe, 2590 Atherton Court, commented on a proposal by Tracy Unified School District to buy out the City's MOU with West High School related to pool access, and asked how the City would meet the needs of the swimmers. Ms. Lowe requested an agenda item to discuss the issue.

A representative from the Tracy Camera Club and a representative from the Tracy Friends of the Library invited the public to participate in a "For the Love of Reading Photography Contest," which runs from September 6 – 25, 2014. The public was also invited to attend a discussion and awards ceremony with Robert Dawson at the Tracy Library on September 13, 2014.

Steve Nicolaou, 1068 Atherton Court, commented on TUSD's proposal to buy out the City's MOU with West High School related to pool access and suggested a number of options for the City to consider.

3. THAT COUNCIL CONDUCT A PUBLIC HEARING DECLARING THE EXISTENCE OF WEEDS, RUBBISH, REFUSE AND FLAMMABLE MATERIAL ON EACH OF THE PARCELS LISTED IN EXHIBIT "A" TO THIS AGENDA ITEM A NUISANCE; CONSIDER OBJECTIONS TO ABATEMENT OF SAID NUISANCE, AND ADOPT A RESOLUTION AUTHORIZING FIRE DEPARTMENT STAFF TO ORDER CONTRACTOR TO ABATE SAID NUISANCES – Dave Bramell, Division Chief, presented the staff report. The Fire Department performs inspections on its own, and after complaints are received from residents regarding the existence of weeds, rubbish, refuse and flammable material on residential and commercial parcels. Abatement notices are sent to the owners of parcels deemed by Fire Department staff to be a public nuisance and dangerous to the public health and safety. The notice states the time and date the Public Hearing will be held to address any and all objections to the proposed abatement and, as necessary, authorize Fire Department staff to direct the City's contractor to abate parcels Council finds to be a nuisance.

On June 26, 2014, July 10, 2014, July 21, 2014 and July 24, 2014, pursuant to Tracy Municipal Code, Section 4.12.280, the Fire Department sent a notice to the property owner(s) listed in Exhibit "A" to the staff report. That notice required the said owner to abate weeds, rubbish, refuse and flammable material on his/her parcel within twenty days, and informed the property owner(s) that a Public Hearing would be conducted on August 19, 2014, where any protests regarding the notice to abate would be heard. The Tracy Municipal Code provides that upon failure of the owner, or authorized agent, to abate within 20 days from the date of notice, the City will perform the necessary work by private contractor and the cost of such work will be made a personal obligation of the owner, or become a tax lien against the property.

Under the provisions of Tracy Municipal Code, Section 4.12.290, the Fire Department will proceed at Council's direction to instruct the City's contractor to perform weed, rubbish, refuse and flammable material abatement on the parcels listed in Exhibit "A" to the staff report. Per the Tracy Municipal Code, property owners are liable for the cost of abatement and will be billed for the actual cost of the City contractor's services, plus a twenty-five percent administrative charge. All unpaid assessments will be filed with the San Joaquin County Auditor Controller's office to establish a lien on the property.

Since there is \$12,100 budgeted for Fiscal Year 2014-2015, Grounds and Maintenance account, there are sufficient funds at this time to accomplish abatement services.

Mayor Ives opened the public hearing. Since there was no one wishing to address the Council the public hearing was closed.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2014-130, Declaring the existence of weeds, rubbish, refuse and flammable material on the parcels listed in Exhibit "A" a nuisance and authorizing the Fire Department staff to order contractor to abate. Voice vote found all in favor; passed and so ordered.

4. PUBLIC HEARING TO CONSIDER IMPLEMENTATION OF PHASE II WATER RESTRICTIONS – Stephanie Reyna Hiestand, Water Resources Analyst, presented the staff report. In response to the ongoing severe drought, the State Water Resources Control Board enacted emergency regulations to ensure increased water conservation in urban settings, primarily through reduction in outdoor urban water use. The regulations are to help implement the Governor's requested goal of a 20% reduction. For the year, Tracy has achieved a 13% reduction; however the community achieved a 25% water reduction for the month of July.

Based upon the above numbers, the City's water conservation efforts are working effectively. This past spring, the City engaged the community through educational utility bill inserts and conservation advertisements in local movie theaters, and by tracking and responding to questions, inquiries and complaints through the City's Government Outreach program and mobile app. The City has strategically reduced watering in local parks and landscaped medians, and implemented water patrol resources.

Water conservation concerns and/or complaints are referred to the City's Water Patrol or Water Conservation Coordinator. Staff will investigate the issue and provide customers with educational materials about conservation and ways to manage/ monitor water usage. Should the customer refuse to comply, a letter would be issued encouraging compliance to avoid penalties. If the problem continues, a citation in accordance with City's Municipal Code could be issued. Fines would range from \$100 for a first violation to \$500 for a third violation, and up to \$500 for a first violation if imposed by a State agency. However, staff's past practice is to defer to education and outreach before taking punitive action to achieve water conservation goals.

Phase II water restrictions include the following:

No flagrant water waste or excessive runoff of water at any time.

Proper maintenance of all plumbing and irrigation systems.

Use of a hose with a self-closing "trigger" handle for all outdoor uses.

Washing of non-commercial sidewalks, driveways, porches, or other outdoor surfaces is prohibited.

