

**Tuesday, March 3, 2015, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

**Americans With Disabilities Act** - The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in Council meetings. Persons requiring assistance or auxiliary aids should call City Hall (209/831-6000) 24 hours prior to the meeting.

**Addressing the Council on Items on the Agenda** - The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. Each citizen will be allowed a maximum of five minutes for input or testimony. At the Mayor's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

**Consent Calendar** - All items listed on the Consent Calendar are considered routine and/or consistent with previous Council direction. A motion and roll call vote may enact the entire Consent Calendar. No separate discussion of Consent Calendar items will occur unless members of the City Council, City staff or the public request discussion on a specific item at the beginning of the meeting.

**Addressing the Council on Items not on the Agenda** – The Brown Act prohibits discussion or action on items not on the posted agenda. Members of the public addressing the Council should state their names and addresses for the record, and for contact information. The City Council's Procedures for the Conduct of Public Meetings provide that "Items from the Audience" following the Consent Calendar will be limited to 15 minutes. "Items from the Audience" listed near the end of the agenda will not have a maximum time limit. Each member of the public will be allowed a maximum of five minutes for public input or testimony. However, a maximum time limit of less than five minutes for public input or testimony may be set for "Items from the Audience" depending upon the number of members of the public wishing to provide public input or testimony. The five minute maximum time limit for each member of the public applies to all "Items from the Audience." Any item not on the agenda, brought up by a member of the public shall automatically be referred to staff. In accordance with Council policy, if staff is not able to resolve the matter satisfactorily, the member of the public may request a Council Member to sponsor the item for discussion at a future meeting. When members of the public address the Council, they should be as specific as possible about their concerns. If several members of the public comment on the same issue an effort should be made to avoid repetition of views already expressed.

**Presentations to Council** - Persons who wish to make presentations which may exceed the time limits are encouraged to submit comments in writing at the earliest possible time to ensure distribution to Council and other interested parties. Requests for letters to be read into the record will be granted only upon approval of the majority of the Council. Power Point (or similar) presentations need to be provided to the City Clerk's office at least 24 hours prior to the meeting. All presentations must comply with the applicable time limits. Prior to the presentation, a hard copy of the Power Point (or similar) presentation will be provided to the City Clerk's office for inclusion in the record of the meeting and copies shall be provided to the Council. Failure to comply will result in the presentation being rejected. Any materials distributed, including those distributed within 72 hours of a regular City Council meeting, to a majority of the Council regarding an item on the agenda shall be made available for public inspection at the City Clerk's office (address above) during regular business hours.

**Notice** - A 90 day limit is set by law for filing challenges in the Superior Court to certain City administrative decisions and orders when those decisions or orders require: (1) a hearing by law, (2) the receipt of evidence, and (3) the exercise of discretion. The 90 day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge a City Council action in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised during the public hearing, or raised in written correspondence delivered to the City Council prior to or at the public hearing.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL

PRESENTATIONS - Employee of the Month  
- Tracy Celebrates Children

1. CONSENT CALENDAR

- A. Council Minutes – Regular Minutes for: January 6, 2015, January 20, 2015, and February 3, 2015, special meeting minutes for: June 3, 2014, August 19, 2014, November 5, 2014, and January 6, 2015, and closed session minutes for: February 3, 2015, and February 17, 2015
- B. Approve an Offsite Improvement Agreement (OIA) for the Cordes Ranch Storm Drainage Detention Basin LW6 and Associated Storm Drainage Pipelines for the Medline Building and Federal Express Ground Facility Located Within the Cordes Ranch Business Park and Authorization for the Mayor to Execute the Agreement on Behalf of the City
- C. Approve an Offsite Improvement Agreement (OIA) for Cordes Ranch Phase 1C Roadway Improvements on Mountain House Parkway, the Modification of the Traffic Signal at the Intersection of Schulte Road and Mountain House Parkway (Intersection #34) and the Installation of Intelligent Transportation System Improvements on Schulte Road, Mountain House Parkway, and Intersection #34 for Cordes Ranch – Crossroads Building 1, and Authorization for the Mayor to Execute the Agreement
- D. Authorize the City Manager to Sign a Memorandum of Understanding Between the City of Tracy and the Lathrop-Manteca Fire Protection District for the Purchase of Public Safety Dual-Band Portable Radios and Associated Equipment Through a Regional Federal Emergency Management Administration (FEMA) Assistance to Firefighters Grant and Approve a General Fund Appropriation in the Amount of \$32,782.02 for the Purchase
- E. Approve Resolution Authorizing a Leave of Absence for Tracy Transportation Advisory Commissioner John Favors
- F. Authorization of Agreement with the West Side Irrigation District for Sale of Treated Effluent and Authorize the Mayor to Execute the Agreement

2. ITEMS FROM THE AUDIENCE

- 3. ACCEPTANCE OF THE CITY OF TRACY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2014
- 4. ACCEPT THE FY14/15 MID-YEAR BUDGET PERFORMANCE REPORT; AUTHORIZE MID-YEAR SUPPLEMENTAL APPROPRIATIONS
- 5. CITY COUNCIL TO PROVIDE DIRECTION ON LEGACY FIELDS OPTIONS

6. INTRODUCTION OF AN ORDINANCE AMENDING SECTION 3.08.580, ARTICLE 12, OF THE TRACY MUNICIPAL CODE WHICH REGULATES THE ESTABLISHMENT OF SPECIAL SPEED ZONES
7. ITEMS FROM THE AUDIENCE
8. COUNCIL ITEMS
  - A. Appoint an Applicant to the Measure E Residents' Oversight Committee
9. ADJOURNMENT

**June 3, 2014, 5:30 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

1. Call to Order – Mayor Ives called the meeting to order at 5:31 p.m.
2. Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present.
3. ITEMS FROM THE AUDIENCE – None.
4. CONDUCT WORKSHOP TO REVIEW AND DISCUSS THE PROPOSED FY 2014/15 CITY BUDGET, FIVE-YEAR FORECAST, AND GENERAL FUND RESERVES – Maria Hurtado, Interim City Manager, stated the budget workshop was divided into three sections; an Overview of the FY 2014/15 Budget; the Five-Year Forecast and a policy discussion on General Fund Reserves. Ms. Hurtado used a power point in her presentation.

The City's future holds a great deal of promise due to the resurgence in development activity. The recent annexation of 1,700 acres at Cordes Ranch and anticipated residential developments like Tracy Hills and Ellis indicate that the City is poised for positive growth. In addition, the City has an established plan to balance new residential development with retail, commercial and industrial development. Although property tax revenue has not rebounded as quickly as sales tax it is expected to improve over the next two years due to improvements in assessed value and increases in home prices.

Some challenges remain including the expiration of Measure E's ½ cent sales tax in 2016, which will result in a future deficit, due to the loss of revenue. In addition, although employees will assume the full employee share of pension costs, recent Public Employee Retirement System (PERS) rate adjustments for the employer's share continue to increase due to changes in actuarial assumptions. Over the next five years, the City will pay approximately \$52 million in PERS costs.

The City's recent revenue strategy to attract e-commerce and point of sale companies has been very successful and includes such companies as Amazon, Crate and Barrel and Southwest School and Office Supply. However, policy discussions at the state level regarding the allocation of internet sales may change, potentially impacting City sales tax revenue and ultimately, business attraction efforts.

Restructuring efforts and employee reductions over the last five years have left the organization challenged with doing more with less. To maintain quality service levels and to ensure efficient operations, staffing levels must continue to be carefully evaluated based on available resources, efficiency gains, and benefit to the community. Unmet staffing needs will be evaluated against service delivery prioritization.

Infrastructure maintenance needs coupled with regulatory requirements have increased costs significantly. Funds should be set aside to address future infrastructure maintenance and replacement needs.

Completed milestones from last year include an employee agreement to incrementally pay the employee's share of PERS which resulted in labor contract savings of \$3 million. A reduction of 103 full time employees (FTE's) since FY 2007/08 saved the City \$1.8 million and the consolidation of departments saved \$750,000. The City also received \$1 million as a result of the improved economy.

Ongoing tasks include reprioritizing expenditures and investment in technology.

In 2014 the City has seen growth in sales tax revenue which has surpassed pre-recession levels, improved residential assessed values and an uptick in development activity. Labor contracts will expire this year. Challenges include uncontrollable costs. PERS and healthcare costs are increasing, the sunset of Measure E, balancing service and facility demands with available resources and limited facility/ infrastructure funding. However, the City continues to be fiscally conservative, and cautiously optimistic. Sales tax growth is encouraging, the property tax base is recovering albeit slower than sales tax, and balancing the budget without Measure E will be challenging.

Jenny Haruyama, Director of Administrative Services, provided the FY 2014/15 Budget Overview. Ms. Haruyama stated the City budget for FY 2014/15 is \$226.3 million and is made up of the operating, capital and debt service budgets. The operating budget is made up of multiple funds which include the General Fund \$56.4 million, Special Revenue Funds \$13 million, Enterprise Funds \$46.5 million, Internal Service Funds \$10.1 million, Capital Fund \$73.1 million and debt service \$26.9 million.

The largest portions of the budget are the General Fund and Enterprise Funds which include Water, Wastewater, Transit, Airport and the Capital budget.

General Fund Sources include:

Property tax	\$16.3
Sales Tax	\$16.1
Temporary Taxes – Measure E	\$ 7.0
Other Revenue	<u>\$18.9</u>
Total Sources	\$58.3 million

General Fund Uses:

General Fund Operation Expenses	\$56.4
Debt Service Payments	<u>\$ 1.2</u>
Total Uses	\$57.6 million

Total General Fund Net Resources \$700K

Ms. Haruyama compared the prior year adopted budget to the proposed budget and pointed out that expenses did not include debt service. Revenues increased 12.5% or \$6.5 million while expenses increased 11% or \$5.6 million.

Base Budget Adjustments total \$1.9 million for non-discretionary, uncontrollable expenses which include \$405,000 full year coverage for three firefighters for Station 92, employee group insurance \$579,000 and PERS employee Flex Leave and Other Non-Discretionary Pay of \$1 million. In 2014 employees will be responsible for the full employee cost for PERS. Scheduled merit increases are included, as well as specialty pay which increases the base budget. Proposed ongoing budget augmentations total \$3.7 million, excluding development expenses of \$2 million, less one-time expenses of \$523,000 which leaves a total of \$1.1 million.

Quality of Life Initiatives amount to \$482,070 and include facility rental support, expansion of Senior Center hours, parks and sports field maintenance and the City's Low Income Rate Assistance (LIRA) program. Public Safety Resources total \$106,390 and include school crossing guards, EMS specialist, Fire Public Education/Prevention Training and the Police Reserve Program. Technology initiatives total \$137,690 and include Geographic Information Services, project Computer Aided Dispatch/Records Management System Maintenance and Information Technology Contracts. Miscellaneous augmentations amount to \$261,850 and include Police background investigations, required minimum wage increases for Fire Reserves, sidewalk cleaning, Channel 26 resources, external technology support position reclassifications studies, operational supplies and professional training.

The budget includes \$523,000 in one-time expenses for Police Safety Equipment, Fire Engine and Field Equipment, Labor Negotiation, user fee study Enterprise Resource Planning System Implementation Support and Election Costs.

Proposed FY 2014/15 CIPs total \$73.1 million and include \$64.3 million for three active projects and \$8.8 million for eight new projects. General Fund recommended projects include the Animal Shelter (\$672,000), Fire Station 91 Modifications (\$20,000), ERP System (\$220,000), Remodel Fire Station 96 (\$50,000), New Radio Antenna at Fire Station 96 (\$75,000), ADA Modifications and Automatic Door Replacement (\$62,000), Repainting Civic Center Water Tower (\$75,000), Replacement of Play Structure/Hoyt Park (\$304,000) and Replacement of Downtown Up-Lights (Phased - \$75,000).

Ms. Haruyama closed by offering a breakdown of the \$3.5 million cost of reconstruction for the Joe Wilson pool. Available funding sources include \$1.9 million in the Aquatics Center CIP, \$1.75 million from Cordes Ranch (available September 2015), and \$4.7 million in estimated year-end excess revenue.

In response to a question from Council Member Rickman regarding Fund 301 and the \$75,000 cost to repaint the Civic Center Water Tower, Ms. Haruyama responded the money is being kept in the CIP unless Council directs staff to take it out. Council Member Rickman commented on the LIRA program which will now be part of the General Fund. Ms. Haruyama confirmed the cost is not being offset at this point.

Mayor Pro Tem Maciel asked what percentage of General Fund expenses do salaries and benefits represent. Ms. Haruyama responded 71% or \$40.1 million.

With regard to augmentations, Mayor Pro Tem Maciel stated these amounts have not been included in the budget. Ms. Haruyama stated that is because Council has some

flexibility as to whether or not they want them included. However, Ms. Haruyama recommended they be approved otherwise they could impact operations.

Mayor Pro Tem Maciel commented on the \$1.75 million which will be available for the Joe Wilson Pool in September 2015, and inquired when the full amount would be available. Ms. Haruyama stated it is anticipated that over the next two to three years the full amount will total \$5 million.

In response to a question from Council Member Manne as to why there is a need for additional dollars in Park and Sports Maintenance, Ms. Haruyama stated the City has been inundated with requests for additional use of facilities and is anticipating even more requests. Brian MacDonald, Management Analyst, stated travel teams are creating a bigger demand for facilities. The increase is for additional staffing since current staff can barely support the current demand. Kimball High School has created additional demand due to the drought which has affected their facilities, and in June 2014, Jefferson School District will begin renovating their fields which will also create additional demand. The \$44,000 augmentation includes additional facility attendants.

David Ferguson, Public Works Director, stated the cost includes maintenance and upkeep of the fields which is undertaken by Parks Maintenance staff. There has been an increase in upkeep and maintenance costs because of the increased demand. Ms. Haruyama clarified the augmentation for the City Facility Rental Support is \$44,000, and for the Parks and Sports Field Maintenance the amount is \$38,000.

Mayor Ives commented on the lack of support from the School District regarding playing fields and stated if the School District needs help from the City, then the School District needs to help the City.

Mayor Ives commented on the Joe Wilson Pool and asked how the City can refer to the pool as new development as the development fee can only be used for new development. Allan Borwick, Budget Officer, stated development fees could be used if a new facility is created, but it had expanded capacity over the facility that is being replaced. Dan Sodergren, City Attorney stated Development Impact Fees cannot be used for an existing impact. When the AB 1600 fees were determined the Joe Wilson pool was not included in the formulation of fees.

Michel Bazinet 1005 Mabel Josephine, suggested borrowing money from the General Fund since it is unknown what will happen with the amenities for the swim center in the future.

Ms. Haruyama stated staff could explore whether there is enough information to create a nexus. Ms. Haruyama added if Council wanted to explore alternatives as Mr. Bazinet suggested, because there could be timing sensitivity of when they may want to engage in the reconstruction of the pool, year-end funding could be used and replenished when the community dollars come in.

Mayor Ives stated Council needed a timeline relative to the Joe Wilson Pool renovation project. Ms. Hurtado responded once Council approves the Joe Wilson Pool project as a CIP staff will come back with a timeline and estimated budget.

In response to a question from Council Member Rickman regarding when Legacy Fields would be brought back to Council, Ms. Hurtado responded it would be brought back on August 19, 2014. Council Member Rickman stated he understood Council had not approved funding for repainting the water tower. Ms. Haruyama stated no official action was taken at the workshop so staff needs direction from Council if the project is to be included in the CIP to be brought back on June 17, 2014. The project would still have to be voted on when a contract to start the project is brought back to Council.

Council Member Young asked for a breakdown of funding for the Quality of Life Initiatives. Ms. Haruyama provided a breakdown of the costs.

Regarding Legacy Fields, Council Member Young questioned what the responsibilities would be for City and the Leagues. Mr. Ferguson stated the City maintains the outside infrastructure and streetscape. The Leagues, as part of their agreement, maintain weed control and constructing fields on the site.

Ms. Haruyama gave an overview of the five year forecast and used a power point in her presentation. Revenue in FY 2014/15 is strong, primarily driven by sales tax. City revenue drops slightly in FY 2015/16 as Measure E expires in March 2015. The City will receive about  $\frac{3}{4}$  of Measure E that year, but in the subsequent year (FY 2016/17), revenue decreases significantly, with nearly all Measure E tax gone. The City does start to rebound slightly and shows a large increase in FY 2018/19.

FY 2014/15 expenses are driven by development expenses with offsetting revenue, increased non-discretionary expense in the base budget, and proposed budget augmentations. Expenses drop in FY 2015/16 because the City is no longer paying employee flex leaves, which was a part of the labor agreements for employees to assume the employee share of PERS. While the City will save \$3 million annually, some of this net savings is lost due to increase employer PERS costs.

In FY 2014/15, PERS costs in safety are estimated to be \$4.6 million annually and increase to \$5.5 million by FY 2019/20 (20% increase – \$900K). Safety is estimated to be more expensive because of the higher risk of medical disability retirements and nature of the business. In FY 2014/15, miscellaneous costs are estimated to be \$3.1 million annually and adjust to \$4.1 million by FY 2019/20 - (32% - \$1 million). Another way to look at it is that total annual PERS costs in FY 2014/15 will increase from \$7.7 million to \$9.6 million a year in FY 2019/20.

Council Member Rickman asked if staff had taken into account the possibility of point of sales revenue being taken away by the State. Ms. Haruyama responded the budget takes into consideration that the City will not be receiving a certain amount of income from a particular retailer.

Council Member Young asked if the point of sales revenue cycle has been recognized and if staff was anticipating that auto sales will taper off. Ms. Haruyama responded a sharp decline in auto sales is not anticipated but the levels will maintain and not necessarily rise.

Mayor Pro Tem Maciel asked if PERS employer costs charge for FY 2014/15 was \$7.7 million. Ms. Haruyama responded the FY 2014/15 PERS cost would be \$7.7 million.



Mayor Pro Tem Maciel stated the \$7.7 million comes out of the \$40.1 million personnel costs. Mayor Pro Tem Maciel further stated employees will assume the 9% of PERS contribution which is being offset by the flex time, which is going away in FY 2015/16. Mayor Pro Tem Maciel asked how long it had been since employees had a pay raise. Ms. Haruyama responded depending on the employee, as much as eight years. Ms. Haruyama confirmed expenditure forecasts for the next five years do not include pay increases. Mayor Pro Tem Maciel asked how much the City relies on the sales tax revenue from fuel sales and has staff considered looking at the federal experience to forecast. Ms. Haruyama responded the sales tax revenue is in the top two in terms of generation in transportation segment which is the highest economic segment. Ms. Haruyama stated staff meets with the sales tax consultant quarterly and would provide feedback to Council.

Mayor Ives stated from FY 2015/16 forward the projected expenses rise by approximately \$2 million annually. Mayor Ives suggested a column in the chart indicating what may or may not be in Council's control to be able to start mitigating the \$2 million.

Steve Nicolaou addressed Council regarding labor and related costs such as PERS. Mr. Nicolaou asked if a review of the employment force for possible privatization of any sectors of labor force would be done. Mayor Ives responded that discussion has not occurred.

Ms. Hurtado presented the Policy Discussion on the General Fund Reserves. The City's General Fund Reserve continues to be strong. As of June 30, 2013, the City's total reserves were \$28.9 million; of that amount, approximately \$27.5 million is unassigned, which includes the City's Reserve for Economic Uncertainty (\$9.9 million). The unassigned fund balance of \$27.5 million represents 55% of total General Fund expenditures for FY 2013/14. The City's reserve policy requires a reserve level of 20% of General Fund expenditures. Proposed FY 2014/15 General Fund reserves are estimated to be \$33.6 million.

The financial projections reflect excess revenue over expenditures for FY 2013/14 through FY 2015/16. Over the next three years, approximately \$7.2 million is anticipated in excess revenue. The projected net resources are due to continued increases in both sales tax and Measure E, which will expire in 2016.

In preparation for the sunset of Measure E, it is recommended that a Measure E Smoothing Reserve be established; excess revenue would be allocated to the reserve. If necessary, this reserve would be used to balance the City's budget upon the expiration of Measure E.

A best practice recommended by the Government Finance Officers Association (GFOA) is to establish an emergency reserve. This reserve can be used for a variety of needs, including litigation and/or extreme events, such as unforeseen significant infrastructure repairs or disasters.

The City is litigating actions by the Department of Finance (DOF) related to the dissolution of redevelopment and its interpretation of enforceable obligations. On April 22, 2013, the City received a letter from the DOF stating that the City of Tracy

Successor Agency was required to remit an additional \$4.6 million for distribution to other taxing agencies. The DOF has taken the position that a transfer from the former Community Development Agency (CDA) via a Public Improvement Grant and Cooperation Agreement to the City for the design and construction of the Downtown Plaza Improvements (6th Street and Central Avenue) and purchase of the West Side Market Property was not supported by “enforceable obligations,” and must be made available for distribution to other taxing entities. If the City is forced to remit these funds back to DOF, and does not do so, it could ultimately result in offsets to the City’s sales and use tax allocation or to its property tax allocation.

It is recommended \$4.6 million be allocated to the Emergency Reserve in the event the City does not prevail in its lawsuit.

The City currently does not have a dedicated funding source to support the City’s current and future capital project needs. Funds reserved under this category would be designated for infrastructure and capital/special projects identified in the City’s Five-Year Capital Improvement Plan (CIP). Allocating a portion of year-end excess revenue could be one method of funding this reserve.

The dissolution of redevelopment and the States elimination of Enterprise Zones have placed a significant pressure on local jurisdictions to support economic development.

The City has used remaining funds in the RSP Incentive Fund to support economic development and business attraction/retention efforts, such as the creation of a business incubator and improvements to the West Side Market. Now that the fund has been depleted, the City is exploring alternatives, including the establishment of an Economic Development Reserve. Setting aside funding for economic development activities, like implementing infrastructure or façade improvements, would provide the City flexibility in attracting significant sales tax generators. Allocating a portion of year-end excess revenue could be one method of funding this reserve.

Ms. Hurtado stated staff wanted to introduce the discussion of reserves for Council’s feedback and introduce the four initial considerations, but will be scheduling a budget policy workshop on August 19, 2014, to continue any categories Council would like to consider in more detail. Additionally the budget will be brought back for adoption on June 17, 2014.

Michel Bazinet, 1005 Mabel Josephine, addressed Council as a member of the Measure E Committee and suggested as part of the CIP to create a category to fund projects that help to reduce operating expenditures levels.

5. ADJOURNMENT – It was moved by Council Member Rickman and seconded by Mayor Pro Tem Maciel to adjourn. Voice vote found all in favor; passed and so ordered. Time: 6:59 p.m.

The above agenda was posted at the Tracy City Hall on May 29, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

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Interim City Clerk

**August 19, 2014, 6:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

1. Call to Order – Mayor Ives called the meeting to order at 6:20 p.m.
2. Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present.
3. ITEMS FROM THE AUDIENCE – None.
4. DISCUSS AND PROVIDE DIRECTION REGARDING THE CITY'S GENERAL FUND RESERVE POLICY – Jenny Haruyama, Director of Administrative Services, provided the staff report and power point presentation. The Government Finance Officers' Association (GFOA) recommends that governments establish a formal policy on the level of unrestricted fund balance (City reserves) that should be maintained in the General Fund. The purpose of a reserve is to mitigate the effect of unanticipated situations including natural disasters and severe unforeseen events. Reserves also provide the City with stability when the economy fluctuates, providing time to develop a transition plan and make organizational and service changes in response to the City's financial situation.

The City of Tracy has a General Fund Reserve policy that requires a reserve level of 20% of General Fund expenditures, including recurring transfers out. The City has only one designated reserve - the Reserve for Economic Uncertainty. This reserve was established to bridge budget shortfalls due to changes in the economy. The City's policy also automatically allocates year-end excess revenue to the Reserve for Economic Uncertainty.

As of June 30, 2013, the City's total General Fund balance is \$28.9 million; of that amount, approximately \$27.5 million is unassigned, and includes the City's Reserve for Economic Uncertainty (\$9.9 million). The unassigned fund balance of \$27.5 million represents 55% of total General Fund expenditures for Fiscal Year 2013/14. Proposed Fiscal Year 2014/15 General Fund unassigned fund balance is estimated to be \$34.3 million, which includes projected year-end excess revenue.

For purposes of long-range fiscal planning and continued fiscal health, staff recommended that the Council consider modifying its current reserve policy by establishing three new General Fund reserves designations that would replace the City's existing reserve structure.

Staff recommended that the City adopt a General Fund Reserve policy that formally establishes fund balance (Reserves) with the following designations:

The General Fund Contingency Reserve fund helps mitigate the effects of unanticipated situations such as natural disasters and severe, unforeseen events. The Contingency Reserve is to be established with a targeted goal of 20% of the

General Fund's adopted annual budget for expenditures, including recurring transfers out.

As part of the budget adoption process, the City Manager would evaluate the City's financial condition and make a recommendation as to whether a contribution should be made to the Contingency Reserve, or if reserve funds should be used to address a particular need. Use of the Contingency Reserve must be approved by the Council and repaid over a period to be determined by the Council at the time of usage approval, with a target repayment period of no more than three years.

The General Fund Economic/Budget Stability Reserve is intended to offset revenue/expenditure uncertainty while stabilizing service levels through economic cycles. The long-term use of this reserve is determined by estimating the level of financial risk associated with the following three areas of uncertainty:

1. **Revenue risks.** Economically sensitive revenues that fall short of budget projections could cause deficits. Transitional funding may be necessary to bridge the impact of reductions in major revenues due to local, regional, state, and/or national economic changes.
2. **State budget risks.** In the recent past, the State has implemented budget solutions that legislatively reallocated intergovernmental revenues from local jurisdictions to the State (in the absence of guarantees or constitutional protection of these revenues). These reallocations have included property taxes, sales taxes, gas taxes, grants, and reimbursements.
3. **Uncontrollable costs.** The City budget includes several ongoing, uncontrollable costs, including employer pension contributions, healthcare premiums, and fuel/utility expenses that are beyond the City's control. Further changes in PERS rates due to investment performance and actuarial assumptions, and/or healthcare may result in the need for supplemental funding.

The Economic/Budget Stability Reserve is to be established with a targeted goal of 10% of the General Fund's adopted annual budget for expenditures and recurring transfers out. The City Manager will assess the City's financial condition and recommend whether a contribution should be made to the Economic/Budget Stability Reserve, or if reserve funds should be used to stabilize the budget. This action is done as part of the annual budget adoption; however, these actions can be completed at any time the City Manager deems necessary.

Use of the Economic/Budget Stability Reserve must be approved by the Council and repaid over a period to be determined by the Council at the time of usage approval, with a target repayment period of no more than three years.

The General Fund "Measure E" Mitigation Reserve is to be used as bridge funding upon the sunset of the Measure E sales tax in Fiscal Year 2016/17. This temporary reserve would be used over a multi-year period to mitigate the loss of revenue from the half cent sales tax and allow the City time to transition to the reduced revenue level.

The "Measure E" Mitigation Reserve is to be established with a targeted goal of \$7 million as this is estimated to be the peak revenue prior to the measure's expiration

in March 2015. As part of the annual budget adoption process, the City Manager would recommend whether a contribution should be made to the “Measure E” Mitigation Reserve, or if reserve funds should be used to supplant the budget.

All uses of the “Measure E” Mitigation Reserve must be approved by the Council. The “Measure E” Mitigation Reserve is a one-time reserve; if the reserve will no longer be used for the purposes stated above, the unused funds should be returned to the General Fund and reserve closed.

**Use and Replenishment of Reserves** - Use of any reserve must be approved by the Council. Use of any reserve will require repayment to be determined by the Council at the time of usage approval, with a recommended target repayment period of no more than three years. The City’s current General Fund Reserve policy does not have a replenishment requirement.

**Year-End Excess Revenue** - Under the City’s current policy, reported year-end excess revenue which results in General Fund reserves exceeding the required minimum threshold level (20%) is automatically allocated to the Reserve for Economic Uncertainty. Year-end excess revenue under the proposed reserves structure would remain in the City’s fund balance. As part of the annual budget adoption process, the City Manager would recommend whether the excess funds could be allocated to other reserves, or used as one-time funding with consideration given to economic development and/or capital projects.

The chart below reflects the City’s current and proposed reserve structure based on projected Fiscal Year 2014/15 reserve levels, excluding estimated year-end excess revenue:

<b>Current Reserve Structure</b>	<b>Amount</b>	<b>Proposed Reserve Structure</b>	<b>Amount</b>
<b>Ending Fund Balance</b>	<b>\$19M</b>	<b>Ending Fund Balance</b>	<b>\$9.2M</b>
Reserve for Economic Uncertainty (EU)	\$14.6M	Contingency Reserve <sup>1</sup>	\$11.6M
		Economic/Budget Stability Reserve <sup>2</sup>	\$5.8M
		“Measure E” Mitigation Reserve	\$7M
<b>Total Fund Balance<sup>3</sup></b>	<b>\$33.6M</b>	<b>Total Fund Balance</b>	<b>\$33.6M</b>

Most General Fund capital projects are funded through one time resources that are allocated from Fund 301. Rather than relying on one-time funds, it is recommended that through the annual budget process, Council consider making regular budget transfers from the General Fund to support the City’s capital program. The regular budget transfers would be to Fund 301, and subsequently allocated to specific capital projects. One-time funding received during the fiscal year would remain in the City’s unrestricted fund balance and as recommended by the City Manager could be used as a funding source to supplement various capital needs.

Funding for economic development was previously available through the City’s Residential Specific Plan (RSP) Fund. Remaining funds in the RSP Fund had been used to support a wide variety of economic development activities, including financial incentives for retail anchor stores, Shop Local Campaigns, Hi-Tech Incentive Policies, and infrastructure improvements for new businesses. The RSP

Fund has since been depleted and resources for economic development are limited. Staff recommended that consideration be given through the annual budget process to fund high priority economic development activities. Fund balance as recommended by the City Manager could be used to support one-time investments that require a higher level of funding.

Staff recommended that Council provide direction regarding the suggested General Fund Reserve policy options.

Mayor Pro Tem Maciel asked if Measure E is finite. Ms. Haruyama responded that was correct.

Council Member Manne asked if the required replenishment of reserves would not apply to Measure E. Ms. Haruyama responded no, it would apply to permanent reserves.

Mayor Ives asked if the proposal for the safety tower would come out of the \$9.2 million ending fund balance. Ms. Haruyama responded that was correct. Mayor Ives added part of the reason for the ending fund balance is because of Measure E. Mayor Ives asked if staff had an assumption of how long it is supposed to last. Ms. Haruyama responded it is a moving target but staff could provide an order of magnitude to help guide Council's decisions.

Robert Tanner asked for clarification on Measure E Fund Reserve and if the reserve would continue to be funded. Ms. Haruyama responded it depends on the City's fiscal situation. Ms. Haruyama stated there may not be a need to draw down and supplement budget.

Mr. Tanner stated Measure E is \$7 million, and asked if it could be \$10 million. Ms. Haruyama responded yes. Council would need to decide whether to use for operating funds or another use.

Mr. Tanner asked if the Mitigation Reserve for Measure E ends. Ms. Haruyama responded if the reserve is depleted, it is gone. The Measure E Mitigation Reserve is a temporary reserve.

Mayor Ives stated as years go by if there is a positive fund balance, the City will no longer need Measure E. Ms. Haruyama responded if it is not needed the funds would go back into the General Fund for Council to decide what to do with the funds.

Robert Tanner stated he did not see the difference between the Mitigation Reserve for Measure E and Contingency Reserve. Ms. Haruyama described the difference between the two reserves.

Mayor Ives asked if Council put \$7 million in the Measure E Mitigation Reserve, how boxed in would future councils be regarding how the money can be used. Ms. Haruyama responded future Councils are not boxed in as it is designed to be flexible.

Mayor Pro Tem Maciel stated Measure E sunsets in March of 2016. If there continues to be surplus as a result of Measure E, that \$7 million would increase. By the time Measure E sunsets other reserves are still going to be locked into 10% and 20%, but

the Measure E Mitigation Reserve, when Measure E sunsets, could be \$10 million. Ms. Haruyama responded if Measure E ends up creating excess revenue then Council can allocate that additional revenue. Council can put that in Measure E between now and sunset

Mayor Pro Tem Maciel asked if the \$7 million is based on most optimistic annual Measure E revenues. Ms. Haruyama responded yes for this current year. Mayor Pro Tem Maciel asked if once Measure E sunsets the City can be at an equal deficit as far as incoming revenue. Ms. Haruyama responded the year Measure E sunsets will be lower because the City is only getting  $\frac{3}{4}$  of year.

Mayor Ives stated the 20% and 10% are the recommended or policy related amounts that Council would like to keep in reserves. If the reserves go below those reserve levels, the implications for the future Council are to try to get to that level. Ms. Haruyama responded that was correct. That is where the replenishment schedule comes in. The 20% and 10% are minimum reserve levels. Mayor Ives stated it is a recommended amount and Council needed clarity regarding why it is important to have 10% Contingency and 20% Economic Stability.

Council Member Manne stated he liked having the different buckets. Council Member Manne added he did not like the label of Measure E Mitigation Reserve as it is the same thing as Budget Stability Reserve. Council Member Manne further stated the Measure E Mitigation Reserve should be eliminated and put into the Economic Budget Stability Reserve. Council Member Manne added prior Councils did a good job of setting the minimum at 20% reserve level, but he would feel comfortable increasing reserve levels to 25% or 30%.

Maria Hurtado, Assistant City Manager, stated the other goal in addition to using the Measure E Mitigation Reserve as bridge funding is to start putting in the forefront of Council that Measure E is going to sunset. The \$7 million is what the City typically receives with Measure E. The intent is for a temporary reserve in order to transition when Measure E goes away

Mayor Pro Tem Maciel stated Measure E was intended to bridge a gap due to an uncertain economy. Mayor Pro Tem Maciel added he did not have a problem designating a reserve for that purpose. Council is declaring it will end and this is additional insurance policy.

Council Member Rickman asked if staff is looking for a way to identify the expenditures that can be cut to balance the budget without Measure E. Ms. Haruyama responded we can budget reserves into the operating budget to serve as bridge funding and at the same time be looking at opportunities to consolidate and reduce. They need to go hand in hand as one cannot be done without the other. Ms. Haruyama responded yes to Council Member Rickman's question.

Council Member Young stated Measure E is going away so that line will be eliminated as soon as that money has gone. Economic Budget Stability Reserve money will still be going into that fund once we get to the point of having excess revenues. Ms. Haruyama responded those amounts will be established at the 20% and 10% reserve levels, and once those levels are reached, Council will make a decision whether to keep it at the minimum and increase it, or allocate money for other uses.



Mayor Ives clarified Council's direction for staff to bring back a General Fund Reserve Policy for Council to adopt in October, 2014.

5. ADJOURNMENT – It was moved by Mayor Pro Tem Maciel and seconded by Council Member Manne to adjourn. Voice vote found all in favor; passed and so ordered. Time: 6:52 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.

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Mayor

ATTEST:

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City Clerk

**November 5, 2014, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://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 offered by Pastor Rob Krenik, Calvary Chapel.

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

Troy Brown, City Manager, presented the Employee of the Month award for November 2014, to Veronica Nunez, Finance Department.

Mayor Ives presented a proclamation declaring November National Homeless Youth Awareness and Runaway Prevention Month to Julie Yang, Shelter Director.

Mayor Ives presented a proclamation declaring November Pancreatic Cancer Awareness Month to Danielle Mintz, Pancreatic Cancer Action Network's Bay Area Affiliate.

Mayor Ives recognized D.A.R.E. graduates from George Kelly Elementary School.

1. CONSENT CALENDAR – Following the removal of item 1.D by Steve Nicolaou, motion made by Mayor Pro Tem Maciel, seconded by Council Member Rickman to adopt the consent calendar. Roll call vote found Mayor Pro Tem Maciel, Council Members, Rickman, Manne, Young and Mayor Ives in favor. Motion carried 5:0.
  - A. Approval of Minutes – Regular meeting minutes of August 19, 2014 (amended) and October 21, 2014, and special meeting minutes of October 21, 2014, were approved.
  - B. Approve Resolution Authorizing a Leave of Absence for Tracy Transportation Advisory Commissioner Alvin Vaughn – Resolution 2014-186 approved a leave of absence.
  - C. Authorize Amendment of the City's Classification Plan by Approving Revisions to the Classification Specification for Communications Unit Supervisor – Resolution 2014-187 approved the amendment.
  - D. Award a Construction Contract to Teichert Construction of Stockton, California, for Reconstruction of Tracy Municipal Airport Runways 12-30 and 8-26, and Reconstruction of Taxiways A, B, D, and E, Including Runway/Taxiway Intersections Schedule A and Schedule B, Project CIP 77037, AIP No. 3-06-0259-16, Approve Task Order No. 4 With Reinard Brandley, Airport Consulting Services, Authorize an Appropriation of Funds and Authorize the Mayor to Execute the Task Order and Contract – Mr. Nicolaou entered into the record documents related to the work carried out by California Pavement Management

Company Inc. The documents included emails from staff, the Notice of Completion and a letter from the City dated February 11, 2010 addressed to California Pavement Maintenance Company, Inc. accepting the project.

Kul Sharma, City Engineer, stated in 2007 the project awarded to California Pavement Management was a slurry seal, which enhances the life of a project for five to six years. The majority of funding was from Caltrans who approved the slurry seal. The current project is a reconstruction of the pavement which is totally different work.

Troy Brown, City Manager, stated this project will require the vendor to meet certain benchmarks. Prior to completion of the project and release of the bonds the project will be subject to a full inspection by the City to ensure the project is constructed in accordance with the specifications included in the bid documents. Mr. Sharma stated 90 per cent of the project is funded by the Federal Aviation Authority which will also inspect the project. In response to a question from Mayor Ives, Mr. Sharma confirmed Mr. Brandley, Airport Consultant, would provide construction management and inspection services for the project.

Motion made by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2014-188, Awarding the Construction Contract to Teichert Construction of Stockton, California, for Reconstruction of Tracy Municipal Airport Runways 12-30 and 8-26, and Reconstruction of Taxiways A, B, D, and E, Including Runway/Taxiway Intersections Schedule A and Schedule B, Project CIP 77037, AIP No. 3-06-0259-16, Approve Task Order No. 4 with Reinard Brandley, Airport Consulting Services, Authorize an Appropriation of Funds and Authorize the Mayor to Execute the Task Order and Contract. Voice vote found all in favor; passed and so ordered.

2. ITEMS FROM THE AUDIENCE – Paul Miles, 1397 Mansfield, recommended changing batteries in smoke alarms. Mr. Miles referred to a video in which a citizen's rights were allegedly violated by Tracy Police Officers, and requested Council investigate the complaint. Mr. Miles entered into the record a formal citizen complaint in the form of a letter dated November 5, 2014, addressed to the City of Tracy City Council.

Robert Tanner, 1371 Rusher Street, thanked the residents of Tracy for the votes he received in the November 4, 2014 Tracy Municipal election.

3. PUBLIC HEARING TO ADOPT THE FINANCE PLAN UPDATE FOR THE I-205 SPECIFIC PLAN PARCEL GL-27 – Andrew Malik, Director of Development Services presented the staff report. The GL-27 property is located at the corner of Grant Line and Naglee Roads. On April 19, 2005, the finance plan for this parcel was adopted by Resolution 2005-104. The finance plan originally covered the parcels created after construction of the Park and Ride lot (2.78 acres) and the City well (0.30 acres).

The City is considering moving forward with development on the park and ride lot portion. To accommodate this potential development, the finance plan is being updated to include the 2.78 acre park and ride lot. The GL-27 parcel is being split into three sub-parcels: Parcel 1 which is 1.23 net acres and contains Texas Roadhouse; Parcel 2 which is 0.94 acres and currently vacant; and Parcel 3 which is 2.57 net acres and contains the park and ride lot. This finance plan will cover the obligations of all

three parcels though Parcel 1 has already developed and paid its fees. The obligations of the parcel were updated to reflect the cost of additional water and sewer that will be required as a result of the development of this parcel. In addition, the acreage of Parcel 2 was reduced to reflect the actual site acreage.

There is no impact on the General Fund since I-205 Specific Plan developers are responsible for the infrastructure costs required to mitigate the impacts of development in the I-205 Specific Plan area.

In response to a question from Mayor Ives, Mr. Malik stated that the net cost for line item fire/public works capital under parcel two would be increased by \$61 making it \$6,932, and that same line item for parcel three would be increased by \$575 to \$38,146.

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

Council Member Young asked if any additional locations were being considered for park-and-ride sites. Mr. Malik stated the Outlet Center has 45 spaces, the Mall may provide more spaces in the next six to seven months, and there are approximately 130 spaces downtown, south of the Transit Station.

Motion made by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2014-189, Approving the Finance Plan Update for the I-205 Specific Plan Parcel GL-27. Voice vote found all in favor; passed and so ordered.

4. PUBLIC HEARING TO ADOPT THE FINANCE PLAN UPDATE FOR THE I-205 SPECIFIC PLAN PARCELS GL-3A AND GL-3B ALSO REFERRED TO AS THE "NORTH PARCEL" – Andrew Malik, Director of Development Services presented the staff report. The finance plan covers financing for the 10.8 acre parcel south of Pavilion Parkway, Assessor Parcel Number (APN) 212-280-18, where the Winco retail grocery store was built, and another 10.8 acre site known as the "North Parcel" on the north side of Pavilion Parkway, APNs 212-280-15 (6.69 acres) and 212-280-02 (4.11 acres).

The finance plan was adopted on September 16, 2008, by Resolution 2008-185. The Winco site has fully developed. An update to the finance plan is needed because the "North Parcel" is proceeding with a land use change. The original parcel consisted of a mixture of general commercial, service commercial and light industrial. It is now being converted to a high density residential (HDR) site with 301 units proposed for this 10.8 acre site. These two parcels are part of the I-205 Development Area under which all parcels' fair share obligations were determined through a cost allocation spreadsheet. As part of the EIR for these projects, roadways and intersection impacts are identified as part of the mitigations established at the time of development of the Winco parcel. The developments are required to pay their fair share cost obligation through a finance plan. The "North Parcel" consists of 6.69 acres that are part of the GL-3b finance plan and the remaining 4.11 acres are part of the GL-3a finance plan.

Due to the land use change the development is required to mitigate its additional impacts on the City's infrastructure system including an additional \$21,000 in water distribution improvements, \$565,150 in additional sanitary sewer treatment costs, and \$80,000 for additional water supply. There is no additional impact to the roadway network. In addition, the project must mitigate its park impacts by paying the Citywide

Master Plan park fee adopted on January 7, 2014, by Resolution 2014-010. The high density residential park fee is \$5,038 per unit which equates to \$1,516,438 for 301 units.

On September 16, 2014, by Resolution 2014-158, the City adopted updated Public Safety Impact Fees to fund the cost of a necessary new communications tower. The adopted fee is \$45.21 per high density unit which amounts to \$13,608 for 301 units. All new developments in the City will be responsible to pay these fees which are being added to the finance plan at this time. The obligations set forth in the finance plan are subject to update on January 1, of each year.

There is no impact on the General Fund since I-205 Specific Plan developers are responsible for the infrastructure costs required to mitigate the impacts of development in the I-205 Specific Plan area.

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

Motion made by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adopt Resolution 2014-190, Approving the Finance Plan Update for the I-205 Specific Plan 10.8 acre "North Parcel", APN 212-280-15 and 212-280-02, part of the I-205 GL-3A and GL-3B parcels. Voice vote found all in favor; passed and so ordered

5. RECEIVE STATUS REPORT ON THE (1) NEGOTIATIONS WITH WILD RIVERS, (2) PINKIE PHILLIPS AQUATICS CENTER TRANSITION PLAN, AND (3) JOE WILSON POOL RECONSTRUCTION SCHEDULE AND PROVIDE STAFF DIRECTION ON NEXT STEPS – Troy Brown, City Manager, gave an overview of the project and introduced Andrew Malik, Director of Development Services, Maria Hurtado, Assistant City Manager, Kul Sharma, City Engineer, Ed Lovell, Management Analyst II, Public Works, and Bill Dean, Assistant Director of Development Services, who presented the various aspects of the project and used a power point in the presentations.

Mr. Malik stated over the course of the last two years, the City pursued a total aquatics solution that included three strategies to address the City's Aquatics needs. These strategies included modifying the Pinkie Phillips Aquatics Center (West High Pool), seeking a private public partnership, and reconstructing the Joe Wilson Pool at Dr. Powers Park.

On March 18, 2014, Council directed staff to negotiate with Wild Rivers LLC (Wild Rivers) to develop a 20 acre aquatics center on the Ellis location. Subsequent to this decision, Council also directed staff to continue its discussions with the Tracy Unified School District (TUSD) on the use of Pinkie Phillips Aquatics Center given the TUSD Board of Trustees' decision to terminate its joint use agreement with the City. The City and TUSD are developing a transition plan for the 2015 aquatic programming season.

In May 2014, Council directed staff to identify alternative funding sources to rebuild the Joe Wilson Pool as part of the Fiscal Year 2014/15 Capital Improvement Program. On August 19, 2014, Council approved a Professional Services Agreement with RJM Design Group Inc. for design and construction management services for the Joe Wilson Pool Renovation Project.

On September 17, 2013 and October 1, 2013, Council directed staff to begin negotiations with Wild Rivers and Surland Communities, respectively, for the development and operation of an aquatic center in the City. On March 18, 2014, staff presented Council with the one proposal received from Wild Rivers. Earlier this summer, the President of Wild Rivers, Mike Riedel, communicated to staff that he had identified HKG Sports as Wild Rivers new financial partner. HKG Sports is a subsidiary of Hopkins Real Estate Group and Kirin Holdings International, headquartered in Southern California. Over the past several months, staff worked with Wild Rivers to compile demographic and other local/regional market information so HKG Sports could become better acquainted with the Northern California and Tracy market. As additional background information, staff provided Wild Rivers and HKG Sports with a copy of the previous Aquatic Center Needs Assessment and Feasibility Study, which provided an overview of the swimming needs of Tracy, an evaluation of the market viability of an aquatic facility within the City, estimated attendance and a projection of potential revenues, operating expenses and net operating income/loss.

In October, 2014, after reviewing the data, Wild Rivers' financial partner, HKG Sports, determined that the regional water park market in the Tracy area was highly speculative compared to the other regional water park markets. Wild Rivers proposed that the City commission a more detailed Market Feasibility and Financial Analysis Study to better understand the feasibility and revenue projections for the Tracy market, particularly as it relates to the maintenance of the 52 meter pool. The estimated cost of this study is \$25,000. Mr. Riedel indicated that, if the new feasibility information is positive, it may be the catalyst for HKG Sports to proceed with a project in Tracy. However, due to the speculative nature of the project, neither Wild Rivers nor HKG Sports are willing to contribute funding toward the Market Feasibility/Financial Analysis.

At this point, Wild Rivers is pursuing two other projects in Temecula, CA and in Houston, TX, both of which they will pursue before considering the Tracy project. Therefore, the City does not have a commitment from Wild Rivers to pursue a water park at this time.

Maria Hurtado, Assistant City Manager, stated at the September 16, 2014 Council meeting, Council was notified of the TUSD Board of Trustees intent to terminate its pool facility use agreement with the City. On October 13, 2014, the City received the official termination letter, triggering the 180 day termination clause. The City and TUSD representatives have been actively exploring transition options to ensure minimal disruption to the 2015 summer aquatics programming. TUSD is evaluating two key considerations for the use of the Pinkie Phillips Aquatics Center in 2015. These include (1) balancing the use needs of the various stakeholders (i.e. Kimball High aquatics programming needs, City programming via the YMCA's contract, Swim Team needs, and other renters) and (2) completing a Facility Fee Assessment to evaluate current rates.

The City is working with the YMCA, the City's aquatic program service provider, to submit a Use Facility Rental request to TUSD to assist in the aquatics programming planning process for the Summer 2015. Staff anticipates the TUSD fee study will be completed in Spring 2015, at which time staff will finalize the 2015 transition plan and present it to Council.

Finally, per the termination language in the joint use agreement, TUSD will pay the City a one-time amount of \$1,381,124 within the next 180 days. This amount will be deposited

into the City's General Fund. Use of these funds will be discussed as part of the City's Fiscal Year 2015/16 budget discussion.

Ed Lovell, Management Analyst stated Council approved a Professional Services Agreement with RJM Design Group Inc., for design and construction management services for the Joe Wilson Pool Renovation Project (CIP 78152) on August 19, 2014. The timeline for completion of the Joe Wilson Pool reconstruction was originally scheduled for Spring 2016. Since then, RJM Design Group and staff revised the timeline to include a grand opening of the pool by Labor Day 2015.

On October 22, 2014, staff and the Consultant conducted a public workshop to receive community feedback on the preliminary pool design options. Approximately 20 people attended the workshop. In general, comments and feedback were focused on topics such as parking, programming, depth of lesson pool, storage of equipment, and having enough shade for patrons. The next public design discussion is scheduled for the November 6, 2015 Parks Commission meeting. Staff anticipates that the complete design and construction package will be ready for bid in early January 2015; construction is expected to start in April 2015. Construction should take approximately five months to complete. While it is not possible to open the pool at the beginning of the 2015 summer season, it may be possible to open the pool by late summer. This revised schedule is six months earlier than previously projected.

Bill Dean, Assistant Director of Development Services, gave an overview of the actions the City had taken to meet the community's aquatics needs. Mr. Dean added that given the recent turn of events with TUSD and Wild Rivers, staff had identified additional options for Council consideration moving forward.

Action 1: Build a 52 Meter Competition Pool. (Completed). In 2007, the City partnered with TUSD to jointly construct and operate a 52 meter competition pool in an effort to make an amenity available while sufficient funds were collected to build a family swim center in Tracy. The Pinkie Phillips Aquatics Center (West High Pool) was ultimately built by both the City and TUSD, leveraging existing resources for a joint partnership that resulted in a 75/25 split in both development and operations. The City had priority use of the pool in the summer (25%) and TUSD had priority use during the school year (75%)

Action 2: Develop a Family Swim Center at Ellis. (On Hold). The City has developed design documents for an aquatics center at Ellis and developed funding models based on attendance/admittance fee assumptions. This option was pursued by staff in 2008-2010 resulting in 60% construction documents for a swim center. A report on cost recovery/general fund subsidy for operations and the phased development plan were presented to Council. Council placed this option on hold to pursue a private/public partnership and improve the Joe Wilson Pool (Options 2 and 3).

Action 3: Seek Private/Public Partnership to Develop an Aquatics Facility. (Completed). When the cost recovery figures and attendance/admittance fee assumptions were presented for Option 1, the concept of a private partner was viewed as a potentially more fiscally sustainable approach for aquatics delivery. Staff worked on a potential public/private partnership for almost two years and with Wild Rivers specifically for more than a year to advance this option. This included negotiating with Surland for an additional four acres at Ellis to accommodate Wild Rivers' operational models. However, since Wild

Rivers/HKG Sports, is not interested in pursuing a public/private partnership at this time staff has ceased negotiations with Surland for the four additional acres at Ellis.

Action 4: Improve Joe Wilson Pool and Re-Negotiate Joint Use Agreement with TUSD. (In Progress). This option was undertaken simultaneously with Option 2 and resulted in a capital improvement project to reconstruct the Joe Wilson Pool. This capital project is on track to open by Labor Day, 2015. The renovation of the Joe Wilson Pool addresses the recreational swim needs of Tracy residents and is not intended to address any additional competitive swim needs outside of the Competition Pool at West High. With regard to the Joint Use Agreement, Council was informed that the TUSD/City joint use agreement for the Pinkie Phillips Aquatics Center (West High Pool) is now terminated.

Over the years, the City has taken several actions to build and operate not only a swim center in Tracy, but also a number of other amenities in the community, including Legacy Fields, improvements to the Tracy Ballpark, and building and operating an aquatics center. In each of the discussions the limited availability of funding to support ongoing operational needs has been identified as a significant challenge. In the instance of aquatics for example, even if the City were to construct a 52-meter competition pool, the City would need to find ways to offset an annual operating expense of more than \$600,000 per year.

Various funding mechanisms are available to municipalities to fund capital projects and address ongoing operational needs after the amenities are built. These include, but are not limited to voter-approved general obligation bonds which levy property taxes for the acquisition or improvement of real property and special tax measures. Examples of special tax measures may include an increase in sales tax or Transient Occupancy Tax (TOT), or the establishment of a parcel tax, a Utility Users Tax (UUT). In this context, Council can identify a single project to fund, or develop a funding strategy to build and operate a variety of recreational amenities as outlined in the Tracy Citywide Public Facilities Master Plan.

In addition to the previous approaches considered by the City, Council may wish to explore two additional alternatives related to the construction and operation of a competition pool or multiple recreational public facilities. The City's ability to support the ongoing operational costs of these proposed amenities continues to be an item of concern. The two options are described in detail below:

Alternative Approach 1: Use Existing Capital Funds to Build a 52-meter Competition Pool. Council could explore using funds from the existing Aquatics CIP to build a competition pool. Funding available in the Aquatics CIP as of September 15, 2016 will be approximately \$12.5 million.

This option would involve several steps, including development of a recommended site, identifying funding sources for ongoing operational costs, and adopting facility use fees for cost recovery purposes. The cost of construction for a 52 meter competition pool ranges from \$8 million to \$9 million, depending on the site selected.

Alternative Approach 2: Identify Sustainable Options to Fund Multiple Recreational Amenities. Council may wish to review the Citywide Public Facilities Master Plan and identify multiple recreational amenities to build and operate. This option would require the development of a funding strategy for associated capital and ongoing operational



costs. Funding this option would likely involve a ballot measure that would require voter approval. Depending on the option selected by Council, staff would develop a detailed project plan, including scope, timeframe, and funding strategies for one-time and ongoing operational costs for Council consideration.

Troy Brown, City Manager, thanked staff for their efforts but stated there is no easy solution. Mr. Brown added the question is how the City would develop a sustainable solution to fund ongoing operations for a variety of recreational needs moving forward. Cities use a variety of different options to fund projects. Mr. Brown stated staff is committed toward working toward a solution.

Council Member Young asked if Wild Rivers was officially terminated. Mr. Malik stated yes. Mr. Brown stated even if the City were to continue negotiations with Wild Rivers, there is no guarantee that the City would be at the top of the list since they have two other options they are pursuing. In response to a question from Council Member Manne regarding whether the City has an Exclusive Negotiation Rights Agreement with Wild Rivers, Mr. Malik stated no.

Mayor Pro Tem Maciel referred to funding for the Joe Wilson Pool and stated it was important to consider other competing priorities including an expansion of the Tracy Ballpark, Legacy Fields, the Senior Center, a recreation Center and a new Civic Center, in addition to the ongoing support of the Grand Theatre. Mayor Pro Tem Maciel added when developing a funding mechanism and seeking voter approval the City needs to ensure there is a broad spectrum of the community that would benefit. Mayor Pro Tem Maciel referred to the projected operating costs and asked if the \$600,000 factored in any revenues. Mr. Lovell responded that amount is strictly expenses, which could be offset by revenues. With regard to the 52 meter pool, Mr. Lovell stated that according to the City's consultant, in a best case scenario the City is looking at 55% cost recovery.

In response to a question from Mayor Pro Tem Maciel, Maria Hurtado, Assistant City Manager, stated the \$1.3m to be refunded by Tracy Unified School District would be placed in the General Fund and Council would have an opportunity to discuss what they want to do with it during the budget process.

Mayor Ives invited public comment.

Marsha McCray, 560 W. Schulte, referred to a workshop held on October 22, and stated the staff report does not include the major concerns voiced by the public at that meeting. Those concerns, some of which are fixable, included the observation that the pool has been designed in a way that does not serve the majority of Tracy residents. The design makes it inadequate for swim lessons and lap swimming. Ms. McCray stated she was looking forward to seeing alternative designs for the Joe Wilson Pool and urged Council to move forward only after the residents' concerns have been taken into consideration.

Linda Jimenez, P.O. Box 1065, Tracy, referred to option 2 and asked that if staff moves forward with other projects the Parks Commissioners be allowed to have input. Ms. Jimenez referred to groups which have appeared before the Parks Commission and identified amenities they would like to have considered.

Michel Bazinet, 1005 Mabel Josephine, commented on the Swim Center objectives and offered ideas on how to fund the project. Mr. Bazinet used a power point in his

presentation. Mr. Bazinet listed amenities which could be included in the project and the different uses the amenities would provide. Mr. Bazinet suggested solar panels be installed to reduce the operating costs of the 50 meter pool which could be built to USA Swim standards and used to host regional and national swim meets. Mr. Bazinet discussed the difference in the costs of various pools and stated he believed the costs were overstated. Mr. Bazinet suggested the next steps should include reassembling the aquatic task force and setting a deadline of two to three months for the task force to report to Council. Mr. Bazinet suggested placing a hold on the Joe Wilson Pool project at Dr. Powers Park pending task force recommendations and postponing the Parks and Recreation Commission meeting scheduled for November 6 to a later date.

Linda Jimenez, P.O. Box 1065, Tracy, referred to the previous presentation which suggested the Council hold off on the project. Ms. Jimenez stated she understood the need for a 50 meter pool and supported the idea, but suggested Council continue with their discussions, since any delay could impact Parks and Recreation swim classes for 2015.

Molly Lowe, 2690 Atherton Court, stated at the October 22 workshop, staff did not understand the needs of the aquatic community or what is being provided. Ms. Lowe gave an overview of how swimming pools are utilized by the aquatic community. The pool at Dr. Powers park will not meet the needs of the community. Ms. Lowe commented on the lack of parking at the Dr. Powers Park. Ms. Lowe stated she had not requested a 50 meter pool, but wants a swim center that meets the needs of the entire community. Ms. Lowe suggested Council meet with the aquatics community and consider their recommendations.

Robert Tanner, 1371 Rusher Street, stated the Joe Wilson pool needs to be modified to satisfy at least some of the needs of the City.

Sandy Taylor, 8271 Julie Lynn Circle, stated she has been part of the process for a long time, and that over the years there has been a disconnect between the City and the community. Ms. Taylor suggested putting off the meeting scheduled for November 6, and suggested the project be slowed down because it was not going in the right direction.

Steve Nicolaou, 1068 Atherton Drive, suggested the community should put together a list of projects it would like built in the City and put a measure on the ballot to determine whether or not the community is willing to pay for them.

Michelle Loomis, 122 Clement Court, suggested rescheduling the Parks and Community Services Commission meeting scheduled for November 6. Ms. Loomis referred to the cost of maintenance that would be incurred during the winter if the pool is completed by Labor Day 2015. Ms. Loomis suggested delaying the opening until Spring 2016.

Council Member Manne suggested the City review the list of amenities and reassess what the community is asking for since the City does not have the money for everything. Council Member Manne stated since the City has spent approximately \$100,000 so far then Council should move forward with the project and look for other funding sources for the pool and the additional amenities.

Mayor Ives asked if, at the October 22 workshop, staff had announced another meeting would be held on November 6. Mr. Lovell stated yes. Mayor Ives referred to the meeting scheduled for November 6, and asked what was next. Mr. Lovell stated an agenda item would be brought back to Council for approval on November 18.

Council Member Young, commented on the opening date of the pool and asked how long the pool could remain open after the opening date, and how the maintenance costs would balance out.

Mr. Lovell stated the length of time the pool could remain open depends on the weather. As far as maintenance costs are concerned savings can be realized on heating during the time the pool is closed, but the pool still has to be maintained. Council Member Young stated she believed the City should move forward methodically and cautiously and build the project right.

Council Member Rickman stated Council has to look at the needs of the entire community and not certain groups. Council Member Rickman added he didn't see a reason the put the brakes on the project now, when discussions have not been completed. Council Member Rickman stated he supported moving forward with the project.

Mayor Pro Tem Maciel questioned whether the pool needs to be open by October 15, 2015. Mayor Pro Tem Maciel stated the City needs to continue to address the issues, even if the opening date is pushed beyond Labor Day, 2015. Mayor Pro Tem Maciel suggested moving forward with the Joe Wilson Pool. Mayor Pro Tem Maciel stated he liked the idea of a competitive pool and described his vision of what the aquatic center would look like. Mayor Pro Tem Maciel stated the City needs to take a hard look at what it would take to build and operate a 52 meter pool and consider a long term funding solution. The voters may have to get involved eventually, but in that case the City will need to give the voters as much information as possible on all the community's needs. Mayor Pro Tem Maciel stated he had problems with diverting some of the funds and suggested restoring the funding if and when additional funds become available.

Following a brief discussion Mayor Ives stated Council's direction is to: 1) proceed with the reconstruction of the Joe Wilson pool; 2) begin the community process on the Ellis Aquatics Center, and 3) look at the broader vision of the community's needs and how to pay for them.

6. ITEMS FROM THE AUDIENCE - Linda Jimenez, P.O. Box 1065, invited the community to attend the Parks and Community Services Commission regular meeting to be held on Thursday, November 6, 2014, at 7:00 p.m. in Council Chambers. Staff will present the updated design for the Joe Wilson Pool reconstruction project.

Michel Bazinet asked if the Parks and Community Services Commission meeting scheduled for November 6, 2015 had been noticed. Mayor Ives stated yes.

James Young, President, Tracy African American Association, invited the community to attend an event to celebrate the 20th anniversary of the Tracy African American Association. The event will be held in the Community Center from 6:00 to 9:00 p.m. on Saturday, November 8, 2014.

Ms. Jimenez stated that at the October 22 workshop staff stated that a meeting would be held on November 6, when members of the community could continue to provide input. The meeting had been noticed. Following the November 6 meeting Parks Commissioners would make their recommendations to staff and an item would be presented at the Council meeting scheduled for November 18.

7. COUNCIL ITEMS – Council Member Rickman, Council Member Manne, and Mayor Pro Tem Maciel thanked the community for the support they had received in the Tracy Municipal Election held on November 4, 2014.
8. ADJOURNMENT – Motion made by Council Member Manne, seconded by Council Member Rickman to adjourn. Voice vote found all in favor; passed and so ordered. Time: 9:26 p.m.

The above agenda was posted at the Tracy City Hall on October 30, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

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Interim City Clerk

**January 6, 2015, 5:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

Mayor Maciel called the meeting to order at 5:00 p.m.

Roll call found Council Members Rickman, Vargas, Young, and Mayor Maciel present.

Council Member Young presented a West High School Jersey to Council Member Rickman in recognition of West High Wolf Pack beating Tracy High Bulldogs at basketball.

Steve Abercrombie, Chair, Brighter Christmas, thanked the volunteers who participated in Brighter Christmas and helped to make the effort a huge success.

Mike Chivers, Resident, stated he strongly disagreed with the process for filling the vacant seat on the City Council.

CONDUCT AN INTERVIEW PROCESS FOR QUALIFIED APPLICANTS AND VOTE TO APPOINT AN APPLICANT TO FILL THE VACANCY ON THE CITY COUNCIL FOR THE REMAINDER OF THE UNEXPIRED TERM OF THE FORMER INCUMBENT WHICH WILL EXPIRE IN NOVEMBER 2016 - Mayor Maciel gave a brief overview of the interview process and stated:

- Questions will be divided among the Council; Council Members will take turns asking applicants the 11 questions
- A 2-minute Opening Statement and 2-minute Closing Statement will be allowed
- A 2-minute time limit will be given to answer each question
- Applicants will receive a visual 30-second notice when time is almost up
- A beeper will sound at the end of the 2-minutes; when the beeper sounds please finish your sentence since your time will be up
- No follow-up questions will be allowed, although clarification is allowed
- There will be a 5-minute recess following the interviews and a 10-minute recess following public comment.

Mayor Maciel invited the City Clerk to randomly draw names to determine the order of the interviews. Interim City Clerk Carole Fleischmann drew the names in the following order - Victor Pierson, Eleassia Davis, Mary Mitracos, Bill Pollard and Rhodesia Ransom.

Mayor Maciel invited the first applicant to approach the podium and suggested the remaining applicants retreat to the Green Room. Mayor Maciel stated applicants may remain in Council Chambers following their interviews.

Each candidate was asked the following questions and invited to offer an opening and a closing statement:

1. Why would you like to be appointed to serve on the City Council?
2. What expertise or experience do you bring to the Council?
3. What are your accomplishments in providing community service to the residents of Tracy?

4. How would you promote transparency and accountability as a member of the City Council?
5. What do you consider to be the top three most significant issues in our City right now?
6. What do you think should be changed in City government?
7. What is your understanding of Measure A?
8. What is your understanding of Development Agreements?
9. What role does public safety play in the quality of life in Tracy?
10. When Measure E expires, what should be done if annual expenses continue to exceed revenues?
11. In regards to Capital Improvement Projects, how would you establish your priorities?

Following the interviews Mayor Maciel called for a recess. The meeting was recessed at 6:55 p.m. and reconvened at 7:15 p.m.

Mayor Maciel invited public comment.

Mel Waller, 1111 Michelle Avenue, spoke in support of Bill Pollard and commented on his loyalty to the community and his experience in the private sector.

Dr. Theresa Brown, 360 Gonzales Street, Delta Board of Trustees, spoke in support of Mary Mitracos and Rhodesia Ransom, and added they are the only two applicants who are qualified to serve on the Council.

Diana Diaz, 211 Rancho Way, spoke in support of Rhodesia Ransom and commented on her work with Tracy's youth. Ms. Diaz stated the community has good ideas and questioned why the Council was limited to four seats.

Dr. Leah Austin, 217 James W. Smith Drive, stated she believed Rhodesia Ransom was the most qualified and commented on her grasp of the inner workings of the community. Ms. Austin added she was concerned with quality of life issues, community services for families, jobs for youth and the opportunity for residents to establish careers locally.

Linda Jimenez, P.O. Box 1065, Tracy, stated she appreciated the commitment each candidate had made to completing the application process and appearing before the Council. Ms. Jimenez spoke in support of Mary Mitracos and Rhodesia Ransom because both have civic government experience.

Rodney Davis spoke in support of Eleassia Davis, and stated Ms. Davis would work with the Council for the benefit of the community.

A resident spoke in support of Rhodesia Ransom stating her work with Tracy's youth is amazing.

Marvin Rothschild, resident, stated the City needs leadership, not a group thinker. Mr. Rothschild suggested Council think outside the box.

Brooke Bullard, 242 W. Lowell Avenue, spoke in support of Rhodesia Ransom for her work on the anti-bullying project.

Paul Miles, 1397 Mansfield Street, referred to past issues the City had faced and suggested the City needs someone with strong line management skills and experience in managing organizations.

Mitra Benham spoke in support of Mary Mitracos and Rhodesia Ransom and commented on their experience and service to the community. Ms. Benham added suggested Tracy's youth need more activities.

Laurie Souza, 315 Mount Oso, spoke in support of Rhodesia Ransom and commented on her passion for the City and her commitment to the youth of Tracy.

Dave Helm stated the City has five well-qualified candidates, who would serve with integrity and honor and with the community's best interests at heart.

Mark Wiebel, 2106 Lighthouse Circle, spoke in support of Bill Pollard and added the City needs business sense and Mr. Pollard is the best person for the job.

Following public comment Mayor Maciel called for a recess. The meeting was recessed at 7:44 p.m. and reconvened at 7:57 p.m. Mayor Maciel requested Council remain in chambers during the recess.

Following the recess Mayor Maciel invited Council discussion.

Council Member Rickman thanked those present for attending the meeting and stated he was impressed with the willingness of the applicants to serve the community.

Council Member Vargas commented on the qualifications of all the applicants and thanked them for completing the application process.

Council Member Young commented on the qualifications of the applicants and thanked them for stepping up and appearing before the Council. Council Member Young added many great ideas were suggested by the applicants and she hoped staff had taken note.

Mayor Maciel stated he was impressed with the level of preparation and understanding of the issues shown by the applicants. The City needs to have a pipeline of capable people lined up either through serving on the City's boards and commissions or other roles.

Mayor Maciel invited the City Clerk to describe the voting procedure. Interim City Clerk Carole Fleischmann stated:

- Each Council Member shall vote for two applicants
- The applicant or applicants receiving the least number of votes, including no votes, shall be eliminated
- Subsequent votes shall be taken with each Council Member voting for two applicants until one or two applicants remain
- Each Council Member shall then vote for one applicant and the applicant who receives the majority vote shall be nominated to fill the vacancy

Ms. Fleischmann stated the names of the Council would be called in alphabetical order, with the Mayor last.

In Round 1 of the voting Council Member Rickman voted for Mary Mitracos and Rhodesia Ransom. Council Member Vargas voted for Mary Mitracos and Bill Pollard. Council Member Young voted for Mary Mitracos and Rhodesia Ransom, and Mayor Maciel voted for Bill Pollard and Rhodesia Ransom. The results of the vote indicated Victor Pierson received no votes; Eleassia Davis received no votes; Mary Mitracos received three votes, Bill Pollard received two votes, and Rhodesia Ransom received three votes. Therefore, Victor Pierson and Eleassia Davis were eliminated.

In Round Two of the voting Council Member Rickman voted for Mary Mitracos and Rhodesia Ransom. Council Member Vargas voted for Mary Mitracos and Bill Pollard. Council Member Young voted for Mary Mitracos and Rhodesia Ransom, and Mayor Maciel voted for Bill Pollard and Rhodesia Ransom. The results show Mary Mitracos received three votes, Bill Pollard received two votes, and Rhodesia Ransom received three votes. Therefore, Bill Pollard was eliminated.

In Round Three of the voting Council Member Rickman voted for Mary Mitracos. Council Member Vargas voted for Mary Mitracos. Council Member Young voted for Rhodesia Ransom and Mayor Maciel voted for Rhodesia Ransom, resulting in a tie vote.

Interim City Clerk Carole Fleischmann stated in the event of a tie vote the Council has the option to:

- (a) Develop additional question(s) for applicants; follow up questions will be allowed (to be determined by Council)
- (b) Resolve the deadlock by discussion
- (c) Discuss other options

Council Member Rickman clarified that if the Council chooses a special election, the process would be open to all Tracy citizens. Dan Sodergren, City Attorney, stated that was correct.

Mayor Maciel stated Council has options. The Council can develop additional questions, discuss this further or consider other options. Council Member Rickman stated Council's options include holding a special election and added he had no problem with developing additional questions. Mayor Maciel stated he would like to have the process work itself out and asked if Council wanted to develop additional questions, or discuss the process further. Council agreed to begin with discussions.

Council Member Young compared Mary Mitracos and Rhodesia Ransom's qualifications and spoke in support of Rhodesia Ransom. Council Member Young added continuity was important and she was looking for somebody with passion who could hit the ground running.

Council Member Rickman spoke in support of Mary Mitracos but added that he believed Mary Mitracos and Rhodesia Ransom were both qualified to service on the Council.

Council Member Vargas spoke in support of Mary Mitracos and added she was looking for a candidate with a long-term view.

Mayor Maciel spoke in support of Mary Mitracos and added he was looking for the best person to serve on the Council. Mayor Maciel stated he would do what he felt was best for the City.

Council Member Young stated she was surprised that more weight was given to regional influence than to local influence. Council Member Young commented on Rhodesia Ransom's



qualifications, her commitment to the Planning Commission and her work with the youth of Tracy.

Council Member Rickman commented on the qualifications of the applicants and stated each one of them would have brought something different to the Council. Council Member Rickman commented on the new development and new businesses which would be coming forward in the near future.

Mayor Maciel stated he was not invested in the candidates, but was invested in the process and in moving the City forward.

Following a brief Council discussion Council Member Rickman moved to adopt Resolution 2015-001, Appointing Mary Mitracos to Fill the Vacancy on the City Council for the Remainder of the Unexpired Term of the Former Incumbent Which Expires in November 2016. Council Member Vargas seconded the motion. Roll call vote found Council Members Rickman, Vargas and Mayor Maciel in favor; Council Member Young opposed. Motion carried.

Interim City Clerk Carole Fleischmann administered the Oath of Office to Council Member Mary Mitracos.

Council Member Mitracos complimented all the applicants and added she was pleased that the City has people who are willing to serve the community. Council Member Mitracos added she was aware she had not been elected, but stated she felt an obligation to serve each resident of Tracy to the best of her ability.

It was moved by Council Member Rickman and seconded by Council Member Young to adjourn. Voice vote found all in favor; passed and so ordered. Time: 8:45 p.m.

The above agenda was posted at the Tracy City Hall on December 31, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

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City Clerk

**January 6, 2015, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

Mayor Maciel called the meeting to order at 8:55 p.m., and led the Pledge of Allegiance.

Roll call found Council Members Mitracos, Rickman, Vargas, Young, and Mayor Maciel present.

1. ITEMS FROM THE AUDIENCE – Amy Wang, Volunteer Coordinator, Sow-a-Seed Foundation, spoke on the benefits of mentoring youth, and urged the community to become involved in the mentoring program.
2. CONSENT CALENDAR – Following the removal of item 2.C by Council Member Vargas, it was moved by Council Member Rickman and seconded by Council Member Young to adopt the Consent Calendar. Roll call vote found Council Members Mitracos, Rickman, Vargas, Young and Mayor Maciel in favor; motion carried.
  - A. Approve a List of City of Tracy Projects for San Joaquin Council of Government's One Voice Trip to Washington D.C., for Congressional Funding Appropriation Requests – Resolution 2015-002 approved the list of projects.
  - B. Acceptance of the Lammersville Schoolhouse Repair Project - CIP 78151, Completed by Color Chart Inc., of San Bruno, California, Authorization for the City Clerk to File the Notice Of Completion, and Authorization for the City Engineer to Release the Bonds and Retention Payment – Resolution 2015-003 accepted the project.
  - C. Approval of a Three Year Professional Services Agreement With Two Possible One Year Extensions With XL Landscape Development for Landscape, Park and Channelways Maintenance Services, Authorize the Mayor to Execute the Agreement, and Authorize the City Manager to Extend the Agreement for Up to Two Additional One-Year Terms Per the Recommendation from the Public Works Director – David Ferguson, Director of Public Works, presented the staff report and gave a brief overview of the program.

On October 14, 2014, staff issued a Request for Proposals (RFP) for Landscape, Parks, and Channelways Maintenance in the City's Landscape Maintenance District (LMD) zones. The City's primary objective is to obtain maintenance services for turf, shrubs, groundcover, and specialized services for LMD streetscapes, medians, parks, and channelways. The RFP also included costs for additive services for possible new landscaping added to the proposed agreement at a later date, and/or enhanced levels of service within existing sites pending available funds.

The intent of the proposed PSA is to provide a level of maintenance that will result in an attractive and desirable appearance of City landscaping at all times. XL Landscape Development will be using its own means and methods and

agrees to maintain all designated areas to the City's stated standards. Two types of services levels are set forth in the proposed PSA. Service level A represents the highest level of care and has the characteristics described in Exhibit A to the staff report. Service level B represents the same basic maintenance tasks as service level A, but on a less frequent schedule, based upon the funding availability in each zone. In addition to the zone maintenance, the proposed Service Provider will also be required to maintain the Channelways within the zones.

Staff reviewed and rated all five proposals submitted for LMD Landscape, Parks, and Channelways Maintenance and chose two Service Providers, XL Landscape Development and Odyssey Landscape Company, Inc., to interview and determine the extent to which they could meet the City's LMD maintenance needs within the available funding. The low bidder, Crossroads Facility Services, did not demonstrate that they had the requisite experience with projects of similar type and scope, as required. Staff selected XL Landscape Development, the second lowest bidder, to negotiate with for a PSA for landscape services. XL has adequate staffing for this project, will hire local and has acquired a facility in Tracy.

The initial term of the PSA will be from January 7, 2015 through January 6, 2018. If the Public Works Director determines that XL Landscape Development has satisfactorily performed all requirements in this agreement, the City Manager may extend the agreement for up to two additional one-year terms.

Don Scholl, Operation Maintenance Superintendent, stated this is a performance based Professional Services Agreement which means that the City will determine how well XL is doing based on how the City looks and not on a list of tasks to be performed. This is a three-year agreement with two possible one year extensions. This helps XL to develop a long-term relationship with the City and to commit to developing the LMD over the long haul. Under this PSA XL can better use unique proposals and timing when completing tasks. The PSA allows the company to change service levels in a specific LMD zone. The PSA includes set costs for routine maintenance. XL has the ability to provide extra services such as landscape renovations, both big and small. The PSA defines that process to make sure the work is competitively priced. Moving forward XL will focus on addressing the current maintenance shortfalls and the community should begin to see an immediate benefit.

Council Member Vargas asked if the company intended to open an office in Tracy and how many local people would be employed. Mr. Scholl stated the company has secured a lease for a property on Chrisman Road. Donald Garitano, XL Landscape, responded there would be 12-15 full time and one part-time employee.

Mayor Maciel asked what steps the City would take to monitor the level of service received from XL. Mr. Scholl responded there would be weekly meetings with XL and routine inspections would be carried out by staff.

Steve Nicolaou, 1068 Atherton Drive, spoke in favor of XL Landscape.

It was moved by Council Member Rickman and a seconded by Council Member Young to adopt Resolution 2015-004 approving a three-year Professional Services Agreement with the possibility of two additional one-year extensions with XL Landscape Development for services required for Landscape, Parks, and Channelways Maintenance and authorized the Mayor to execute the agreement. Voice vote found all in favor; passed and so ordered.

3. ITEMS FROM THE AUDIENCE – None
4. COUNCIL ITEMS - Council Member Young invited the community to the 19th Annual Martin Luther King Breakfast to be held on Monday, January 19th, 2015, at 8:30 a.m. in the Community Center. The cost is \$10.

Mayor Maciel welcomed new Council Member Mitracos to the City Council.

5. ADJOURNMENT – It was moved by Council Member Rickman and seconded by Council Member Young to adjourn. Voice vote found all in favor; passed and so ordered. Time 9:17 p.m.

The above agenda was posted at the Tracy City Hall on December 31, 2014. The above are summary minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

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City Clerk

**January 20, 2015, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

Mayor Maciel called the City Council meeting to order at 7:01 p.m. and led the pledge of Allegiance.

The invocation was offered by Deacon Jack Ryan.

Roll call found Council Members Mitracos, Rickman, Vargas, Young and Mayor Maciel present.

Carole Fleischmann, Interim City Clerk, administered Oath of Office to newly appointed City Clerk Nora Pimentel.

Troy Brown, City Manager, presented the 2014 Employee of the Year award to Carlo Fanto, Information Services.

Troy Brown, City Manager, presented the Employee of the Month award for January, 2015 to Steve Bliss, Fire Department.

Mayor Maciel presented a Certificate of Appointment to Planning Commissioner Robert Tanner.

Mayor Maciel presented Certificate of Appointment to Leslie Douglas and a Certificate of Recognition to Alex Holgiun, Parks and Recreation Commission.

Mayor Maciel presented a proclamation to Achyut Varma, volunteer from HSS, in recognition of Health for Humanity Yogathon.

1. CONSENT CALENDAR

**ACTION** Motion made by Council Member Rickman, seconded by Council Member Young to adopt the Consent Calendar with the exception of items 1E, 1F and 1H. Roll call vote found all in favor; passed and so ordered. Motion carried 5:0

- A. Set a Public Hearing Date and Adopt a Resolution Related to the City's Intent to Vacate a Portion of Right-of-Way for North MacArthur Drive, South of I-205 - Resolution 2015-005 authorized the intent to vacate a portion of the right-of-way, and set a public hearing date for February 17, 2015.
- B. Minor Amendment to the Plaza One Final Development Plan to Replace Parking Stalls with an Outdoor Dining Area Adjacent to the Building at 2986 West Grant Line Road - Applicant is JS Kendall Construction, Inc. for Plaza One, LLC - Resolution 2015-006 approved the amendment.

- C. Award a Construction Contract to the Lowest Responsive and Responsible Bidder for the Sewer and Storm Drain Replacement FY 2014-2015 Project CIP 74098 and 76062 and Authorize the Mayor to Execute the Contract - Resolution 2015-007 awarded the contract.
- D. Approve Agreement between the City of Tracy, the South County Fire Authority, and the San Joaquin County Emergency Medical Services Agency to Provide Non-Transport Advanced Life Support Services and Authorize the Mayor to Execute the Agreement - Resolution 2015-008 approved the agreement.
- G. Approve Amendment No. 2 to the Professional Services Agreement between the City of Tracy and Management Partners, Inc. and Approve Funding Allocation - Resolution 2015-009 approved the agreement.
- E. Authorization to Enter Into a Professional Services Agreement With Central Valley Softball Umpire Association to Perform Umpiring Services for the City of Tracy and for the Mayor to Sign the Agreement - Resolution 2015-010 authorized the Professional Services Agreement.

Jolene Jaurequi, Recreation Coordinator, presented the staff report.

Paul Miles expressed his concern regarding paying for umpiring services and wanted to know more about the history of these services.

**ACTION** Council Member Rickman motioned to adopt Resolution 2015-010 authorizing the agreement.. Voice Vote found all in favor; passed and so ordered.

- F. Authorize the Purchase of Two Patrol Vehicles (Chevrolet Caprice and Chevrolet Tahoe) from Folsom Chevrolet of Folsom, California

Mark Duxbury, Interim Police Chief, Police Department, presented the staff report.

Paul Miles inquired if this was the lowest bid and what due diligence was done.

**ACTION** Motion made by Council Member Rickman, seconded by Council Member Vargas to adopt Resolution 2015-011 authorizing the purchase of two patrol vehicles. Council Member Vargas seconded the motion. Voice vote found all in favor; passed and so ordered.

- H. Approve Amendments to the City Council Policy Related to Procedures for Preparation, Posting and Distribution of Agenda and the Conduct of Public Meetings Including Changing from Summary to Action Minutes

Carole Fleischmann, Interim City Clerk, presented the staff report.

Robert Tanner asked what the difference was between summary and action minutes.

Paul Miles stated his objections to the approval of action minutes.

**ACTION**

Motion made by Council Member Rickman, seconded by Council Member Vargas to adopt Resolution 2015-012 approving amendments to the City Council Policy related to procedures for preparation, posting and distribution of the agenda and the conduct of public meetings including changing from summary to action minutes. Voice vote found all in favor; passed and so ordered.

2. ITEMS FROM THE AUDIENCE - Leah Austin commented on the Council Member appointment process conducted on January 6, 2015. Ms. Austin stated more reform is needed, and more time needs to be allocated for deliberation. Peter Barrett concurred with Ms. Austin and added not enough consideration was given to what the people wanted to say. Mr. Barrett added he would have liked more time for discussion.

A resident commented about his involvement in bringing people together in other cities. Cities need to work to make the citizens feel engaged. The resident added that a conscious effort needs to be made to make sure things work for everyone represented.

Paul Miles alleged that last year the City was ethically challenged; he referred to the credit card issue related to a former City Manager.

A resident commented about the City Council appointment process which took place on January 6, 2015, and suggested there was a lack of transparency which needs to be addressed.