Washing of commercial sidewalks, driveways, parking lots or other outdoor surfaces is prohibited (by State regulation).

Car washing is allowed only with the use of a self-closing "trigger" spray nozzle.

Landscapes may be irrigated:

- At any time provided that the person irrigating the landscape is present outdoors and remains in full control of the water usage.
- Unattended between the hours of 7:00 p.m. through 9:00 a.m. (May 1 through September 30)
- Unattended between 4:00 p.m. through 10:00 a.m. (October 1 through April 30)

These restrictions will continue until the drought is alleviated. In the event the drought continues, additional water conservation may be required.

There is no fiscal impact to the City's General Fund. Decreased water usage will result in decreased revenue to the Water Fund. Monthly revenue from utility billing, along with the Water Fund Balance, will be monitored to ensure prudent fiscal management.

In response to a question from Council Member Rickman, regarding the City's water supply, Kul Sharma, Director of Utilities, stated the City has nine wells, water from SSJID and surface water which provide sufficient water for the existing city as well as new development. Council Member Rickman asked how long the water would last. Mr. Sharma responded whenever a new project is developed the City ensures the project either brings a water source with it, or staff looks to other entities to provide water.

Mayor Ives opened the public hearing. Since there was no one wishing to address the Council the public hearing was closed.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Young to adopt Resolution 2014-131, Authorizing the Implementation of Phase II Water Restrictions. Voice vote found all in favor; passed and so ordered.

5. APPROVAL OF AN EMPLOYMENT AGREEMENT WITH TROY BROWN FOR THE POSITION OF CITY MANAGER – Dan Sodergren, City Attorney, presented the staff report. The recruiting firm of Peckham & McKenney was retained to conduct a recruitment and selection process for the City Manager position. After an extensive search and recruitment effort, Troy Brown was selected as the preferred candidate from a pool of 42 candidates to be Tracy's new City Manager.

Currently, Mr. Brown is the Assistant City Manager in Livermore, CA. His previous employment included Assistant to the City Manager in Elk Grove, CA, and Assistant to the City Manager in the City of Riverside, CA. Mr. Brown has over 20 years of municipal experience and holds a Master of Public Administration from California State University in San Bernardino, CA and a Bachelor of Political Science from Northridge, CA. He is currently the West Coast Regional Vice President of the International City/County Management Association (ICMA).

Proposed employment terms between the City and Mr. Brown are set forth in the employment agreement. The agreement specifies an annual salary of \$205,000. Mr. Brown will begin his duties at the City of Tracy on Tuesday, September 2, 2014. He will become Tracy's ninth City Manager since 1954, when voters approved the CityCouncil/CityManager form of government.

Pastor Kal Waetzig, St. Paul's Church, and Steve Nicolaou, 1068 Atherton Court, joined the City Council in welcoming Mr. Brown to the City.

Steven Kiefer, Economic Development Director, Livermore congratulated the City Council on the selection of Troy Brown, as the City Manager.

Council Member Young complimented Maria Hurtado, Jenny Haruyama and Gary Hampton for the excellent work they did during the recruitment process as Interim City Manager and Interim Assistant City Managers.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adopt Resolution 2014-132, Approving the Employment Agreement as amended between the City of Tracy and Troy Brown for the position of City Manager. Voice vote found all in favor; passed and so ordered.

Mr. Brown introduced himself to the community and thanked staff for the warm welcome. Mr. Brown also offered special thanks to his wife and children.

Mayor Ives recessed the meeting at 8:04 p.m. The meeting was reconvened at 8:13 p.m.

6. RECEIVE A REPORT ON A POTENTIAL CITY/SAN JOAQUIN COUNTY PARTNERSHIP FOR THE DEVELOPMENT OF A SOUTH COUNTY REGIONAL PARK AND PROVIDE STAFF DIRECTION WHETHER OR NOT TO PROCEED WITH NEGOTIATIONS WITH SAN JOAQUIN COUNTY – Kul Sharma, Director, Utility Department, presented the staff report. Mayor Ives welcomed Bob Elliott, Chairman of the San Joaquin County Board of Supervisors.

On November 9, 2010, the County of San Joaquin expressed interest in purchasing 105 acres at the northeast portion of City-owned property located at Holly Sugar, with the future goal of developing a County park. On December 14, 2010 the County of San Joaquin Board of Supervisors approved the purchase of the property. The City Council subsequently approved the sale of the land to the County on December 21, 2010. The purchase was completed on March 31, 2011, at a cost of \$662,470.

During the County's June 25, 2013 budget hearing, the Board of Supervisors discussed future growth in the South County area and options to provide regional park services through collaborative efforts. Last year, the City expressed interest to the County regarding swapping City-owned property adjacent to the Legacy Sports Complex for the County-owned parcel, and exploring a shared investment of resources to develop a regional park. The land swap would involve the County trading 105 acres for similar acreage adjacent to the Legacy Sports Complex. The opportunity to establish a regional park in this area would provide contiguous park facilities north of Larch Road, between Tracy Boulevard and Corral Hollow Road, and expand park services for both City and County residents. While the cost of ongoing maintenance still has not been determined, a previous idea suggested by the City involved the County developing the park and the City assuming all annual park maintenance expenses.