3. CONDUCT A PUBLIC HEARING AND ADOPT A RESOLUTION OF NECESSITY AUTHORIZING THE INITIATION OF EMINENT DOMAIN PROCEEDINGS TO ACQUIRE PERMANENT AND TEMPORARY CONSTRUCTION EASEMENTS ON CERTAIN REAL PROPERTIES FOR CONSTRUCTION OF A WASTEWATER EFFLUENT DISCHARGE PIPELINE FROM THE WASTEWATER TREATMENT PLANT TO THE OLD RIVER AND AUTHORIZE THE DEPOSIT OF \$200 FOR THE ALVES PARCEL, \$3,800 FOR THE PERRY PARCELS, AND \$11,900 FOR THE HOLLY COMMERCE CENTER PARCEL WITH THE STATE OF CALIFORNIA – CONDEMNATION DEPOSIT FUND

Steve Bayley, Project Specialist presented the staff report.

Mayor Maciel opened the public hearing.

Robert Tanner stated that the discussion related to the process of eminent domain should have been discussed in closed session prior to bringing the item forward.

Paul Miles stated that there was not enough information for the Council to make a decision.

Mayor Maciel closed the public hearing.

Council Member Rickman expressed he was not in favor of supporting this item.

Council Member Vargas stated that the staff report was incomplete and requested the item be brought back at another time. Council Member Vargas stated she wanted to see an exhibit which showed the property lines for parcels and location of the easements within those parcels.

Troy Brown, City Manager echoed that he would not feel comfortable with Council making a serious policy decision around eminent domain when Council believes they don't have the appropriate information to vote. Mr. Brown stated this item will be delayed for a few weeks but staff will provide a thorough report around negotiating parameters associated with the remaining parcels in closed session and then have a discussion to initiate the proceedings.

4. INTRODUCTION OF AN ORDINANCE AMENDING TITLE 9, CHAPTER 9.52 OF THE TRACY MUNICIPAL CODE, KNOWN AS FLOODPLAIN REGULATIONS AND SETTING A PUBLIC HEARING DATE AND TIME FOR ADOPTION OF THE ORDINANCE

This item was continued to a later date.

5. RECEIVE STATUS REPORT AND PROVIDE DIRECTION ON POTENTIAL CITY/SAN JOAQUIN COUNTY PARTNERSHIP FOR DEVELOPMENT OF A SOUTH COUNTY REGIONAL PARK SOUTH OF LEGACY FIELDS AND NORTH OF I-205

David Ferguson, Director of Public Works, presented the staff report.

Council Member Mitracos disclosed that she served as a commissioner on the San Joaquin County Parks and Recreation Commission for more than two terms. Council Member Mitracos stated she had reviewed old records related to parks in general and that the estimated maintenance costs for the park are high.

Robert Tanner commented that the maintenance cost is high and inquired if it is standard practice for a city to pay for the maintenance for a regional park built by the county.

Council Member Mitracos provided a brief background of what was done in the development of Mickey Grove Park.

Council Member Young suggested that the City and County share maintenance costs.

Maria Hurtado, Assistant City Manager, briefly reviewed with the Council what was approved in August related to the partnership concept. Since then staff has moved forward on the negotiation and this report is to provide an update on how negotiations are being formed.



Council reached consensus to accept the report with the following amendments:

- Look into sharing the cost of maintenance
- Keep the Council apprised on design options and final approval on conceptual design
- Return to Council before it is completely approved
- Provide maintenance estimates
- Potential revenue costs

## 6. ITEMS FROM THE AUDIENCE

Paul Miles urged the City Council to review the documentation he entered into the record and to hold this Council to a higher standard.

Mayor Maciel called for a recess at 9:09 p.m.

Council reconvened the meeting at 9:18 p.m.

## 7. COUNCIL ITEMS

- A. Consider Whether an Item Related to Development Agreements, Approved and Amended, Together with a Presentation by Staff, Should be Included on a Future City Council Agenda for Discussion

Carole Fleischmann, Interim City Clerk, presented the staff report.

Council Member Vargas stated she wanted to establish transparency regarding public benefit monies and clarity on what those benefits are. Maria Hurtado, Assistant City Manager, stated that staff would return with a staff report to review potential amendments to the Development Agreement procedure specific to the community benefit that the City receives. Following consensus, Council directed staff to return with a staff report at the first meeting in March, 2015.

- B. Review Appointments to Council Committees

Carole Fleischmann, Interim City Clerk, presented the staff report.

The following appointments were made:

City Chamber Liaison - Mayor Maciel, Alt Council Member Young  
 City School Liaison - Mayor Maciel, Council Member Rickman  
 Investment review Committee - Mayor Maciel, Council Member Mitracos  
 South County Fire - Council Member Rickman, Mayor Maciel  
 Public Facility financing - Council Member Young, Council Member Mitracos  
 City Selection Committee - Mayor Maciel  
 Community Development Block Grant - Vacant  
 Council of Governments - Mayor Maciel, Council Member Young  
 Citizen Advisory Committee - Council Member Young  
 San Joaquin Water Advisory Commission - David Ferguson,  
 Alt Council Member Mitracos  
 San Joaquin Partnership - Mayor Maciel

San Joaquin Rail Commission - Mayor Maciel  
 Solid Waste - Council Member Young  
 Special City Selection Commission - Council Member Mitracos,  
 Alt Council Member Vargas  
 League of California Cities, Central Valley - Council Member Vargas  
 Oversight Board of the Successor Agency - Mayor Maciel  
 Joint City County Criminal Task Force - Council Member Rickman,  
 Council Member Vargas, Alt Mayor Maciel  
 San Joaquin Council of Government One Voice - Mayor Maciel,  
 Alt Council Member Young  
 Altamont Regional Authority - Vacant\*  
 \*Mayor Maciel by default

**ACTION** Motion made by Council Member Rickman, seconded by Council Member Young to approve the appointments as discussed. Voice vote found Council Members Mitracos, Young, Mayor Pro Tem Rickman and Mayor Maciel in favor; Council Member Vargas opposed.

C. Appointment of Mayor Pro Tempore

Carole Fleischmann, Interim City Clerk, presented the staff report.

**ACTION** Motion made by Council Member Vargas, seconded by Council Member Mitracos to appoint Council Member Rickman as Mayor Pro Tempore. Council Member Voice vote found all in favor; passed and so ordered.

Mayor Maciel stated he wanted to revisit the Legacy Field's issue. Mayor Maciel suggested an agenda item or a workshop to discuss the next steps. The two step agenda process for Council items was waived and Troy Brown, City Manager suggested a workshop at the first meeting in March, 2015.

Mayor Pro Tem Rickman spoke about the Amazon Fulfillment Center and stated it was impressive.

Council Member Vargas stated she had requested an update on the communication towers for Council discussion, and wanted to know when the project will be up and running.

Council Member Young thanked everyone who supported the Martin Luther King event.

8. **ADJOURNMENT**

**ACTION** Motion made by Mayor Pro Tem Rickman, seconded by Council Member Young, to adjourn the meeting. Voice vote found all in favor; passed and so ordered.  
 Time: 10:30 p.m.

The above agenda was posted at the Tracy City Hall on January 15, 2015. The above are action minutes. A recording is available at the Office of the City Clerk.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

**February 3, 2015, 5:00 p.m.**

Council Chambers, 333 Civic Center Plaza, Tracy

1. CALL TO ORDER – Mayor Maciel called the meeting to order at 5:00 p.m. for the purpose of a closed session to discuss the items outlined below.
2. ROLL CALL – Roll call found Council Members Mitracos, Vargas, Young, Mayor Pro Tem Rickman and Mayor Maciel present.
3. ITEMS FROM THE AUDIENCE – None
4. CLOSED SESSION

- Labor Negotiations (Gov. Code, section 54957.6)

Employee Organizations: Tracy Police Managers Association  
Tracy Police Officers Association  
Tracy Firefighters' Association  
Teamsters Local 439, IBT  
Tracy Mid-Managers; bargaining Unit

City's designated representatives: Troy Brown, City Manager  
Maria A. Hurtado, Assistant City Manager  
Midori Lichtwardt, Human resources  
Manager  
Dania Torres Wong, Esq.

- Real Property Negotiations (Gov. Code, section 54956.8)

Property Location: City-owned segment of property located  
approximately 7,120 square feet to the north end  
and adjacent to 2705 Auto Plaza Drive  
(APN – 212-270-15)

Negotiator for the City: David Ferguson, Public Works Director  
Andrew Malik, Development and Engineering  
Services Director  
Kul Sharma, Utilities Director  
Brian MacDonald, Management Analyst II

Negotiating Parties: Representatives of Tracy Collision

Under Negotiation: Price and terms of payment for the sale of the  
property

Property Location: City-owned Park and Ride lot (APN: 212-290-39)

Negotiator for the City: Andrew Malik, Development and Engineering Services Director  
Barbara Harb, Management Analyst

Negotiating Parties: Jon Becker, Becker Commercial Properties

Under Negotiation: Price and terms of payment for the sale of the property

5. MOTION TO RECESS TO CLOSED SESSION – Mayor Pro Tem Rickman motioned to recess the meeting to closed session at 5:01 p.m. Council Member Young seconded the motion. Voice vote found all in favor; passed and so ordered.
6. RECONVENE TO OPEN SESSION – Mayor Maciel reconvened the meeting into open session at 7:04 p.m.
7. REPORT OF FINAL ACTION – None
8. ADJOURNMENT - Mayor Pro Tem Rickman motioned to adjourn. Council Member Young seconded the motion. Voice vote found all in favor; passed and so ordered. Time: 7:05 p.m.

The agenda was posted at City Hall on January 30, 2015. The above are action minutes.

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

**February 3, 2015, 7:00 p.m.**

City Council Chambers, 333 Civic Center Plaza

Web Site: [www.ci.tracy.ca.us](http://www.ci.tracy.ca.us)

Mayor Maciel presented Certificates of Achievement to the Tracy Cougar Junior Novice Football and Cheer for winning the Delta Youth Football League Super Bowl 2014 in the City Hall Lobby prior to beginning the City Council meeting.

Mayor Maciel called the City Council meeting to order at 7:15 p.m. and led the Pledge of Allegiance.

The invocation was offered by Pastor Tim Heinrich, Crossroads Baptist Church.

Roll call found Council Members Mitracos, Vargas, Young, Mayor Pro Tem Rickman and Mayor Maciel present.

Mayor Maciel stated a change for Council approval, agenda item 3 related to the proposed Sutter Gould building. There was a request by members of the neighborhood for more time to review the documents provided and applicant agreed to delay this item to February 17, 2015.

Council Member Mitracos recused herself from discussion and vote on item 3 related to Sutter and left the dais at 7:18 p.m.

It was moved by Mayor Pro Tem Rickman and seconded by Council Member Vargas to continue the item to February 17, 2015. Council Member Mitracos abstained.

Council Member Mitracos returned to the dais at 7:21 p.m.

Troy Brown, City Manager, presented the Employee of the Month award for February, 2015 to Kurt Tavares, Information Services.

1. CONSENT CALENDAR

**ACTION** Motion made by Mayor Pro Tem Rickman, seconded by Council Member Young to adopt the Consent Calendar with the exception of items 1B, 1D and 1H. Roll call vote found all in favor; passed and so ordered. Motion carried 5:0

A. Council Minutes – December 16, 2014, regular meeting minutes were approved.

C. Approve an Exclusive Negotiating Rights Agreement (ENRA) by and between the City of Tracy and Becker Commercial Properties for City-owned Property located at the Southwest Corner of Naglee Road and Pavilion Parkway (APN 212-290-39), and Authorize the Mayor to Sign the Agreement – Resolution 2015-013 approved the agreement.

- E. Approve an Offsite Improvement Agreement for the Cordes Ranch Storm Recycled Water Pipelines on Schulte Road and Mountain House Parkway and Associated Improvements for the Crossroads Building 1 Project and Authorization for the Mayor to Execute the Agreement – Resolution 2015-014 approved the agreement.
- F. Approve an Offsite Improvement Agreement (OIA) for the Cordes Ranch Storm Drainage Detention Basin LW10B and Associated Downstream Pipelines and the Interim Retention Basin (Detention Basin LW9) for the Crossroads Building 1 – Project to be Located at the Northeast Corner of Schulte Road and Mountain House Parkway and Authorize the Mayor to Execute the Agreement –Resolution 2015-015 approved the agreement.
- G. To Find that it is in the Best Interest of the City of Tracy to Dispense with the Formal Bidding Process Pursuant to Tracy Municipal Code Section 2.20.180(b)(4) and Authorize the Purchase of Sensus Water Meters and Related Parts and Equipment from Golden State Flow Measurement – Resolution 2015-016 authorized the purchase.
- I. Authorize Amendment of the City's Classification Plan by Approving Revisions to the Classification Specification for Equipment Mechanic II – Resolution 2015-017 authorized the amendment.
- J. 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) – This item was pulled and moved to February 17, 2015
- B. Approve Professional Services Agreement No. HE-1 with Hanna Engineering, Inc., of Rancho Cordova, California, for Construction Management and Resident Engineer Services, Approve Amendment No. Five to the Professional Services Agreement (PSA) with Drake Haglan and Associates for Design Support Services during Construction for the Eleventh Street – East Tracy Overhead Bridge Replacement Project - CIP 73063, Federal Project No. HBLS – 5192(020), and Authorize the Mayor to Execute the Agreement and Amendment

Council Member Vargas pulled this item for discussion.

Kuldeep Sharma, City Engineer, presented the staff report.

Dave Helm commented on the two contracts being discussed and inquired about the hourly rate for the inspectors and how long it would take to build the bridge, and once the road is closed what are the alternative routes.

Council Member Vargas commented that the staff report stated \$1.2 million dollars was saved from the construction of the fire stations. Council Member Vargas wanted to know if the money went into the General Fund or CIP. Council Member Vargas requested fund breakdown since it was a split ownership. Dan Sodergren, City Attorney stated that Finance is in the process of working on the

fund breakdown and will figure out the final cost. Mr. Sodergren was not sure on the actual amount and stated that staff will follow up with this request.

**ACTION** Motion made by Mayor Pro Tem Rickman, seconded by Council Member Vargas to adopt Resolution 2015-018 approving the PSA with Hanna Engineering Inc, and to adopt Resolution 2015-019 approving Amendment No. 5 to the PSA with Drake Haglan & Associates. Voice vote found all in favor; passed and so ordered.

- D. Acceptance of the Fire Stations 92 and 96 Project - CIPs 71062 and 71061, Completed by Diede Construction Inc. of Woodbridge, California, Authorization for the City Clerk to File the Notice of Completion, and Authorization for the City Engineer to Release the Bonds and Retention Payment

Mayor Pro Tem Rickman pulled this item for discussion.

Dave Bramell, Interim Fire Chief, presented the staff report.

**ACTION** Motion made by Mayor Pro Tem Rickman, seconded by Council Member Young to adopt Resolution 2015-020 accepting Fire Stations 92 and 96 project. Voice vote found all in favor; passed and so ordered.

- H. Authorize Amendment of the City's Classification and Compensation Plans due to the Establishment of a New Classification Specification for Emergency Medical Services Manager

Council Member Mitracos pulled this item for discussion.

Arlene Roberts, Human Resources Analyst, presented the staff report.

Dave Helm inquired if the San Joaquin County Emergency Medical Agency requires this agreement with other cities or is this unique to the City of Tracy and was there an incident or issue that required this change or is it best practice. It would seem that the new Fire Chief should be allowed to weigh in on the hiring of this position.

Paul Miles, 1397 Mansfield Street, stated that his comments are similar to those of Mr. Helm and added that there appears to be duplication in services between what AMR and Fire provides. It may be better to sunset the whole ALS program if the City is still facing structural deficit instead of creating a new position.

**ACTION** Motion made by Council Member Mitracos, seconded by Council Member Young to adopt Resolution 2015-021 authorizing amendment of the City's Classification and Compensation Plans. Voice vote found Council Members Mitracos, Young and Mayor Maciel in favor; Council Member Vargas and Mayor Pro Tem Rickman opposed.

2. ITEMS FROM THE AUDIENCE - Freddie Berma commented on her concern about recent siting of raccoons in her neighborhood. Ms. Berma stated that they are vicious and dangerous animals. She has requested that the pound provide



traps and they will not. She would like to see the City do something about this problem.

Paul Miles commented about the recent incident related to the Police department K9 attack.

Arlene asked the City Council why Sutter delayed the matter being heard.

Xena Robbins inquired about requesting street lights and or speed bumps for a neighborhood.

3. PUBLIC HEARING FOR THE APPROVAL OF DEVELOPMENT REVIEW APPLICATION D14-0003 AND DETERMINATION OF A CATEGORICAL EXEMPTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA") FOR A 45,500 SQUARE FOOT MEDICAL OFFICE BUILDING LOCATED AT 445 WEST EATON AVENUE AND A PARKING LOT AT 418, 424, 432, AND 434 WEST EATON AVENUE AND 426 W. BEVERLY PLACE - APPLICANT IS DAVID O. ROMANO AND PROPERTY OWNER IS SUTTER GOULD MEDICAL FOUNDATION, APPLICATION NUMBER D14-0003 - This item was continued to February 17, 2015.

4. CITY MANAGER'S QUARTERLY REPORT-

Troy Brown, City Manager, presented the quarterly report.

By Council consensus the report was accepted.

5. ITEMS FROM THE AUDIENCE - Steve Nicolaou commented on two issues related to ethics and good government: 1) is there a policy or procedure in place that would allow Council to censure one of their own? Mr. Nicolaou requested that a discussion be placed on the agenda for discussion. 2) Consider enacting a lobbyist ordinance which has many benefits to the City.

Freddie Berma commented that she went to the animal shelter looking for her lost cat and was disappointed with the care of the animals being held there for adoption.

Kevin Tobeck commented on three things: 1) improvements on the west side, 2) 31 street lights in the downtown area off of 11<sup>th</sup> Street between Bessie and MacArthur should be repainted so they would look better, 3) the median out on Grant Line Road that runs in front of Costco is an eyesore. He urged the Council to look at getting some budget for those improvements. He provided pictures to be distributed to the Council.

Linda Jimenez commented on the recent council appointment process and how the community was dissatisfied with the process which was conducted.

Mayor Maciel called for a recess at 9:09 p.m.

Council reconvened the meeting at 9:18 p.m.

7. COUNCIL ITEMS

A. Appointment of City Council Subcommittee to Interview Applicants for a Vacancy on the Measure E Residents' Oversight Committee

Maria Hurtado, Assistant City Manager, presented the staff report.

Mayor Maciel asked for volunteers to serve on the subcommittee to interview Measure E Residents' Oversight Committee applicants. Council Member Mitracos and Mayor Pro Tem Rickman volunteered.

Mayor Pro Tem Rickman wanted to confirm that the Legacy Fields agenda item and the workshop will be on the March 3, 2015 City Council agenda. Troy Brown, City Manager, confirmed that both items are agendaized for March 3, 2015.

8. ADJOURNMENT

**ACTION** Motion made by Mayor Pro Tem Rickman, seconded by Council Member Young, to adjourn the meeting. Voice vote found all in favor; passed and so ordered. Time: 9:15 p.m.

The above agenda was posted at the Tracy City Hall on January 30, 2015. The above are action minutes. A recording is available at the Office of the City Clerk.

\_\_\_\_\_  
Mayor

ATTEST:  
\_\_\_\_\_  
City Clerk

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

**February 17, 2015, 5:00 p.m.**

Council Chambers, 333 Civic Center Plaza, Tracy

1. CALL TO ORDER – Mayor Maciel called the meeting to order at 5:11 p.m. for the purpose of a closed session to discuss the items outlined below.
2. ROLL CALL – Roll call found Council Members Mitracos, Vargas, Young, Mayor Pro Tem Rickman and Mayor Maciel present.
3. ITEMS FROM THE AUDIENCE – None
4. CLOSED SESSION
  - Labor Negotiations (Gov. Code, section 54957.6)  
Employee Organizations: Tracy Police Managers Association  
Tracy Police Officers Association  
Tracy Firefighters' Association  
Teamsters Local 439, IBT  
Tracy Mid-Managers; bargaining Unit  
  
City's designated representatives: Troy Brown, City Manager  
Maria A. Hurtado, Assistant City Manager  
Midori Lichtwardt, Human resources  
Manager  
Dania Torres Wong, Esq.
5. MOTION TO RECESS TO CLOSED SESSION – Mayor Pro Tem Rickman motioned to recess the meeting to closed session at 5:12 p.m. Council Member Young seconded the motion. Voice vote found all in favor; passed and so ordered.
6. RECONVENE TO OPEN SESSION – Mayor Maciel reconvened the meeting into open session at 7:34 p.m.
7. REPORT OF FINAL ACTION – None
8. ADJOURNMENT - Mayor Pro Tem Rickman motioned to adjourn. Council Member Vargas seconded the motion. Voice vote found all in favor; passed and so ordered. Time: 7:34 p.m.

The agenda was posted at City Hall on February 13, 2015. The above are action minutes.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

AGENDA ITEM 1.B

REQUEST

**APPROVE AN OFFSITE IMPROVEMENT AGREEMENT (OIA) FOR THE CORDES RANCH STORM DRAINAGE DETENTION BASIN LW6 AND ASSOCIATED STORM DRAINAGE PIPELINES FOR THE MEDLINE BUILDING AND FEDERAL EXPRESS GROUND FACILITY LOCATED WITHIN THE CORDES RANCH BUSINESS PARK AND AUTHORIZATION FOR THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY**

EXECUTIVE SUMMARY

Approval of the Offsite Improvement Agreement will allow Prologis L. P., a Delaware limited partnership (Subdivider) to proceed with the construction of the storm drainage detention basin and associated improvements, which are necessary to serve the Medline Building and Federal Express Ground Facility within the Cordes Ranch Business Park.

DISCUSSION

The approval of the development review applications for the two industrial facilities known as the Federal Express Ground Facility and Medline Distribution Facility located within the Cordes Ranch Business Park was subject to construction of certain storm drainage improvement in a timely manner to serve these new developments.

Since the development impact fees collected from new developments are not enough to construct all required program storm drainage improvements to serve these developments, the subdivider intends to construct some program storm drainage improvements and some temporary interim improvements to provide a functional storm drainage system. The program storm drainage improvements are eligible for credits or reimbursements. The temporary interim improvements will be the sole responsibility of the subdivider to construct and maintain until the ultimate system is fully functional and is constructed in accordance with the Storm Drainage Master Plans. The existing Developer Agreement between the Developer and the City, allows the option for subdivider to construct the program improvements and receive credits in lieu of paying the development fees.

Prologis, L.P., a Delaware limited partnership (Subdivider), elected to design and construct a permanent storm drainage facilities known as Detention Basin LW6 for the final disposal of storm water of storm water generated from the two industrial facilities described above. As part of the Detention Basin LW6, the Subdivider will also construct a temporary retention basin within the Subdivider's property and an inlet pipe so that Detention Basin LW6 can function to its intended use as a storm drainage detention basin. Completion of Detention Basin LW6 and associated storm drainage improvements is required prior to final occupancy of the building of any of the two industrial facilities.

The Developer has completed the design of Detention Basin LW6, the downstream pipelines, its connection to the temporary storm drainage retention basin, and has submitted the Improvement Plans, Specifications and Cost Estimates (PSE). City staff has reviewed the PSE and found them to be complete. The Developer has executed the Offsite Improvement Agreement and submitted the required security to guarantee completion of Storm Drainage Detention Basin LW6 and associated improvements. The Offsite Improvement Agreement and Improvement Plans are on file with the City Engineer and are available for review upon request.

Upon completion of all improvements, the City will accept the improvements for maintenance and will accept all offers of dedication of public right-of-way at that time.

#### FISCAL IMPACT

There will be no fiscal impact to the General Fund. The Subdivider has paid all the soft costs such as plan checking, construction management and inspection, and program management costs, and posted the construction contingency cost as required in the Cordes Ranch Development Agreement between the City and the Subdivider.

#### STRATEGIC PLAN

This agenda item is consistent with the City Council's Economic Development Strategy, to ensure physical infrastructure necessary for development are constructed.

#### RECOMMENDATION

That City Council, by resolution, approve the Offsite Improvement Agreement for Cordes Ranch Storm Drainage Detention Basin LW6 to be located within the Cordes Ranch Business Park and associated storm drainage improvements, and authorize the Mayor to execute the Offsite Improvement Agreement.

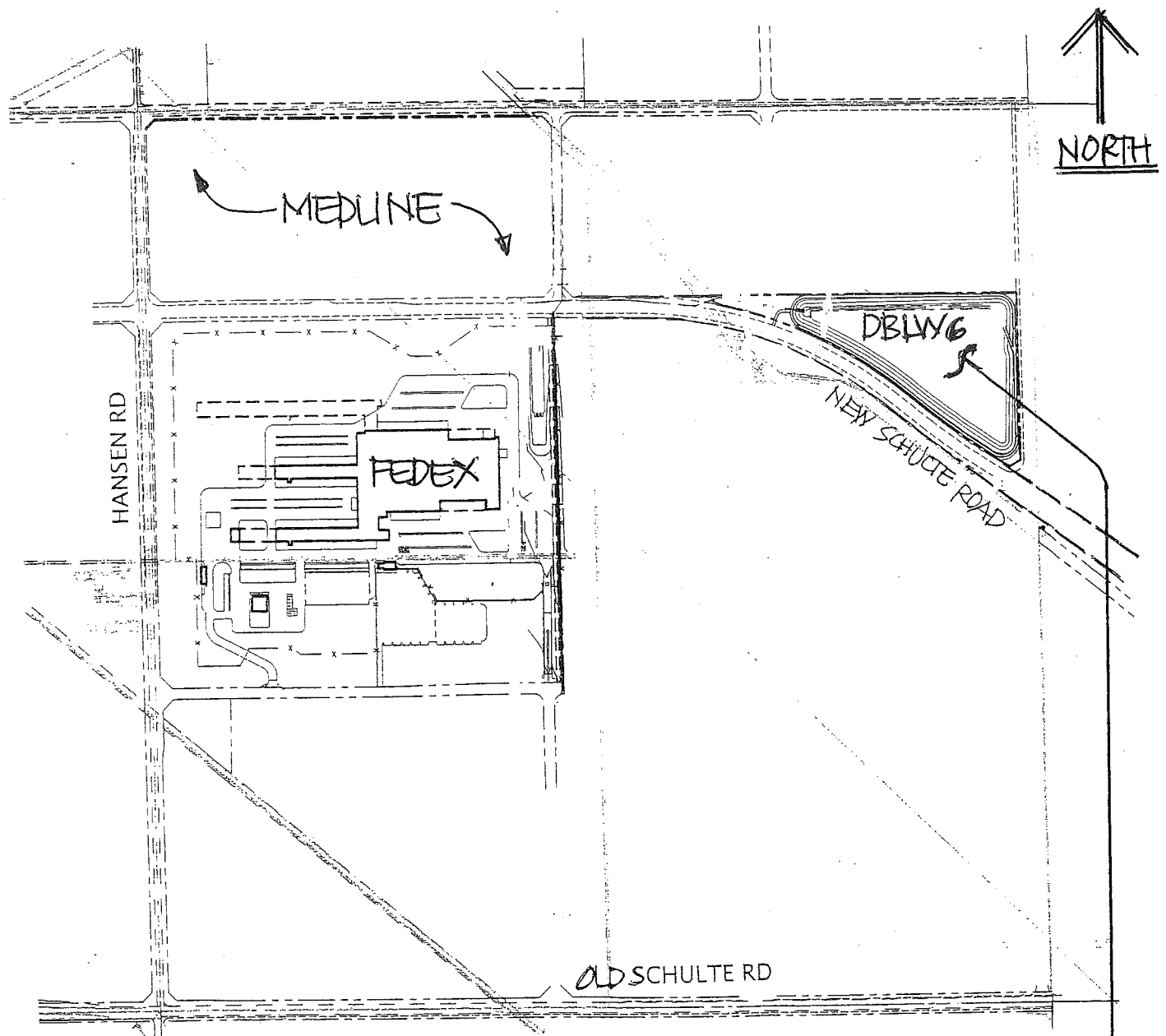
Prepared by: Criseldo Mina, P. E., Senior Civil Engineer

Reviewed by: Kuldeep Sharma, Utilities Director/Interim City Engineer  
Andrew Malik, Development Services Director  
Maria A. Hurtado, Assistant City Manager

Approved by: Troy Brown, City Manager

#### ATTACHMENT:

Exhibit A – Location Map  
Exhibit B – Offsite Improvement Agreement Cordes Ranch



APPROXIMATE LOCATION  
OF CORDES RANCH - STORM  
DRAINAGE DETENTION  
BASIN LWG

VICINITY MAP  
NOT TO SCALE

**CITY OF TRACY  
OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH - STORM DRAINAGE DETENTION BASIN LW6**

This **OFFSITE IMPROVEMENT AGREEMENT FOR CORDES RANCH - STORM DRAINAGE DETENTION BASIN LW6** ("**Agreement**") is made and entered into by and between the **CITY OF TRACY**, a municipal corporation ("**City**") and **PROLOGIS, L. P.**, a Delaware limited partnership ("**Developer**").

RECITALS

- A. Developer is the legal owner of approximately one thousand two hundred and forty two (1,242) acres of real property, as shown and more particularly described in attached Exhibit A ("**Property**").
- B. The Property is within the Cordes Ranch Specific Plan Area, which consists of approximately one thousand seven hundred and eighty (1,780) acres ("**Specific Plan Area**"). The Cordes Ranch Specific Plan ("**Specific Plan**") is intended to create a state-of-the-art commerce and business park within the Specific Plan Area by establishing land use, zoning and development standards and regulations to provide for the phased development of approximately thirty one (31) million square feet of general commercial, general office and business park industrial uses, related on- and off-site infrastructure, and passive and active use open space areas, trails, joint use park/detention facilities, and other related improvements, as described more fully therein ("**Project**").
- C. On September 3, 2013, the Tracy City Council ("**City Council**") adopted the Specific Plan and approved related land use entitlements to enable the Project to proceed. In connection therewith, the City Council approved that certain *Development Agreement By and Between the City of Tracy and Prologis, L.P.* (the indirect parent of Developer) ("**Development Agreement**").
- D. In accordance with the Development Agreement, the Specific Plan, and the Citywide Water System Master Plan ("**Master Plan**"), Developer has submitted, and City has approved, those certain improvement plans and specifications relating to the construction of the Cordes Ranch - Storm Drainage Detention Basin LW6 and associated improvements (collectively, "**DB LW6**" or "**Work**"). The Work is described more fully in the fifteen (15) sheets of improvement plans entitled "Cordes Ranch – Improvement Plans for Detention Basin LW6" prepared by Kier & Wright Engineers of Livermore, California ("**Plans and Specifications**"). The Plans and Specifications are on file with the City Engineer, and are incorporated herein by reference.
- E. The Plans and Specifications have been prepared on behalf of Developer and City, and approved by the City Engineer, which describe in more detail the Work required in this Agreement.
- F. Since the Work, as described above and in the Plans and Specifications, has not been completed, Developer has requested to execute this Agreement as authorized by Government Code Section 66462.

CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – STORM DRAINAGE DETENTION BASIN LW6  
Page 2 of 10

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. SCOPE OF WORK. Developer shall perform, or cause to be performed, the Work, to the satisfaction of the City Engineer, pursuant to Section 4 of the Development Agreement. The Work shall be performed, and all materials and labor shall be provided, at Developer's expense, in the manner described in the Plans and Specifications, subject to fee reconciliation provisions set forth in Section 6 of the Development Agreement. No material change shall be made to the scope of Work unless authorized in writing by the City Engineer, such approval not to be unreasonably withheld. Developer may submit a written request to the City Engineer for a change in the scope of Work, as required by Tracy Municipal Code Section 12.36.060(f). Any portion(s) of the Work that are within City's right(s)-of-way and/or easement(s) are to be performed by the Developer in accordance with the requirements of the State prevailing wage laws, in the event and to the extent applicable.
2. DEVELOPER'S AUTHORIZED REPRESENTATIVE. At all times during the progress of the Work, Developer shall have a competent foreman or superintendent ("**Authorized Representative**") on site with authority to act on Developer's behalf. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the name and telephone number of the Authorized Representative. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the names and telephone numbers of all contractors and subcontractors performing the Work. Exhibit B attached hereto includes the initial contact information referenced herein.
3. LOCATION OF PERFORMANCE. Developer shall perform the Work at the locations and grades shown on the Plans and Specifications or as otherwise approved by the City Engineer. Subject to Section 3.8 of the Development Agreement, in the event and to the extent required for the Work, Developer shall acquire all easements and/or rights-of-way necessary for the performance of the Work, at Developer's expense, subject to fee reconciliation provisions set forth in Section 6 of the Development Agreement.
4. IMPROVEMENT SECURITY. Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall furnish contract security, in a form authorized by the Subdivision Map Act (including Government Code Sections 66499 *et seq.*) and Tracy Municipal Code Section 12.36.080, in the following amounts:

Program Improvements – Storm Drainage Downstream Pipeline and Detention Basin LW10B

- 4.1. Faithful Performance security in the amount of **\$2,114,000** to secure faithful performance of this Agreement (until the date when the City Council accepts the Work as complete) pursuant to Government Code section 66499.1, 66499.4, and 66499.9.



**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – STORM DRAINAGE DETENTION BASIN LW6  
Page 3 of 10**

- 4.2 Labor and Material security in the amount of **\$2,114,000** to secure payment by Developer to laborers and materialmen (until the date when any and all claims in connection with the Work are required to be made by laborers and materialmen in accordance with applicable laws) pursuant to Government Code Sections 66499.2, 66499.3, 66499.4, and 66499.7(b).
- 4.3 Warranty security in the amount of **\$211,400** to secure faithful performance of this Agreement (from the date when the City Council accepts the Work as complete until one (1) year thereafter) pursuant to Government Code Section 66499.1, 66499.4, and 66499.9.
5. INSURANCE. Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall furnish evidence to City that all of the following insurance requirements have been satisfied by the Developer or its general contractor responsible for the Work.
- 5.1. General. Developer shall, throughout the duration of this Agreement, maintain or cause to be maintained insurance to cover Developer, its agents, representatives, contractors, subcontractors, and employees in connection with the performance of services for the Work covered by this Agreement at the minimum levels set forth herein.
- 5.2. Commercial General Liability (with coverage at least as broad as ISO form CG 00 01 01 96) coverage shall be maintained in an amount not less than Three Million Dollars (\$3,000,000) general aggregate and One Million Dollars (\$1,000,000) per occurrence for general liability, bodily injury, personal injury, and property damage.
- 5.3. Automobile Liability (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") coverage shall be maintained in an amount not less than One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- 5.4. Workers' Compensation coverage shall be maintained as required by the State of California.
- 5.5. Endorsements. Developer shall ensure the automobile and commercial general liability provide the following provisions:
- 5.5.1. City (including its elected and appointed officials, officers, employees, and agents) shall be named as an additional "insured."
- 5.5.2. For any claims related to this Agreement, Developer's coverage shall be primary insurance with respect to City. Any insurance maintained by City shall be excess of Developer's insurance and shall not contribute with it.

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – STORM DRAINAGE DETENTION BASIN LW6  
Page 4 of 10**

- 5.6. Notice of Cancellation. Developer shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days' prior written notice to City should the policy be canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 5.7. Authorized Insurers. All insurance companies providing coverage to Developer shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.
- 5.8. Insurance Certificate. Developer shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form reasonably satisfactory to the City Attorney.
- 5.9. Substitute Certificates. No later than five (5) calendar days prior to the policy expiration date of any insurance policy required by this Agreement, Developer shall provide a substitute certificate of insurance.
- 5.10. Developer's Obligation. Maintenance of insurance by Developer as specified in this Agreement shall in no way be interpreted as relieving Developer of any of its obligations hereunder (including indemnity obligations under this Agreement), and Developer may carry, at its own expense, such additional insurance as it deems necessary or desirable.
6. PERMITS, LICENSES AND COMPLIANCE WITH LAW. Developer shall, at its expense, obtain and maintain all necessary permits, approvals and licenses for performance of the Work, subject to City's cooperation pursuant to Sections 3.4 and 3.5 of the Development Agreement. In its performance of the Work, Developer shall comply with all applicable local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.
7. TIME OF PERFORMANCE. Time is of the essence in the performance of the Work, and Developer shall with diligence and in good faith adhere to the timing requirements set forth herein unless otherwise modified in writing in accordance with this Agreement. Developer shall submit all requests for extensions of time to City, in writing, no later than ten (10) days after the start of the condition that purportedly caused the delay, and not later than the date on which performance is due.
- 7.1. Commencement of Work. No later than fifteen (15) days prior to the commencement of the Work, Developer shall provide written notice to the City Engineer of the date on which Developer intends to commence the Work. Developer shall not commence the Work until after the notice required by this Section 7.1 is provided, and Developer shall not commence Work prior to the date specified in said written notice.

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – STORM DRAINAGE DETENTION BASIN LW6**

**Page 5 of 10**

- 7.2. Schedule of Work. Concurrently with the written notice of commencement of Work, Developer shall provide City with a written estimated schedule of Work, which shall be updated in writing as necessary to accurately reflect Developer's prosecution of the Work.
- 7.3. Completion of Work. Developer shall complete all Work by no later than three hundred sixty five (365) calendar days after Developer's submittal of its notice of commencement of work pursuant to Section 7.1 above, subject to extension for force majeure.
8. INSPECTION BY CITY. In order to permit City to inspect the Work, Developer shall, at all times, provide to City reasonable and safe access to the Work site, and all portions of the Work, and to all shops wherein portions of the Work are in preparation. City inspections of the Work shall be conducted in accordance with Section 4 of the Development Agreement.
9. INSPECTION, OTHER FEES AND PROGRAM FEE CREDITS. All fees due to City in connection with the Work shall be paid in accordance with the Development Agreement. Accordingly, concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall pay City the applicable Program Soft Costs (as that term is defined in the Development Agreement) in accordance with Section 5.1(b) of the Development Agreement.
10. DEFAULT.
- 10.1. Notice of Default. Subject to compliance with Sections 4.4(a) and (b) of the Development Agreement, in the event that Developer is in default of this Agreement, as defined in this Section 10, the City Engineer shall provide written notice to Developer and Developer's surety (if any) in which the default is described.
- 10.2. Material Breach. Developer shall be in default of this Agreement if Developer fails to perform one or more material requirements of this Agreement, and fails to cure any such non-performance pursuant to Section 10.3, below.
- 10.3. Cure of Default. In the event that Developer fails, within thirty (30) calendar days after receipt of written notice, to either cure the default or provide adequate written assurance to the reasonable satisfaction of the City Engineer that the cure will be promptly commenced and diligently prosecuted to its completion, the City may, in its discretion, take any or all of the following actions:
- 10.3.1. Cure the default in accordance with Section 4.4(b) of the Development Agreement.
- 10.3.2. Demand that Developer complete performance of the Work.

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – STORM DRAINAGE DETENTION BASIN LW6  
Page 6 of 10**

10.3.3. Demand that Developer's surety (if any) complete performance of the Work.

11. REPAIR OF ANY DAMAGE. In the event and to the extent Developer or its agents, representatives, contractors, subcontractors, or employees, in connection with performance of the Work, cause any damage to property owned by City or other property owners, then Developer shall promptly take all reasonable steps to repair or replace (as necessary) such property to remedy the damage caused thereto.
12. ACCEPTANCE OF WORK. Prior to acceptance of the Work by the City Council, Developer shall be solely responsible for maintaining the quality of the Work, and maintaining safety at the Work site.

The parcel for Detention Basin LW10b will be created by a final parcel map. The Developer shall convey fee title ownership of this parcel to the City with a Grant Deed, prior to City Council's acceptance of the Work.

The City will accept the Work when the downstream storm pipelines including the necessary storm drainage retention basin are constructed, to the satisfaction of the Development Services Director.

13. WARRANTY PERIOD. Developer shall warrant the quality of the Work, in accordance with the terms of the Plans and Specifications, for a period of one (1) year after acceptance of the Work by the City Council. In the event that (during said one-year warranty period) any portion of the Work is determined by the City Engineer to be defective as a result of an obligation of Developer under this Agreement, Developer shall be in default and shall cure such default as required hereunder.
14. EXPIRATION OR PARTIAL RELEASE OF LETTER OF CREDIT. The parties acknowledge and agree that prior to the effective date of this Agreement, Developer previously provided City with a letter of credit ("**Letter of Credit**") in the amount of Three Million Three Hundred Thirty Four Thousand Four Hundred and Sixty Two Dollars (\$3,334,462) to secure fee credits received as a result of Developer's election to construct the Work and other identified improvements. Immediately upon City's execution of this Agreement, City shall release said Letter of Credit for the amount of One Hundred Thirty Thousand Two Hundred and Twenty Six Dollars (\$130,226) ("**Secured Amount**"), which equates to the amount of the fee credits received as a result of Developer's election to construct the Work as it relates to Building 1. Notwithstanding anything to the contrary in this Section 14, if, in connection with other non-Work improvements, City has either (a) partially drawn on said Letter of Credit, or (b) partially released amount(s) covered by said Letter of Credit, such that the Secured Amount is the only funding that remains covered thereunder, then immediately upon City's execution of this Agreement, said Letter of Credit shall expire and City shall promptly return the original, wet-inked Letter of Credit to Developer or the issuing bank (as applicable) in accordance with the terms of the Letter of Credit.

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – STORM DRAINAGE DETENTION BASIN LW6**

**Page 7 of 10**

15. INDEPENDENT CONTRACTOR STATUS. Developer is an independent contractor, and the parties agree that City shall have no responsibility for any acts of Developer's employees, agents, representatives, contractors or subcontractors, including any negligent acts or omissions. Developer is not City's employee and Developer shall have no authority, express or implied, to act on behalf of City as an agent, or to bind City to any obligation whatsoever, unless City provides prior written authorization to Developer.
16. OWNERSHIP OF WORK. All original documents prepared by Developer for this Agreement shall be given to City upon City's acceptance of the Work; provided, however, ownership of said documents shall be determined in accordance with applicable laws.
17. ATTORNEY'S FEES. In the event any legal action or proceeding is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.
18. INDEMNIFICATION. Consistent with the security provisions contained herein, Developer shall indemnify, defend, and hold harmless City (including its elected officials, officers, agents and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) resulting in the performance of the Work by Developer or Developer's agents, representatives, contractors, subcontractors, or employees until such time as the City Council accepts the Work, and the City becomes responsible for the maintenance, operation and repair of the Work, at which time the indemnification obligations under this Section 17 shall automatically terminate, with regard to any cause of action arising after such date. For avoidance of doubt, this termination shall not affect Developer's warranty obligations set forth in Section 13, above.
19. ASSIGNMENT AND DELEGATION. This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of Developer's duties be delegated, without the written consent of City, which shall not be unreasonably withheld, delayed or denied. Any attempt to assign or delegate this Agreement without City's written consent shall be void and of no force and effect. Consent by City to one assignment shall not be deemed to be consent to any subsequent assignment.
20. NOTICES.
  - 20.1. Notice in Writing. All notices, demands, or other communications that this Agreement contemplates, authorizes or requires shall be in writing and shall be personally delivered or mailed to the respective party as follows:

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – STORM DRAINAGE DETENTION BASIN LW6**

**Page 8 of 10**

- City: City of Tracy  
Attn: City Engineer  
333 Civic Center Plaza  
Tracy, CA 95376
- Copy to: City Attorney's Office  
Attn: City Attorney  
333 Civic Center Plaza  
Tracy, CA 95376
- Prologis: Prologis L.P.  
Attn: Dan Letter  
Pier 1, Bay 1  
San Francisco, CA 94111  
Tel: (415) 733-9973  
Fax: (415) 733-2171
- Copy to: Miller Starr Regalia  
Attn: Nadia Costa  
1331 North California Blvd., 5<sup>th</sup> Floor  
Walnut Creek, CA 94596  
Tel: 925.935.9400  
Fax: 925.933.4126
- Copy to: Prologis L.P.  
Attn: General Counsel  
4545 Airport Way  
Denver, CO 80239  
Tel: 303.567.5000  
Fax: 303.567.5903

- 20.2. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated above, or (2) two (2) business days following the deposit in the United States Mail of registered or certified mail, sent to the address designated above.
21. MODIFICATIONS. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.
22. WAIVERS. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.
23. SEVERABILITY. In the event a court of competent jurisdiction holds any term of this Agreement invalid, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH PHASE 1B OFFSITE WATERLINE IMPROVEMENTS ON HANSEN  
ROAD AND NEW SCHULTE ROAD**

**Page 9 of 10**

24. JURISDICTION AND VENUE. The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.
25. ENTIRE AGREEMENT. This Agreement, including all documents incorporated by reference, comprises the entire integrated understanding between the parties concerning the Work. This Agreement supersedes all prior negotiations, representations or agreements as such may relate to performance of the Work.
26. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Developer and City. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties do hereby agree to the full performance of the terms set forth herein.

CITY OF TRACY, a municipal corporation

\_\_\_\_\_  
Brent Ives  
MAYOR  
Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Carole Fleischmann  
CITY CLERK  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Dan Sodergren  
CITY ATTORNEY  
Date: \_\_\_\_\_

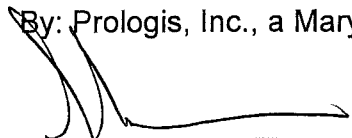
**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH - STORM DRAINAGE DETENTION BASIN LW6  
Page 10 of 10**

APPROVED AS TO FORM:

\_\_\_\_\_  
Dan Sodergren  
CITY ATTORNEY  
Date: \_\_\_\_\_

PROLOGIS:  
PROLOGIS L.P., a Delaware limited partnership

By: Prologis, Inc., a Maryland Corporation, its General Partner

  
\_\_\_\_\_  
Scott Swenson  
Its: Vice President  
Date: 1-13-2015

01-102714cm



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of San Francisco )

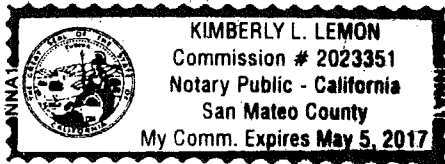
On January 13, 2015 before me, Kimberly L. Lemon, Notary Public,  
Date Here Insert Name and Title of the Officer

personally appeared Scott Swenson  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Offsite Improvement Agmt Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RESOLUTION 2015- \_\_\_\_\_

APPROVING AN OFFSITE IMPROVEMENT AGREEMENT FOR THE CORDES RANCH STORM DRAINAGE DETENTION BASIN LW6 LOCATED WITHIN THE CORDES RANCH BUSINESS PARK, INCLUDING ASSOCIATED DOWNSTREAM STORM DRAINAGE IMPROVEMENTS, AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT

WHEREAS, The Development Services Director approved a Development Review applications for the construction of two industrial distribution facilities known as Cordes Ranch – Federal Express Ground Facility and Medline Industrial Building generally located east of Hansen Road and north of Schulte Road, and

WHEREAS, The approval of the two industrial facilities was subject to completion of certain permanent and temporary storm drainage improvements, and

WHEREAS, The Development Agreement (Prologis DA) between the City and Prologis, L. P. (Subdivider) allow the Subdivider to design and construct infrastructure improvements that are necessary to serve developments within the boundaries of Cordes Ranch area, and

WHEREAS, The Subdivider elected to design and construct the permanent storm drainage facility known as Storm Drainage Detention Basin LW6 that is necessary for the final disposal of storm water generated from the two industrial facilities, and

WHEREAS, The Subdivider was also required to construct a temporary storm drainage retention basin and storm drainage pipeline from the detention basin to the temporary storm drainage retention basin which will be maintained by the Subdivider until the ultimate storm drainage system per the Storm Drainage Master Plan is fully functional and operational, and

WHEREAS, The Subdivider will be entitled to fee credit upon receiving approval of the OIA for the program portion of the improvements as allowed in the Prologis DA, and

WHEREAS, The Subdivider has completed the design of Storm Drainage Detention Basin LW6 and associated storm drainage improvements, and has submitted the Improvement Plans and Cost Estimates, and

WHEREAS, The Subdivider has executed the Offsite Improvement Agreement and submitted the required security to guarantee completion of the public improvements, and

WHEREAS, The City will accept Storm Drainage Detention Basin LW6 and offer of dedication of the detention basin site upon completion of the improvements, and

WHEREAS, There will be no fiscal impact to the General Fund. The Subdivider will pay for the cost of construction, inspection, and processing the agreement;

NOW, THEREFORE BE IT RESOLVED, That City Council approves the Offsite Improvement Agreement for Cordes Ranch Storm Drainage Detention Basin LW6 located within the Cordes Ranch Business Park, including the associated downstream storm drainage improvements, and authorizes the Mayor to execute the Offsite Improvement Agreement.

\* \* \* \* \*

The foregoing Resolution 2015-\_\_\_\_\_ was passed and adopted by the Tracy City Council on the 3<sup>rd</sup> day of March, 2015, by the following vote:

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

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.C

REQUEST

**APPROVE AN OFFSITE IMPROVEMENT AGREEMENT (OIA) FOR CORDES RANCH PHASE 1 C ROADWAY IMPROVEMENTS ON MOUNTAIN HOUSE PARKWAY, THE MODIFICATION OF THE TRAFFIC SIGNAL AT THE INTERSECTION OF SCHULTE ROAD AND MOUNTAIN HOUSE PARKWAY (INTERSECTION #34) AND THE INSTALLATION OF INTELLIGENT TRANSPORTATION SYSTEM IMPROVEMENTS ON SCHULTE ROAD, MOUNTAIN HOUSE PARKWAY, AND INTERSECTION #34 FOR CORDES RANCH – CROSSROADS BUILDING 1, AND AUTHORIZATION FOR THE MAYOR TO EXECUTE THE AGREEMENT**

EXECUTIVE SUMMARY

Approval of the Offsite Improvement Agreement (OIA) will allow Prologis LP, a Delaware Limited Partnership (Developer), to proceed with construction of streets and utility improvements that are necessary for the business operation of the Crossroads Building 1 (also called Crossroads Business Center) within the Cordes Ranch Business Park.

DISCUSSION

On October 14, 2014, the Development Services Director approved the Development Review application for the construction of an industrial facility with 1,000,680 square feet building, parking and landscape improvements known as the Cordes Ranch - Crossroads Building 1 (also known as Crossroads Business Center) which will be located at the northeast corner of Schulte Road and Mountain House Parkway.

Approval of Crossroads Building 1 was subject to complete construction of certain infrastructure improvements including widening of Mountain House Parkway, Schulte Road, modification to the intersection at Mountain House Parkway and Schulte Road. These roadway improvements will be constructed in accordance with the Cordes Ranch Specific Plan and the Roadway Master Plan. The City has not collected enough fees to complete such improvements within the Cordes Ranch area. The existing Development Agreement between the Developer and the City allows the Developer to construct such improvements and receive credits and reimbursements.

The Developer has elected to construct the frontage improvements on Mountain House Parkway, Schulte Road, modifications to the Mountain House Parkway and Schulte Road intersection and other associated improvements. To ensure completion of the work by the Developer in an orderly manner under the City's inspections and directions, an Offsite Improvement Agreement including insurance and bonds needs to be executed.

Under the OIA, the roadway improvements that the Developer will be constructing include widening of Mountain House Parkway into four lanes the modification of the intersection and the traffic signal at Schulte Road/Mountain House Parkway, median landscaping on Mountain House Parkway and installation of intelligent transportation systems on Schulte Road and Mountain House Parkway.

A median break on Mountain House Parkway will be constructed to provide a "left-turn in" movement to the second access point on Mountain House Parkway to the proposed building. This access will be a commercial driveway with an interim traffic signal. Once

the final second access point becomes available (Berkley Drive/Mountain House Parkway) in the future, the median break with the left-turn lane and the traffic signal will be removed. Berkley Drive/ Mountain House Parkway will be widened with a new traffic signal in the future.

The Developer has completed the design of the roadway improvements on Schulte Road and Mountain House Parkway, and has submitted the Improvement Plans, Specifications and Cost Estimates (PSE). City staff has reviewed the PSE and found them to be complete. The Developer has executed the Offsite Improvement Agreement and submitted the required security to guarantee completion of the roadway improvements on Mountain House Parkway, modification of the traffic signal at the intersection of Schulte Road and Mountain House Parkway and intelligent transportation system improvements including, but not limited to, fiber optics communication system and its components for communication to the Traffic Control Center, CCTV video system, advanced traffic signal controllers etc., on Schulte Road and Mountain House Parkway.

The Offsite Improvement Agreement and Improvement Plans are on file with the City Engineer and are available for review upon request. Upon completion of all improvements, the City will accept the improvements for maintenance and will accept all offers of dedication of public right-of-way at that time.

#### FISCAL IMPACT

There will be no fiscal impact to the General Fund. The Developer will pay for the cost of engineering inspection and processing the agreement.

#### STRATEGIC PLAN

This agenda item is consistent with the City Council's Economic Development Strategy, to ensure physical infrastructure necessary for development are constructed.

#### RECOMMENDATION

That City Council, by resolution, approve the Offsite Improvement Agreement for Cordes Ranch – Roadway Improvements on Mountain House Parkway, modification of the traffic signal at the intersection of Schulte Road and Mountain House Parkway and the intelligent transportation system improvements on Schulte Road and Mountain House Parkway for Crossroads Building 1, and authorize the Mayor to execute the Offsite Improvement Agreement.

Prepared by: Criseldo Mina, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, Interim City Engineer/Utilities Director  
Andrew Malik, Development Services Director  
Maria A. Hurtado, Assistant City Manager

Approved by: Troy Brown, City Manager

Agenda Item 1.C  
March 3, 2015  
Page 3

ATTACHMENTS

Exhibit A – Location Map

Exhibit B – Offsite Improvement Agreement Cordes Ranch

PHASE 1C ROADWAY IMPROVEMENTS  
ON MOUNTAIN HOUSE PARKWAY

INTELLIGENT TRANSPORTATION  
SYSTEM IMPROVEMENTS

BERKELEY ROAD

MOUNTAIN HOUSE PARKWAY

CORDES  
CROSSROADS  
BUILDING 1

DELTA MENDOTA CANAL

OLD SCHULTE ROAD

INTERSECTION  
#34

SCHULTE COURT

GATEWAY BLVD



LOCATION MAP  
NOT TO SCALE

**CITY OF TRACY  
OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – PHASE 1C ROADWAY IMPROVEMENTS FOR CROSSROADS  
BUILDINGS 1 AND 2**

This **OFFSITE IMPROVEMENT AGREEMENT FOR CORDES RANCH – PHASE 1C STREET IMPROVEMENTS FOR CROSSROADS BUILDINGS 1 AND 2 (“Agreement”)** is made and entered into by and between the **CITY OF TRACY**, a municipal corporation (“**City**”) and **PROLOGIS, L. P.**, a Delaware limited partnership (“**Developer**”).

RECITALS

A. Developer is the legal owner of approximately one thousand two hundred and forty two (1,242) acres of real property, as shown and more particularly described in attached Exhibit A (“Property”).

B. The Property is within the Cordes Ranch Specific Plan Area, which consists of approximately one thousand seven hundred and eighty (1,780) acres (“**Specific Plan Area**”). The Cordes Ranch Specific Plan (“**Specific Plan**”) is intended to create a state-of-the-art commerce and business park within the Specific Plan Area by establishing land use, zoning and development standards and regulations to provide for the phased development of approximately thirty one (31) million square feet of general commercial, general office and business park industrial uses, related on- and off-site infrastructure, and passive and active use open space areas, trails, joint use park/detention facilities, and other related improvements, as described more fully therein (“**Project**”).

C. On September 3, 2013, the Tracy City Council (“**City Council**”) adopted the Specific Plan and approved related land use entitlements to enable the Project to proceed. In connection therewith, the City Council approved that certain *Development Agreement By and Between the City of Tracy and Prologis, L.P.* (the indirect parent of Developer) (“**Development Agreement**”).

D. In accordance with the Development Agreement, the Specific Plan, and the Citywide Water System Master Plan (“**Master Plan**”), Developer has submitted, and City has approved, those certain improvement plans and specifications relating to the construction of streets and utilities improvements on Mountain House Parkway (located approximately 2,600 feet from Old Schulte Road to the north); a traffic signal upgrade and associated intersection improvements at Old Schulte Road and Mountain House Parkway (Intersection #34); and intelligent transportation system improvements on Old Schulte Road and Mountain House Parkway as well as at Intersection #34 (collectively, “**Phase 1C Roadway Improvements**” or “**Work**”). The Work is described more fully in the ninety (90) sheets of improvement plans entitled “Cordes Ranch – Phase 1C Improvement Plans for Crossroads Buildings 1 and 2 prepared by Kier & Wright Engineers of Livermore, California (“**Plans and Specifications**”). The Plans and Specifications are on file with the City Engineer, and are incorporated herein by reference.

E. The Plans and Specifications have been prepared on behalf of Developer and City, and approved by the City Engineer, which describe in more detail the Work required in this Agreement.



**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – PHASE 1C ROADWAY IMPROVEMENTS FOR CROSSROADS  
BUILDINGS 1 AND 2  
Page 2 of 11**

F. Since the Work, as described above and in the Plans and Specifications, has not been completed, Developer has requested to execute this Agreement as authorized by Government Code Section 66462.

**NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:**

1. SCOPE OF WORK. Developer shall perform, or cause to be performed, the Work, to the satisfaction of the City Engineer, pursuant to Section 4 of the Development Agreement. The Work shall be performed, and all materials and labor shall be provided, at Developer's expense, in the manner described in the Plans and Specifications, subject to fee reconciliation provisions set forth in Section 6 of the Development Agreement. No material change shall be made to the scope of Work unless authorized in writing by the City Engineer, such approval not to be unreasonably withheld. Developer may submit a written request to the City Engineer for a change in the scope of Work, as required by Tracy Municipal Code Section 12.36.060(f). Any portion(s) of the Work that are within City's right(s)-of-way and/or easement(s) are to be performed by the Developer in accordance with the requirements of the State prevailing wage laws, in the event and to the extent applicable.
2. DEVELOPER'S AUTHORIZED REPRESENTATIVE. At all times during the progress of the Work, Developer shall have a competent foreman or superintendent ("**Authorized Representative**") on site with authority to act on Developer's behalf. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the name and telephone number of the Authorized Representative. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the names and telephone numbers of all contractors and subcontractors performing the Work. Exhibit B attached hereto includes the initial contact information referenced herein.
3. LOCATION OF PERFORMANCE. Developer shall perform the Work at the locations and grades shown on the Plans and Specifications or as otherwise approved by the City Engineer. Subject to Section 3.8 of the Development Agreement, in the event and to the extent required for the Work, Developer shall acquire all easements and/or rights-of-way necessary for the performance of the Work, at Developer's expense, subject to fee reconciliation provisions set forth in Section 6 of the Development Agreement.  
  
The Developer shall offer for dedication to the City, all rights-of-way and/or permanent easement(s), promptly upon completion of the Work pursuant to Section 7.3 below.
4. IMPROVEMENT SECURITY. Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall furnish contract security, in a form authorized by the Subdivision Map Act (including Government

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – PHASE 1C ROADWAY IMPROVEMENTS FOR CROSSROADS  
BUILDINGS 1 AND 2  
Page 3 of 11**

Code Sections 66499 *et seq.*) and Tracy Municipal Code Section 12.36.080, in the following amounts:

- 4.1 Faithful Performance security in the amount of **\$4,544,000** to secure faithful performance of this Agreement (until the date when the City Council accepts the Work as complete) pursuant to Government Code section 66499.1, 66499.4, and 66499.9.
  - 4.2 Labor and Material security in the amount of **\$4,544,000** to secure payment by Developer to laborers and materialmen (until the date when any and all claims in connection with the Work are required to be made by laborers and materialmen in accordance with applicable laws) pursuant to Government Code Sections 66499.2, 66499.3, 66499.4, and 66499.7(b).
  - 4.3 Warranty security in the amount of **\$454,400** to secure faithful performance of this Agreement (from the date when the City Council accepts the Work as complete until one (1) year thereafter) pursuant to Government Code Section 66499.1, 66499.4, and 66499.9.
5. INSURANCE. Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall furnish evidence to City that all of the following insurance requirements have been satisfied by the Developer or its general contractor responsible for the Work.
- 5.1. General. Developer shall, throughout the duration of this Agreement, maintain or cause to be maintained insurance to cover Developer, its agents, representatives, contractors, subcontractors, and employees in connection with the performance of services for the Work covered by this Agreement at the minimum levels set forth herein.
  - 5.2. Commercial General Liability (with coverage at least as broad as ISO form CG 00 01 01 96) coverage shall be maintained in an amount not less than Three Million Dollars (\$3,000,000) general aggregate and One Million Dollars (\$1,000,000) per occurrence for general liability, bodily injury, personal injury, and property damage.
  - 5.3. Automobile Liability (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") coverage shall be maintained in an amount not less than One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
  - 5.4. Workers' Compensation coverage shall be maintained as required by the State of California.
  - 5.5. Endorsements. Developer shall ensure the automobile and commercial general liability provide the following provisions:

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – PHASE 1C ROADWAY IMPROVEMENTS FOR CROSSROADS  
BUILDINGS 1 AND 2  
Page 4 of 11**

- 5.5.1. City (including its elected and appointed officials, officers, employees, and agents) shall be named as an additional "insured."
- 5.5.2. For any claims related to this Agreement, Developer's coverage shall be primary insurance with respect to City. Any insurance maintained by City shall be excess of Developer's insurance and shall not contribute with it.
- 5.6. Notice of Cancellation. Developer shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days' prior written notice to City should the policy be canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 5.7. Authorized Insurers. All insurance companies providing coverage to Developer shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.
- 5.8. Insurance Certificate. Developer shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form reasonably satisfactory to the City Attorney.
- 5.9. Substitute Certificates. No later than five (5) calendar days prior to the policy expiration date of any insurance policy required by this Agreement, Developer shall provide a substitute certificate of insurance.
- 5.10. Developer's Obligation. Maintenance of insurance by Developer as specified in this Agreement shall in no way be interpreted as relieving Developer of any of its obligations hereunder (including indemnity obligations under this Agreement), and Developer may carry, at its own expense, such additional insurance as it deems necessary or desirable.
6. PERMITS, LICENSES AND COMPLIANCE WITH LAW. Developer shall, at its expense, obtain and maintain all necessary permits, approvals and licenses for performance of the Work, subject to City's cooperation pursuant to Sections 3.4 and 3.5 of the Development Agreement. In its performance of the Work, Developer shall comply with all applicable local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.
7. TIME OF PERFORMANCE. Time is of the essence in the performance of the Work, and Developer shall with diligence and in good faith adhere to the timing requirements set forth herein unless otherwise modified in writing in accordance with this Agreement. Developer shall submit all requests for extensions of time to City, in

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – PHASE 1C ROADWAY IMPROVEMENTS FOR CROSSROADS  
BUILDINGS 1 AND 2  
Page 5 of 11**

writing, no later than ten (10) days after the start of the condition that purportedly caused the delay, and not later than the date on which performance is due.

- 7.1. Commencement of Work. No later than fifteen (15) days prior to the commencement of the Work, Developer shall provide written notice to the City Engineer of the date on which Developer intends to commence the Work. Developer shall not commence the Work until after the notice required by this Section 7.1 is provided, and Developer shall not commence Work prior to the date specified in said written notice.
- 7.2. Schedule of Work. Concurrently with the written notice of commencement of Work, Developer shall provide City with a written estimated schedule of Work, which shall be updated in writing as necessary to accurately reflect Developer's prosecution of the Work.
- 7.3. Completion of Work. Developer shall complete all Work prior to the issuance of the building temporary or final certificate of occupancy of the Crossroads Building 1 or no later than three hundred sixty-five (365) calendar days after Developer's submittal of its notice of commencement of work pursuant to Section 7.1 above, whichever occurs first, and subject to extension for force majeure.
8. INSPECTION BY CITY. In order to permit City to inspect the Work, Developer shall, at all times, provide to City reasonable and safe access to the Work site, and all portions of the Work, and to all shops wherein portions of the Work are in preparation. City inspections of the Work shall be conducted in accordance with Section 4 of the Development Agreement.
9. INSPECTION, OTHER FEES AND PROGRAM FEE CREDITS. All fees due to City in connection with the Work shall be paid in accordance with the Development Agreement. Accordingly, concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall pay City the applicable Program Soft Costs (as that term is defined in the Development Agreement) in accordance with Section 5.1(b) of the Development Agreement.
10. DEFAULT.
  - 10.1. Notice of Default. Subject to compliance with Sections 4.4(a) and (b) of the Development Agreement, in the event that Developer is in default of this Agreement, as defined in this Section 10, the City Engineer shall provide written notice to Developer and Developer's surety (if any) in which the default is described.
  - 10.2. Material Breach. Developer shall be in default of this Agreement if Developer fails to perform one or more material requirements of this Agreement, and fails to cure any such non-performance pursuant to Section 10.3, below.

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – PHASE 1C ROADWAY IMPROVEMENTS FOR CROSSROADS  
BUILDINGS 1 AND 2  
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- 10.3. Cure of Default. In the event that Developer fails, within thirty (30) calendar days after receipt of written notice, to either cure the default or provide adequate written assurance to the reasonable satisfaction of the City Engineer that the cure will be promptly commenced and diligently prosecuted to its completion, the City may, in its discretion, take any or all of the following actions:
- 10.3.1. Cure the default in accordance with Section 4.4(b) of the Development Agreement.
  - 10.3.2. Demand that Developer complete performance of the Work.
  - 10.3.3. Demand that Developer's surety (if any) complete performance of the Work.
11. REPAIR OF ANY DAMAGE. In the event and to the extent Developer or its agents, representatives, contractors, subcontractors, or employees, in connection with performance of the Work, cause any damage to property owned by City or other property owners, then Developer shall promptly take all reasonable steps to repair or replace (as necessary) such property to remedy the damage caused thereto.
12. ACCEPTANCE OF WORK. Prior to acceptance of the Work by the City Council, Developer shall be solely responsible for maintaining the quality of the Work, and maintaining safety at the Work site.
13. WARRANTY PERIOD. Developer shall warrant the quality of the Work, in accordance with the terms of the Plans and Specifications, for a period of one (1) year after acceptance of the Work by the City Council. In the event that (during said one-year warranty period) any portion of the Work is determined by the City Engineer to be defective as a result of an obligation of Developer under this Agreement, Developer shall be in default and shall cure such default as required hereunder.
14. EXPIRATION OR PARTIAL RELEASE OF LETTER OF CREDIT. The parties acknowledge and agree that prior to the effective date of this Agreement, Developer previously provided City with a letter of credit ("**Letter of Credit**") in the amount of Three Million Three Hundred Thirty Four Thousand Four Hundred and Sixty Two Dollars (\$3,334,462) to secure fee credits received as a result of Developer's election to construct the Work and other identified improvements. Immediately upon City's execution of this Agreement, City shall release said Letter of Credit for the amount of Two Million Four Hundred Twenty Six Thousand Five Hundred and Forty Six Dollars (\$2,426,546) ("**Secured Amount**"), which equates to the amount of the fee credits received as a result of Developer's election to construct the Work as it relates to Buildings 1 and 2. Notwithstanding anything to the contrary in this Section 14, if, in connection with other non-Work improvements, City has either (a) partially

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
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drawn on said Letter of Credit, or (b) partially released amount(s) covered by said Letter of Credit, such that the Secured Amount is the only funding that remains covered thereunder, then immediately upon City's execution of this Agreement, said Letter of Credit shall expire and City shall promptly return the original, wet-inked Letter of Credit to Developer or the issuing bank (as applicable) in accordance with the terms of the Letter of Credit.

15. INDEPENDENT CONTRACTOR STATUS. Developer is an independent contractor, and the parties agree that City shall have no responsibility for any acts of Developer's employees, agents, representatives, contractors or subcontractors, including any negligent acts or omissions. Developer is not City's employee and Developer shall have no authority, express or implied, to act on behalf of City as an agent, or to bind City to any obligation whatsoever, unless City provides prior written authorization to Developer.
16. OWNERSHIP OF WORK. All original documents prepared by Developer for this Agreement shall be given to City upon City's acceptance of the Work; provided, however, ownership of said documents shall be determined in accordance with applicable laws.
17. ATTORNEY'S FEES. In the event any legal action or proceeding is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.
18. INDEMNIFICATION. Consistent with the security provisions contained herein, Developer shall indemnify, defend, and hold harmless City (including its elected officials, officers, agents and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) resulting in the performance of the Work by Developer or Developer's agents, representatives, contractors, subcontractors, or employees until such time as the City Council accepts the Work, and the City becomes responsible for the maintenance, operation and repair of the Work, at which time the indemnification obligations under this Section 18 shall automatically terminate, with regard to any cause of action arising after such date. For avoidance of doubt, this termination shall not affect Developer's warranty obligations set forth in Section 13, above.
19. ASSIGNMENT AND DELEGATION. This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of Developer's duties be delegated, without the written consent of City, which shall not be unreasonably withheld, delayed or denied. Any attempt to assign or delegate this Agreement without City's written consent shall be void and of no force and effect. Consent by City to one assignment shall not be deemed to be consent to any subsequent assignment.
20. NOTICES.

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – PHASE 1C ROADWAY IMPROVEMENTS FOR CROSSROADS  
BUILDINGS 1 AND 2  
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20.1. Notice in Writing. All notices, demands, or other communications that this Agreement contemplates, authorizes or requires shall be in writing and shall be personally delivered or mailed to the respective party as follows:

City: City of Tracy  
Attn: City Engineer  
333 Civic Center Plaza  
Tracy, CA 95376

Copy to: City Attorney's Office  
Attn: City Attorney  
333 Civic Center Plaza  
Tracy, CA 95376

Prologis: Prologis L.P.  
Attn: Dan Letter  
Pier 1, Bay 1  
San Francisco, CA 94111  
Tel: (415) 733-9973  
Fax: (415) 733-2171

Copy to: Miller Starr Regalia  
Attn: Nadia Costa  
1331 North California Blvd., 5<sup>th</sup> Floor  
Walnut Creek, CA 94596  
Tel: 925.935.9400  
Fax: 925.933.4126

Copy to: Prologis L.P.  
Attn: General Counsel  
4545 Airport Way  
Denver, CO 80239  
Tel: 303.567.5000  
Fax: 303.567.5903

20.2. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated above, or (2) two (2) business days following the deposit in the United States Mail of registered or certified mail, sent to the address designated above.

21. MODIFICATIONS. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both parties.

22. WAIVERS. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH – PHASE 1C ROADWAY IMPROVEMENTS FOR CROSSROADS  
BUILDINGS 1 AND 2  
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23. SEVERABILITY. In the event a court of competent jurisdiction holds any term of this Agreement invalid, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.
24. JURISDICTION AND VENUE. The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.
25. ENTIRE AGREEMENT. This Agreement, including all documents incorporated by reference, comprises the entire integrated understanding between the parties concerning the Work. This Agreement supersedes all prior negotiations, representations or agreements as such may relate to performance of the Work.
26. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Developer and City. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties do hereby agree to the full performance of the terms set forth herein.

CITY OF TRACY, a municipal corporation

\_\_\_\_\_  
Michael Maciel  
MAYOR  
Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Nora Pimentel  
CITY CLERK  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Dan Sodergren  
CITY ATTORNEY  
Date: \_\_\_\_\_



**CITY OF TRACY - OFFSITE IMPROVEMENT AGREEMENT  
CORDES RANCH - PHASE 1C ROADWAY IMPROVEMENTS FOR CROSSROADS  
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PROLOGIS:  
PROLOGIS L.P., a Delaware limited partnership

By: Prologis, Inc., a Maryland corporation, its General Partner

  
\_\_\_\_\_  
Scott Swenson

Its: VICE PRESIDENT  
Date: 1-15-2015

03-120914cm

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**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

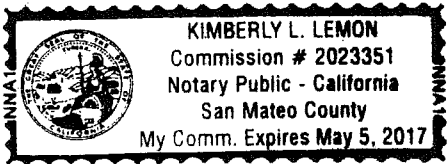
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of San Francisco )  
On January 13, 2015 before me, Kimberly L. Lemon, Notary Public,  
Date Here Insert Name and Title of the Officer  
personally appeared Scott Swenson  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Offsite Improvement Agmt. Document Date: \_\_\_\_\_  
Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

RESOLUTION 2015- \_\_\_\_\_

APPROVING AN OFFSITE IMPROVEMENT AGREEMENT (OIA) FOR THE CORDES RANCH PHASE 1C ROADWAY IMPROVEMENTS ON MOUNTAIN HOUSE PARKWAY, THE MODIFICATION OF TRAFFIC SIGNAL AT THE INTERSECTION OF SCHULTE ROAD AND MOUNTAIN HOUSE PARKWAY (INTERSECTION #34), AND THE INSTALLATION OF INTELLIGENT TRANSPORTATION SYSTEM IMPROVEMENTS ON SCHULTE ROAD, MOUNTAIN HOUSE PARKWAY, AND INTERSECTION #34 FOR CORDES RANCH - CROSSROADS BUILDING 1, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT

WHEREAS, The Development Services Director approved a Development Review application for the construction of an industrial distribution facility known as Cordes Ranch – Crossroads Building 1 to be located at the northeast corner of Schulte Road and Mountain House Parkway, and

WHEREAS, The approval of the Cordes Ranch – Crossroads Building 1 required completion of certain infrastructure improvements which include the widening of Mountain House Parkway into four lanes, the modification of traffic signal at the intersection of Schulte Road and Mountain House Parkway (Intersection #34), and the installation of intelligent transportation system improvements on Schulte Road, Mountain House Parkway, and Intersection #34, and

WHEREAS, A median break on Mountain House Parkway will be constructed to provide a left-turn in access to the proposed building and the access will be a commercial driveway with an interim traffic signal which will be removed when the intersection of Berkeley Drive and Mountain House Parkway is widened with a new traffic signal, and

WHEREAS, The Developer has completed the design of the roadway improvements on Mountain House Parkway, the modification of the traffic signal at the intersection of Schulte Road and Mountain House Parkway (Intersection #34), and the installation of intelligent transportation system improvements on Schulte Road, Mountain House Parkway, and Intersection #34, and has submitted the Improvement Plans and Cost Estimates, and

WHEREAS, The Developer has executed the Offsite Improvement Agreement and submitted the required security to guarantee completion of the public improvements, and

WHEREAS, There will be no fiscal impact to the General Fund. The Developer will pay for the cost of construction, inspection, and processing the agreement;

NOW, THEREFORE BE IT RESOLVED That City Council approves the Offsite Improvement Agreement for Cordes Ranch Phase 1C Roadway Improvements on Mountain House Parkway, the modification of traffic signal at the intersection of Schulte Road and Mountain House Parkway (Intersection #34), and the installation of intelligent transportation system improvements on Schulte Road, Mountain House Parkway, and Intersection #34, and authorizes the Mayor to execute the Offsite Improvement Agreement.

\* \* \* \* \*

The foregoing Resolution 2015- \_\_\_\_\_ was passed and adopted by the Tracy City Council on the 3<sup>rd</sup> day of March, 2015, by the following vote:

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

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.D

REQUEST

**AUTHORIZE THE CITY MANAGER TO SIGN A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF TRACY AND THE LATHROP-MANTECA FIRE PROTECTION DISTRICT FOR THE PURCHASE OF PUBLIC SAFETY DUAL-BAND PORTABLE RADIOS AND ASSOCIATED EQUIPMENT THROUGH A REGIONAL FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION (FEMA) ASSISTANCE TO FIREFIGHTERS GRANT AND APPROVE A GENERAL FUND APPROPRIATION IN THE AMOUNT OF \$32,782.02 FOR THE PURCHASE**

EXECUTIVE SUMMARY

Through the coordinated regional efforts of San Joaquin County Fire Agencies and the County of San Joaquin, efforts are being made to improve communication abilities during emergency and non-emergency incidents. A Federal Emergency Management Administration (FEMA) Assistance to Firefighters Grant (AFG) was hosted and submitted by the Lathrop-Manteca Fire Protection District (LMFPD) on behalf of the County and the participating fire agencies. The grant was subsequently awarded in the amount of \$2,110,650 of which \$974,176.10 of the grant funds awarded are dedicated to upgrading portable radio equipment. The balance of grant funds will be applied to county-wide emergency communications system infrastructure. This initial grant is one of the first steps in migration towards a common communications system for all county agencies.

Grant funds will be used to purchase standardized dual band VHF/UHF P25 compliant portable radios, programming equipment, spare batteries and chargers. P25 is a standard that was developed by the Association of Public Safety Communications Officials (APCO) to assist with the improvement of communication interoperability between agencies. The portable radios will operate on our current radio system, as well as the future County-wide communications system. Additionally, they would facilitate interoperability between Tracy Fire Department and Tracy Police Department, as well as all other fire and law enforcement agencies throughout the county and the state.

The Fire Department is requesting a budget augmentation in the amount of \$32,782.02 to fulfill the financial obligation (ten percent match) of this regional grant.

DISCUSSION

Currently fire departments across San Joaquin County do not use a standard platform for emergency radio communications. There are different digital, analog, VHF, and UHF systems currently being utilized throughout the County. San Joaquin County has developed a Master Public Safety Communications Plan in an effort to migrate all public safety entities within the County from their current analog communication systems to a common digital platform allowing all agencies to directly communicate with each other. The Public Safety Communication Plan was developed to provide emergency communications interoperability for all agencies within the County. All agencies within the County have agreed to the master plan to operate on a common County-wide Public Safety trunked radio system. The fire department's current radios are not compliant with the proposed county-wide system.

The standardization of radios communication systems used by these agencies will enhance firefighter safety and ensure our ability to communicate effectively regardless of the location or jurisdiction. In light of recent worldwide terrorist activities, interoperability among first responders is a key initiative to carry on the mission set forth by the government in regards to Homeland Security.

Radios that are dual band VHF/UHF and P25 compliant can communicate on either legacy analog radio systems or digital P25 systems. Additionally, the dual band VHF/UHF P25 compliant radios will allow for a high degree of equipment interoperability and compatibility. Specifically, P25 radios can be maintained and upgraded cost effectively over the radios life cycle, thus meeting user requirements, achieving interoperability and security.

In late 2013, the LMFPD submitted a regional joint grant application as the lead agency to the Federal Emergency Management Administration (FEMA) Fire Act Grant. The grant was submitted jointly on behalf of San Joaquin County and San Joaquin County Fire Agencies in order to reduce the local match obligation of all participants.

In July 2014, the Fire Department was notified by LMFPD that they were successful and the grant was being awarded. Due to the total amount of the grant award and that it was submitted as a regional effort, the required financial grant match was reduced to ten percent. As the lead agency, LMFPD is required by FEMA to enter into a memorandum of understanding (MOU) with each participating agency (Attachment). The MOU includes provisions such as cost sharing, payment and agreement term, lasting six months past the project completion.

This regional federal grant request has been awarded through the FEMA AFG Grant program in the amount of \$2,110,650 to upgrade countywide radio communication infrastructure and fire department portable radio equipment. As lead agency it is necessary for the Lathrop-Manteca Fire Protection District to acquire the radio equipment. The Tracy Fire Department requested the following radio equipment in the grant request:

- 50 - Motorola APX UHF/VHF Trunked Portable Radios with spare batteries
- 15 - Multi-Unit 110v Chargers
- 45 - Vehicular 12v Chargers

Using this equipment will benefit the firefighters and residents of Tracy through facilitating interoperability between Tracy Fire Department and Tracy Police Department, as well as all other fire and law enforcement agencies throughout the county and the state. The equipment will provide each on-duty firefighter with a dual-band portable radio for emergency use each day. In addition, these radios will provide the fire department with equipment meeting the minimum requirements necessary to operate on the County Trunked Communications System, tentatively scheduled to come on-line in calendar year 2015.

## STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's Strategic Plans.

### FISCAL IMPACT

The total cost of the radios and related equipment equates to \$263,627. The City is obligated to match ten-percent of the total equipment cost, plus sales tax and grant management fees, equating to a total of \$32,782.02. The balance, \$230,844.98 is being funded through grant proceeds. By participating in this grant, the fire department will receive essential radio equipment with a value of \$263,627 for \$.12 on the dollar.

The fire department does not have sufficient funds within the FY14-15 budget to cover the expense related to the matching requirement. The fire department is requesting a general fund appropriation in the amount of \$32,782.02 to account 211-52210-353 Communications Equipment.

### RECOMMENDATION

That the City Council authorize the City Manager to sign a memorandum of understanding between the City of Tracy and the Lathrop-Manteca Fire Protection District for the purchase of public safety dual-band portable radios and associated equipment through a regional FEMA AFG grant and approve a general fund appropriation in the amount of \$32,782.02 to account 211-52210-353 Communications Equipment for the purchase of said equipment.

Prepared by: Andrew Kellogg, Fire Division Chief  
David A. Bramell, Interim Fire Chief

Reviewed by: Ray Durant, Interim Administrative Services Director  
Maria A. Hurtado, Assistant City Manager

Approved by: Troy Brown, City Manager

Attachment: Agreement for the purchase and use of communications equipment utilizing Assistance to Firefighters Grant Funding, Lathrop-Manteca Fire District, Host Agency

**AGREEMENT  
FOR THE PURCHASE AND USE OF COMMUNICATIONS EQUIPMENT UTILIZING  
ASSISTANCE TO FIREFIGHTERS GRANT FUNDING  
LATHROP-MANTECA FIRE DISTRICT, HOST AGENCY**

THIS AGREEMENT is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2015 by and between the LATHROP-MANTECA FIRE DISTRICT, San Joaquin County, a political subdivision of the State of California (hereinafter the "District") and the following cities, fire districts, and other agencies (hereinafter individually the "Agency" and collectively the "Agencies"):

XXXXXXXXXXXXXXXXXXXX

**RECITALS:**

**WHEREAS**, IDLH Operations is one of the most hazardous aspects of a firefighters job and according to statistics accounts for up to 50% of firefighter injuries and deaths annually; and

**WHEREAS**, it is in the best interests that all Agencies to continue to work together to provide applicable firefighter training and equipment to the county, cities and districts, and persons served; and

**WHEREAS**, the DISTRICT, in conjunction and consultation with all participating agencies, hosted an Assistance to Firefighters Grant Proposal to the United States Department of Homeland Security; and

**WHEREAS**, Department of Homeland Security Preparedness Directorate's Office of Grants and Training awarded the grant proposal for a Federal share amount of \$1,899,293; and

**WHEREAS**, the DISTRICT has hired Shamrock Consulting to facilitate this grant and provide assistance in governance of the grant,

**NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:**

**1. DISTRICT'S OBLIGATION**

- A. The DISTRICT shall coordinate, plan, and purchase the portable radios and ancillary equipment in accordance with appropriate federal, state, and local laws, rules, and regulations.
- B. The DISTRICT shall coordinate with the grant program manager and appropriate vendors to secure the equipment in accordance with local procurement procedures and Federal purchasing guidelines.
- C. Any unexpended dollar amounts contributed by an agency will be returned to the agency within three months after the notice of completion for the project has been filed by the District, or the project is declared abandoned by the District, which ever is earlier.



**2. AGENCIES' OBLIGATION**

- A. The Agencies may assist in governing the design and specifications for the radios and ancillary equipment.
- B. The Agencies may provide technical input and requirements necessary to create an effective radio specification to meet their individual and collective needs.
- C. The Agencies shall provide funding and resources necessary to complete the purchase of the specified radio equipment pursuant to the grant agreement documents with regards to local matching funds and contractual services.