County staff indicated that it must obtain approval from the California Department of Parks and Recreation, Office of Grants and Local Services, and Federal National Park Service before entering into a land swap agreement with the City. The approval process requires several action items, including but not limited to:

- Conducting an appraisal of both properties that meets Uniform Appraisal Standards for Federal Land Acquisitions;
- Providing a Willing Seller letter from the City;
- Developing a Parcel Map, Legal Description and Conceptual Site Plan with a description of the public input process used to select the park site; and
- Ensuring the completion of required contamination analyses, environmental clearance in accordance with CEQA, Section 106 compliance evaluation and clear title research.

Staff requested Council direction on whether to begin negotiations with the County for the land swap, and if appropriate, the potential development and future maintenance of a South County Regional Park. As part of its FY 2014/15 budget development process, the County has allocated \$160,000 to develop a conceptual design and initial cost estimates, including land-related fees and environmental reviews for the South County Park.

Mr. Sharma concluded by recommending that Council direct staff to proceed with negotiations and provide a status report to Council regarding initial costs associated with the land swap and future park maintenance.

Mayor Ives invited public comment.

Ken Silver, 435 West Lowell, stated he had been promised a disc golf course would be included in the plans for the park when it was first proposed, and built in the second phase of the project. Mr. Silver stated his goal is to bring a state of the art disc golf course to Tracy.

Mary Souza Mitracos, 363 W. Eaton Avenue, District 5 Representative to the San Joaquin County Parks and Recreation Commission stated the Commission has been working on getting a South County Regional Park for some time. Ms. Mitracos stated this was an exciting project since the County's two regional parks, Mickey Grove and Oak Grove, are situated in the far north of San Joaquin County. Ms. Mitracos stated Mickey Grove and Oak Grove Regional Parks have disc golf courses, and suggested it should not be a problem to include a disc golf course in the 100 acres.

Council Member Young asked what the land had been reserved for previously. Maria Hurtado, Interim City Manager, stated the County does not have a park concept plan at this time. If the Council is interested in the potential partnership between the City and the County to explore the development of a South County Regional Park the Council should direct staff to continue negotiations with the County. Staff will then get more detail on the requirements and bring key negotiation points back to Council. After that community input would be solicited with regard to what form the park should take and what uses would be incorporated.

In response to a question from Council Member Manne regarding the Spirit of California, Ms. Hurtado stated the City no longer has an exclusive negotiating rights agreement with Spirit of California and there are no ongoing negotiations.

Mayor Ives stated the 103 acre property belongs to the County and the onus on development is with the County, but because it is close to the City it provides the opportunity for a joint use project.

Mayor Pro Tem Maciel thanked Supervisor Elliot and former Supervisor Ornellos for their work on this project and added he hoped the details could be worked out in favor of both parties.

Mayor Pro Tem Maciel motioned to accept the report and directed staff to proceed with negotiations with San Joaquin County, to pursue a land swap to potentially develop a regional park and to provide a status report in November 2014 regarding initial costs

associated with the land swap and future park maintenance. Council Member Manne seconded the motion. Voice vote found all in favor; passed and so ordered.

7. ACCEPT ANNUAL REPORT OF THE MEASURE E RESIDENTS' OVERSIGHT COMMITTEE – Ann Bell, Management Analyst II, Administrative Services Department, offered a brief introduction stating the role of the Measure E Committee is to review Measure E and to present an annual report. Ms. Bell introduced Michel Bazinet, Chairperson, Measure E Committee, who presented the report.

Mr. Bazinet used a power point in his presentation which included an overview of the Roles and Responsibilities of the Committee, the activities conducted during the prior year and the current year, FY 2012/13 actuals and four year forecast with and without Measure E revenues, and the City's Income Statement. Mr. Bazinet commented on the continuing structural deficit, including the current City forecast and the cost containment measures which have been initiated. Mr. Bazinet stated the projected fiscal outlook, excluding Measure E, projects a \$6.4m increase in expenditures in FY 2015.

The Committee's conclusions include projected revenues of \$54.7m and expenditures of \$50m resulting in a projected surplus of \$4.7m for this fiscal year. The City is also projecting a structural General Fund deficit of \$4.10m in FY 2016/17 and in subsequent years after the expiration of Measure E. Mr. Bazinet added the Tracy electorate voted for Measure E sales tax increase based on stipulations it expires in 2016 and the City had no intentions of renewing it. The Committee's recommendations included reserving General Fund surplus in a special fund and using the special fund to finance one-time operating or capital projects that reduce the General Fund expenditures. However, Measure E surplus should not be used to fund ongoing operations or to shore up General Fund reserves. Supplemental income statements and forecasts showing results excluding Measure E sales tax revenues should be prepared, and financial documents highlighting progress the City is making towards alignment of General Fund expenditures and non-Measure E revenues should be restated. Finally, the Committee is concerned that the City is not on a path to close projected structural General Fund budget deficits by 2016 when Measure E expires; the Committee strongly recommends that the City Council and staff continue to explore additional cost reduction and revenue enhancement strategies to align General Fund revenue and expenditure levels in anticipation of the expiration of Measure E; and the City should explore opportunities to diversify revenue sources to include event based revenues such as those generated by local, regional and national sports league competitions and events.

Mr. Bazinet concluded by stating the City has a high dependency on sales and property tax and diversifying into events which generate tax revenues would be good for the City.

Mayor Ives invited public comment.

Robert Tanner, 1371 Rusher Street, questioned why there was \$1.5 m forecast in Measure E tax revenue in 2017. Mr. Tanner also suggested an increase in expenses in 2015 was probably due to labor contracts becoming due in fiscal year 2015/16, and CALPERS. Jenny Haruyama, Interim Assistant City Manager, stated the increase in budget year 2014/15 is related to development expenses not labor negotiation expenses, and all development expenses have an offsetting revenue.

Ms. Haruyama stated Measure E expires on March 30, 2016, so there will be a full month of revenue coming in. The revenue projections were provided by Muni Services, and there is always an adjustment to be made in the subsequent year. There is a complex methodology used to come up with the numbers, so the \$1m will change either up or down in the coming quarters.

Steve Nicolaou, 1038 Atherton Court, stated the City needs to be aware that CALPERS Pension and Health Benefits Committee approved 99 additional items, which will bring added costs to the City in the future in the form of increased pensions if CALPERS approves those additional "spike" items.

Mr. Nicolaou stated if the drought continues through next year that also would be an additional expense for the City.

Ms. Haruyama stated the City does actuarial updates which take into consideration what the impact will be to the City's unfunded liabilities. These impacts will be considered as staff moves forward with the City's budget. The City will have to monitor water issues year by year, but if there are concerns with water costs infringing onto the General Fund staff will come back to the Council with a report.

Kul Sharma, Director, Utilities, stated the City has enough water under existing contracts through next year. If the drought goes beyond a couple more years it could be a problem.

David Helm asked why the city was spending more money than it takes in. Ms. Haruyama stated the adopted budget is a balanced budget. Revenues are coming in slightly lower, expenditures are higher. However, the expenditures are development expenses which have offsetting revenues which makes them cost neutral. Also, additional expenses have been adopted, but the budget is balanced. Ms. Haruyama admitted there is a lack of clarity on this and offered to meet with Mr. Helm to explain.

Dave Helm stated he thought the City had retained a new auditor and inquired how Moss Levy and Hartzheim had certified the budget. Ms. Haruyama stated this is the last year for the current auditor since they are under contract. The City will go out with an RFP for auditing services in 2015/16.

Ann Bell, Management Analyst II, Administrative Services Department, stated the letter from the auditor is based on the fiscal year 2012/13 review and data. The City hasn't yet closed out fiscal year 2013/14.

Council Member Young asked when Council would discuss the recommendations included in the Measure E report. Ms. Haruyama stated staff works with the Measure E Committee and takes the recommendations as suggestions. If some of the suggestions seem fruitful, staff will incorporate them as recommendations into the budget development process.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to accept the report for the Measure E Residents Oversight Committee. Voice vote found all in favor; passed and so ordered.

Mayor Ives thanked the Measure E Committee members for the time they had devoted to putting together the annual report.

8. ACCEPT STATUS REPORT ON THE YOUTH SPORTS LEAGUES LEGACY FIELDS PROJECT, PROVIDE DIRECTION ON POSSIBLE CITY ASSISTANCE TO THE LEAGUES, AND AUTHORIZE TERMINATION OF THE LEASE WITH THE TRACY FUTBOL CLUB – Brian MacDonald, Management Analyst II, presented the staff report and used a power point in his presentation. On August 7, 2012 and September 4, 2012, the City Council approved Property Development and Lease Agreements with Tracy Little League (TLL), Tracy Babe Ruth (TBR), Tracy Youth Soccer League (TYSL), and Tracy Futbol Club (TFC). As part of this agreement, the City agreed to make several infrastructure improvements, including the design of the entire site, creation of comprehensive specifications, infrastructure construction, and grading.

On December 17, 2013, the Council accepted the completed infrastructure project for a total General Fund commitment of \$11,329,870. By accepting the infrastructure project, the leagues had access to the site and could begin constructing the fields. Per the lease agreement, the leagues have until December 2018 to construct the fields to a minimal standard “suitable” for league play; however, the fields must be constructed to City standards and specifications by December 2028. The leagues could maintain the fields at the minimum standard between 2018-2028, until they raise enough funds to complete the fields to the required standards. Once built, the leagues would have 12 baseball fields and eight soccer fields.

Recently staff has been communicating with the leagues and discussing current lease requirements and options to help facilitate the development of the fields. To date, one of the four leagues is ready to begin construction.

Two lease requirements are due or past due. The annual lease payments were due to the City in January 2014. To date, three of the four leagues have submitted their lease payments, with the exception of TFC who has communicated to staff that it has no intentions to pay the lease or to build the fields. After several conversations with TFC, staff sent a Notice to Cure Default on January 30, which provided TFC with 30 days to pay its lease obligation. Because the City has not received TFC’s lease payment, staff requested that Council authorize the termination of the TFC agreement. This will allow other leagues who have expressed an interest in building fields to begin discussions with the City for the current TFC designated area.