**3. COST SHARING PLAN**

In consideration of the foregoing, each Agency shall pay the District a share of the radio equipment purchase costs in accordance with the Agency's cost sharing ratio as agreed utilizing the exhibit A attached to this Memorandum of Understanding.

**4. PAYMENT PROVISIONS**

Agencies agree to remit full payment of all invoices received from DISTRICT within 30 days of receipt. Agencies agree that the DISTRICT may issue invoice prior to delivery of RADIO equipment, but not prior to actual award of contract for purchase to RADIO equipment vendor. DISTRICT may invoice agencies for any portion, or the entire amount, of their respective costs.

Any additional amounts due as a result of costs exceeding the budgeted amount shall be paid to the DISTRICT within ninety (90) days of the acceptance of the purchased equipment, or cancellation of the project.

An Agency's failure to make timely payments shall subject the agency to late payment penalties that shall accrue at the rate of one percent (1%) of the outstanding unpaid balance per month.

**5. TERM OF THE AGREEMENT**

This Agreement shall become effective as of December 1, 2014, and shall remain in effect for a period of six (6) months after notice of completion of the project has been recorded by the Preparedness Directorate's Office of Grant and Training.

**6. SEVERABILITY**

If any part, term or provision of this agreement shall be held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Agreement, the validity of the remaining portions or provisions shall not be affected thereby.

**7. INDEMNIFICATION**

Each Agency shall indemnify, defend, and hold harmless the DISTRICT, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses

occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with that Agency's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the District. "DISTRICT's performance" includes DISTRICT's action or inaction and the action or inaction of DISTRICT officers, employees, agents and subcontractors.

The DISTRICT shall indemnify, defend, and hold harmless each Agency, their officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the Agency's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the an Agency or Agencies. "Agency's performance" includes Agency's action or inaction and the action or inaction of Agency's officers, employees, agents and subcontractors.

## **8. INSURANCE**

- A. Without limiting Agency's or DISTRICT's duty to indemnify, all Agencies and the DISTRICT shall maintain in force at all times during the performance of this Agreement, program of insurance with the following minimum limits of liability:
1. Comprehensive general liability, including but not limited to premises, and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Independent Contractors, Products, and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.
  2. Comprehensive automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.
  3. Worker's Compensation in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident, and \$1,000,000 each disease.
- B. In the event any party is lawfully self-insured in any or all of the aforementioned insurance areas, a letter certifying those areas of coverage, and in the minimum amounts as set forth in this contract, shall be furnished upon request to the other parties prior to execution of this Agreement.

## **9. GENERAL PROVISIONS**

- A. Project Governance. The DISTRICT, in partnership with Shamrock Consulting, shall govern the project to specify and purchase the RADIO equipment. By a majority vote at a meeting at which a quorum of the represented voting agencies are present the project may be terminated and/or reconstituted as directed by the approved motion.
- B. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by all the parties hereto.

- C. Waiver. Any waiver of any terms and conditions hereof must be in writing and signed by the parties hereto. A waiver of any of the terms and conditions hereof shall not be construed as a waiver of any other terms or conditions in this Agreement.
- D. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the parties hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- E. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws, rules, and regulations in performing this Agreement.
- F. Heading. The section and paragraph headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- G. Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- H. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California. The venue for such actions shall be the County of San Joaquin, California.
- I. Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment hereto.
- J. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Participation of all Agencies noted is expected but, in the event that an agency elects not to participate, the Agreement will remain valid for those agencies which execute the Agreement.
- K. Authority. Any individual executing this Agreement on behalf of an entity represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such entity and bind the entity to the terms and conditions of the same.
- L. Integration. This Agreement, including the exhibits hereto, shall represent the entire Agreement between the parties with respect to the subject matter hereof and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the parties as of the effective date hereof.
- M. Notices. Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail as indicated below with the signatures to the location at which this Agreement is executed:

IN WITNESS WHEREOF, the DISTRICT and each of the Agencies have caused this Agreement to be executed by their duly-authorized representative as of the day and year written above.

Lathrop Manteca Fire District:
--------------------------------

Fire Chief

Date:
-------

City of Tracy:

City Manager

Date:

Tracy Fire Department:

Fire Chief

Date:

RESOLUTION \_\_\_\_\_

AUTHORIZING THE CITY MANAGER TO SIGN A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF TRACY AND THE LATHROP-MANTECA FIRE PROTECTION DISTRICT FOR THE PURCHASE OF PUBLIC SAFETY DUAL-BAND PORTABLE RADIOS AND ASSOCIATED EQUIPMENT THROUGH A REGIONAL FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION (FEMA) ASSISTANCE TO FIREFIGHTERS GRANT AND APPROVING A GENERAL FUND APPROPRIATION IN THE AMOUNT OF \$32,782.02 TO THE FIRE DEPARTMENT FOR THE PURCHASE

WHEREAS, There is a demonstrated need for emergency personnel to have common communications within the City of Tracy and San Joaquin County, and

WHEREAS, Through coordinated regional efforts, emergency agencies within San Joaquin County have sought funding to improve emergency communications through grants, and

WHEREAS, The Lathrop-Manteca Fire Protection District applied for and was subsequently awarded a regional grant for emergency radio communication equipment, and

WHEREAS, The Tracy Fire Department as a participant in the grant will receive public safety dual-band radios that will improve communications with the Tracy Police Department and enhance compatibility with the San Joaquin County Communications System, and

WHEREAS, The fire department FY14-15 budget does not have funds available to cover the required match of \$32,782.02, and

WHEREAS, Receiving public safety dual-band radios and associated equipment through the grant will provide the department with essential equipment at a significantly reduced rate;

NOW, THEREFORE, BE IT RESOLVED, That the City Council authorize the City Manger to sign the memorandum of understanding and approve a general fund appropriation to account 211-52210-353 in the amount of \$32,782.02 for the purchase of dual-band public safety radios.

\* \* \* \* \*

Resolution \_\_\_\_\_  
Page 2

The foregoing Resolution \_\_\_\_\_ was adopted by the Tracy City Council on the  
3rd day of March, 2015, by the following vote:

AYES:            COUNCIL MEMBERS:

NOES:           COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.E

REQUEST

**APPROVE RESOLUTION AUTHORIZING A LEAVE OF ABSENCE FOR TRACY  
TRANSPORTATION ADVISORY COMMISSIONER JOHN FAVORS**

EXECUTIVE SUMMARY

On February 10, 2015, staff received a request from Transportation Advisory Commissioner John Favors for a leave of absence from March 1, 2015 to April 30, 2015. The Transportation Advisory Commission Bylaws state a Transportation Advisory Commission member may submit a written request to the City Council for a leave of absence of up to six-months which may be approved at the City Council's discretion.

DISCUSSION

Transportation Advisory Commissioner John Favors has requested a leave of absence from March 1, 2015 to April 30, 2015, due to a medical issue. The Transportation Advisory Commission (TAC) Bylaws stipulate that any Commissioner can request up to six-months leave of absence from their duties on the Commission. This request is to be directed to, and can only be approved by, the City Council.

The TAC consists of nine members and all seats are currently filled.

STRATEGIC PLAN

This is a routine operational item and does not relate to the Council's Strategic Plans.

FISCAL IMPACT

There is no fiscal impact to the General Fund, Transportation Fund, or Airport Fund at this time.

RECOMMENDATION

That City Council, by resolution, approve a leave of absence for Transportation Advisory Commissioner John Favors.

Prepared by: Ed Lovell, Management Analyst II

Reviewed by: David Ferguson, Director of Public Works  
Maria A. Hurtado, Assistant City Manager

Approved by: Troy Brown, City Manager



RESOLUTION \_\_\_\_\_

AUTHORIZATION FOR A LEAVE OF ABSENCE FOR  
TRANSPORTATION ADVISORY COMMISSIONER JOHN FAVORS

WHEREAS, Transportation Advisory Commissioner John Favors has requested a leave of absence from March 1, 2015 to April 30, 2015, due to a medical issue, and

WHEREAS, The Transportation Advisory Commission (TAC) Bylaws stipulate that any Commissioner can request up to six-months leave with Council approval, and

WHEREAS, The Transportation Advisory Commission consists of nine members and all seats are currently filled;

NOW, THEREFORE, BE IT RESOLVED, That City Council authorizes a leave of absence from March 1, 2015 to April 30, 2015, for Transportation Advisory Commissioner John Favors.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was adopted by the Tracy City Council on the 3<sup>rd</sup> day of March, 2015, by the following vote:

AYES:            COUNCIL MEMBERS:

NOES:            COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 1.F

REQUEST

**AUTHORIZATION OF AGREEMENT WITH THE WEST SIDE IRRIGATION DISTRICT FOR SALE OF TREATED EFFLUENT AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT**

EXECUTIVE SUMMARY

This agreement provides for the sale during 2015 of the City's wastewater effluent to the West Side Irrigation District (WSID) for beneficial use within WSID for irrigation during this year.

DISCUSSION

WSID has a water right for irrigation water from Old River dating from 1916. During the summer of 2014, the State ordered WSID not to pump water from the river on the basis there was no natural stream flow for them to divert. Many other irrigation agencies were in the same situation. The City sold wastewater effluent to WSID to help mitigate the very significant negative impact to the farming community surrounding Tracy and to provide water to Kimball High School.

The City discharges 9 million gallons per day of wastewater into Old River upstream of the WSID irrigation pump station. Tracy has a water right associated with the wastewater, but previous to 2014 "abandoned" the water as there has been no beneficial use for it. Because of the WSID water pumping curtailment, staff sold these 9 million gallons per day of wastewater to WSID for irrigation use and for use at Kimball High School. The City's wastewater provided only a small portion of the WSID irrigation need, but was still beneficial.

The subject agreement provides terms and conditions for sale of the City's wastewater to WSID for 2015. These terms include that WSID pay the City for the wastewater it diverts, WSID pays all City costs for legal services, and WSID bears all risk and indemnifies the City. The duration of the agreement is April 1 through October 31, 2015.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's Strategic Plans.

FISCAL IMPACT

There is no fiscal impact to the City's General Fund. The agreed upon price for the wastewater is \$30/acre-foot. This price is comparable to what the City pays the US Bureau of Reclamation for the water supply cost component the City pays for water received from the Delta-Mendota Canal. In the event WSID utilized the wastewater for 100 days, the City would receive compensation of approximately \$80,000. If there is adequate natural stream flow, and the wastewater is not utilized, the City would receive

no compensation. Most importantly, the purpose of this agreement is to help our neighboring irrigation district.

RECOMMENDATION

That City Council, by resolution, authorize the Wastewater Revocable License Agreement between City of Tracy and The West Side Irrigation District, and authorize the Mayor to execute the Agreement.

Prepared by: Steve Bayley, Project Specialist, Utilities

Reviewed by: Kuldeep Sharma, Utilities Director/Interim City Engineer  
Maria A. Hurtado, Assistant City Manager

Approved by: Troy Brown, City Manager

ATTACHMENTS

Attachment A - Wastewater Revocable License Agreement

**WASTEWATER REVOCABLE LICENSE AGREEMENT BETWEEN  
CITY OF TRACY AND  
THE WEST SIDE IRRIGATION DISTRICT**

This Wastewater Revocable License Agreement (“Agreement”) is made this 3 day of March 2015 by and between the CITY OF TRACY (“City”), a California municipal corporation and THE WEST SIDE IRRIGATION DISTRICT (“District”), an Irrigation District formed pursuant to Division 11 of the California Water Code.

RECITALS

a. City and District are public agencies of the State of California, duly formed and operating under the laws of the state, and are empowered to enter into contracts to manage the water supply available to them for the benefit of their constituents, and

b. City operates a Wastewater Treatment Plant (“WWTP”) and currently discharges treated wastewater into Old River in San Joaquin County. The WWTP treats approximately nine (9) million gallons a day of wastewater and discharges approximately fourteen (14) cubic feet per second (“cfs”) on a substantially continuous daily basis (WWTP water).

c. District holds water right License 1381 which was issued by the State Water Resources Control Board (“State Water Board”) pursuant to Application 301 (April 17, 1916) on September 29, 1933. The License authorizes District to divert 82.5 cfs from Old River, San Joaquin County from on or about April 1st through October 31 each year for irrigation and municipal and industrial uses.

d. On January 17, 2014, the State Water Board issued a Notice of Surface Water Shortage and Potential Curtailment of Water Right Diversions (“Notice”) which may threaten the District’s ability to divert flows in Old River. This Notice would not apply to the diversion of the WWTP water as it is reclaimed water discharged as foreign water into Old River. It is anticipated that the State Water Board will issue a curtailment notice for all post-1914 San Joaquin River basin appropriators by the end of April (“Curtailment Notice”).

e. City’s WWTP discharge point is located upstream from the District’s diversion point authorized pursuant License 1381.

f. Pursuant to California Water Code Section 1210, the City as owner of the WWTP holds the right to the WWTP water discharged into Old River. This superior right is as against anyone who has supplied the discharge water, and includes anyone who is using the water. Appropriative rights attach to any water flowing in the stream and District asserts that it is currently legally entitled to divert, and has historically consistently diverted, the WWTP water.

g. The actions contemplated by this Agreement will not result in decreasing the flow in any portion of the Old River downstream of the City’s WWTP discharge point.

h. The actions contemplated by this Agreement will not require a change in the point of discharge, place of use, or purpose of use of the City's treated wastewater.

i. The purpose of this Agreement is to ensure that District is given the exclusive right to divert the WWTP water as it asserts it has historically done so that to the extent of the WWTP Water, District can offset shortfalls in its irrigation supply due to the Curtailment Notice.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

#### REVOCABLE LICENSE

1. GRANT OF REVOCABLE LICENSE. City hereby grants a revocable license ("Revocable License") to District to divert the City's WWTP water discharged by the City ("WWTP Water").

2. NATURE OF REVOCABLE LICENSE. This Revocable License is personal to the District and for the express benefit of its agricultural water users and Kimball High School, and, while it is intended to allow District to use all WWTP Water discharged by the City, it is not intended to and does not convey a property interest.

3. TERM. The term of this Agreement will be from April 1, 2015 through October 31, 2015 ("Term").

4. WATER QUANTITY. City hereby grants District the right to divert all WWTP Water City discharges from its WWTP during the Term, which amount may vary on a daily basis, but is estimated to be approximately 14 cfs on a continuous daily basis. The City has no obligation to discharge any particular amount; the City will discharge in accordance with its wastewater treatment plant operations, as determined by the City. Other than as specifically set forth in this Agreement, the City's obligations under this Agreement end upon discharge of the WWTP Water.

5. PURCHASE PRICE. This District shall pay the City Thirty Dollars (\$30.00) per acre foot of WWTP Water discharged by the City.

6. COMMENCEMENT OF DIVERSION. District shall provide the City with written notice ("Commencement Notice") of when it will commence water diversion pursuant to this Agreement, the date of which shall trigger the obligation to pay for the WWTP Water the District will divert pursuant to this Agreement.

7. SCHEDULING AND PAYMENT. Upon issuance of the Commencement Notice, the parties will coordinate on the amount of WWTP Water available for diversion on a weekly basis. City has flow measurement on its effluent pumping station and shall report to District the amount of WWTP Water discharged in acre-feet by City on a monthly basis. Within 15 days of the report, District shall pay in full for the amount of WWTP Water discharged

according to the report, all of which the District is entitled to divert pursuant to this Agreement. This obligation to pay shall survive termination of this Agreement.

8. WATER QUALITY. City makes no warranty or representations as to the quality or fitness for use of WWTP Water. The parties acknowledge that District is familiar with the quality of water received from Old River, and variations based on year type and other factors.

9. DIVERSION POINT. District will divert the WWTP Water at the District's Intake Canal and pump station which is located on Old River. District is exclusively responsible for the diversion and delivery of the WWTP Water.

10. NO ENTITLEMENT TO WATER. District and City agree that the diversion of the WWTP Water pursuant to this Agreement shall not give District a continued exclusive right to divert City WWTP Water beyond the Term. The District understands and agrees that it has no right to require the City to continue its discharges in whole or in part of the WWTP Water.

11. TERMINATION. This Agreement may be terminated by either party upon three (3) days' prior written notice.

12. ENVIRONMENTAL REVIEW. The parties acknowledge that they have completed review under the California Environmental Quality Act for the diversion of WWTP Water pursuant to this Agreement.

13. REGULATORY AND LITIGATION COSTS. District will undertake the defense of the both parties in any litigation or regulatory action involving this Agreement, including without limitation environmental compliance and diversion and delivery by District of the WWTP Water, and any objection to or interference with such diversion and delivery. Within ten days of the date of invoice from the City, the District shall pay all reasonable fees, costs and charges incurred in connection with the preparation, implementation and termination of this Agreement, including without limitation all of the City's legal, consultant and other fees and costs. District will be exclusively responsible in the event of any need to take action against a third party. This obligation shall survive termination of this Agreement.

14. GENERAL INDEMNITY. District agrees to protect, defend, indemnify, and hold harmless the City, its officers, agents, servants, employees, and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character on account of personal injuries or death or damages to property and, without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, connected with, or arising directly or indirectly out of the performance or non-performance hereunder. This obligation shall survive termination of this Agreement.

15. FORCE MAJEURE. Except as otherwise provided herein, all obligations of the parties hereto will be suspended so long as, and to the extent that, the performance thereof will be prevented by earthquakes, fires, tornadoes, facility failures, floods, drowning, strikes, other casualties or acts of God. Specifically, the obligations of the District pursuant to this Agreement

to pay for discharged WWTP Water shall be suspended as of the date the District ceases to pump at its intake, if the District is unable to operate its pumps and divert the WWTP Water because of low water levels in Old River. In such event, the District shall provide written notice to the City of the date of cessation of District pumping. The District's obligations pursuant to Section 7 (limited to WWTP Water discharged before the date of cessation), Section 13, and Section 14 shall survive such termination.

16. **SERVICE TO KIMBALL HIGH SCHOOL.** District agrees to continue its provision of municipal water to Kimball High School during the irrigation season, estimated at 100 acre feet, subject to Kimball High School payment of the municipal water rate and subject to the terms of the District's 2015 Water Delivery Policy. District shall make every good faith effort to provide a sufficient water supply for the Kimball High School purposes.

17. **WAIVER OF RIGHTS.** Any waiver, at any time, by any party of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, will not be deemed to be a waiver with respect to any other breach, default or matter.

18. **NOTICES.** All notices that are required, either expressly or by implication, to be given by any party to the other under this Agreement must be signed by the party giving the notice. Any notices to Parties required by this Agreement must be delivered or mailed, United States first-class postage prepaid, addressed as follows:

THE WEST SIDE IRRIGATION DISTRICT  
Post Office Box 177  
Tracy, California 95378-0177  
Phone: (209) 835-0503  
Fax: (209) 835-2702

CITY OF TRACY  
Director of Public Works  
520 Tracy Boulevard  
Tracy, California 95376  
Phone: (209) 831-4420  
Fax: (209) 831-4472

Notice will be deemed given (a) two calendar days following mailing via regular or certified mail, return receipt requested, (b) one business day after deposit with any one-day delivery service assuring "next day" delivery, (c) upon actual receipt of notice, or (d) upon transmission, if by facsimile or email, whichever is earlier. The parties will promptly give written notice to each other of any change of address, and mailing or shipment to the addresses stated herein will be deemed sufficient unless written notification of a change of address has been received.

19. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between City and the District and supersedes any oral agreement, statement or promise between

them relating to the subject matter of the Agreement. Any amendment, including oral modifications, must be reduced to writing and signed by all parties to be effective.

20. COUNTERPARTS: This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. This Agreement will not be effective until the execution and delivery between each of the parties of at least one set of counterparts. The parties authorize each other to detach and combine original signature pages and consolidate them into a single identical original. Any one of such completely execute counterparts will be sufficient proof of this Agreement.

CITY OF TRACY

Date: \_\_\_\_\_

By: \_\_\_\_\_

Michael Maciel, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Daniel Sodergren, City Attorney of the City of Tracy

Date: \_\_\_\_\_

Date: \_\_\_\_\_

THE WEST SIDE IRRIGATION DISTRICT

Date: \_\_\_\_\_

By \_\_\_\_\_

Jack Alvarez, President

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Counsel for the West Side Irrigation District

Date: \_\_\_\_\_

Date: \_\_\_\_\_



RESOLUTION 2015 – \_\_\_\_\_

AUTHORIZING AN AGREEMENT WITH THE WEST SIDE IRRIGATION DISTRICT FOR THE SALE OF WASTEWATER AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT

WHEREAS, West Side Irrigation District (WSID) has a water right for irrigation water from Old River, and

WHEREAS, During this year’s drought, the State may order WSID not to pump water from the river on the basis there would be no natural stream flow for them to divert, and

WHEREAS, If no pumping from the river were allowed, there would be a very significant negative impact to the farming community surrounding Tracy, and

WHEREAS, The City discharges 9 million gallons per day of wastewater into Old River upstream of the WSID irrigation pump station, and

WHEREAS, The City has a water right associated with the wastewater discharge, and

WHEREAS, Because of the potential for the WSID water pumping curtailment, the City offered these 9 million gallons per day of wastewater to WSID for irrigation use;

NOW, THEREFORE, BE IT RESOLVED, That City Council hereby authorizes the agreement with the West Side Irrigation District for Sale of Wastewater and authorizes the Mayor to Execute the Agreement.

\*\*\*\*\*

The foregoing Resolution 2015-\_\_\_\_\_ was passed and adopted by the Tracy City Council on the 3<sup>rd</sup> day of March, 2015, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

AGENDA ITEM 3

REQUEST

**ACCEPTANCE OF THE CITY OF TRACY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

EXECUTIVE SUMMARY

The attached FY 2013/14 Comprehensive Annual Financial Report (CAFR) represents the City's financial, operational and current economic condition for the fiscal year ending June 30, 2014. The City's financial statements for the year ending June 30, 2014 have been audited by Moss, Levy & Hartzheim, LLP, the City's independent auditing firm and have been incorporated in the CAFR document.

The CAFR is intended to provide the City Council, citizens, taxpayers, investors, creditors and other interested parties with a general overview of the City's finances.

DISCUSSION

The City of Tracy FY 2013/14 Comprehensive Annual Financial Report (CAFR) was prepared by the Finance Division of the Administrative Services Department and examined by Moss, Levy & Hartzheim, LLP, the City's external auditing firm.

The CAFR received an unqualified opinion from Moss, Levy & Hartzheim, LLP. An unqualified opinion indicates that the financial data of the City is fairly presented in accordance with accounting principles generally accepted in the United States of America. New auditing standards require that any "significant deficiency" or "material weakness" discovered in the audit will be communicated in writing to management. A material weakness is a significant deficiency which could lead to a material misstatement of the financial statements. The auditor's report found the City's internal control structure to have no reportable material weaknesses.

Moss, Levy & Hartzheim, LLP conducted its audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States. These standards require that they plan and perform the audits to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

The City of Tracy's contract for auditing services with Moss, Levy & Hartzheim, LLP has been completed with the FY 2013/14 audits. The City will be issuing a Request for Proposal for Auditing Services during March and will have new auditors in place for the FY 2014/15 audits and financial reports.

City Assets

The June 30, 2014 CAFR reports that the City's assets exceeded its liabilities by \$1,019 million. Of this amount, \$845 million or 83% of the City's net position is invested in capital assets and infrastructure, including land, buildings, roads, machinery, and

equipment to provide services to the community. However, not all of these assets are available for spending; approximately \$100.6 million of the City's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position in the City of \$73.2 million or 7.2% may be used to meet its ongoing obligations to residents and creditors.

General Fund Budgetary Highlights

For FY 2013/14, the City adopted a balanced General Fund budget that included a budget savings of \$.2 million. The final budget was amended at mid-year to reflect updated tax projections and other changes to revenues and expenditures. The amended budget reflects excess revenues over expenditures in the amount of \$1.9 million.

As part of the CAFR, a year-end financial analysis of all City funds is completed, including the General Fund. Actual revenues were more than estimated by \$3.3 million. Actual expenditures reported a favorable variance; expenses were lower than projected by \$1.0 million. The net excess of revenues over expenditures for the fiscal year ending June 30, 2014 was \$6.2 million after debt service and other transfers.

The table below summarizes the change in General Fund revenues and expenses from the FY 2013/14 adopted, amended, and actual budgets.

<b>General Fund</b>	<b>FY 2013/14 Adopted Budget</b>	<b>FY 2013/14 Amended Budget</b>	<b>FY 2013/14 Actual</b>
Total Revenues	\$51.3M	\$54.1M	\$57.4M
Total Operating Expenditures	49.9M	51.0M	50.0M
Debt Service, Transfers, use of Reserves	1.2M	1.2M	1.2M
<b>Net Change in Fund Balance</b>	<b>\$.2M</b>	<b>\$1.9M</b>	<b>\$6.2M</b>

**Revenues.** Key sources of higher revenues included sales tax (including Measure E) and property tax. While a mid-year budget adjustment of \$1.9M in sales tax revenue was made due to increased economic activity, actual sales tax at year-end was \$.5 million or .2% higher than the amended budget. Measure E contributed \$7.2 million or 12.5% of total revenues. Likewise, property tax was \$.5 million or 5.6% higher than the adopted budget. Revenue sources such as licenses, permits and fees and charges for services were also higher due to renewed economic activity in the City.

As with prior years, investment income was below budget due to an unusually low interest rate environment. Fines and penalties were also lower due to the write-off of uncollectible outstanding collections, mostly related to utility accounts. Collection activity is returning to pre-recession levels.

**Expenditures.** Actual expenses were lower than budget by \$1.0 million. A majority of this reduction is due to an assumed \$.75 million or 1.5% savings in expenditures that was previously incorporated into the budget and additional savings due to budgeted positions that were not filled during FY 2013/14.

General Fund Reserves

As reflected in the CAFR, total actual General Fund reserves as of June 30, 2014 are approximately \$35.1 million. Of that amount, approximately \$33.4 million was designated as unassigned, which according to the Governmental Accounting Standards Board (GASB), is the least constrained category of fund balance. The remaining \$1.7 million is reserved or restricted by law for other uses. Of the \$33.4 million in unassigned reserves, approximately \$12 million is allocated to the Reserve for Economic Uncertainty. The remaining \$21.4 million in unassigned reserves is not allocated to any other reserve category.

The General Fund Reserve policy as of June 30, 2014 requires the City to maintain a minimum of 20% of General Fund operating expenditures. The unassigned fund balance of \$33.4 million represents 67% of total General Fund expenditures for FY 2013/14.

In October 2014, the City Council adopted a new General Fund Reserve Policy in accordance with the Government Finance Officers Association (GFOA) recommendations for reserves to mitigate unanticipated situations including natural disasters and severe unforeseen events. Under this new policy, reserves and uses of reserves will be evaluated during the budget adoption process. This policy abolished the current Reserve for Economic Uncertainty and established three new General Fund special reserves: Contingency Reserve, Economic/Budget Stability Reserve, and Measure “E” Mitigation Reserve. While these reserves had not been established as of the CAFR report date, the table below illustrates the reallocation of reserves under the new policy.

Reserve Structure as of June 30, 2014	Amount	New Reserve Structure	Amount	Target % of GF Expenditures
Unassigned Reserves	\$21.4M	Unassigned Reserves	\$9.0M	N/A
Reserve for Economic Uncertainty	\$12.0M	Contingency Reserve	\$11.6M	20%
		Economic/Budget Stability Reserve	\$5.8M	10%
		Measure “E” Reserve	\$7.0M	Fixed Amount
Total Fund Balance	\$33.4M	Total Fund Balance	\$33.4M	

Last, the City has applied for and received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the last 26 years. The FY 2013/14 CAFR will be submitted for the GFOA Certificate.

STRATEGIC PLAN

This agenda item addresses Goal 2 of the Governance Strategy to ensure continued fiscal sustainability through financial and budgetary stewardship and meets Objective 3, which is to enhance fiscal transparency.

FISCAL IMPACT

There is no fiscal impact as a result of accepting this report. The CAFR reflects completed financial information as of June 30, 2014.

RECOMMENDATION

It is recommended the City Council by resolution accept the June 30, 2014 Comprehensive Annual Financial Report as audited by Moss, Levy & Hartzheim, LLP.

Prepared by: Robert Harmon, Senior Accountant

Reviewed by: Ray Durant, Interim Administrative Services Director

Reviewed by: Maria A. Hurtado, Assistant City Manager

Approved by: Troy Brown, City Manager

ATTACHMENTS

Attachment A - Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014  
(Oversized: Available at the City Clerk's Office in City Hall and on the City of Tracy website at:  
[www.ci.tracy.ca.us/documents/Comprehensive\\_Annual\\_Financial\\_Report\\_Year\\_Ended\\_June\\_30\\_2014.pdf](http://www.ci.tracy.ca.us/documents/Comprehensive_Annual_Financial_Report_Year_Ended_June_30_2014.pdf)

RESOLUTION \_\_\_\_\_

**ACCEPTANCE OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

WHEREAS, The financial statements of the City of Tracy for the fiscal year ended June 30, 2014, have been prepared by the City's Administrative Services Department; and

WHEREAS, The annual financial statements were examined by the independent public accounting firm of Moss, Levy & Hartzheim, LLP; and

WHEREAS, The City prepared the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014 and the auditor's opinion is included therein; and

WHEREAS, It is the opinion of the auditors that the financial statements present fairly the financial position of the City as of June 30, 2014, and that the statements were prepared in accordance with accounting principles generally accepted in the United States of America.

NOW, THEREFORE, BE IT RESOLVED, That the City Council does hereby accept the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the Tracy City Council on the    day of           , 2015 by the following vote:

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

\_\_\_\_\_  
Mayor

ATTEST:  
  
\_\_\_\_\_  
City Clerk

# CITY OF TRACY



## **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014**



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COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

of the

CITY OF TRACY, CALIFORNIA

for the fiscal year ended

June 30, 2014

Prepared by the

Administrative Services Department

**JENNY HARUYAMA**

Administrative Services Director

**ROBERT HARMON, CPA**

Senior Accountant

**ALLAN J. BORWICK**

Budget Officer

ANNE BELL	Management Analyst
PEGGY BARNES	Accounting Technician
ROCKI CHAPARRO	Accounting Technician
CAROL GORRIE	Accounting Technician
DON HIGGINS	Senior Accounting Assistant
ELIZABETH LEAL	Accounting Assistant
ROSEMARIE MARQUEZ	Accounting Assistant
MEGAN MAYER	Accounting Assistant
LINDA MONIZ	Accounting Technician
GRACE SEGURA	Senior Accounting Assistant
EILEEN SOLARIO	Senior Accounting Assistant
RAQUEL VOTAW	Senior Accounting Assistant
ISABEL YAMADA	Accounting Assistant

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# Introductory Section



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CITY OF TRACY  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 June 30, 2014

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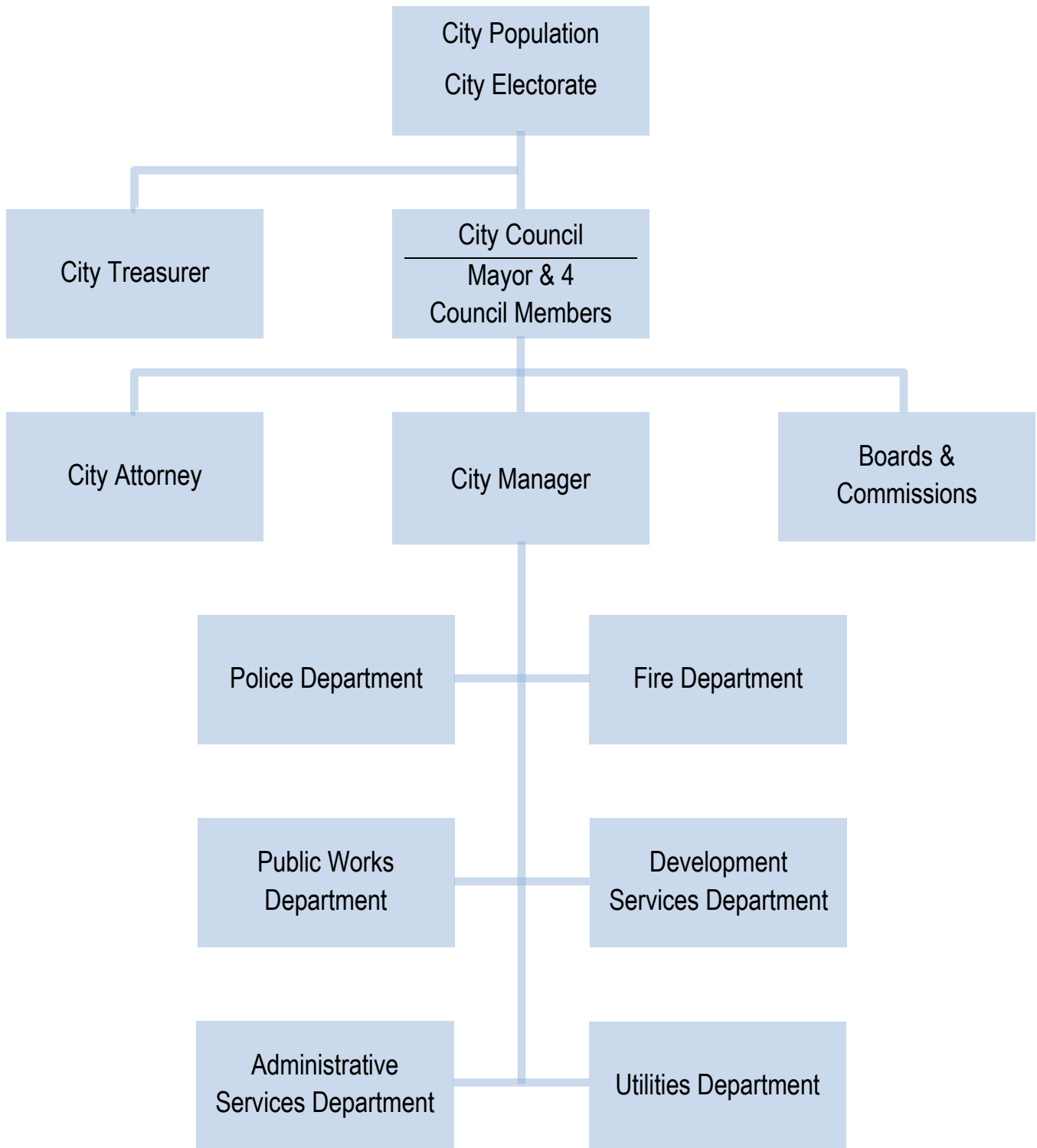
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# City of Tracy Organization Chart





# **CITY OF TRACY, CALIFORNIA**

## **COUNCIL - MANAGER FORM OF GOVERNMENT**

June 30, 2014

### **CITY COUNCIL**

**BRENT IVES**

*Mayor*

**MICHAEL MACIEL**

*Mayor Pro Tem*

**ROBERT RICKMAN**

*Council Member*

**NANCY YOUNG**

*Council Member*

**CHARLES MANNE**

*Council Member*

### **OTHER ELECTED OFFICIALS**

**RAYMOND McCRAY**

*City Treasurer*

# **CITY OF TRACY, CALIFORNIA**

## **OTHER CITY OFFICIALS**

**Troy Brown**  
*City Manager*

**Maria Hurtado**  
*Assistant City Manager*

**Dan Sodergren**  
*City Attorney*

**Jenny Haruyama**  
*Administrative Services Director*

## **OTHER DEPARTMENT HEADS**

**Alford Nero**  
*Fire Chief*

**Gary Hampton**  
*Police Chief*

**Andrew Malik**  
*Development Services Director*

**David Ferguson**  
*Public Works Director*

**Kuldeep Sharma**  
*Utilities Director*



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Tracy  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



# CITY OF TRACY

Office of City Manager  
333 Civic Center Plaza  
Tracy, CA 95376

Telephone: (209) 831-6000  
Fax: (209) 831-6120

Think Inside the Triangle™

January 15, 2015

Honorable Mayor and City Council Members  
Citizens of the City of Tracy:

The Tracy Municipal Code requires that all funds, accounts, and financial transactions of the City be subjected to an annual audit by an independent certified public accountant that is selected by the City Council. The Municipal Code further specifies that after the close of the fiscal year, an annual financial report covering all funds and financial operations shall be prepared and submitted to the City Council. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

## ***Profile of the Government***

Tracy is located on the western edge of the Central Valley in San Joaquin County. The City is 60 miles east of San Francisco and 70 miles south of Sacramento. The City is situated within a triangle formed by three interstate freeways: I-5, I-205 and I-580.

Tracy was founded in 1878 as a railroad center. It was incorporated as a city in 1910. For many decades, it served both as a railroad center and farm market town. Since World War II, it has been the location of a defense supply center. By 1960, the City's employment base included a few food-processing plants and small-related manufacturing operations. A state correctional facility as well as a federal and a state water project facility are located nearby.

During the 1980s, Tracy experienced a period of major growth influenced by the East Bay area of the San Francisco Bay region with its high cost of housing. Tracy, with more affordable housing than the Bay area, continues to be an attractive residential location for many Bay area workers. Tracy is now considered an outer suburb of the Bay area, rather than a small agricultural and industrial town.

The population and size of Tracy has increased from 18,428 and 7.0 square miles in 1980 to 85,146 and 23 square miles in 2014.

The City operates under the council-manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and a four member Council. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and for appointing the heads of the government's departments. The Council is elected on a non-partisan basis. Council members are elected to four-year staggered terms, with two Council members elected every two years. The Mayor is elected every two years.

Moss, Levy and Hartzheim, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the City of Tracy’s financial statements for the fiscal year ended June 30, 2014. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter and should be read in conjunction with it.

### ***Local Economy***

California’s economic recovery has outpaced many parts of the nation as unemployment has dropped and the state’s budget outlook has turned positive. While California has experienced some job growth, its current unemployment rate of 7.4% remains higher than the national average of 6.1%. San Joaquin County’s unemployment rate of 12.8% is higher than both California and the nation; however, it continues to decline. The bright spot remains the San Francisco Bay Area with an unemployment rate of 5.2%.

Because agriculture still remains an important segment of the San Joaquin Valley economies, seasonal unemployment is always much higher than the national average. On a positive note, the local economy for Tracy is tied more closely to the bay area; residents tend to work in the Livermore Valley, East Bay, and San Jose, where the economy is not significantly influenced by seasonal agriculture production. While the recession negatively impacted the bay area, the effects were not nearly as severe (e.g. housing collapse) as those experienced in the San Joaquin Valley. Property and sales taxes are a significant revenue source for the City. Together, in FY 13/14 they represented 67% of the City’s total general fund revenues which fund public safety, recreation and other general governmental services.

The economic recession of 2008 and the subsequent decline in home values had significant effects on property taxes. Assessed valuations for all property types in Tracy increased for the first time since the recession first began. Housing prices are at 2010 levels and the outlook is for a slow but continued recovery. However, property tax revenue generally lags behind increases in valuations, so revenue expectations, while improving, remain guarded.

Sales tax continues to be a very important part of the City’s revenue mix. Excluding the special Measure E sales tax, sales tax revenue has exceeded the pre-recession high set in 2007. However, as sales tax collected on fuel sales (there is general sales tax applied to fuel sales in addition to “gas taxes” for transportation uses) is expected to drop due to the sharp decline in gas prices, the City is cautiously optimistic that near-term sales tax growth will be minimally affected. Sales taxes are significantly more volatile because they are subject to economic fluctuations such as consumer confidence, interest rates, unemployment and other factors that impact household income. While we anticipate continued short term prosperity in sales taxes, it is unknown what the long term future holds for sales tax recovery.

### ***Long-term Financial Planning***

The Tracy Municipal Code requires that the City Council adopt a budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Tracy’s financial planning and control. The budget is prepared by fund (i.e. General Fund, Enterprise Fund, etc), by department (e.g. Police, Fire, etc), and by program (i.e. Patrol Services, Traffic Enforcement, Fire Support, etc). Department heads may transfer resources within a department as they see fit with the approval of the City Manager. Transfers between departments; however, need special approval from the City Council.

As evidenced by this financial report and others before it, the City has been significantly impacted by the economic recession. Prior to FY 12/13, the City utilized reserves for five consecutive years; FY 13/14 was the second year that revenues exceeded expenditures, albeit with the aid of Measure E sales tax. At the beginning of this economic downturn, the City had \$38,733,794 million in total reserves (combination of General Fund and the Reserve for

Economic Uncertainty Fund). On June 30, 2014 the City had \$35,071,347 in reserves. While reserves increased by \$6.2 million for the year; over the five year period of the recession, the City has used a total of \$11.8 million or about \$2.46 million per year on average. This reliance and dependence on the use of reserves demonstrates that the City's financial condition has been and remains tenuous, which will require diligence to achieve fiscal sustainability. With unrestricted reserves as of June 30, 2014 of \$33.4 million, this represents approximately 67% of expected General Fund expenses in FY 13/14. That said, the City of Tracy is committed to maintaining after-school programs, anti-gang activities, and recreation programs that keep young people off the streets, out of trouble and away from drugs and gangs.

## ***Major Initiatives***

### **Annexation of Cordes Ranch**

In September 2013, the City Council approved the annexation of Cordes Ranch in what will be the largest business park in northern California. Construction is now underway on the first phase of the 1,738 acre business park. This project is expected to generate:

- 28 million S.F. of Industrial space
- 2.5 million S.F. of Office space
- 30,000 jobs for the community once fully completed (expected in 15 years)
- 3 million S.F. expected to be occupied by spring 2015

### **Continued Implementation of 5-year Fiscal Plan**

Continued implementation of a 5-year plan to allow the City to be fiscally sound upon the sunset date of the Measure E half-cent sales tax set to end in March 2016. The City's fiscal strategy, including expenditure reduction measures and revenue enhancements have had a positive impact on the City's sustainability. However, rises in uncontrollable costs such as CalPERS and health care, and the continued lag in property tax recovery is indicating that the City will face a structural deficit upon the expiration of measure E.

### **Implementation of Financial Systems Modernization Plan**

The City continues to update its financial systems with two new important systems:

- Implementation of new recreation reservation software designed to increase efficiency and enhance the customer experience
- Beginning of a two-year project to replace the City's financial, budget, human resource and community development software with an integrated Enterprise Resource Planning system.

### **Implementation of Governance Strategy**

The City Council adopted a governance strategy in 2013 designed to retain and attract talent, enhance fiscal stability, improve the use of technology, and enhance transparency for the betterment of the community of Tracy. This initial two-year plan includes fifteen specific action items addressing Public Safety, Quality of Life, Economic Development and Governance.

### **Implementation of Transparency Initiatives**

The City has started implementing a transparency initiative designed to provide timely financial information to the residents of Tracy via the City's website in a user-friendly, easy to navigate format. The first stages of this endeavor can be seen on the City Interactive Budget and City Financial Transactions web page of the Administrative Services Department.

In response to the economic challenges over the past several years, the City implemented a variety of efficiency and restructuring actions which will continue to provide additional cost savings in future years. The City also anticipated that new revenue would be necessary to avoid additional reductions that would negatively impact public services. In this regard, Tracy voters approved Measure E (a half-cent sales tax with a 5-year sunset) in November 2010. Beginning in April 2011, this new temporary revenue source, combined with prior expense reductions, provides a stable fiscal period for the five year life of Measure E. During this time, the City continues to look for new opportunities to continue its commitment to providing efficient, yet quality services.

#### ***GASB 45***

Much attention has been given to the unfunded liability of "Other Post-Employment Benefits" (OPEB) of government employees. In response, the Governmental Accounting Standards Board (GASB) issued Statement #45, which is an effort for governments to identify their obligations for expenses associated with post-employment other than pensions. Governments have pension obligations to their current and retired employees and these are calculated and accounted for. However, most governments have not accounted for other post-employment benefits such as health insurance. As these expenses can represent a huge future liability of the government, identification of their costs is essential. GASB 45 requires the government to have an actuarial study done in order to identify the cost of other post-employment benefits.

The City of Tracy implemented its GASB 45 requirement with the FY 06/07 financial report - two years before it would have been required. The City took this step because it believes GASB 45 to be an important component of judging the financial position of any governmental unit. Also, the City has a tradition of early implementation of significant GASB requirements. The City was one of the first in the nation (including being one of only 3 cities in California) to implement GASB 34, several years before the requirement to do so.

The City of Tracy does not provide for the payment of health insurance for its retired employees. As such it does not have a significant GASB 45 liability that many governments have. However, retired employees are allowed to purchase the City's health insurance (including spouse or family coverage) either through direct payment or from the employee's medical insurance bank. The ability of a retired employee to obtain coverage at an active employee rate constitutes a significant economic benefit to the retiree, called an "implicit subsidy" under GASB 45. The City obtained the firm of Demsey, Filliger & Associates to perform an actuarial valuation of this "implicit subsidy. The results of this actuarial valuation can be found in note 11 to the financial statements in this report. The annual required contribution to address this liability is just \$446,268 per year, rather than the much higher amounts of many other cities. Suffice to say, this smaller GASB 45 liability is a great benefit to the City's true and long term financial strength.

The City has a long reputation for excellent fiscal management. It demonstrated the discipline to increase reserves during the boom years instead of using non-sustainable revenues to fund new programs or services. Additionally, the City implemented its long term fiscal strategy years before the economy deteriorated in late FY 08/09. The successful passage of Measure E affirms the community's confidence in the fiscal management of the City.

## ***GASB 54***

The City is required to produce its financial statements in conformity with GASB 54. This GASB requirement concerns mainly the designation of fund balance into use categories. In addition, Statement 54 clarifies how rainy-day amounts are reported by treating stabilization arrangements as a specified purpose. Consequently, amounts constrained to stabilization must be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. The City maintains a Reserve for Economic Uncertainty in its subsidiary records. The General Fund balance of \$35,071,347 is actually comprised of \$18,962,706 in the General Fund and \$16,108,641 in the Reserve for Economic Uncertainty Fund.

## ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tracy for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the 26<sup>th</sup> consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for FY 13/14. In order to qualify for the Distinguished Budget Presentation Award, a government's budget document must be found proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire Administrative Services Department staff. Each member of the Department has my appreciation for the contributions made in the preparation of this report.

We also would like to express special appreciation to Senior Accountant, Robert Harmon, CPA, whose long hours, dedication, and attention to detail made possible the successful completion of the annual audit.

Respectfully submitted,



Troy Brown  
City Manager



# Financial Section



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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Auditor's Report**

The Honorable Mayor and Members of the City Council of the  
City of Tracy  
Tracy, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tracy, California (City), as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tracy, California, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principles*

As discussed in Note 1 to the basic financial statements effective July 1, 2013, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 65, "*Items Previously Reported as Assets and Liabilities.*", Statement No. 66, "*Technical Correction – 2012.*", Statement No. 67, "*Financial Reporting for Pension Plans.*", and Statement No. 70, "*Accounting and Financial Reporting for Non-exchange Financial Guarantees.*". Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-17, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Housing Successor Special Revenue Fund, and the Note to the Required Supplementary Information on pages 97-104 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

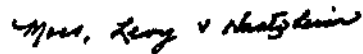
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining nonmajor funds financial statements, nonmajor funds budgetary comparison schedules, combining nonmajor proprietary funds financial statements, combining internal service funds financial statements, combining private purpose trust funds financial statements, combining agency funds financial statements, and the statistical section are presented for purposes of additional analysis and are not required parts of the financial statements. The combining nonmajor funds financial statements, nonmajor funds budgetary comparison schedules, combining nonmajor proprietary funds financial statements, combining internal service funds financial statements, combining private purpose trust funds financial statements and combining agency funds financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance



Moss, Levy & Hartzheim, LLP  
Culver City, California  
January 8, 2015

## CITY OF TRACY

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

The management discussion and analysis describes the City of Tracy's financial performance for the fiscal year ending June 30, 2014. Please read it in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

#### **FINANCIAL HIGHLIGHTS**

Financial highlights of the fiscal year include the following:

- The assets of the City of Tracy exceeded its liabilities by \$1,019 million (net position). Of this amount, \$73.2 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$0.9 million or 0.09% in fiscal year 2013-14 compared to the previous fiscal year.
- The governmental activities reported combined net position of \$660.6 million at the end of fiscal year 2014. This is an increase of .18% from last fiscal year.
- At the end of the fiscal year, unassigned fund balance for the General Fund is \$33.4 million compared to last fiscal year's \$27.5 million. This is an increase of \$5.9 million or 21.5% over the prior fiscal year.
- Total revenues of governmental activities decreased by 1.8%, while that of business-type activities increased by 19.0% in fiscal year 2013-14. In the governmental activities, increases in property and sales tax helped to offset decreases in intergovernmental and investment revenues. Increase in revenue in business-type activities came from increases in charges for services.

## **OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT**

The City of Tracy's Comprehensive Annual Financial Report is comprised of six parts:

- 1) Introductory Section, which includes the Transmittal Letter and general information
- 2) Management Discussion and Analysis (this part)
- 3) Basic Financial Statements which include the Government-wide and the Fund Financial Statements, along with the Notes to Basic Financial Statements
- 4) Required Supplemental Information
- 5) Other Supplemental Information
- 6) Statistical Information

The City of Tracy's basic financial statements are introduced to the readers through this discussion and analysis.

### **Government-wide Financial Statements**

The Government-wide financial statements are designed to give readers a broad overview of the City of Tracy's finances.

The Statement of Net Position reflects the City's assets and liabilities. The difference between the assets and the liabilities is reported as net position. An increase in net position is an indicator that the financial position of the City is improving, while a decrease in net position indicates that the City could be financially distressed.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

All the amounts in the Statement of Net Position and the Statement of Activities are presented as follows:

- **Governmental Activities**---All of the City's basic services are considered to be governmental activities including general government, public safety, public works, community development, and culture and recreation.
- **Business-type Activities**---All the City's enterprise activities are reported here, including water, sewer, solid waste, storm drainage, municipal airport and municipal transit. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state or local governments, the City of Tracy uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Fund Financial Statements report the City's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-major funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds.

The Fiduciary Statements provide financial information about the activities of the Special Assessment Districts, for which the City acts solely as agent, and the Successor Agency to the former Community Development Agency.

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called Major Funds. The concept of Major funds, and the determination of Major funds, were established by GASB Statement 34 and replace the concept of combining similar funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Subordinate schedules present the detail of these Non-major funds. Major Funds present the major activities of the City for the fiscal year, and may change from fiscal year to fiscal year as a result of changes in the pattern of City's activities. However, the General Fund is always a major fund.

Fund Financial Statements include governmental, enterprise and fiduciary funds as discussed below.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Enterprise and Internal Service Fund financial statements are prepared on the full accrual basis, as in the past, and include all their assets and liabilities, current and long-term.

Since the City's Internal Service Funds provide goods and services only to the City's governmental and business-type activities, their activities are reported only in total at the Fund level. Internal Service Funds may not be Major Funds because their revenues are derived from other City Funds. These revenues are eliminated in the Government-wide financial statements and any related profits or losses are returned to the activities which created them, along with any residual net position of the Internal Service Funds.



## **Fund Financial Statements (Continued)**

Comparisons of Budget and Actual financial information are presented only for the General Fund and other Major Funds that are Special Revenue Funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government.

The City is the agent for certain assessment districts, holding amounts collected from property owners which await transfer to these Districts' bond trustees. The City's fiduciary activities are reported in the separate Statements of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

The City is also the agent for the Successor Agency to the former Community Development Agency, holding assets of this agency pending final disposition by the Oversight Board. The City's fiduciary activities are reported under Private Purpose Trust Funds in the Statement of Net Position and the Statement of Changes in Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

## **Notes to the Financial Statements**

The notes are provided to give the reader more detailed information that is necessary in getting a full understanding of the data shown in the Government-wide and Fund financial statements.

## **Required Supplementary Information**

This report also includes supplementary information related to the City of Tracy's progress in maintaining its infrastructure assets and is shown on pages 97 and 98. The City of Tracy has elected to use the modified approach to report street pavement costs. The City uses the Metropolitan Transportation Commission's (MTC) Pavement System to track the condition levels of each of the street sections. With a rating of 77 (good or better condition 70-100) as of the end of the fiscal year, the condition of the pavement was 12 points higher than the City's administrative policy to achieve a minimum rating of 65 (fair condition 50-69). This fiscal year's rating remained unchanged from the previous fiscal year's rating.

## Government-wide Financial Analysis

### Net Position

Net position is a useful indicator of a government's financial position. The City of Tracy's assets exceeded liabilities by more than \$1,019 million at the close of FY 2013-2014. Of this amount, \$845 million or 82.9% of the City's net position are net investment in capital assets. These capital assets are comprised of land, buildings, infrastructure, intangible assets, streets and roads, and machinery and equipment, and are being used to provide services to its citizens. However, these assets are not available for future spending. Approximately \$101 million of the City's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of the City in the amount of \$73.2 million or 7.2% may be used to meet the City's ongoing obligations to citizens and creditors.

**Table 1**  
**City of Tracy**  
**Condensed Statement of Net Position**  
**June 30, 2014**  
**(in Thousands)**

Description	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Cash & Investments	\$ 139,646	\$ 145,685	\$ 26,746	\$ 28,486	\$ 166,392	\$ 174,171
Other Assets	34,656	30,275	9,286	8,373	43,942	38,648
Capital Assets	530,688	523,400	368,217	374,903	898,905	898,303
<b>Total Assets</b>	<b>704,990</b>	<b>699,360</b>	<b>404,249</b>	<b>411,762</b>	<b>1,109,239</b>	<b>1,111,122</b>
Long-Term Debt Outstanding	27,226	26,333	39,915	41,500	67,141	67,833
Other Liabilities	17,117	13,562	5,921	9,758	23,038	23,320
<b>Total Liabilities</b>	<b>44,343</b>	<b>39,895</b>	<b>45,836</b>	<b>51,258</b>	<b>90,179</b>	<b>91,153</b>
<b>Net Position:</b>						
Net Investment in						
Capital Assets	518,181	512,728	327,065	328,985	845,246	841,713
Restricted	100,403	111,131	247	237	100,650	111,368
Unrestricted	42,063	35,606	31,101	31,282	73,164	66,888
<b>Total Net Position</b>	<b>\$ 660,647</b>	<b>\$ 659,465</b>	<b>\$ 358,413</b>	<b>\$ 360,504</b>	<b>\$ 1,019,060</b>	<b>\$ 1,019,969</b>

## ***Government-wide Financial Analysis (Continued)***

### **Net Position (Continued)**

In governmental activities, the total net position increased by \$1.2 million, while the net position for proprietary funds decreased by \$21 million. The slight changes in net position are due to normal government operations.

In this fiscal year, in total, all but one proprietary fund incurred operating losses. The lone exception was the Solid Waste fund. Combined, the proprietary funds had an overall net operating loss of \$6.8 million compared to an operating loss of \$10.4 in the prior fiscal year for a decrease of 35%. The water fund's losses for the fiscal year of \$3.2 million are the highest compared to the other proprietary funds. When compared to the expenses of the previous fiscal year, the proprietary funds' total expenses for maintenance and operation and depreciation expenses increased by 4.3% or \$2.6 million while an increase of \$6.1 million or 12.2% in total operating revenues minimized operating losses. Despite the belt tightening and various cost-cutting measures that the City has already implemented, these proprietary funds still continue to operate in the red. The exception is the Solid Waste Fund which had an operating surplus of \$2.6 million.

Losses in the proprietary funds can only be alleviated by adjusting user rates. Solid waste rates were increased in January 2012, followed by an adjustment in sewer rates in 2013. The last increase in water rates occurred in 2008.

The combined operating losses incurred by the City's utility funds (water, sewer and drainage funds) in the amount of \$8.3 million during the current fiscal year are 17.1% lower compared to that of the previous fiscal year. Revenues increased slightly while operating costs remained relatively unchanged. The fiscal losses in the utility funds also include depreciation in the amount of \$20.1 million, which accounts for \$49.6% of operating expenses.

The Water Fund incurred an operating loss during the fiscal year in the amount of \$3.2 million. Operating revenue increased by 19.3% compared to that of last fiscal year while operating expenses also increased by 2.6%. This resulted in a smaller operating loss than in the prior fiscal year. The increased revenue is due to external bulk water sales to other government agencies.

The Sewer Fund incurred an operating loss during the fiscal year in the amount of \$2.3 million. Operating revenue increased by 8.0% compared to that of last fiscal year while operating expenses also increased by 11.1%. This resulted in a larger operating loss than in the prior fiscal year. This is due to higher depreciation charges and increased operating costs.

The Drainage Fund also incurred losses during the fiscal year in the amount of \$2.9 million. The total operating revenues decreased by 3.0% and expenses increased by 5.3%, primarily due to increased depreciation.

## ***Government-wide Financial Analysis (Continued)***

### **Net Position (Continued)**

The Solid Waste Fund had an operating income of \$2.6 million for the fiscal year compared to \$1.5 million in the prior fiscal year. Operating revenues increased by 5.7% while operating expenses increased by 0.5% during the fiscal year. The increase in operating revenue is due to rate adjustments in the prior fiscal year.

The Airport Fund continues to report an operating loss; this fiscal year's loss of \$.23 million is slightly better than the prior fiscal year. The Airport Fund's major source of revenue is from hangar rentals, sale of fuel, and federal and state grants. This fiscal year, both operating revenues and operating expenses have increased. The City has previously contracted out fuel sales to a private contractor but took over fuel sales during the current fiscal year. The City continues to manage and operate the airport.

The Transit Fund incurred an operating loss in the amount of \$0.9 million which was 41.6% lower than the previous fiscal year. Operating revenue doubled compared to the prior fiscal year while operating expenses increased by 6.3%. Fare box revenue increased by 28.8% while transit subsidies doubled.

## **Changes in Net Position**

The City's net position showed an overall decrease of 0.1% compared to the prior fiscal year. The City's governmental activities reflect an increase of 0.2% while business activities recorded a reduction of 2.5% in net position. Table 2 shows these changes in detail.

### **Governmental Activities**

Governmental activities increased the City's net position by \$1.2 million or 0.2%. Overall, revenues decreased slightly by \$1.5 million or 1.7% compared to last fiscal year; however, most of this change was due to a decrease in capital grants and contributions. Property tax revenue increased by 5% while other tax revenue increased by 9.5%. The increase in tax revenues is directly linked to the continuation of the economic recovery occurring in the City.

Effective April 1, 2011, voters approved Measure E, an additional one-half cent, 5-year sales tax initiative. Given that Measure E is temporary, the City continues to implement and monitor cost containment strategies, including service consolidations, organizational restructuring, and efficiency measures in anticipation of Measure E's expiration in April 2016.

### **Business-type Activities**

The City of Tracy maintains six different types of proprietary funds. These funds are used to report the same functions presented as business-type activities in the Government-wide financial statements. Water, sewer, solid waste, drainage, airport and transit services provided by the City of Tracy are all accounted for in the enterprise funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central garage, central services, equipment acquisition, building maintenance and insurance expenditures.

Proprietary funds provide the same type of information as the Government-wide financial statements, only in more detail. The financial statements show separate information for each service provided and all are considered to be Major funds of the City of Tracy. Total expenses exceeded total revenues fiscal resulting in the reduction of the net position of business-type activities.

Both revenues and expenses increased in every business-type activity during the fiscal year; however, revenues increased more than expenses resulting in lower combined operating losses than the prior fiscal year. An analysis of user rates may be necessary over the next several years.

**Table 2**  
**City of Tracy**  
**Condensed Statement of Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2014**  
(in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 10,798	\$ 10,303	\$ 55,734	\$ 49,656	\$ 66,532	\$ 59,959
Operating Contributions and Grants	10,963	12,724			10,963	12,724
Capital Grants and Contributions	18,166	22,596	6,336	2,528	24,502	25,124
Total Program Revenues	39,927	45,623	62,070	52,184	101,997	97,807
General Revenues:						
Property Taxes	15,700	14,946			15,700	14,946
Other Taxes	27,303	24,935			27,303	24,935
Other General Revenues	2,763	1,760	264	144	3,027	1,904
Transfers		(42)		42		
Total General Revenues & Transfers	45,766	41,599	264	186	46,030	41,785
Total Revenues	85,693	87,222	62,334	52,370	148,027	139,592
<b>Expenses</b>						
General Government	6,412	6,572			6,412	6,572
Police	22,032	21,878			22,032	21,878
Fire	15,942	15,370			15,942	15,370
Development & Engineering	7,860	7,685			7,860	7,685
Public Works	24,498	18,269			24,498	18,269
Parks & Community Services	4,668	4,709			4,668	4,709
Interest on Long-term Debt	1,342	1,399			1,342	1,399
Unallocated Depreciation	587	521			587	521
Water			22,300	21,765	22,300	21,765
Sewer			16,442	14,970	16,442	14,970
Solidwaste			18,923	18,820	18,923	18,820
Storm Drainage			3,404	3,232	3,404	3,232
Airport			629	590	629	590
Transit			2,556	2,404	2,556	2,404
Total Expenses	83,341	76,403	64,254	61,781	147,595	138,184
Change in Net Position	2,352	10,819	(1,920)	(9,411)	432	1,408
Net Position, Beginning	659,465	648,646	360,505	369,916	1,019,970	1,018,562
Prior Period Adjustment	(1,170)		(172)		(1,342)	
Net Position, Beginning (Restated)	658,295		360,333		1,018,628	
Net Position, Ending	\$ 660,647	\$ 659,465	\$ 358,413	\$ 360,505	\$1,019,060	\$1,019,970

## **Financial Analysis of Governmental Funds**

The City of Tracy's governmental funds' purpose is to provide information on short-term inflows, outflows, and balances of spendable resources.

At June 30, 2014, the City's governmental funds presented a combined fund balance of \$131.2 million, a decrease of \$5.9 million or 4.3% when compared to that of the prior fiscal year. This fiscal year, only the Business Improvement District, Community Development Block Grant, and Regional Mall Debt Service funds posted a negative fund balance. This negative balance was because capital outlay and debt service expenditures exceeded the revenues. It is anticipated that future revenues from State grants and other sources will offset these expenditures.

The City of Tracy's General Fund has a fund balance of \$35.1 million. Of this amount, \$33.4 million is unrestricted. The total unrestricted fund balance represents approximately 67% of the total General Fund expenditures.

The Housing Successor Fund has a fund balance of \$3.0 million, of which 100% is restricted to low and moderate income housing projects.

The North East Industrial Plan Area #1 Fund has a fund balance of \$3.8 million, of which 100% is restricted for the purpose of the project.

## **Financial Analysis of Proprietary Funds**

The proprietary funds of the City of Tracy provide the same type of information found in the government-wide financial statements as the governmental funds but is shown with more detail.

The total unrestricted net position of the proprietary funds is \$31.1 million for the fiscal year ending June 30, 2014. This is less than 0.1% lower than the prior fiscal year unrestricted net position of \$31.3 million. This decrease is due to operating losses during the fiscal year.

Total operating revenues for the Water Fund increased by 19.3% and operating expenses increased by 2.6% resulting in an operating loss of \$3.2 million. Compared to the prior fiscal year, the fiscal year's loss was 43.8% lower. Increased revenues are due to one-time bulk water sales.

The Sewer Fund also posted an operating loss of \$2.3 million, which was an increase from the prior fiscal year's loss of \$1.7 million. Like the Water Fund, total operating revenues increased by 8.0%, however, operating expenses increased by 11.1%. The increase in operating expenses was the result of higher operating and maintenance costs and also higher depreciation charges.

The Airport Fund posted a \$0.1 million increase in total operating revenues and an increase in operating expenses slightly less than \$0.1 million.

## **Financial Analysis of Proprietary Funds (Continued)**

Solid Waste Fund operating expenses increased by 4.2% while total operating revenues increased by 5.7%, resulting in an excess revenue of \$2.6 million. The excess revenue was due to a rate adjustment in a prior fiscal year.

The operations of the Transit Fund posted an operating loss of \$0.9 million, which was 41.7% lower than the prior fiscal year's loss of \$1.6 million. The lower loss is attributed to an increase in transit subsidies from federal, state, and county agencies.

The Drainage Fund reflected an operating loss of \$2.9 million, which was a 7.1% increase from the prior fiscal year's operating loss of \$2.7 million.

## **General Fund Budgetary Highlights**

- The actual revenues of the General Fund were more than the estimated amount by \$3.3 million.
- The actual expenditures reported a favorable variance. The actual expenditures were lower than the estimated by \$1.05 million.
- The net budgetary excess of revenues over expenditures for the fiscal year ended June 30, 2014 is \$4.3 million before operating transfers out.

Actual revenues exceeded the estimated revenues in taxes, primarily property taxes and sales taxes, and intergovernmental and charges for services while other revenue sources were down. The favorable variance in expenditures can be attributed to ongoing cost savings measures that the City undertook during the fiscal year.



## Capital Asset and Debt Administration

**Capital Assets.** The City of Tracy's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$899 million (net of accumulated depreciation). These capital assets include the asset descriptions shown on the table below. The total increase in the City's investments in capital assets for the fiscal year is negligible at less than 0.01%. There is a 1.4% increase in capital assets for governmental activities while business-type activities experienced a decrease of 1.8% due to accumulated depreciation. More detailed information of the City's capital assets can be found in Note 5.

**Table 3**  
**City of Tracy**  
**Schedule of Capital Assets**  
**June 30, 2014**  
(in Thousands)

Description	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 164,351	\$ 160,091	\$ 11,841	\$ 11,841	\$ 176,192	\$ 171,932
Streets and Roads	222,316	213,780			222,316	213,780
Construction in-Progress	14,575	19,759	7,042	4,824	21,617	24,583
Buildings and Improvements	159,351	153,828	225,454	223,211	384,805	377,039
Grading, Curbs & Gutters, Sidewalks & Driveway Approaches	27,947	27,947			27,947	27,947
Traffic Signals	18,089	17,374			18,089	17,374
Equipment	26,253	24,860	44,446	44,163	70,699	69,023
Infrastructure	11,079	8,580	248,406	246,080	259,485	254,660
Intangible Assets	968	866	76,731	69,222	77,699	70,088
Less: Total Accumulated Depreciation	(114,241)	(103,685)	(245,703)	(224,437)	(359,944)	(328,122)
<b>Total Capital Assets</b>	<b>\$ 530,688</b>	<b>\$ 523,400</b>	<b>\$ 368,217</b>	<b>\$ 374,904</b>	<b>\$ 898,905</b>	<b>\$ 898,304</b>

**Long-term Debt.** At the end of fiscal year 2014, the City's total debt showed a slight reduction of 5.2% or \$3.9 million. This decline was due to the principal payments on the long-term debt during the fiscal year.

A detailed discussion of the entire City's long-term debt can be found under Notes 7, 8, 11 and 18. Standard and Poor's and Moody's credit ratings of AAA and Aaa, respectively, were received by the City's most recent insured debt issuance.

**Table 4**  
**City of Tracy**  
**Schedule of Long Term Debt**  
**June 30, 2014**  
(in Thousands)

Debt Description	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
2008 Lease Revenue Bonds	\$ 19,015	\$ 19,160	\$ -	\$ -	\$ 19,015	\$ 19,160
2007 Lease Revenue Bonds-A	2,690	2,690			2,690	2,690
2007 Lease Revenue Bonds-B	1,295	1,395			1,295	1,395
Capital Leases	909				909	
2003 Wastewater Revenue Bonds				345		345
2004 Wastewater Revenue Bonds			26,630	27,300	26,630	27,300
Irrigation District Notes				3,000		3,000
State of California-Department of Transportation Loan			33	54	33	54
State of California-Department of Health Services			14,489	15,392	14,489	15,392
Compensated Absences	2,857	2,794	574	518	3,431	3,312
Claims and Judgments	112	112			112	112
Post Retirement Benefits	1,689	1,411			1,689	1,411
<b>Total Long Term Liabilities</b>	<b>\$ 28,567</b>	<b>\$ 27,562</b>	<b>\$ 41,726</b>	<b>\$ 46,609</b>	<b>\$ 70,293</b>	<b>\$ 74,171</b>

## **Economic Outlook and Major Initiatives**

As reflected in this fiscal report, the City is experiencing the positive effects in an improved economic climate. Property values have continued to increase and sales tax is strong and has surpassed the highs established in 2007. These positive changes have enabled the City to replenish its reserves for the second consecutive year. However, the City must continue its path of fiscal prudence as it prepares for the expiration of Measure E, an added one-half cent sales tax that expires in April 2016. More detail about the City's economic outlook is discussed in the accompanying transmittal letter.

## **Contacting the City's Financial Management**

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to the Administrative Services Department, Finance Division at 333 Civic Center Plaza, Tracy, California 95376.

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**CITY OF TRACY**  
**STATEMENT OF NET POSITION**  
**June 30, 2014**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 128,055,381	\$ 26,401,530	\$ 154,456,911
Cash and investments with fiscal agents	11,590,332	344,047	11,934,379
Accounts receivable	11,254,499	11,255,646	22,510,145
Inventory		570,994	570,994
Interest receivable	386,518	58,090	444,608
Prepaid items	1,055,830	220,257	1,276,087
Internal balances	2,818,862	(2,818,862)	
Due from Agency Funds	19,050		19,050
Due from Private Purpose Trust Funds	95,800		95,800
Deposits	1,000,000		1,000,000
Loans receivable	15,222,472		15,222,472
Advances to CDA successor agency	2,803,520		2,803,520
Capital assets, not being depreciated	401,241,520	18,883,389	420,124,909
Capital assets, being depreciated, net of accumulated depreciation	129,446,316	349,333,896	478,780,212
<b>Total Assets</b>	<u>704,990,100</u>	<u>404,248,987</u>	<u>1,109,239,087</u>
<b>LIABILITIES</b>			
Accounts payable	5,116,169	2,347,054	7,463,223
Accrued interest payable	351,057	97,678	448,735
Deposits payable	10,308,642	1,664,702	11,973,344
Noncurrent liabilities:			
Due within one year	1,341,440	1,811,063	3,152,503
Due in more than one year	27,226,008	39,915,351	67,141,359
<b>Total Liabilities</b>	<u>44,343,316</u>	<u>45,835,848</u>	<u>90,179,164</u>
<b>NET POSITION</b>			
Net investment in capital assets	518,181,312	327,064,979	845,246,291
Restricted for:			
Debt service	581,627	247,471	829,098
Public safety	1,279,224		1,279,224
Streets and roads	5,297,967		5,297,967
Community development	1,482,784		1,482,784
Special districts	5,230,783		5,230,783
Projects	71,574,928		71,574,928
Housing	14,955,461		14,955,461
Unrestricted	42,062,698	31,100,689	73,163,387
<b>Total Net Position</b>	<u>\$ 660,646,784</u>	<u>\$ 358,413,139</u>	<u>\$ 1,019,059,923</u>

The notes to the basic financial statements are an integral part of this statement

**CITY OF TRACY**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Governmental Activities:</b>				
General government				
Legislative	\$ (101,960)	\$ -	\$ -	\$ -
City attorney	(738,500)			
Administration	(1,729,646)			
Personnel	(567,348)			
Finance	(2,102,067)			
Community Promotion	(109,481)			
Non-departmental	(109,905)	1,040,346		212,022
Economic development	(953,313)		265,528	1,373,579
Public safety				
Police	(22,032,488)	327,870	1,358,461	90,111
Fire	(15,942,120)	250,665	6,730,090	
Public works				
Development and engineering	(7,860,171)	3,038,560		370,643
Public works	(24,498,222)	5,039,907	2,609,597	15,971,199
Culture and leisure				
Cultural arts	(1,911,806)	262,685		
Parks and community services	(2,756,004)	837,567		148,927
Interest on long-term debt	(1,341,850)			
Unallocated depreciation	(587,000)			
<b>Total Governmental Activities</b>	<b>(83,341,881)</b>	<b>10,797,600</b>	<b>10,963,676</b>	<b>18,166,481</b>
<b>Business-type Activities:</b>				
Water	(22,300,082)	18,699,523		1,204,871
Sewer	(16,441,797)	12,940,434		1,459,974
Airport	(628,745)	394,934		458,586
Solid waste	(18,922,933)	21,520,880		
Transit	(2,556,230)	1,631,373		353,148
Drainage	(3,404,500)	546,910		2,859,946
<b>Total Business-type Activities</b>	<b>(64,254,287)</b>	<b>55,734,054</b>		<b>6,336,525</b>
<b>Total Government</b>	<b>\$ (147,596,168)</b>	<b>\$ 66,531,654</b>	<b>\$ 10,963,676</b>	<b>\$ 24,503,006</b>

General Revenues:  
Taxes:  
  Property taxes  
  Franchise taxes  
  Sales and use taxes  
  Transient occupancy tax  
  Business license taxes  
  Transfer tax  
  Motor vehicle in lieu, unrestricted  
  Investment earnings  
  Miscellaneous  
Other Revenue  
  
Total General Revenues

Change in Net Position

Net Position July 1, 2013  
Prior Period Adjustments  
Net Position July 1, 2013, Restated

Net Position, June 30, 2014

The notes to the basic financial statements are an integral part of this statement

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (101,960)	\$ -	\$ (101,960)
(738,500)		(738,500)
(1,729,646)		(1,729,646)
(567,348)		(567,348)
(2,102,067)		(2,102,067)
(109,481)		(109,481)
1,142,463		1,142,463
685,794		685,794
(20,256,046)		(20,256,046)
(8,961,365)		(8,961,365)
(4,450,968)		(4,450,968)
(877,519)		(877,519)
(1,649,121)		(1,649,121)
(1,769,510)		(1,769,510)
(1,341,850)		(1,341,850)
(587,000)		(587,000)
<u>(43,414,124)</u>		<u>(43,414,124)</u>
	(2,395,688)	(2,395,688)
	(2,041,389)	(2,041,389)
	224,775	224,775
	2,597,947	2,597,947
	(571,709)	(571,709)
	2,356	2,356
	<u>(2,183,708)</u>	<u>(2,183,708)</u>
<u>(43,414,124)</u>	<u>(2,183,708)</u>	<u>(45,597,832)</u>
15,699,554		15,699,554
2,593,225		2,593,225
22,721,973		22,721,973
974,314		974,314
706,573		706,573
271,761		271,761
35,662		35,662
1,129,123	264,038	1,393,161
1,052,258		1,052,258
581,814		581,814
<u>45,766,257</u>	<u>264,038</u>	<u>46,030,295</u>
<u>2,352,133</u>	<u>(1,919,670)</u>	<u>432,463</u>
659,465,244	360,504,465	1,019,969,709
(1,170,593)	(171,656)	(1,342,249)
<u>658,294,651</u>	<u>360,332,809</u>	<u>1,018,627,460</u>
<u>\$ 660,646,784</u>	<u>\$ 358,413,139</u>	<u>\$ 1,019,059,923</u>

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## **FUND FINANCIAL STATEMENTS**

GASB Statement No. 34 revised the format of the Fund Financial Statements so that only individual major funds are presented, while nonmajor funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current fiscal year. No distinction is made between fund types and the practice of combining like funds and presenting their totals in separate columns (Combined financial Statements) has been discontinued, along with the use of the General Fixed Assets and General Long-term Debt Account Groups.

The funds described below were determined to be Major Funds by the City for the fiscal year 2014. Individual nonmajor funds may be found in the Other Supplemental Information Section.

### **GENERAL FUND**

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City Funds, and the related expenditures.

### **HOUSING SUCCESSOR**

This fund was established to account for housing activities assumed by the City from the former Tracy Community Redevelopment Agency.

### **NORTH EAST INDUSTRIAL PLAN AREA # 1**

The North East Industrial Plan Area # 1 was established to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

**CITY OF TRACY  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2014**

	General Fund	Housing Successor	North East Industrial Plan Area #1	Other Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 37,816,063	\$ 199,692	\$ 5,479,780	\$ 72,246,614
Cash and investments with fiscal agents				11,590,332
Accounts receivable	4,511,662			6,855,768
Interest receivable	173,188	567	14,671	198,092
Prepaid items	12,394		55,246	2,127
Deposits				1,000,000
Loans receivable	525,790	13,054,001		2,442,500
Due from other funds	1,318,167			5,606,000
Advances to CDA successor agency		2,803,520		
Advances to other funds	244,057			1,747,454
<b>Total Assets</b>	<b>\$ 44,601,321</b>	<b>\$ 16,057,780</b>	<b>\$ 5,549,697</b>	<b>\$ 101,688,887</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 2,249,007	\$ -	\$ -	\$ 2,493,886
Due to other funds				4,349,362
Deposits payable	7,280,967			3,027,675
Advances from other funds			1,747,454	
<b>Total Liabilities</b>	<b>9,529,974</b>		<b>1,747,454</b>	<b>9,870,923</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue - loans		13,054,001		2,442,500
<b>Total Deferred Inflows of Resources</b>		<b>13,054,001</b>		<b>2,442,500</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>9,529,974</b>	<b>13,054,001</b>	<b>1,747,454</b>	<b>12,313,423</b>
Fund Balances:				
Nonspendable				
Prepaid items	12,394		55,246	2,127
Advances	244,057			
Loans receivable	525,790			
Restricted	346,363	3,003,779	3,746,997	90,650,992
Assigned	523,005			
Unassigned	33,419,738			(1,277,655)
<b>Total Fund Balances</b>	<b>35,071,347</b>	<b>3,003,779</b>	<b>3,802,243</b>	<b>89,375,464</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 44,601,321</b>	<b>\$ 16,057,780</b>	<b>\$ 5,549,697</b>	<b>\$ 101,688,887</b>

The notes to the basic financial statements are an integral part of this statement

Total  
Governmental  
Funds

---

\$ 115,742,149  
11,590,332  
11,367,430  
386,518  
69,767  
1,000,000  
16,022,291  
6,924,167  
2,803,520  
1,991,511

---

\$ 167,897,685

\$ 4,742,893  
4,349,362  
10,308,642  
1,747,454

---

21,148,351

15,496,501

15,496,501

36,644,852

69,767  
244,057  
525,790  
97,748,131  
523,005  
32,142,083

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131,252,833

\$ 167,897,685

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**CITY OF TRACY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**June 30, 2014**

Fund balances of governmental funds \$ 131,252,833

Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:

Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the Governmental Funds Balance Sheet. (These do not include Internal Service Funds Assets)

Capital assets	\$ 619,266,523	
Less: accumulated depreciation	(93,710,206)	525,556,317

Interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet. (Does not include Internal Service Funds) (340,760)

The liabilities below are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet.

Compensated absences (Does not include Internal Service Funds)	(2,697,671)	
Bonds payable	(23,000,000)	
Postretirement benefit accrual	(1,689,216)	(27,386,887)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 16,868,599

In governmental funds, other long-term assets are not available to pay for current-period expenditures, and therefore, are offset by unearned revenue. 15,700,275

In governmental funds, other long-term assets are not available to pay for current-period expenditures:

Conditional grant balance allowance	(1,003,593)	
-------------------------------------	-------------	--

Net position of governmental activities \$ 660,646,784

The notes to the basic financial statements are an integral part of this statement

**CITY OF TRACY  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2014**

	General	Housing Successor	North East Industrial Plan Area #1	Other Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 40,282,107	\$ -	\$ -	\$ 3,522,295
Licenses, permits, and fees	3,813,645			194,256
Fines and penalties	790,326			72,663
Use of money and property	832,258	61,768	59,289	745,637
Intergovernmental	1,533,055			11,394,536
Charges for services	8,588,914			305,208
Special assessments	370,643			6,810,604
Contributions			300,000	4,046,394
Other revenues	1,184,106			582,545
<b>Total Revenues</b>	<b>57,395,054</b>	<b>61,768</b>	<b>359,289</b>	<b>27,674,138</b>
<b>EXPENDITURES</b>				
Current:				
General government				
Economic development	436,893			513,967
General government	3,165,940			82,956
Finance	2,102,067			
Non-departmental	372,061			377,065
Public safety				
Police	21,582,841			9,397
Fire	9,231,255			6,638,018
Public works				
Development and engineering	6,301,000			165,574
Public works	3,648,617			4,822,535
Culture and leisure				
Cultural arts	1,310,025			
Parks and community services	1,802,656			
Capital outlay	55,225		9,776,754	17,346,716
Debt service:				
Principal payments				245,000
Interest and fiscal charges				1,344,592
<b>Total Expenditures</b>	<b>50,008,580</b>		<b>9,776,754</b>	<b>31,545,820</b>
Excess of Revenues over (under) Expenditures	7,386,474	61,768	(9,417,465)	(3,871,682)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				1,213,671
Transfers out	(1,208,709)			(26,962)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,208,709)</b>			<b>1,186,709</b>
<b>Net Changes in Fund Balances</b>	<b>6,177,765</b>	<b>61,768</b>	<b>(9,417,465)</b>	<b>(2,684,973)</b>
Fund Balances, July 1, 2013	28,893,582	2,942,011	13,219,708	92,060,437
Fund Balances, June 30, 2014	<b>\$ 35,071,347</b>	<b>\$ 3,003,779</b>	<b>\$ 3,802,243</b>	<b>\$ 89,375,464</b>

The notes to the basic financial statements are an integral part of this statement

Total  
Governmental  
Funds

\$ 43,804,402  
4,007,901  
862,989  
1,698,952  
12,927,591  
8,894,122  
7,181,247  
4,346,394  
1,766,651

---

85,490,249

950,860  
3,248,896  
2,102,067  
749,126

21,592,238  
15,869,273

6,466,574  
8,471,152

1,310,025  
1,802,656  
27,178,695

245,000  
1,344,592

---

91,331,154

---

(5,840,905)

---

1,213,671  
(1,235,671)

---

(22,000)

---

(5,862,905)

137,115,738

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\$ 131,252,833

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**CITY OF TRACY  
RECONCILIATION OF THE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES \$ (5,862,905)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Repayment of long-term receivables is treated as revenue in governmental funds, but the repayment reduces long-term receivables in the Statement of Net Position. Issuance of long-term receivables is treated as expenditures in the governmental funds, but the issuance increases long-term receivables in the Statement of Net Position. (2,453)

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated lives and reported as depreciation expense.

Capital outlay expenditures are added back to fund balances	\$ 16,459,966	
Depreciation expense not reported in governmental funds	<u>(9,054,352)</u>	7,405,614

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but in the Statement of Net Position, the costs are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance		245,000
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The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Postretirement benefit accrual	(278,398)	
Interest payable	2,742	
Accrued interest receivable on loans	203,774	
Compensated absences	<u>(31,336)</u>	(103,218)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.

670,095

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,352,133



## **MAJOR PROPRIETARY FUNDS**

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The concept of *major funds* established by GASB Statement No. 34 extends to Proprietary Funds. The City has identified the funds below as major proprietary funds in the fiscal year 2014.

### **WATER UTILITY FUND**

This fund accounts for the provision of water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including administrative, operations, capital improvements, maintenance, financing, and related debt service, and billing and collection.

### **SEWER UTILITY FUND**

This fund accounts for the activities associated with operating and maintaining the City's sewer and surface drainage system. All activities necessary to provide such services are accounted for in this fund including administration, operations, capital improvements, maintenance, financing, and related debt service, and billing and collection.

### **MUNICIPAL AIRPORT FUND**

This fund accounts for the activities associated with the operations and maintenance of the City's airport.