A second requirement is for the leagues to provide the City with a phased development plan which outlines the elements of the fields that will be built, provides the timeline they anticipate it will take to build the fields, and delineates the amount of money the leagues have raised for construction of the fields. To date, the TLL is the only league that has submitted a phased development plan and is attempting to move forward with construction within the funding and in-kind services it has secured.

Staff met with TLL, TBR, and TYSL to discuss their progress on the development of fields and identify any barriers to such development. So far, staff has provided information on licensing, permitting, and construction requirements.

Tracy Little League: As previously mentioned, TLL is moving forward with construction and is currently working with Odyssey Landscaping to provide various services for the

project. TLL plans to build five fields by April 1, 2015, with its current available funding and with assistance from parent volunteers and local businesses.

Tracy Babe Ruth: TBR is also working with Odyssey Landscaping and is preparing a phased development plan for submittal to the City. TBR plans to construct two fields before Spring 2015 with available funding and assistance from parent volunteers and local businesses.

Tracy Youth Soccer League: Currently, TYSL is not ready to submit a phased development plan or to build fields due to limited funding. TYSL is working with parents and local business to seek assistance for field construction.

Discussions have been held with the leagues regarding the City's "minimum" standards requirement in the short term (within five years) vs. the City's standards requirements which must be met in the long term (no later than 15 years from date of agreement). The leagues requested further clarification regarding the minimum standards requirement and any allowances that could be made, while still ensuring safe, playable fields.

Estimates show that to build the fields to City standards and specifications, it would cost the leagues approximately \$19.7 million and \$25 million if the City built the fields.

To date, Tracy Little League has confirmed that it will construct three of its seven fields; however, the remaining leagues are unable to move forward due to fundraising and limited technical support. Based on feedback from all of the participating leagues, staff identified three options for Council consideration that could facilitate the development and construction of Legacy Fields.

OPTION 1: - Marketing and Fundraising Support: As a part of a pilot program, the City would contract with a marketing and fundraising consultant who is experienced in assisting local non-profits market and raise funds for their programs. The City could offer this program to a limited number of local non-profits and invite the Legacy Fields non-profits to participate. The consultant could provide the leagues with the tools they need to identify alternative sources of funding, in-kind services, materials and financing opportunities. A one-time allocation of \$100,000 could be established while the pilot program is implemented. The pilot program could be re-evaluated when the initial funding allocation is depleted prior to re-allocating additional funds.

OPTION 2: - City Constructs On-Site Drainage and Irrigation: The City constructs the on-site drainage and irrigation infrastructure at a cost of \$5 million. Staff does not recommend this option because of the magnitude of the costs. In addition, this option would require the leagues to pay prevailing wages to anyone paid to work on their project, whether paid by the leagues or paid by somebody else (e.g. a landscape contractor who donates labor but pays that labor out of the landscape contractor's pocket), which will substantially increase the cost to the leagues.

OPTION 3: - City Constructs all fields to City's Standards and Specifications: The City may opt to construct all fields to the City's standards and specifications and invest an additional \$25 million for a total General Fund investment of \$36 million. Staff does not recommend this option because of the magnitude of the costs and currently unfunded priority General Fund projects.

Staff recommended that Council pursue Option 1. This option provides the Leagues with the maximum support to initiate their fundraising and marketing needs, while

allowing the Leagues time to build the fields based on their available resources and preferred timing.

Council Member Rickman asked if staff had spoken with all the leagues and if so, what was the biggest problem. Mr. MacDonald stated funding and draining issues. Staff is working with the design consultant to come up with less costly alternatives for the backstops. Costs for drainage are one of the more expensive costs, due to the high water table, but Mr. MacDonald suggested not cutting costs on drainage because it will cost more in the long run in turf and irrigation. Complete drainage costs will amount to \$5m over 15 years.

Maria Hurtado, Interim City Manager, stated staff has been working with the leagues to come up with alternatives to build to the maximum standard, because the leagues cannot afford the costs. Ms. Hurtado discussed cheaper alternatives to the backstops and the drainage issues which would still result in safe playing fields.

In response to a question from Council Member Rickman regarding how effective Option1 would be, Ms. Hurtado stated it will include a conversation with the leagues regarding how much funding they need, but it is early in the process and each league is at a different stage in the process.

Council Member Rickman asked if the City has other funds which could be used. Andrew Malik, Director, Development Services, stated unrestricted funding sources include Cordes Ranch which will provide \$5m over a 4 year period, beginning in 2015, and Tracy Hills which is expected to generate approximately \$5m over a 2-3 year period.

Mayor Ives stated prevailing wage will be required no matter where the funds come from.

Mayor Pro Tem Maciel stated the project will cost \$3.1m for minimum standards and \$25m at full build out per City plans and specifications. In response to a question from Mayor Pro Tem Maciel regarding why the drainage costs are so high, Kul Sharma, Director, Utilities, explained the drainage issues on the site. Mr. Sharma added staff is trying to build to the minimum standards which will make the fields playable.

Mr. McDonald stated Tracy Little League will not put any of their players or spectators at risk.

Mayor Ives asked at a cost of \$109,000 per field how much of that amount is for drainage. Mr. Sharma replied 20% -25%. The cost includes irrigation which can meet the ultimate standards so it will not have to be replaced after 15 years.

Mayor Ives stated if the City does the drainage, prevailing wages must prevail. City Attorney, Dan Sodergren, explained that whenever a public subsidy is provided for a project on private property it triggers the prevailing wage.

Council Member Manne asked if in a public/private partnership a bond issue had ever been used to secure additional funding. Mr. McDonald stated if a special bond were issued it would be considered a City project and the City would have to raise \$25m to build the full facility. Council Member Manne asked if using synthetic turf would solve some of the drainage issues. Mr. Sharma stated synthetic turf would require more drainage and would be more expensive.

Mayor Pro Tem Maciel asked how much money was left over from the Legacy Fields CIP. Mr. Sharma responded \$200,000 to \$300,000. Mayor Pro Tem Maciel stated the City is limited in the role it can play because of prevailing wage being triggered, but suggested the City could help with establishing contacts for the leagues. Mr. Malik stated staff could help with contacts and retention visits. Ms. Hurtado stated staff could make a list of the top 10 sales generators and make it available to all non-profits.

Council Member Young asked for clarification on the drainage costs. Mr. Sharma gave an overview of the drainage costs. The \$5m includes prevailing wage and covers grading, irrigation and drainage for all 20 fields. If volunteer labor is used, the cost would be lower. In response to a question related to restrooms, Mr. Sharma stated the assumption is there will be porta potties.

Council Member Young asked what would be the time frame if Council selects Option 1. Mr. MacDonald stated Tracy Little League plans to have their fields playable by April 1, 2015. Regarding marketing assistance, the City would go through the RFP process and come back to Council to award a contract, so approximately two months.

Steve Nicolaou, 1068 Atherton Court, suggested alternative solutions which could be considered.

Ken Silver, 435 West Lowell, stated he did not see how the leagues could raise this kind of money since they have no revenue generating resources. Mr. Silver commented on the porta potty issue, and suggested that restrooms should be included in the short term rather than the long term.

Dave Helm asked how much money has been spent so far. Mayor Ives responded \$11.3m. In response to a question regarding where the irrigation water will come from, Mr. Sharma explained the source of the irrigation water. Mr. Helm stated he felt the \$100,000 included in Option 1 would be wasted.

Mayor Ives asked if TFC was still in existence. Mr. MacDonald responded the club is still in existence, but it has indicated the board will not approve any lease payments. Mayor Ives asked if the 2018 date could be extended. Bill Sartor, Assistant City Attorney, stated the rationale for the time frames was so that if a league wasn't able to perform there might be new interests ready that weren't ready at the initial phase. In response to a question from Mayor Ives, Mr. Sartor responded the City can always extend the lease agreements.

Council Member Rickman stated he didn't see prevailing wage as an impediment and he would like to see the fields built as soon as possible. Council Member Rickman added he would like to see Tracy as a destination for regional sports and believed that could happen with Legacy Fields.

Council Member Young queried the cost of \$25m for Option 3. Mr. MacDonald stated it would be a full service facility. Mr. Sartor explained prevailing wages.

Council Member Rickman stated that once the fields are built and people start coming to Tracy it will have an economic impact on the north side of town.

Council Member Young asked what has been the response from Little League regarding Option 1. Mr. MacDonald stated Tracy Little League is responsive to this option.

Mayor Ives suggested the City should be patient and give the leagues the chance to make it work, but to help them wherever possible.

Mayor Pro Tem Maciel stated the City needs to work with the leagues while they move forward. The City does not have \$25m to spend on this project. There are many other CIP projects which have been waiting for funding for years. Mayor Pro Tem Maciel suggested Council move forward with Option 1, and work with the leagues and the business community.

Council Member Rickman stated the City has waited 20 years for this project and referred to a number of projects the City has funded which have been successful. Council Member Rickman stated the City should step in and help if the money is available.

Council Member Young stated the City has put \$11.3m into infrastructure, and should continue to help the leagues move forward. Council Member Young stated she was in favor of Option 1.

Council Member Manne stated he would support Option 1.

Mayor Ives stated he had agreement for Option 1. With regard to TFC, Mayor Ives stated he was in favor of giving the club more time to see if they could offer alternatives. Mr. Sartor stated that to make sure prevailing wage does not kick in there is a requirement that the leagues pay a rate fair market value for the land. TFC is not making payments.

Council approved Option 1 to hire a consultant to provide marketing and fundraising support while incurring no additional impact to the General Fund. Council Member Rickman opposed.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Young to adopt Resolution 2014-133, Terminating the Agreement with Tracy Futbol Club. Voice vote found all in favor; passed and so ordered.

Mayor Ives called for a recess at 10:40 p.m. The meeting was reconvened at 10:45 p.m.

9. APPROVE A PROFESSIONAL SERVICES AGREEMENT (PSA) WITH RJM DESIGN GROUP INC., FOR DESIGN AND CONSTRUCTION MANAGEMENT SERVICES FOR THE JOE WILSON POOL RENOVATION PROJECT - CIP 78152, AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT – Vicki Dion, City Engineer presented the staff report and used a power point in her presentation. The Joe Wilson Pool opened in 1983 and served as the main pool for the community for over 25 years. In 2009, the Joe Wilson Pool was closed as part of the City's financial cost saving measures. At the time of closure, the pool was deteriorating, a condition which has worsened over the past four years as only minimal maintenance has been performed at the site.