### **SOLID WASTE FUND**

This fund accounts for the provision of refuse collection services to residents of the City, accomplished through a franchised operator. This fund is also used to account for the activities of the City's recycling program.

### **MUNICIPAL TRANSIT FUND**

This fund accounts for the activities associated with the operations and maintenance of the City's public transit activities, and has particular emphasis on serving the elderly and handicapped.

### **DRAINAGE FUND**

Activities of the City's storm drainage operations are accounted for in this fund.

**CITY OF TRACY  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
June 30, 2014**

	Enterprise Funds		
	Water Utility	Sewer Utility	Municipal Airport
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 5,234,631	\$ 14,441,917	\$ 3,909
Cash and investments with fiscal agents		344,047	
Accounts receivable - net	2,787,816	2,338,335	478,868
Inventory	570,994		
Interest receivable	11,518	31,817	
Prepaid expenses		2,429	40,000
Due from other funds	1,336,000		
<b>Total current assets</b>	<b>9,940,959</b>	<b>17,158,545</b>	<b>522,777</b>
Noncurrent:			
Advances to other funds	862,500	5,000,000	
	862,500	5,000,000	
Capital Assets:			
Nondepreciable			
Land	29,016	6,050,640	15,826
Construction in progress	1,693,473	4,702,621	580,949
<b>Total nondepreciable capital assets</b>	<b>1,722,489</b>	<b>10,753,261</b>	<b>596,775</b>
Depreciable			
Infrastructure	109,854,181	80,656,823	
Buildings	44,000,539	78,775,756	356,080
Improvements	29,612,034	22,666,696	6,602,406
Equipment	11,445,578	29,782,734	120,843
Intangibles	76,404,122	125,878	191,726
<b>Total depreciable capital assets</b>	<b>271,316,454</b>	<b>212,007,887</b>	<b>7,271,055</b>
Less accumulated depreciation	(100,345,389)	(95,296,919)	(5,649,765)
<b>Net depreciable capital assets</b>	<b>170,971,065</b>	<b>116,710,968</b>	<b>1,621,290</b>
<b>Net capital assets</b>	<b>172,693,554</b>	<b>127,464,229</b>	<b>2,218,065</b>
<b>Total noncurrent assets</b>	<b>173,556,054</b>	<b>132,464,229</b>	<b>2,218,065</b>
<b>Total assets</b>	<b>\$ 183,497,013</b>	<b>\$ 149,622,774</b>	<b>\$ 2,740,842</b>

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities - Internal Service Funds
Solid Waste	Municipal Transit	Drainage	Totals	
\$ 5,456,505	\$ 411,784	\$ 852,784	\$ 26,401,530	\$ 12,313,232
			344,047	
2,810,329	2,802,725	37,573	11,255,646	1,919
			570,994	
11,981	903	1,871	58,090	
555		177,273	220,257	986,063
			1,336,000	
<u>8,279,370</u>	<u>3,215,412</u>	<u>1,069,501</u>	<u>40,186,564</u>	<u>13,301,214</u>
			5,862,500	
			5,862,500	
	1,427,226	4,318,335	11,841,043	
		65,303	7,042,346	
	<u>1,427,226</u>	<u>4,383,638</u>	<u>18,883,389</u>	
	187,228	57,707,607	248,405,839	
	12,132,375		135,264,750	201,414
	3,731,931	27,576,312	90,189,379	554,752
44,219	2,956,107	96,713	44,446,194	24,095,773
	8,884		76,730,610	810,623
44,219	19,016,525	85,380,632	595,036,772	25,662,562
<u>(44,196)</u>	<u>(5,439,534)</u>	<u>(38,927,073)</u>	<u>(245,702,876)</u>	<u>(20,531,043)</u>
23	13,576,991	46,453,559	349,333,896	5,131,519
23	15,004,217	50,837,197	368,217,285	5,131,519
23	15,004,217	50,837,197	374,079,785	5,131,519
<u>\$ 8,279,393</u>	<u>\$ 18,219,629</u>	<u>\$ 51,906,698</u>	<u>\$ 414,266,349</u>	<u>\$ 18,432,733</u>

(Continued)

**CITY OF TRACY**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**June 30, 2014**  
(Continued)

	Enterprise Funds		
	Water Utility	Sewer Utility	Municipal Airport
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 991,365	\$ 211,700	\$ 3,635
Deposits payable	801,392	4,500	47,675
Due to other funds			1,336,000
Accrued interest payable		96,576	1,102
Claims payable, current portion			
Current portion - compensated absences	90,759	59,350	4,224
Current portion - long-term debt	924,249	695,000	21,194
<b>Total current liabilities</b>	<b>2,807,765</b>	<b>1,067,126</b>	<b>1,413,830</b>
Noncurrent Liabilities:			
Advances from other funds	5,000,000		1,106,557
Capital lease payable			
Notes payable	13,564,908		11,955
Compensated absences	246,927	125,902	11,679
Claims payable			
Certificates of participation payable		25,935,000	
<b>Total noncurrent liabilities</b>	<b>18,811,835</b>	<b>26,060,902</b>	<b>1,130,191</b>
<b>Total Liabilities</b>	<b>21,619,600</b>	<b>27,128,028</b>	<b>2,544,021</b>
<b>NET POSITION</b>			
Net investment in capital assets	158,204,397	100,834,229	2,184,916
Restricted for debt service		247,471	
Unrestricted	3,673,016	21,413,046	(1,988,095)
<b>Total Net Position</b>	<b>\$ 161,877,413</b>	<b>\$ 122,494,746</b>	<b>\$ 196,821</b>

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities - Internal Service Funds
Solid Waste	Municipal Transit	Drainage	Totals	
\$ 834,499	\$ 278,975	\$ 26,880	\$ 2,347,054	\$ 373,276
		811,135	1,664,702	
14,805	2,560,000		3,910,805	
			97,678	10,297
				56,247
3,614	7,032	5,641	170,620	49,888
			1,640,443	82,518
<u>852,918</u>	<u>2,846,007</u>	<u>843,656</u>	<u>9,831,302</u>	<u>572,226</u>
			6,106,557	
				825,998
			13,576,863	
492	7,999	10,489	403,488	109,663
				56,247
			25,935,000	
<u>492</u>	<u>7,999</u>	<u>10,489</u>	<u>46,021,908</u>	<u>991,908</u>
<u>853,410</u>	<u>2,854,006</u>	<u>854,145</u>	<u>55,853,210</u>	<u>1,564,134</u>
23	15,004,217	50,837,197	327,064,979	4,223,003
			247,471	
<u>7,425,960</u>	<u>361,406</u>	<u>215,356</u>	<u>31,100,689</u>	<u>12,645,596</u>
<u>\$ 7,425,983</u>	<u>\$ 15,365,623</u>	<u>\$ 51,052,553</u>	<u>\$ 358,413,139</u>	<u>\$ 16,868,599</u>

**CITY OF TRACY  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 For the Fiscal Year Ended June 30, 2014**

	Enterprise Funds		
	Water Utility	Sewer Utility	Municipal Airport
Operating Revenues			
Sales and charges for services	\$ 16,042,440	\$ 12,925,036	\$ 394,934
Other operating revenues	2,657,083	15,398	
Total Operating Revenues	<u>18,699,523</u>	<u>12,940,434</u>	<u>394,934</u>
Operating Expenses			
Purchase of water	3,884,603		
Maintenance and operation	8,354,226	6,867,711	286,198
Administration	546,227	343,555	82,770
Insurance costs and claims			
Depreciation	9,077,601	7,995,564	257,786
Total Operating Expenses	<u>21,862,657</u>	<u>15,206,830</u>	<u>626,754</u>
Operating Income (Loss)	<u>(3,163,134)</u>	<u>(2,266,396)</u>	<u>(231,820)</u>
Non-Operating Revenues (Expenses)			
Interest income	14,153	105,894	
Interest expense	(437,425)	(1,234,967)	(1,991)
Total Non-Operating Income (Loss)	<u>(423,272)</u>	<u>(1,129,073)</u>	<u>(1,991)</u>
Income (Loss) Before Capital Contributions and Transfers	(3,586,406)	(3,395,469)	(233,811)
Capital Contributions and Grants	1,204,871	1,459,974	458,586
Transfers in	20,880		
Transfers out			(20,880)
Change in Net Position	<u>(2,360,655)</u>	<u>(1,935,495)</u>	<u>203,895</u>
Net Position, July 1, 2013	164,238,068	124,601,897	(7,074)
Prior Period Adjustments		(171,656)	
Net Position, July 1, 2013, Restated	<u>164,238,068</u>	<u>124,430,241</u>	<u>(7,074)</u>
Net Position, June 30, 2014	<u>\$ 161,877,413</u>	<u>\$ 122,494,746</u>	<u>\$ 196,821</u>

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities- Internal Service Funds
Solid Waste	Municipal Transit	Drainage	Totals	
\$ 21,520,880	\$ 106,962 1,524,411	\$ 546,910	\$ 51,537,162 4,196,892	\$ 8,844,730 845,458
21,520,880	1,631,373	546,910	55,734,054	9,690,188
			3,884,603	
18,862,903	1,467,491	370,071	36,208,600	4,694,105
59,747	65,070	50,559	1,147,928	153,384
				2,777,478
283	1,023,669	2,983,870	21,338,773	1,503,207
18,922,933	2,556,230	3,404,500	62,579,904	9,128,174
2,597,947	(924,857)	(2,857,590)	(6,845,850)	562,014
139,860	2,358	1,773	264,038 (1,674,383)	
139,860	2,358	1,773	(1,410,345)	
2,737,807	(922,499) 353,148	(2,855,817) 2,859,946	(8,256,195) 6,336,525 20,880 (20,880)	562,014 86,081 22,000
2,737,807	(569,351)	4,129	(1,919,670)	670,095
4,688,176	15,934,974	51,048,424	360,504,465 (171,656)	16,198,504
4,688,176	15,934,974	51,048,424	360,332,809	16,198,504
\$ 7,425,983	\$ 15,365,623	\$ 51,052,553	\$ 358,413,139	\$ 16,868,599

**CITY OF TRACY  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 For the Fiscal Year Ended June 30, 2014**

	Enterprise Funds		
	Water Utility	Sewer Utility	Municipal Airport
Cash Flows from Operating Activities:			
Receipts from customers	\$ 18,762,911	\$ 13,089,659	\$ (59,500)
Receipts from interfund charges			428,000
Payments to suppliers and users	(8,605,218)	(4,297,018)	(230,652)
Payments to employees	(4,071,527)	(2,853,951)	(178,101)
Net Cash Provided (Used) by Operating Activities	<u>6,086,166</u>	<u>5,938,690</u>	<u>(40,253)</u>
Cash Flows from Non-Capital Financing Activities:			
Due to/from other funds	(1,336,000)		
Advances to/from other funds	5,000,000	(5,000,000)	
Transfers in	20,880		
Transfers out			(20,880)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>3,684,880</u>	<u>(5,000,000)</u>	<u>(20,880)</u>
Cash Flows from Capital and Related Financing Activities:			
Capital contributions and grants received	1,204,871	1,288,318	458,586
Acquisitions of capital assets	(9,010,014)	(1,739,435)	(370,913)
Interest paid	(444,927)	(1,242,979)	(2,667)
Principal payments - long-term debt	(3,902,995)	(1,015,000)	(20,329)
Proceeds from issuance of debt			
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(12,153,065)</u>	<u>(2,709,096)</u>	<u>64,677</u>
Cash Flows from Investing Activities:			
Interest received	21,985	283,765	
Net Cash Provided (Used) by Investing Activities	<u>21,985</u>	<u>283,765</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	(2,360,034)	(1,486,641)	3,544
Cash and Cash Equivalents, July 1, 2013	<u>7,594,665</u>	<u>16,272,605</u>	<u>365</u>
Cash and Cash Equivalents, June 30, 2014	<u>\$ 5,234,631</u>	<u>\$ 14,785,964</u>	<u>\$ 3,909</u>
Noncash Transactions			
Disposition of assets	\$ -	\$ 83,212	\$ -
Reconciliation of Cash and Cash Equivalents To Statement of Net Position			
Cash and investments	\$ 5,234,631	\$ 14,441,917	\$ 3,909
Cash and investments with fiscal agents		344,047	
Total Cash and Investments	<u>\$ 5,234,631</u>	<u>\$ 14,785,964</u>	<u>\$ 3,909</u>

The notes to the basic financial statements are an integral part of this statement



Enterprise Funds				Governmental Activities - Internal Service Funds
Solid Waste	Municipal Transit	Drainage	Totals	
\$ 21,753,252	\$ 260,966	\$ 541,205	\$ 54,348,493	\$ -
	1,265,000		1,693,000	9,688,269
(19,296,505)	(994,201)	(223,345)	(33,646,939)	(6,182,164)
(137,061)	(354,162)	(175,084)	(7,769,886)	(2,131,951)
<u>2,319,686</u>	<u>177,603</u>	<u>142,776</u>	<u>14,624,668</u>	<u>1,374,154</u>
			(1,336,000)	
			20,880	22,000
			(20,880)	
			(1,336,000)	22,000
	10,536	2,859,946	5,822,257	86,081
	(420,806)	(3,122,755)	(14,663,923)	(1,385,358)
			(1,690,573)	10,297
			(4,938,324)	
				<u>908,516</u>
	(410,270)	(262,809)	(15,470,563)	(380,464)
131,008	2,656	2,382	441,796	
131,008	2,656	2,382	441,796	
2,450,694	(230,011)	(117,651)	(1,740,099)	1,015,690
3,005,811	641,795	970,435	28,485,676	11,297,542
<u>\$ 5,456,505</u>	<u>\$ 411,784</u>	<u>\$ 852,784</u>	<u>\$ 26,745,577</u>	<u>\$ 12,313,232</u>
\$ -	\$ -	\$ 51,688	\$ 134,900	\$ 1,905
\$ 5,456,505	\$ 411,784	\$ 852,784	\$ 26,401,530	\$ 12,313,232
			344,047	
<u>\$ 5,456,505</u>	<u>\$ 411,784</u>	<u>\$ 852,784</u>	<u>\$ 26,745,577</u>	<u>\$ 12,313,232</u>

(Continued)

**CITY OF TRACY  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 For the Fiscal Year Ended June 30, 2014  
 (Continued)**

	Enterprise Funds		
	Water Utility	Sewer Utility	Municipal Airport
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (3,163,134)	\$ (2,266,396)	\$ (231,820)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	9,077,601	7,995,564	257,786
(Increase) Decrease in Operating Assets:			
Accounts receivable	(33,622)	149,225	(447,249)
Inventory			
Prepaid items	28	(2,429)	(40,000)
Increase (Decrease) in Operating Liabilities:			
Accounts payable	69,094	42,090	258
Due to other funds			428,000
Compensated absences	39,189	20,636	(43)
Deposits payable	97,010		(7,185)
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,086,166</u>	<u>\$ 5,938,690</u>	<u>\$ (40,253)</u>

The notes to the basic financial statements are an integral part of this statement

Enterprise Funds				Governmental Activities - Internal Service Funds
Solid Waste	Municipal Transit	Drainage	Totals	
\$ 2,597,947	\$ (924,857)	\$ (2,857,590)	\$ (6,845,850)	\$ 562,014
283	1,023,669	2,983,870	21,338,773	1,503,207
232,372	(1,370,407)	37,095	(1,432,586)	(1,919)
		27,272	(15,129)	(986,063)
(510,140)	187,602	(5,675)	(216,771)	264,792
	1,265,000		1,693,000	
(776)	(3,404)	604	56,206	32,123
		(42,800)	47,025	
<u>\$ 2,319,686</u>	<u>\$ 177,603</u>	<u>\$ 142,776</u>	<u>\$ 14,624,668</u>	<u>\$ 1,374,154</u>

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## **FIDUCIARY FUNDS**

### **AGENCY FUNDS**

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

### **TRUST FUNDS**

Trust funds are used to account for resources held and administered by the City in a fiduciary capacity for individuals, private organizations, or other governments. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

**CITY OF TRACY  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
June 30, 2014**

	Private-Purpose Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and investments, restricted	\$ 51,671	\$ -
Cash and investments	3,892,396	11,869,846
Cash and investments with fiscal agents	3,563,795	13,260,398
Accounts receivable		19,644
Interest receivable	11,212	23,906
Capital assets, not being depreciated	2,581,457	
Capital assets, being depreciated, net of accumulated depreciation	670,533	
Total Assets	10,771,064	\$ 25,173,794
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Unamortized loss on debt refunding	1,608,436	
Total Deferred Outflows of Resources	1,608,436	
<b>LIABILITIES</b>		
Accounts payable	36,788	\$ 137,429
Due to the City of Tracy	95,800	19,050
Accrued interest payable	815,627	
Deposits payable		3,433,547
Due to assessment district bondholders		21,583,768
Noncurrent liabilities:		
Due within one year	1,360,000	
Due in more than one year	46,418,520	
Total Liabilities	48,726,735	\$ 25,173,794
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Unearned revenue - RPTTF Distribution	1,500,056	
Total Deferred Inflows of Resources	1,500,056	
<b>NET POSITION</b>		
Unrestricted	(37,847,291)	
Total Net Position	\$ (37,847,291)	

The notes to the basic financial statements are an integral part of this statement

**CITY OF TRACY  
PRIVATE-PURPOSE TRUST FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
For the Fiscal Year Ended June 30, 2014**

	<u>Private-Purpose Trust Funds</u>
Additions:	
Investment revenue	\$ 69,029
Taxes and assessments	<u>4,314,113</u>
Total additions	<u>4,383,142</u>
Deductions:	
Administration	213,682
Public works	
Development and engineering	95,756
Depreciation	89,973
Transfer to City of Tracy	588,340
Interest expenses	<u>2,528,403</u>
Total deductions	<u>3,516,154</u>
Change in net position	<u>866,988</u>
Net Position July 1, 2013	(37,444,189)
Prior period adjustments	<u>(1,270,090)</u>
Net Position July 1, 2013, restated	<u>(38,714,279)</u>
Net Position, June 30, 2014	<u>\$ (37,847,291)</u>

The notes to the basic financial statements are an integral part of this statement

## **NOTES TO BASIC FINANCIAL STATEMENTS**



**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Reporting Entity

The City of Tracy was incorporated as a general law city on July 10, 1910. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, general administration services, and redevelopment.

B. Individual Component Unit Disclosures

*Discretely Presented Component Units.* There are no entities which meet the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61 criteria for discrete disclosure within these basic financial statements.

C. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

The accompanying financial statements are presented on the basis set forth in Governmental Accounting Standards Board Statements No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments.

New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 65

For the fiscal year June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of the GASB Statement No. 65 did have an impact on the City's financial statements for the fiscal year ended June 30, 2014. Some items reported as assets and liabilities are now reported as deferred inflows or outflows of resources. Please see Note 21, Prior Period Adjustments for more information regarding the prior period adjustments due to this pronouncement.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Basis of Presentation (Continued)

Governmental Accounting Standards Board Statement No. 66

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 66, "Technical Correction – 2012." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. Implementation of the GASB Statement No. 66 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 67

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 50 "Pension Disclosures" as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. Implementation of the GASB Statement No. 67 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 70

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. Implementation of the GASB Statement No. 70 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Basis of Presentation (Continued)

Government-wide Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations, except for interfund services provided and used, have been made to minimize double counting or internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular programs, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for all proprietary funds.

Internal service funds are also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements. These Internal service funds account for charges to other funds and departments for insurance, maintenance, and equipment acquisition.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds. The City collects assessments and pays property enhancement and rehabilitation costs and debt service for various assessment districts within the City. The City also maintains accounts for the activities of the successor to the former redevelopment agency.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. Major Funds

GASB Statement No. 34 defines major funds and requires that the City's major governmental and proprietary funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to or greater than ten percent of their fund-type total and five percent of all fund-type totals. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

**General Fund** - This fund accounts for all financial resources, except those to be accounted for in another fund. It is the general operating fund of the City.

**Housing Successor Fund** - This fund was established to account for housing activities assumed by the City from the former Tracy Community Redevelopment Agency.

**North East Industrial Plan Area # 1 Capital Projects Fund** – This fund was established to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

The City reported all its enterprise funds as major funds in the accompanying financial statements:

**Water Utility** – This fund accounts for the activities of the City's water supply system.

**Sewer Utility** – This fund accounts for the activities of the City's surface drainage, sewage collection, and treatment system.

**Municipal Airport** – This fund accounts for the activities associated with the operations and maintenance of the City's airport.

**Solid Waste** – This fund accounts for the City's refuse collection activities.

**Municipal Transit** – This fund accounts for the activities associated with the operations and maintenance of the City's public transit activities and has particular emphasis on serving the elderly and the handicapped.

**Drainage** – This fund accounts for the City's storm drainage activities.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. Basis of Accounting

The government-wide, and proprietary funds financial statements are reported using the *economic resources measurement focus* and along with fiduciary funds using the *full accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, OPEB and compensated absences, which are recognized as expenditures to the extent that they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Proprietary funds are accounted for using the *economic resources measurement focus* and the *accrual basis* of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liabilities are incurred.

Internal service funds are used to account for charges to various funds and/or departments for costs such as insurance, maintenance, and equipment acquisition.

Fiduciary Funds – Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are purely custodial in nature (assets equal liabilities) and, thus, do not involve measurement of results of operations. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. Basis of Accounting (Continued)

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest, and charges for services.

Utility service accounts receivable are reported net of allowance for doubtful collections and include unbilled receivables using actual amounts billed in July for June services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted resources may be available to finance program expenditures/expenses. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

As a general rule, the effect of interfund activity, except for interfund services provided and used, has been eliminated from the government-wide financial statements.

F. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – are established by the Assessor of the County of San Joaquin for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies – are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates – are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. Property Taxes (Continued)

Tax Collections – are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments.

The County of San Joaquin levies, bills, and collects property taxes and special assessments for the City. Property taxes levied are recorded as revenue when received, in the fiscal year of levy, due to the adoption of the “alternate method of property tax distribution”, known as the Teeter Plan, by the City and the County of San Joaquin. The Teeter Plan authorizes the Auditor/Controller of the County of San Joaquin to allocate 100 percent of the secured property taxes billed, but not yet paid. The County of San Joaquin remits tax monies to the City in three installments as follows:

50 percent remitted in December  
45 percent remitted in April  
5 percent remitted in June

Tax Levy Apportionments – Due to the nature of the City-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees – The State of California FY 1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

G. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The City’s policy is to capitalize all capital assets with costs exceeding \$1,000 (infrastructure is \$50,000).

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. Capital Assets (Continued)

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each fiscal year represents that year's pro rata share of the cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Alternatively, the "modified approach" may be used for infrastructure (streets and roads) capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements.

Except for streets and roads covered by the modified approach, depreciation has been provided on capital assets. Depreciation of all capital assets is charged as an expense against operations each fiscal year until the asset is fully depreciated. Depreciation is calculated using the straight line method which depreciates evenly over the assets' useful life. The City has assigned the useful lives listed below to capital assets.

Buildings	10-30 years
Improvements	5-50 years
Equipment	2-20 years
Grading, curbs, gutters, sidewalks, driveway approaches	40 years
Traffic signals	20 years
Street drainage	40 years
Other	5-40 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

H. Compensated Absences

Compensated absences are accrued as earned by employees, and consist only of vacation leave. The City measures vacation accrual annually; however, vacation payments are not distinguished from regular payroll paid during the fiscal year, nor are accruals made other than annually. The City's liability for compensated absences is recorded in various governmental funds or proprietary funds as appropriate. For all governmental funds, amounts expected to be paid out of current financial resources are recorded as fund liabilities; as these liabilities represent the matured value due to retirement or resignations; the long-term portion is recorded in the Statement of Net Position.

Compensated absences are liquidated by the fund that has recorded the liability only when matured. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.



**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

I. Postemployment Benefits

Employees who retire with at least ten years of service may elect to convert all accrued sick leave at the time of retirement to a medical insurance bank. Miscellaneous employees except members of the Teamsters Bargaining Unit can bank their unused sick leave upon retirement. Members of the Teamsters can also bank their unused sick leave only if they have at least ten (10) years of employment with the City. Safety employees: Police employees can bank their unused sick leave if they have at least ten (10) years of employment. Fire employees have a choice to bank their unused sick leave. Fire employees also need at least ten (10) years of employment to receive this benefit. The value of the medical insurance bank is determined by multiplying the number of accrued sick leave hours by the employees' hourly rate of pay.

The retired employee and his/her dependents are entitled to continued group health insurance coverage currently in effect with premiums for such coverage being deducted from the medical leave bank until that bank is exhausted.

The cost of retiree health care benefits is recognized as an expenditure as health care premiums are paid. For the fiscal year ending June 30, 2014, those costs for 45 retirees totaled \$271,100, and the total liability amount in the medical leave bank is \$ 853,447.

J. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and American Institute of Certified Public Accountants (AICPA), requires management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

K. Cash, Cash Equivalents, and Investments

1. Cash Management

The City pools cash resources of its various funds to facilitate cash management. Cash in excess of current requirements is invested and reported as investments. It is the City's intent to hold investments to maturity. However, the City may, in response to market conditions, sell investments prior to maturity in order to improve the quality, liquidity or yield of the portfolio. Interest earnings are apportioned among funds based on ending accounting period cash and investment balances.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

K. Cash, Cash Equivalents, and Investments (Continued)

2. Investments Valuation

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investment and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

3. State Investment Pool

The City participates in the Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. LAIF has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as a result of changes in interest rates.

4. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash investments of the proprietary fund types are pooled with the City's pooled cash and investments.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

A. Budgetary Information

Annual budgets are adopted for all governmental fund types except capital projects funds on a basis consistent with accounting principles generally accepted in the United States of America. The City's budget ordinance requires that in June of each fiscal year the City Manager submit a preliminary budget that includes projected expenditures and the means of financing them, to the City Council for the fiscal year commencing the following July 1. As modified during public study sessions, the preliminary budget becomes the proposed budget. Following public hearings on the proposed budget, the final annual budget is adopted by the City Council. After adoption of the final budget, transfers of appropriations within a general fund department, or within other funds, can be made by the City Manager. Budget modifications between funds; increases or decreases to a fund's overall budget; transfers between general fund departments; or transfers that affect capital projects, must be approved by the City Council. Numerous properly authorized amendments are made during the fiscal year.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

A. Budgetary Information (Continued)

The City does not adopt budgets for the Proposition 1B, Residential and Commercial Rehabilitation Loan, Traffic Congestion Relief, and Grow Tracy Special Revenue Funds, Parks COP and Regional Mall COP Debt Service Funds, and all Capital Projects Funds.

Budgetary control is enhanced by integrating the budget into the general ledger accounts. Encumbrance accounting (e.g., purchase orders) is employed by the City.

B. Deficit Fund Balances/Net Position

**Nonmajor Funds**

A deficit fund balance of \$13 exists in the Business Improvement District Special Revenue Fund. The deficit is due to the City incurring costs in advance of receiving revenues.

A deficit fund balance of \$29,210 exists in the Community Development Block Grant. The deficit is due to the City incurring costs in excess of revenues.

A deficit fund balance of \$44 exists in the Prop 1B Special Revenue Fund. The deficit is due to the City incurring costs in excess of revenues.

A deficit fund balance of \$1,248,388 exists in the TEA Grant Special Revenue Fund. The deficit is due to the City incurring costs prior to being reimbursement from an intergovernmental source.

**Fiduciary Fund – Private Purpose Trust Funds**

A deficit net position of \$37,847,291 exists in the Private Purpose Trust Funds. The deficit is due to the long term liabilities exceeding assets. This will be alleviated by receipt of revenues in the future per the RDA dissolution plan.

C. Excess of Expenditures over Appropriations

The Asset Forfeiture Special Revenue Fund had actual expenditures that were \$3,398 above budgeted amounts due to higher than budget revenues.

The TDA Special Revenue Fund had actual expenditures that were \$15,354 above budgeted amounts due to higher than budget revenues.

The CDBG Special Revenue Fund had actual expenditures that were \$19,483 above budgeted amounts due to higher than budget revenues.

The Community Access CTV Special Revenue Fund had actual expenditures that were \$12,706 above budgeted amounts due to unforeseen costs.

The 2008 Lease Revenue Bond Debt Service fund has actual expenditures that were \$1,362 above budget amounts due to higher than expected interest expenditures.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 3 – CASH AND INVESTMENTS**

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 154,456,911
Cash and investments with fiscal agents	11,934,379
Fiduciary funds:	
Restricted cash and investments	51,671
Cash and investments	15,762,242
Cash and investments with fiscal agents	<u>16,824,193</u>
 Total cash and investments	 <u><u>\$ 199,029,396</u></u>

Cash and investments as of June 30, 2014 consist of the following:

Cash on hand	\$ 1,209
Deposits with financial institutions	10,450,838
Investments	<u>188,577,349</u>
 Total cash and investments	 <u><u>\$ 199,029,396</u></u>

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

A. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City of Tracy (City) by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (State Pool)	N/A	None	\$50 million per account
California Asset Management Plan	N/A	None	10%
Safekeeping Services Sweep Accounts	N/A	None	10%
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	5 years	None	None
Corporate Bonds	N/A	None	None
Municipal Bonds	N/A	None	None
Insured Deposits with Banks and Savings and Loans	N/A	None	10%
Repurchase Agreements	1 year	None	10%
Purchase Agreements	92 days	20% of base value	10%
Certificates of Deposit	5 years	30%	10%
Bankers Acceptances (must be dollar denominated)	6 months	30%	10%
Commercial Paper	9 months	25%	5%
Negotiable Time Certificates of Deposit	18 months	30%	10%
Medium Term Corporate Notes	5 years	30%	10%
Mutual Funds (must be comprised of eligible securities permitted under this policy)	N/A	15%	10%
Money Market Funds (must be comprised of eligible securities permitted under this policy)	N/A	None	10%

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**B. Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the Investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptance	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None
Local Agency Investment Fund (State Pool)	None	None	None

**C. Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

C. Disclosures Relating to Interest Rate Risk (Continued)

Investment Type	Totals	Remaining maturity (in Months)			
		12 Months or Less	13 to 36 Months	37 to 60 Months	Over 60 Months
U.S. Treasury Notes	\$ 17,038,794	\$ -	\$ 17,038,794	\$ -	\$ -
Money Market Funds	14,912,421	14,912,421			
Federal Agency Securities	66,694,494		37,492,123	29,202,371	
Commerical Paper	4,045,328	4,045,328			
Corporate Notes	45,024,391	8,723,921	24,832,194	11,468,276	
Negotiable Time Deposits	1,706,524		1,706,524		
State Investment Pool	10,396,825	10,396,825			
Held by Debt Trustee:					
U.S. Treasury Notes	815,027		815,027		
Money Market Funds	22,032,479	22,032,479			
Federal Agency Securities	5,911,066	5,911,066			
	<u>\$188,577,349</u>	<u>\$ 66,022,040</u>	<u>\$ 81,884,662</u>	<u>\$ 40,670,647</u>	<u>\$ -</u>

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**E. Disclosures Relating to Credit Risk (Continued)**

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
U.S. Treasury Notes	\$ 17,038,794	N/A	\$ 17,038,794	\$ -	\$ -	\$ -	\$ -
Money Market Funds	14,912,421	N/A		120,978			14,791,443
Federal Agency Securities	66,694,494	N/A			66,694,494		
Commerical Paper	4,045,328	N/A				4,045,328	
Corporate Notes	45,024,391	N/A		1,725,267	14,580,125	28,718,999	
Negotiable Time Deposits	1,706,524	N/A					1,706,524
State Investment Pool	10,396,825	N/A					10,396,825
Held by Debt Trustee:							
U.S. Treasury Notes	815,027	N/A	815,027				
Money Market Funds	22,032,479	N/A					22,032,479
Federal Agency Securities	5,911,066	N/A			5,911,066		
<b>Total</b>	<b><u>\$188,577,349</u></b>		<b><u>\$ 17,853,821</u></b>	<b><u>\$ 1,846,245</u></b>	<b><u>\$ 87,185,685</u></b>	<b><u>\$ 32,764,327</u></b>	<b><u>\$ 48,927,271</u></b>

**F. Concentration of Credit Risk**

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
FHLB	Federal agency securities	\$ 23,714,168
FNMA	Federal agency securities	18,950,982
FHLMC	Federal agency securities	20,505,965
FFCB	Federal agency securities	8,797,950
FAMC	Federal agency securities	316,983
FM	Federal agency securities	319,512

There are no investments in any one issuer that represent 5% or more of total investments (other than U.S. Treasury Securities, Mutual funds, and external investment pools) by reporting unit (primary government, governmental activities, business type activities, fiduciary funds, major funds, nonmajor funds in the aggregate, etc.).



**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

G. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2014, \$10,450,838 of the City's deposits with financial institutions was covered by federal depository insurance limits or was held in collateralized accounts. As of June 30, 2014, City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
U.S. Treasury Notes	\$ 17,038,794
Federal Agency Securities	66,694,494
Commercial Paper	4,045,328
Corporate Notes	45,024,391
Negotiable Time Deposits	1,706,524

H. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 4 – LOANS RECEIVABLE**

A. Community Development Agency Loans

As of February 1, 2012, the following Community Development Agency Loans were transferred to the City of Tracy Housing Successor Fund.

The City administers a residential and commercial rehabilitation program using Housing and Urban Development funds. Federal funds received by the City are deposited with a commercial bank. Upon approval of the loans, the funds are disbursed and collected by an outside collection agency. The programs are designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. The balance of the loans receivable arising from these programs was \$277,163 at June 30, 2014.

In 1994, the Agency loaned \$609,000 in Low and Moderate Income Housing funds to Mountain View Townhomes Association, a partnership of non-profit corporations, to assist in the construction of thirty-seven residential rental units, thirty-six of which are available to low income families. The loan is secured by a second deed of trust, is payable over twenty-three years beginning in 2026 and accrues interest at 3%. As of June 30, 2014, principal and accrued interest totaled \$910,455.

In 1996, the Agency agreed to loan Eden Housing Inc., up to \$2,208,691 to assist in the development and construction of seventy-two low income housing units. The loan is payable over ten years beginning forty years after the project is complete, and accrues interest at 1% per year. As of June 30, 2014, principal and accrued interest totaled \$2,440,143.

In 2000, the Agency agreed to loan Habitat for Humanity up to \$100,000 to construct/reconstruct from five to seven properties to ownership housing for very low-income families. The funds are to be used to pay all City fees necessary to develop and build affordable housing under the sponsorship of Habitat for Humanity. To date, Habitat for Humanity has expended \$40,093 of the loan proceeds. The loan is secured by a deed of trust on the property and may be forgiven if the property remains occupied by a low-income family for a period of ten years. Unexpended loan funds are kept in a City of Tracy account available for use by Habitat for Humanity as needed. The balance of the outstanding loan as of June 30, 2014 including accrued interest is \$52,146.

The City loaned 37 individuals from the Low and Moderate Income Housing Fund of the Redevelopment Agency. The loans have been authorized for each of the recipients as part of the housing down payment assistance program. The City is the beneficiary of the promissory notes issued, recorded, and secured by real property. The loans are due when the underlying property is sold. As of June 30, 2014, principal and accrued interest totaled \$2,036,935.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 4 – LOANS RECEIVABLE (Continued)**

A. Community Development Agency Loans (Continued)

The City, through the Housing Successor Fund, formerly the Low and Moderate Income Housing Fund of the Redevelopment Agency, has entered into a loan agreement (a below market deferred loan) with City Development, Inc. for an amount not to exceed \$4,404,512 to be used as a gap financing instrument for the development of a 50 unit affordable senior housing complex. The loan is a 1%, 40 year loan. As of June 30, 2014, the developer owes \$4,650,535 including accrued interest.

In November 2007, the Community Development Agency of the City of Tracy (Agency) entered into an Owner Participation and Loan Agreement with DHI Tracy Garden Associates, LP (DHI). DHI will develop and rehabilitate an 88 unit Senior Housing Complex for low income senior households. The maximum amount of loan from the Agency will be \$1,975,000. Simple interest shall accrue annually at 3%. Upon default, the rate will increase to the lesser of 10% or the maximum allowed by law. The loan is secured by a trust deed on the underlying property. This trust deed is subordinated to all other loans. Maturity of the loan is November 1, 2064. Payment on the loan is deferred until maturity unless the property is conveyed (other than that approved by the City) or there is a default. Total amount owed as of June 30, 2014 is \$2,362,235 which includes accrued interest of \$387,235.

B. Conditional Grants

The City has several programs under which it extends loans to qualifying individuals or groups for the purpose of improving the City's housing stock and/or its supply of low-and-moderate income housing. Certain of these loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The City accounts for these loans as conditional grants in the government-wide financial statements, and provides a reserve against their eventual forgiveness using the straight-line method over the life of the respective loan. Total amount of allowance at June 30, 2014 was \$1,003,593.

C. Development Loan

In September 2006, the City loaned a property owner \$40,000 to assist in the demolition of a structure in order for the property owner to construct new housing units on the site. The loan is due and payable when the properties are sold. The balance as of June 30, 2014 is \$40,000.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 4 – LOANS RECEIVABLE (Continued)**

D. Housing Loan (Related Party)

The City of Tracy loaned \$595,000 to its previous City Manager (Related Party). The proceeds from the loan were to assist in the purchase of a home within the City. The loan is a 30 year fully amortized loan with monthly payments of \$2,446 including principal and interest at 4%. The balance of the loan as of June 30, 2014 is \$485,790.

E. Tracy Mall Partners, L.P. Loan

The West Valley Mall Revitalization Program provides a financial incentive to the owners of the West Valley Mall (Mall Owner) or a prospective tenant to be used for tenant improvements.

During the fiscal year 2011, the City and the Tracy Mall Partners, L.P. entered into an agreement where the City will provide a financial contribution to the Mall Owner. In exchange, the Mall Owner will guarantee that Macy's will lease the anchor tenant location for a minimum of 10 years. Over the 20 year term, the Mall Owner is obligated to repay the City for the financial incentive at the rate of \$151,250 a year or \$3,025,000 for the 20 year term. The contribution amount will be forgiven to the extent that increased sales tax revenue to the City exceeds \$151,250 per year from Macy's or new tenants of the Mall.

As of June 30, 2014, the balance of the loan is \$2,442,500.

**NOTE 5 – CAPITAL ASSETS**

A. Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

Governmental Activities	Balance at July 1, 2013	Additions	Deletions	Transfers	Balance at June 30, 2014
Nondepreciable Capital Assets:					
Land	\$ 160,090,822	\$ 4,259,913	\$ -	\$ -	\$ 164,350,735
Roads accounted for using the modified approach	213,780,425	3,350,927		5,184,581	222,315,933
Construction in progress	19,759,433			(5,184,581)	14,574,852
 Total Nondepreciable Capital Assets	 393,630,680	 7,610,840			 401,241,520

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 5 – CAPITAL ASSETS (Continued)**

A. Capital asset activity for the fiscal year ended June 30, 2014, was as follows (Continued):

	Balance at July 1, 2013	Additions	Deletions	Transfers	Balance at June 30, 2014
Governmental Activities (Continued)					
Capital assets, being depreciated					
Buildings and improvements	\$ 75,559,984	\$ 3,480,478	\$ -	\$ -	\$ 79,040,462
Improvements	78,268,316	2,043,148			80,311,464
Grading, curb & gutter, sidewalk, and driveway approaches	27,946,623				27,946,623
Traffic signals	17,374,347	714,390			18,088,737
Equipment	24,859,956	1,395,220	(1,905)		26,253,271
Infrastructure and drainage	8,579,871	2,498,808			11,078,679
Intangibles	865,889	102,440			968,329
<b>Total Depreciable Capital Assets</b>	<b>233,454,986</b>	<b>10,234,484</b>	<b>(1,905)</b>		<b>243,687,565</b>
Less accumulated depreciation for:					
Buildings and improvements	(22,930,400)	(2,081,015)			(25,011,415)
Improvements	(39,322,241)	(5,189,006)			(44,511,247)
Grading, curb & gutter, sidewalk, and driveway approaches	(11,260,225)	(659,892)			(11,920,117)
Traffic signals	(10,492,340)	(662,245)			(11,154,585)
Equipment	(18,397,436)	(1,621,810)	1,905		(20,017,341)
Infrastructure and drainage	(498,873)	(303,877)			(802,750)
Intangibles	(784,080)	(39,714)			(823,794)
<b>Total Accumulated Depreciation</b>	<b>(103,685,595)</b>	<b>(10,557,559)</b>	<b>1,905</b>		<b>(114,241,249)</b>
<b>Net Depreciable Capital Assets</b>	<b>129,769,391</b>	<b>(323,075)</b>			<b>129,446,316</b>
<b>Net Governmental Capital Assets</b>	<b>\$ 523,400,071</b>	<b>\$ 7,287,765</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 530,687,836</b>
Business-type Activities					
Water Utility					
Nondepreciable Capital Assets:					
Land	\$ 29,016	\$ -	\$ -	\$ -	\$ 29,016
Construction in progress	1,178,205	515,268			1,693,473
<b>Total Nondepreciable Capital Assets</b>	<b>1,207,221</b>	<b>515,268</b>			<b>1,722,489</b>

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 5 – CAPITAL ASSETS (Continued)**

A. Capital asset activity for the fiscal year ended June 30, 2014, was as follows: (Continued)

Business-type Activities	Balance at				Balance at
Water Utility (Continued)	July 1, 2013	Additions	Deletions	Transfers	June 30, 2014
<b>Depreciable Capital Assets:</b>					
Infrastructure	\$ 109,422,175	\$ 432,006	\$ -	\$ -	\$ 109,854,181
Buildings	43,467,914	532,625			44,000,539
Improvements	29,612,034				29,612,034
Equipment	11,415,463	30,115			11,445,578
Intangibles	68,904,122	7,500,000			76,404,122
<b>Total Depreciable Capital Assets</b>	<b>262,821,708</b>	<b>8,494,746</b>			<b>271,316,454</b>
<b>Accumulation Depreciation</b>					
Infrastructure	(32,446,175)	(2,233,415)			(34,679,590)
Buildings	(17,386,697)	(1,337,490)			(18,724,187)
Improvements	(17,069,627)	(1,849,856)			(18,919,483)
Equipment	(7,541,559)	(904,142)			(8,445,701)
Intangibles	(16,823,730)	(2,752,698)			(19,576,428)
<b>Total Accumulated Depreciation</b>	<b>(91,267,788)</b>	<b>(9,077,601)</b>			<b>(100,345,389)</b>
<b>Net Depreciable Capital Assets</b>	<b>171,553,920</b>	<b>(582,855)</b>			<b>170,971,065</b>
<b>Net Water Utility Capital Assets</b>	<b>\$ 172,761,141</b>	<b>\$ (67,587)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 172,693,554</b>
Business-type Activities	Balance at				Balance at
Sewer Utility	July 1, 2013	Additions	Deletions	Transfers	June 30, 2014
<b>Nondepreciable Capital Assets:</b>					
Land	\$ 6,050,640	\$ -	\$ -	\$ -	\$ 6,050,640
Construction in progress	3,235,993	1,466,628			4,702,621
<b>Total Nondepreciable Capital Assets</b>	<b>9,286,633</b>	<b>1,466,628</b>			<b>10,753,261</b>
<b>Depreciable Capital Assets:</b>					
Infrastructure	80,521,002	135,821			80,656,823
Buildings	78,775,756				78,775,756
Improvements	22,666,696				22,666,696
Equipment	29,729,764	136,986	(84,016)		29,782,734
Intangibles	125,878				125,878
<b>Total Depreciable Capital Assets</b>	<b>211,819,096</b>	<b>272,807</b>	<b>(84,016)</b>		<b>212,007,887</b>
<b>Accumulation Depreciation</b>					
Infrastructure	(28,388,106)	(1,611,814)			(29,999,920)
Buildings	(32,417,236)	(2,306,709)			(34,723,945)
Improvements	(11,212,395)	(1,038,439)			(12,250,834)
Equipment	(15,243,115)	(3,031,486)	72,649		(18,201,952)
Intangibles	(113,152)	(7,116)			(120,268)
<b>Total Accumulated Depreciation</b>	<b>(87,374,004)</b>	<b>(7,995,564)</b>	<b>72,649</b>		<b>(95,296,919)</b>
<b>Net Depreciable Capital Assets</b>	<b>124,445,092</b>	<b>(7,722,757)</b>	<b>(11,367)</b>		<b>116,710,968</b>
<b>Net Sewer Utility Capital Assets</b>	<b>\$ 133,731,725</b>	<b>\$ (6,256,129)</b>	<b>\$ (11,367)</b>	<b>\$ -</b>	<b>\$ 127,464,229</b>

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 5 – CAPITAL ASSETS (Continued)**

A. Capital asset activity for the fiscal year ended June 30, 2014, was as follows: (Continued)

Business-type Activities	Balance at July 1, 2013	Additions	Deletions	Transfers	Balance at June 30, 2014
Municipal Airport					
Nondepreciable Capital Assets:					
Land	\$ 15,826	\$ -	\$ -	\$ -	\$ 15,826
Construction in progress	261,724	319,225			580,949
Total Nondepreciable Capital Assets	277,550	319,225			596,775
Depreciable Capital Assets:					
Buildings	356,080				356,080
Improvements	6,550,718	51,688			6,602,406
Equipment	120,843				120,843
Intangibles	191,726				191,726
Total Depreciable Capital Assets	7,219,367	51,688			7,271,055
Accumulation Depreciation					
Buildings	(210,653)	(12,391)			(223,044)
Improvements	(4,904,404)	(238,143)			(5,142,547)
Equipment	(85,196)	(7,252)			(92,448)
Intangibles	(191,726)				(191,726)
Total Accumulated Depreciation	(5,391,979)	(257,786)			(5,649,765)
Net Depreciable Capital Assets	1,827,388	(206,098)			1,621,290
Net Municipal Airport Capital Assets	\$ 2,104,938	\$ 113,127	\$ -	\$ -	\$ 2,218,065
Business-type Activities					
Solidwaste					
Depreciable Capital Assets:					
Equipment	\$ 44,219	\$ -	\$ -	\$ -	\$ 44,219
Total Depreciable Capital Assets	44,219				44,219
Accumulation Depreciation					
Equipment	(43,913)	(283)			(44,196)
Total Accumulated Depreciation	(43,913)	(283)			(44,196)
Net Depreciable Capital Assets	306	(283)			23
Net Solid Waste Capital Assets	\$ 306	\$ (283)	\$ -	\$ -	\$ 23

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 5 – CAPITAL ASSETS (Continued)**

A. Capital asset activity for the fiscal year ended June 30, 2014, was as follows: (Continued)

Business-type Activities	Balance at				Balance at
Municipal Transit	July 1, 2013	Additions	Deletions	Transfers	June 30, 2014
<b>Nondepreciable Capital Assets:</b>					
Land	\$ 1,427,226	\$ -	\$ -	\$ -	\$ 1,427,226
Construction in progress	51,368			(51,368)	
<b>Total Nondepreciable Capital Assets</b>	<b>1,478,594</b>			<b>(51,368)</b>	<b>1,427,226</b>
<b>Depreciable Capital Assets:</b>					
Infrastructure		187,228			187,228
Buildings	12,059,833	21,174		51,368	12,132,375
Improvements	3,651,402	80,529			3,731,931
Equipment	2,833,116	122,991			2,956,107
Intangibles		8,884			8,884
<b>Total depreciable Capital Assets</b>	<b>18,544,351</b>	<b>420,806</b>		<b>51,368</b>	<b>19,016,525</b>
<b>Accumulation depreciation</b>					
Buildings	(1,815,361)	(528,316)			(2,343,677)
Improvements	(551,625)	(237,386)			(789,011)
Equipment	(2,048,879)	(257,967)			(2,306,846)
<b>Total Accumulated Depreciation</b>	<b>(4,415,865)</b>	<b>(1,023,669)</b>			<b>(5,439,534)</b>
<b>Net Depreciable Capital Assets</b>	<b>14,128,486</b>	<b>(602,863)</b>		<b>51,368</b>	<b>13,576,991</b>
<b>Net Transit Capital Assets</b>	<b>\$ 15,607,080</b>	<b>\$ (602,863)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,004,217</b>
<b>Business-type Activities</b>					
<b>Drainage</b>	<b>Balance at</b>				<b>Balance at</b>
	<b>July 1, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>June 30, 2014</b>
<b>Nondepreciable Capital Assets:</b>					
Land	\$ 4,318,335	\$ -	\$ -	\$ -	\$ 4,318,335
Construction in progress	96,903			(31,600)	65,303
<b>Total Nondepreciable Capital Assets</b>	<b>4,415,238</b>			<b>(31,600)</b>	<b>4,383,638</b>



**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 5 – CAPITAL ASSETS (Continued)**

A. Capital asset activity for the fiscal year ended June 30, 2014, was as follows: (Continued)

Business-type Activities	Balance at				Balance at
Drainage (Continued)	July 1, 2013	Additions	Deletions	Transfers	June 30, 2014
<b>Depreciable Capital Assets:</b>					
Infrastructure	\$ 56,136,170	\$ 1,539,837	\$ -	\$ 31,600	\$ 57,707,607
Improvements	26,070,483	1,505,829			27,576,312
Equipment	19,624	77,089			96,713
<b>Total Depreciable Capital Assets</b>	<b>82,226,277</b>	<b>3,122,755</b>		<b>31,600</b>	<b>85,380,632</b>
<b>Accumulation Depreciation</b>					
Infrastructure	(18,422,657)	(1,147,240)			(19,569,897)
Improvements	(17,500,922)	(1,835,988)			(19,336,910)
Equipment	(19,624)	(642)			(20,266)
<b>Total Accumulated Depreciation</b>	<b>(35,943,203)</b>	<b>(2,983,870)</b>			<b>(38,927,073)</b>
<b>Net Depreciable Capital Assets</b>	<b>46,283,074</b>	<b>138,885</b>		<b>31,600</b>	<b>46,453,559</b>
<b>Net Drainage Capital Assets</b>	<b>\$ 50,698,312</b>	<b>\$ 138,885</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,837,197</b>
<b>Total Business-type Activities</b>					
	Balance at				Balance at
	July 1, 2013	Additions	Deletions	Transfers	June 30, 2014
<b>Nondepreciable Capital Assets:</b>					
Land	\$ 11,841,043	\$ -	\$ -	\$ -	\$ 11,841,043
Construction in progress	4,824,193	2,301,121		(82,968)	7,042,346
<b>Total Nondepreciable Capital Assets</b>	<b>16,665,236</b>	<b>2,301,121</b>		<b>(82,968)</b>	<b>18,883,389</b>
<b>Depreciable Capital Assets:</b>					
Infrastructure	246,079,347	2,294,892		31,600	248,405,839
Buildings	134,659,583	553,799		51,368	135,264,750
Improvements	88,551,333	1,638,046			90,189,379
Equipment	44,163,029	367,181	(84,016)		44,446,194
Intangibles	69,221,726	7,508,884			76,730,610
<b>Total Depreciable Capital Assets</b>	<b>582,675,018</b>	<b>12,362,802</b>	<b>(84,016)</b>	<b>82,968</b>	<b>595,036,772</b>
<b>Accumulation Depreciation</b>					
Infrastructure	(79,256,938)	(4,992,469)			(84,249,407)
Buildings	(51,829,947)	(4,184,906)			(56,014,853)
Improvements	(51,238,973)	(5,199,812)			(56,438,785)
Equipment	(24,982,286)	(4,201,772)	72,649		(29,111,409)
Intangibles	(17,128,608)	(2,759,814)			(19,888,422)
<b>Total Accumulated Depreciation</b>	<b>(224,436,752)</b>	<b>(21,338,773)</b>	<b>72,649</b>		<b>(245,702,876)</b>
<b>Net Depreciable Capital Assets</b>	<b>358,238,266</b>	<b>(8,975,971)</b>	<b>(11,367)</b>	<b>82,968</b>	<b>349,333,896</b>
<b>Net Business-type Capital Assets</b>	<b>\$ 374,903,502</b>	<b>\$ (6,674,850)</b>	<b>\$ (11,367)</b>	<b>\$ -</b>	<b>\$ 368,217,285</b>

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 5 – CAPITAL ASSETS (Continued)**

**B. Depreciation Allocations**

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental Activities:

City administration - nondepartmental	\$ 1,200,395
Police	440,250
Fire	72,847
Development and engineering	1,393,597
Public works	5,308,341
Cultural arts	601,781
Parks and recreation	953,348
Unallocated	<u>587,000</u>

Total Depreciation Expense - Governmental Activities	<u><u>\$ 10,557,559</u></u>
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Business-type Activities:

Water utility	\$ 9,077,601
Sewer utility	7,995,564
Municipal airport	257,786
Solid waste	283
Municipal transit	1,023,669
Drainage	<u>2,983,870</u>

Total Depreciation Expense - Business-type Activities	<u><u>\$ 21,338,773</u></u>
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**C. Roads Covered by the Modified Approach**

The City has elected to use the modified approach discussed above with respect to its roads, most of which are relatively new. The City's policy is to maintain these roads at an overall condition index level averaging 73%, instead of providing depreciation. During the fiscal year 2014, the City expended \$1,387,484 to preserve its roads. The City estimates that it will be required to expend approximately \$3,183,569 in the fiscal year 2014 to maintain its roads at this condition level. Please see Modified Approach to Reporting Street Pavement Costs section of the Required Supplementary Information section on page 97 for more detailed information.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

A. Current Interfund Balances

Current interfund balances arise in the normal course of business (i.e. one fund loaning funds to pay for current expenditures) and are expected to be repaid shortly after the end of the fiscal year. The following is a summary of interfund balances as of June 30, 2014.

Receivable Funds	Amount	Payable Funds	Amount
Major Governmental Fund		Major Proprietary Funds	
General	\$ 1,318,167	Municipal Airport	\$ 1,336,000
		Solid Waste	14,805
Nonmajor Governmental Funds		Municipal Transit	2,560,000
Capital Projects Deposit	3,033,000		
General Projects	2,573,000	Nonmajor Governmental Funds	
Major Proprietary Funds		TEA Grant	2,052,000
Water	1,336,000	Community Development	
		Block Grant	13,000
		South County Fire Authority	1,303,362
		Transportation Development	981,000
Totals	\$ 8,260,167	Totals	\$ 8,260,167

B. Long-term Interfund Advances

At June 30, 2014, the funds below had made advances which were not expected to be repaid within the next fiscal year.

Funds making advances	Funds receiving advances	Amount
Major Governmental Funds	Major Proprietary Fund	
General	Municipal Airport	\$ 244,057
Nonmajor Governmental Fund	Major Governmental Fund	
Northeast Industrial Plan Area #2	Northeast Industrial Plan Area #1	1,747,454
Major Governmental Funds	Private Purpose Trust Fund	
Housing Successor	Successor Agency	2,803,520
Major Proprietary Fund	Major Proprietary Fund	
Sewer	Water	5,000,000
Water	Municipal Airport	862,500
Totals		\$ 10,657,531

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)**

B. Long-term Interfund Advances

**Municipal Airport** advance to be repaid over 33 years at 2.42% interest, interest only for 3 years, annual payments of \$40,770 for remaining 30 years. The land of the airport serves as security for the advance, which carries an interest rate of 6%. The funds were used for projects at the airport.

**Northeast Industrial Plan Area # 1** advance is being repaid over five years, where early repayment of principal is permitted, with an interest rate equal to funds invested in Local Agency Investment Fund (LAIF). The funds were used for projects within the project area.

C. Interfund Transfers

Receiving Funds	Transfers In	Paying Funds	Transfers Out
<u>Nonmajor Governmental Funds</u>		<u>Major Governmental Fund</u>	
Downtown Business	\$ 3,144	General	\$ 1,208,709
2007 Lease Revenue Bonds	467,440		
2008 Lease Revenue Bonds	743,087	<u>Nonmajor Governmental Funds</u>	
		Asset Forfeiture	22,000
<u>Major Proprietary Fund</u>		Regional Mall COP	4,962
Water	20,880		
		<u>Major Proprietary Fund</u>	
<u>Internal Service Fund</u>		Municipal Airport	20,880
Equipment Acquisition	22,000		
			<u>\$ 1,256,551</u>
Totals	<u>\$ 1,256,551</u>		

In general, the City uses interfund transfers to (1) move revenues from the funds that collect them to the funds that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to help finance various programs and capital projects accounted for in other funds in accordance with budgetary authorization, (3) move cash to debt service funds from the funds responsible for payment as debt service payments become due and (4) move various dollars from capital projects funds to funds where the projects were completed.

In general, the effect of the interfund activity has been eliminated from the government-wide financial statements.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)**

D. Advance to CDA Successor Agency

As of February 1, 2012, the Redevelopment Agency ceased operations as a component unit of the City and all assets and liabilities were transferred to a private purpose trust fund except for housing assets. The \$2,803,520 was an advance payment from Community Development Housing fund to Community Development Agency Debt Service to provide sufficient cash to pay the debt service payments due in September 2011. Due to the State SERAF payment requirement during fiscal year 2010 and 2011, the fund had insufficient cash to make the payment. Borrowing from the Housing Fund was authorized by State SERAF legislation. The fund will repay to the Housing Successor Fund upon approval from Department of Finance.

**NOTE 7 – LONG-TERM DEBT**

A. Compensated Absences

City employees accumulate earned but unused vacation and sick pay benefits which can be converted to cash at termination of employment. The portion of these vested benefits, payable in accordance with various collective bargaining agreements, at June 30, 2014, total \$2,857,222 for governmental activities and \$574,108 for business-type activities.

B. Certificates of Participation

1) 2004 Wastewater Certificates of Participation

The City issued Wastewater Certificates of Participation (COPs) in March 2004. The Wastewater COPs are special obligations of the City and are payable solely from and secured by a pledge of net revenues of the Wastewater Utility System. Principal payments commence on December 1, 2007, and are payable annually on December 1, thereafter. Interest payments commence on December 1, 2004, and are payable semi-annually on December 1 and June 1, thereafter. The outstanding balance of the COPs at June 30, 2014 was \$26,630,000. Annual debt service requirements are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2015	\$ 695,000	\$ 1,205,826	\$ 1,900,826
2016	720,000	1,178,754	1,898,754
2017	745,000	1,149,814	1,894,814
2018	775,000	1,119,027	1,894,027
2019	805,000	1,086,235	1,891,235
2020-2024	4,585,000	4,862,481	9,447,481
2025-2029	5,755,000	3,677,685	9,432,685
2030-2034	7,280,000	2,148,571	9,428,571
2035-2039	5,270,000	383,325	5,653,325
	<u>\$26,630,000</u>	<u>\$16,811,718</u>	<u>\$ 43,441,718</u>

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 7 – LONG-TERM DEBT (Continued)**

C. Revenue Bonds

1) 2008 Lease Revenue Bonds

On December 16, 2008, the City under the Tracy Operating Partnership (TPA) issued \$19,765,000 of 2008 Lease Revenue Bonds. The proceeds of the bonds are to be used for acquisition and construction of projects, prepay the outstanding principal balance (\$9,835,000) of the 1998 Certificates of Participation, and pay costs of issuance. Interest payments on the bonds are due semi—annually each April 1 and October 1 at rates varying between 3% and 6.375%. Principal is due annually each October 1 with \$3,850,000 of serial bonds due between 2009 and 2027 and \$15,915,000 of term bonds due between 2028 and 2038. The JPA has pledged revenue pursuant to a site and facility lease between the City and the JPA for the Police Department Headquarters and the Fire Administration Building. The lease rental payments are due semi-annually and are in an amount sufficient to make payments on the bonds. Upon issuance of the bonds \$10,135,356 (which includes \$865,475 cash available from the 1998 Certificates) was deposited to prepay in full the 1998 Certificates on December 16, 2008 which included a call premium in the amount of \$196,700. The net proceeds of \$9,300,548 were deposited in the City (\$7,174,242) and the former Redevelopment Agency (\$2,126,306). The outstanding balance of the bonds at June 30, 2014 is \$19,015,000

Future minimum debt requirements for the bonds are:

Fiscal Years Ending June 30,	Principal	Interest	Total
2015	\$ 170,000	\$ 1,151,462	\$ 1,321,462
2016	195,000	1,143,919	1,338,919
2017	220,000	1,134,826	1,354,826
2018	250,000	1,123,938	1,373,938
2019	285,000	1,110,875	1,395,875
2020-2024	1,980,000	5,278,643	7,258,643
2025-2029	3,240,000	4,531,160	7,771,160
2030-2034	5,055,000	3,272,782	8,327,782
2035-2039	7,620,000	1,293,577	8,913,577
	<u>\$ 19,015,000</u>	<u>\$ 20,041,182</u>	<u>\$ 39,056,182</u>

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 7 – LONG-TERM DEBT (Continued)**

C. Revenue Bonds (Continued)

2) 2003 Wastewater Revenue Refunding Bonds

The City issued Wastewater Revenue Bonds in May, 2003 to provide funds to refund the balance of the 1993 Wastewater Certificates of Participation. The refunding resulted in an overall savings of \$419,472 and an economic gain of \$291,760. The Wastewater Revenue Bonds are special obligations of the City and are payable solely from and secured by a pledge of net revenues of the Wastewater Utility System. Principal payments commence on December 1, 2003, and are payable annually on December 1, thereafter. Interest payments commence on December 1, 2003, and are payable semi-annually on June 1 and December 1, thereafter. This bond was paid off as of June 30, 2014.

3) 2007 Lease Revenue Bonds – Series A

On October 25, 2007, the City issued \$2,690,000 of 2007 Lease Revenue Bonds Series A. The proceeds of the bonds are to be used to finance the acquisition and construction of a fire station and to pay costs of issuance including an insurance premium to acquire a reserve fund surety bond. The bonds are secured by a lien on the revenues consisting mainly of rental payments made by the City under a property lease dated October 1, 2007. The bonds bear interest ranging from 4.375% to 4.5%. Principal is payable annually beginning March 1, 2025. Interest is payable semi-annually every March 1 and September 1. Final maturity of the bonds is March 1, 2037. The outstanding balance of the bonds at June 30, 2014 is \$2,690,000. Annual debt service requirements are as follows:

2007 Revenue Bonds A

Fiscal Years Ending June 30,	Principal	Interest	Total
2015	\$ -	\$ 119,500	\$ 119,500
2016		119,500	119,500
2017		119,500	119,500
2018		119,500	119,500
2019		119,500	119,500
2020-2024		597,500	597,500
2025-2029	830,000	532,530	1,362,530
2030-2034	1,085,000	323,900	1,408,900
2035-2039	775,000	70,876	845,876
	<u>\$ 2,690,000</u>	<u>\$ 2,122,306</u>	<u>\$ 4,812,306</u>

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 7 – LONG-TERM DEBT (Continued)**

C. Revenue Bonds (Continued)

4) 2007 Lease Revenue Bonds – Series B

On October 25, 2007, the City issued \$1,980,000 of 2007 Lease Revenue Bonds Series B. The proceeds of the bonds were used to prepay the outstanding 1995 Refunding Certificates of Participation and to pay costs of issuance including an insurance premium to acquire a reserve fund surety bond. The bonds are secured by a lien on the revenues consisting mainly of rental payments made by the City under a property lease dated October 1, 2007. The bonds bear interest rate ranging from 4% to 4.25%. Interest is payable semi-annually on March 1 and September 1. Principal is payable annually beginning on March 1, 2009. Final maturity of the bonds is March 1, 2025. The outstanding balance of the bonds at June 30, 2014 was \$1,295,000.

The proceeds from the bonds along with a reserve fund from the 1995 Certificates were used to immediately call the 1995 bonds. The City has a total overall savings on the refunding of \$281,934 and a net present value savings (economic gain) of \$166,312. Annual debt service requirements are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2015	\$ 105,000	\$ 53,180	\$ 158,180
2016	110,000	48,980	158,980
2017	115,000	44,580	159,580
2018	115,000	39,980	154,980
2019	120,000	35,380	155,380
2020-2024	680,000	99,230	779,230
2025-2029	50,000	2,125	52,125
	<u>\$ 1,295,000</u>	<u>\$ 323,455</u>	<u>\$ 1,618,455</u>

D. Notes and Loans Payable

1) 1992 State of California Department of Transportation Division of Aeronautics Loans

The 1992 loan helped fund the construction of the Tracy Municipal Airport. In January 1995, the City received an additional loan of \$150,000 for the construction of the ten unit hangar at the airport. In November 1998, the City received an additional loan of \$250,000 for the paving of runways and fence construction. Principal and interest on each loan is payable annually each April 2 and January 12. The outstanding balance of the loans at June 30, 2014 was \$33,149. Annual debt service requirements are as follows:



**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 7 – LONG-TERM DEBT (Continued)**

D. Notes and Loans Payable (Continued)

1) 1992 State of California Department of Transportation Division of Aeronautics Loans (Continued)

Annual debt service requirements are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2015	\$ 21,194	\$ 1,653	\$ 22,847
2016	11,955	596	12,551
	<u>\$ 33,149</u>	<u>\$ 2,249</u>	<u>\$ 35,398</u>

2) State of California Department of Health Services Loan

In 2006, the City entered into a loan agreement with the State of California Department of Health Services in the amount of \$20,000,000 for assistance in the construction of its new Water Treatment Plant. The proceeds from the loan can be drawn down by the City as needed for construction. The loan is a fully amortized loan over 20 years at an annual interest rate of 2.34%. The City will be obligated to make semi-annual payments of principal and interest in the amount of \$628,960 beginning July 1, 2009 with a final maturity date of January 1, 2028. As of June 30, 2014, the City has balance due of \$14,489,157. Annual debt service requirements are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2015	\$ 924,249	\$ 333,671	\$ 1,257,920
2016	946,002	311,916	1,257,918
2017	968,268	289,651	1,257,919
2018	991,058	266,860	1,257,918
2019	1,014,384	243,534	1,257,918
2020-2024	5,441,496	848,100	6,289,596
2025-2028	4,203,700	199,020	4,402,720
	<u>\$ 14,489,157</u>	<u>\$ 2,492,752</u>	<u>\$ 16,981,909</u>

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 7 – LONG-TERM DEBT (Continued)**

D. Notes and Loans Payable (Continued)

3) Banta Community Irrigation District Note

The City received a \$6,500,000 note agreement with an interest rate of 3% from the Banta Community Irrigation District. Principal is payable annually. Interest is payable monthly. This note has been paid off as of June 30, 2014.

E. Changes in Long-Term Liabilities

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2014</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
2008 Lease Revenue Bonds	\$ 19,160,000	\$ -	\$ 145,000	\$ 19,015,000	\$ 170,000
2007 Revenue Bonds A	2,690,000			2,690,000	
2007 Revenue Bonds B	1,395,000		100,000	1,295,000	105,000
Capital Leases		948,743	40,227	908,516	82,518
Compensated Absences	2,793,763	867,404	803,945	2,857,222	927,675
Claims and Judgments	112,494			112,494	56,247
Postretirement Benefits	1,410,818	278,398		1,689,216	
Totals	<u>\$ 27,562,075</u>	<u>\$ 2,094,545</u>	<u>\$ 1,089,172</u>	<u>\$ 28,567,448</u>	<u>\$ 1,341,440</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. For the governmental activities, claims and judgments, and compensated absences are generally liquidated by the general fund.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 7 – LONG-TERM DEBT (Continued)**

E. Changes in Long-Term Liabilities (Continued)

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2014</u>	<u>Due within One Year</u>
Business-type Activities:					
Certificates of Participation:					
2004 Wastewater Certificates of Participation	\$27,300,000	\$ -	\$ 670,000	\$ 26,630,000	\$ 695,000
Bonds Payable:					
2003 Wastewater Revenue Bonds	345,000		345,000		
Notes Payable:					
State of California Department of Transportation	53,478		20,329	33,149	21,194
State of California Department of Health Services	15,392,152		902,995	14,489,157	924,249
Irrigation District Notes	3,000,000		3,000,000		
Compensated Absences	517,902	157,584	101,378	574,108	170,620
Totals	<u>\$46,608,532</u>	<u>\$ 157,584</u>	<u>\$ 5,039,702</u>	<u>\$ 41,726,414</u>	<u>\$ 1,811,063</u>

F. Deferred Gain/Loss on Debt Refunding

Deferred gain/loss on refundings are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

G. Defeased Debt

As of June 30, 2014, all prior debt defeased has been paid in full, there are no outstanding debt balances.

**NOTE 8 – SPECIAL ASSESSMENT DISTRICT DEBT WITH NO CITY COMMITMENT**

Special Assessment Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included as debt of the City. The outstanding balance of each of these issues as of June 30, 2014, is as follows:

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 8 – SPECIAL ASSESSMENT DISTRICT DEBT WITH NO CITY COMMITMENT (Continued)**

<u>Description</u>	<u>Fiscal Year</u>		<u>Balance</u>
	<u>Issue</u> <u>Year</u>	<u>Maturity</u> <u>Year</u>	<u>Outstanding</u> <u>June 30, 2014</u>
93-1 Community Facilities District	1997	2027	\$ 925,000
99-1 Community Facilities District, 04 Refunding	2004	2025	6,300,000
93-1 Community Facilities District, Series 2002	2003	2033	1,855,000
2003-01 Assessment District	2003	2029	725,000
2005C Revenue bonds (JPA)	2006	2036	12,885,000
2005B Revenue Bonds Junior Lien (JPA)	2006	2036	2,620,000
2005A Revenue Bonds Senior Lien (JPA)	2006	2029	55,425,000
2006-01 NE Industrial Phase II	2007	2037	10,420,000
2011 TOP JPA Revenue Bonds	2012	2028	12,330,000
2014 A Tracy Public Financing Authority Revenue Bonds	2014	2025	<u>17,215,000</u>
			<u>\$ 120,700,000</u>

**NOTE 9 – CONTINGENCIES AND COMMITMENTS**

The City had commitments under construction and similar contracts that approximate \$3.9 million at June 30, 2014.

The City is subject to other litigation arising in the normal course of business. In the opinion of the City Attorney, there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

The City participates in Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act Amendments of 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 10 – CITY EMPLOYEES’ RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)**

Plan Description: The City of Tracy contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS’ annual financial report may be obtained from their Executive Office – 400 P Street – Sacramento, CA 95814.

Funding Policy: Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined combined rate of 15.125% for miscellaneous employees and 27.693% for fire and police safety employees. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost: For 2014, the City’s annual pension cost of \$6,945,941 for PERS was equal to the City’s required and actual contributions. In addition, the City paid employee contribution was \$2,777,503. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) .25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.75%. The actuarial value of PERS was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2011 was 30 years for safety, and 23 years for miscellaneous.

Funded Status and Funding Progress: As of June 30, 2013, the most recent actuarial valuation date, the miscellaneous plan and safety plan were 81.3 percent and 80.7 percent funded, respectively. The actuarial accrued liabilities for benefits were \$97.9 million (miscellaneous) and \$112.3 million (safety), and the actual value of assets were \$79.6 million (miscellaneous) and \$90.6 million (safety), resulting in unfunded actuarial accrued liabilities (UAAL) of \$18.2 million (miscellaneous) and \$21.6 million (safety). The covered payroll (annual payroll of active employees covered by the plans) was \$19.5 million and \$17.1 million for miscellaneous and safety, respectively. The ratio of the UAAL to the covered payroll was 93.4% and 126.5%, respectively.

The schedules of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 10 – CITY EMPLOYEES’ RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)**  
**(Continued)**

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
<u>Miscellaneous</u>			
6/30/2012	\$ 2,552,157	100%	\$ -
6/30/2013	2,612,414	100%	-
6/30/2014	2,611,548	100%	-
<u>Safety</u>			
6/30/2012	\$ 4,608,752	100%	\$ -
6/30/2013	4,245,630	100%	-
6/30/2014	4,251,569	100%	-

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Plan Description The City of Tracy administers a single employer defined benefit (implicit subsidy) healthcare plan (Plan).

The City offers medical, dental, vision and life insurance benefits to its employees, retirees, and their dependents. The City does not explicitly pay for the cost of retiree health premiums, however. The medical plans consist of two HealthNet HMO options, a HealthNet PPO, HealthNet High Deductible Health Plan (HDHP), and a Kaiser HMO, all fully insured. Medical premiums for retirees under age 65 are the same as those charged for active employees.

The City allows retirees to convert accrued sick leave to an account balance, called a “Medical Bank”, that can be used for medical, dental and vision premiums. After the account is exhausted, the retiree has option either to terminate coverage or elect to continue paying the medical (but not dental or vision) premiums from personal funds. Spouses and eligible dependent children of retirees may also be covered at the retiree’s expense. While the City does not directly contribute towards the cost of premiums for retirees, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the retirees, called an “implicit subsidy” under Governmental Accounting Standards Board Statement No. 45 (GASB 45). The inclusion of the retirees increases the City’s overall health insurance rates; it is, in part, the purpose of this valuation to determine the amount of the subsidy.

The ability to participate in the City’s health plan by self-paying the premiums extends for the lifetime of the retiree; however, upon attaining the age of Medicare eligibility (65), the retiree may enter a plan coordinated with Medicare. Standard actuarial practice assumes that Medicare supplement plans do not generally give rise to an implicit subsidy, and while we have included Medicare eligible retirees in this valuation, both their liability under GASB 45 and their annual implicit subsidy are both \$0.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

The Plan does not issue a separate financial report.

*Funding Policy.* The contribution requirement of plan members and the City are established and may be amended by the City. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City.

*Annual OPEB and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$	446,268
Plus - Interest on OPEB Obligation		56,433
Less - Amortization of OPEB Obligation		<u>(81,588)</u>
Annual OPEB cost (expense)		421,113
Contributions made		<u>(142,715)</u>
Increase in net OPEB obligation		278,398
Net OPEB obligation - beginning of fiscal year		<u>1,410,818</u>
Net OPEB obligation - end of fiscal year	\$	<u><u>1,689,216</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
6/30/12	\$ 416,301	35%	\$ 1,141,564
6/30/13	411,969	35%	1,410,818
6/30/14	421,113	34%	1,689,216

*Funded Status and Funding Progress.* As of July 1, 2013, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$3,556,938, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,556,938. The covered payroll (annual payroll of active employees covered by the plan) was \$33.2 million, and the ratio of the UAAL to the covered payroll was 10.7 percent.

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the Projected Unit Credit Cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return, which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8.0 percent initially, graded down 1% per year to an ultimate 5% per year beginning in 2016. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2013 was thirty years.

**NOTE 12 – JOINT POWERS AGREEMENT**

During the fiscal year 2000, the City and the Tracy Rural Fire District formed the South County Fire Authority (Authority), a joint powers agreement. As part of this agreement, the employees of Tracy Rural Fire District became City employees and the City took over the management of the Authority's fire stations. The Authority is governed by a Board composed of two members each from the City and the Authority. Financial statements for the Authority may be obtained from the City of Tracy at 325 East Tenth Street, Tracy, CA 95376.



**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 13 – NET POSITION AND FUND BALANCES**

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. are divided into three captions under GASB Statement No. 34. These captions apply only to net position, which is determined only at the government-wide level, proprietary funds, and fiduciary funds and are described below.

*Net Investment in Capital Assets* describe the portion of net position, which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describe the portion of net position, which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions, which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, redevelopment funds restricted for low-and-moderate income purposes, and gas tax funds for street construction.

*Unrestricted* describes the portion of net position which is not restricted as to use.

B. Fund Balances

As of June 30, 2014, fund balances of the governmental funds are classified as follows:

**Nonspendable** – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** – amounts that can be used only for specific purposes determined by a formal action of the governing board is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by the governing board.

**Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only the governing board or director may assign amounts for specific purposes.

**Unassigned** – all other spendable amounts. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 13 – NET POSITION AND FUND BALANCES (Continued)**

B. Fund Balances (Continued)

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the City against revenue shortfalls or unpredicted one-time expenditures. The unassigned balance in an amount of \$33,419,738 includes a Reserve for Economic Uncertainties in an amount of \$12,036,923.

**NOTE 14 – RESTRICTED**

Restrictions are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. Restricted Net Position at June 30, 2014 are as follows:

	<u>Governmental</u>	<u>Business-type</u>
Debt Service:		
Sewer	\$ -	\$ 247,471
Other	581,627	
	581,627	247,471
Restricted for Public Safety:		
Fire	1,241,528	
Asset forfeiture	37,696	
	1,279,224	
Streets and Roads:		
Construction and maintenance	5,297,967	
	1,482,784	
Community Development	1,482,784	
Special District:		
Landscaping	5,230,783	
	71,574,928	
Projects:		
Redevelopment	273,352	
Specific Area/Locations	71,301,576	
	14,955,461	
Housing	14,955,461	
Total Restricted Net Position	\$ 100,402,774	\$ 247,471

Included in total governmental restricted net position at June 30, 2014 are restricted by enabling legislation of \$86,530,389.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 15 – FUND BALANCES**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. (see Note 13 for a description of these categories). A detailed schedule of fund balances at June 30, 2014 is as follows:

	General	Housing Successor	North East Industrial Plan Area #1	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Prepaid items	\$ 12,394	\$ -	\$ 55,246	\$ 2,127	\$ 69,767
Advances	244,057				244,057
Loans receivable	525,790				525,790
Total nonspendable fund balances	<u>782,241</u>		<u>55,246</u>	<u>2,127</u>	<u>839,614</u>
Restricted for:					
Traffic fines	316,648				316,648
Law enforcement	29,715				29,715
Housing		3,003,779			3,003,779
Special area projects			3,746,997	63,820,781	67,567,778
Debt service				932,684	932,684
Community development				470,154	470,154
Asset forfeiture				35,782	35,782
Streets and roads				5,297,967	5,297,967
Landscaping district				5,230,770	5,230,770
Fire authority				1,241,328	1,241,328
Cable TV				285,982	285,982
Tracy GROW				1,000,000	1,000,000
Capital projects				12,335,544	12,335,544
Total restricted fund balances	<u>346,363</u>	<u>3,003,779</u>	<u>3,746,997</u>	<u>90,650,992</u>	<u>97,748,131</u>
Assigned to:					
General	500,813				500,813
AC Trust	22,192				22,192
	<u>523,005</u>				<u>523,005</u>
Unassigned					
Economic uncertainty	12,036,923				12,036,923
Unassigned	21,382,815			(1,277,655)	20,105,160
	<u>33,419,738</u>			<u>(1,277,655)</u>	<u>32,142,083</u>
Total fund balances	<u>\$ 35,071,347</u>	<u>\$ 3,003,779</u>	<u>\$ 3,802,243</u>	<u>\$ 89,375,464</u>	<u>\$ 131,252,833</u>

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 16 – REVENUE LIMITATIONS IMPOSED BY CALIFORNIA PROPOSITION 218**

Proposition 218, which was approved by the voters in November 1996, will regulate the City's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

**NOTE 17 – DEFERRED COMPENSATION PLAN AND TRUST**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees. Accordingly, the plan/trust assets have been excluded from the City's reported assets.

**NOTE 18 – RISK MANAGEMENT**

A. Coverage

The City and 51 other entities in the Central San Joaquin area are members of a joint powers agreement called the Central San Joaquin Valley Risk Management Authority (RMA), which was established to provide for the sharing of risk among the member agencies. The RMA is governed by a Board of Directors elected by the member agencies; it is not a component unit of the City.

The RMA provides general liability coverage of \$900,000 above the City's self insurance limit of \$100,000 per occurrence, and property damage insurance up to \$1,000,000 including the City's deductible of \$1,000 to \$25,000 per occurrence. General liability claims in excess of \$1,000,000 up to a maximum of \$15,000,000 are covered through RMA's participation in the California Affiliated Risk Management Authority. The remaining excess is covered by the RMA through a policy with an independent insurance carrier up to \$29,000,000.

The RMA participates in an excess pool which provides workers' compensation coverage from \$500,000 to \$1,500,000 and purchases excess reinsurance above \$5,000,000 to the statutory limit.

The RMA maintains separate records for each member for each year of participation. The records track cash paid to the RMA through deposit premium assessments, the City's self-insured retention portion of claims paid, and the City's allocation of shared risks. Three years after the close of the workers' compensation coverage year and five years after the close of the general liability coverage year, the RMA assesses the status of all members for the year, then either makes a refund to a member if it has positive balance (i.e. payout and reserve experience is less than premiums paid) or collects any deficit.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 18 – RISK MANAGEMENT (Continued)**

A. Coverage (Continued)

During the fiscal year ended June 30, 2014, the City contributed \$2,565,208 for current year coverage.

Audited financial statements are available from the Central San Joaquin Risk Management Authority at 6371 Auburn Boulevard, Citrus Heights, CA 95621.

B. Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments, including provisions for claims incurred but not reported, in the Insurance Internal Service Fund. Claims and judgments are recorded when a loss is deemed probable of asserting and the amount of the loss is reasonably determinable. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims. The City has estimated that 50% of total claims will become due and payable within one year.

The City's liability for uninsured claims was estimated by management based on prior year claims experience and the third party JPA where the City as of June 30, 2014 has reserve deposits which cover claims and IBNRs except for \$112,494.

	Worker's Compensation	General Liability	<u>Total</u>	
			<u>2014</u>	<u>2013</u>
Beginning balance	\$ 60,838	\$ 51,656	\$ 112,494	\$ 112,494
Increase in estimated liability for prior and current fiscal claims and claims incurred but not reported (IBNR)				
Claims paid				
Ending balance	<u>\$ 60,838</u>	<u>\$ 51,656</u>	<u>\$ 112,494</u>	<u>\$ 112,494</u>

**CITY OF TRACY**  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2014

**NOTE 19 - SUCCESSORY AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Tracy that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 17, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 2012-021.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs State Controller of the State of California review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the state Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 20 – SUCCESSOR AGENCY**

A. Capital assets of the Successor Agency as of June 30, 2014 consisted of the following:

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
Nondepreciable Capital Assets:				
Land	\$ 2,581,457	\$ -	\$ -	\$ 2,581,457
Total Nondepreciable Capital Assets	2,581,457			2,581,457
Capital assets, being depreciated				
Improvements	1,450,790			1,450,790
Total Depreciable Capital Assets	1,450,790			1,450,790
Less accumulated depreciation for:				
Improvements	(690,284)	(89,973)		(780,257)
Total Accumulated Depreciation	(690,284)	(89,973)		(780,257)
Net Depreciable Capital Assets	760,506	(89,973)		670,533
Total Capital Assets, Net	<u>\$ 3,341,963</u>	<u>\$ (89,973)</u>	<u>\$ -</u>	<u>\$ 3,251,990</u>

B. Long-term debt of the Successor Agency as of June 30, 2014, consisted of the following:

	Balance at July 1, 2013	Additions	Reductions	Balance at June 30, 2014	Due within One Year
2003 Tax Allocation Bonds	\$ 46,275,000	\$ -	\$ 1,300,000	\$44,975,000	\$ 1,360,000
Advances from Successor Housing Fund	2,803,520			2,803,520	
Totals	<u>\$ 49,078,520</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$47,778,520</u>	<u>\$ 1,360,000</u>

**Tax Allocation Bonds**

**Former Community Development Agency Tax Allocation Bonds**

In 1994, the former Agency issued Tax Allocation Bonds in the amount of \$20,605,000 to finance redevelopment projects. Agency tax increment revenue is pledged for the repayment of these Bonds. Principal and interest payable semi-annually each March 1 and September 1. The Agency issued \$55,720,000 of Tax Allocation Bonds with interest rates ranging from 2.00% to 6.15% to advance refund \$17,290,000 of outstanding 1994 Tax Allocation Bonds. As a result, the \$17,290,000 of outstanding Tax Allocation Bonds are considered to be defeased and the liability for those bonds has been removed.

**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 20 – SUCCESSOR AGENCY (Continued)**

Tax Allocation Bonds (Continued)

**Former Community Development Agency Tax Allocation Bonds (Continued)**

In March 2001, the Agency issued the Tax Allocation Bonds, Series A, in the amount of \$15,000,000 to fund infrastructure improvements and redevelopment activities of benefit to the Project Area. Agency tax increment revenue is pledged for the repayment of these Bonds. Principal and interest are payable semi-annually each March 1 and September 1. The Agency issued \$55,720,000 of Tax Allocation Bonds with interest rates ranging from 2.00% to 6.15% to advance refund \$15,000,000 of outstanding 2001 Tax Allocation Bonds, Series A. As a result, the \$15,000,000 of outstanding Tax Allocation Bonds is considered to be defeased and the liability for those bonds has been removed.

During the 2004-05 fiscal year, the Agency issued Tax Allocation Bonds in the amount of \$55,720,000, with interest rates ranging from 2.00% to 6.15% per annum, to provide funds for certain projects of the Agency and to defease the 1994 and 2001 Tax Allocation Bonds. The bonds mature semiannually on each March 1, through 2034. The outstanding balance of the bonds at June 30, 2014 was \$44,975,000. Annual debt service requirements are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2015	\$ 1,360,000	\$ 2,343,988	\$ 3,703,988
2016	1,420,000	2,292,460	3,712,460
2017	1,485,000	2,227,661	3,712,661
2018	1,550,000	2,159,336	3,709,336
2019	1,630,000	2,085,136	3,715,136
2020-2024	9,455,000	9,113,816	18,568,816
2025-2029	12,195,000	6,370,872	18,565,872
2030-2034	15,880,000	2,694,908	18,574,908
	<u>\$ 44,975,000</u>	<u>\$29,288,177</u>	<u>\$74,263,177</u>

Advances from Successor Housing Fund

**Successor Housing Fund** advance was to provide sufficient cash to pay the debt service payments due in September 2011. Due to the State SERAF payment requirement during fiscal year 2010 and 2011, the fund had insufficient cash to make the payment. Borrowing from the former Housing Fund was authorized by State SERAF legislation. The fund will repay the Housing Successor Fund upon approval from Department of Finance.



**CITY OF TRACY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2014

**NOTE 21 – PRIOR PERIOD ADJUSTMENTS**

The prior period adjustment of (\$171,656) in the Sewer Fund, (\$1,270,090) for the CDA Successor Agency Private Purpose Trust Fund, and on the government-wide statements for governmental activities (1,170,593) were all related to cost of issuance of debt not meeting the definition of deferred outflows of resources per GASB Statement No. 65.

**NOTE 22 – SUBSEQUENT EVENTS**

Management of the City has evaluated subsequent events through December 17, 2014, the date of these financial statements were available to be issued, and has determined there were no material events requiring disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF TRACY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2014**

Pension Trend Information

REQUIRED SUPPLEMENTARY INFORMATION

Miscellaneous Plan

Actuarial Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL As a % of Payroll
6/30/2011	\$ 97,889,894	\$ 79,630,086	\$ 18,259,808	81.3%	\$ 19,548,907	93.4%
6/30/2012	104,330,883	72,381,226	31,949,657	69.4%	18,801,924	169.9%
6/30/2013	111,972,835	82,108,458	29,864,377	73.3%	17,600,937	169.7%

REQUIRED SUPPLEMENTARY INFORMATION

Safety Plan

Actuarial Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL As a % of Payroll
6/30/2011	\$ 112,291,769	\$ 90,646,980	\$ 21,644,789	80.7%	\$ 17,113,799	126.5%
6/30/2012	119,995,394	83,698,375	36,297,019	69.8%	16,588,964	218.8%
6/30/2013	124,979,832	95,582,360	29,397,472	76.5%	15,881,156	185.1%

Modified Approach to Reporting Street Pavement Costs

GASB Statement No. 34 allows the City to use the Modified Approach with respect to infrastructure assets instead of depreciating these assets. The Modified Approach may be used if two requirements are met:

1. The City must have an asset management system (AMS) with certain features:
  - It must maintain an up-to-date inventory of the infrastructure assets.
  - It must estimate the annual costs to maintain and preserve those assets at the condition level the City has established and disclosed through administrative or executive policy or legislative action.
  - The AMS must be used to assess the condition of the assets periodically, using a measurement scale.
  - The condition assessments must be replicable as those that are based on sufficiently understandable and complete measurement methods such that different measurers using the same methods would reach substantially similar results.
2. The City must document that the roads are being preserved approximately at or above the condition level the City has established and disclosed. This documentation must include the results of the three most recent complete condition assessments and must provide reasonable assurance that the assets are being preserved approximately at or above the intended condition level.

**CITY OF TRACY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2014**

Modified Approach to Reporting Street Pavement Costs (Continued)

The City has elected to use the Modified Approach to report street pavement costs. The City uses the Metropolitan Transportation Commission's (MTC) Pavement System to track the condition levels of each of the street sections.

The conditions of the pavement are based on a weighted average of seven distress factors found in pavement surfaces. The MTC pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for pavement with perfect conditions. The condition index is used to classify pavement in good or better condition (70-100), fair condition (50-69), and substandard condition (less than 50).

The City's preservation costs are budgeted to be \$3,387,213 in fiscal year 2015. The Pavement Condition Index (PCI) for the City's street pavement for the latest years is as follows:

Year	PCI	Maintenance Budget	Actual Maintenance
2002	76	\$1,505,620	\$1,389,043
2003	77	1,621,170	1,642,556
2004	77	2,043,580	14,441,690
2005	81	2,303,227	13,943,191
2006	78	2,653,860	14,874,752
2007	76	4,244,964	8,647,067
2008	74	13,605,000	19,466,614
2009	72	1,667,146	19,115,824
2010	73	4,457,510	3,333,185
2011	82	4,355,038	3,096,185
2012	82	1,775,290	1,347,061
2013	77	2,973,800	1,387,484
2014	77	3,183,569	3,350,927
2015	74	3,387,213	

The City's administrative policy is to achieve a minimum rating of 73 for all street pavement. This rating allows for minor cracking and revealing of pavement along with minor roughness that could be noticeable to drivers traveling at posted speed. The City expended \$3,350,927 for street preservation for fiscal year 2014.

**CITY OF TRACY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2014**

Postemployment Benefit Plans Other Than Pensions

Trend Information

Actuarial Valuation Date	Projected Unit Credit Cost Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL As a % of Payroll
7/1/2009	\$ 2,295,979	\$ -	\$ 2,295,979	0%	\$ 37,101,371	6.2%
7/1/2011	3,213,284	-	3,213,284	0%	33,174,229	9.7%
7/1/2013	3,556,938	-	3,556,938	0%	33,223,032	10.7%

**CITY OF TRACY**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Budgetary Data

Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves from July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures, and controls that permit the evaluation and adjustment of the City's performance.

The City collects and records revenue and expenditures within the following categories:

- Governmental Activities
- Business-Type Activities

The Governmental Funds include the General Fund, Special Revenue, Debt Service and Capital Projects funds. All funding sources are kept separate for both reporting and use of the money. The General Fund is where most City services are funded that are not required to be segregated.

The budget process begins as a team effort in January of each year, starting with an annual strategic planning meeting. Then the individual departments use projected revenue assumptions to prioritize and recommend the next fiscal year's objectives. The City Manager's Office and the Finance Department review all budget proposals and revenue assumptions, as well as all current financial obligations before preparing the document that is proposed to the City Council. The City Council reviews the Proposed Budget through a series of committees and workshops and the final adoption of the budget is scheduled for June of each year.

**Budgets and Budgetary Accounting**

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Before the beginning of the fiscal year the City Manager submits to the City Council a proposed budget for the year commencing July 1.
2. A public meeting is conducted to obtain taxpayer comments.
3. The budget is subsequently adopted through passage of a resolution and is not included herein but is published separately.
4. All appropriations are as originally adopted or as amended by the City Council and all unencumbered budgeted amounts lapse at year-end, except in the General Fund where an expenditure control budget policy allows departments to carryover a portion of the unexpended amounts into the next fiscal year.

**CITY OF TRACY**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. Budgetary Data (Continued)

5. Continuing Appropriations are re-budgeted by the City Council as part of the adoption of subsequent year's budgets.
6. Legally adopted budget appropriations are set for the General, Special Revenue, and Debt Service Funds.
7. The legal level of budgetary control is at the department level. A Department Head may transfer appropriations within the department. Expenditures may exceed appropriations at this level to the extent that departmental owned revenues are sufficient to offset the excess. Expenditures in excess of departmental owned revenues must be approved by the City Council. The City Council, by the affirmative vote of three members, may amend the budget to add or delete appropriations, transfer between appropriations within a fund or change appropriation transfers between funds.
8. Budgets for General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the budgeted governmental funds.

Encumbrances outstanding at year-end are reported as reservations of fund balances, since the commitments will be honored through subsequent years' continuing appropriations. Encumbrances do not constitute expenditures or liabilities for US GAAP reporting purposes.

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**CITY OF TRACY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 36,148,160	\$ 38,012,980	\$ 40,282,107	\$ 2,269,127
Licenses, permits, and fees	3,759,950	3,865,830	3,813,645	(52,185)
Fines and forfeitures	1,404,000	1,404,000	790,326	(613,674)
Use of money and property	1,165,000	1,165,000	832,258	(332,742)
Intergovernmental	1,039,750	1,419,259	1,533,055	113,796
Charges for services	6,016,030	6,463,660	8,588,914	2,125,254
Special assessments	300,000	300,000	370,643	70,643
Contributions	130,000	130,000		(130,000)
Other revenues	1,357,400	1,357,400	1,184,106	(173,294)
Total revenues	<u>51,320,290</u>	<u>54,118,129</u>	<u>57,395,054</u>	<u>3,276,925</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Economic development	466,860	485,890	436,893	48,997
General government	2,291,930	2,475,700	3,165,940	(690,240)
Finance	1,923,230	2,025,230	2,102,067	(76,837)
Non-departmental	215,020	299,025	372,061	(73,036)
Public safety:				
Police	22,715,220	22,879,785	21,582,841	1,296,944
Fire	9,052,090	9,052,090	9,231,255	(179,165)
Public works:				
Development and engineering	5,870,360	6,443,580	6,301,000	142,580
Public works	3,971,370	4,015,821	3,648,617	367,204
Culture and leisure:				
Cultural arts	1,406,480	1,406,480	1,310,025	96,455
Parks and community services	1,971,240	1,971,240	1,802,656	168,584
Capital outlay			55,225	(55,225)
Total expenditures	<u>49,883,800</u>	<u>51,054,841</u>	<u>50,008,580</u>	<u>1,046,261</u>
Excess of revenues over (under) expenditures	<u>1,436,490</u>	<u>3,063,288</u>	<u>7,386,474</u>	<u>4,323,186</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(1,204,000)</u>	<u>(1,204,000)</u>	<u>(1,208,709)</u>	<u>(4,709)</u>
Total other financing sources (uses)	<u>(1,204,000)</u>	<u>(1,204,000)</u>	<u>(1,208,709)</u>	<u>(4,709)</u>
Net change in fund balance	232,490	1,859,288	6,177,765	4,318,477
Fund balance at beginning of fiscal year	<u>28,893,582</u>	<u>28,893,582</u>	<u>28,893,582</u>	
Fund balance at end of fiscal year	<u>\$ 29,126,072</u>	<u>\$ 30,752,870</u>	<u>\$ 35,071,347</u>	<u>\$ 4,318,477</u>

See accompanying notes to required supplemental information

**CITY OF TRACY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**HOUSING SUCCESSOR**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Use of money and property	\$ 25,500	\$ 25,500	\$ 61,768	\$ 36,268
Total revenues	25,500	25,500	61,768	36,268
Net change in fund balance	25,500	25,500	61,768	36,268
Fund balance at beginning of fiscal year	2,942,011	2,942,011	2,942,011	
Fund balance at end of fiscal year	<u>\$ 2,967,511</u>	<u>\$ 2,967,511</u>	<u>\$ 3,003,779</u>	<u>\$ 36,268</u>

See accompanying notes to required supplemental information

**OTHER SUPPLEMENTAL INFORMATION**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

#### **BUSINESS IMPROVEMENT DISTRICT FUND**

Established to accumulate revenues from business licenses for subsequent transfer to the General Fund in order to provide donations to the Main Street Tracy Program.

#### **ASSET FORFEITURE FUND**

Established to account for the revenues that occur from asset seizures. They are specifically restricted for the purchase of law enforcement equipment and supplies.

#### **PROPOSITION 1B FUND**

Established to account for the revenues from the State of California generated by the issuance of general obligation bonds. The revenues are to be used for highway safety, traffic reduction, and air quality.

#### **TRANSPORTATION DEVELOPMENT FUND**

Established to account for the City's share of the quarter cent statewide transportation sales tax devoted to street maintenance purposes. The tax first goes to the Transportation Development Fund.

#### **PROPOSITION K TRANSPORTATION FUND**

Established to account for the City's share of the half cent transportation sales tax of San Joaquin County. It is used for street maintenance and repairs.

#### **STATE GAS TAX STREET FUND**

Established to account for the City's share of State-Imposed motor vehicle gas taxes, which are legally restricted to acquisition, construction, improvement, and maintenance of the City's streets.

#### **TEA GRANT FUND**

Established to account for the revenues from transportation efficiency act grant projects.

#### **COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Established to account for federal grant monies received from the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grants.

#### **LANDSCAPING DISTRICT FUND**

Established to account for transactions of the City's landscaping benefit assessment districts.

#### **RESIDENTIAL AND COMMERCIAL REHABILITATION LOAN FUND**

Used to account for Department of Housing and Urban Development Fund (HUD) trust monies which are used for low interest loans to qualified borrowers for inner city rehabilitation projects in accordance with HUD agreements.

**NONMAJOR GOVERNMENTAL FUNDS (Continued)**

**SPECIAL REVENUE FUNDS (Continued)**

**SOUTH COUNTY FIRE AUTHORITY FUND**

This fund was established to account for revenues and liabilities of the Authority, which is a Joint Powers Agreement between the City and the Tracy Rural Fire District. The Authority is responsible for fire prevention and suppression in parts of the City and in surrounding unincorporated areas.

**COMMUNITY ACCESS CTV FUND**

Used to account for fees collected from City cable TV customers to cover expenses for videotaping and broadcasting the City Council meetings.

**GROW TRACY FUND**

To establish a fund to assist local business owners through the issuance of small business loans.

**DEBT SERVICE FUNDS**

**2007 LEASE REVENUE BONDS FUND**

Established to accumulate funds for the payment of debt service on the lease revenue bonds issued to 1) refund the prior Certificates of Participation and 2) finance the acquisition and construction of a fire station.

**PARKS COP FUND**

Established to accumulate funds for payment of certificates of participating (COP) principal and interest. This COP provided the resources to purchase the Tracy Community Park as well as other public facilities sites.

**2008 LEASE REVENUE BONDS FUND**

Established to accumulate funds for the payment of debt service on the 2008 lease revenue bonds that were originally issued to reflect prior certifications of participation and finance construction of certain City facility.

**REGIONAL MALL COP DEBT SERVICE FUND**

Established to accumulate funds for the payment of debt service on the COPs issued for public infrastructure in the new Regional Mall area. Funds are transferred from the general fund into this fund for this debt service.

## **CAPITAL PROJECTS FUNDS**

### **RESIDENTIAL SPECIFIC PLAN PROJECTS FUND**

Established to account for capital projects financed by fees levied on developers in the City's 1987 Residential Specific Plan area.

### **NORTH EAST INDUSTRIAL PLAN AREA # 2 FUND**

Established to account for capital projects to separate development in the North East Industrial area of the City.

### **INFILL PROJECTS FUND**

Established to account for capital projects financed through capital development fees levied upon developers in the City's infill areas.

### **I-205 AREA IMPROVEMENTS FUND**

Established to account for monies received from the sale of bonds for the purpose of construction of various community facilities within a specific area in the City.

### **URBAN MANAGEMENT PLAN FACILITIES FUND**

Established to account for expenditures for the planning, design, and construction of capital facilities required for new development beyond the current infill, Residential Specific Plan (RSP), and I-205 development.

### **CAPITAL PROJECTS DEPOSIT FUND**

Established to account for monies received from developers, contractors, and other entities for the purpose of reimbursing the City for expenditures incurred in studies, research, etc., regarding their proposed development.

### **SOUTH MACARTHUR PLAN AREA FUND**

Established to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

### **INDUSTRIAL SPECIFIC PLAN SOUTH FUND**

Established to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

### **PRESIDIO PLAN AREA FUND**

Established to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

### **REDEVELOPMENT OBLIGATIONS FUND**

This fund is used to account for CDA grant proceeds used by the City to complete redevelopment projects.

**NONMAJOR GOVERNMENTAL FUNDS (Continued)**

**CAPITAL PROJECTS FUNDS (Continued)**

**TRACY GATEWAY AREA FUND**

Established to account for projects to support development in a specific area of the City financed by assessments and/or development impact fees.

**PLAN C FUND**

Plan C is a development area of the City which was approved in 1998. Capital development fees levied on developers in this area and the related expenditures are accounted for in this fund.

**GENERAL PROJECTS FUND**

Established to account for capital projects financial through transfers from the general fund.

**CITY OF TRACY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2014**

	Special Revenue Funds			
	Business Improvement District	Asset Forfeiture	Proposition 1B	Transportation Development
<b>Assets</b>				
Cash and investments	\$ 1,982	\$ 39,629	\$ 19,551	\$ 60,868
Cash and investments with fiscal agents				
Accounts receivable				2,324,814
Interest receivable		113	56	174
Due from other funds				
Deposits				
Advances to other funds				
Loans receivable				
Prepaid items		1,914		
<b>Total Assets</b>	<b>\$ 1,982</b>	<b>\$ 41,656</b>	<b>\$ 19,607</b>	<b>\$ 2,385,856</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ 3,960	\$ 19,651	\$ -
Due to other funds				981,000
Deposits payable	1,995			
<b>Total Liabilities</b>	<b>1,995</b>	<b>3,960</b>	<b>19,651</b>	<b>981,000</b>
<b>Deferred Inflows of Resources</b>				
Unearned revenue - loans				
<b>Total Deferred Inflows of Resources</b>				
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,995</b>	<b>3,960</b>	<b>19,651</b>	<b>981,000</b>
<b>Fund Balances:</b>				
Nonspendable				
Prepaid items		1,914		
Restricted		35,782		1,404,856
Assigned				
Unassigned	(13)		(44)	
<b>Total Fund Balances (Deficits)</b>	<b>(13)</b>	<b>37,696</b>	<b>(44)</b>	<b>1,404,856</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,982</b>	<b>\$ 41,656</b>	<b>\$ 19,607</b>	<b>\$ 2,385,856</b>



Special Revenue Funds

Proposition K Transportation Tax	State Gas Tax Street	TEA Grant	Community Development Block Grant	Landscaping District
\$ 1,986,619	\$ 1,828,090	\$ 406	\$ 430	\$ 5,427,409
296,258	249,317	1,078,707		
5,651	5,193			15,422
				13
<u>\$ 2,288,528</u>	<u>\$ 2,082,600</u>	<u>\$ 1,079,113</u>	<u>\$ 430</u>	<u>\$ 5,442,844</u>
\$ 419,046	\$ 58,971	\$ 275,501	\$ 16,640	\$ 212,061
		2,052,000	13,000	
419,046	58,971	2,327,501	29,640	212,061
419,046	58,971	2,327,501	29,640	212,061
1,869,482	2,023,629			13 5,230,770
		(1,248,388)	(29,210)	
1,869,482	2,023,629	(1,248,388)	(29,210)	5,230,783
<u>\$ 2,288,528</u>	<u>\$ 2,082,600</u>	<u>\$ 1,079,113</u>	<u>\$ 430</u>	<u>\$ 5,442,844</u>

(Continued)

**CITY OF TRACY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2014**  
(Continued)

	Special Revenue Funds			
	Residential and Commercial Rehabilitation Loan	South County Fire Authority	Community Access CTV	Grow Tracy
<b>Assets</b>				
Cash and investments	\$ 196,245	\$ -	\$ 235,459	\$ -
Cash and investments with fiscal agents				
Accounts receivable		2,642,375	78,572	
Interest receivable	557	86	669	
Due from other funds				
Deposits				1,000,000
Advances to other funds				
Loans receivable				
Prepaid items		200		
<b>Total Assets</b>	<b>\$ 196,802</b>	<b>\$ 2,642,661</b>	<b>\$ 314,700</b>	<b>\$ 1,000,000</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ 78,887	\$ 28,718	\$ -
Due to other funds		1,303,362		
Deposits payable		18,884		
<b>Total Liabilities</b>		<b>1,401,133</b>	<b>28,718</b>	
<b>Deferred Inflows of Resources</b>				
Unearned revenue - loans				
<b>Total Deferred Inflows of Resources</b>				
<b>Total Liabilities and Deferred Inflows of Resources</b>		<b>1,401,133</b>	<b>28,718</b>	
<b>Fund Balances:</b>				
Nonspendable				
Prepaid items		200		
Restricted	196,802	1,241,328	285,982	1,000,000
Unassigned				
<b>Total Fund Balances (Deficits)</b>	<b>196,802</b>	<b>1,241,528</b>	<b>285,982</b>	<b>1,000,000</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 196,802</b>	<b>\$ 2,642,661</b>	<b>\$ 314,700</b>	<b>\$ 1,000,000</b>

Debt Service Funds

2007 Lease Revenue Bonds	Parks COP	2008 Lease Revenue Bonds	Regional Mall COP Debt Service
\$ 88,844 188,340	\$ -	\$ 653,390	\$ 3
252		1,855	
<hr/>			
<u>\$ 277,436</u>	<u>\$ -</u>	<u>\$ 655,245</u>	<u>\$ 3</u>
<hr/>			
\$ -	\$ -	\$ -	\$ -
<hr/>			
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<hr/>			
277,436		655,245	3
<hr/>			
<u>277,436</u>		<u>655,245</u>	<u>3</u>
<hr/>			
<u>\$ 277,436</u>	<u>\$ -</u>	<u>\$ 655,245</u>	<u>\$ 3</u>

(Continued)

**CITY OF TRACY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2014**  
(Continued)

	Capital Projects Funds			
	Residential Specific Plan Projects	North East Industrial Plan Area # 2	Infill Projects	I-205 Area Improvements
<b>Assets</b>				
Cash and investments	\$ 2,984,324	\$ 3,432,102	\$ 2,116,567	\$ 3,628,373
Cash and investments with fiscal agents		3,090,693		
Accounts receivable	2,678		4,048	
Interest receivable	8,449	9,772	5,994	10,294
Due from other funds				
Deposits				
Advances to other funds		1,747,454		
Loans receivable	2,442,500			
Prepaid items				
<b>Total Assets</b>	<b>\$ 5,437,951</b>	<b>\$ 8,280,021</b>	<b>\$ 2,126,609</b>	<b>\$ 3,638,667</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 3	\$ 219,936	\$ 30,462	\$ 2,051
Due to other funds				
Deposits payable		35,844		762,058
<b>Total Liabilities</b>	<b>3</b>	<b>255,780</b>	<b>30,462</b>	<b>764,109</b>
<b>Deferred Inflows of Resources</b>				
Unearned revenue - loans	2,442,500			
<b>Total Deferred Inflows of Resources</b>	<b>2,442,500</b>			
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,442,503</b>	<b>255,780</b>	<b>30,462</b>	<b>764,109</b>
<b>Fund Balances:</b>				
Nonspendable				
Prepaid items				
Restricted	2,995,448	8,024,241	2,096,147	2,874,558
Unassigned				
<b>Total Fund Balances (Deficits)</b>	<b>2,995,448</b>	<b>8,024,241</b>	<b>2,096,147</b>	<b>2,874,558</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,437,951</b>	<b>\$ 8,280,021</b>	<b>\$ 2,126,609</b>	<b>\$ 3,638,667</b>

Capital Projects Funds					
Urban Management Plan Facilities	Capital Projects Deposit	South MacArthur Plan Area	Industrial Specific Plan South	Presidio Plan Area	Redevelopment Obligations
\$ 3,290,679	\$ 2,495,953	\$ 10,352,133	\$ 2,957,370	\$ 5,974,073	\$ 180,043
83,199		250,002		5,033	95,800
9,348	7,020	29,394	8,393	16,955	509
	3,033,000				
<u>\$ 3,383,226</u>	<u>\$ 5,535,973</u>	<u>\$ 10,631,529</u>	<u>\$ 2,965,763</u>	<u>\$ 5,996,061</u>	<u>\$ 276,352</u>
\$ 526,656	\$ -	\$ 35,651	\$ 998	\$ -	\$ -
342,484	832,265			825,000	3,000
869,140	832,265	35,651	998	825,000	3,000
869,140	832,265	35,651	998	825,000	3,000
2,514,086	4,703,708	10,595,878	2,964,765	5,171,061	273,352
2,514,086	4,703,708	10,595,878	2,964,765	5,171,061	273,352
<u>\$ 3,383,226</u>	<u>\$ 5,535,973</u>	<u>\$ 10,631,529</u>	<u>\$ 2,965,763</u>	<u>\$ 5,996,061</u>	<u>\$ 276,352</u>

(Continued)

**CITY OF TRACY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2014**  
(Continued)

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Tracy Gateway Area	Plan "C"	General Projects	
<b>Assets</b>				
Cash and investments	\$ 3,097,304	\$ 18,722,954	\$ 2,475,814	\$ 72,246,614
Cash and investments with fiscal agents			8,056,264	11,590,332
Accounts receivable				6,855,768
Interest receivable	8,789	53,147		198,092
Due from other funds			2,573,000	5,606,000
Deposits				1,000,000
Advances to other funds				1,747,454
Loans receivable				2,442,500
Prepaid items				2,127
<b>Total Assets</b>	<b>\$ 3,106,093</b>	<b>\$ 18,776,101</b>	<b>\$ 13,105,078</b>	<b>\$ 101,688,887</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ 1,305	\$ 563,389	\$ 2,493,886
Due to other funds				4,349,362
Deposits payable			206,145	3,027,675
<b>Total Liabilities</b>		<b>1,305</b>	<b>769,534</b>	<b>9,870,923</b>
<b>Deferred Inflows of Resources</b>				
Unearned revenue - loans				2,442,500
<b>Total Deferred Inflows of Resources</b>				<b>2,442,500</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>		<b>1,305</b>	<b>769,534</b>	<b>12,313,423</b>
Fund Balances:				
Nonspendable				
Prepaid items				2,127
Restricted	3,106,093	18,774,796	12,335,544	90,650,992
Unassigned				(1,277,655)
<b>Total Fund Balances (Deficits)</b>	<b>3,106,093</b>	<b>18,774,796</b>	<b>12,335,544</b>	<b>89,375,464</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,106,093</b>	<b>\$ 18,776,101</b>	<b>\$ 13,105,078</b>	<b>\$ 101,688,887</b>

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**CITY OF TRACY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2014**

	Special Revenue Funds			
	Business Improvement District	Asset Forfeiture	Proposition 1B	Transportation Development
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 2,324,814
Licenses, permits, and fees				
Fines and penalties		72,663		
Use of money and property		422	(44)	390
Intergovernmental	113,979		(19,651)	
Special assessments				
Contributions				
Other revenues				
Charges for services				
<b>Total Revenues</b>	<u>113,979</u>	<u>73,085</u>	<u>(19,695)</u>	<u>2,325,204</u>
<b>EXPENDITURES:</b>				
Current:				
General government				
Economic development	113,992			
General government				
Non-departmental				30,000
Public safety				
Police		9,397		
Fire				
Public works				
Development and engineering				165,574
Public works				1,454,520
Capital outlay		6,901	(17,187)	
Debt service:				
Principal payments				
Interest and fiscal charges				
<b>Total Expenditures</b>	<u>113,992</u>	<u>16,298</u>	<u>(17,187)</u>	<u>1,650,094</u>
Excess of Revenues Over (Under) Expenditures	<u>(13)</u>	<u>56,787</u>	<u>(2,508)</u>	<u>675,110</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,144			
Transfers out		(22,000)		
<b>Total Other Financing Sources (Uses)</b>	<u>3,144</u>	<u>(22,000)</u>		
Net Changes in Fund Balances	3,131	34,787	(2,508)	675,110
Fund Balances (Deficits), July 1, 2013	<u>(3,144)</u>	<u>2,909</u>	<u>2,464</u>	<u>729,746</u>
Fund Balances (Deficits), June 30, 2014	<u>\$ (13)</u>	<u>\$ 37,696</u>	<u>\$ (44)</u>	<u>\$ 1,404,856</u>



Special Revenue Funds

Proposition K Transportation Tax	State Gas Tax Street	TEA Grant	Community Development Block Grant	Landscaping District
\$ 1,197,481	\$ -	\$ -	\$ -	\$ -
15,494	15,095		59	37,927
	2,614,155	1,395,887	561,313	2,657,497
				732
<u>1,212,975</u>	<u>2,629,250</u>	<u>1,395,887</u>	<u>561,372</u>	<u>2,696,156</u>
			399,975	
	28,590			74,822
798,097	1,063,621			1,972,453
	852,957	2,745,052	36,728	18,579
<u>798,097</u>	<u>1,945,168</u>	<u>2,745,052</u>	<u>436,703</u>	<u>2,065,854</u>
<u>414,878</u>	<u>684,082</u>	<u>(1,349,165)</u>	<u>124,669</u>	<u>630,302</u>
414,878	684,082	(1,349,165)	124,669	630,302
<u>1,454,604</u>	<u>1,339,547</u>	<u>100,777</u>	<u>(153,879)</u>	<u>4,600,481</u>
<u>\$ 1,869,482</u>	<u>\$ 2,023,629</u>	<u>\$ (1,248,388)</u>	<u>\$ (29,210)</u>	<u>\$ 5,230,783</u>

(Continued)

**CITY OF TRACY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2014**  
**(Continued)**

	Special Revenue Funds			
	Residential and Commercial Rehabilitation Loan	South County Fire Authority	Community Access CTV	Grow Tracy
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees			194,256	
Fines and penalties				
Use of money and property	1,249	1,237	1384	
Intergovernmental		6,728,853		
Special assessments				
Contributions				
Other revenues				
Charges for services		250,665	168	
<b>Total Revenues</b>	<u>1,249</u>	<u>6,980,755</u>	<u>195,808</u>	
<b>EXPENDITURES:</b>				
Current:				
General government				
Economic development				
General government			82,956	
Non-departmental		199,843	43,810	
Public safety				
Police				
Fire		6,638,018		
Public works				
Development and engineering				
Public works				
Capital outlay		49,604		
Debt service:				
Principal payments				
Interest and fiscal charges				
<b>Total Expenditures</b>		<u>6,887,465</u>	<u>126,766</u>	
Excess of Revenues Over (Under) Expenditures	<u>1,249</u>	<u>93,290</u>	<u>69,042</u>	
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in				
Transfers out				
<b>Total Other Financing Sources (Uses)</b>				
Net Changes in Fund Balances	1,249	93,290	69,042	
Fund Balances (Deficits), July 1, 2013	<u>195,553</u>	<u>1,148,238</u>	<u>216,940</u>	<u>1,000,000</u>
Fund Balances (Deficits), June 30, 2014	<u>\$ 196,802</u>	<u>\$ 1,241,528</u>	<u>\$ 285,982</u>	<u>\$ 1,000,000</u>

Debt Service Funds

2007 Lease Revenue Bonds	Parks COP	2008 Lease Revenue Bonds	Regional Mall COP Debt Service
\$ -	\$ -	\$ -	\$ -
880		5,767	7,183
		581,813	
880		587,580	7,183
100,000		145,000	
181,830		1,162,762	
281,830		1,307,762	
(280,950)		(720,182)	7,183
467,440		743,087	(4,962)
467,440		743,087	(4,962)
186,490		22,905	2,221
90,946		632,340	(2,218)
\$ 277,436	\$ -	\$ 655,245	\$ 3

(Continued)

**CITY OF TRACY**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2014**  
**(Continued)**

	Capital Projects Funds			
	Residential Specific Plan Projects	North East Industrial Plan Area # 2	Infill Projects	I-205 Area Improvements
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees				
Fines and penalties				
Use of money and property	49,260	58,789	27,760	45,838
Intergovernmental				
Special assessments		2,593,805	46,984	
Contributions				
Other revenues				
Charges for services				
<b>Total Revenues</b>	<u>49,260</u>	<u>2,652,594</u>	<u>74,744</u>	<u>45,838</u>
<b>EXPENDITURES:</b>				
Current:				
General government				
Economic development				
General government				
Non-departmental				
Public safety				
Police				
Fire				
Public works				
Development and engineering				
Public works				
Capital outlay	2,058,606	960,371	794,285	823,980
Debt service:				
Principal payments				
Interest and fiscal charges				
<b>Total Expenditures</b>	<u>2,058,606</u>	<u>960,371</u>	<u>794,285</u>	<u>823,980</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,009,346)</u>	<u>1,692,223</u>	<u>(719,541)</u>	<u>(778,142)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in				
Transfers out				
<b>Total Other Financing Sources (Uses)</b>				
Net Changes in Fund Balances	(2,009,346)	1,692,223	(719,541)	(778,142)
Fund Balances (Deficits), July 1, 2013	<u>5,004,794</u>	<u>6,332,018</u>	<u>2,815,688</u>	<u>3,652,700</u>
Fund Balances (Deficits), June 30, 2014	<u>\$ 2,995,448</u>	<u>\$ 8,024,241</u>	<u>\$ 2,096,147</u>	<u>\$ 2,874,558</u>

Capital Projects Funds

Urban Management Plan Facilities	Capital Projects Deposits	South MacArthur Plan Area	Industrial Specific Plan South	Presidio Plan Area	Redevelopment Obligations
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26,980	52,646	85,321	30,450	56,392	1,457
3,962,294		986,959	1,266		
54,375					
<u>4,043,649</u>	<u>52,646</u>	<u>1,072,280</u>	<u>31,716</u>	<u>56,392</u>	<u>1,457</u>
3,886,001	441,682	96,810	36,963	8,340	
<u>3,886,001</u>	<u>441,682</u>	<u>96,810</u>	<u>36,963</u>	<u>8,340</u>	
<u>157,648</u>	<u>(389,036)</u>	<u>975,470</u>	<u>(5,247)</u>	<u>48,052</u>	<u>1,457</u>
157,648	(389,036)	975,470	(5,247)	48,052	1,457
<u>2,356,438</u>	<u>5,092,744</u>	<u>9,620,408</u>	<u>2,970,012</u>	<u>5,123,009</u>	<u>271,895</u>
<u>\$ 2,514,086</u>	<u>\$ 4,703,708</u>	<u>\$ 10,595,878</u>	<u>\$ 2,964,765</u>	<u>\$ 5,171,061</u>	<u>\$ 273,352</u>

(Continued)

**CITY OF TRACY  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Tracy Gateway Area	Plan "C"	General Projects	
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 3,522,295
Licenses, permits, and fees				194,256
Fines and penalties				72,663
Use of money and property	32,024	186,453	5,224	745,637
Intergovernmental				11,394,536
Special assessments		509,068	15,025	6,810,604
Contributions			84,100	4,046,394
Other revenues				582,545
Charges for services				305,208
	<u>32,024</u>	<u>695,521</u>	<u>104,349</u>	<u>27,674,138</u>
<b>Total Revenues</b>				
	<u>32,024</u>	<u>695,521</u>	<u>104,349</u>	<u>27,674,138</u>
<b>EXPENDITURES:</b>				
Current:				
General government				
Economic development				513,967
General government				82,956
Non-departmental				377,065
Public safety				
Police				9,397
Fire				6,638,018
Public works				
Development and engineering				165,574
Public works			331,941	4,822,535
Capital outlay	117,235	138,120	3,493,592	17,346,716
Debt service:				
Principal payments				245,000
Interest and fiscal charges				1,344,592
	<u>117,235</u>	<u>138,120</u>	<u>3,825,533</u>	<u>31,545,820</u>
<b>Total Expenditures</b>				
	<u>117,235</u>	<u>138,120</u>	<u>3,825,533</u>	<u>31,545,820</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(85,211)</u>	<u>557,401</u>	<u>(3,721,184)</u>	<u>(3,871,682)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in				1,213,671
Transfers out				(26,962)
				<u>1,186,709</u>
<b>Total Other Financing Sources (Uses)</b>				
				<u>1,186,709</u>
<b>Net Changes in Fund Balances</b>	(85,211)	557,401	(3,721,184)	(2,684,973)
<b>Fund Balances (Deficits), July 1, 2013</b>	<u>3,191,304</u>	<u>18,217,395</u>	<u>16,056,728</u>	<u>92,060,437</u>
<b>Fund Balances (Deficits), June 30, 2014</b>	<u>\$ 3,106,093</u>	<u>\$ 18,774,796</u>	<u>\$ 12,335,544</u>	<u>\$ 89,375,464</u>

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**CITY OF TRACY**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**BUDGETED NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	Business Improvement District			Asset Forfeiture		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees						
Fines and penalties				26,500	72,663	46,163
Use of money and property					422	422
Intergovernmental	117,150	113,979	(3,171)			
Special assessments						
Contributions						
Other revenues						
Charges for services						
<b>Total Revenues</b>	<u>117,150</u>	<u>113,979</u>	<u>(3,171)</u>	<u>26,500</u>	<u>73,085</u>	<u>46,585</u>
<b>Expenditures:</b>						
Current:						
General government						
Economic development	117,200	113,992	3,208			
General governmental						
Non-departmental						
Public safety						
Police				6,000	9,397	(3,397)
Fire						
Public works						
Development and engineering						
Public works						
Capital outlay				6,900	6,901	(1)
Debt service:						
Principal payments						
Interest and fiscal charges						
<b>Total Expenditures</b>	<u>117,200</u>	<u>113,992</u>	<u>3,208</u>	<u>12,900</u>	<u>16,298</u>	<u>(3,398)</u>
Excess of revenues over (under) expenditures	<u>(50)</u>	<u>(13)</u>	<u>37</u>	<u>13,600</u>	<u>56,787</u>	<u>43,187</u>
<b>Other Financing Sources (Uses):</b>						
Transfers in		3,144	3,144			
Transfers out				(22,000)	(22,000)	
<b>Total Other Financing Sources (Uses)</b>		<u>3,144</u>	<u>3,144</u>	<u>(22,000)</u>	<u>(22,000)</u>	
<b>Net Change in Fund Balances</b>	<u>\$ (50)</u>	<u>3,131</u>	<u>\$ 3,181</u>	<u>\$ (8,400)</u>	<u>34,787</u>	<u>\$ 43,187</u>
Fund Balances (Deficits), July 1, 2013		<u>(3,144)</u>			<u>2,909</u>	
Fund Balances (Deficits), June 30, 2014		<u>\$ (13)</u>			<u>\$ 37,696</u>	



Transportation Development			Proposition K Transportation Tax			State Gas Tax Street		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ 1,500,000	\$ 2,324,814	\$ 824,814	\$ 1,100,000	\$ 1,197,481	\$ 97,481	\$ -	\$ -	\$ -
	390	390		15,494	15,494	2,435,150	15,095	15,095
							2,614,155	179,005
<u>1,500,000</u>	<u>2,325,204</u>	<u>825,204</u>	<u>1,100,000</u>	<u>1,212,975</u>	<u>112,975</u>	<u>2,435,150</u>	<u>2,629,250</u>	<u>194,100</u>
35,200	30,000	5,200				3,400	28,590	(25,190)
160,000	165,574	(5,574)						
1,439,540	1,454,520	(14,980)	2,264,225	798,097	1,466,128	1,362,060	1,063,621	298,439
						2,389,243	852,957	1,536,286
<u>1,634,740</u>	<u>1,650,094</u>	<u>(15,354)</u>	<u>2,264,225</u>	<u>798,097</u>	<u>1,466,128</u>	<u>3,754,703</u>	<u>1,945,168</u>	<u>1,809,535</u>
<u>(134,740)</u>	<u>675,110</u>	<u>809,850</u>	<u>(1,164,225)</u>	<u>414,878</u>	<u>1,579,103</u>	<u>(1,319,553)</u>	<u>684,082</u>	<u>2,003,635</u>
<u>\$ (134,740)</u>	675,110	<u>\$ 809,850</u>	<u>\$ (1,164,225)</u>	414,878	<u>\$ 1,579,103</u>	<u>\$ (1,319,553)</u>	684,082	<u>\$ 2,003,635</u>
	<u>729,746</u>			<u>1,454,604</u>			<u>1,339,547</u>	
	<u>\$ 1,404,856</u>			<u>\$ 1,869,482</u>			<u>\$ 2,023,629</u>	

(Continued)

**CITY OF TRACY**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**BUDGETED NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2014**  
**(Continued)**

	TEA Grant			Community Development Block Grant		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees						
Fines and penalties						
Use of money and property					59	59
Intergovernmental	416,720	1,395,887	979,167	517,785	561,313	43,528
Special assessments						
Contributions						
Other revenues						
Charges for services						
<b>Total Revenues</b>	<u>416,720</u>	<u>1,395,887</u>	<u>979,167</u>	<u>517,785</u>	<u>561,372</u>	<u>43,587</u>
<b>Expenditures:</b>						
Current:						
General government						
Economic development				402,770	399,975	2,795
Administration						
Non-departmental						
Public safety						
Police						
Fire						
Public works						
Development and engineering						
Public works						
Capital outlay	7,096,520	2,745,052	4,351,468	14,450	36,728	(22,278)
Debt service:						
Principal payments						
Interest and fiscal charges						
<b>Total Expenditures</b>	<u>7,096,520</u>	<u>2,745,052</u>	<u>4,351,468</u>	<u>417,220</u>	<u>436,703</u>	<u>(19,483)</u>
Excess of revenues over (under) expenditures	<u>(6,679,800)</u>	<u>(1,349,165)</u>	<u>5,330,635</u>	<u>100,565</u>	<u>124,669</u>	<u>24,104</u>
<b>Other Financing Sources (Uses):</b>						
Transfers in						
Transfers out						
<b>Total Other Financing Sources (Uses)</b>						
<b>Net Change in Fund Balances</b>	<u>\$ (6,679,800)</u>	<u>(1,349,165)</u>	<u>\$ 5,330,635</u>	<u>\$ 100,565</u>	<u>124,669</u>	<u>\$ 24,104</u>
Fund Balances (Deficits), July 1, 2013		<u>100,777</u>			<u>(153,879)</u>	
Fund Balances (Deficits), June 30, 2014		<u>\$ (1,248,388)</u>			<u>\$ (29,210)</u>	

Landscaping District			South County Fire Authority			Community Access CTV		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
						188,000	194,256	6,256
19,000	37,927	18,927		1,237	1,237		1,384	1,384
2,640,190	2,657,497	17,307	6,545,184	6,728,853	183,669			
	732	732						
			169,970	250,665	80,695	500	168	(332)
2,659,190	2,696,156	36,966	6,715,154	6,980,755	265,601	188,500	195,808	7,308
						86,350	82,956	3,394
58,010	74,822	(16,812)	199,650	199,843	(193)	27,710	43,810	(16,100)
			6,866,129	6,638,018	228,111			
2,237,150	1,972,453 18,579	264,697 (18,579)		49,604	(49,604)			
2,295,160	2,065,854	229,306	7,065,779	6,887,465	178,314	114,060	126,766	(12,706)
364,030	630,302	266,272	(350,625)	93,290	443,915	74,440	69,042	(5,398)
<u>\$ 364,030</u>	<u>630,302</u>	<u>\$ 266,272</u>	<u>\$ (350,625)</u>	<u>93,290</u>	<u>\$ 443,915</u>	<u>\$ 74,440</u>	<u>69,042</u>	<u>\$ (5,398)</u>
	4,600,481			1,148,238			216,940	
	<u>\$ 5,230,783</u>			<u>\$ 1,241,528</u>			<u>\$ 285,982</u>	

(Continued)

**CITY OF TRACY**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**BUDGETED NONMAJOR FUNDS**  
**For the Fiscal Year Ended June 30, 2014**  
**(Continued)**

	2007 Lease Revenue Bonds			2008 Lease Revenue Bonds		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees						
Fines and penalties						
Use of money and property		880	880		5,767	5,767
Intergovernmental						
Special assessments						
Contributions						
Other revenues					581,813	581,813
Charges for services						
<b>Total Revenues</b>		<b>880</b>	<b>880</b>		<b>587,580</b>	<b>587,580</b>
<b>Expenditures:</b>						
Current:						
General government						
Economic development						
Administration						
Non-departmental						
Public safety						
Police						
Fire						
Public works						
Development and engineering						
Public works						
Capital outlay						
Debt service:						
Principal payments	100,000	100,000		145,000	145,000	
Interest and fiscal charges	182,300	181,830	470	1,161,400	1,162,762	(1,362)
<b>Total Expenditures</b>	<b>282,300</b>	<b>281,830</b>	<b>470</b>	<b>1,306,400</b>	<b>1,307,762</b>	<b>(1,362)</b>
Excess of revenues over (under) expenditures	(282,300)	(280,950)	1,350	(1,306,400)	(720,182)	586,218
<b>Other Financing Sources (Uses):</b>						
Transfers in		467,440	467,440	1,324,900	743,087	(581,813)
Transfers out						
<b>Total Other Financing Sources (Uses)</b>		<b>467,440</b>	<b>467,440</b>	<b>1,324,900</b>	<b>743,087</b>	<b>(581,813)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (282,300)</b>	<b>186,490</b>	<b>\$ 468,790</b>	<b>\$ 18,500</b>	<b>22,905</b>	<b>\$ 4,405</b>
Fund Balances (Deficits), July 1, 2013		90,946			632,340	
Fund Balances (Deficits), June 30, 2014		<u>\$ 277,436</u>			<u>\$ 655,245</u>	

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds introduced by GASB Statement No. 34 does not extend to internal service funds because they do not do business with outside parties. GASB Statement No. 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund Financial Statements, including the funds below:

### **CENTRAL GARAGE FUND**

Established to account for the maintenance of the City's fleet of vehicles which services the transportation needs of City departments and divisions.

### **CENTRAL SERVICES FUND**

Established to account for monies received from various funds for postage, telephone, and copying charges.

### **EQUIPMENT ACQUISITION FUND**

Established to account for the replacement of equipment utilized by City departments.

### **BUILDING MAINTENANCE FUND**

Established to account for monies received from various funds for the repair and maintenance of all City owned and operated buildings.

### **INSURANCE FUND**

Established to finance and account for the City's risk management and insurance programs.

**CITY OF TRACY**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**June 30, 2014**

	<u>Central Garage</u>	<u>Central Services</u>	<u>Equipment Acquisition</u>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 756,191	\$ 100,085	\$ 8,788,999
Accounts receivable - net			
Prepaid expenses		37,320	948,743
Total current assets	<u>756,191</u>	<u>137,405</u>	<u>9,737,742</u>
Depreciable:			
Buildings	67,824		133,590
Improvements	545,513	9,239	
Equipment	27,704	125,001	23,938,398
Intangibles			810,623
Total depreciable capital assets	641,041	134,240	24,882,611
Less accumulated depreciation	<u>(595,240)</u>	<u>(133,648)</u>	<u>(19,797,485)</u>
Depreciable capital assets, net	<u>45,801</u>	<u>592</u>	<u>5,085,126</u>
Total capital assets, net	<u>45,801</u>	<u>592</u>	<u>5,085,126</u>
Total Assets	<u>\$ 801,992</u>	<u>\$ 137,997</u>	<u>\$ 14,822,868</u>

<u>Building Maintenance</u>	<u>Insurance</u>	<u>Totals</u>
\$ 466,430	\$ 2,201,527 1,919	\$ 12,313,232 1,919 986,063
<u>466,430</u>	<u>2,203,446</u>	<u>13,301,214</u>
4,670		201,414 554,752 24,095,773 810,623
<u>4,670</u>		<u>25,662,562</u>
<u>(4,670)</u>		<u>(20,531,043)</u>
		<u>5,131,519</u>
		<u>5,131,519</u>
<u>\$ 466,430</u>	<u>\$ 2,203,446</u>	<u>\$ 18,432,733</u>

(Continued)

**CITY OF TRACY**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**June 30, 2014**  
**(Continued)**

	<u>Central Garage</u>	<u>Central Services</u>	<u>Equipment Acquisition</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 31,205	\$ 39,478	\$ 281,692
Claims and judgments payable			82,518
Capital lease payable	9,954	21,753	10,297
Compensated absences			10,297
Accrued interest payable			10,297
	<u>41,159</u>	<u>61,231</u>	<u>374,507</u>
<b>Total current liabilities</b>	<u>41,159</u>	<u>61,231</u>	<u>374,507</u>
Noncurrent Liabilities:			
Capital lease payable			825,998
Compensated absences	4,076	47,922	
Claims and judgments payable			
	<u>4,076</u>	<u>47,922</u>	<u>825,998</u>
<b>Total noncurrent liabilities</b>	<u>4,076</u>	<u>47,922</u>	<u>825,998</u>
<b>Total Liabilities</b>	<u>45,235</u>	<u>109,153</u>	<u>1,200,505</u>
<b>NET POSITION</b>			
Net investment in capital assets	45,801	592	4,176,610
Unrestricted	710,956	28,252	9,445,753
	<u>756,757</u>	<u>28,844</u>	<u>13,622,363</u>
<b>Total Net Position</b>	<u>\$ 756,757</u>	<u>\$ 28,844</u>	<u>\$ 13,622,363</u>



<u>Building Maintenance</u>	<u>Insurance</u>	<u>Totals</u>
\$ 2,900	\$ 18,001	\$ 373,276
	56,247	56,247
		82,518
9,255	8,926	49,888
		10,297
<u>12,155</u>	<u>83,174</u>	<u>572,226</u>
		825,998
25,773	31,892	109,663
	56,247	56,247
<u>25,773</u>	<u>88,139</u>	<u>991,908</u>
<u>37,928</u>	<u>171,313</u>	<u>1,564,134</u>
		4,223,003
<u>428,502</u>	<u>2,032,133</u>	<u>12,645,596</u>
<u>\$ 428,502</u>	<u>\$ 2,032,133</u>	<u>\$ 16,868,599</u>

**CITY OF TRACY**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2014**

	Central Garage	Central Services	Equipment Acquisition
Revenues:			
Charges for services	\$ 1,449,594	\$ 1,408,099	\$ 1,796,400
Other revenues	3,824	9,130	9,604
Total Operating Revenues	<u>1,453,418</u>	<u>1,417,229</u>	<u>1,806,004</u>
Expenses:			
Maintenance and operation	1,364,057	1,439,846	20,937
Administration	63,570		
Insurance costs and claims			
Depreciation	38,573	645	1,463,989
Total Expenses	<u>1,466,200</u>	<u>1,440,491</u>	<u>1,484,926</u>
Income (Loss) Before Capital Contributions and Transfers	(12,782)	(23,262)	321,078
Capital Contributions			86,081
Transfers in			22,000
Change in Net Position	(12,782)	(23,262)	429,159
Net Position, July 1, 2013	<u>769,539</u>	<u>52,106</u>	<u>13,193,204</u>
Net Position, June 30, 2014	<u>\$ 756,757</u>	<u>\$ 28,844</u>	<u>\$ 13,622,363</u>

<u>Building Maintenance</u>	<u>Insurance</u>	<u>Totals</u>
\$ 801,442	\$ 3,389,195 822,900	\$ 8,844,730 845,458
<u>801,442</u>	<u>4,212,095</u>	<u>9,690,188</u>
729,256 74,890	1,140,009 14,924 2,777,478	4,694,105 153,384 2,777,478 1,503,207
<u>804,146</u>	<u>3,932,411</u>	<u>9,128,174</u>
(2,704)	279,684	562,014
		86,081 22,000
<u>(2,704)</u>	<u>279,684</u>	<u>670,095</u>
<u>431,206</u>	<u>1,752,449</u>	<u>16,198,504</u>
<u>\$ 428,502</u>	<u>\$ 2,032,133</u>	<u>\$ 16,868,599</u>

**CITY OF TRACY**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2014**

	Central Garage	Central Services	Equipment Acquisition
Cash Flows from Operating Activities:			
Receipts from customers/interfund charges	\$ 1,453,418	\$ 1,417,229	\$ 1,806,004
Payments to suppliers and users	(978,823)	(587,709)	(689,418)
Payments to employees	(454,416)	(858,190)	
Net Cash Provided (Used) by Operating Activities	<u>20,179</u>	<u>(28,670)</u>	<u>1,116,586</u>
Cash flows from Non-Capital Financing Activities:			
Transfer in			22,000
Net Cash Provided (Used) by Non-Capital Financing Activities			<u>22,000</u>
Cash Flows from Capital and Related Financing Activities:			
Capital contributions			86,081
Proceeds from issuance of long term debt			908,516
Interest paid			10,297
Acquisitions of capital assets			(1,385,358)
Net Cash Used by Capital and Related Financing Activities			<u>(380,464)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	20,179	(28,670)	758,122
Cash and Cash Equivalents, July 1, 2013	<u>736,012</u>	<u>128,755</u>	<u>8,030,877</u>
Cash and Cash Equivalents, June 30, 2014	<u>\$ 756,191</u>	<u>\$ 100,085</u>	<u>\$ 8,788,999</u>
Noncash Transactions			
Disposition of assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,905</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (12,782)	\$ (23,262)	\$ 321,078
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	38,573	645	1,463,989
(Increase) Decrease in Operating Assets:			
Accounts receivable			
Prepaid expenses		(37,320)	(948,743)
Increase (Decrease) in Operating Liabilities:			
Accounts payable	(8,021)	28,791	280,262
Compensated absences	2,409	2,476	
Net Cash Provided (Used) by Operating Activities	<u>\$ 20,179</u>	<u>\$ (28,670)</u>	<u>\$ 1,116,586</u>

Building Maintenance	Insurance	Totals
\$ 801,442	\$ 4,210,176	\$ 9,688,269
(315,975)	(3,610,239)	(6,182,164)
(478,299)	(341,046)	(2,131,951)
<u>7,168</u>	<u>258,891</u>	<u>1,374,154</u>
		22,000
		22,000
		86,081
		908,516
		10,297
		(1,385,358)
		(380,464)
7,168	258,891	1,015,690
459,262	1,942,636	11,297,542
<u>\$ 466,430</u>	<u>\$ 2,201,527</u>	<u>\$ 12,313,232</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,905</u>
\$ (2,704)	\$ 279,684	\$ 562,014
		1,503,207
	(1,919)	(1,919)
		(986,063)
54	(36,294)	264,792
9,818	17,420	32,123
<u>\$ 7,168</u>	<u>\$ 258,891</u>	<u>\$ 1,374,154</u>

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## **PRIVATE-PURPOSE TRUST FUNDS**

Private-Purpose Trust Funds are fiduciary funds that include a statement of net position and statement of changes in net position. These funds are used to account for assets held by the City as trustee for the Successor Agency to the Community Development Agency of the City of Tracy. The trust funds are custodial in nature and do not involve measurement of results of operations, however, they do use the full accrual basis of accounting to recognize receivables and payables.

Private-purpose trust funds are presented separately in the Fund Financial Statements, including the funds below:

### **DOWNTOWN PROJECTS FUND**

Established to account for the activities of the Successor Agency which relate to ongoing Downtown Projects.

### **CDA SUCCESSOR AGENCY FUND**

The CDA Successor Agency Fund accounts for other current activities of the Successor Agency.

### **REDEVELOPMENT OBLIGATIONS FUND**

The Redevelopment Obligations Fund accounts for activity related to enforceable obligations of the Successor Agency.

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**CITY OF TRACY  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF NET POSITION  
June 30, 2014**

	Downtown Projects	CDA Successor Agency	Redevelopment Obligations	Total
<b>ASSETS</b>				
Cash and investments	\$ 44	\$ 2,152,538	\$ 1,739,814	\$ 3,892,396
Cash and investments with fiscal agents		3,563,795		3,563,795
Restricted cash and investments		51,671		51,671
Interest receivable		6,274	4,938	11,212
Capital assets, not being depreciated		2,581,457		2,581,457
Capital assets, being depreciated, net of accumulated depreciation		670,533		670,533
<b>Total Assets</b>	<b>44</b>	<b>9,026,268</b>	<b>1,744,752</b>	<b>10,771,064</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Unamortized loss on debt refunding		1,608,436		1,608,436
<b>Total Deferred Outflows of Resources</b>		<b>1,608,436</b>		<b>1,608,436</b>
<b>LIABILITIES</b>				
Accounts payable		36,788		36,788
Accrued interest payable		815,627		815,627
Due to City of Tracy	95,800			95,800
Noncurrent liabilities:				
Due within one year		1,360,000		1,360,000
Due in more than one year		46,418,520		46,418,520
<b>Total Liabilities</b>	<b>95,800</b>	<b>48,630,935</b>		<b>48,726,735</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unearned revenue - RPTTF Distribution			1,500,056	1,500,056
<b>Total Deferred Inflows of Resources</b>			<b>1,500,056</b>	<b>1,500,056</b>
<b>NET POSITION</b>				
Unrestricted	(95,756)	(37,996,231)	244,696	(37,847,291)
<b>Total Net Position</b>	<b>\$ (95,756)</b>	<b>\$ (37,996,231)</b>	<b>\$ 244,696</b>	<b>\$ (37,847,291)</b>

**CITY OF TRACY  
PRIVATE-PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
For the Fiscal Year Ended June 30, 2014**

	Downtown Projects	CDA Successor Agency	Redevelopment Obligations	Total
<b>Additions:</b>				
Investment revenue	\$ -	\$ 55,518	\$ 13,511	\$ 69,029
Taxes and assessments			4,314,113	4,314,113
Transfer in		3,494,685		3,494,685
<b>Total additions</b>		<b>3,550,203</b>	<b>4,327,624</b>	<b>7,877,827</b>
<b>Deductions:</b>				
Administration		213,682		213,682
Public works				
Development and engineering	95,756			95,756
Depreciation		89,973		89,973
Transfer to City of Tracy			588,340	588,340
Transfer out			3,494,685	3,494,685
Interest expenses		2,528,403		2,528,403
<b>Total deductions</b>	<b>95,756</b>	<b>2,832,058</b>	<b>4,083,025</b>	<b>7,010,839</b>
<b>Change in net position</b>	<b>(95,756)</b>	<b>718,145</b>	<b>244,599</b>	<b>866,988</b>
Net Position July 1, 2013		(37,444,286)	97	(37,444,189)
Prior period adjustment		(1,270,090)		(1,270,090)
Net Position July 1, 2013, restated		(38,714,376)	97	(38,714,279)
<b>Net Position, June 30, 2014</b>	<b>\$ (95,756)</b>	<b>\$ (37,996,231)</b>	<b>\$ 244,696</b>	<b>\$ (37,847,291)</b>

## **AGENCY FUNDS**

GASB Statement No. 34 requires that Agency Funds be presented separately from the Government-wide and Fund Financial Statements.

Agency Funds account for assets held by the City as an agent for individuals, government entities, and non-public organizations. These funds include the following:

### **87-3 ASSESSMENT FUND**

Established to account for the assets held on behalf of the 87-3 Assessment District property owners until they are remitted to the bond trustee.

### **84-1 ASSESSMENT DISTRICT FUND**

Established to account for the assets held on behalf of the 84-1 Assessment District property owners until they are remitted to the bond trustee.

### **89-1 COMMUNITY FACILITIES DISTRICT FUND**

Established to account for the assets held on behalf of the 89-1 Community Facilities District property owners until they are remitted to the bond trustee.

### **94-1 ASSESSMENT DISTRICT FUND**

Established to account for the assets held on behalf of the 94-1 Community Facilities District property owners until they are remitted to the bond trustee.

### **93-1 COMMUNITY FACILITIES DISTRICT FUND**

Established to account for the assets held on behalf of the 93-1 Community Facilities District property owners until they are remitted to the bond trustee.

### **98-1 COMMUNITY FACILITIES DISTRICT FUND**

Established to account for the assets held on behalf of the 98-1 Community Facilities District property owners until they are remitted to the bond trustee.

### **98-3 COMMUNITY FACILITIES DISTRICT FUND**

Established to account for the assets held on behalf of the 98-3 Community Facilities District Property owners until they are remitted to the bond trustee.

### **98-4 ASSESSMENT DISTRICT FUND**

Established to account for the assets held on behalf of the 98-4 Community Facilities District property owners until they are remitted to the bond trustee.

### **99-1 COMMUNITY FACILITIES DISTRICT FUND**

Established to account for the assets held on behalf of the 99-1 Community Facilities District property owners until they are remitted to the bond trustee.

## **AGENCY FUNDS (Continued)**

### **99-2 COMMUNITY FACILITIES DISTRICT FUND**

Established to account for the assets held on behalf of the 99-2 Community Facilities District property owners until they are remitted to the bond trustee.

### **2000-01 ASSESSMENT DISTRICT FUND**

Established to account for the assets held on behalf of the 2000-01 Assessment District property owners until they are remitted to the bond trustee.

### **2000-02 ASSESSMENT DISTRICT FUND**

Established to account for the assets held on behalf of the 2000-02 Assessment District property owners until they are remitted to the bond trustee.

### **2006-01 NE INDUSTRIAL # 2 FUND**

Established to account for the assets held on behalf of the 2006-01 Assessment District property owners until they are remitted to the bond trustee.

### **1999 I205 RESIDENTIAL REASSESSMENT DISTRICT FUND**

Established to account for the assets held on behalf of the 93-2, 95-1, 96-1, 97-1, and 97-2 Assessment District property owners until they are remitted to the bond trustee.

### **2000-03 ASSESSMENT DISTRICT FUND**

Established to account for the assets held on behalf of the 2000-03 Assessment District property owners until they are remitted to the bond trustee.

### **2003-01 ASSESSMENT DISTRICT FUND**

Established to account for the assets held on behalf of the 2003-01 Assessment District property owners until they are remitted to the bond trustee.

### **CULTURAL ARTS FUND**

Established to account for deposits received for cultural arts projects within the City.

### **REGIONAL TRANSPORTATION IMPACT FUND**

Established to account for transportation impact fees collected by the City and which are to be used for transportation mitigation purposes.

### **MEDICAL LEAVE BANK FUND**

Established to account for amounts deposited from employees converted sick leave.

### **POSTEMPLOYMENT BENEFIT TRUST**

Established to account for contributions on behalf of employees for postemployment benefits.

**AGENCY FUNDS (Continued)**

**2011 TOP JPA REVENUE BONDS**

Established to refund two outstanding community facilities district bonds and to refund two limited obligation assessment bonds, and to finance public capital improvements.

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**CITY OF TRACY  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>87-3 Assessment District</u></b>				
<u>Assets:</u>				
Cash and investments	\$ -	\$ 1	\$ -	\$ 1
Cash and investments with fiscal agents		29		29
Interest receivable	24	13	(37)	
<b>Total assets</b>	<b>\$ 24</b>	<b>\$ 43</b>	<b>\$ (37)</b>	<b>\$ 30</b>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to City of Tracy	37		(37)	
Due to assessment district bondholders	(13)	43		30
<b>Total liabilities</b>	<b>\$ 24</b>	<b>\$ 43</b>	<b>\$ (37)</b>	<b>\$ 30</b>

<b><u>84-1 Assessment District</u></b>				
<u>Assets:</u>				
Cash and investments	\$ 10,607	\$ 38	\$ (25)	\$ 10,620
Interest receivable		30		30
<b>Total assets</b>	<b>\$ 10,607</b>	<b>\$ 68</b>	<b>\$ (25)</b>	<b>\$ 10,650</b>
<u>Liabilities</u>				
Due to assessment district bondholders	\$ 10,607	\$ 68	\$ (25)	\$ 10,650
<b>Total liabilities</b>	<b>\$ 10,607</b>	<b>\$ 68</b>	<b>\$ (25)</b>	<b>\$ 10,650</b>

(Continued)

**CITY OF TRACY  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>89-1 Community Facilities District</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 2,900,826	\$ 1,240,934	\$ (1,425,004)	\$ 2,716,756
Cash and investments with fiscal agents	2,412,837	1,103,223	(2,414,153)	1,101,907
Interest receivable	8,758		(1,053)	7,705
Due from other funds	39,318		(39,318)	
<b>Total assets</b>	<b>\$ 5,361,739</b>	<b>\$ 2,344,157</b>	<b>\$ (3,879,528)</b>	<b>\$ 3,826,368</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 1,439,233	\$ (1,439,233)	\$ -
Due to assessment district bondholders	5,361,739	904,924	(2,440,295)	3,826,368
<b>Total liabilities</b>	<b>\$ 5,361,739</b>	<b>\$ 2,344,157</b>	<b>\$ (3,879,528)</b>	<b>\$ 3,826,368</b>
<b><u>94-1 Assessment District</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 332,846	\$ 503,372	\$ (500,322)	\$ 335,896
Cash and investments with fiscal agents	835,692	234,022	(870,685)	199,029
Interest receivable	847	106		953
<b>Total assets</b>	<b>\$ 1,169,385</b>	<b>\$ 737,500</b>	<b>\$ (1,371,007)</b>	<b>\$ 535,878</b>
<b>Liabilities</b>				
Accounts payable	\$ 204	\$ 342,944	\$ (343,148)	\$ -
Due to assessment district bondholders	1,169,181	394,556	(1,027,859)	535,878
<b>Total liabilities</b>	<b>\$ 1,169,385</b>	<b>\$ 737,500</b>	<b>\$ (1,371,007)</b>	<b>\$ 535,878</b>

(Continued)



**CITY OF TRACY  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>93-1 Community Facilities District</u></b>				
<b><u>Assets:</u></b>				
Cash and investments	\$ 2,931,922	\$ 766,507	\$ (511,030)	\$ 3,187,399
Cash and investments with fiscal agents	743,377		(147,463)	595,914
Interest receivable	7,602	1,445		9,047
<b>Total assets</b>	<b>\$ 3,682,901</b>	<b>\$ 767,952</b>	<b>\$ (658,493)</b>	<b>\$ 3,792,360</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ -	\$ 511,030	\$ (511,030)	\$ -
Due to assessment district bondholders	3,682,901	256,922	(147,463)	3,792,360
<b>Total liabilities</b>	<b>\$ 3,682,901</b>	<b>\$ 767,952</b>	<b>\$ (658,493)</b>	<b>\$ 3,792,360</b>
<b><u>98-1 Community Facilities District</u></b>				
<b><u>Assets:</u></b>				
Cash and investments	\$ 808,693	\$ 4,901,184	\$ (4,908,943)	\$ 800,934
Cash and investments with fiscal agents	2,030,927	5,052,557	(5,028,797)	2,054,687
Interest receivable	2,365	1,602	(1,698)	2,269
<b>Total assets</b>	<b>\$ 2,841,985</b>	<b>\$ 9,955,343</b>	<b>\$ (9,939,438)</b>	<b>\$ 2,857,890</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ -	\$ 4,830,454	\$ (4,830,454)	\$ -
Due to assessment district bondholders	2,841,985	5,124,889	(5,108,984)	2,857,890
<b>Total liabilities</b>	<b>\$ 2,841,985</b>	<b>\$ 9,955,343</b>	<b>\$ (9,939,438)</b>	<b>\$ 2,857,890</b>

(Continued)

**CITY OF TRACY  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>98-3 Community Facilities District</u></b>				
<u>Assets:</u>				
Cash and investments	\$ 76,094	\$ 308,077	\$ (310,760)	\$ 73,411
Cash and investments with fiscal agents	1,856,481	613,249	(316,094)	2,153,636
Interest receivable	230	255	(277)	208
<b>Total assets</b>	<b>\$ 1,932,805</b>	<b>\$ 921,581</b>	<b>\$ (627,131)</b>	<b>\$ 2,227,255</b>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 305,514	\$ (305,514)	\$ -
Due to assessment district bondholders	1,932,805	616,067	(321,617)	2,227,255
<b>Total liabilities</b>	<b>\$ 1,932,805</b>	<b>\$ 921,581</b>	<b>\$ (627,131)</b>	<b>\$ 2,227,255</b>
 <b><u>98-4 Assessment District</u></b>				
<u>Assets:</u>				
Cash and investments	\$ -	\$ 16,337	\$ (16,337)	\$ -
Interest receivable	73		(73)	
<b>Total assets</b>	<b>\$ 73</b>	<b>\$ 16,337</b>	<b>\$ (16,410)</b>	<b>\$ -</b>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to City of Tracy	16,410		(16,410)	
Due to assessment district bondholders	(16,337)	16,337		
<b>Total liabilities</b>	<b>\$ 73</b>	<b>\$ 16,337</b>	<b>\$ (16,410)</b>	<b>\$ -</b>

(Continued)

**CITY OF TRACY  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>99-1 Community Facilities District</u></b>				
<u>Assets:</u>				
Cash and investments	\$ 332,599	\$ 668,804	\$ (650,383)	\$ 351,020
Cash and investments with fiscal agents	1,400,666		(725,850)	674,816
Interest receivable	953	43		996
<b>Total assets</b>	<b>\$ 1,734,218</b>	<b>\$ 668,847</b>	<b>\$ (1,376,233)</b>	<b>\$ 1,026,832</b>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 650,383	\$ (650,383)	\$ -
Due to assessment district bondholders	1,734,218	18,464	(725,850)	1,026,832
<b>Total liabilities</b>	<b>\$ 1,734,218</b>	<b>\$ 668,847</b>	<b>\$ (1,376,233)</b>	<b>\$ 1,026,832</b>
<b><u>99-2 Community Facilities District</u></b>				
<u>Assets:</u>				
Cash and investments	\$ -	\$ 8,560	\$ (8,560)	\$ -
Cash and investments with fiscal agents	(8)	8		
Interest receivable	217		(217)	
<b>Total assets</b>	<b>\$ 209</b>	<b>\$ 8,568</b>	<b>\$ (8,777)</b>	<b>\$ -</b>
<u>Liabilities</u>				
Due to City of Tracy	\$ 8,777	\$ -	\$ (8,777)	\$ -
Due to assessment district bondholders	(8,568)	8,568		
<b>Total liabilities</b>	<b>\$ 209</b>	<b>\$ 8,568</b>	<b>\$ (8,777)</b>	<b>\$ -</b>

(Continued)

**CITY OF TRACY  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>2000-01 Assessment District</u></b>				
<u>Assets:</u>				
Cash and investments	\$ 182,728	\$ 959,445	\$ (963,385)	\$ 178,788
Cash and investments with fiscal agents	662,437	943,960	(921,526)	684,871
Interest receivable	491	623	(607)	507
	<u>845,656</u>	<u>1,904,028</u>	<u>(1,885,518)</u>	<u>864,166</u>
Total assets	<u>\$ 845,656</u>	<u>\$ 1,904,028</u>	<u>\$ (1,885,518)</u>	<u>\$ 864,166</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 947,379	\$ (947,379)	\$ -
Due to assessment district bondholders	845,656	956,649	(938,139)	864,166
	<u>845,656</u>	<u>1,904,028</u>	<u>(1,885,518)</u>	<u>864,166</u>
Total liabilities	<u>\$ 845,656</u>	<u>\$ 1,904,028</u>	<u>\$ (1,885,518)</u>	<u>\$ 864,166</u>
<b><u>2000-02 Assessment District</u></b>				
<u>Assets:</u>				
Cash and investments	\$ (6,526)	\$ 8,326	\$ (1,800)	\$ -
Total assets	<u>\$ (6,526)</u>	<u>\$ 8,326</u>	<u>\$ (1,800)</u>	<u>\$ -</u>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 1,800	\$ (1,800)	\$ -
Due to assessment district bondholders	(6,526)	6,526		
	<u>(6,526)</u>	<u>6,526</u>	<u>(1,800)</u>	<u>-</u>
Total liabilities	<u>\$ (6,526)</u>	<u>\$ 8,326</u>	<u>\$ (1,800)</u>	<u>\$ -</u>

(Continued)

**CITY OF TRACY  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>2006-01 NE Industrial # 2</u></b>				
<u>Assets:</u>				
Cash and investments	\$ 7,960	\$ 804,085	\$ (807,208)	\$ 4,837
Cash and investments with fiscal agents	2,462,239	770,347	(679,013)	2,553,573
Interest receivable		13		13
<b>Total assets</b>	<b>\$ 2,470,199</b>	<b>\$ 1,574,445</b>	<b>\$ (1,486,221)</b>	<b>\$ 2,558,423</b>
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 797,009	\$ (797,009)	\$ -
Due to assessment district bondholders	2,470,199	777,436	(689,212)	2,558,423
<b>Total liabilities</b>	<b>\$ 2,470,199</b>	<b>\$ 1,574,445</b>	<b>\$ (1,486,221)</b>	<b>\$ 2,558,423</b>
<b><u>1999 I205 Residential Reassessment District</u></b>				
<u>Assets:</u>				
Cash and investments	\$ 658,527	\$ 87,098	\$ (79,895)	\$ 665,730
Cash and investments with fiscal agents	2,040,399		(1,030,797)	1,009,602
Interest receivable	1,617	272		1,889
<b>Total assets</b>	<b>\$ 2,700,543</b>	<b>\$ 87,370</b>	<b>\$ (1,110,692)</b>	<b>\$ 1,677,221</b>
<u>Liabilities</u>				
Accounts payable	\$ 1,394	\$ 87,370	\$ -	\$ 88,764
Due to assessment district bondholders	2,699,149		(1,110,692)	1,588,457
<b>Total liabilities</b>	<b>\$ 2,700,543</b>	<b>\$ 87,370</b>	<b>\$ (1,110,692)</b>	<b>\$ 1,677,221</b>

(Continued)

**CITY OF TRACY  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>2000-03 Assessment District</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 36,462	\$ 578	\$ (20,693)	\$ 16,347
Accounts receivable				
Interest receivable	110	110	(174)	46
	<u>110</u>	<u>110</u>	<u>(174)</u>	<u>46</u>
Total assets	<u>\$ 36,572</u>	<u>\$ 688</u>	<u>\$ (20,867)</u>	<u>\$ 16,393</u>
<b>Liabilities</b>				
Due to assessment district bondholders	\$ 36,572	\$ 688	\$ (20,867)	\$ 16,393
	<u>36,572</u>	<u>688</u>	<u>(20,867)</u>	<u>16,393</u>
Total liabilities	<u>\$ 36,572</u>	<u>\$ 688</u>	<u>\$ (20,867)</u>	<u>\$ 16,393</u>
<b><u>2003-01 Assessment District</u></b>				
<b>Assets:</b>				
Cash and investments	\$ -	\$ 81,503	\$ (81,503)	\$ -
Cash and investments with fiscal agents	137,619	87,338	(82,342)	142,615
Interest receivable		243		243
	<u>137,619</u>	<u>87,581</u>	<u>(82,342)</u>	<u>142,858</u>
Total assets	<u>\$ 137,619</u>	<u>\$ 169,084</u>	<u>\$ (163,845)</u>	<u>\$ 142,858</u>
<b>Liabilities</b>				
Accounts payable	\$ 223	\$ 70,827	\$ (71,050)	\$ -
Due to City of Tracy	5,722	2,042		7,764
Deposits payable	5,818			5,818
Due to assessment district bondholders	125,856	96,215	(92,795)	129,276
	<u>125,856</u>	<u>96,215</u>	<u>(92,795)</u>	<u>129,276</u>
Total liabilities	<u>\$ 137,619</u>	<u>\$ 169,084</u>	<u>\$ (163,845)</u>	<u>\$ 142,858</u>

(Continued)

**CITY OF TRACY  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>Cultural Arts</u></b>				
<b><u>Assets:</u></b>				
Cash and investments	\$ 1,122	\$ 2,103	\$ (2,078)	\$ 1,147
Total assets	<u>\$ 1,122</u>	<u>\$ 2,103</u>	<u>\$ (2,078)</u>	<u>\$ 1,147</u>
<b><u>Liabilities</u></b>				
Deposits payable	\$ 1,122	\$ 2,103	\$ (2,078)	\$ 1,147
Total liabilities	<u>\$ 1,122</u>	<u>\$ 2,103</u>	<u>\$ (2,078)</u>	<u>\$ 1,147</u>
<b><u>Regional Transportation Impact</u></b>				
<b><u>Assets:</u></b>				
Cash and investments	\$ 2,602,219	\$ 861,019	\$ (849,796)	\$ 2,613,442
Total assets	<u>\$ 2,602,219</u>	<u>\$ 861,019</u>	<u>\$ (849,796)</u>	<u>\$ 2,613,442</u>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 237,893	\$ 137,893	\$ (327,121)	\$ 48,665
Deposits payable	2,364,326	723,126	(522,675)	2,564,777
Total liabilities	<u>\$ 2,602,219</u>	<u>\$ 861,019</u>	<u>\$ (849,796)</u>	<u>\$ 2,613,442</u>
<b><u>Medical Leave Bank</u></b>				
<b><u>Assets:</u></b>				
Cash and investments	\$ 1,124,547	\$ 25,625	\$ (296,725)	\$ 853,447
Total assets	<u>\$ 1,124,547</u>	<u>\$ 25,625</u>	<u>\$ (296,725)</u>	<u>\$ 853,447</u>
<b><u>Liabilities</u></b>				
Deposits payable	\$ 1,124,547	\$ 25,625	\$ (296,725)	\$ 853,447
Total liabilities	<u>\$ 1,124,547</u>	<u>\$ 25,625</u>	<u>\$ (296,725)</u>	<u>\$ 853,447</u>

(Continued)

**CITY OF TRACY  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>Post Employment Benefit Trust</u></b>				
<b><u>Assets:</u></b>				
Cash and investments	\$ -	\$ 685,931	\$ (685,931)	\$ -
Accounts receivable	19,289	187,758	(187,403)	19,644
<b>Total assets</b>	<b>\$ 19,289</b>	<b>\$ 873,689</b>	<b>\$ (873,334)</b>	<b>\$ 19,644</b>
<b><u>Liabilities</u></b>				
Due to City of Tracy	\$ 8,372	\$ 2,914	\$ -	\$ 11,286
Deposits payable	10,917	870,775	(873,334)	8,358
<b>Total liabilities</b>	<b>\$ 19,289</b>	<b>\$ 873,689</b>	<b>\$ (873,334)</b>	<b>\$ 19,644</b>
 <b><u>2011 TOP JPA Revenue Bonds</u></b>				
<b><u>Assets:</u></b>				
Cash and investments	\$ 78,312	\$ 1,161,820	\$ (1,180,061)	\$ 60,071
Cash and investments with fiscal agents	2,033,776	1,410,255	(1,354,312)	2,089,719
<b>Total assets</b>	<b>\$ 2,112,088</b>	<b>\$ 2,572,075</b>	<b>\$ (2,534,373)</b>	<b>\$ 2,149,790</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 488	\$ 1,176,706	\$ (1,177,194)	\$ -
Due to assessment district bondholders	2,111,600	1,395,369	(1,357,179)	2,149,790
<b>Total liabilities</b>	<b>\$ 2,112,088</b>	<b>\$ 2,572,075</b>	<b>\$ (2,534,373)</b>	<b>\$ 2,149,790</b>

(Continued)



**CITY OF TRACY  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Fiscal Year Ended June 30, 2014  
(Continued)**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>Totals - All Agency Funds</u></b>				
<b><u>Assets:</u></b>				
Cash and investments	\$ 12,078,938	\$ 13,091,347	\$ (13,300,439)	\$ 11,869,846
Cash and investments with fiscal agents	16,616,442	10,214,988	(13,571,032)	13,260,398
Accounts receivable	19,289	187,758	(187,403)	19,644
Interest receivable	23,287	4,755	(4,136)	23,906
Due from other funds	39,318		(39,318)	
<b>Total assets</b>	<b>\$ 28,777,274</b>	<b>\$ 23,498,848</b>	<b>\$ (27,102,328)</b>	<b>\$ 25,173,794</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 240,202	\$ 11,298,542	\$ (11,401,315)	\$ 137,429
Due to other governments				
Due to City of Tracy	39,318	4,956	(25,224)	19,050
Deposits payable	3,506,730	1,621,629	(1,694,812)	3,433,547
Due to assessment district bondholders	24,991,024	10,573,721	(13,980,977)	21,583,768
<b>Total liabilities</b>	<b>\$ 28,777,274</b>	<b>\$ 23,498,848</b>	<b>\$ (27,102,328)</b>	<b>\$ 25,173,794</b>

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# Statistical Section



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**CITY OF TRACY**  
 Summary of Statistical Section Pages  
 June 30, 2014

**Statistical Section**

*This part of the City of Tracy’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.*

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> .....	162
<i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b> .....	169
<i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b> .....	177
<i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b> .....	183
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	
<b>Operating Information</b> .....	189
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the government provides and the activities it performs.</i>	

*Sources: Unless otherwise noted, the information in these schedules is derived from the City’s comprehensive annual financial reports for the year ended June 30, 2013. The City implemented GASB Statement No. 34 during 1999-2000 fiscal year; schedules presenting government-wide information include information beginning in 2002.*

## **FINANCIAL TRENDS**

**CITY OF TRACY  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
(In thousands)**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Net investment in capital assets	\$ 518,181	\$ 512,728	\$ 510,323	\$ 490,053	\$ 463,949	\$ 448,841	\$ 451,849	\$ 396,124	\$ 357,579	\$ 371,908
Restricted	100,403	111,131	105,425	118,367	120,961	157,162	134,092	135,593	139,007	62,021
Unrestricted	42,063	35,606	32,898	33,347	46,711	34,330	45,861	42,395	15,645	79,527
Total governmental activities net assets	<u>660,647</u>	<u>659,465</u>	<u>648,646</u>	<u>641,767</u>	<u>631,621</u>	<u>640,333</u>	<u>631,802</u>	<u>574,112</u>	<u>512,231</u>	<u>513,456</u>
Business-type activities:										
Net investment in capital assets	327,065	328,985	340,536	345,554	340,944	346,861	352,609	353,095	339,971	288,340
Restricted	247	237	232	227	222	183	244	555	3,344	31,249
Unrestricted	31,101	31,283	29,148	40,621	46,123	38,826	34,303	25,827	25,174	5,240
Total business-type activities	<u>358,413</u>	<u>360,505</u>	<u>369,916</u>	<u>386,402</u>	<u>387,289</u>	<u>385,870</u>	<u>387,156</u>	<u>379,477</u>	<u>368,489</u>	<u>324,829</u>
Primary government:										
Net investment in capital assets	845,246	841,713	850,859	835,607	804,893	795,702	804,458	749,219	697,550	660,248
Restricted	100,650	111,368	105,657	118,594	121,183	157,345	134,336	136,148	142,351	93,270
Unrestricted	73,164	66,889	62,046	73,968	92,834	73,156	80,164	68,222	40,819	84,767
Total primary government	<u>\$ 1,019,060</u>	<u>\$ 1,019,970</u>	<u>\$ 1,018,562</u>	<u>\$ 1,028,169</u>	<u>\$ 1,018,910</u>	<u>\$ 1,026,203</u>	<u>\$ 1,018,958</u>	<u>\$ 953,589</u>	<u>\$ 880,720</u>	<u>\$ 838,285</u>

Note - The City began to report accrual information when it implemented GASB 34 in the fiscal year 1999-2000.