As part of the May 20, 2014, budget workshop, Council directed staff to renovate the Joe Wilson Pool. This action was one part of a broader plan to meet the community's aquatic needs. On June 17, 2014, Council approved funding to design, renovate, and construct the Joe Wilson Pool.

To ensure that the needs of the community are met, staff recommended contracting with RJM Design for design and construction management services as a sole source, in lieu of engaging in a formal Request for Proposal (RFP) process. In 2010, staff solicited RFPs from consultants to design and prepare construction documents for the Aquatics Center. RJM competed in this process and of the 15 proposals submitted, was deemed the most qualified to perform the work. Because of RJM's unique qualifications, familiarity with the community, and their previous work on the Aquatics Center project, staff requested that the Council find that compliance with the formal request for proposal procedure is not in the best interest of the City.

The scope of services which RJM would perform for this project includes:

- Preliminary design and scoping
- Public presentation
- Final design
- Prepare construction documents
- Assist with permitting and bidding
- Construction administration
- Additional services as needed

The total cost for these services is \$349,273.

The tentative timeline for completion of the Joe Wilson Pool Renovation Project is:

Completed Approval of Joe Wilson Pool CIP
August 2014 Award of Design Contract
February 2015 Completion of Design
May 2015 Award of Construction Contract
March 2016 Completion of Construction

The total approved project budget for this project is \$3,523,000. Approximately \$1,909,000 was transferred from the Aquatics Center project (CIP 78054) to the Joe Wilson Renovation Project (CIP 78152). The remaining \$1,614,000 will be transferred from fund balance in the General Fund to fully fund the project. The anticipated cost to operate and maintain the facility once construction is complete, based on current expenses, is \$117,400. A budget augmentation in this amount will be brought forward during the FY15/16 budget cycle.

In response to a question from Council Member Rickman regarding the length of time to completion, Vicki Dion, City Engineer, stated it is construction season. The project could be completed earlier, possibly by January/February 2016. Mr. Malik stated staff will have a better idea regarding time frames when the bids come in.

Dave Helm referred to Exhibit A to the staff report, and asked a number of questions related to the scope of services, including liability, the cost of salaries to be paid to consultants and their staff, and building code requirements.

Robert Tanner, 1371 Rusher Street, referred to the possibility of TUSD buying out the City's pool use and suggested the City should try to extend the contract at least until the Joe Wilson pool is built.

In response to Mr. Helms' questions, Dan Sodergren, City Attorney, stated the language regarding liability is standard. Mr. Malik responded the salaries are competitive and the pool will be built to code.

In response to a question from Council Member Rickman regarding the public comment period, Mr. Malik stated there will be considerable outreach and staff will bring an item back to Council.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2014-134, Finding it is in the Best Interest of the City to Forego the Formal Request for Proposals Process, Approving a Professional Services Agreement (PSA) with RJM Design Group, Inc., for the Design and Construction Management Services for the Joe Wilson pool Renovation Project and authorizing the Mayor to execute the Agreement. Voice vote found all in favor; passed and so ordered.

10. APPROVE A FACADE IMPROVEMENT GRANT PROGRAM – Barbara Harb, Analyst, Economic Development, presented the staff report. On March 4, 2014, Council approved the FY2014-15 allocation of Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funding. Among the approved applications was the allocation of \$35,959 for a City Facade Improvement Grant Program for the Downtown Area.

The purpose of the Facade Improvement Grant Program is to incentivize private investment in the downtown for the purpose of restoring/renovating commercial store fronts and replacing deteriorated or poor-quality commercial signs and awnings. The overall goal of the program is to strengthen the revitalization of the downtown area.

The program is a 50% matching grant program with two grant options.

Storefront Facade Improvement Grant – This grant will fund 50% of the cost for construction up to a maximum grant benefit of \$50,000. The grant recipient's private match must provide a minimum of 50% of the cost of construction. The grant recipient is also responsible for all project costs exceeding \$100,000 for construction.

Sign and Awning Grant – This grant will fund 50% of the cost for a new sign or awning up to a maximum grant benefit of \$2,000. The grant recipient's private match must provide a minimum of 50% of the cost of the new sign or awning and is responsible for all project costs exceeding \$4,000.

Downtown property and business owners in the Façade Improvement Grant Program Target Area are eligible to apply for grant funding provided they meet certain criteria. Applicants will submit a completed application with all required attachments to the Economic Development Division in City Hall.

A Façade Improvement Grant Program Committee has been assembled comprised of City Development Services staff from the Economic Development and Planning Divisions. The Review Committee will evaluate each application for eligibility and how effectively the project meets the program criteria.

Specifically, project applications will be evaluated on how well each of the following program criteria is met:

1. Degree of visual improvements the proposed project will bring to the store front and the streetscape;
2. Visual prominence of the project building and its location; and

3. Given limited resources, additional consideration will be given to applications in which the private investment will be greater than 50% of the project budget.

It is anticipated there will be more demand than funds available. Therefore, funding will be provided to those applicants whose projects most effectively meet the program criteria until such time as all grant funds are exhausted. If a grant awardee becomes unable to fulfill the grant requirements or removes a project from consideration, the review committee will reallocate those funds to an eligible, alternate project.

All grant recipients will be required to enter into an Agreement agreeing to abide by the conditions of the Facade Improvement Grant Program. A detailed list of the Conditions for Participation is provided in Attachment A to the staff report.

In answer to a question from Council Member Young regarding how much funding is available, Ms. Harb responded \$359,000. Andrew Malik, Director, Development Services, stated staff is also looking at the next cycle of CDBG to increase the funding if the program is successful. The program is indefinite.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2014-135, Approving a Façade Improvement Grant Program. Voice vote found all in favor; passed and so ordered.

11. ITEMS FROM THE AUDIENCE – Robert Tanner, 1371 Rusher Street, commented on the unwanted furniture being left on City streets marked “Free.” Mr. Tanner suggested the City consider bringing back the annual “clean up” program which has been discontinued.

12. STAFF ITEMS

A. Interim City Manager’s Report – Ms. Hurtado, Interim City Manager, stated staff is actively marketing the Red Maple Village Shops Phase II properties. The total retail space available is approximately 22,500 square-feet and is envisioned to be primarily restaurant oriented, considering the success of the existing restaurants in the Red Maple Village center. The second location of Dickey’s BBQ restaurant opened in the Home Depot shopping center on July 17th. Extreme Pita, Ono Hawaiian BBQ and Sports Clips are also expected to open in the shopping center within the next few months.

Bossard, a manufacturer of screws and fastening elements, will open a manufacturing distribution center in an existing location at 2000 Chabot Court. They are currently in the plan review process. Prologis has submitted plans for an approximate 1-million square foot spec building in the Cordes Crossroads project. This is the first spec industrial building being planned in Tracy prior to the Great Recession. Staff is working with multiple industrial developers on prospective projects totaling nearly 2-million square feet of space. This is in addition to 2.5-million square feet currently in plan review. Gladden Equipment Erectors and Leprino Foods are all in the process of expanding operations at their existing Tracy location.

Tracy's unemployment rate for June 2014 was 6.4%, the lowest since 2008. Other cities in the county have also seen decreases, including Stockton, 12.8%; Manteca, 9.1%; Lodi, 7.1%; and Lathrop, 8.4%.

In response to ongoing drought conditions, the City has heightened its education and outreach efforts to further encourage water conservation in the community. Public outreach is being achieved through educational utility bill inserts, flyers and conservation advertisements in local movie theaters, the City's Government Outreach system and mobile app, GoRequest. In addition, the City has implemented water patrol resources and taken steps to strategically reduce irrigation at City facilities, local parks and landscaped medians. To report water waste or issue a water related service request, contact the City of Tracy at (209) 831-4333 or visit www.thinkinsidethetriangle.com and click on the "Contact Us" link.

On September 6, 2014, the City, in partnership with San Joaquin County, is hosting a Household Hazardous Waste (HHW) Collection Event at the Tracy Municipal Airport from 9 a.m. – 3 p.m. To view a full list of HHW collection items, visit www.recycleinsidethetriangle.com.

Tracy's East Side Garage Sale event will be held on Saturday, September 13th from 8 a.m. to 1 p.m. Registration is required and closes on August 27th. More information is available on the City website or by calling (209) 831-6300.

Peabo Bryson is the Season Opener for the 2014-2015 Presenting Season at the Grand Theatre on Saturday, August 23, 2014, at 8 p.m. Peabo Bryson is a legendary vocalist offering a timeless mix of pop and soul.

On September 6, 2014, Mariachi Imperial De Mexico will perform at 7 p.m. Mariachi Imperial De Mexico was originally formed in 1968 in the city of Morelia, Michoacán in Mexico.

Finally, Ms. Hurtado gave an update and on the new City Manager. Troy Brown comes from Livermore, California, where he was employed as the Assistant City Manager. Forty-two applicants applied for the City Manager's position through the recruiting firm of Peckham & McKenney. Out of that pool, the City Council interviewed five candidates before selecting Troy as their top choice. Mr. Brown's prior appointments included Assistant to the City Manager in Elk Grove, CA, and Assistant to the City Manager in City of Riverside, CA. He has over 20 years of municipal experience and holds a Master of Public Administration from California State University in San Bernardino, CA and a Bachelor of Political Science from Northridge, CA. He is currently the West Coast Regional Vice President of the International City/County Management Association (ICMA).

The Interim City Manager's informational update was accepted.

13. COUNCIL ITEMS

- A. The League of California Cities Request that the City Council Determine Their Position on One Resolution to be Considered at the 2014 Annual Business Meeting of the League of California Cities Annual Conference – Mayor Pro Tem

Maciel motioned to support “A Resolution Calling upon the Governor and the Legislature to Convene a Summit to Address the Devastating Environmental Impacts of Illegal Marijuana Grows on both Private and Public Lands Throughout California and the Increasing Problems to Public Safety Related to these Activities by Working in Partnership with the League of California Cities to Develop Responsive Solutions and to Secure Adequate Funding for Cost-Effective Implementation Strategies.” Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

14. ADJOURNMENT – It was moved by Council Member Manne and seconded by Council Member Rickman to adjourn. Voice vote found all in favor; passed and so ordered. Time 11:10 p.m.

The above agenda was posted at the Tracy City Hall on August 14, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

ATTEST:

Interim City Clerk