Source: City of Tracy, Finance and Administrative Services Department:

**CITY OF TRACY  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
(In thousands)**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 6,412	\$ 6,572	\$ 6,283	\$ 18,296	\$ 7,384	\$ 9,195	\$ 7,183	\$ 6,391	\$ 7,432	\$ 6,698
Public safety	37,974	37,248	37,602	35,509	36,567	36,663	35,074	30,178	28,434	26,684
Public works	32,358	25,954	52,418	24,371	21,855	29,492	24,661	29,391	24,821	20,952
Culture and leisure	4,668	4,709	5,097	5,143	12,202	9,159	7,502	3,929	3,760	4,119
Interest on long-term debt	1,342	1,399	1,925	4,121	4,063	4,201	3,548	4,084	3,994	3,626
Unallocated depreciation	586	520	566	617	631	295	820	649	506	860
<b>Total Governmental Activities Expenses</b>	<b>83,340</b>	<b>76,402</b>	<b>103,891</b>	<b>88,057</b>	<b>82,702</b>	<b>89,005</b>	<b>78,788</b>	<b>74,622</b>	<b>68,947</b>	<b>62,939</b>
<b>Business-type Activities:</b>										
Water	22,300	21,765	22,295	21,229	19,580	19,173	18,786	16,106	16,029	9,363
Sewer	16,442	14,970	18,980	17,133	14,874	15,380	11,415	9,639	10,281	8,987
Airport	629	590	686	705	912	742	542	666	592	471
Solid waste	18,923	18,820	18,585	17,473	16,962	17,893	17,088	16,492	16,367	15,604
Transit	2,556	2,404	2,436	2,291	1,733	1,277	1,531	1,499	1,438	381
Drainage	3,404	3,232	3,351	3,402	2,618	2,646	3,486	3,247	3,957	978
<b>Total Business-Type Activities</b>	<b>64,254</b>	<b>61,781</b>	<b>66,333</b>	<b>62,233</b>	<b>56,679</b>	<b>57,111</b>	<b>52,848</b>	<b>47,649</b>	<b>48,664</b>	<b>35,784</b>
<b>Total Primary Government Expenses</b>	<b>\$ 147,594</b>	<b>\$ 138,183</b>	<b>\$ 170,224</b>	<b>\$ 150,290</b>	<b>\$ 139,381</b>	<b>\$ 146,116</b>	<b>\$ 131,636</b>	<b>\$ 122,271</b>	<b>\$ 117,611</b>	<b>\$ 98,723</b>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
<b>Charges for Services:</b>										
Development fees	\$ 3,039	\$ 2,460	\$ 1,617	\$ 1,805	\$ 6,925	\$ 8,840	\$ 5,289	\$ 4,700	\$ 5,281	\$ 4,030
Other public works	5,040	5,300	5,204	3,800	4,401	3,983	26,478	7,660	8,660	5,380
Parks and community services	838	878	789	757	1,208	1,065	1,206	1,480	3,621	973
Other activities	1,879	1,665	2,566	2,634	4,143	3,778	1,457	2,281	1,008	1,064
Operating grants and contributions	10,964	12,723	9,482	10,065	9,305	12,766	13,091	11,800	12,621	8,666
Capital grants and contributions	18,166	22,596	15,527	19,080	11,069	12,965	24,426	49,554	19,936	27,450
<b>Total Governmental Activities Program Revenues</b>	<b>39,926</b>	<b>45,622</b>	<b>35,185</b>	<b>38,141</b>	<b>37,051</b>	<b>43,397</b>	<b>71,947</b>	<b>77,475</b>	<b>51,127</b>	<b>47,563</b>
<b>Business-type Activities:</b>										
<b>Charges for Services:</b>										
Water	18,700	15,672	14,433	14,641	13,693	15,833	15,305	13,654	12,472	11,723
Sewer	12,940	11,978	11,480	12,032	11,490	11,661	12,513	12,115	8,471	7,805
Airport	395	272	375	342	373	257	281	265	272	278
Solid waste	21,521	20,352	18,852	16,321	17,320	16,774	17,950	15,006	15,147	13,937
Transit	1,631	818	822	899	1,295	940	92	1,231	109	113
Drainage	546	564	564	553	556	541	563	545	535	491
Operating grants and contributions	-	-	-	-	-	20	1,774	865	1,038	1,763
Capital grants and contributions	6,337	2,528	2,801	3,678	6,132	9,161	10,992	13,119	10,063	24,897
<b>Total Business-Type Activities Program Revenues</b>	<b>62,070</b>	<b>52,184</b>	<b>49,327</b>	<b>48,466</b>	<b>50,859</b>	<b>55,187</b>	<b>59,470</b>	<b>56,800</b>	<b>48,107</b>	<b>61,007</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 101,996</b>	<b>\$ 97,806</b>	<b>\$ 84,512</b>	<b>\$ 86,607</b>	<b>\$ 87,910</b>	<b>\$ 98,584</b>	<b>\$ 131,417</b>	<b>\$ 134,275</b>	<b>\$ 99,234</b>	<b>\$ 108,570</b>



**CITY OF TRACY**  
**CHANGES IN NET POSITION (Continued)**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(In thousands)**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net (expense)/revenue										
Governmental activities	\$ (43,414)	\$ (30,780)	\$ (68,706)	\$ (49,916)	\$ (45,651)	\$ (45,608)	\$ (6,841)	\$ 2,853	\$ (17,820)	\$ (15,376)
Business-type activities	(2,184)	(9,597)	(17,006)	(13,767)	(5,820)	(1,924)	6,622	9,149	(557)	25,223
Total primary government net (expense) revenue	<u>(45,598)</u>	<u>(40,377)</u>	<u>(85,712)</u>	<u>(63,683)</u>	<u>(51,471)</u>	<u>(47,532)</u>	<u>(219)</u>	<u>12,002</u>	<u>(18,377)</u>	<u>9,847</u>
General revenues and other changes in net assets										
Governmental activities:										
Taxes:										
Property taxes	15,700	14,946	18,527	22,533	24,013	29,324	31,160	23,859	24,613	17,616
Franchise taxes	2,593	2,500	2,443	2,474	2,223	2,138	1,991	2,010	1,808	1,700
Sales and use taxes	22,722	20,553	18,422	11,408	9,225	10,964	12,407	13,053	12,587	12,162
Other taxes	1,952	1,839	1,702	1,621	1,604	1,886	4,321	2,373	2,979	1,578
Unrestricted motor vehicle in lieu	36	43	41	376	240	277	360	6,228	437	5,665
Investment earnings	1,129	165	801	1,280	4,840	9,023	12,016	10,406	7,934	5,738
Miscellaneous	1,634	1,595	1,760	1,663	449	527	2,275	1,098	930	175
Transfers		(42)		(384)	(5,563)			1		
Gain on Transfer of assets			31,889							
Total governmental activities	<u>45,766</u>	<u>41,599</u>	<u>75,585</u>	<u>40,971</u>	<u>37,031</u>	<u>54,139</u>	<u>64,530</u>	<u>59,028</u>	<u>51,288</u>	<u>44,634</u>
Business-type activities:										
Interest earnings	264	144	520	109	1,676	633	1,038	1,796	1,865	1,220
Miscellaneous					-	5	19			652
Transfers		42		385	5,563			(1)		
Total business-type activities	<u>264</u>	<u>186</u>	<u>520</u>	<u>494</u>	<u>7,239</u>	<u>638</u>	<u>1,057</u>	<u>1,795</u>	<u>1,865</u>	<u>1,872</u>
Total primary government	<u>46,030</u>	<u>41,785</u>	<u>76,105</u>	<u>41,465</u>	<u>44,270</u>	<u>54,777</u>	<u>65,587</u>	<u>60,823</u>	<u>53,153</u>	<u>46,506</u>
Change in net assets										
Governmental activities	2,352	10,819	6,879	(8,945)	(8,620)	8,531	57,689	61,881	33,469	29,258
Business-type activities	(1,920)	(9,411)	(16,486)	(13,273)	1,419	(1,286)	7,679	10,944	1,308	27,095
Total primary government	<u>\$ 432</u>	<u>\$ 1,408</u>	<u>\$ (9,607)</u>	<u>\$ (22,218)</u>	<u>\$ (7,201)</u>	<u>\$ 7,245</u>	<u>\$ 65,368</u>	<u>\$ 72,825</u>	<u>\$ 34,777</u>	<u>\$ 56,353</u>

Note - The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 1999-2000. In 2004-2005 the City reported its depreciation on infrastructure as unallocated instead of public works.

**CITY OF TRACY**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(In thousands)**

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Governmental activities:</b>										
General government	\$ 2,892	\$ 1,908	\$ 2,682	\$ 9,871	\$ 4,035	\$ 3,590	\$ 924	\$ 1,722	\$ 484	\$ 1,073
Police	1,775	2,330	1,390	1,365	1,513	1,984	1,422	1,760	1,691	1,380
Fire	6,980	8,692	4,765	6,302	6,386	10,372	7,506	7,648	5,635	4,678
Development and engineering	3,410	2,871	1,974	2,148	16,700	14,287	5,477	5,945	7,969	17,832
Public works	23,621	28,367	23,224	17,397	5,817	11,460	53,382	55,183	29,807	18,522
Parks, recreation, and community services	1,248	1,454	1,150	1,058	2,009	1,114	2,645	4,662	4,950	3,488
Interest in long-term debt				-	591	590	591	592	591	591
<b>Subtotal governmental activities</b>	<b>39,926</b>	<b>45,622</b>	<b>35,185</b>	<b>38,141</b>	<b>37,051</b>	<b>43,397</b>	<b>71,947</b>	<b>77,512</b>	<b>51,127</b>	<b>47,564</b>
<b>Business-type activities:</b>										
Water	19,905	15,672	14,501	14,658	15,534	16,859	19,044	16,050	12,487	17,230
Sewer	14,400	12,131	12,669	14,766	11,494	13,113	16,150	14,934	17,108	24,414
Solid waste	21,521	20,352	18,858	16,321	17,330	16,774	17,950	15,006	15,168	13,937
Airport	854	607	417	402	730	277	897	386	615	488
Transit	1,984	2,858	2,018	1,677	4,871	7,386	3,029	3,232	2,194	3,271
Drainage	3,406	564	864	640	900	777	2,400	7,190	535	1,667
<b>Subtotal business-type activities</b>	<b>62,070</b>	<b>52,184</b>	<b>49,327</b>	<b>48,464</b>	<b>50,859</b>	<b>55,186</b>	<b>59,470</b>	<b>56,798</b>	<b>48,107</b>	<b>61,007</b>
<b>Total primary government</b>	<b>\$ 101,996</b>	<b>\$ 97,806</b>	<b>\$ 84,512</b>	<b>\$ 86,605</b>	<b>\$ 87,910</b>	<b>\$ 98,583</b>	<b>\$ 131,417</b>	<b>\$ 134,310</b>	<b>\$ 99,234</b>	<b>\$ 108,571</b>

**CITY OF TRACY**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(In thousands)**

	Fiscal Year										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:											
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 1,359	\$ 1,218	\$ 1,386	\$ 1,755	\$ 1,028	\$ 762	\$ 911
Unreserved					17,626	16,705	17,193	17,356	19,471	19,038	18,905
Nonspendable	782	781	791	820							
Restricted	346	333	445	613							
Committed											
Assigned	523	277	22	2,198							
Unassigned	33,420	27,503	25,676	23,356							
<b>Total general fund</b>	<b>\$ 35,071</b>	<b>\$ 28,894</b>	<b>\$ 26,934</b>	<b>\$ 26,987</b>	<b>\$ 18,985</b>	<b>\$ 17,923</b>	<b>\$ 18,579</b>	<b>\$ 19,111</b>	<b>\$ 20,499</b>	<b>\$ 19,800</b>	<b>\$ 19,816</b>
All other governmental funds											
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 44,708	\$ 38,366	\$ 33,226	\$ 42,960	\$ 49,991	\$ 29,795	\$ 36,812
Unreserved reported in:											
Special revenue funds					20,890	33,100	35,121	30,971	27,491	16,983	12,255
Capital projects funds					81,533	100,196	96,588	76,671	73,913	104,667	108,748
Debt service funds					-	-	-	-	-	-	-
Nonspendable	57		4,646	2,948							
Restricted	97,402	108,381	90,507	99,794							
Committed				4,131							
Assigned			15,339	20,043							
Unassigned											
Special revenue funds	(1,278)	(159)	(1,071)	(2,099)							
Capital projects funds											
Debt service funds											
<b>Total all other governmental funds</b>	<b>\$ 96,181</b>	<b>\$ 108,222</b>	<b>\$ 109,421</b>	<b>\$ 124,817</b>	<b>\$ 147,131</b>	<b>\$ 171,662</b>	<b>\$ 164,935</b>	<b>\$ 150,602</b>	<b>\$ 151,395</b>	<b>\$ 151,445</b>	<b>\$ 157,815</b>

Note - Beginning in 2004, the City classified all of its fund balances in its debt service funds as reserved due to the fact all the funds were in cash accounts earmarked for service, interest or as a revenue. Beginning in 2011, the City reclassified fund balances in accordance with GASB Statement No. 54.

Source: City of Tracy, Finance and Administrative Services Department

**CITY OF TRACY**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(In thousands)**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues:</b>										
Taxes	\$ 43,804	\$ 40,503	\$ 41,393	\$ 36,334	\$ 37,064	\$ 44,680	\$ 48,048	\$ 48,343	\$ 40,105	\$ 30,827
Licenses, permits, and fees	4,008	3,564	3,174	3,092	3,040	3,112	2,839	3,501	3,688	4,944
Fines and forfeits	863	568	1,552	1,570	1,715	1,722	1,515	1,273	290	302
Use of money and property	1,699	700	1,459	2,792	4,197	9,046	11,992	9,900	7,479	5,361
Intergovernmental	12,928	16,038	11,992	17,758	15,282	12,899	13,578	18,130	16,948	18,537
Charges for services	8,894	9,147	8,388	10,110	8,525	8,438	5,186	4,913	5,041	6,529
Special assessments	7,181	13,406	4,095	4,933	4,699	5,583	4,843	8,845	10,796	20,580
Contributions from assessment districts	4,346	1,887	5,404	4,448	2,915	6,049	23,043	12,800	14,296	
Other	1,767	1,124	1,294	1,148	1,656	4,595	2,058	1,810	2,684	4,072
<b>Total revenues</b>	<b>85,490</b>	<b>86,937</b>	<b>78,751</b>	<b>82,185</b>	<b>79,093</b>	<b>96,124</b>	<b>113,102</b>	<b>109,515</b>	<b>101,327</b>	<b>91,152</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	7,050	6,434	6,854	17,599	7,054	7,569	8,730	6,274	4,700	4,534
Police	21,592	21,488	21,902	20,943	21,836	21,574	20,161	17,607	15,834	15,210
Fire	15,869	15,305	15,205	14,027	14,664	15,387	14,602	13,594	12,201	11,337
Community development	6,467	6,449	6,273	6,066	7,790	12,360	10,114	7,241	12,105	9,128
Public works	8,471	8,091	7,530	7,285	7,327	8,369	8,082	8,203	3,680	5,322
Parks and recreation	3,113	3,330	3,599	3,509	3,320	4,507	3,146	3,117	3,009	2,864
Intergovernmental				2,691	6,281	3,288	3,177	2,931	2,570	1,825
<b>Debt Service:</b>										
Debt service-principal	245	220	195	1,315	1,490	11,300	3,620	1,430	1,390	5,060
Debt service-interest	1,345	1,352	2,623	3,945	3,994	3,799	3,390	3,934	3,849	3,484
Debt service-issue costs						1,163	237			
<b>Capital Outlay</b>	<b>27,179</b>	<b>23,465</b>	<b>19,829</b>	<b>18,731</b>	<b>23,152</b>	<b>20,502</b>	<b>28,712</b>	<b>47,363</b>	<b>41,653</b>	<b>38,775</b>
<b>Total expenditures</b>	<b>91,331</b>	<b>86,134</b>	<b>84,010</b>	<b>96,111</b>	<b>96,908</b>	<b>109,818</b>	<b>103,971</b>	<b>111,694</b>	<b>100,991</b>	<b>97,539</b>
<b>Excess of revenue over (under) expenditures</b>	<b>(5,841)</b>	<b>803</b>	<b>(5,259)</b>	<b>(13,926)</b>	<b>(17,815)</b>	<b>(13,694)</b>	<b>9,131</b>	<b>(2,179)</b>	<b>336</b>	<b>(6,387)</b>
<b>Other financing sources (uses):</b>										
Bond proceeds						19,765	4,670			
Transfers in	1,214	20,600	2,699	3,836	21,828	26,040	12,680	22,148	11,595	9,304
Transfers out	(1,236)	(20,642)	(2,699)	(4,221)	(27,391)	(26,040)	(12,680)	(22,150)	(11,595)	(9,304)
Payment to bond escrow agent										
<b>Total other financing sources (uses):</b>	<b>(22)</b>	<b>(42)</b>	<b>-</b>	<b>(385)</b>	<b>(5,563)</b>	<b>19,765</b>	<b>4,670</b>	<b>(2)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (5,863)</b>	<b>\$ 761</b>	<b>\$ (5,259)</b>	<b>\$ (14,311)</b>	<b>\$ (23,378)</b>	<b>\$ 6,071</b>	<b>\$ 13,801</b>	<b>\$ (2,181)</b>	<b>\$ 336</b>	<b>\$ (6,387)</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>1.74%</b>	<b>2.33%</b>	<b>4.22%</b>	<b>6.25%</b>	<b>7.44%</b>	<b>16.91%</b>	<b>9.08%</b>	<b>7.35%</b>	<b>7.91%</b>	<b>14.47%</b>

## **REVENUE CAPACITY**

**CITY OF TRACY  
TAX REVENUES BY SOURCE  
ALL GOVERNMENTAL FUND TYPES  
LAST TEN FISCAL YEARS**

Fiscal Year	Property Current	Property Transfer	Business License	Sales	Franchise	Transient	Transportation Tax and Other	Total
2005	14,725,983	1,047,848	686,826	11,775,349	1,699,614	777,878	1,398,516	32,112,014
2006	19,411,722	859,089	651,967	12,774,796	1,807,158	709,219	3,891,486	40,105,437
2007	23,859,318	480,284	816,891	13,298,126	2,010,294	795,223	7,082,375	48,342,511
2008	30,645,530	243,258	697,667	12,407,253	1,991,444	814,883	3,239,289	50,039,324
2009	29,323,472	409,317	657,597	10,963,986	2,137,393	721,649	1,977,865	46,191,279
2010	24,013,053	290,940	670,572	9,224,814	2,222,845	642,794	2,221,881	39,286,899
2011	22,532,932	273,325	671,278	11,408,245	2,474,332	675,819	2,771,540	40,807,471
2012	18,527,327	282,674	673,342	18,422,071	2,442,841	745,975	1,435,199	42,529,429
2013	14,946,468	362,793	689,323	20,553,264	2,499,946	786,827	1,802,598	41,641,219
2014	15,699,554	271,761	706,573	22,721,973	2,593,225	974,314	2,798,857	45,766,257

Source: City of Tracy, Finance and Administrative Services Department

**CITY OF TRACY  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

Fiscal Year	City of Tracy						Redevelopment Agency / Successor Agency				Total Direct Tax Rate
	Residential Property	Commercial/Industrial Property	Agricultural Exemptions	Total	Less Exemptions	Taxable Assessed Value	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	
2005	6,636,119,348	1,217,086,613	25,949,761	7,879,155,722	197,097,465	7,682,058,257	950,930,395	94,790,962	9,148,204	1,036,573,153	1.0000%
2006	7,676,540,593	1,407,903,370	30,018,206	9,114,462,169	203,710,884	8,910,751,285	1,064,000,083	118,029,640	8,894,854	1,173,134,869	1.0000%
2007	7,722,515,369	1,926,262,386	28,870,984	9,677,648,739	206,027,034	9,471,621,705	1,153,659,910	129,426,090	8,627,642	1,274,458,358	1.0000%
2008	7,100,460,195	1,802,322,555	29,831,945	8,932,614,695	210,456,479	8,722,158,216	1,064,845,371	119,462,219	8,442,153	1,175,865,437	1.0000%
2009	5,545,597,687	1,541,725,210	10,742,998	7,098,065,895	158,643,838	8,132,493,612	905,118,865	101,542,886	7,168,541	999,493,210	1.0000%
2010	4,992,382,327	1,113,010,224	197,778,028	6,303,170,579	120,292,254	6,182,878,325	1,099,272,042	159,835,031	101,875,950	1,157,231,123	1.0000%
2011	5,102,129,763	1,279,961,758	156,244,642	6,538,336,163	84,950,354	6,453,385,809	756,286,336	132,970,235	35,963,413	853,293,158	1.0000%
2012	4,576,276,289	1,132,426,026	181,181,654	5,889,883,969	119,824,162	5,770,059,807	1,009,329,631	139,116,864	91,037,853	1,057,408,642	1.0000%
2013	4,514,547,256	1,126,415,078	179,798,206	5,820,760,540	119,652,776	5,701,107,764	1,005,846,952	143,168,317	93,247,473	1,055,767,796	1.0000%
2014	5,010,295,280	1,136,022,186	215,287,460	6,361,604,926	117,977,641	6,243,627,285	1,053,197,694	140,059,801	96,074,732	1,097,182,763	1.0000%

Source: San Joaquin County -Office of the Auditor-controller and Assessor  
 City of Tracy, Finance and Administrative Services Department

**CITY OF TRACY**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**(RATE PER \$100 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>Direct rates:</u>										
City of Tracy	0.1561%	0.1561%	0.1561%	0.1702%	0.1702%	0.1702%	0.1703%	0.1729%	0.1207%	0.1206%
San Joaquin County	0.1865%	0.1865%	0.1865%	0.1962%	0.1962%	0.1962%	0.1962%	0.1962%	0.1962%	0.1963%
ERAF	0.2686%	0.2686%	0.2686%	0.0000%	0.2723%	0.2790%	0.2790%	0.2790%	0.2801%	0.2801%
All Others	0.3889%	0.3889%	0.3889%	0.6336%	0.3613%	0.3546%	0.3545%	0.3519%	0.4030%	0.4030%
Total Direct Rate	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
<u>Overlapping rates:</u>										
San Joaquin Delta College	0.0194%	0.0202%	0.0200%	0.0180%	0.0180%	0.0131%	0.0131%	0.0183%	0.0134%	0.0352%
Tracy Unified School District (1,2,3)	0.0247%	0.0262%	0.0266%	0.0231%	0.0231%	0.1970%	0.1970%	0.1920%	0.1998%	0.1998%
Tracy Unified School District (SFID 3)	0.0228%	0.0093%	0.0088%	0.0000%	0.0185%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Total Overlapping Rate	0.0669%	0.0557%	0.0554%	0.0411%	0.0596%	0.2101%	0.2101%	0.2103%	0.2132%	0.2350%
Total Tax Rate	1.0669%	1.0557%	1.0554%	1.0411%	1.0596%	1.2101%	1.2101%	1.2103%	1.2132%	1.2350%

Source: San Joaquin County Auditor data, MuniServices, LLC

1. Rates are not adjusted for ERAF



**CITY OF TRACY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent of Levy Collected	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Value of City Property Subject to Local Tax Rate
2005	10,306,934	10,306,934	100.00%	0.00	10,306,934	100.00%	7,774,533,118
2006	12,585,686	12,585,686	100.00%	0.00	12,585,686	100.00%	8,663,313,347
2007	17,529,617	17,529,617	100.00%	0.00	17,529,617	100.00%	9,003,246,048
2008	13,551,184	13,551,184	100.00%	0.00	13,551,184	100.00%	8,722,158,216
2009	12,771,479	12,771,479	100.00%	0.00	12,771,479	100.00%	9,131,986,822
2010	13,249,396	13,249,396	100.00%	0.00	13,249,396	100.00%	7,340,109,448
2011	10,028,301	10,028,301	100.00%	0.00	10,028,301	100.00%	7,306,678,967
2012	9,724,002	9,724,002	100.00%	0.00	9,724,002	100.00%	6,827,468,449
2013	9,607,770	9,607,770	100.00%	0.00	9,607,770	100.00%	6,756,875,560
2014	10,175,469	10,175,469	100.00%	0.00	10,175,469	100.00%	7,209,256,120

Note: San Joaquin County is on the Teeter Plan. The County remits 100% of all taxes assessed and keeps all penalties and interest on all delinquent taxes.

Source:

1. San Joaquin County - Office of the Auditor-Controller
2. City of Tracy, Finance and Administrative Services Department

**CITY OF TRACY  
SALES TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rate	Measure E Rate	Prop K Rate	Transportation Development Act Rate	San Joaquin County Rate	State Rate		Total Sales Tax Rate
2005	1%		0.50%	0.25%	1%	5%		7.75%
2006	1%		0.50%	0.25%	1%	5%		7.75%
2007	1%		0.50%	0.25%	1%	5%		7.75%
2008	1%		0.50%	0.25%	1%	5%		7.75%
2009	1%		0.50%	0.25%	1%	6%	(1)	8.75%
2010	1%		0.50%	0.25%	1%	6%		8.75%
2011	1%	0.50%	0.50%	0.25%	1%	6%	(2)	8.75%
2012	1%	0.50%	0.50%	0.25%	1%	5%		8.25%
2013	1%	0.50%	0.50%	0.25%	1%	5.25%	(3)	8.50%
2014	1%	0.50%	0.50%	0.25%	1%	5.25%	(3)	8.50%

(1) A 1% increase in Sales and Use Tax became effective as of April 1, 2009 to augment the State's budget. On May 19, 2009, the voters did not approve the proposed "Budget Stabilization" constitutional amendment and the expiration date of this 1% is on July 1, 2011.

(2) Tracy voters approved Measure E, a half cent sales tax with a 5-year sunset effective April 1, 2011

(3) Voters approved Proposition 30, a state-wide quarter cent sales tax with a 4-year sunset effective January 1, 2013

Source:

Office of the Auditor-Controller, San Joaquin County  
Finance and Administrative Services Department, City of Tracy

**CITY OF TRACY  
WATER AND WASTEWATER RATES  
LAST TEN FISCAL YEARS**

Fiscal Year	Water		Wastewater
	Monthly Base Rate	Per 100 cubic feet	Monthly Base Rate
2005	17.15	0.85	22.25
2006	17.15	0.85	31.00
2007	17.15	0.85	31.00
2008	20.40	1.00	31.00
2009	20.40	1.00	31.00
2010	20.40	1.00	31.00
2011	20.40	1.00	31.00
2012	20.40	1.00	31.00
2013	20.40	1.00	34.00
2014	20.40	1.00	34.00

*Notes:*

*100 cubic feet = 748 gallons*

*Rates are based on 1 inch meter-the standard household meter size in Tracy.*

*Utility charges an excess use rate above normal demand.*

*Source:*

*Finance & Administrative Services Department-City of Tracy*

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## **DEBT CAPACITY**

**CITY OF TRACY  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business Activity				Total Primary Government	Per Capita	Population
	General Obligation Bonds (a)	Special Assessment Bonds (b)	Capital Leases (b)	Water Revenue Bonds (b)	Water/Sewer Notes Payable (b)	Sewer Revenue Bonds (b)	Airport Notes Payable (b)			
2005	13,435,000	146,735,000	265,345	945,000	9,211,877	33,785,000	184,966	204,562,188	2,612	78,310
2006	13,025,000	153,395,000	641,339	645,000	8,572,915	33,505,000	171,558	209,962,262	2,609	80,461
2007	12,600,000	158,750,000	520,835	330,000	25,176,853	33,215,000	157,285	230,749,973	2,845	81,107
2008	14,685,000	153,485,000	395,533	-	26,378,839	32,305,000	142,147	227,391,519	2,788	81,548
2009	24,215,000	147,940,000	265,356	-	25,414,136	31,420,000	126,144	229,380,636	2,807	81,714
2010	23,830,000	142,050,000	202,867	-	24,442,470	30,510,000	109,275	221,144,612	2,713	81,519
2011	23,660,000	135,810,000	137,879	-	23,402,994	29,580,000	91,541	212,682,414	2,550	83,418
2012	23,465,000	130,480,000	70,293	-	19,274,382	28,630,000	72,942	201,992,617	2,408	83,900
2013	23,245,000	124,800,000	-	-	18,392,152	27,645,000	53,478	194,135,630	2,309	84,060
2014	23,000,000	120,700,000	908,516	-	14,489,157	26,630,000	33,149	185,760,822	2,182	85,146

Note: Special Assessment Bonds have no City commitments.

Source:

(a) California Municipal Statistics

(b) Finance and Administrative Services Department, City of Tracy

**CITY OF TRACY**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Outstanding General Bond Debt			Percent of Assessed Value	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
2005	13,435,000	55,050,000	68,485,000	0.88%	875
2006	13,025,000	54,070,000	67,095,000	0.77%	834
2007	12,600,000	53,065,000	65,665,000	0.73%	810
2008	14,685,000	52,030,000	66,715,000	0.76%	818
2009	24,215,000	50,965,000	75,180,000	0.82%	920
2010	23,830,000	49,860,000	73,690,000	1.00%	904
2011	23,660,000	48,715,000	72,375,000	0.99%	868
2012	23,465,000	-	23,465,000	0.34%	280
2013	23,245,000	-	23,245,000	0.34%	277
2014	23,000,000	-	23,000,000	0.34%	274

Source:

Finance and Administrative Services Department, City of Tracy

**CITY OF TRACY**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**June 30, 2014**

2013-14 Assessed Valuation: \$ 7,479,463,467

	Total Debt 06/30/2014	% Applicable (1)	City's Share of Debt 06/30/2013
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
San Joaquin Delta Community College District	\$ 118,117,891	12.445 %	\$ 14,699,772
Tracy Unified School District	44,610,000	62.425	27,847,793
Tracy Unified School District School Facilities Improvement District No. 3	32,487,637	91.178	29,621,578
Banta School District	655,000	34.829	228,130
Jefferson School District	29,281,664	65.180	19,085,789
City of Tracy Community Facilities District No. 87-1	12,045,000	100	12,045,000
City of Tracy Community Facilities District No. 89-1	5,730,000	100	5,730,000
City of Tracy Community Facilities District No. 93-1	2,780,000	100	2,780,000
City of Tracy Community Facilities District No. 98-1	53,290,000	100	53,290,000
City of Tracy Community Facilities District No. 98-3	2,450,000	100	2,450,000
City of Tracy Community Facilities District No. 99-1	5,425,000	100	5,425,000
City of Tracy Community Facilities District No. 99-2	9,745,000	100	9,745,000
City of Tracy Community Facilities District No. 2000-1	12,525,000	100	12,525,000
City of Tracy Community Facilities District No. 2006-1	10,420,000	100	10,420,000
City of Tracy 1915 Act Bonds	8,705,000	100	8,705,000
California Statewide Community Development Authority 1915 Act Bonds	7,175,350	100	7,175,350
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>\$ 355,442,542</b>		<b>\$ 221,773,412</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
San Joaquin County Certificates of Participation	\$ 160,065,000	13.725 %	\$ 21,968,921
Lammersville Joint Unified School District General Fund Obligations	30,345,000	0.995	301,933
Byron -Bethany Irrigation District General Fund Obligation	4,995,000	10.978	548,351
<b>City of Tracy General Fund Obligations</b>	<b>23,000,000</b>	<b>100</b>	<b>23,000,000</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			<b>\$ 45,819,205</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b>	<b>44,975,000</b>	<b>100. %</b>	<b>44,975,000</b>
<b>TOTAL DIRECT DEBT</b>			<b>23,000,000</b>
<b>TOTAL OVERLAPPING DEBT:</b>			<b>289,567,617</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$ 312,567,617 (2)</b>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2013-14 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.97%
<b>Total Direct Debt (\$23,000,000).....</b>	<b>0.31%</b>
Combined Total Debt.....	4.18%

Ratios to redevelopment Incremental Valuation (\$837,597,196)

Total Overlapping Tax Increment Debt.....	5.37%
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Source: MuniServices, LLC.  
City of Tracy



**CITY OF TRACY  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(In Millions)**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Assessed Value	\$ 7,341	\$ 6,757	\$ 6,827	\$ 7,307	\$ 7,340	\$ 9,132	\$ 9,563	\$ 9,003	\$ 7,775	\$ 7,879
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,835	1,689	1,707	1,827	1,835	2,283	2,391	2,251	1,944	1,970
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	275	253	256	274	275	342	359	338	292	296
Total net debt applicable to limit	65	69	71	121	122	138	132	136	125	130
Legal debt margin	<u>\$ 210</u>	<u>\$ 184</u>	<u>\$ 185</u>	<u>\$ 153</u>	<u>\$ 153</u>	<u>\$ 204</u>	<u>\$ 227</u>	<u>\$ 202</u>	<u>\$ 167</u>	<u>\$ 166</u>

Note:

The Government Code of the State of California provides for a legal debt limit of 15 % of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

**CITY OF TRACY  
PLEGDED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Water revenue bonds/EDA note</b>										
Water revenue	\$ 18,713,676	\$ 15,649,302	\$ 14,559,197	\$ 14,651,850	\$ 15,036,909	\$ 15,963,584	\$ 15,433,890	\$ 14,341,129	\$ 13,381,880	\$ 12,354,096
Less: operating expenses	(12,785,056)	(13,103,307)	(12,196,098)	(12,450,281)	(10,740,838)	(10,485,876)	(10,360,873)	(9,384,661)	(8,821,723)	(5,383,787)
Net available revenue	<u>5,928,620</u>	<u>2,545,995</u>	<u>2,363,099</u>	<u>2,201,569</u>	<u>4,296,071</u>	<u>5,477,708</u>	<u>5,073,017</u>	<u>4,956,468</u>	<u>4,560,157</u>	<u>6,970,309</u>
Debt service:										
Principal	902,995	882,230	4,128,612	1,099,165	1,035,686	964,703	878,166	1,960,910	938,962	1,038,703
Interest	354,924	465,690	531,639	637,999	665,810	731,215	850,589	791,373	477,056	568,637
Total Debt Service	<u>1,257,919</u>	<u>1,347,920</u>	<u>4,660,251</u>	<u>1,737,164</u>	<u>1,701,496</u>	<u>1,695,918</u>	<u>1,728,755</u>	<u>2,752,283</u>	<u>1,416,018</u>	<u>1,607,340</u>
Coverage	4.71	1.89	0.51	1.27	2.52	3.23	2.93	1.80	3.22	4.34
<b>Wastewater revenue bonds:</b>										
Wastewater revenue	13,030,930	12,025,189	11,713,538	12,038,615	11,695,124	12,060,864	13,158,013	12,896,719	9,255,199	8,752,321
Less: operating expenses	(7,211,266)	(6,378,330)	(7,617,428)	(7,784,380)	(6,249,869)	(6,846,611)	(5,030,130)	(4,666,466)	(4,509,073)	(4,150,266)
Net available revenue	<u>5,819,664</u>	<u>5,646,859</u>	<u>4,096,110</u>	<u>4,254,235</u>	<u>5,445,255</u>	<u>5,214,253</u>	<u>8,127,883</u>	<u>8,230,253</u>	<u>4,746,126</u>	<u>4,602,055</u>
Debt service:										
Principal	1,015,000	985,000	950,000	993,010	911,535	885,000	910,000	290,000	280,000	280,000
Interest	1,236,956	1,285,258	1,313,920	1,342,757	1,366,758	1,375,786	1,370,803	1,413,783	1,429,186	1,699,361
Total Debt Service	<u>2,251,956</u>	<u>2,270,258</u>	<u>2,263,920</u>	<u>2,335,767</u>	<u>2,278,293</u>	<u>2,260,786</u>	<u>2,280,803</u>	<u>1,703,783</u>	<u>1,709,186</u>	<u>1,979,361</u>
Coverage	2.58	2.49	1.81	1.82	2.39	2.31	2.81	4.83	2.78	2.33
<b>Tax allocation bonds:</b>										
Tax increment	-	-	4,359,166	7,594,352	8,854,067	10,259,535	10,153,405	9,459,352	7,943,581	6,449,080
Debt service:										
Principal	-	-	1,195,000	1,145,000	1,105,000	1,065,000	1,035,000	1,005,000	980,000	670,000
Interest	-	-	1,262,289	2,576,992	2,613,989	2,669,812	2,690,489	2,714,677	2,739,269	2,753,317
Total Debt Service	<u>-</u>	<u>-</u>	<u>2,457,289</u>	<u>3,721,992</u>	<u>3,718,989</u>	<u>3,734,812</u>	<u>3,725,489</u>	<u>3,719,677</u>	<u>3,719,269</u>	<u>3,423,317</u>
Coverage	-	-	1.77	2.04	2.38	2.75	2.73	2.54	2.14	1.88

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.  
Operating expenses do not include interest or depreciation expenses.

Source: City of Tracy. Finance and Administrative Services Department

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**CITY OF TRACY  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS**

Fiscal Year	City of Tracy							San Joaquin County				
	Population (2)	Labor Force (1)	Employment (1)	Unemployment		Census Ratios		Population (2)	Labor Force (1)	Employment (1)	Unemployment	
				Rate (1)	Number (1)	Employed (1)	Unemployed (1)				Rate (1)	Number (1)
2005	78,310	32,500	30,900	4.8%	1,600	N/A	N/A	655,866	284,200	261,700	7.8%	22,500
2006	80,461	32,700	31,200	4.5%	1,500	N/A	N/A	662,395	284,300	263,200	7.2%	21,100
2007	81,107	32,930	31,310	4.9%	1,620	N/A	N/A	667,886	289,200	265,800	7.7%	23,300
2008	81,548	34,100	32,000	6.2%	2,100	N/A	N/A	672,388	293,000	262,700	9.5%	30,300
2009	81,714	34,169	28,872	15.5%	5,297	N/A	N/A	674,860	298,200	252,600	14.8%	45,600
2010	81,519	32,800	29,600	9.7%	3,200	N/A	N/A	685,306	298,900	247,200	16.4%	51,800
2011	83,418	32,900	29,800	9.6%	3,100	0.116975	0.068724	682,660	295,300	244,000	16.7%	51,300
2012	83,900	32,900	29,800	9.5%	3,100	N/A	N/A	695,750	300,300	254,800	15.1%	45,500
2013	84,060	32,700	29,600	9.5%	3,100	0.116975	0.068724	692,997	298,500	253,200	15.2%	45,300
2014	85,146	33,100	30,500	8.0%	2,600	N/A	N/A	701,745	298,800	260,400	12.8%	38,400

Sources:

- (1) California Employment Development Department-Labor Market Information
- (2) California State Department of Finance (data shown is for the City of Tracy)

**CITY OF TRACY  
PRINCIPAL TAX PAYERS  
CURRENT FISCAL YEAR AND NINE YEARS AGO**

Taxpayer Name	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Tracy Mall Partners Lp	101,999,209	1	1.39%	85,161,913	2	1.29%
Leprino Foods Company Corp	84,976,429	2	1.16%	93,041,455	1	1.41%
Prologis	79,870,518	3	1.09%	11,247,608	22	0.17%
Pac Corporate Center Tracy	53,658,630	4	0.73%	-	-	-
Central Valley Ltd Liability	53,225,560	5	0.73%	45,540,821	3	0.69%
Us Industrial Reit Container I	42,423,576	6	0.58%	-	-	-
Tce Tracy Llc	32,712,488	7	0.45%	-	-	-
Car Corral Hollow Llc	31,168,129	8	0.42%	-	-	-
Us Cold Storage Of Calif	28,644,603	9	0.39%	16,716,841	14	0.25%
Mg Waterstone Apartments Lp	25,250,000	10	0.34%	-	-	-
Excel Tracy Pavilion Llc	23,731,429	11	0.32%	-	-	-
Yrc Inc	23,703,056	12	0.32%	-	-	-
Wal Mart	22,027,613	13	0.30%	10,256,555	23	0.16%
Amb Property Lp	21,937,745	14	0.30%	-	-	-
Lba Ppf Industrial Macarthur	21,675,000	15	0.30%	-	-	-
Kaiser Foundation Health Plan	20,899,755	16	0.28%	-	-	-
Sycamore Village Invest	20,232,568	17	0.28%	17,382,765	13	0.26%
Taylor Farms Pacific Inc	18,744,094	18	0.26%	-	-	-
Queirolo Shirlee M	18,668,886	19	0.25%	16,304,838	17	0.25%
Costco Wholesale Corp	18,069,665	20	0.25%	16,601,276	15	0.25%
Save Mart Supermarket	18,054,127	21	0.25%	15,196,227	19	0.23%
Inland Container Corp	17,710,955	22	0.24%	17,904,657	9	0.27%
Red Maple Village Lp	17,125,926	23	0.23%	-	-	-
2800 North Tracy Blvd	14,788,680	24	0.20%	-	-	-
Patterson Gary L	14,061,023	25	0.19%	-	-	-
Orchard Supply Hardware Corp	-	-	-	29,030,640	4	0.44%
Yellow Freight System Inc	-	-	-	24,143,910	5	0.37%
Standard Pacific Corp	-	-	-	20,072,963	6	0.30%
Consolidated Container Company	-	-	-	18,101,378	7	0.27%
Comcast Corp	-	-	-	17,959,889	8	0.27%
Second Horizon Group LTD	-	-	-	17,775,730	10	0.27%
Tracy Pavilion LLC	-	-	-	17,530,124	11	0.27%
RRG RMC Tracy LLC	-	-	-	17,425,814	12	0.26%
Pattillo Development Partners	-	-	-	16,482,383	16	0.25%
O'Brien Mark T	-	-	-	15,807,151	18	0.24%
Distribution Ventures LLC	-	-	-	12,079,227	20	0.18%
Stuart Limited Partnership	-	-	-	11,817,009	21	0.18%
Rubio Larry R & Paige A	-	-	-	9,850,845	24	0.15%
HD Development of Maryland Inc	-	-	-	9,300,000	25	0.14%
Total Top 25 Taxpayers	825,359,664		11.24%			8.83%
Total Taxable Assessed Value	7,340,810,048		100.00%	6,602,740,428		100.00%

Source: San Joaquin County Assessor's Office, MuniServices, LLC

**CITY OF TRACY  
PRINCIPAL SALES TAX PRODUCERS  
CURRENT FISCAL YEAR AND NINE YEARS AGO**

2014		2005	
Taxpayer Name	Business Type	Taxpayer Name	Business Type
American Truck & Trlr Body	Auto Parts/Repair	Albertson'S Food Centers	Food Markets
Arco Am/Pm Mini Marts	Service Stations	American Truck & Trlr Body	Auto Parts/Repair
Barbosa Cabinets	Bldg.Matls-Retail	Arco Am/Pm Mini Marts	Service Stations
Best Buy Stores	Furniture/Appliance	Best Buy Stores	Furniture/Appliance
Chevron Service Stations	Service Stations	Boat Center	Misc. Vehicle Sales
Costco Wholesale	Department Stores	Chevron Service Stations	Service Stations
Crate & Barrel	Miscellaneous Retail	Costco Wholesale	Department Stores
Home Depot	Bldg.Matls-Retail	Gottschalks Department Store	Department Stores
Independent Utility Supply	Bldg.Matls-Whsle	Home Depot	Bldg.Matls-Retail
Macy'S Department Store	Department Stores	Kenko Utility Supply	Bldg.Matls-Whsle
Nixon-Egli Equipment Company	Bldg.Matls-Whsle	Leggett & Platt Inc.	Heavy Industry
Premier Hyundai Of Tracy	Auto Sales - New	Morri Automotive	Auto Sales - New
Safeway Service Stations	Service Stations	Nixon-Egli Equipment Company	Bldg.Matls-Whsle
Shell Service Stations	Service Stations	Safeway Service Stations	Service Stations
Target Stores	Department Stores	Safeway Stores	Food Markets
Tracy Chevrolet	Auto Sales - New	Sears Roebuck & Company	Department Stores
Tracy Ford Mercury	Auto Sales - New	Target Stores	Department Stores
Tracy Honda	Auto Sales - New	Tracy Chevrolet	Auto Sales - New
Tracy Mazda	Auto Sales - New	Tracy Chrysler/Plymouth/Dodge	Auto Sales - New
Tracy Nissan	Auto Sales - New	Tracy Honda	Auto Sales - New
Tracy Toyota	Auto Sales - New	Tracy Nissan	Auto Sales - New
Tracy Truck & Auto Stop	Service Stations	Tracy Pontiac/Cadillac/Gmc	Auto Sales - New
Wal Mart Stores	Department Stores	Tracy Toyota	Auto Sales - New
Save Mart Supermarkets	Food Markets	Tracy Truck & Auto Stop	Service Stations
Southwest School & Office Sply	Miscellaneous Retail	Wal Mart Stores	Department Stores

Source: 2012-13 SBOE data, MuniServices, LLCTop Sales Tax Producers listed in alphabetical order.

**CITY OF TRACY  
FULL-TIME AND PART-TIME CITY EMPLOYEES  
BY FUNCTION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Legislative	5	5	5	5	5	5	5	5	5	5
City Attorney	4	4	5	4	4	4	4	4	4	4
City Treasurer	1	1	1	1	1	1	1	1	1	1
Administrative	7	7	7	7	7	16	17	6	6	6
Human Resources	5	5	6	6	6	9	9	9	7	7
Finance & Information Systems	24	23	23	23	23	26	27	25	25	24
Police	135	135	134	133	135	154	155	141	132	126
Fire	78	80	82	78	78	85	84	81	107	104
Economic Development	2	2	4	8	6	6	5			
Development and Engineering	40	38	48	41	44	55	55	52	54	52
Public Works	46	46	59	59	66	71	74	80	64	66
Parks and Community Services	35	41	50	59	50	48	49	40	18	18
Water	39	39	40	40	41	44	44	40	38	38
Wastewater	27	26	28	28	29	29	29	25	24	24
Airport	2	2	1	2	2	2	2	1	1	1
Solid waste	1	1	2	1	1	1	1	1	1	2
Transit	2	2	2	2	2	2	2	2	2	2
Drainage	3	3	2	2	2	2	2	2	2	2
Total	<u>456</u>	<u>460</u>	<u>499</u>	<u>499</u>	<u>502</u>	<u>560</u>	<u>565</u>	<u>515</u>	<u>491</u>	<u>482</u>

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## **OPERATING INDICATORS**

**CITY OF TRACY  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>General Government</b>										
Building Permits Issued	1,924	1,435	1,293	915	844	898	774	790	1,136	1,271
Building Inspections requested	9,128	6,189	4,568	2,975	3,377	2,859	5,334	7,920	18,008	24,093
<b>Police:</b>										
Arrests	2,541	2,765	2,896	2,941	3,415	4,435	4,450	4,448	3,561	3,787
Parking citations issued	1,454	1,472	2,196	3,153	4,704	2,948	2,916	2,292	2,107	2,282
Traffic violations	3,798	3,519	5,281	6,668	7,347	7,007	6,867	8,059	6,132	6,959
<b>Fire:</b>										
Number of emergency calls	6,443	6,322	5,951	5,570	5,717	6,159	6,165	6,580	5,907	5,135
Inspections	3,333	3,114	3,416	2,383	1,614	3,776	3,814	3,586	2,316	2,106
<b>Water:</b>										
Water Mains (miles)	420	410	410	402	402	402	402	400	395	390
New connections	45	23	20	20	22	25	40	40	600	1,200
Maximum Daily Capacity (gallons)										
(millions of gallons)	57	57	57	57	57	57	57	57	57	57
Average daily consumptions (gallons)										
(millions of gallons)	15	15	15	14.4	16	16	16	16	16	16
<b>Sewer:</b>										
Sanitary Sewer (miles)	415	410	410	400	400	400	400	400	395	390
New connections	45	22	14	20	22	25	40	40	600	1,200
Average daily treatment (gallons)										
(millions of gallons)	9.5	9.5	9	9	9	9	9	9	9	9
<b>Airport:</b>										
Hangar rentals	76	76	76	76	76	76	76	76	76	76
<b>Solid waste:</b>										
Refuse collected (tons per day)	211	205	198	194	227	339	342	339	325	339
Recyclables collected (tons per day)	66	65	64	66	49	26	28	27	27	27
<b>Transit:</b>										
Average daily passengers	444	418	357	325	334	323	329	325	318	361
Total route miles	228,817	237,089	226,808	152,284	158,211	154,937	236,684	236,689	213,928	206,975

Source: City of Tracy, Finance and Administrative Services Department

**CITY OF TRACY  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of stations	7	7	7	7	7	7	7	7	7	7
Public works:										
Number of street lights	5,430	5,430	5,430	5,430	4,781	4,770	4,763	4,752	4,658	3,967
Number of traffic signals	84	78	78							
Parks and recreation:										
Number of parks	76	76	76	76	76	76	76	74	74	69
Number of community centers	3	3	3	3	3	3	3	3	3	3
Water:										
Water mains (miles)	420	410	410	395	395	395	395	395	395	390
Wastewater										
Sanitary sewers (miles)	415	410	410	395	395	395	395	395	395	390
Airport:										
Number of hangars	76	76	76	76	76	76	76	76	76	76
Transit:										
Number of vehicles	9	8	8	8	8	8	6	8	8	8

Source: City of Tracy, Finance and Administrative Services Department

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AGENDA ITEM 4

REQUEST

**ACCEPT THE FY14/15 MID-YEAR BUDGET PERFORMANCE REPORT;  
AUTHORIZE MID-YEAR SUPPLEMENTAL APPROPRIATIONS**

EXECUTIVE SUMMARY

The purpose of this report is to provide Council with an update on the approved FY14/15 City Budget since the Budget's approval in June 2014, reporting how its revenue and expenditure projections are bearing out at mid-term (i.e., through December 2014) in comparison to actual expenditures and actual revenue received.

Overall, second quarter General Fund revenues are trending positively, particularly property and general sales tax. Other economically sensitive revenue, including franchise fees, licenses and permits, transient occupancy tax, and interest income are stable. General Fund operating expenditures are trending as expected.

Although, as of December 2014, revenues and expenditures were generally aligning with the approved Budget's estimates, there is a need for supplemental appropriations for additional anticipated expenditures totaling \$1,040,900 (of which \$672,900 will be from the General Fund).

DISCUSSION

**FY 14/15 MID-YEAR BUDGET PERFORMANCE REPORT**

***FY 14/15 General Fund Budget***

The FY 14/15 General Fund adopted budget estimated \$58.3 million in General Fund revenue. Of that amount, approximately \$7.01 million was temporary taxes (Measure E sales tax). The total expenditure appropriations equaled \$57.6 million resulting in a projected budget surplus of \$700,000.

The FY 14/15 General Fund Operating Revenues and Expenditures Chart, below, reflects the adopted budget, the year-end estimate, and the net change between the adopted budget and the year-end estimates. Year-end estimates and expenditures are estimated to be lower than the adopted budget except for

an increase transfer to capital projects General Fund. The General Fund operating revenue will exceed adopted budget levels.

**FY 14/15 General Fund Operating Revenues and Expenditures**

**Table 1**

<b>GENERAL FUND SUMMARY</b>	<b>FY14/15 ADOPTED BUDGET</b>	<b>FY14/15 YEAR-END ESTIMATES</b>	<b>DIFFERENCE</b>	<b>% DIFFERENCE</b>
<b>REVENUE</b>				
Property Taxes	\$16,259,400	\$17,482,000	\$1,222,600	8%
Sales Taxes-General	\$16,078,080	\$16,230,560	\$152,480	1%
Temporary Taxes - Measure E	\$7,012,480	\$7,220,250	\$207,770	3%
Franchise Fees	\$2,616,000	\$2,635,800	\$19,800	1%
Other Taxes	\$1,750,000	\$1,962,300	\$212,300	12%
Current Charges	\$10,074,050	\$9,637,530	(\$436,520)	-4%
<b>Subtotal</b>	<b>\$53,790,010</b>	<b>\$55,168,440</b>	<b>\$1,378,430</b>	<b>3%</b>
Other General Fund Revenue	\$4,510,730	\$4,175,500	(\$335,230)	-7%
<b>Total Revenues</b>	<b>\$58,300,740</b>	<b>\$59,343,940</b>	<b>\$1,043,200</b>	<b>2%</b>
<b>EXPENDITURES</b>				
Expenditures	\$56,422,650	\$54,418,540	(\$2,004,110)	-4%
Transfer Outs (Capital Projects)	\$0	\$4,214,000	\$4,214,000	100%
Transfer Outs (Debt Service)	\$1,204,000	\$1,204,000	\$0	0%
<b>Total Expenditures</b>	<b>\$57,626,650</b>	<b>\$59,836,540</b>	<b>\$2,209,890</b>	<b>4%</b>
<b>REVENUE LESS EXPENDITURES</b>	<b>\$674,090</b>	<b>(\$492,600)</b>	<b>(\$1,166,690)</b>	

### ***FY 14/15 General Fund Revenue***

The following section discusses revenue, with particular emphasis on key economically sensitive revenue, including Property Tax, Sales Tax, Temporary Taxes (Measure E), Franchise Fees, Other Taxes (Transient Occupancy Tax, Business Licenses), and Use of Money and Property (Interest Income).

#### Property Tax

Across the State and region, property tax continues to show signs of recovery. For the City of Tracy, property tax revenue is transitioning from a negative decline to steady growth. The FY 14/15 Property Tax budget was \$16.3 million however; the year-end estimates are \$17.5 million, an 8% increase.

#### Sales Tax (General)

Like property tax, general sales tax continues to grow, albeit modestly. The FY 14/15 adopted budget for general sales tax was \$16.1 million; however, the FY 14/15 year-end sales tax revenue is expected to be higher at \$16.2 million.

This increase in sales tax is due to changes in the City's top three key economic categories. According to Muni-Services' 2014 Third Quarter Sales Tax Report, the strongest categories continue to be transportation (new auto sales and fuel), general retail (department stores, apparel, furniture, recreation products, drug stores, and miscellaneous retail), and food products (restaurants, food markets, and liquor stores). New auto sales are expected to continue through FY 14/15 and level out in subsequent years. Department stores and miscellaneous retail, which includes wireless telephone providers and fulfillment centers, continue to generate a significant amount of sales tax. Restaurants are currently the strongest food product sales tax generator.

#### Temporary Taxes (Measure E)

In November 2010, Tracy voters approved Measure E, a new half-cent temporary sales tax applicable to physical purchases made in the City of Tracy and online sales to Tracy customers. The tax began in April 2011 and will expire in March 2016. The FY 14/15 General Fund Adopted Budget assumes \$7 million in Measure E taxes; however, current projections indicate that the amount may be closer to \$7.2 million.

#### Franchise Fees

Franchise fees are collected by the City as a privilege of operating a utility service in Tracy, and as a fee in lieu of a business license tax. Franchise fees are currently received from gas and electric, cable television, and solid waste collection service providers. Franchise fees are economically sensitive revenue and fluctuate based on the fiscal health of the nation, state, and/or local region. Franchise fee revenue currently represents approximately 5% of the General Fund budget.

Historically, franchise fee payments are not remitted equally throughout the year; therefore, second quarter receipts are not necessarily predictive. The FY 14/15 General Fund Adopted Budget assumed \$2.6 million in franchise fee revenue based on the prior year's estimated year-end figures. Conservative projections anticipate a slight change of 1% to the adopted amount.

#### Other Taxes

The Other Taxes revenue category includes several tax sources, the most significant of which are Transient Occupancy Tax (TOT) and Business License Tax. The City levies TOT on all hotel and motel rooms within Tracy city limits. The current TOT rate is 10%. The City also requires all businesses located within the City of Tracy, or those that operate within Tracy to obtain a business license. The amount of business license tax paid by each business is typically based on the number of employees.

Revenue received from the Other Taxes category is higher than the adopted budget and is expected to increase by 12% to \$1,962,300 at the end of FY 14/15.

#### Current Charges (for services)

Current Charges for services are collected by the City in exchange for a particular public service of limited and specific benefit. Current service charges can be classified into three subcategories: governmental charges, enterprise charges, and internal charges.

Current charges are anticipated to experience a 4% decline from the budgeted \$10,074,050 to a year-end estimate of \$9,637,530. This decline from the adopted budget is primarily due to the budget for current charges being aggressive.

#### Other General Fund Revenue

Revenue received from the "Other General Fund Revenue" category includes investment earnings and rental income from City property. The City earns interest income by investing monies not immediately required for daily operations in a number of money market instruments. Interest income revenue is



dependent on two factors: first, the cash balance in the City’s investment portfolio; and second, the yield on those funds.

FY 14/15 year-end projections for Other General Fund Revenue are estimated to be approximately \$669,200 (\$430,200 higher than adopted levels primarily due to overly-conservative amounts in the adopted budget).

***FY 14/15 General Fund Expenditure***

General Fund expenditures are expected to be lower than the adopted budget. Two expenditures were subsequently approved after the adoption of the City Budget: Police Radio Tower - \$2,500,000; Dr. Powers Park Pool Project - \$1,614,000 which are included in Table 1 as part of “Transfers Out (Capital Projects)”.

**GENERAL FUND RESERVE STATUS**

In October 2014, the City Council adopted a new General Fund Reserve Policy in accordance with the Government Finance Officers Association (GFOA) recommendations for reserves to mitigate unanticipated situations including natural disasters and severe unforeseen events. Under this new policy, reserves and uses of reserves will be evaluated during the budget adoption process. This policy abolished the current Reserve for Economic Uncertainty and established three new General Fund special reserves: Contingency Reserve, Economic/Budget Stability Reserve, and Measure “E” Mitigation Reserve. The table below illustrates the re-appropriation of reserves under the new policy.

Table 2

Reserve Structure as of June 30, 2014	Amount	New Reserve Structure	Amount	Target % of GF Expenditures
Unassigned Reserves	\$21.4M	Unassigned Reserves	\$9.0M	N/A
Reserve for Economic Uncertainty	\$12.0M	Contingency Reserve	\$11.6M	20%
		Economic/Budget Stability Reserve	\$5.8M	10%
		Measure “E” Reserve	\$7.0M	Fixed Amount
Total Fund Balance	\$33.4M	Total Fund Balance	\$33.4M	

**STATE BUDGET IMPACTS**

In January 2014, the Governor released his FY 14/15 budget package. The Governor's budget reflected a significant improvement in the State's finances due to the economic recovery and prior budgetary reductions. The State's FY 14/15 budget projects a \$3.2 billion surplus and anticipates ending the year with a \$5.6 billion reserve. The State also projects that General Fund revenues will grow faster than expenses through FY 17/18 and anticipates operating surpluses to reach \$9.6 billion.

While the Legislative Analyst's Office (LAO) recommended giving high priority to building a strong reserve, it also underscored the importance of the State paying off its budgetary liabilities accrued over recent years. Just as important is setting aside funds to address the growing unfunded retirement liability.

The Governor's FY 14/15 budget does not propose any fiscal or legislative changes that would impact local government or local control.

***FY 14/15 Proposed Supplemental Appropriations***

Supplemental appropriations are proposed as part of this mid-year report. The proposed appropriations will impact the General Fund and other Non-General Fund sources if approved.

Table 3

DESCRIPTION	DEPARTMENT	AMOUNT	FUND
State Mandated Housing Element	Development Services	\$100,000	General Fund
GIS Support	Development Services	\$15,000	General Fund
Engineering Plan Check Support	Development Services	\$300,000	General Fund
Soil Removal	Development Services	\$60,000	Residential Specific Plan Fund 345
3 Staffing	Development Services	\$92,900	General Fund
Remodel Certain City Hall Areas	City Manager's Office; Development Services	\$120,000	General Projects Fund 301
Fork Lift	Public Works	\$30,000	Vehicle Replacement Fund 606
Utility Vehicle	Public Works	\$8,000	Vehicle Replacement Fund 606

Temporary Worker, Irrigation	Public Works	\$10,000	General Fund
Repair Power Take-off	Public Works	\$5,000	Central Garage Fund 601
Fire Over-Time	Fire	\$70,000	General Fund
Fire Over-Time	Fire	\$30,000	South County Fire Authority Fund 211
Medical Leave Bank	Finance (Non-Departmental)	\$100,000	Medical Leave Bank Fund 813
Medical Leave Bank	Finance (Non-Departmental)	\$15,000	South County Fire Authority Fund 211
Medical Leave Bank	Finance (Non-Departmental)	\$85,000	General Fund
<b>TOTAL:</b>		<b>\$1,040,900</b>	
<b>GENERAL FUND:</b>		<b>\$672,900</b>	
<b>NON-GENERAL FUNDS:</b>		<b>\$368,000</b>	

***Development Services***

The Development Services Department is requesting \$100,000 for a State mandated update of the Housing Element of the City's General Plan; \$15,000 for GIS support to complete an update of zoning and General Plan maps as required by the US Census Bureau for an annexation and boundary survey; and 300,000 for Engineering plan check contract costs, and. These would be one-time General Fund expenditures. The Engineering plan check costs would be offset by development fee revenues.

The Engineering Division has requested \$60,000 for soil and concrete removal. The soil and concrete is leftover debris from City construction projects. It has been stored and monitored for many years. The State has recently said the monitoring has revealed no contamination, so the debris can now be removed and disposed. This work can be paid for from the RSP Management Fund 345. Most of the debris was from RSP Fund construction projects in the 1990's.

The Development Services Department is requesting added staffing to keep up with growing development demands and other City priorities. The positions requested and their annual costs, including both salaries and benefits are:

Economic Development Manager	\$138,300
Senior Civil Engineer (Land Development)	\$163,300
Administrative Assistant I	<u>\$ 70,000</u>
Total	\$371,600

These positions would all be new. These positions would be funded through the General Fund, although fees revenues from development activities would help offset the costs of the Non-Economic Development positions. The Economic Development Manager would be funded entirely General Fund taxes.

Adding these positions would require an appropriation of \$92,900 in FY14-15. This assumes that the earliest these positions could be filled is April 1<sup>st</sup>, 2015. These positions would have to be budgeted at full costs though for the FY15-16 budget.

***Development Services (Continued)/City Manager's Office***

As a general item, \$120,000 is requested for remodeling in City Hall--in the CMO area and the Development Services Department. The space on the first floor of City Hall needs to be reconfigured to provide for added staffing in the department. On the second floor, the CMO and the CAO areas need to be remodeled to provide for an added conference room. The remodeling would be funded by the General Fund.

***Public Works***

The Public Works Department is requesting an appropriation of \$30,000 to replace a forklift used at the City's Public Works yard. The current forklift is sixteen years old and is scheduled for replacement in FY 15-16. Repair costs are considered high compared to value, and staff is currently renting a replacement unit. So, immediate replacement is preferred to waiting until FY 15-16.

The Public Works Department would like \$8,000 to replace a utility vehicle used at the Tracy Sports Complex. The monies for these replacements would come from the Vehicle Replacement Fund 606.

Also requested is \$10,000 for added hours for temporary Maintenance Workers to assist with irrigation maintenance and repair work. Extended leave by other workers is requiring the hiring of added temporary help.

\$5,000 is requested for repairs of a turf maintenance tractor. The added hours would be paid for from the General Fund, while the repair costs would be budgeted in the Central Garage Fund 601.

***Fire***

The Fire Department needs \$100,000 to supplement their overtime for the year. For FY14-15, \$1,335,300 was budgeted. However, \$1,199,680 or 90% has been spent through January 31<sup>st</sup>, 2015. Savings due to staff vacancies help to offset the higher overtime costs. These added costs will be split between the City's General Fund for \$70,000 and the South County Fire Authority Fund 211 for \$30,000.

### ***Finance***

The Non-Departmental Group needs to have \$100,000 additional monies budgeted for the Medical Leave Bank for FY 14-15. There was \$655,000 budgeted, however, through January 31<sup>st</sup>, 2015, \$425,414 or 65% has been spent due to increased employee usage and higher health insurance costs. Therefore, added monies will be needed to complete the fiscal year. The \$100,000 needs to be budgeted both in the Medical Leave Bank Program 59580 and in various operating funds. It is recommended that \$85,000 be added to the General Fund 101 and \$15,000 to the South County Fire Authority Fund 211.

### **CONCLUSION**

The mid-year budget analysis indicates that overall, assumptions for revenues and expenditures have not changed significantly. Several additional General Fund and Non-General Fund expense appropriations have also been proposed. It is recommended that Council accept the FY 14/15 Mid-Year Update Report and adopt the attached resolution authorizing the additional FY 14/15 expense appropriations as reflected herein.

### **STRATEGIC PLAN**

This agenda item addresses Goal 2 of the Governance Strategy to ensure continued fiscal sustainability through financial and budgetary stewardship and meets Objective 3, which is to enhance fiscal transparency.

### **FISCAL IMPACT**

The FY 14/15 General Fund Adopted Budget reflects \$16,259,400 in property tax and 16,078,080 in sales tax revenue. Based on current economic trends and projections provided by Muni-Services, both property and sales tax revenue are expected to be higher than the FY 14/15 adopted amounts and \$17,482,000 and \$16,230,560 are instead anticipated.

Proposed General Fund expenditure appropriations, if approved, will increase the expenditure budget by \$672,900. This amount would be covered by anticipated FY 14/15 year-end savings and excess revenue. The proposed Non-General Fund expenses, which total \$368,000, will be funded through applicable sources as indicated herein.

### **RECOMMENDATION**

It is recommended that the City Council:

- Accept the FY 14/15 General Fund Mid-Year Performance Report
- Adopt a Resolution Authorizing mid-year supplemental appropriations

Prepared by: Ray Durant, Interim Administrative Services Director

Reviewed by: Maria A. Hurtado, Assistant City Manager

Approved by: Troy Brown, City Manager

ATTACHMENTS:

Attachment: Resolution Authorizing FY 14/15 Budget Appropriation

RESOLUTION

AUTHORIZE FY 2014/15 SUPPLEMENTAL APPROPRIATIONS

WHEREAS, The City Council adopted the FY 2014/15 Operating Budget in June 2014, and subsequent budget appropriations and/or supplemental appropriations beyond the adopted budget require Council approval, and

WHEREAS, City operations occur in a dynamic environment where circumstances may sometimes necessitate unanticipated, or expedited, adjustments to mid-year expenditures, and

WHEREAS, such expense appropriations, as indicated in Exhibit A, are recommended;

NOW, THEREFORE, BE IT RESOLVED, That City Council approves budget appropriations per Exhibit A, amending the adopted FY 2014/15 Budget.

\* \* \* \* \*

The foregoing Resolution \_\_\_\_\_ was passed and adopted by the Tracy City Council on the 3<sup>rd</sup> day of March, 2015, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

## FY 2014/15 PROPOSED BUDGET APPROPRIATIONS

DESCRIPTION	DEPARTMENT	AMOUNT	FUND
Remodel Certain City Hall Areas	City Manager's Office; Development Services	\$120,000	General Projects Fund 301
State Mandated Housing Element	Development Services	\$100,000	General Fund
GIS Support	Development Services	\$15,000	General Fund
Engineering Plan Check Support	Development Services	\$300,000	General Fund
Soil Removal	Development Services	\$60,000	Residential Specific Plan Fund 345
Fork Lift	Public Works	\$30,000	Vehicle Replacement Fund 606
Utility Vehicle	Public Works	\$8,000	Vehicle Replacement Fund 606
Temporary Worker, Irrigation	Public Works	\$10,000	General Fund
Repair Power Take-off	Public Works	\$5,000	Central Garage Fund 601
3 Staffing	Development Services	\$92,900	General Fund
Medical Leave Bank	Finance	\$100,000	Medical Leave Bank Fund 813
Medical Leave Bank	Finance	\$15,000	South County Fire Authority Fund 211
Medical Leave Bank	Finance	\$85,000	General Fund
Fire Over-Time	Fire	\$70,000	General Fund
Fire Over-Time	Fire	\$30,000	South County Fire Authority Fund 211
<b>TOTAL:</b>		<b>\$1,040,900</b>	
<b>GENERAL FUND:</b>		<b>\$672,900</b>	
<b>NON-GENERAL FUNDS:</b>		<b>\$368,000</b>	



AGENDA ITEM 5

REQUEST

**CITY COUNCIL TO PROVIDE DIRECTION ON LEGACY FIELDS OPTIONS**

EXECUTIVE SUMMARY

As directed by Council on January 20, 2015 a City Council workshop was scheduled prior to the March 3, 2015 regular meeting. At the workshop, staff prepared an informational and status report regarding Phase 1 of the Legacy Fields Sports Complex. This report is a follow-up to the workshop in which Council discussed and considered policy options on Legacy Fields. Staff is requesting Council to provide policy direction on Legacy Fields.

DISCUSSION

At the March 3, 2015 workshop, staff provided Council with a background and status update on the project. Staff also provided Council with policy options to consider in moving Legacy Fields forward.

Based on the discussion at the workshop, staff is requesting Council to provide policy direction on Legacy Fields.

STRATEGIC PLAN

This agenda item supports the Quality of Life Strategic Plan and specifically implements the following goal and objective:

Goal 2b: Address city amenities and facility usage with an emphasis on accessibility and streamlined services.

Objective 2b: Explore public-private facility initiatives geared towards a multi-use facility.

This agenda item also supports the Economic Development Strategic Plan and specifically implements the following goal and objective:

Goal 2: Attract retail and entertainment uses that offer residents quality dining, shopping and entertainment experiences.

Objective 2: Increase the entertainment and recreational opportunities and events that draw people into Tracy.

FISCAL IMPACT

Depending on the direction of Council to staff, the fiscal impact to the General Fund will vary.

RECOMMENDATION

That the City Council provides staff direction on policy options for Legacy Fields.

Prepared by: Brian MacDonald, Management Analyst II

Reviewed by: Don Scholl, Superintendent: Parks, Sports Fields & Trees  
David Ferguson, Director of Public Works  
Maria A. Hurtado, Assistant City Manager

Approved by: Troy Brown, City Manager

ATTACHMENTS

Attachment: 1 – Unfunded General Fund CIP Projects

## Attachment 1

**ACTIVE GENERAL FUND CIPs IN FY15-16 REQUESTING ADDITIONAL FUNDS**

	<b>DESCRIPTION</b>	<b>Total Project Costs</b>	<b>Allocated 301 GF in FY 14-15</b>	<b>Additional 301 GF Requested in FY15-16</b>
	<b>Active Projects FY14-15</b>			
1	Quarter Modifications, FS 91	\$ 79,300.00	\$ 41,547.00	\$ 30,000.00
2	New Radio Tower - FS96	\$ 124,500.00	\$ 74,500.00	\$ 50,000.00
3	Repaint & Retrofit CC Water Tower	\$ 200,000.00	\$ 72,812.00	\$ 125,000.00
4	Site Improvements-PS Tower Site	\$ 250,000.00	\$ 150,000.00	\$ 100,000.00
5	Bleachers Removal at Tracy Ball Park	\$ 100,000.00	\$ 25,000.00	\$ 75,000.00
6	New Financial System	\$ 1,082,500.00	\$ 519,351.00	\$ 112,500.00
	<b>Total - Active</b>	<b>\$ 1,836,300.00</b>	<b>\$ 883,210.00</b>	<b>\$ 492,500.00</b>

**PRIORITIZED PROPOSED GENERAL FUND CIPs IN FY15-16**

<b>Ranking</b>	<b>DESCRIPTION</b>	<b>Total Project Costs</b>	<b>Allocated 301 GF in FY 14-15</b>	<b>Additional 301 GF Requested in FY15-16</b>
	<b>New Projects for FY15-16</b>			
1	Mt Diablo/Mt Oso Sidewalks	\$ 1,166,000.00	\$ -	\$ 200,000.00
<b>UNFUNDED 301 GENERAL FUND PROJECTS</b>				
2	Security Upgrades - Lammersville School	\$ 100,000.00	\$ -	\$ 100,000.00
3	Roof Replacement - Tracy Library	\$ 232,000.00	\$ -	\$ 232,000.00
4	Fuel Island Upgrade - BSC	\$ 97,000.00	\$ -	\$ 97,000.00
5	Recarpeting/Repainting Police Facility	\$ 168,000.00	\$ -	\$ 168,000.00
6	Fountain Repairs at 2 Locations	\$ 60,000.00	\$ -	\$ 60,000.00
7	Retrofit Water Towers	\$ 400,400.00	\$ -	\$ 400,400.00
8	Sanitary Improvements-Airport	\$ 291,400.00	\$ -	\$ 291,400.00
9	Asset Management Plan	\$ 300,000.00	\$ -	\$ 300,000.00
10	Park Renovation - Dr Powers Park	\$ 1,334,000.00	\$ -	\$ 1,334,000.00
NR	ADA Compliance, City Bldgs over 4 yrs	\$ 346,000.00	\$ -	\$ 36,000.00
NR	Police Technical Facility	\$ 1,214,000.00	\$ -	\$ 1,214,000.00
NR	Police Facility Remodeling	\$ 1,516,800.00	\$ -	\$ 1,516,800.00
NR	Expansion of Pub Wks Facility-Phase 2	\$ 7,845,000.00	\$ -	\$ 3,417,260.00
NR	Police Firearms Training Facility - Future	\$ 2,205,800.00	\$ -	\$ 2,205,800.00
NR	New Animal Shelter, Phase II	\$ 3,145,000.00	\$ -	\$ 3,145,000.00
NR	11th Street Beautification/ CHR to MacAr	\$ 3,591,000.00	\$ -	\$ 2,400,000.00
NR	Airport Land Acquisition	\$ 21,849,000.00	\$ -	\$ 471,000.00
NR	FBO Facility-Main Airport Area	\$ 5,604,000.00	\$ -	\$ 5,569,000.00
NR	FBO Facility-South Hangar Area	\$ 3,108,000.00	\$ -	\$ 3,108,000.00
NR	Upgrade Tracy Blvd, south of Linne	\$ 2,943,000.00	\$ -	\$ 2,943,000.00
NR	Repairs - FBO Building	\$ 1,337,000.00	\$ -	\$ 1,337,000.00
NR	Airport Site Study	\$ 250,000.00	\$ -	\$ 25,000.00
NR	ROW Acquisition - NJ Airport	\$ 5,603,990.00	\$ -	\$ 1,334,750.00

**UNFUNDED 301 GENERAL FUND PROJECTS**

<b>NR</b>	Observation Platform - Tracy Aripport	\$ 31,250.00	\$ -	\$ 31,250.00
<b>NR</b>	Library Facilities Expansion	\$ 3,408,800.00	\$ -	\$ 1,260,200.00
<b>NR</b>	Dog Park Site- South Tracy	\$ 310,000.00	\$ -	\$ 163,000.00
<b>NR</b>	Renovations - Tracy Ball Park, Phase II	\$ 3,465,852.00	\$ -	\$ 3,435,000.00
<b>NR</b>	Park Development - El Pescardo, Ph II	\$ 1,117,200.00	\$ -	\$ 320,000.00
<b>NR</b>	Bikeway Impvts - Future Phases over 4 yrs	\$ 590,000.00	\$ -	\$ 190,000.00
<b>NR</b>	Park Revitalization - Future Phases 4 Yrs	\$ 340,000.00	\$ -	\$ 340,000.00
<b>NR</b>	New Gymnasium/Multi-Purpose Facility	\$ 10,788,500.00	\$ -	\$ 3,600,000.00
<b>NR</b>	Bycycle Motorcross Track	\$ 381,300.00	\$ -	\$ 381,300.00
<b>NR</b>	Skate Park - 2nd Location	\$ 293,700.00	\$ -	\$ 293,700.00
<b>NR</b>	Bikeway Rehab - various locations	\$ 177,500.00	\$ -	\$ 32,500.00
<b>NR</b>	Legacy Sportsfields - Phase II	\$ 16,000,000.00	\$ -	\$ 16,000,000.00
<b>NR</b>	Park Renovation - Lincoln Park, Phase II	\$ 379,000.00	\$ -	\$ 379,000.00
<b>NR</b>	Renovations - Tracy Ball Park - Phase II	\$ 4,856,000.00	\$ -	\$ 4,856,000.00
<b>NR</b>	Bikeways to Legacy Sportsfield	\$ 580,000.00	\$ -	\$ 580,000.00
<b>NR</b>	Utilities Extension Legacy Sportsfield	\$ 330,000.00	\$ -	\$ 330,000.00
<b>NR</b>	Other Miscellaneous Projects (7)	\$ 145,400.00	\$ -	\$ 145,400.00
<b>NR</b>	Fish Pond - Legacy Fields	\$ 130,000.00	\$ -	\$ 30,000.00
<b>NR</b>	Bike/Skate Park @ Gretchen Tally Pk	\$ 875,000.00	\$ -	\$ 875,000.00
<b>NR</b>	Park Renovation - El Pescadero Park	\$ 390,000.00	\$ -	\$ 390,000.00
	<b>* NR = Not Ranked</b>		<b>Total</b>	<b>\$ 65,337,760.00</b>

AGENDA ITEM 6

REQUEST

**INTRODUCTION OF AN ORDINANCE AMENDING SECTION 3.08.580, ARTICLE 12, OF THE TRACY MUNICIPAL CODE WHICH REGULATES THE ESTABLISHMENT OF SPECIAL SPEED ZONES**

EXECUTIVE SUMMARY

To assist the Police Department in enforcing posted traffic speed on streets using radar equipment, it is necessary to establish speed limits in accordance with the requirements of the California Vehicle Code (CVC). The CVC requires completion of engineering and traffic surveys to establish posted speeds on streets once every five years. Staff has recently completed engineering and traffic surveys to update speed limits on 23 arterial and collector streets (40 segments) in accordance with the CVC and California Manual of Uniform Traffic Control Devices and recommends introduction of an ordinance updating and amending special speed zones.

DISCUSSION

The use of radar equipment is one of the most effective tools for enforcing speed limits and traffic safety on City streets. In order for the Police Department to utilize radar for enforcement, it is necessary to establish speed limits in accordance with the requirements of the California Vehicle Code (CVC). To legally use radar equipment for speed enforcement, engineering and traffic surveys are needed to establish posted speeds once every five years.

Section 3.08.580, Article 12, of the Tracy Municipal Code (TMC) establishes speed zones on various streets in the City. The posted speed limit on streets is established on the basis of engineering and traffic surveys and the applicable traffic engineering standards. Speed limits in the vicinity of schools are posted in accordance with the requirements of the CVC and the California Manual of Uniform Traffic Control Devices (CA MUTCD). Since these surveys are good for a period of five years, the amendment to the TMC is necessary every five years to update these surveys resulting in an update of posted speeds.

An engineering and traffic survey was completed on a total of 40 segments of arterial and collector street segments by the Engineering Division listed in Exhibit A. This survey will update the posted speeds on these segments and provide the basis for the proposed amendments of the TMC.

The speed survey shows that the existing posted speed on only four street segments should be changed and the posted speed on the remaining streets segments will remain unchanged. The following table lists the proposed changes on four street segments:

Street	Segment	Previously Established	Newly Established	Change
Arbor Road	Holly Drive to Mac Arthur Drive	40	35	5 mph down
Byron Road	Corral Hollow Road to Lammers Road	45	40	5 mph down
Tracy Blvd	Grant Line Road to Larch Road	30	35	5 mph up
Tracy Blvd	Linne Road to Valpico Road	40	45	5 mph up

Due to recent annexations, there were new streets added in the City's roadway network. The following new roadway segments are added to the ordinance for radar enforcement.

Street	Segment	Previously Posted	Newly Established	Change
Hansen Road	Schulte Road to I-205 (City Limits)	-	50	-
Mountain House Parkway	Schulte Road to Berkeley Road	45	40	5 mph down
Mountain House Parkway	Berkeley Road to I-205 (City Limits)	45	45	-
Schulte Road	Mountain House Parkway to Hansen Road	45	40	5 mph down
Schulte Road	Hansen Road to East City Limits	55	50	5 mph down

It was also discovered that two existing segment are not within City's jurisdiction. Therefore it is recommended to delete the following segments from the ordinance.

Street	Segment	Previously Established	Newly Established	Change
Chrisman Road	Eleventh Street to Brichetto Road			Delete
Eleventh Street	Chrisman Road to East City Limits (Isolated Section)			Delete

Generally the speed surveys are performed only on non-residential streets. Residential streets have prima facie speed limit of 25 miles per hour as allowed in CVC code 22350.

The arterial and collector streets on which various segments were surveyed include Arbor Road, Brichetto Road, Byron Road, Chrisman Road, Corral Hollow Road, East Street, Eleventh Street, Glenbriar Drive, Grant Line Road, Hansen Road, Holly Drive,

Kavanagh Avenue, Lincoln Boulevard, Lowell Avenue, Mac Arthur Drive, Mountain House Parkway, Parker Avenue, Parkside Drive, Pescadero Avenue, Schulte Road, Tennis Lane, Tracy Boulevard, and Valpico Road.

The recommendations based on this traffic survey are in accordance with CA MUTCD which requires speed limits to be established at the nearest 5 mph increment of the 85th percentile speed of free flowing traffic. However the reduction of the speed limit from the nearest 85<sup>th</sup> percentile by 5 mph reduction can be considered for factors such as collision history, bicycle and pedestrian activity. Residential density is also considered for determining speeds on the streets fronting residential driveways. The recommended speed limits have already been adjusted for such considerations. In the event speed limits are not established with the established criteria, the radar units cannot be used for speed enforcements on such streets.

The Police Department has reviewed the surveys and concurs with the proposed speed limits. A copy of the proposed Ordinance Amendment is provided as Exhibit C. Exhibit D provides update of table for TMC section 3.08.580.

A copy of all engineering and traffic surveys certified as correct by the City Engineer will be maintained in the Engineering Division files with a duplicate copy on file with the Police Department (Exhibit E).

#### STRATEGIC PLAN

This agenda item supports the Public Safety Strategy in relation to improving traffic safety that specifically implements the following goal:

**Goal 4: Reduce the number of major injury collisions.**

Objective 2: Increase traffic related enforcement by 5%

Objective 3: Reduce the number of major injury collisions by 5% annually

#### FISCAL IMPACT

There will be no fiscal impact to the General Fund. Enforcement of speed limits is a budgeted item and is the Police Department's responsibility. Signing and striping changes as a result of these speed changes will be performed by Public Works staff. Signing and striping is also a budgeted item.

#### RECOMMENDATION

That City Council introduce an ordinance amending Section 3.08.580, "Special Speed Zones," Article 12, of the Traffic Regulations of the Tracy Municipal Code.

Prepared by: Ripon Bhatia, Senior Civil Engineer

Reviewed by: Kuldeep Sharma, Utilities Director/Interim City Engineer  
Andrew Malik, Development Services Director  
Maria A. Hurtado, Assistant City Manager

Approved by: Troy Brown, City Manager

#### ATTACHMENTS

Exhibit – A Speed Survey List

Exhibit – B Speed Zone Map

Exhibit – C Ordinance

Exhibit – D Ordinance Table Update

Exhibit - E Engineering & Traffic Speed Survey Report 2014



## EXHIBIT A

SR. NO.	SEGMENT	FROM	TO	PREVIOUSLY ESTABLISHED SPEED LIMIT	85TH PERCENTILE SPEED	50TH %ILE	PACED SPEED	PROPOSED SPEED
1	ARBOR ROAD	WEST CITY LIMITS	EAST CITY LIMITS	40	42	37	33-42	35
2	BRICHETTO ROAD	CHRISMAN ROAD	EAST CITY LIMITS	50	53	45	41-50	50
3	BYRON ROAD	CORRAL HOLLOW ROAD	LAMMERS ROAD	45	47	42	38-47	40
4	CHRISMAN ROAD	VALPICO ROAD	NORTH CITY LIMITS	45	52	46	41-50	45
5	CORRAL HOLLOW ROAD	PARKSIDE DRIVE	VALPICO ROAD (CITY SEG)	40	45	41	36-45	40
6	CORRAL HOLLOW ROAD	VALPICO ROAD	LINNE ROAD (CITY SEG)	45	50	45	41-50	45
7	EAST STREET	GRANTLINE ROAD	ELEVENTH STREET	25	32	28	23-32	25
8	EAST STREET	ELEVENTH STREET	SIXTH STREET	25	31	27	22-31	25
9	ELEVENTH STREET	TRACY BLVD.	EAST STREET	30	34	30	26-35	30
10	GLENBRIAR DRIVE	VALPICO ROAD	GLENBRIAR CR	30	36	31	26-35	30
11	GRANT LINE ROAD	CORRAL HOLLOW ROAD	TRACY BLVD.	40	44	40	36-45	40
12	HANSEN ROAD	I-205 (NORTH CITY LIMITS)	SCHULTE ROAD		54	49	46-55	50
13	HOLLY DRIVE	ELEVENTH STREET	GRANT LINE ROAD	25	32	28	23-32	25
14	HOLLY DRIVE	GRANTLINE ROAD	CLOVER ROAD	25	33	29	24-33	25
15	HOLLY DRIVE	CLOVER ROAD	ARBOR ROAD (NORTH CITY LIMITS)	35	39	33	29-38	35

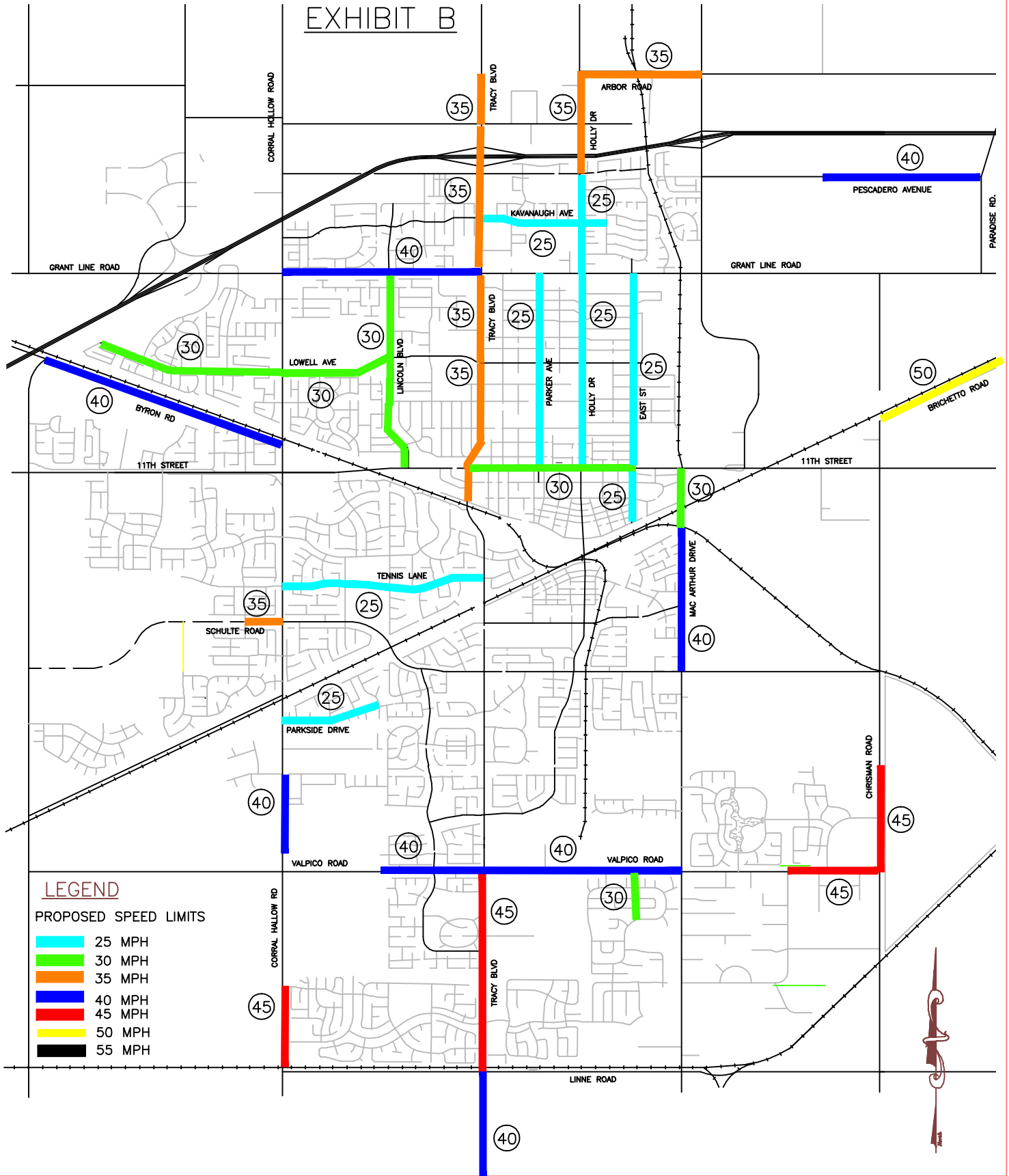
## EXHIBIT A

SR. NO.	SEGMENT	FROM	TO	PREVIOUSLY ESTABLISHED SPEED LIMIT	85TH PERCENTILE SPEED	50TH %ILE	PACED SPEED	PROPOSED SPEED
16	KAVANAGH AVENUE	TRACY BLVD.	BALBOA DRIVE	25	31	26	22-31	25
17	LINCOLN BLVD	ELEVENTH STREET	GRANT LINE ROAD	30	36	31	26-35	30
18	LOWELL AVENE	BLANFORD DRIVE	ORCHARD PARKWAY	30	35	31	26-35	30
19	LOWELL AVENE	ORCHARD PARKWAY	CORRAL HOLLOW ROAD	30	34	30	25-34	30
20	LOWELL AVENE	CORRAL HOLLOW ROAD	LINCOLN BLVD.	30	37	32	27-36	30
21	MAC ARTHUR DRIVE	ELEVENTH STREET	UPRR TRACKS (SOUTH)	30	37	32	27-36	30
22	MAC ARTHUR DRIVE	UPRR TRACKS (SOUTH)	SCHULTE ROAD	40	45	40	35-44	40
23	MOUNTAIN HOUSE PARKWAY	I-205 (NORTH CITY LIMITS)	BERKELEY ROAD		49	43	38-47	45
24	MOUNTAIN HOUSE PARKWAY	BERKELEY ROAD	SCHULTE ROAD (OLD)		46	40	34-43	40
25	PARKER AVENUE	ELEVENTH STREET	GRANT LINE ROAD	25	32	28	24-33	25
26	PARKSIDE DRIVE	WINTER LANE	CORRAL HOLLOW ROAD	25	33	28	24-33	25
27	PESCADERO AVENUE	1/2 MILE EAST OF MAC ARTHUR	PARADISE AVENUE	40	47	40	34-43	40
28	SCHULTE ROAD	MOUTAIN HOUSE PARKWAY	HANSEN ROAD		46	41	37-46	40
29	SCHULTE ROAD	HANSEN ROAD	EAST CITY LIMITS		53	47	43-52	50
30	SCHULTE ROAD	BARCELONA DRIVE	CORRAL HOLLOW ROAD	35	41	36	31-40	35

## EXHIBIT A

SR. NO.	SEGMENT	FROM	TO	PREVIOUSLY ESTABLISHED SPEED LIMIT	85TH PERCENTILE SPEED	50TH %ILE	PACED SPEED	PROPOSED SPEED
31	TENNIS LANE	TRACY BLVD.	CORRAL HOLLOW ROAD	25	33	28	24-33	25
32	TRACY BLVD.	NORTH LIMITS (1500' NORTH OF LARCH RD)	LARCH ROAD	35	39	35	30-39	35
33	TRACY BLVD.	LARCH ROAD	GRANT LINE ROAD	30	38	33	28-37	35
34	TRACY BLVD.	GRANTLINE ROAD	LOWELL AVENUE	35	38	34	29-38	35
35	TRACY BLVD.	LOWELL AVENUE	SIXTH STREET	35	41	35	29-38	35
36	TRACY BLVD.	VALPICO ROAD	LINNE ROAD	40	48	43	39-48	45
37	TRACY BLVD.	LINNE ROAD	SOUTH CITY LIMITS	40	46	41	35-44	40
38	VALPICO ROAD	WEST CITY LIMITS	TRACY BLVD.	40	43	38	33-42	40
39	VALPICO ROAD	TRACY BLVD.	MAC ARTHUR DRIVE	40	46	40	35-44	40
40	VALPICO ROAD	FAIROAKS DRIVE	CHRISMAN DRIVE	45	48	43	39-48	45

# EXHIBIT B



## TRAFFIC SPEED SURVEY UPDATE 2014

DESIGNED BY  
DM  
 DRAWN BY  
DM  
 CHECKED BY  
RB  
 SOLE  
NTS

REVISIONS		
SYMBOL	DATE	DESCRIPTION

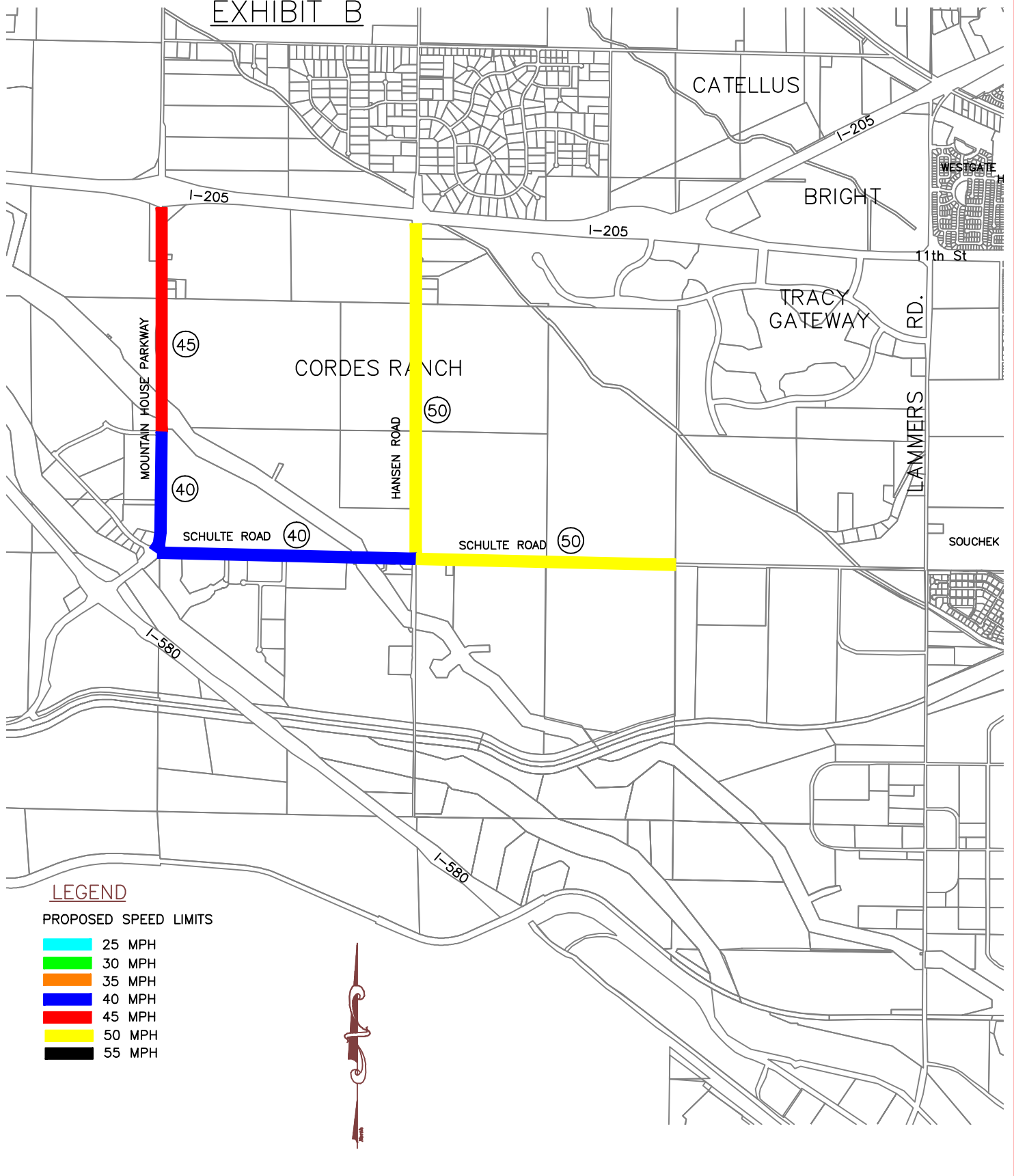
SHEET 1  
OF 2 SHEETS

## CITY OF TRACY

APPROVED FOR CONSTRUCTION SUBJECT TO THE DATA SHOWN.  
 CITY OF TRACY AND THE UNDERSIGNED ARE NOT RESPONSIBLE FOR  
 ERRORS AND/OR OMISSION THAT MAY BE PRESENT ON THESE PLANS.

KULDEEP SHARMA CITY ENGINEER DATE: \_\_\_\_\_

# EXHIBIT B



## LEGEND

### PROPOSED SPEED LIMITS

- 25 MPH
- 30 MPH
- 35 MPH
- 40 MPH
- 45 MPH
- 50 MPH
- 55 MPH



TRAFFIC SPEED SURVEY  
UPDATE 2014

DESIGNED BY  
DM  
DRAWN BY  
DM  
CHECKED BY  
RB  
SCALE  
N.T.S.

REVISIONS		
SYMBOL	DATE	DESCRIPTION

SHEET 2  
OF 2 SHEETS

CITY OF TRACY

APPROVED FOR CONSTRUCTION SUBJECT TO THE DATA SHOWN.  
CITY OF TRACY AND THE UNDERSIGNED ARE NOT RESPONSIBLE FOR  
ERRORS AND/OR OMISSION THAT MAY BE PRESENT ON THESE PLANS.

KULDEEP SHARMA CITY ENGINEER DATE: \_\_\_\_\_

## ORDINANCE \_\_\_\_\_

AMENDING SECTION 3.08.580, OF CHAPTER 3.08 (TRAFFIC REGULATIONS) OF  
TITLE 3 (PUBLIC SAFETY) OF THE TRACY MUNICIPAL CODE

WHEREAS, The use of radar equipment is one of the most effective tools for enforcing speed limits and traffic safety on City streets, and

WHEREAS, Subsection (c) of California Vehicle Code section 40803 provides that evidence of conducting a speed zone survey within the last five years to establish the prima facie speed for a local street or road shall constitute a prima facie case that such local street or road is not a speed trap for the purposes of radar enforcement, and

WHEREAS, City staff completed an Engineering & Traffic survey in October 2014, and

WHEREAS, The survey shows prima facie speed limits for certain new street portions as set forth below, and

NOW THEREFORE, The City Council does ordain as follows:

SECTION 1: Amended Section. Section 3.08.580 of Chapter 3.08 of Title 3 of the Tracy Municipal Code is hereby amended to delete the Declared Prima Facie Speed Limit (Miles per Hour) for the below described street portions:

<u>Name of Street or Portion Affected</u>	Declared Prima Facie Speed Limit (Miles per Hour)
- Chrisman Road Eleventh Street to Brichetto Road	35
- Eleventh Street Chrisman Road to east City Limits (isolated portion within City Limits)	55

SECTION 2: Amended Section. Section 3.08.580 of Chapter 3.08 of Title 3 of the Tracy Municipal Code is hereby amended to add the Declared Prima Facie Speed Limit (Miles per Hour) for the below described street portions:

<u>Name of Street or Portion Affected</u>	Declared Prima Facie Speed Limit (Miles per Hour)
- Schulte Road Mountain House Parkway to Hansen Road	40
Hansen Road to east City Limit	50
- Mountain House Parkway Schulte Road (old) to Berkley Road	40
Berkley Road to I-205 (City Limits)	45
- Hansen Road Schulte Road to I-205 (city Limits)	50

SECTION 3: Amended Section. Section 3.08.580 of Chapter 3.08 of Title 3 of the Tracy Municipal Code is hereby amended to change the previously established Declared Prima Facie Speed Limit (Miles per Hour) for the below described street portions:

<u>Name of Street or Portion Affected</u>	<u>Declared Prima Facie Speed Limit (Miles per Hour)</u>
- Arbor Road Holly Drive to Mac Arthur Drive	35
- Byron Road Corral Hollow Road to Lammers Road	40
- Tracy Blvd Grant Line Road to Larch Road	35
- Tracy Blvd Linne Road to Valpico Road	45

SECTION 4: Remaining sections. Except as herein added or changed, the remaining sections of the Tracy Municipal Code, including the Declared Prima Facie Speed Limit (Miles per Hour) for the Portions of Streets not set forth above, shall remain in full force.

SECTION 5: Title, chapter, and section headings. Title, chapter, and section headings contained herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of any title, chapter, or section hereof.

SECTION 6: Constitutionality. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 7: Effective date. This Ordinance shall take effect thirty (30) days after its final passage and adoption.

SECTION 8: Publication. This Ordinance shall be published once in the Tri Valley Herald, a newspaper of general circulation, within fifteen (15) days from and after its final passage and adoption.

\* \* \* \* \*

The foregoing Ordinance \_\_\_\_\_ was introduced at a regular meeting of the Tracy City Council on the 3<sup>rd</sup> day of March, 2015, and finally adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by the following vote:

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

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK



**Exhibit D**

**3.08.580 Special speed zone Table**

<b>Name of Street or Portion Affected</b>	<b>Declared Prima Facie Speed Limit (Miles per Hour)</b>
- Arbor Road	
Holly Drive to Mac Arthur Drive	35
- Balboa Drive	
Portola Way to Clover Road	25
- Barcelona Drive	
Cypress Drive to Schulte Road	25
- Beechnut Avenue	
Sequoia Boulevard to Tracy Boulevard	30
- Beverly Place	
Lincoln Boulevard to Tracy Boulevard	25
- Bricchetto Road	
Chrisman Road to east City limits	50
- Brookview Drive	
Regis Drive to Reids Way	30
Reids Way to Glenbrook Drive	25
- Buthmann Avenue	
Grant Line Road to Clover Road	25
- Byron Road	
Corral Hollow Road to Lammers Road	40
- Central Avenue	
Sycamore Parkway to Tracy Boulevard	35
Tracy Boulevard to Mount Diablo Avenue	30
Mount Diablo Avenue to Eleventh Street	25
- Chester Drive	
Eaton Avenue to Lowell Avenue	25
- Chrisman Road	
Valpico Road to north City limits	45
- Clover Road	

West City limits to Holly Drive	25
- Corral Hollow Road	
North City limits to Grant Line Road	35
Grant Line Road to Eleventh Street	40
Eleventh Street to Parkside Drive	40
Parkside Drive to Valpico Road (City limits)	40
Valpico Road to Linne Road (City limits)	45
1100' south of Linne Road to I-580	50
I-580 to South City Limits	55
- Crossroads Avenue	
Greystone Drive to Eleventh Street	35
Eleventh Street to Gaines Lane	30
- Cypress Drive	
Hickory Avenue to Corral Hollow Road	25
Corral Hollow Road to Summer Lane	30
- Dominique Drive	
Eastlake Circle to Elissagary Drive	30
- Dove Drive/Way	
Sycamore Parkway to Starflower Drive	25
- East Lake Circle	
Crater Place to Lakeview Drive (East side)	25
Crater Place to Lakeview Drive (West side)	25
- East Street	
Sixth Street to Grant Line Road	25
- Eaton Avenue	
Richard Drive to East Street	25
- Eleventh Street	
West City limits to Lammers Road	55
Lammers Road to Corral Hollow Road	45
Corral Hollow Road to Lincoln Boulevard	35
Lincoln Boulevard to Tracy Boulevard	30
Tracy Boulevard to East Street	30

East Street to the east City limits	35
- Entrada Way	
Grant Line Road to Portola Way	25
- Fabian Road	
Lammers Road to Mamie Anderson Lane	35
- Fourth Street	
Tracy Boulevard to Central Avenue	35
- Glenbriar Drive	
Valpico Road to Glenbriar Circle	30
- Glenbrook Drive	
Brookview Drive to MacArthur Drive	25
- Grant Line Road	
West City limits to Corral Hollow Road	40
Corral Hollow Road to Tracy Boulevard	40
Tracy Boulevard to MacArthur Drive	40
MacArthur Drive to east City Limits	45
- Hansen Road	
Schulte Road to I-205 (City Limits)	50
- Henley Parkway	
Lowell Avenue to Bridle Creek Drive	35
- Holly Drive	
Eleventh Street to Clover Road	25
Clover Road to the north City limits	35
- Jackson Avenue	
Crossroads Drive to Jefferson Parkway	25
- Jefferson Parkway	
Eleventh Street to Jackson Avenue	30
- Joe Pombo Parkway	
Bridle Creek Drive to Grant Line Road	35
- Kavanagh Avenue	
Corral Hollow Road to Tracy Boulevard	25
Tracy Boulevard to Balboa Drive	25

- Lammers Road	
Eleventh Street to Byron Road	40
Eleventh Street to City Limits south of Jaguar Run	45
Redbridge Drive to Schulte Road (City Limits)	45
- Larch Road	
Tracy Boulevard to Holly Drive	35
- Lauriana Lane	
Schulte Road to Cypress Avenue	30
- Lincoln Boulevard	
Eleventh Street to Grant Line Road	30
- Linne Road	
West City limits to east City limits	45
- Lowell Avenue	
Blanford Lane to Corral Hollow Road	30
Corral Hollow Road to Lincoln Boulevard	30
Lincoln Boulevard to Tracy Boulevard	30
Tracy Boulevard to East Street	25
- MacArthur Drive	
South City limits to Fair Oaks Drive	35
Fair Oaks Drive to Valpico Road	40
Valpico to Schulte Road	40
Schulte Road to SPRR Tracks	40
SPRR Tracks to Eleventh Street	30
Eleventh Street to I-205 Interchange	40
I-205 Interchange to north City limits	40
- Middlefield Drive	
Corral Hollow Road to Whispering Wind Drive	35
Whispering Wind Drive to Peony Drive	25
- Mountain House Parkway	
Schulte Road to Berkeley Road	40
Berkeley Road to I-205 (City Limits)	45
- Mt. Diablo Avenue	

Tracy Boulevard to Central Avenue	25
Central Avenue to MacArthur Drive	25
- Naglee Road	
Grant Line Road to north City limits	35
- Orchard Parkway	
Lowell Avenue to Grant Line Road	35
- Paradise Avenue	
Grant Line Road to north City limits	40
- Parker Avenue	
Eleventh Street to Grant Line Road	25
- Parkside Drive	
Winter Lane to Corral Hollow Road	25
- Pescadero Avenue	
MacArthur Drive to 2,500' east of MacArthur Drive	35
2,500' east of MacArthur Drive to east City limits	40
- Portola Way	
Holly Drive to Entrada Way	25
- Presidio Place	
Jackson Avenue to Compton Place	25
- Richard Drive	
Lincoln Boulevard to Eaton Avenue	25
- Schulte Road	
Corral Hollow Road to Tracy Boulevard	40
Tracy Boulevard to MacArthur Drive	35
Corral Hollow Road to west City limits (along RR tracks)	45
Corral Hollow Road to Mabel Josephine Drive	35
East City Limits to Hansen Road	50
Hansen Road to Mountain House Parkway	40
- Sequoia Boulevard	
Alden Glen Drive to Beechnut Street	25
- Sixth Street	
Tracy Boulevard to MacArthur Drive	30

- Starflower Drive	
Corral Hollow Road to Dove Drive/Way	25
- Summer Lane	
Eleventh Street to Brittany Place	25
- Sycamore Parkway	
Tracy Boulevard to Valpico Road	30
Valpico Road to Schulte Road	35
- Tennis Lane	
Corral Hollow Road to Jill Drive	25
Tracy Boulevard to Corral Hollow Road	25
- Tenth Street	
Tracy Boulevard to East Street	25
Civic Center Drive to Mac Arthur Drive	25
- Third Street	
Central Avenue to Mt. Diablo Avenue	25
- Tracy Boulevard	
South City limits to Linne Road	40
Linne Road to Valpico Road	45
Valpico to Schulte Road	40
Schulte Road to Sixth Street	35
Sixth Street to Lowell Avenue	35
Lowell Avenue to Grant Line Road	35
Grant Line Road to Larch Road	35
Larch Road to the north City limits	35
- Valpico Road	
West City limits to Tracy Boulevard	40
Tracy Boulevard to MacArthur Drive	40
MacArthur Drive to Fair Oaks Drive	40
Fair Oaks Drive to east City limits	45
- Whispering Wind Drive	
St. Regis Drive to Tracy Boulevard	30
Tracy Boulevard to Middlefield Drive	30

The declared prima facie or maximum speed limit shall be effective when appropriate signs giving notice thereof are erected upon the street and shall not thereafter be revised except on the basis of an engineering and traffic survey. The provisions of this section shall not apply in respect to the twenty-five (25) mile per hour prima facie speed limit which is applicable when passing a school building or the grounds thereof

City of Tracy

# Engineering & Traffic Speed Survey Report 2014



Think Inside the Triangle™

**Traffic Section  
Engineering Division  
Development Services Department**



# Index

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# 2014 Speed Zone Surveys Report

## I. INTRODUCTION

This report presents the results of Traffic and Engineering Surveys conducted in 2014 by Traffic Engineering Staff of Development Services Department. The surveys were conducted to establish safe and reasonable speed limits for arterial and collector streets. The findings of this report will enable the City to justify radar enforcement of speed limits in these roadways, as indicated in Section 40802 of the California Vehicle Code. Portions of the following City streets were investigated:

- Arbor Road
- Brichetto Road
- Byron Road
- Chrisman Road
- Corral Hollow Road
- East Street
- Eleventh Street
- Glenbriar Drive
- Grant Line Road
- Hansen Road
- Holly Drive
- Kavanagh Avenue
- Lincoln Blvd
- Lowell Avenue
- Mac Arthur Drive
- Mountain House Parkway
- Parker Avenue
- Parkside Drive
- Pescadero Avenue
- Schulte Road
- Tennis Lane
- Tracy Blvd
- Valpico Road

## II. STUDY PROCEDURES

Section 22352, from the California Vehicle Code requires a 25 mph prima facie speed limit on streets in residential or business district, 15 mph at railroad grade crossings, highway intersections with sight restrictions and in any alley. However, upon the basis of an Engineering and Traffic survey, a local authority may declare speed limits of 30, 35, 40, 45, 50, 55, 60, or a maximum of 65 mph in order to facilitate the orderly movement of traffic. Section 22356 currently sets the maximum speed limit at 65 mph. Also, except as provided in Section 22356, Section 22349 (b) Notwithstanding any other provisions of law, no person may drive vehicle upon a two lane, undivided highway at a speed greater than 55 miles per hour unless that highway, or portion thereof, has been posted for higher speed by local agency on the bases of an engineering and traffic survey. Prima facie speed limits can be posted without the need for engineering and traffic surveys. The required elements in such Engineering and Traffic Survey are outlined in Section 627 of the Code. This report adopts the aforementioned guidelines in formulating the recommendations in this report

The principle elements in this study of the selected streets are highlighted below:

### **Radar Check**

Each street was divided into segments to account for its differing roadway characteristics. Variations in roadway segments include street width, and other significant geometric factors and constraints. One speed check was made in each section from an inconspicuously parked, unmarked vehicle. Every effort was made to insure that the presence of the vehicle does not affect the driving behavior of other motorists. A minimum of 100 samples was obtained for each section of major Roadway. All field data were coded onto standard forms for subsequent computer analysis.

### **Data Analysis**

For each survey section, computer analysis and calculations were performed on the field data to obtain several key parameters. The computer analysis printouts are included in the appendix of this report. A list of these parameters and a brief discussion of each follow:

**50<sup>th</sup> Percentile Speed.** The 50<sup>th</sup> percentile speed is the speed above and below which 50 percent of the sample speeds lie. This is also known as the median or middle speed.

**85<sup>th</sup> Percentile Speed.** The 85<sup>th</sup> percentile speed, or the critical speed, is the speed at or below which 85 percent of the observed vehicles are traveling. Traffic engineers generally consider that at least 85 percent of all motorists will drive at speeds that are reasonable and prudent for the prevailing conditions, without the benefit of posted speed limits, signs, or enforcement. Therefore, the 85<sup>th</sup> percentile speed is a good preliminary indicator of the appropriate speed limit that can be imposed, after taking into consideration all other secondary factors such as historical accident occurrence, traffic volumes, road features, and other special constraints.

**Pace Speed.** The pace speed is the ten-mile-per-hour increment that contains the greatest number of observed vehicles. In general, the 85<sup>th</sup> percentile speed and the recommended speed limit should lie within the upper range of the pace. This parameter is also a good indicator of a reasonable and appropriate speed limit.

**Range of Speeds.** The range of speeds is simply the speeds of the fastest and slowest vehicles observed. A large range of speeds, say in excess of 30 mph, indicates unfavorable road conditions that lead to inconsistent traffic stream and great likelihood of traffic collisions.

**Average Speed.** The average speed is a simple arithmetic mean of all speeds observed in a single sample.

## **Accident Review**

At this point, a good initial estimate of the appropriate speed limit for each of the street sections has been determined. However, as a first check, it is necessary to validate these estimates by carefully reviewing the historical accident occurrences within the last three years. The location and severity of accident occurrences, of well as their frequency are considered before a final speed limit is recommended for each road section.

## **Field Check**

After performing the radar checks, data analyses, and accident review, a final field check was made. A Development and Engineering Department, Traffic Division engineer drove each of the selected street segments while “floating” with prevailing traffic to determine the traffic speed that is reasonable from the driver’s point of view.

In performing a field check, the driver needs to be fully aware of the aforementioned parameters and particularly cognizant of the 85<sup>th</sup> percentile speeds and the pace speed. The driver evaluates the appropriateness of these values and notes the significance of other factors such as roadside development, driveways, parked vehicles, emergency shoulder areas, schools and playgrounds, pedestrians, roadway alignment, control, and numerous other intangible factors. These elements are given serious consideration in the determination of a reasonable and safe speed limit.

Reasonable limits are speeds at which motorists would drive without the effects of enforcement of signs. However, it is known that motorists tend to drive faster in residential districts away from their homes than the local residents would prefer.

People are more concerned about traffic speeds in their neighborhood than those elsewhere. This is not a tendency to willfully break the law, but rather a reflection of human behavior. Consequently, unlike multi-lane arterial roadways, where the 85<sup>th</sup> percentile speed closely approximates the posted speed limit, the 85<sup>th</sup> percentile speed on local residential streets may be much higher than the legal limit. In fact, it is not uncommon that the majority of the motorists, ever as high as 80 to 90 percent of those observed, travels in excess of the 25 mph prima facie residential speed limit. This fact does not imply that the 25 mph limit is inappropriate; it simply implies that the majority of the motorists are driving imprudently.

Frequent changes of the speed limit over a stretch of roadway need to be avoided in establishing speed limits. Varying the limits over a relatively short length of roadway may also be inappropriate. Speed limits that change every few blocks may accurately reflect prevailing driving conditions on the street, but they do not give the motorist the opportunity to become aware of the lawful limit.

For the reasons mentioned above, the recommendations in this report are made to produce consistency in the speed limits, and are not intended to encourage unsafe speeds.

### **III. TRAFFIC AND ENGINEERING STUDIES**

The following sections present the findings of the Engineering and Traffic surveys. Each of the roadway segments into which a street is divided is discussed separately, and recommendation on the speed limit is provided at the end of each sub-section. The 85<sup>th</sup> percentile speed and the recommended speed limits for the surveyed roadways are included.

#### IV. Engineering & Traffic Survey Recommendations

- Arbor Road

**Holly Drive & Mac Arthur Drive**

This segment of the Arbor Road is a two lane collector street. The segment is approximately 1.00 mile in length and 28 feet in width. The segment is rural in nature. There is no on street parking. There is no bike lane, curb and gutter or other developments along this segment. This segment consists of agricultural land, commercial, industrial and City properties. This segment is a City's established truck route. The posted speed limit is 40 mph.

There were total of four reported collisions in this segment out of which two collisions were speed related on this roadway from 01/01/11-12/31/13

10 mph pace speed	33 mph. - 42 mph.
85 <sup>th</sup> percentile speed	42 mph.
50 <sup>th</sup> percentile speed	37 mph.

The 85<sup>th</sup> percentile speed indicates a 40 mph speed limit and there are two speed related collisions along this segment during the study period. There are railroad in this segment. There are Industrial driveways with truck movements and limited shoulder which justifies downgrading of 85<sup>th</sup> percentile speed by 5 mph. The proposed speed limit is within the pace speed Therefore it is recommended that the posted speed limit in this segment be lowered to 35 mph.

The recommended speed limit for this section is 35 mph.

- **Brichetto Road**

**Chrisman Road & East City Limits**

This segment of the Brichetto Road is a two-lane collector road. The segment is approximately 1.0 mile in length and 23 feet wide. On street parking is not restricted. There is no bike lane, curb and gutter or other developments along this segment. There is a railroad line to the North and agricultural land to the South of this segment. The existing posted speed limit is 50 mph.

There were no reported accidents on this roadway from 01/01/11-12/31/13

10 mph pace speed 41 mph. - 50 mph. 85 <sup>th</sup> percentile speed 53 mph. 50 <sup>th</sup> percentile speed 45 mph.
---

The 85<sup>th</sup> percentile speed indicates a 55 mph speed limit and there are no collisions along this segment during the study period. However 10 mph pace speed is 41 mph to 50 mph. The suggested speed limit is higher than pace speed, which justifies downgrading of the 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit in this segment remain at 50 mph.

The recommended speed limit for this section is 50 mph.

- **Byron Road**

**Corral Hollow Road & West City Limits (I-205 Bridge)**

This segment of the Byron Road is a two-lane major collector street. The segment length is approx. 1.31 miles in length and 47 feet in width. There is a two way left turn lane. There are rural driveway openings on the south side of this section. There are residential neighborhoods developed to the South. There is a railroad line on the north side of this section. On street parking is prohibited. The posted speed limit is 45 mph.

There were total of fifteen reported collisions in this segment out of which five collisions were speed related on this roadway from 01/01/11-12/31/13

10 mph pace speed 38 mph. - 47 mph. 85 <sup>th</sup> percentile speed 47 mph. 50 <sup>th</sup> percentile speed 43 mph.
---

The 85<sup>th</sup> percentile speed indicates a 45 mph speed limit and there are five speed related collisions along this segment during the study period. The 10 mph pace speed in this segment is 38 mph to 47 mph. There are residential and commercial driveways with rural frontage, residential neighborhoods on the south side, bike lane in portion of the segment and intermediate intersections which justifies downgrading of 85<sup>th</sup> percentile speed by 5 mph. The proposed speed limit is within the pace speed. Therefore, it is recommended that the posted speed limit be lowered to 40 mph.

The recommended speed limit is 40 mph.



- **Chrisman Road**

**Valpico Road & North City Limits (isolated section)**

This segment of the Chrisman Road is a two lane major arterial with a two way left turn lane. The segment is approx. 0.50 mile in length and 93 feet in width. There are residential developments to west and Tracy Defense Depot to the east of this segment. On street parking is prohibited. The sections before and after this segment have posted speed limits of 45 mph.

There were total of two reported collisions in this segment out of which one collision was speed related on this roadway from 01/01/11-12/31/13.

10 mph pace speed 41 mph. - 50 mph. 85 <sup>th</sup> percentile speed 52 mph. 50 <sup>th</sup> percentile speed 46 mph.
---

The 85<sup>th</sup> percentile speed indicates a 50 mph speed limit and there is one speed related collision along this segment during the study period. However segment to the north of this segment and to the south of this segment which is currently in the jurisdiction of San Joaquin County has posted and established speed limit of 45 mph. Also the developments have fronting improvements causing lane transitions in this segment. The 10 mph pace speed in this segment is 40 mph to 49 mph. These factors justifies downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit in this segment remain at 45 mph.

The recommended speed limit is 45 mph.

- **Corral Hollow Road**

**Parkside Drive & Valpico Road (City Segment)**

This segment of the Corral Hollow Road is a two lane arterial. This segment has rural driveways fronting in portion of the segment. The segment is approximately 0.50 mile in length and 52 feet in width. On street parking is prohibited. There is a median island and residential developments to the east in the portion of the segment resulting in lane transitions. There is no bike lane. There are few residential homes and undeveloped land to the west. The posted speed limit is 40 mph.

There were total of seven reported collisions in this segment out of which three collisions were speed related on this roadway from 01/01/11-12/31/13

10 mph pace speed 36 mph. - 45 mph. 85 <sup>th</sup> percentile speed 45 mph. 50 <sup>th</sup> percentile speed 41 mph.
---

The 85<sup>th</sup> percentile speed indicates a 45 mph speed limit and there are three speed related collisions along this segment during the study period. There are residential subdivisions to the east and residential driveways to the west side with median in portion of the segment resulting in various lane transitions in this segment that justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore, it is recommended that the posted speed limit remain at 40 mph.

The recommended speed limit for this section is 40 mph.

**Peony Drive & Linne Road**

This segment of the Corral Hollow Road is a two lane rural arterial. The approximate length of this segment is 0.45 miles and the width is 52 feet. On street parking is prohibited. There is bike lane present on one side in portion of this segment. To the east there are residential developments which include curb and gutter. To the west the area is undeveloped land with no curb and gutter. There are lane transitions in this segment. The posted speed limit is 45 mph.

There were total of eleven reported collisions in this segment from 01/01/11-12/31/13. Two of the total collisions were speed related.

10 mph pace speed 40 mph. - 49 mph. 85 <sup>th</sup> percentile speed 50 mph. 50 <sup>th</sup> percentile speed 45 mph.
---

The 85<sup>th</sup> percentile speed indicates a 50 mph speed limit and there are two speed related collisions along this segment. Segment to the north of this segment is currently with San Joaquin County has posted speed limit of 45 mph. There are residential subdivisions to the east of this segment with widened roadway frontage resulting in lane transitions that justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore, it is recommended that the posted speed limit remain at 45 mph.

The recommended speed limit is 45 mph.

- **East Street**

**Sixth Street & Eleventh Street**

This segment of East Street is a two lane collector. The segment is approx. 0.28 mile in length and 37 feet wide. There are residential developments to the east and west of this segment. On street parking is permitted. The City of Tracy Community Center and Senior Center are within this segment. There is no bike lane and no median island in this segment. The posted limit is 25 mph.

There were total of three reported collisions in this segment from 01/01/11-12/31/13. None of the total collisions were speed related.

10 mph pace speed 22 mph. - 31 mph. 85 <sup>th</sup> percentile speed 31 mph. 50 <sup>th</sup> percentile speed 27 mph.
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The 85<sup>th</sup> percentile speed indicates a 30 mph speed limit and there are no speed related collisions along this segment during the study period. There are residential driveways to the west of this segment and City Hall, Senior Center and Community Center to the east side in this segment that justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 25 mph.

The recommended speed limit is 25 mph.

**Eleventh Street & Grant Line Road**

This segment of East Street is a two lane minor arterial. The segment is approx. 1.00 mile in length and 37 feet wide. There are residential driveway openings on both sides of this segment. On street parking is not prohibited in most areas. There is no bike lane and no median island in this segment. Tracy High School and Lincoln Park are within this segment. The posted limit is 25 mph.

There are total of twelve reported collisions in this segment during the period from 01/01/11-12/31/13. Two of the reported collisions are speed related.

10 mph pace speed 23 mph. - 32 mph. 85 <sup>th</sup> percentile speed 32 mph. 50 <sup>th</sup> percentile speed 28 mph.
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The 85<sup>th</sup> percentile speed indicates a 30 mph speed limit and there are two speed related collisions along this segment during the study period. There are residential driveways on both sides of this segment in addition to the parks and Tracy high school that justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore, it is recommended that the posted speed limit remain at 25 mph.

The recommended speed limit is 25 mph.

- **Eleventh Street**

**Tracy Boulevard & East Street**

This segment of Eleventh Street is a four lane major arterial. The segment is approximately 0.83 miles in length and 52 feet in width. There are commercial properties with driveways on both sides of this segment. There is no bike lane. There is a two way left turn lane in this segment. On street parking is not permitted. The posted speed limit is 30 mph.

There were total of fifty-eight reported collisions in this segment from 01/01/11-12/31/13. Twenty-one of the total collisions were speed related

10 mph pace speed 26 mph. - 35 mph. 85 <sup>th</sup> percentile speed 34mph. 50 <sup>th</sup> percentile speed 30 mph.
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The 85<sup>th</sup> percentile speed indicates a 35 mph speed limit and there are total of twenty-one speed related collisions along this segment during the study period. Presence of residential and commercial driveways in this segment, pedestrian crossings, downtown and collision history within this segment justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore, it is recommended that the posted speed limit remain at 30 mph.

The recommended speed limit is 30 mph.

- **Glenbriar Drive**

**Valpico Road & Glenbriar Circle**

This segment of the Glenbriar Drive is a two lane collector street. The segment is approximately 0.25 mile in length and 44 feet in width. On street parking is allowed. There are residential streets on both sides of this segment and few residential driveways in this segment. A neighborhood park is located at the end of this segment. The posted speed limit is 30 mph.

There was a total of one reported collisions in this segment from 01/01/11-12/31/13 and it was not speed related

10 mph pace speed 26 mph. - 35 mph. 85 <sup>th</sup> percentile speed 36 mph. 50 <sup>th</sup> percentile speed 31 mph.
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The 85<sup>th</sup> percentile speed indicates a 35 mph speed limit and there were no speed related collisions along this segment during the study period. The area is residential in nature. Presence of park, residential nature of the street, and pedestrian activity in this segment justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore, it is recommended that the posted speed limit remain at 30 mph.

The recommended speed limit for this section therefore is 30 mph.

- **Grant Line Road**

**Corral Hollow Road & Tracy Blvd.**

This segment of the Grant Line Road is a four lane major arterial. The segment is approximately 1.0 mile in length and 77 feet in width. On street parking is not allowed. There is a Class II bike lane and a portion of Median Island in this segment. There are residential neighborhood subdivisions along this section. The posted speed limit is 40 mph.

There were total of thirty-seven reported collisions in this segment from 01/01/11-12/31/13. Six of the total collisions were speed related

10 mph pace speed 36 mph. - 45 mph. 85 <sup>th</sup> percentile speed 44 mph. 50 <sup>th</sup> percentile speed 40 mph.
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The 85<sup>th</sup> percentile speed indicates a 45 mph speed limit and there are total of six speed related collisions along this segment during the study period. There are apartment complexes, residential subdivision and commercial areas near the major intersections in this segment. Presence of bike lane and pedestrian activity in this segment and collisions justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 40 mph.

The recommended speed limit for this section therefore is 40 mph.

- **Hansen Road**

**I-205 & Schulte Road**

This segment of the Hansen Road is a two-lane rural arterial road. The segment is approximately 1.0 mile in length and 24 feet wide. On street parking is not restricted. There is no bike lane, curb and gutter along this segment. There are some residences along this segment. There is no posted speed limit.

There were no reported accidents on this roadway from 01/01/11-12/31/13

10 mph pace speed	46 mph. - 55 mph.
85 <sup>th</sup> percentile speed	54 mph.
50 <sup>th</sup> percentile speed	49 mph.

The 85<sup>th</sup> percentile speed indicates a 55 mph speed limit and there are no collisions along this segment during the study period, however there is limited or no shoulder in this segment which justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph.

The recommended speed limit for this section is 50 mph.

- **Holly Drive**

**Eleventh Street & Grant Line Road**

This segment of Holly Drive is a two lane minor arterial. The segment is approx. 1.0 mile in length and 40 feet in width. There are residential developments and driveway openings on both sides of this segment. On street parking is permitted. There is a school and a library along this segment. There is Class III bike route and no median island in this segment. The posted limit is 25 mph.

There were total of fourteen reported collisions in this segment from 01/01/11-12/31/13. Two of the total collisions were speed related.

10 mph pace speed 23 mph. - 32 mph. 85 <sup>th</sup> percentile speed 32 mph. 50 <sup>th</sup> percentile speed 28 mph.
---

The 85<sup>th</sup> percentile speed indicates a 30 mph speed limit and there are total of two speed related collisions along this segment during the study period. There are residential driveways, apartment complexes, schools in this segment. In addition Holly Drive is a class III bike route. Presence of bike route and pedestrian activity, collisions and sight distances at the intersections due to parking in this segment, justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore, it is recommended that the posted speed limit remain at 25 mph.

The recommended speed limit is 25 mph.

**Grant Line Road & Clover Road**

This segment of Holly Drive is a two lane minor arterial. The segment is approx. 0.50 mile in length and 40 feet in width. There are residential developments and driveway openings on both sides of this segment. On street parking is permitted. There is an elementary school along this segment. There is Class III bike route and no median island in this segment. The posted limit is 25 mph.

There were total of two reported collisions in this segment from 01/01/11-12/31/13. None of total collisions were speed related.

10 mph pace speed 24 mph. - 33 mph. 85 <sup>th</sup> percentile speed 33 mph. 50 <sup>th</sup> percentile speed 29 mph.
---

The 85<sup>th</sup> percentile speed indicates a 35 mph speed limit and there are no speed related collisions along this segment during the study period. There are residential driveways, apartment complexes, schools in this segment. In addition Holly Drive is a class III bike route. Presence of bike route and pedestrian activity, collisions and sight distances at the intersections due to parking in this segment, justifies the downgrading of 85<sup>th</sup> percentile speed. Due to residential density in this segment, it is recommended that the posted speed limit remain at 25 mph.

The recommended speed limit is 25 mph.



- **Holly Drive**

**Clover Road to Arbor Road**

This segment of Holly Drive is a two lane minor Arterial. The segment is approx. 0.52 mile in length and 32 feet in width. There are few commercial developments to the West. To the east of this segment is City property and Agricultural Land. On street parking is prohibited. There is no bike lane and no median island in this segment. The posted limit is 35 mph.

There were total of three reported collisions in this segment from 01/01/11-12/31/13. None of total collisions was speed related.

10 mph pace speed 29 mph. - 38 mph. 85 <sup>th</sup> percentile speed 39 mph. 50 <sup>th</sup> percentile speed 33 mph.
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The 85<sup>th</sup> percentile speed indicates a 40 mph speed limit and there are no speed related collisions along this segment during the study period. Portion of this segment north of Larch Road is a truck route. There is a bridge with steep grade in this segment. Holly Drive is a class III bike Route, Presence of bike route, steep grade on bridge and truck route justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 35 mph.

The recommended speed limit is 35 mph.

- **Kavanagh Avenue**

**Tracy Blvd. & Balboa Drive**

This segment of Kavanagh Avenue is a two-lane residential collector. The segment is approx. 0.60 mile in length and 40 feet in width. There are residential developments on both sides of this segment. On street parking is permitted. There are residential driveways openings along the street. There is Class III bike lane and no median island in this segment. Pescadero Park and North Elementary school are to the South of this section. The posted speed limit is 25 mph.

There were total of three reported collisions in this segment from 01/01/11-12/31/13. None of the total collisions were speed related.

10 mph pace speed 22 mph. - 31 mph. 85 <sup>th</sup> percentile speed 31 mph. 50 <sup>th</sup> percentile speed 26 mph.
---

The 85<sup>th</sup> percentile speed indicates a 30 mph speed limit and there are no speed related collisions along this segment during the study period. There are residential driveways, school and a park in this segment. In addition there is class III bike route in this segment. Presence of bike route and pedestrian activity, collisions and sight distances at the intersections due to parking in this segment, justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 25 mph.

The recommended speed limit is 25 mph.

- **Lincoln Blvd.**

**Eleventh Street & Grant Line Road**

This segment of Lincoln Blvd. is a four lane minor arterial. The segment is approx. 1.0 mile in length and 62 feet in width. There are residential developments developed on both sides of this segment. On street parking is permitted. There are residential driveway openings along the street. There is class III bike lane and no median island in this segment. There are three schools in close proximity of this section. The posted speed limit is 30 mph.

There were total of twenty-four reported collisions in this segment from 01/01/11-12/31/13. Two of the total collisions were speed related.

10 mph pace speed 26 mph. - 35 mph. 85 <sup>th</sup> percentile speed 36 mph. 50 <sup>th</sup> percentile speed 31 mph.
---

The 85<sup>th</sup> percentile speed indicates a 35 mph speed limit and there are total of two speed related collisions along this segment during the study period. There are residential driveways, school pedestrian crossings in this segment. In addition Lincoln Blvd. is a class III bike route. Presence of bike route, pedestrian activity, collisions and sight distances at the intersections due to parking in this segment, justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 30 mph.

The recommended speed limit is 30 mph.

- **Lowell Avenue**

**Blandford Lane & Orchard Parkway**

This segment of Lowell Avenue is a two lane major collector. The segment is approx. 0.74 mile in length and 50 feet in width. There are residential developments developed on both sides of this segment. Art Freiler Elementary School is within this section. There is a Class II Bike lane along this segment. The posted speed limit is 30 mph.

There were total of five reported collisions in this segment from 01/01/11-12/31/13. One of the collisions was speed related.

10 mph pace speed 26 mph. - 35 mph. 85 <sup>th</sup> percentile speed 35 mph. 50 <sup>th</sup> percentile speed 31 mph.
---

The 85<sup>th</sup> percentile speed indicates a 35 mph speed limit and there are total of one speed related collision along this segment during the study period. There are bike lanes, school pedestrian crossings in this segment. In addition Lowell Avenue has class II bike lanes in this segment. Presence of bike lanes, pedestrian activity, school, sight distance at intersections and collisions in this segment, justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 30 mph.

The recommended speed limit is 30 mph.

**Orchard Parkway-Corral Hollow Road**

This segment of Lowell Avenue is a two lane major collector. The segment is approx. 0.27 mile in length and 50 feet in width. There are residential developments developed on both sides of this segment. There is a Class II Bike lane along this segment. The posted speed limit is 30 mph.

There were no reported collisions in this segment from 01/01/11-12/31/13.

10 mph pace speed 25 mph. - 34 mph. 85 <sup>th</sup> percentile speed 34 mph. 50 <sup>th</sup> percentile speed 30 mph.
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The 85<sup>th</sup> percentile speed indicates a 35 mph speed limit and there were no speed related collisions along this segment during the study period. There are residential driveways, school pedestrian crossings in this segment. In addition Lincoln Blvd. is a class III bike route. Presence of bike route, pedestrian activity, collisions and sight distances at the intersections due to parking in this segment, justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed be reduced to 30 mph.

The recommended speed limit is 30 mph.

- **Lowell Avenue**

**Corral Hollow Road & Lincoln Blvd.**

This segment of Lowell Avenue is a four lane minor arterial. The segment is approx. 0.50 mile in length and 46 feet in width. There are residential developments to the south and to the north exist Merrill F. West High School and Tracy Unified School District Main Office. On street parking is not permitted. This segment contains a Class I and Class III bike lane and Median Island. The posted speed limit is 30 mph.

There were total of nine reported collisions in this segment from 01/01/11-12/31/13. Three of the total collisions were speed related

10 mph pace speed 27 mph. - 36 mph. 85 <sup>th</sup> percentile speed 37 mph. 50 <sup>th</sup> percentile speed 32 mph.
---

The 85<sup>th</sup> percentile speed indicates a 35 mph speed limit and there are total of three speed related collisions along this segment during the study period. There are school pedestrian crossings at traffic signal in this segment. In addition Lowell Avenue has class I bike lane and class III bike route. Presence of bike route, pedestrian activity, collisions and sight distances at the intersections due to parking in this segment, justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore, it is recommended that the posted speed limit remain at 30 mph.

The recommended speed limit is 30 mph.

- **Mac Arthur Drive**

**Eleventh Street & UPRR tracks (South)**

This segment of the Mac Arthur Drive is a two lane major arterial. The segment is approx. 0.40 mile in length and 32 feet in width. There is no median island in this segment. There are two separate sets of railroad tracks crossing at Sixth Street. Tracy High School is close to the intersection of Eleventh Street & Mac Arthur Drive. The posted speed limit is 30 mph.

There were total of six reported collisions in this segment from 01/01/11-12/31/13. Four of the collisions were speed related

10 mph pace speed 27 mph. - 36 mph. 85 <sup>th</sup> percentile speed 37 mph. 50 <sup>th</sup> percentile speed 32 mph.
---

The 85<sup>th</sup> percentile speed indicates a 35 mph speed limit and there are total of four speed related collisions along this segment during the study period. There are two railroad tracks at the south end of this intersection with and an intersection at acute angle. There are commercial driveways in this short segment. This segment is also a truck route. The collision records and presence of driveways, truck route in this segment justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 30 mph.

The recommended speed limit is 30 mph.

**UPRR Tracks -Schulte Road**

This segment of Mac Arthur Drive is a two lane major arterial. There is fully developed residential subdivision on the west side. The east side of this segment is undeveloped. The segment is approx. 0.87 mile in length and 40 feet in width. On street parking is not allowed and there is no bike lane in this segment. The posted speed limit is 40 mph.

There were total of eleven reported collisions in this segment from 01/01/11-12/31/13. Seven of the collisions were speed related

10 mph pace speed 35 mph. - 44 mph. 85 <sup>th</sup> percentile speed 45 mph. 50 <sup>th</sup> percentile speed 40 mph.
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The 85<sup>th</sup> percentile speed indicates a 45 mph speed limit and there are total of seven speed related collisions along this segment during the study period. There is bike lane in portion of this segment. This segment is also a truck route. Presence of bike lane, truck route, and the collision records in this segment justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 40 mph.

The recommended speed limit is 40 mph

- **Mountain House Parkway**

**Berkeley Road & Schulte Road**

This segment of the Mountain House Parkway is a three to four lane major arterial roadway. The segment is approx. 0.50 miles in length and varies from 50 to 100 feet in width. On street parking is restricted on the west side of the segment. There is limited shoulder on the east side of this segment. There is a small segment with median island. There are lane transitions within this segment. There are commercial distribution centers on one side along this segment. This segment is also a major truck route. The posted speed limit is 45 mph.

There were no reported collisions in this segment from 01/01/11-12/31/13.

10 mph pace speed	34 mph. - 43 mph.
85 <sup>th</sup> percentile speed	46 mph.
50 <sup>th</sup> percentile speed	40 mph.

The 85<sup>th</sup> percentile speed indicates a 45 mph speed limit. However 10 mph pace speed is 34 mph to 43 mph. The suggested speed limit is higher than pace speed. Presence of limited shoulder, truck route and lane transitions also justifies the downgrading of justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit in this segment be established at 40 mph.

Therefore the recommended speed limit is 40 mph.

**I-205 & Berkeley Road**

This segment of the Mountain House Parkway is a two-lane arterial roadway. The segment is approximately 0.90 miles in length and 28 feet wide. On street parking is not restricted. There is no bike lane, curb and gutter along this segment. There are some residences along this segment. There is limited shoulder in this segment. This segment is also a major truck route. The posted speed limit is 45 mph.

There were no reported accidents on this roadway from 01/01/11-12/31/13

10 mph pace speed	38 mph. - 47 mph.
85 <sup>th</sup> percentile speed	49 mph.
50 <sup>th</sup> percentile speed	43 mph.

The 85<sup>th</sup> percentile speed indicates a 50 mph speed limit and there are no collisions along this segment during the study period. However 10 mph pace speed is 38 mph to 47 mph. The suggested speed limit is higher than pace speed, which justifies downgrading of the 85<sup>th</sup> percentile speed by 5 mph. Also, presence of limited shoulder, truck route and lane transitions justifies the downgrading of justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed be established at 45 mph.

The recommended speed limit for this section is 45 mph.

- **Parker Avenue**

**Eleventh Street & Grant Line Road**

This segment of Parker Avenue is a two lane major collector. The segment is approx. 1.0 mile in length and 40 feet in width. There are residential developments developed on both sides of this segment. On street parking is permitted. There are residential driveways opening along the street. There is no bike lane and no median island in this segment. Central Elementary School is to the East of this segment. The posted limit is 25 mph.

There are total of sixteen reported collisions in this segment from 01/01/11-12/31/13. One of the collisions was speed related.

10 mph pace speed 24 mph. - 33 mph. 85 <sup>th</sup> percentile speed 32 mph. 50 <sup>th</sup> percentile speed 28 mph.
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The 85<sup>th</sup> percentile speed indicates a 30 mph speed limit and there are total of one speed related collision along this segment during the study period. There are residential driveways, apartment complexes, school and pedestrian crossings in this segment. Presence pedestrian activity, collisions, and sight distances at the intersections due to parking in this segment, justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 25 mph.

The recommended speed limit is 25 mph.



- **Parkside Drive**

**Winter Lane to Corral Hollow Road**

This segment of the Parkside Drive is a two-lane residential collector road. The segment is approx. 0.49 mile in length and 50 feet in width. On street parking is permitted. There is no bike lane and median island. There are residential homes to the north to include driveway openings. The posted speed limit is 25 mph.

There were one reported collisions in this segment from 01/01/11-12/31/13. None of the collisions was speed related.

10 mph pace speed 24 mph. - 33 mph. 85 <sup>th</sup> percentile speed 33 mph. 50 <sup>th</sup> percentile speed 28 mph.
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The 85<sup>th</sup> percentile speed indicates a 30 mph speed limit and there were no reported collisions along this segment during the study period. There are residential driveways, park, and pedestrian crossings in this segment. Presence pedestrian activity and sight distances at the intersections due to parking in this segment, justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 25 mph.

The recommended speed limit is 25 mph.

- **Pescadero Avenue**

**1/2 mile East of Mac Arthur Drive & East City Limits**

This segment of the Pescadero Avenue is a two lane rural undivided collector with two way left turn lane in portion of this segment. The segment is approx. 0.90 mile in length and 26 feet width. On street parking is not restricted. There is no bike lane. This segment does not have fully developed curb and gutter. There is a commercial trucking company to the north side and agricultural land to the south of most part of this segment. The posted speed limit is 40 mph.

There was one reported collision on this roadway from 01/01/11-12/31/13. It was not speed related.

10 mph pace speed 34 mph. - 43 mph. 85 <sup>th</sup> percentile speed 47 mph. 50 <sup>th</sup> percentile speed 40 mph.
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The 85<sup>th</sup> percentile speed indicates a 45 mph speed limit and there are no reported speed related collisions along this segment during the study period. There are commercial driveways and heavy truck traffic in this segment. Also due to partial developed frontages, there are lane transitions in this segment that justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 40 mph.

The recommended speed limit for this segment is 40 mph.

- **Schulte Road**

**Corral Hollow Road & Barcelona Drive**

This segment of Schulte Road is a 4 lane major arterial between Corral Hollow and Barcelona and two lane arterial with minor improvements between Barcelona Drive and Mabel Josephine Lane. The segment length is 0.25 miles and the width of the street is 105 feet between Corral Hollow Road and Barcelona Drive. On street parking is prohibited. There are residential developments to the North and South. There is a class II Bike lane and median island in portion of this segment. The posted speed limit is 35 mph.

There were three reported collisions on this roadway from 01/01/11-12/31/13. One of the collisions was speed.

10 mph pace speed	31 mph. - 40 mph.
85 <sup>th</sup> percentile speed	41 mph.
50 <sup>th</sup> percentile speed	36 mph.

The 85<sup>th</sup> percentile speed indicates a 40 mph speed limit and there was one speed related collision along this segment during the study period. There are residential subdivisions on sides, class II bike lanes and crosswalks in this segment. The segment widens and narrows in this segment. Presence pedestrian activity, segment characteristics, and bike lanes in this segment, justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 35 mph.

The recommended speed limit for this segment is 35 mph.

**Hansen Road & East City Limit**

This segment of the Schulte Road is a two-lane rural arterial road. The segment is approximately 1.0 mile in length and 28 feet wide. On street parking is not restricted. There is no bike lane, curb and gutter along this segment. There are no residences along this segment. The posted speed limit is 55 mph.

There were no reported accidents on this roadway from 01/01/11-12/31/13

10 mph pace speed	43 mph. - 52 mph.
85 <sup>th</sup> percentile speed	53 mph.
50 <sup>th</sup> percentile speed	47 mph.

The 85<sup>th</sup> percentile speed indicates a 55 mph speed limit and there are no collisions along this segment during the study period. However 10 mph pace speed is 43 mph to 52 mph. The suggested speed limit is higher than pace speed, which justifies downgrading of the 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit in this segment be lowered to 50 mph.

The recommended speed limit for this section is 50 mph.

- **Schulte Road**

**Mountain House Parkway & Hansen Road**

This segment of the Schulte Road is a four lane major arterial. The segment is approx. 1.0 mile in length and 100 feet in width. On street parking is not allowed. There is a Class II bike lane and median island present in this segment. There are commercial distribution centers on one side along this segment. There are lane transitions in this segment. This segment is a major truck route and has heavy truck traffic. The posted speed limit is 45 mph.

There were total of two reported collisions in this segment from 01/01/11-12/31/13. Both of collisions were speed related.

10 mph pace speed 37 mph. - 46 mph. 85 <sup>th</sup> percentile speed 46 mph. 50 <sup>th</sup> percentile speed 41 mph.
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The 85<sup>th</sup> percentile speed indicates a 45 mph speed limit and there are two speed related collisions along this segment during the study period. Presence of truck route, bike traffic, and lane transitions justifies the downgrading of the 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit in this segment lowered to 40 mph.

The recommended speed limit is 40 mph.

- **Tennis Lane**

**Tracy Boulevard & Corral Hollow Road**

This segment of Tennis Lane is a two-lane residential collector road. The segment is approx. 1.0 mile in length and 44 feet in width. There are residential driveway openings to the north and south sides of this segment. This segment has bike lanes and bike routes. Also there is frontage of Villalovez Elementary and Williams Middle School in this segment. There is onstreet parking is allowed. The posted speed limit is 25 mph.

There were total of six reported collisions in this segment from 01/01/11-12/31/13. One of the collisions was speed related.

10 mph pace speed 24 mph. - 33 mph. 85 <sup>th</sup> percentile speed 33 mph. 50 <sup>th</sup> percentile speed 28 mph.
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The 85<sup>th</sup> percentile speed indicates a 35 mph speed limit and there was one speed related collisions along this segment during the study period. There are residential driveways, school and pedestrian crossings in this segment. Presence residential density, pedestrian activity, collisions and sight distances at the intersections due to parking in this segment, justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. However due to presence of residential density, it is recommended that the posted speed limit remain at 25 mph

The recommended speed limit is 25 mph.

- **Tracy Boulevard**

**South City Limits & Linne Road**

This segment of Tracy Blvd. is a two lane arterial in the rural area. The segment is approx. 0.90 mile in length and 24 feet in width. On street parking is not prohibited. Curb, gutter and other improvements are not present in this segment. There is limited shoulder in this segment. This segment is heavily used by trucks is currently an established City truck route. The posted speed limit is 40 mph.

There were two reported collisions in this segment from 01/01/11-12/31/13. None speed related.

10 mph pace speed 35 mph. - 44 mph. 85 <sup>th</sup> percentile speed 46 mph. 50 <sup>th</sup> percentile speed 41 mph.
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The 85<sup>th</sup> percentile speed indicates a 45 mph speed limit. There are commercial driveways in this segment. This segment is also a truck route and has major truck traffic. The 10 mph pace is from 35-44 mph. Based on 10 mph pace, limited shoulder and truck traffic in the segment a downgrading of the 85<sup>th</sup> percentile to 40 mph is justified. Therefore it is recommended that the posted speed limit remain at 40 mph

The recommended speed limit is 40 mph.

**Linne Road & Valpico Road**

This segment of Tracy Blvd. is a four lane major arterial. The segment is approx. 1.0 mile in length and eighty eight feet in width. On street parking is prohibited. There is a class II bike lane present. The ACE train station is located to the east and residential developments on the west side of this segment. This segment is heavily used by trucks is currently an established City truck route. The posted speed limit is 40 mph.

There were total of fifteen reported collisions in this segment from 01/01/11-12/31/13. Four of the collisions were speed related.

10 mph pace speed 39 mph. - 48 mph. 85 <sup>th</sup> percentile speed 48 mph. 50 <sup>th</sup> percentile speed 43 mph.
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The 85<sup>th</sup> percentile speed indicates a 50 mph speed limit and there are total of four speed related collisions along this segment during the study period. There are commercial and residential subdivisions on both sides of this segment. Presence pedestrian activity, sight distances at the intersections, and truck route justifies the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the speed limit be established at 45 mph

The recommended speed limit is 45 mph.

- **Tracy Boulevard**

**Sixth Street & Lowell Avenue**

This segment of Tracy Blvd. is a five lane major arterial. The segment is approx. 0.90 mile in length and 68 feet in width. On street parking is not allowed. The bike lane is not present. The median island is present in portion of this segment. There is Community Hospital, residential neighborhoods and schools along this segment. There are schools at Tenth Street, Beverly Place and Lowell Avenue. The posted speed limit is 35 mph.

There were total of forty-one reported collisions in this segment from 01/01/11-12/31/13. Ten of the collisions were speed related.

10 mph pace speed 29 mph. - 38 mph. 85 <sup>th</sup> percentile speed 41 mph. 50 <sup>th</sup> percentile speed 35 mph.
---

The 85<sup>th</sup> percentile speed indicates a 40 mph speed limit and there are total of ten speed related collisions along this segment during the study period. There are commercial driveways, apartment complexes, medical facilities, schools in this segment. In addition Tracy Blvd. is a class III bike route and has a horizontal curve. Presence of bike route, horizontal curve, intersections, pedestrian activity, and collisions in this segment justifies for the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 35 mph.

The recommended speed limit is 35 mph.

**Lowell Avenue & Grant Line Road**

This segment of Tracy Blvd. is a four lane major arterial. The segment is approx. 0.44 mile in length and 60 feet in width. On street parking is not allowed. The bike lane is not present. The median island is present in this segment. There is a middle school at Lowell Avenue. The posted speed limit is 35 mph.

There were total of twenty-two reported collisions in this segment from 01/01/11-12/31/13. Eight of the collisions were speed related.

10 mph pace speed 29 mph. - 38 mph. 85 <sup>th</sup> percentile speed 37.8 mph. 50 <sup>th</sup> percentile speed 33.1 mph.
---

The 85<sup>th</sup> percentile speed indicates a 40 mph speed limit and there are total of espeed related collisions along this segment during the study period. There are commercial driveways, apartment complexes, schools in this segment. In addition Tracy Blvd. is a class III bike route. Presence of bike route, intersections, pedestrian activity and collisions in this segment justifies for the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 35 mph.

The recommended speed limit is 35 mph.

- **Tracy Boulevard**

**Grant Line Road & Larch Road**

This segment of Tracy Blvd. is a four lane major arterial. The segment is approximately 0.75 miles in length and 60 feet in width. On street parking is not allowed. A bike lane is not present. The median island is present in this segment. The posted speed limit is 30 mph.

There were total of forty-eight reported collisions in this segment from 01/01/11-12/31/13. Twelve of the collisions were speed related.

10 mph pace speed 28 mph. - 37 mph. 85 <sup>th</sup> percentile speed 38 mph. 50 <sup>th</sup> percentile speed 33 mph.
---

The 85<sup>th</sup> percentile speed indicates a 40 mph speed limit and there were twelve speed related collisions along this segment during the study period. The proposed speed limit is within the pace speed. Presence of bike route and pedestrian activity and collisions in this segment justifies for the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit be established at 35 mph.

The recommended speed limit is 35 mph.

**Larch Road & 1500' North of Larch Road**

This segment of Tracy Blvd. is a two-lane undivided arterial. The segment is approx. 0.23 mile in length and 32 feet in width. On street parking is prohibited. The bike lane is not present. There are some residential driveways on the west side and commercial properties on east side in this segment. Also, there is a truck stop at the intersection of Larch Road and Tracy Blvd. There are lane transitions and lane merging that occurs in this segment. The posted speed limit is 35 mph.

There were total of nine reported collisions in this segment from 01/01/11-12/31/13. Four of the collisions were speed related.

10 mph pace speed 30 mph. - 39 mph. 85 <sup>th</sup> percentile speed 39.0 mph. 50 <sup>th</sup> percentile speed 35 mph.
---

The 85<sup>th</sup> percentile speed indicates a 40 mph speed limit. There are residential and commercial driveways in this segment. This segment is also a truck route and therefore has greater truck traffic. The 10 mph pace is from 30-39 mph. Based on 10 mph pace speed and presence of truck route, lane transitions and commercial driveways a downgrading of the 85<sup>th</sup> percentile to 35 mph is justified. Therefore, it is recommended that the posted speed limit remain at 35 mph.

The recommended speed limit is 35 mph.



- **Valpico Road**

**West of Sycamore Parkway & Tracy Blvd.**

This segment of Valpico Road is a four lane major arterial. The segment is approx. 0.42 mile in length and 66 feet in width. On street parking is not allowed. The Class II bike lane is present. The median island is also present in this segment. This segment terminates in two lane roadway. There is fully developed residential neighborhoods on the north and south sides. The posted speed limit is 40 mph.

There were total of ten reported collisions in this segment from 01/01/11-12/31/13. Three of these collisions were speed related.

10 mph pace speed 33 mph. - 42 mph. 85 <sup>th</sup> percentile speed 43 mph. 50 <sup>th</sup> percentile speed 38 mph.
---

The 85<sup>th</sup> percentile speed indicates a 45 mph speed limit and there are three speed related collisions along this segment during the study period. However 10 mph pace speed is 33 mph to 42 mph. The suggested speed limit is higher than pace speed. Also presence of pedestrian, bicycle activity, and lane transitions justifies downgrading of the 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit in this segment be 40 mph.

The recommended speed limit is 40 mph.

**Tracy Blvd. & Mac Arthur Drive**

This segment of Valpico Road is a two lane major arterial. The segment is approx. 1.0 mile in length and 34 feet in width along most areas. On street parking is not allowed. The western portion of this segment is commercial properties. The Eastern portion is residential developments. There is a small segment of Class II bike lane along this segment. A median island is present on the easterly portion of this segment. The posted speed limit is 40 mph.

There were total of seventeen reported collisions in this segment from 01/01/11-12/31/13. Five of the collisions were speed related.

10 mph pace speed 35 mph. - 44 mph. 85 <sup>th</sup> percentile speed 46 mph. 50 <sup>th</sup> percentile speed 40 mph.
---

The 85<sup>th</sup> percentile speed indicates a 45 mph speed limit and there are total of five speed related collisions along this segment during the study period. There are commercial driveways, apartment complexes, schools in this segment. In addition this segment of Valpico Road is a truck route, therefore there is greater truck activity in this segment. Presence of bike route and pedestrian activity without shoulder, truck route and collisions in this segment justifies for the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore, it is recommended that the posted speed limit remain at 40 mph.

The recommended speed limit is 40 mph.

- **Valpico Road**

**Chrisman Road & Fair Oaks Road**

This segment of Valpico Road is a two lane undivided major arterial with two- way left turn lane. The segment is approx. 0.50 miles in length and 56 feet in width. On street parking is not prohibited. There is a segment of Class II Bike lane present. There are residential driveways on both sides along this segment. The posted speed limit is 45 mph.

There are total of three reported collisions in this segment from 01/01/11-12/31/13. Two of three reported collision is speed related.

10 mph pace speed 39 mph. - 48 mph. 85 <sup>th</sup> percentile speed 48 mph. 50 <sup>th</sup> percentile speed 43 mph.
---

The 85<sup>th</sup> percentile speed indicates a 50 mph speed limit and there are total of two speed related collisions along this segment during the study period. There are residential driveways in this segment. In addition there is class II bike lane or class III bike route present in this segment. Residential driveways, no shoulder in this segment justifies for the downgrading of 85<sup>th</sup> percentile speed by 5 mph. Therefore it is recommended that the posted speed limit remain at 45 mph.

The recommended speed limit is 45 mph.

Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

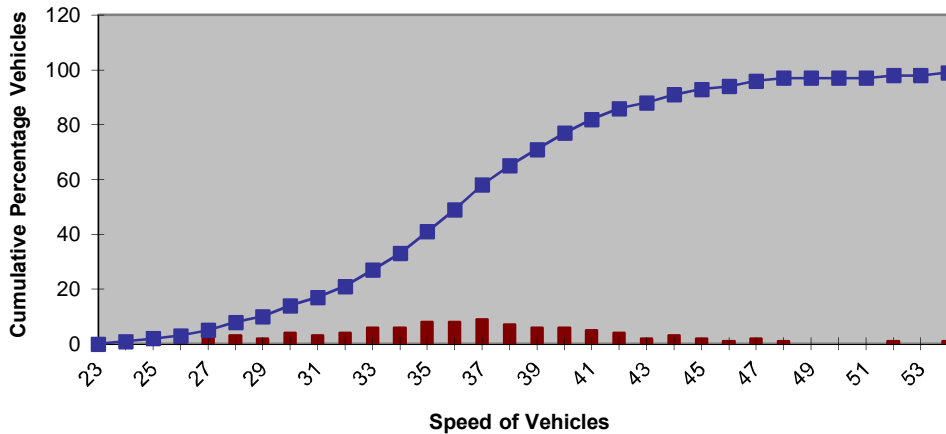
Location:	<b>Arbor Road (Holly Dr-MacArthur Dr)</b>		
Date:	6/12/2014	Recorder:	DM
Begin Time:	1:20 PM	Direction:	EB/WB
End Time:	2:30 PM	Land use:	Agric./Indust.
Day:	Thursday	Type:	Rural Road
Weather:	Clear & Sunny	Posted Limit:	40 mph

SPEED DATA	
Speed	Number
22	0
23	0
24	1
25	1
26	1
27	2
28	3
29	2
30	4
31	3
32	4
33	6
34	6
35	8
36	8
37	9
38	7
39	6
40	6
41	5
42	4
43	2
44	3
45	2
46	1
47	2
48	1
49	0
50	0
51	0
52	1
53	0
54	1
55	1
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	100 veh.
Speed range:	24-55 mph
50th Percentile Speed:	37 mph
85th Percentile Speed:	42 mph
10 mph pace speed:	33-42 mph
Average Speed:	36.85

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	total 4, including 2 speed related
Period:	01/01/11-12/31/13
Street	Two lane - eastbound and westbound - rural road
Volume (if known)	n/a
Parking Conditions:	Rural Area
Other Considerations	There are driveways which fronts the roadway including City Animal Shelter, Industrial area, no shoulder

**RECOMMENDATIONS**

Recommended speed limit = 35 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

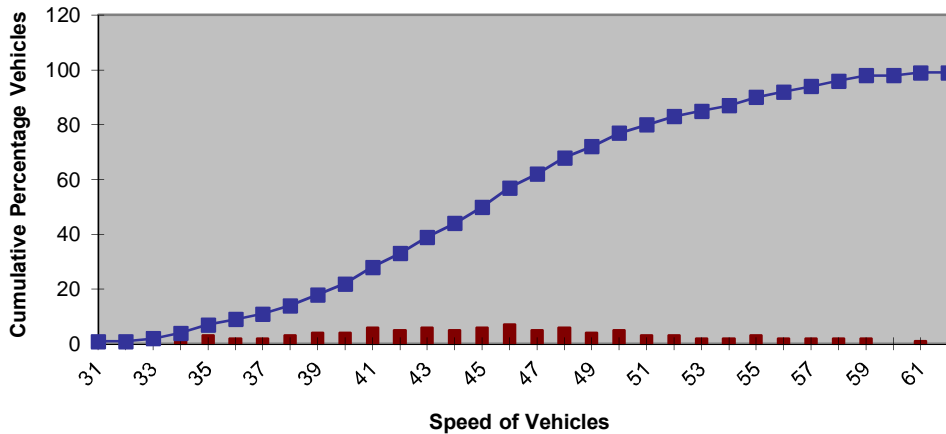
Location:	<b>Brichetto Road (Chrisman Rd. - East City Limit)</b>		
Date:	<u>8/20/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:00 AM</u>	Direction:	<u>EB/WB</u>
End Time:	<u>11:30 AM</u>	Land use:	<u>Agricultural</u>
Day:	<u>Wednesday</u>	Type:	<u>Rural Road</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>50 mph</u>

SPEED DATA	
Speed	Number
30	0
31	1
32	0
33	1
34	2
35	3
36	2
37	2
38	3
39	4
40	4
41	6
42	5
43	6
44	5
45	6
46	7
47	5
48	6
49	4
50	5
51	3
52	3
53	2
54	2
55	3
56	2
57	2
58	2
59	2
60	0
61	1
62	0
63	1
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
74	0
75	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>31-63 mph</u>
50th Percentile Speed:	<u>45.0 mph</u>
85th Percentile Speed:	<u>53.0 mph</u>
10 mph pace speed:	<u>41-50 mph</u>
Average Speed:	<u>45.80</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	No collisions reported
Period:	01/01/06-12/31/08
Street	Two lane Eastbound and Westbound rural road
Volume (if known)	n/a
Parking Conditions:	Rural Area
Other Considerations	No Shoulder, Railroad Work Area

**RECOMMENDATIONS**

Recommended speed limit = 50 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

Location:	<b>Byron Rd. (Corral Hollow Rd.-Lammers Rd)</b>		
Date:	<u>7/12/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:45 AM</u>	Direction:	<u>EB/WB</u>
End Time:	<u>10:50 AM</u>	Land use:	<u>Res/Undevelop</u>
Day:	<u>Thursday</u>	Type:	<u>Major Collector</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>45 mph</u>

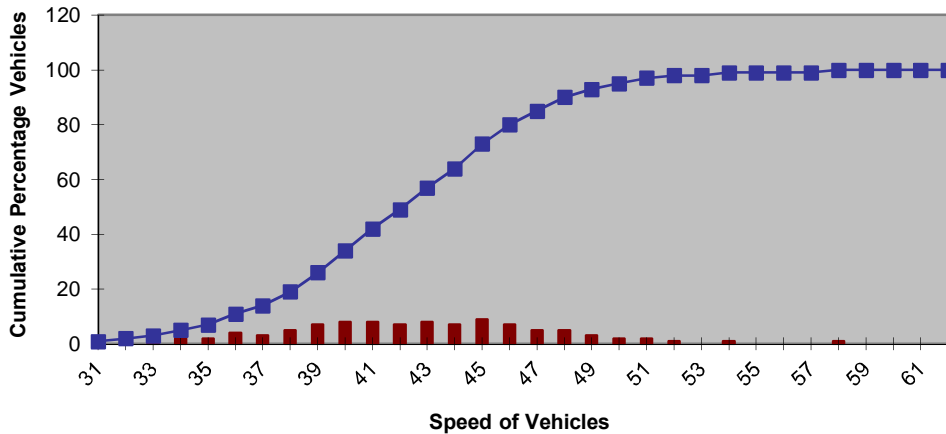
**SPEED DATA**

Speed	Number
30	1
31	0
32	1
33	1
34	2
35	2
36	4
37	3
38	5
39	7
40	8
41	8
42	7
43	8
44	7
45	9
46	7
47	5
48	5
49	3
50	2
51	2
52	1
53	0
54	1
55	0
56	0
57	0
58	1
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
74	0
75	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>30-58 mph</u>
50th Percentile Speed:	<u>43 mph</u>
85th Percentile Speed:	<u>47 mph</u>
10 mph pace speed:	<u>38-47 mph</u>
Average Speed:	<u>42.60</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	15 including 5 speed related
Period:	01/01/11-12/31/13
Street	Two lanes with two way left turn lane
Volume (if known)	n/a
Parking Conditions:	No parking, driveways
Other Considerations	Bike lane in section, Residential Entries

**RECOMMENDATIONS**

Recommended speed limit = 40 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

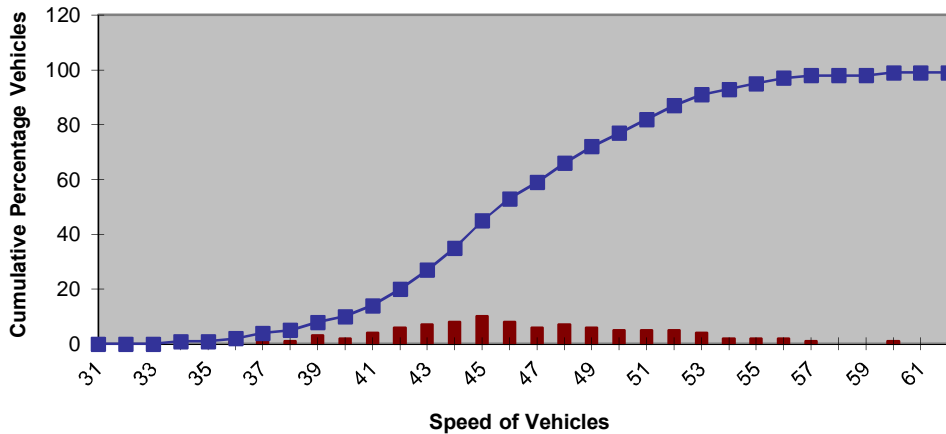
Location:	<b>Chrisman Road (North City limits-Valpico Rd.)</b>		
Date:	<u>7/3/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>10:20 AM</u>	Direction:	<u>NB&amp;SB</u>
End Time:	<u>10:55 AM</u>	Land use:	<u>Comm/Resd.</u>
Day:	<u>Thursday</u>	Type:	<u>Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>45 mph</u>

SPEED DATA	
Speed	Number
30	0
31	0
32	0
33	0
34	1
35	0
36	1
37	2
38	1
39	3
40	2
41	4
42	6
43	7
44	8
45	10
46	8
47	6
48	7
49	6
50	5
51	5
52	5
53	4
54	2
55	2
56	2
57	1
58	0
59	0
60	1
61	0
62	0
63	0
64	1
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
74	0
75	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>34-64 mph</u>
50th Percentile Speed:	<u>46 mph</u>
85th Percentile Speed:	<u>52 mph</u>
10 mph pace speed:	<u>41-50 mph</u>
Average Speed:	<u>46.66</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 2, including 1 intersection related
Period:	01/01/11-12/31/13
Street	2 lanes without median island (TWLTL)
Volume (if known)	
Parking Conditions:	No parking, No Bike Lane
Other Considerations	Four way stop at Chrisman and Valpico, lane transitions

**RECOMMENDATIONS**

Recommended speed limit = 45 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

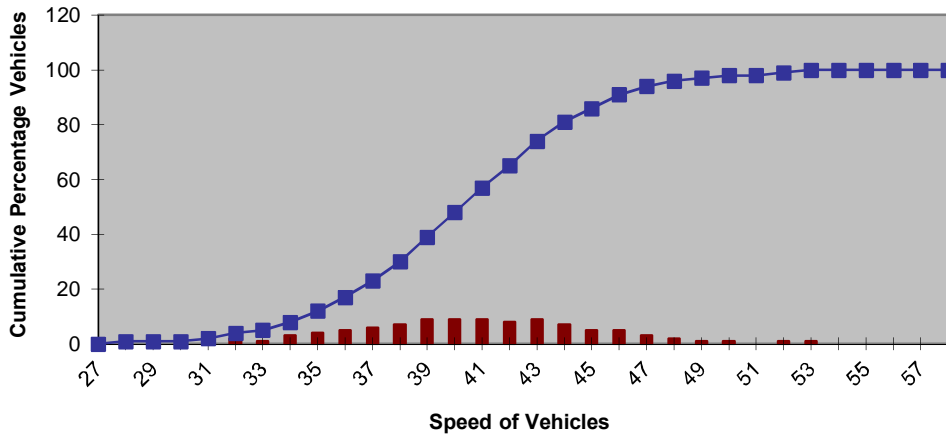
Location:	<b>Corral Hollow Road (Parkside - Valpico (City Segment))</b>		
Date:	<u>8/5/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>10:10 AM</u>	Direction:	<u>NB/SB</u>
End Time:	<u>11:10 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Tuesday</u>	Type:	<u>Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>40</u>

SPEED DATA	
Speed	Number
26	0
27	0
28	1
29	0
30	0
31	1
32	2
33	1
34	3
35	4
36	5
37	6
38	7
39	9
40	9
41	9
42	8
43	9
44	7
45	5
46	5
47	3
48	2
49	1
50	1
51	0
52	1
53	1
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 Vehicles</u>
Speed range:	<u>28-53 mph</u>
50th Percentile Speed:	<u>41 mph</u>
85th Percentile Speed:	<u>45 mph</u>
10 mph pace speed:	<u>36-45 mph</u>
Average Speed:	<u>40.73</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 7, including 3 speed related
Period:	01/01/11-12/31/13
Street	Arterial
Volume (if known)	
Parking Conditions:	Parking restricted
Other Considerations	Residential Driveways, Limited Shoulder, intersections lane transitions

**RECOMMENDATIONS**

Recommended speed limit = 40 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

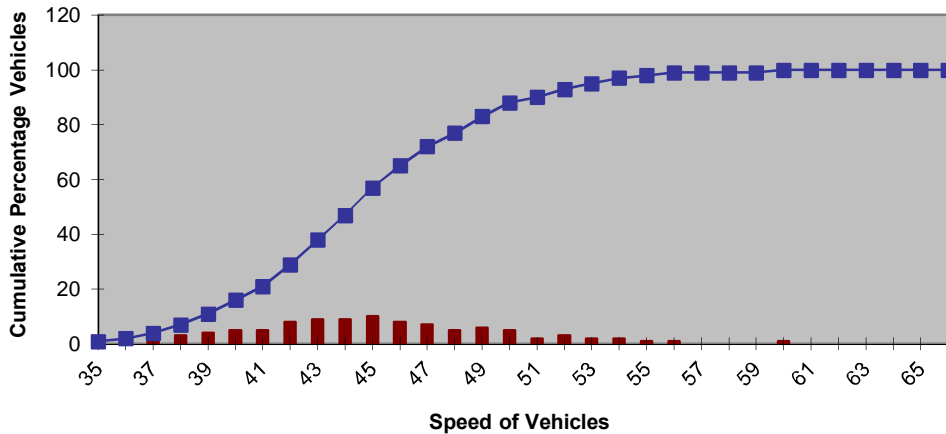
Location:	<b>Corral Hollow Road (Peony Drive-Linne Road)</b>		
Date:	8/5/2014	Recorder:	DM
Begin Time:	9:10 AM	Direction:	NB/SB
End Time:	10:00 AM	Land use:	Residential Dev.
Day:	Tuesday	Type:	Arterial
Weather:	Clear & Sunny	Posted Limit:	45 mph

SPEED DATA	
Speed	Number
34	0
35	1
36	1
37	2
38	3
39	4
40	5
41	5
42	8
43	9
44	9
45	10
46	8
47	7
48	5
49	6
50	5
51	2
52	3
53	2
54	2
55	1
56	1
57	0
58	0
59	0
60	1
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
74	0
75	0
76	0
77	0
78	0
79	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	100 veh.
Speed range:	35-60 mph
50th Percentile Speed:	44 mph
85th Percentile Speed:	50 mph
10 mph pace speed:	41-50 mph
Average Speed:	45.13

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 11, including 2 speed related
Period:	01/01/11-12/31/13
Street	Two lanes, no median island
Volume (if known)	n/a
Parking Conditions:	Parking Prohibited
Other Considerations	Bike lane present one portion of segment, lane transitions

**RECOMMENDATIONS**

Recommended speed limit = 45 mph





Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

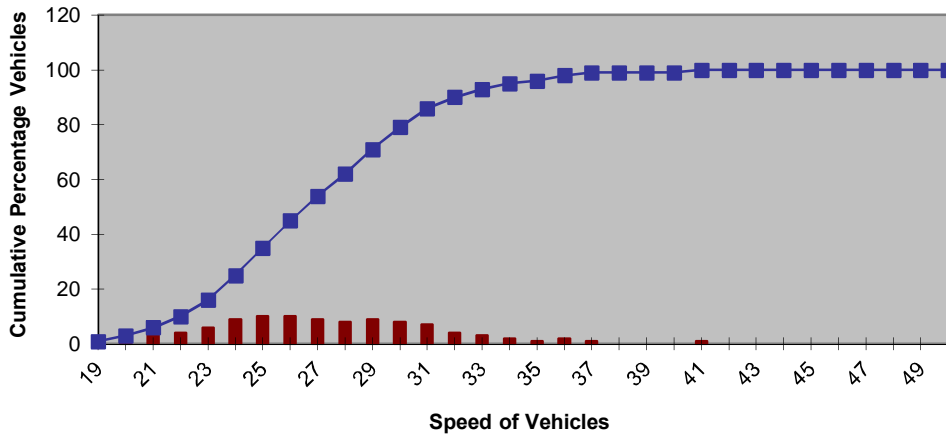
Location:	<b>East Street (Sixth Street-Eleventh Street)</b>		
Date:	<u>9/3/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>10:40 AM</u>	Direction:	<u>NB/SB</u>
End Time:	<u>11:15 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Wednesday</u>	Type:	<u>Minor Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>25 mph</u>

SPEED DATA	
Speed	Number
18	0
19	1
20	2
21	3
22	4
23	6
24	9
25	10
26	10
27	9
28	8
29	9
30	8
31	7
32	4
33	3
34	2
35	1
36	2
37	1
38	0
39	0
40	0
41	1
42	0
43	0
44	0
45	0
46	0
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>19-41 mph</u>
50th Percentile Speed:	<u>27 mph</u>
85th Percentile Speed:	<u>31 mph</u>
10 mph pace speed:	<u>22-31mph</u>
Average Speed:	<u>27.39</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 3, including 0 speed related
Period:	01/01/11-12/31/13
Street	Two Lane without median island
Volume (if known)	n/a
Parking Conditions:	On street parking allowed, residential driveways
Other Considerations	Street fronts Tracy Community Center/Senior Center

**RECOMMENDATIONS**

Recommended speed limit = 25 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

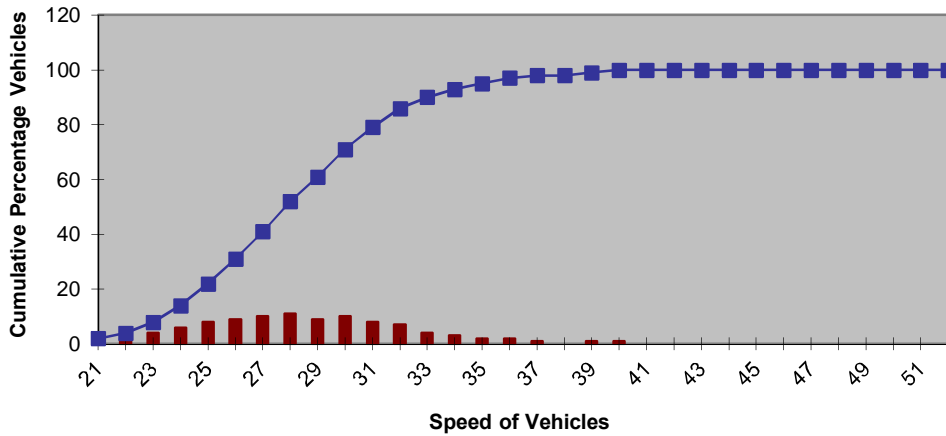
Location:	<b>East Street (Eleventh St.-Grant Line Road)</b>		
Date:	<u>7/8/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>11:00 AM</u>	Direction:	<u>NB/SB</u>
End Time:	<u>11:35 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Tuesday</u>	Type:	<u>Minor Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>25 mph</u>

SPEED DATA	
Speed	Number
20	1
21	1
22	2
23	4
24	6
25	8
26	9
27	10
28	11
29	9
30	10
31	8
32	7
33	4
34	3
35	2
36	2
37	1
38	0
39	1
40	1
41	0
42	0
43	0
44	0
45	0
46	0
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>20-40 mph</u>
50th Percentile Speed:	<u>28 mph</u>
85th Percentile Speed:	<u>32 mph</u>
10 mph pace speed:	<u>23-32mph</u>
Average Speed:	<u>28.58</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 12 including 2 speed related
Period:	01/01/11-12/31/13
Street	Two lane Northbound and Southbound street
Volume (if known)	n/a
Parking Conditions:	On street parking allowed, residential driveways
Other Considerations	Street fronts Tracy High School, Lincoln Park

**RECOMMENDATIONS**

Recommended speed limit = 25 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

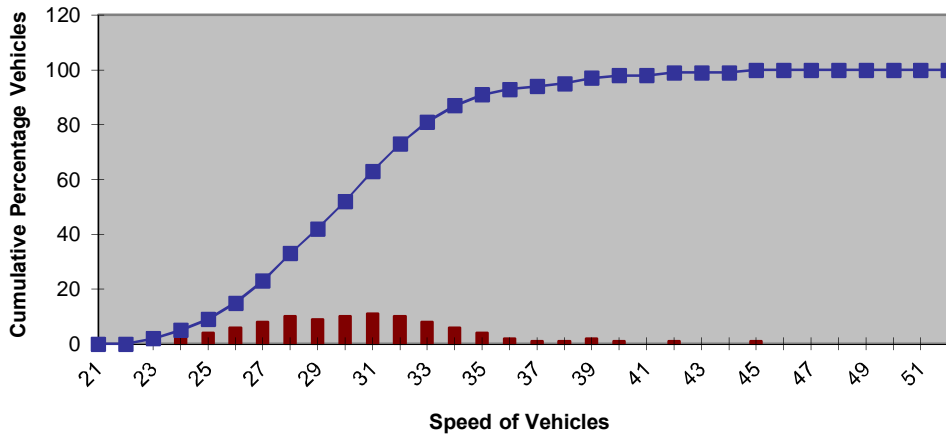
Location:	<b>Eleventh Street (Tracy Blvd.-East St.)</b>		
Date:	<u>6/18/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:30 AM</u>	Direction:	<u>EB/WB</u>
End Time:	<u>10:00 AM</u>	Land use:	<u>Commercial</u>
Day:	<u>Wednesday</u>	Type:	<u>Major Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>30 mph</u>

SPEED DATA	
Speed	Number
20	0
21	0
22	0
23	2
24	3
25	4
26	6
27	8
28	10
29	9
30	10
31	11
32	10
33	8
34	6
35	4
36	2
37	1
38	1
39	2
40	1
41	0
42	1
43	0
44	0
45	1
46	0
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>23-45 mph</u>
50th Percentile Speed:	<u>30 mph</u>
85th Percentile Speed:	<u>34 mph</u>
10 mph pace speed:	<u>26-35 mph</u>
Average Speed:	<u>30.52</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 58, including 21 speed related
Period:	01/01/11-12/31/13
Street	Four lane with two way left turn lane
Volume (if known)	
Parking Conditions:	Parking is prohibited, no bike lane present
Other Considerations	Residential and commercial driveways, Intermediate intersections

**RECOMMENDATIONS**

Recommended speed limit = 30 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

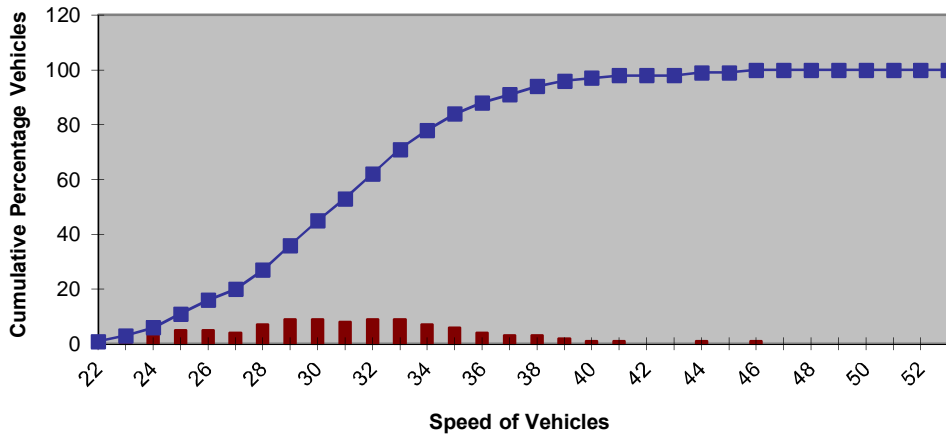
Location:	<b>Glenbriar Drive (Valpico Rd.-Glenbriar Cir.)</b>		
Date:	<u>6/17/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:30 AM</u>	Direction:	<u>NB&amp;SB</u>
End Time:	<u>10:30 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Tuesday</u>	Type:	<u>Collector</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>30 mph</u>

SPEED DATA	
Speed	Number
21	0
22	1
23	2
24	3
25	5
26	5
27	4
28	7
29	9
30	9
31	8
32	9
33	9
34	7
35	6
36	4
37	3
38	3
39	2
40	1
41	1
42	0
43	0
44	1
45	0
46	1
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>22-46 mph</u>
50th Percentile Speed:	<u>31 mph</u>
85th Percentile Speed:	<u>36 mph</u>
10 mph pace speed:	<u>26-35 mph.</u>
Average Speed:	<u>31.29</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 1, including 0 speed related
Period:	01/01/11-12/31/13
Street	2 lanes
Volume (if known)	
Parking Conditions:	Parking is permitted on both sides
Other Considerations	Residential Area, Neighborhood Park at end of segment

**RECOMMENDATIONS**

Recommended speed limit = 30 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

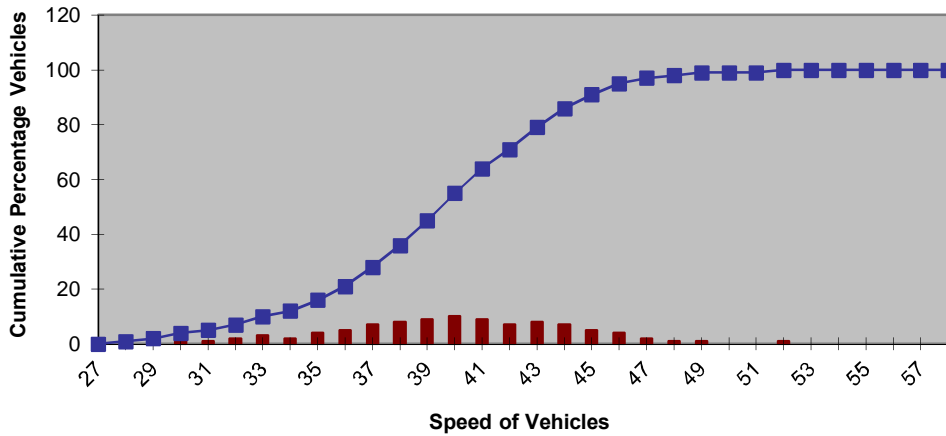
Location:	<b>Grant Line Rd. (Corral Hollow Rd.-Tracy Blvd.)</b>		
Date:	<u>7/1/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:50 AM</u>	Direction:	<u>EB/WB</u>
End Time:	<u>10:15 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Tuesday</u>	Type:	<u>Major Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>40 mph</u>

SPEED DATA	
Speed	Number
26	0
27	0
28	1
29	1
30	2
31	1
32	2
33	3
34	2
35	4
36	5
37	7
38	8
39	9
40	10
41	9
42	7
43	8
44	7
45	5
46	4
47	2
48	1
49	1
50	0
51	0
52	1
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>28-52 mph</u>
50th Percentile Speed:	<u>40 mph</u>
85th Percentile Speed:	<u>44 mph</u>
10 mph pace speed:	<u>36-45 mph</u>
Average Speed:	<u>39.80</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 37, including 6 speed related
Period:	01/01/11-12/31/13
Street	4 lane EB and WB street with a portion of median island
Volume (if known)	n/a
Parking Conditions:	On street parking not allowed, Class II Bike Lane
Other Considerations	Intermediate intersections, Two Way Left turn lane

**RECOMMENDATIONS**

Recommended speed limit = 40 mph



**VEHICLE SPEED SURVEY REPORT**

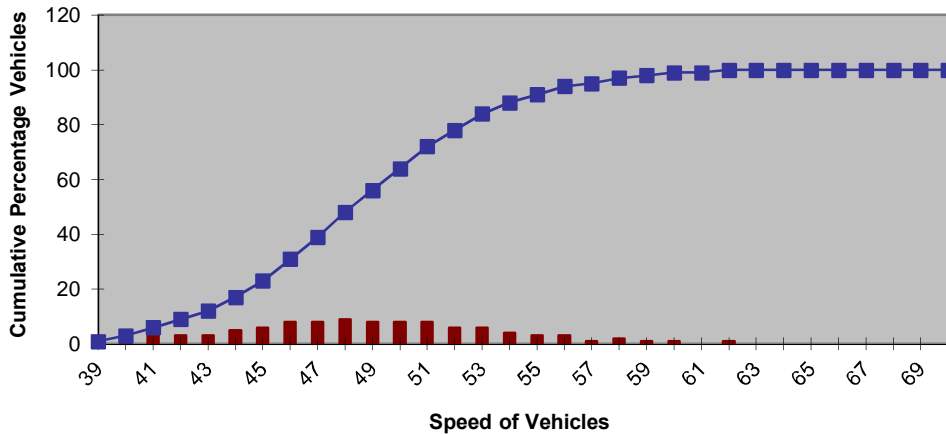
Location:	<b>Hansen Road (I-205 to Schulte Rd)</b>		
Date:	9/9/2014	Recorder:	DM
Begin Time:	1:15 PM	Direction:	NB/SB
End Time:	3:00 PM	Land use:	Agricultural
Day:	Tuesday	Type:	Major Arterial
Weather:	Clear & Sunny	Posted Limit:	Not Posted

SPEED DATA	
Speed	Number
38	1
39	0
40	2
41	3
42	3
43	3
44	5
45	6
46	8
47	8
48	9
49	8
50	8
51	8
52	6
53	6
54	4
55	3
56	3
57	1
58	2
59	1
60	1
61	0
62	1
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
74	0
75	0
76	0
77	0
78	0
79	0
80	0
81	0
82	0
83	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	100 veh.
Speed range:	44-53 mph
50th Percentile Speed:	49 mph
85th Percentile Speed:	54 mph
10 mph pace speed:	46-55 mph
Average Speed:	48.95

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	No reported accidents
Period:	01/01/11-12/31/13
Street	
Volume (if known)	
Parking Conditions:	No on street parking, no bike lane, narrow shoulder
Other Considerations	Rural Area

**RECOMMENDATIONS**



Recommended speed limit = 50 mph

Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

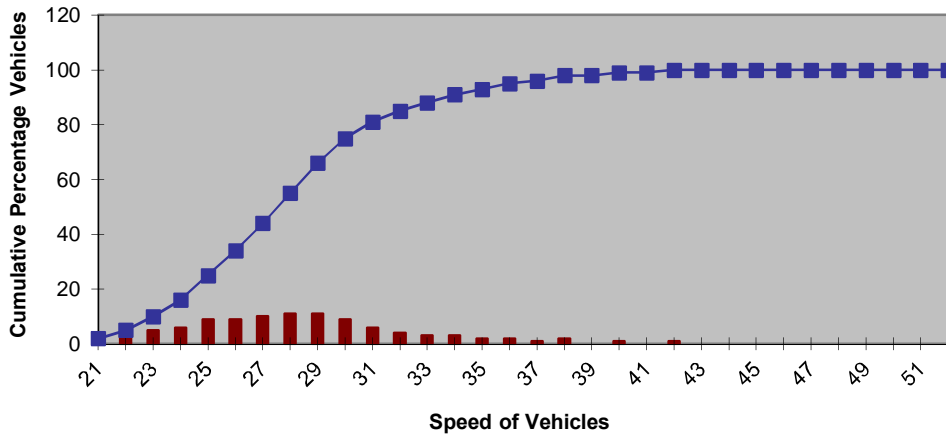
Location:	<b>Holly Drive (Eleventh St - Grant Line Rd)</b>		
Date:	<u>7/8/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>10:15 AM</u>	Direction:	<u>NB/SB</u>
End Time:	<u>10:50 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Tuesday</u>	Type:	<u>Minor Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>25 mph</u>

SPEED DATA	
Speed	Number
20	1
21	1
22	3
23	5
24	6
25	9
26	9
27	10
28	11
29	11
30	9
31	6
32	4
33	3
34	3
35	2
36	2
37	1
38	2
39	0
40	1
41	0
42	1
43	0
44	0
45	0
46	0
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>20-42 mph</u>
50th Percentile Speed:	<u>28 mph</u>
85th Percentile Speed:	<u>32 mph</u>
10 mph pace speed:	<u>23-32 mph</u>
Average Speed:	<u>28.44</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	total of 14, including 2 speed related
Period:	01/01/11-12/31/13
Street	2 lanes without median island
Volume (if known)	
Parking Conditions:	On street parking, residential driveways
Other Considerations	School at Eaton Ave , Library

**RECOMMENDATIONS**

Recommended speed limit = 25 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

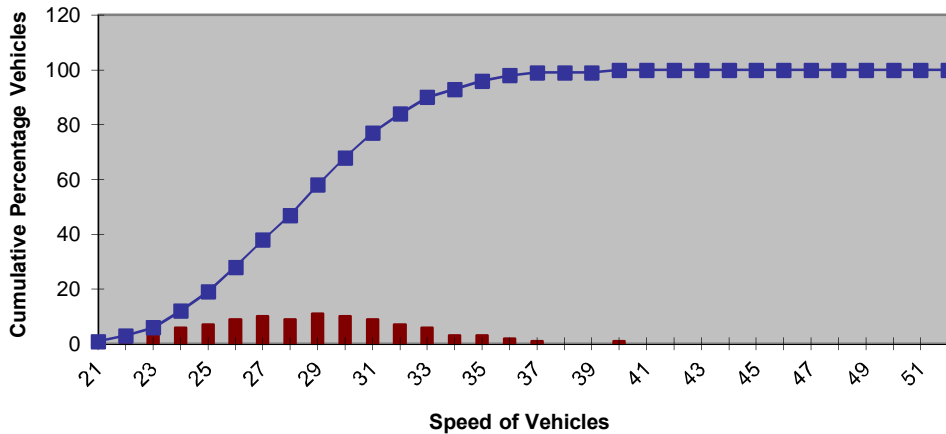
Location:	<b>Holly Drive (Grant Line Rd - Clover Rd)</b>		
Date:	<u>7/8/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>1:50 PM</u>	Direction:	<u>NB/SB</u>
End Time:	<u>2:15 PM</u>	Land use:	<u>Residential</u>
Day:	<u>Tuesday</u>	Type:	<u>Minor Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>25 mph</u>

SPEED DATA	
Speed	Number
20	0
21	1
22	2
23	3
24	6
25	7
26	9
27	10
28	9
29	11
30	10
31	9
32	7
33	6
34	3
35	3
36	2
37	1
38	0
39	0
40	1
41	0
42	0
43	0
44	0
45	0
46	0
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>21-40 mph</u>
50th Percentile Speed:	<u>29 mph</u>
85th Percentile Speed:	<u>33 mph</u>
10 mph pace speed:	<u>24-33 mph</u>
Average Speed:	<u>28.85</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 2, including 0 speed related
Period:	01/01/11-12/31/13
Street	2 lanes without median island
Volume (if known)	
Parking Conditions:	On street parking, residential driveways
Other Considerations	School at Kavanagh, residential density

**RECOMMENDATIONS**

Recommended speed limit = 25 mph





Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

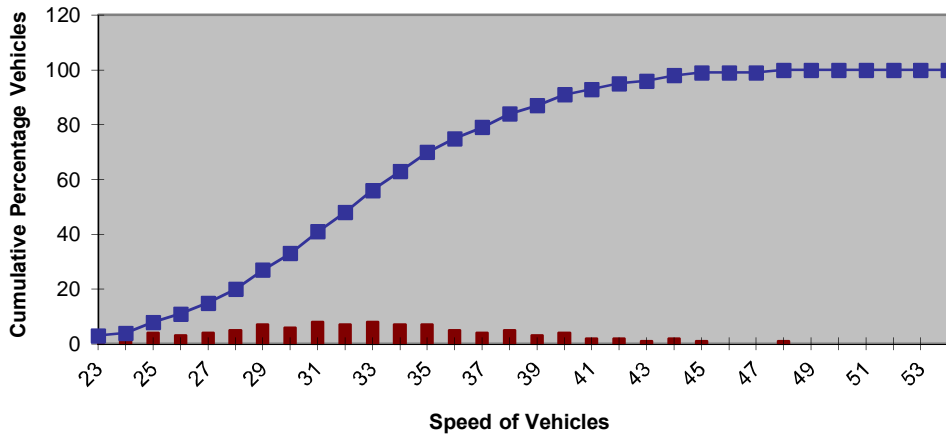
Location:	<b>Holly Drive (Clover Road - Arbor Road)</b>		
Date:	<u>7/24/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>11:00 AM</u>	Direction:	<u>NB/SB</u>
End Time:	<u>11:40 AM</u>	Land use:	<u>Commercial</u>
Day:	<u>Thursday</u>	Type:	<u>Minor Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>35 mph</u>

SPEED DATA	
Speed	Number
22	1
23	2
24	1
25	4
26	3
27	4
28	5
29	7
30	6
31	8
32	7
33	8
34	7
35	7
36	5
37	4
38	5
39	3
40	4
41	2
42	2
43	1
44	2
45	1
46	0
47	0
48	1
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>22-48 mph</u>
50th Percentile Speed:	<u>33 mph</u>
85th Percentile Speed:	<u>39 mph</u>
10 mph pace speed:	<u>29-38 mph</u>
Average Speed:	<u>33.05</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 3, including 0 intersection related
Period:	01/01/11-12/31/13
Street	Two lanes without median island
Volume (if known)	n/a
Parking Conditions:	Commerical Area/Waste Water Treatment Plant
Other Considerations	Adjacent speed zone is 25 mph, Bridge

**RECOMMENDATIONS**

Recommended speed limit = 35 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

Location:	<b>Kavanagh Avenue (Tracy Blvd.-Balboa)</b>		
Date:	<u>6/18/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>1:15 PM</u>	Direction:	<u>EB/WB</u>
End Time:	<u>2:10 PM</u>	Land use:	<u>Residential</u>
Day:	<u>Wednesday</u>	Type:	<u>Res/Collector</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>25 mph</u>

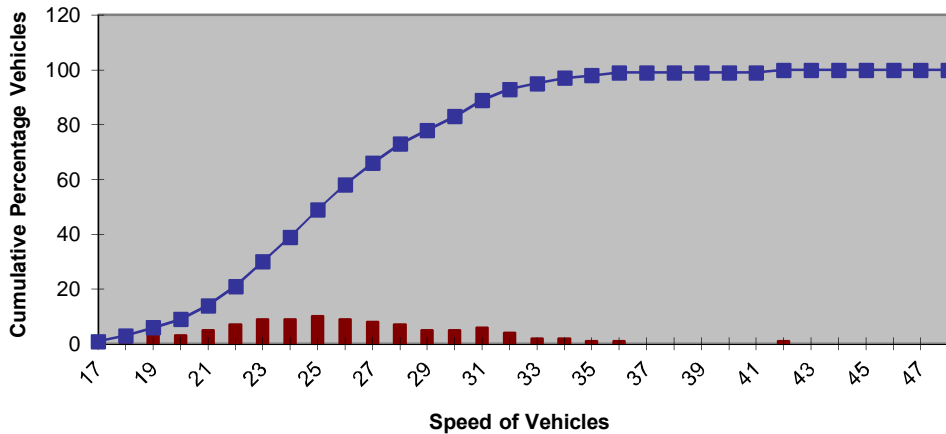
**SPEED DATA**

Speed	Number
16	1
17	0
18	2
19	3
20	3
21	5
22	7
23	9
24	9
25	10
26	9
27	8
28	7
29	5
30	5
31	6
32	4
33	2
34	2
35	1
36	1
37	0
38	0
39	0
40	0
41	0
42	1
43	0
44	0
45	0
46	0
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>16-42 mph</u>
50th Percentile Speed:	<u>26 mph</u>
85th Percentile Speed:	<u>31 mph</u>
10 mph pace speed:	<u>22-31 mph</u>
Average Speed:	<u>26.03</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 3, including 0 speed related
Period:	01/01/11-12/31/13
Street	No Bike lane
Volume (if known)	n/a
Parking Conditions:	Street parking allowed, no Bike lane present
Other Considerations	North Elementary School within this segment, Residential Area

**RECOMMENDATIONS**

Recommended speed limit = 25 mph



**VEHICLE SPEED SURVEY REPORT**

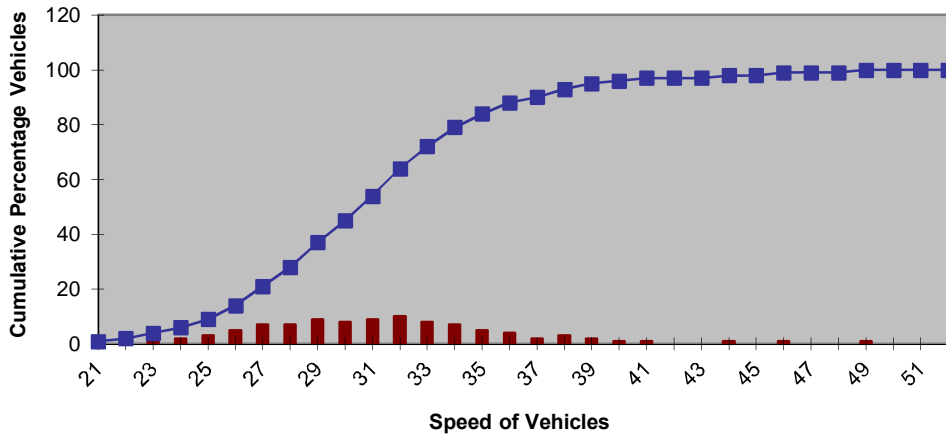
Location:	<b>Lincoln Boulevard (Grant Line Road-11th Street)</b>		
Date:	<u>8/6/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:30 AM</u>	Direction:	<u>NB/SB</u>
End Time:	<u>10:00 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Wednesday</u>	Type:	<u>Minor Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>30 mph</u>

SPEED DATA	
Speed	Number
20	1
21	0
22	1
23	2
24	2
25	3
26	5
27	7
28	7
29	9
30	8
31	9
32	10
33	8
34	7
35	5
36	4
37	2
38	3
39	2
40	1
41	1
42	0
43	0
44	1
45	0
46	1
47	0
48	0
49	1
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>20-49 mph</u>
50th Percentile Speed:	<u>31 mph</u>
85th Percentile Speed:	<u>36 mph</u>
10 mph pace speed:	<u>26-35 mph.</u>
Average Speed:	<u>31.33</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 24, including 2 speed related
Period:	01/01/11-12/31/13
Street	4 lanes without median island
Volume (if known)	
Parking Conditions:	On street parking, Residential Driveways, Bike Lane
Other Considerations	Close to school proximity(Monte Vista, West High)

**RECOMMENDATIONS**

Recommended speed limit = 30 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

Location:	<b>Lowell Avenue (Blandford Lane-Orchard Parkway)</b>		
Date:	<u>9/9/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>10:20 AM</u>	Direction:	<u>EB&amp;WB</u>
End Time:	<u>11:10 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Tuesday</u>	Type:	<u>Major Collector</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>30 mph</u>

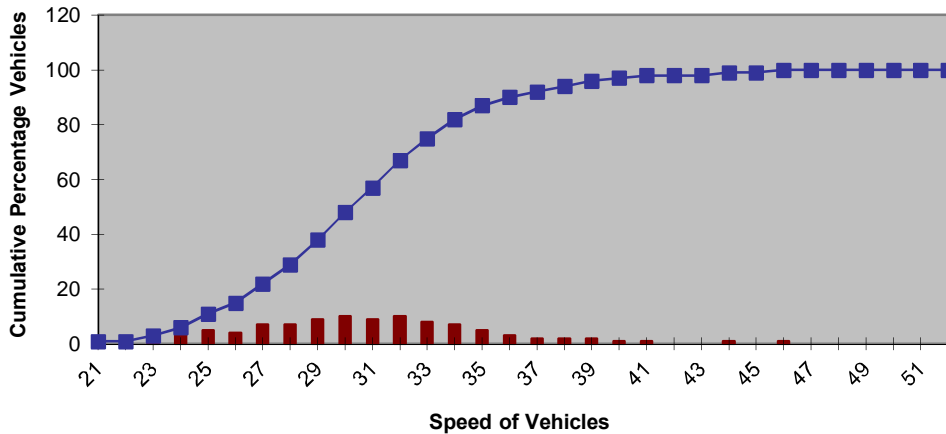
**SPEED DATA**

Speed	Number
20	0
21	1
22	0
23	2
24	3
25	5
26	4
27	7
28	7
29	9
30	10
31	9
32	10
33	8
34	7
35	5
36	3
37	2
38	2
39	2
40	1
41	1
42	0
43	0
44	1
45	0
46	1
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh</u>
Speed range:	<u>21-46 mph</u>
50th Percentile Speed:	<u>31 mph</u>
85th Percentile Speed:	<u>35 mph</u>
10 mph pace speed:	<u>26-35 mph</u>
Average Speed:	<u>30.97</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 5, including 1 speed related
Period:	01/01/11-12/31/13
Street	Two Lane Street
Volume (if known)	
Parking Conditions:	No parking, Class II Bike Lane
Other Considerations	Elementary School, intermediate intersections

**RECOMMENDATIONS**

Recommended speed limit = 30 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

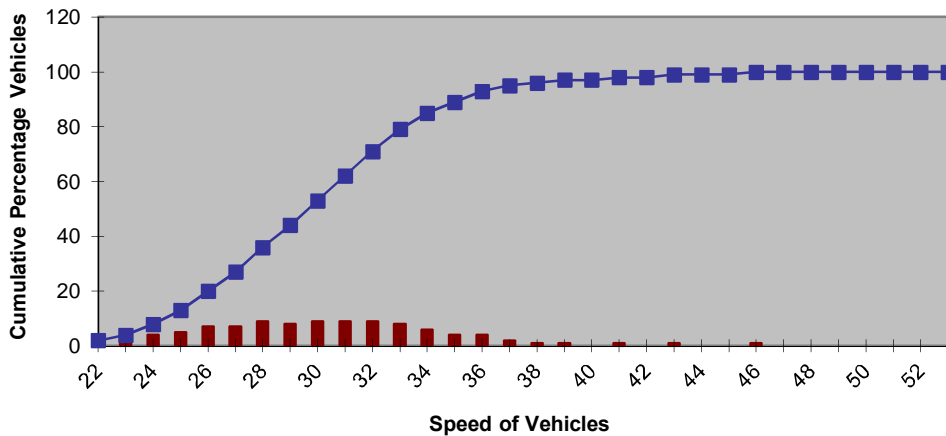
Location:	<b>Lowell Avenue (Orchard Parkway-Corral Hollow Rd.)</b>		
Date:	8/19/2014	Recorder:	DM
Begin Time:	1:30pm	Direction:	EB&WB
End Time:	2:05pm	Land use:	Residential
Day:	Tuesday	Type:	Major Collector
Weather:	Clear & Sunny	Posted Limit:	30 mph

SPEED DATA	
Speed	Number
21	1
22	1
23	2
24	4
25	5
26	7
27	7
28	9
29	8
30	9
31	9
32	9
33	8
34	6
35	4
36	4
37	2
38	1
39	1
40	0
41	1
42	0
43	1
44	0
45	0
46	1
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	100 veh.
Speed range:	21-46mph
50th Percentile Speed:	30 mph
85th Percentile Speed:	34 mph
10 mph pace speed:	25-34 mph.
Average Speed:	30.35

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	No reported accidents
Period:	01/01/11-12/31/13
Street	2 lanes with median island
Volume (if known)	
Parking Conditions:	No parking, Class II Bike Lane
Other Considerations	Adjacent to Park, Elementary School

**RECOMMENDATIONS**

Recommended speed limit = 30 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

Location:	<b>Lowell Avenue (Corral Hollow Rd - Lincoln Blvd)</b>		
Date:	<u>8/19/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>10:00am</u>	Direction:	<u>EB&amp;WB</u>
End Time:	<u>11:30am</u>	Land use:	<u>Resd./School</u>
Day:	<u>Tuesday</u>	Type:	<u>Major Collector</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>30 mph</u>

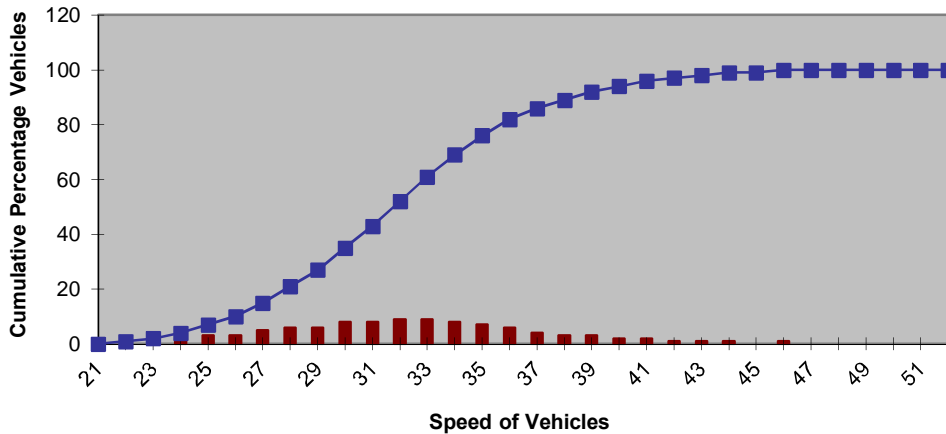
**SPEED DATA**

Speed	Number
20	0
21	0
22	1
23	1
24	2
25	3
26	3
27	5
28	6
29	6
30	8
31	8
32	9
33	9
34	8
35	7
36	6
37	4
38	3
39	3
40	2
41	2
42	1
43	1
44	1
45	0
46	1
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>22-46 mph</u>
50th Percentile Speed:	<u>32 mph</u>
85th Percentile Speed:	<u>37 mph</u>
10 mph pace speed:	<u>27-36 mph</u>
Average Speed:	<u>32.45</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 9, including 3 speed related
Period:	01/01/11-12/31/13
Street	4 lanes with Median Island
Volume (if known)	
Parking Conditions:	No on street parking, Bike lane
Other Considerations	Schools( West High School)

**RECOMMENDATIONS**

Recommended speed limit = 30 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

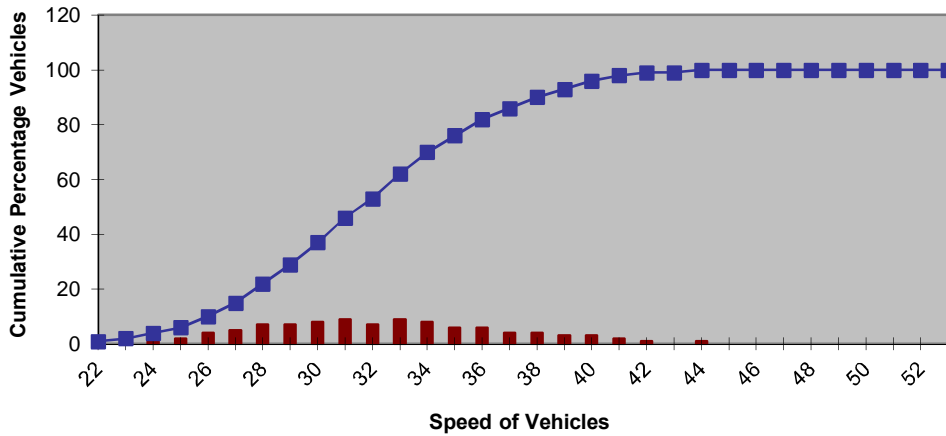
Location:	<b>Mac Arthur Drive (Eleventh St. - South UPRR Tracks)</b>		
Date:	<u>6/17/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>1:20 PM</u>	Direction:	<u>NB&amp;SB</u>
End Time:	<u>2:00 PM</u>	Land use:	<u>Comm/Resd.</u>
Day:	<u>Tuesday</u>	Type:	<u>Major Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>30 mph</u>

SPEED DATA	
Speed	Number
21	1
22	0
23	1
24	2
25	2
26	4
27	5
28	7
29	7
30	8
31	9
32	7
33	9
34	8
35	6
36	6
37	4
38	4
39	3
40	3
41	2
42	1
43	0
44	1
45	0
46	0
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>21-44 mph</u>
50th Percentile Speed:	<u>32 mph</u>
85th Percentile Speed:	<u>37 mph</u>
10 mph pace speed:	<u>27-36 mph</u>
Average Speed:	<u>32.23</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 6, including 4 speed related
Period:	01/01/11-12/31/13
Street	2 lane without median island
Volume (if known)	
Parking Conditions:	No parking in portion of this segment
Other Considerations	RR line along Macarthur Dr., Crossing at 11th, Driveways

**RECOMMENDATIONS**

Recommended speed limit = 30 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

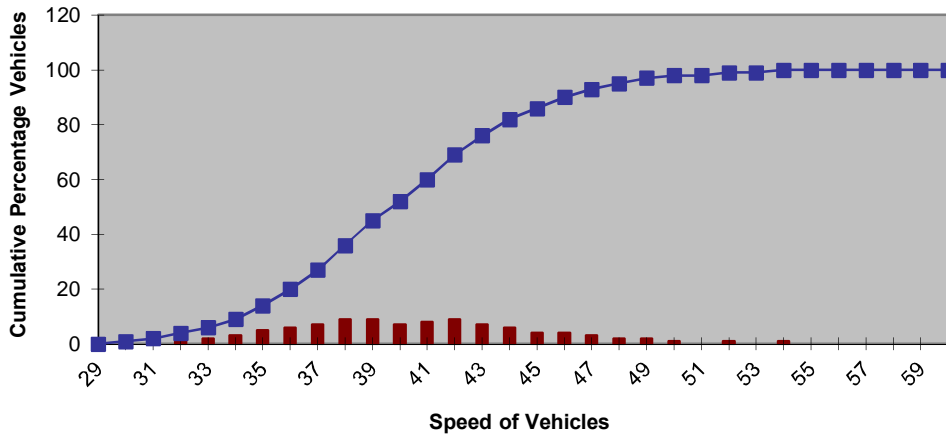
Location:	<b>Mac Arthur Drive (South UPRR Tracks-Schulte Road)</b>		
Date:	<u>10/29/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>10:30 AM</u>	Direction:	<u>NB&amp;SB</u>
End Time:	<u>11:00 AM</u>	Land use:	<u>Comm/Resd.</u>
Day:	<u>Wednesday</u>	Type:	<u>Major Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>40 mph</u>

SPEED DATA	
Speed	Number
28	0
29	0
30	1
31	1
32	2
33	2
34	3
35	5
36	6
37	7
38	9
39	9
40	7
41	8
42	9
43	7
44	6
45	4
46	4
47	3
48	2
49	2
50	1
51	0
52	1
53	0
54	1
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh</u>
Speed range:	<u>30-54 mph</u>
50th Percentile Speed:	<u>40 mph</u>
85th Percentile Speed:	<u>45 mph</u>
10 mph pace speed:	<u>35-44 mph</u>
Average Speed:	<u>40.42</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 11, including 7 speed related
Period:	01/01/11-12/31/13
Street	2 lanes without median island, segment of Class II Bike lane
Volume (if known)	
Parking Conditions:	No parking
Other Considerations	Bike Lane, Street width changes

**RECOMMENDATIONS**

Recommended speed limit = 40 mph





**VEHICLE SPEED SURVEY REPORT**

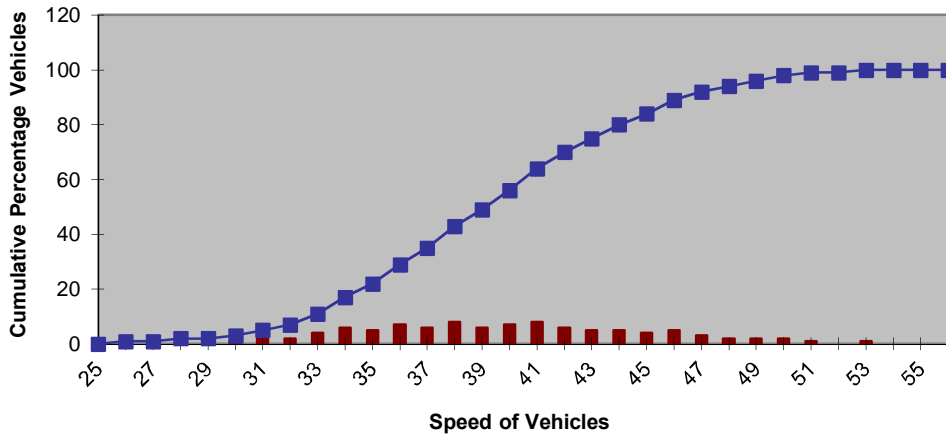
Location:	<b>Mountain House Pkwy (Berkeley Rd to Schulte Rd)</b>		
Date:	<u>8/12/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:20 AM</u>	Direction:	<u>NB/SB</u>
End Time:	<u>10:10 AM</u>	Land use:	<u>Industrial</u>
Day:	<u>Tuesday</u>	Type:	<u>Major Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>45 mph</u>

SPEED DATA	
Speed	Number
24	0
25	0
26	1
27	0
28	1
29	0
30	1
31	2
32	2
33	4
34	6
35	5
36	7
37	6
38	8
39	6
40	7
41	8
42	6
43	5
44	5
45	4
46	5
47	3
48	2
49	2
50	2
51	1
52	0
53	1
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>26-53 mph</u>
50th Percentile Speed:	<u>40 mph</u>
85th Percentile Speed:	<u>46 mph</u>
10 mph pace speed:	<u>34-43 mph</u>
Average Speed:	<u>39.77</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	0 reported accidents
Period:	01/01/11-12/31/13
Street	4 lanes with stripped median island
Volume (if known)	
Parking Conditions:	On street parking, no bike lane
Other Considerations	Industrial Area, Truck Usage

**RECOMMENDATIONS**

Recommended speed limit = 40 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

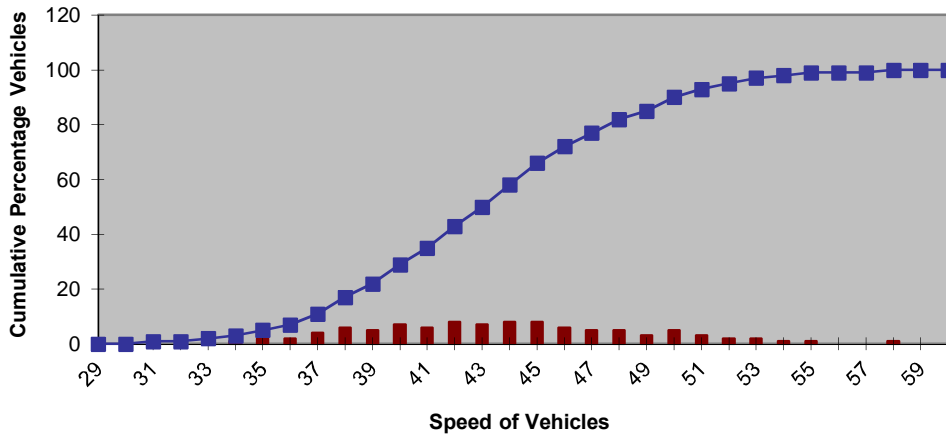
Location:	<b>Mountain House Pkwy (I-205 to Berkeley Rd)</b>		
Date:	<u>8/12/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>1:25 PM</u>	Direction:	<u>NB/SB</u>
End Time:	<u>2:00 PM</u>	Land use:	<u>Agricultural</u>
Day:	<u>Tuesday</u>	Type:	<u>Major Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>45 mph</u>

SPEED DATA	
Speed	Number
28	0
29	0
30	0
31	1
32	0
33	1
34	1
35	2
36	2
37	4
38	6
39	5
40	7
41	6
42	8
43	7
44	8
45	8
46	6
47	5
48	5
49	3
50	5
51	3
52	2
53	2
54	1
55	1
56	0
57	0
58	1
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>31-58 mph</u>
50th Percentile Speed:	<u>43 mph</u>
85th Percentile Speed:	<u>49 mph</u>
10 mph pace speed:	<u>38-47 mph</u>
Average Speed:	<u>43.64</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	No reported accidents
Period:	01/01/06-12/31/08
Street	4 lanes with striped median island
Volume (if known)	
Parking Conditions:	No on street parking, no bike lane
Other Considerations	Rural Area, Limited shoulder

**RECOMMENDATIONS**

Recommended speed limit = 45 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

Location:	<b>Parker Avenue (11th Street-Grant Line Road)</b>		
Date:	<u>7/24/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>10:00 AM</u>	Direction:	<u>NB&amp;SB</u>
End Time:	<u>10:35 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Thursday</u>	Type:	<u>Minor Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>25 mph</u>

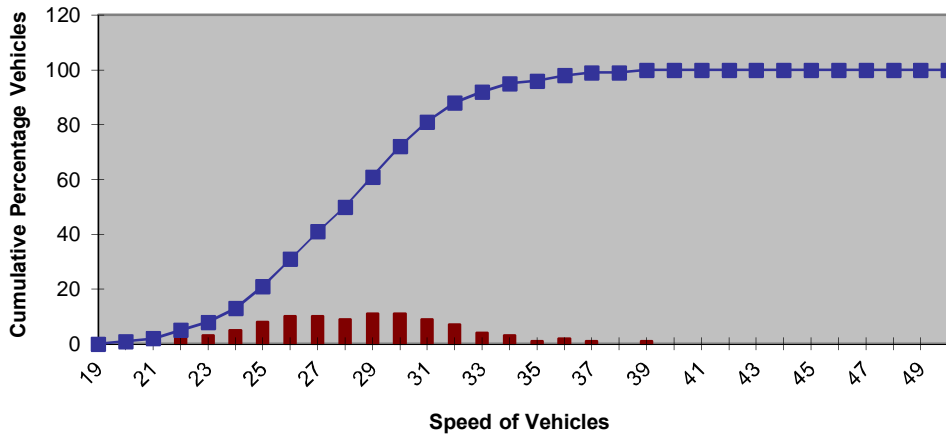
**SPEED DATA**

Speed	Number
18	0
19	0
20	1
21	1
22	3
23	3
24	5
25	8
26	10
27	10
28	9
29	11
30	11
31	9
32	7
33	4
34	3
35	1
36	2
37	1
38	0
39	1
40	0
41	0
42	0
43	0
44	0
45	0
46	0
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>20-39 mph</u>
50th Percentile Speed:	<u>28 mph</u>
85th Percentile Speed:	<u>32 mph</u>
10 mph pace speed:	<u>24-33 mph</u>
Average Speed:	<u>28.47</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 16, including 1 speed related
Period:	01/01/11-12/31/13
Street	2 lanes without Median Island
Volume (if known)	
Parking Conditions:	On Street Parking, Residential Driveways
Other Considerations	Schools (Central School, St. Bernards School)

**RECOMMENDATIONS**

Recommended speed limit = 25 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

Location:	<b>Parkside Drive (Winter Lane-Corral Hollow Rd.)</b>		
Date:	<u>7/2/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:30 AM</u>	Direction:	<u>EB&amp;WB</u>
End Time:	<u>10:50 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Wednesday</u>	Type:	<u>Res. Collector</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>25 mph</u>

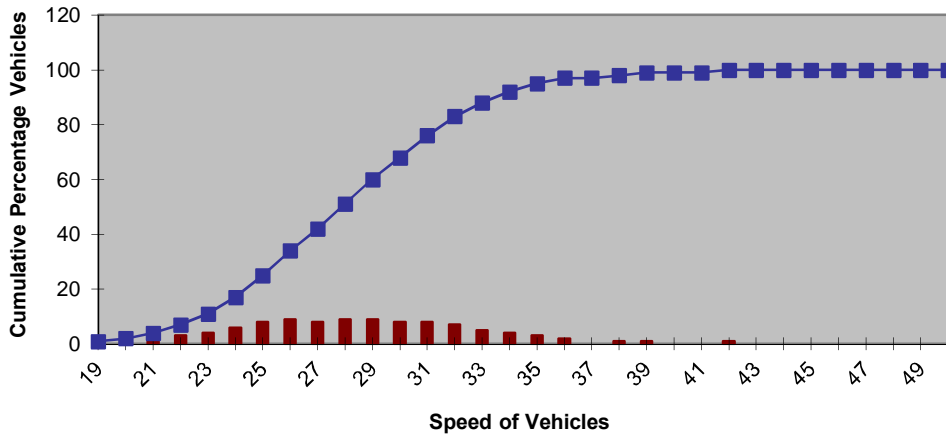
**SPEED DATA**

Speed	Number
18	0
19	1
20	1
21	2
22	3
23	4
24	6
25	8
26	9
27	8
28	9
29	9
30	8
31	8
32	7
33	5
34	4
35	3
36	2
37	0
38	1
39	1
40	0
41	0
42	1
43	0
44	0
45	0
46	0
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100veh.</u>
Speed range:	<u>19-42mph</u>
50th Percentile Speed:	<u>28 mph</u>
85th Percentile Speed:	<u>33 mph</u>
10 mph pace speed:	<u>24-33 mph</u>
Average Speed:	<u>28.55</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	1 reported collision, not speed related
Period:	01/01/11-12/31/13
Street	2 lane Road without median island
Volume (if known)	
Parking Conditions:	On street parking
Other Considerations	Residential Driveways, City Park, Intermediate intersections

**RECOMMENDATIONS**

Recommended speed limit = 25 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

Location: **Pescadero Ave. (2500' E. of MacArthur - East City limits)**  
 Date: 6/25/2014 Recorder: DM  
 Begin Time: 9:30 AM Direction: EB&WB  
 End Time: 11:15 AM Land use: Ag/Industrial  
 Day: Wednesday Type: Collector  
 Weather: Clear & Sunny Posted Limit: 40 mph

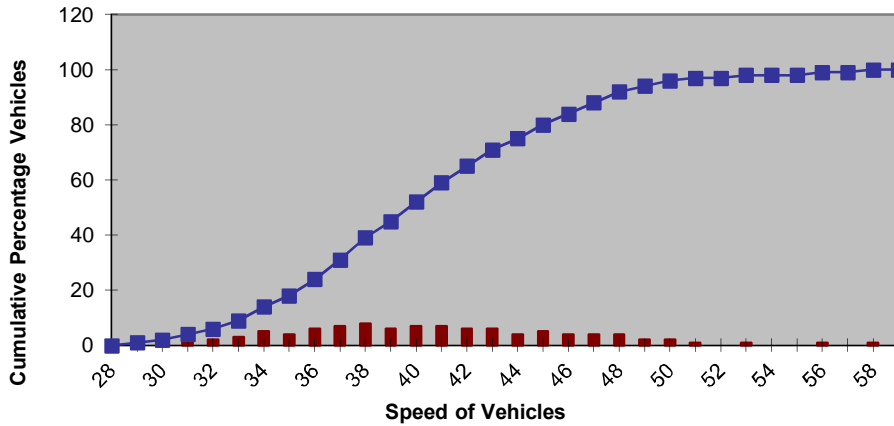
**SPEED DATA**

Speed	Number
27	0
28	0
29	1
30	1
31	2
32	2
33	3
34	5
35	4
36	6
37	7
38	8
39	6
40	7
41	7
42	6
43	6
44	4
45	5
46	4
47	4
48	4
49	2
50	2
51	1
52	0
53	1
54	0
55	0
56	1
57	0
58	1
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed: 100 veh.  
 Speed range: 29-58 mph  
 50th Percentile Speed: 40 mph  
 85th Percentile Speed: 47 mph  
 10 mph pace speed: 34-43 mph  
 Average Speed: 40.65

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents: Total 1, not speed related  
 Period: 01/01/11-12/31/13  
 Street: 2 lanes without a median island  
 Volume (if known):  
 Parking Conditions: Parking restricted in major segment  
 Other Considerations: Industrial driveways

**RECOMMENDATIONS**

Recommended speed limit = 40 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

Location:	<b>Schulte Road (Corral Hollow Rd.- Barcelona Drive)</b>		
Date:	<u>8/14/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:30 AM</u>	Direction:	<u>EB&amp;WB</u>
End Time:	<u>10:30 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Thursday</u>	Type:	<u>Major Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>35 mph</u>

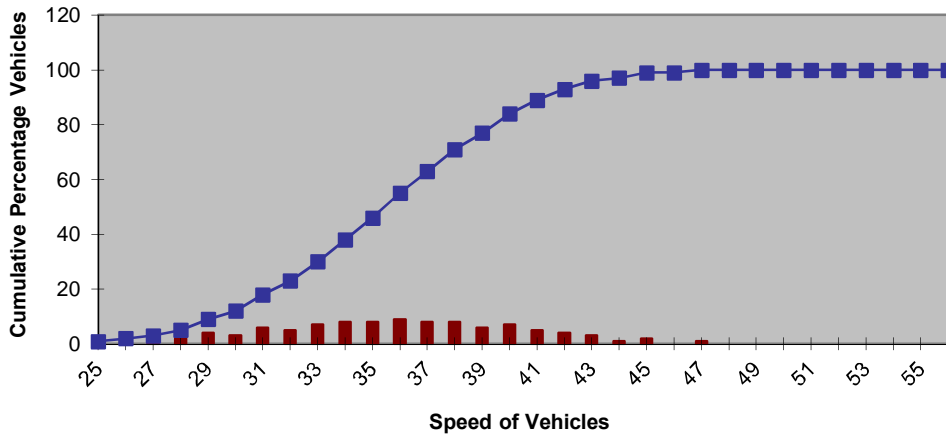
**SPEED DATA**

Speed	Number
24	0
25	1
26	1
27	1
28	2
29	4
30	3
31	6
32	5
33	7
34	8
35	8
36	9
37	8
38	8
39	6
40	7
41	5
42	4
43	3
44	1
45	2
46	0
47	1
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>25-47 mph</u>
50th Percentile Speed:	<u>36 mph</u>
85th Percentile Speed:	<u>41 mph</u>
10 mph pace speed:	<u>31-40 mph</u>
Average Speed:	<u>35.90</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 3, including 1 speed related
Period:	01/01/11-12/31/13
Street	4 lanes with median island
Volume (if known)	
Parking Conditions:	No parking, Class II Bike Lane
Other Considerations	Road narrows ahead and then ends

**RECOMMENDATIONS**

Recommended speed limit = 35 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

Location:	<b>Schulte Road (Hansen Rd to East City Limit)</b>		
Date:	8/13/2014	Recorder:	DM
Begin Time:	1:30 PM	Direction:	EB/WB
End Time:	2:15 PM	Land use:	Agricultural
Day:	Wednesday	Type:	Major Arterial
Weather:	Clear & Sunny	Posted Limit:	55 mph

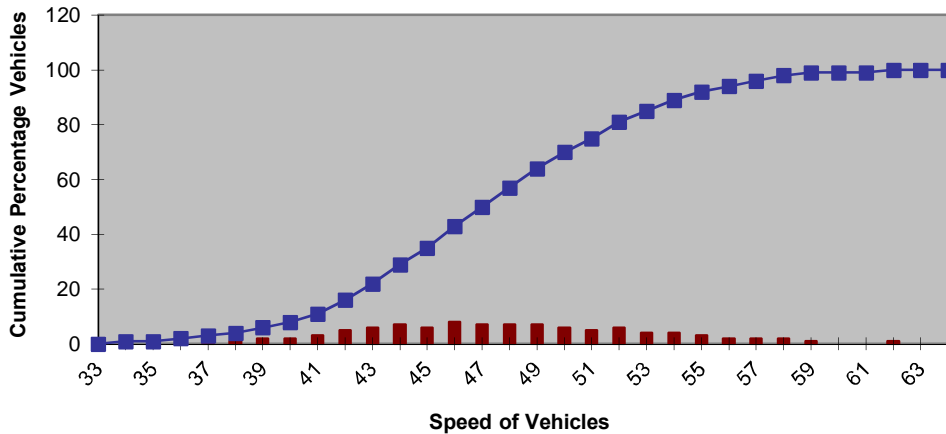
**SPEED DATA**

Speed	Number
32	0
33	0
34	1
35	0
36	1
37	1
38	1
39	2
40	2
41	3
42	5
43	6
44	7
45	6
46	8
47	7
48	7
49	7
50	6
51	5
52	6
53	4
54	4
55	3
56	2
57	2
58	2
59	1
60	0
61	0
62	1
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
74	0
75	0
76	0
77	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	100 veh.
Speed range:	34-62 mph
50th Percentile Speed:	47.0 mph
85th Percentile Speed:	53.0 mph
10 mph pace speed:	43-52 mph
Average Speed:	47.71

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	No reported accidents
Period:	01/01/11-12/31/13
Street	
Volume (if known)	
Parking Conditions:	No onstreet parking
Other Considerations	Bike Route, Rural Driveways, Trucks

**RECOMMENDATIONS**

Recommended speed limit = 50 mph



**VEHICLE SPEED SURVEY REPORT**

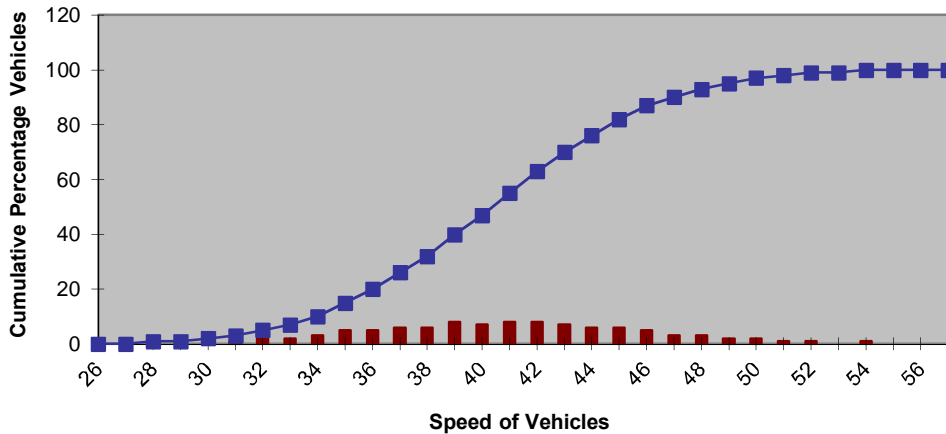
Location:	<b>Schulte Road (Mt. House Pkwy to Hansen Rd)</b>		
Date:	<u>8/12/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>10:20 AM</u>	Direction:	<u>EB/WB</u>
End Time:	<u>11:00 AM</u>	Land use:	<u>Industrial</u>
Day:	<u>Tuesday</u>	Type:	<u>Major Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>45 mph</u>

SPEED DATA	
Speed	Number
25	0
26	0
27	0
28	1
29	0
30	1
31	1
32	2
33	2
34	3
35	5
36	5
37	6
38	6
39	8
40	7
41	8
42	8
43	7
44	6
45	6
46	5
47	3
48	3
49	2
50	2
51	1
52	1
53	0
54	1
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>28-54 mph</u>
50th Percentile Speed:	<u>41 mph</u>
85th Percentile Speed:	<u>46 mph</u>
10 mph pace speed:	<u>37-46 mph</u>
Average Speed:	<u>40.87</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 2, both speed related
Period:	01/01/11-12/31/13
Street	4 lanes with striped median island
Volume (if known)	
Parking Conditions:	On Street Parking in portion of the segment
Other Considerations	Bike Route

**RECOMMENDATIONS**

Recommended speed limit = 40 mph





Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

Location:	<b>Tennis Lane (Tracy Blvd.- Corral Hollow Rd)</b>		
Date:	<u>6/25/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>1:20 PM</u>	Direction:	<u>EB&amp;WB</u>
End Time:	<u>2:30 PM</u>	Land use:	<u>Residential</u>
Day:	<u>Wednesday</u>	Type:	<u>Res. Collector</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>25 mph</u>

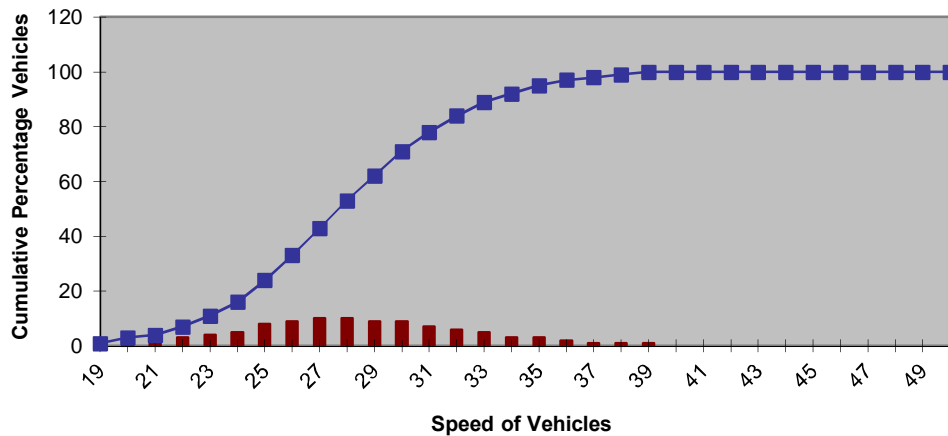
**SPEED DATA**

Speed	Number
18	0
19	1
20	2
21	1
22	3
23	4
24	5
25	8
26	9
27	10
28	10
29	9
30	9
31	7
32	6
33	5
34	3
35	3
36	2
37	1
38	1
39	1
40	0
41	0
42	0
43	0
44	0
45	0
46	0
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>19-39 mph</u>
50th Percentile Speed:	<u>28 mph</u>
85th Percentile Speed:	<u>33 mph</u>
10 mph pace speed:	<u>24-33 mph</u>
Average Speed:	<u>28.40</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 6, including 1 speed related
Period:	01/01/11-12/31/13
Street	2 lanes without a median island
Volume (if known)	
Parking Conditions:	Parking Allowed, No Bike Lane
Other Considerations	Williams Middle School, Residential Driveways

**RECOMMENDATIONS**

Recommended speed limit = 25 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

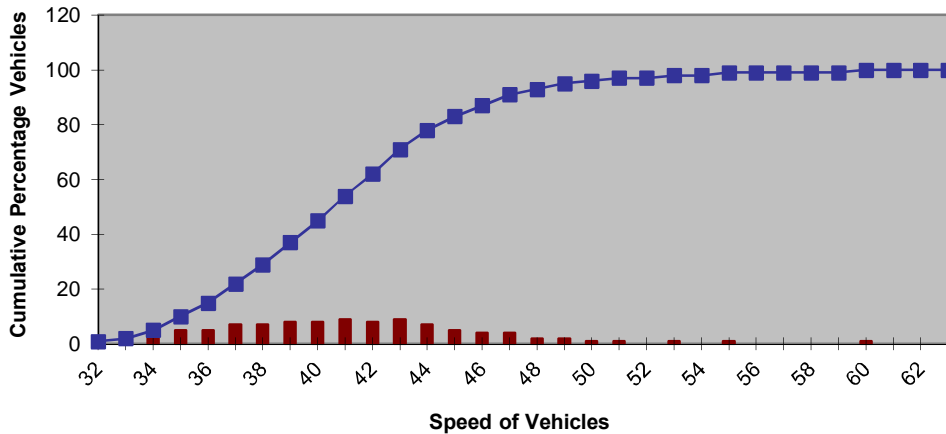
Location:	<b>Tracy Blvd. (Linne Road-South City limits)</b>		
Date:	<u>7/22/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:30 AM</u>	Direction:	<u>NB/SB</u>
End Time:	<u>10:30 AM</u>	Land use:	<u>Res/Industrial</u>
Day:	<u>Tuesday</u>	Type:	<u>Rural Road</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>40 mph</u>

SPEED DATA	
Speed	Number
31	0
32	1
33	1
34	3
35	5
36	5
37	7
38	7
39	8
40	8
41	9
42	8
43	9
44	7
45	5
46	4
47	4
48	2
49	2
50	1
51	1
52	0
53	1
54	0
55	1
56	0
57	0
58	0
59	0
60	1
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
74	0
75	0
76	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh</u>
Speed range:	<u>32-60 mph</u>
50th Percentile Speed:	<u>41 mph</u>
85th Percentile Speed:	<u>46 mph</u>
10 mph pace speed:	<u>35-44 mph</u>
Average Speed:	<u>41.39</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 2, 0 speed related
Period:	01/01/11-12/31/13
Street	Two lane Northbound and Southbound rural road
Volume (if known)	n/a
Parking Conditions:	No parking, no bike lane
Other Considerations	No curb and gutter, Tracy Airport vicinity, Industrial area

**RECOMMENDATIONS**

Recommended speed limit = 40 mph



**VEHICLE SPEED SURVEY REPORT**

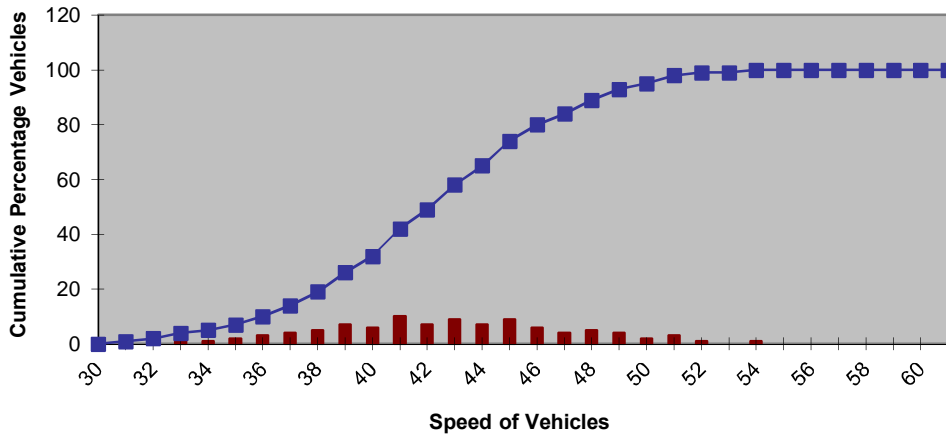
Location:	<b>Tracy Blvd.(Valpico Road-Linne Road)</b>		
Date:	<u>7/24/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>1:30 PM</u>	Direction:	<u>NB&amp;SB</u>
End Time:	<u>1:55 PM</u>	Land use:	<u>Comm/Resd.</u>
Day:	<u>Thursday</u>	Type:	<u>Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>40 mph</u>

SPEED DATA	
Speed	Number
29	0
30	0
31	1
32	1
33	2
34	1
35	2
36	3
37	4
38	5
39	7
40	6
41	10
42	7
43	9
44	7
45	9
46	6
47	4
48	5
49	4
50	2
51	3
52	1
53	0
54	1
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
74	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>31-54 mph</u>
50th Percentile Speed:	<u>43 mph</u>
85th Percentile Speed:	<u>48 mph</u>
10 mph pace speed:	<u>39-48 mph</u>
Average Speed:	<u>42.55</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 15, including 4 speed related
Period:	01/01/11-12/31/13
Street	4 lanes with a median island
Volume (if known)	
Parking Conditions:	No Parking, Bike Lane
Other Considerations	Intersections, pedestrians, train station

**RECOMMENDATIONS**

Recommended speed limit = 45 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

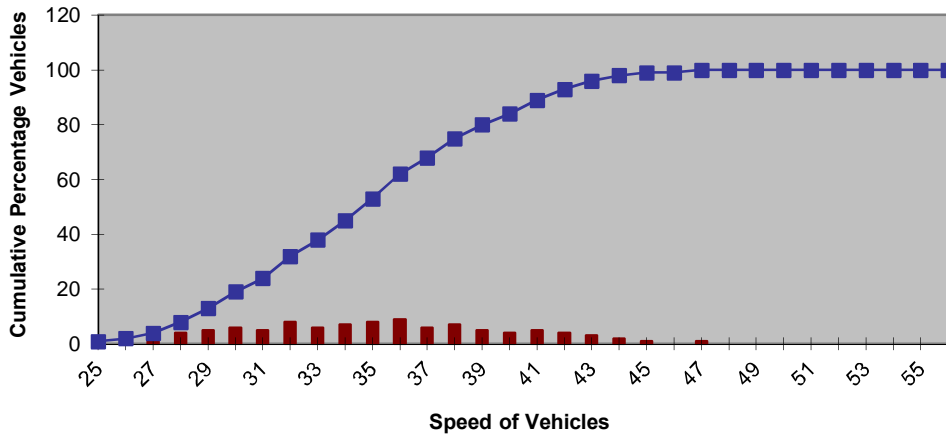
Location:	<b>Tracy Blvd. (Lowell Avenue-6th Street)</b>		
Date:	<u>6/19/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:30 AM</u>	Direction:	<u>NB&amp;SB</u>
End Time:	<u>10:00 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Thursday</u>	Type:	<u>Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>35 mph</u>

SPEED DATA	
Speed	Number
24	0
25	1
26	1
27	2
28	4
29	5
30	6
31	5
32	8
33	6
34	7
35	8
36	9
37	6
38	7
39	5
40	4
41	5
42	4
43	3
44	2
45	1
46	0
47	1
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>25-47mph</u>
50th Percentile Speed:	<u>35 mph</u>
85th Percentile Speed:	<u>41 mph</u>
10 mph pace speed:	<u>29-38mph</u>
Average Speed:	<u>35.18</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 41, including 10 speed related
Period:	01/01/11-12/31/13
Street	4 lanes with Median Island or 5 lane
Volume (if known)	
Parking Conditions:	No parking and no Bike Lane
Other Considerations	School at Tenth Street, Beverly St. & Lowell Avenue, Curves

**RECOMMENDATIONS**

Recommended speed limit = 35 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

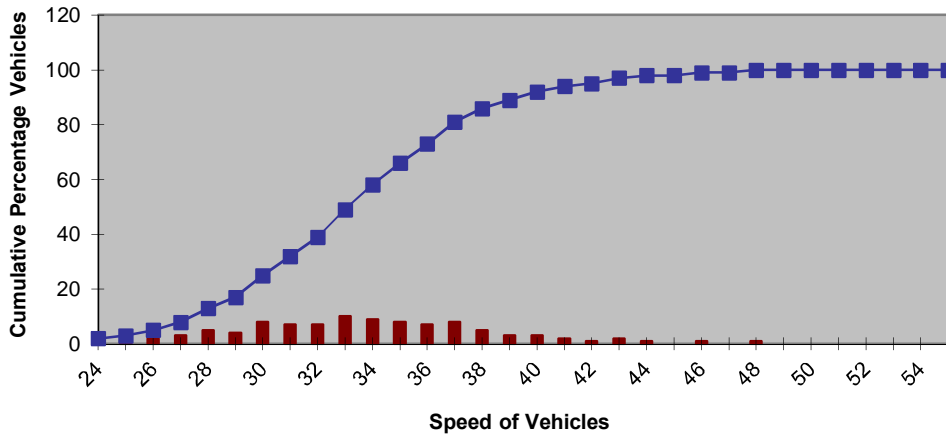
Location:	<b>Tracy Blvd. (Lowell Ave-Grant Line Road)</b>		
Date:	<u>7/30/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>10:00 AM</u>	Direction:	<u>NB&amp;SB</u>
End Time:	<u>10:20 AM</u>	Land use:	<u>Residential</u>
Day:	<u>Wednesday</u>	Type:	<u>Aterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>35 mph</u>

SPEED DATA	
Speed	Number
23	1
24	1
25	1
26	2
27	3
28	5
29	4
30	8
31	7
32	7
33	10
34	9
35	8
36	7
37	8
38	5
39	3
40	3
41	2
42	1
43	2
44	1
45	0
46	1
47	0
48	1
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>23-48mph</u>
50th Percentile Speed:	<u>34 mph</u>
85th Percentile Speed:	<u>38 mph</u>
10 mph pace speed:	<u>29-38 mph</u>
Average Speed:	<u>33.81</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total 22, including 8 speed related
Period:	01/01/11-12/31/13
Street	4 lanes with Median Island
Volume (if known)	
Parking Conditions:	No Parking, No Bike Lane
Other Considerations	Monte Vista School at Lowell Avenue, Intermeidate intersections

**RECOMMENDATIONS**

Recommended speed limit = 35 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

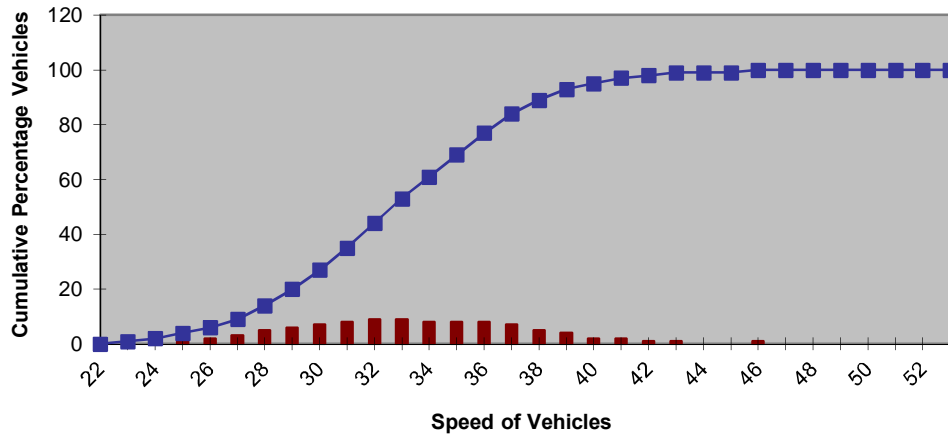
Location:	<b>Tracy Blvd. (Grant Line Road-Larch Road)</b>		
Date:	<u>7/30/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:20 AM</u>	Direction:	<u>NB/SB</u>
End Time:	<u>9:45 AM</u>	Land use:	<u>Commercial</u>
Day:	<u>Wednesday</u>	Type:	<u>Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>30 mph</u>

SPEED DATA	
Speed	Number
21	0
22	0
23	1
24	1
25	2
26	2
27	3
28	5
29	6
30	7
31	8
32	9
33	9
34	8
35	8
36	8
37	7
38	5
39	4
40	2
41	2
42	1
43	1
44	0
45	0
46	1
47	0
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>23-46 mph</u>
50th Percentile Speed:	<u>33 mph</u>
85th Percentile Speed:	<u>38 mph</u>
10 mph pace speed:	<u>28-37 mph</u>
Average Speed:	<u>33.25</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	total of 48, including 12 speed related
Period:	01/01/11-12/31/13
Street	4 lanes with median island
Volume (if known)	
Parking Conditions:	No parking, No Bike lane - Bike Route
Other Considerations	intermediate intersections, driveways, commercial area

**RECOMMENDATIONS**

Recommended speed limit = 35 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

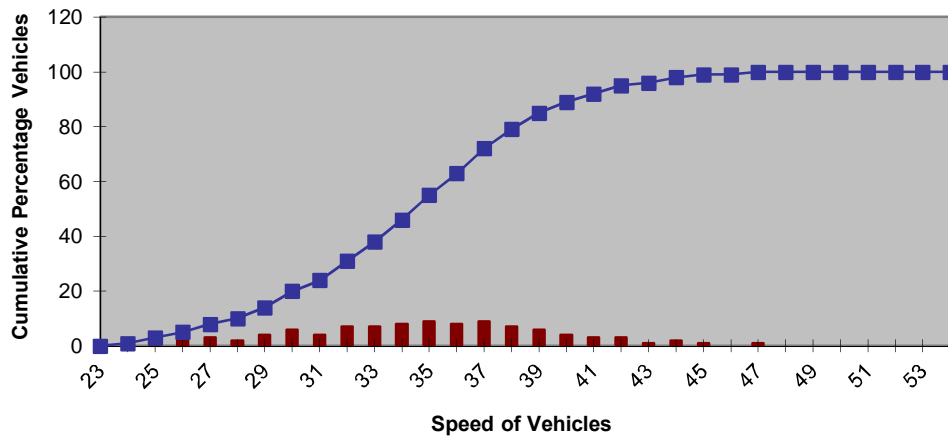
Location:	<b>Tracy Blvd. (Larch Road- 1500' north of Larch)</b>		
Date:	<u>8/13/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>9:30 AM</u>	Direction:	<u>NB&amp;SB</u>
End Time:	<u>10:20 AM</u>	Land use:	<u>Resd/Comm</u>
Day:	<u>Wednesday</u>	Type:	<u>Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>35 mph</u>

SPEED DATA	
Speed	Number
22	0
23	0
24	1
25	2
26	2
27	3
28	2
29	4
30	6
31	4
32	7
33	7
34	8
35	9
36	8
37	9
38	7
39	6
40	4
41	3
42	3
43	1
44	2
45	1
46	0
47	1
48	0
49	0
50	0
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>24-47mph</u>
50th Percentile Speed:	<u>35 mph</u>
85th Percentile Speed:	<u>39 mph</u>
10 mph pace speed:	<u>30-39 mph</u>
Average Speed:	<u>34.78</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 9, including 4 speed related
Period:	01/01/11-12/31/13
Street	2 lanes without Median Island
Volume (if known)	
Parking Conditions:	No parking along this segment, Rural Area
Other Considerations	Industrial Area, residential/commercial driveways, pedestrian crossing

**RECOMMENDATIONS**

Recommended speed limit = 35 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

Location:	<b>Valpico Rd. (Tracy Blvd.-West City limits)</b>		
Date:	10/28/2014	Recorder:	DM
Begin Time:	1:30 PM	Direction:	EB&WB
End Time:	2:10 PM	Land use:	Residential
Day:	Tuesday	Type:	Arterial
Weather:	Clear & Sunny	Posted Limit:	40 mph

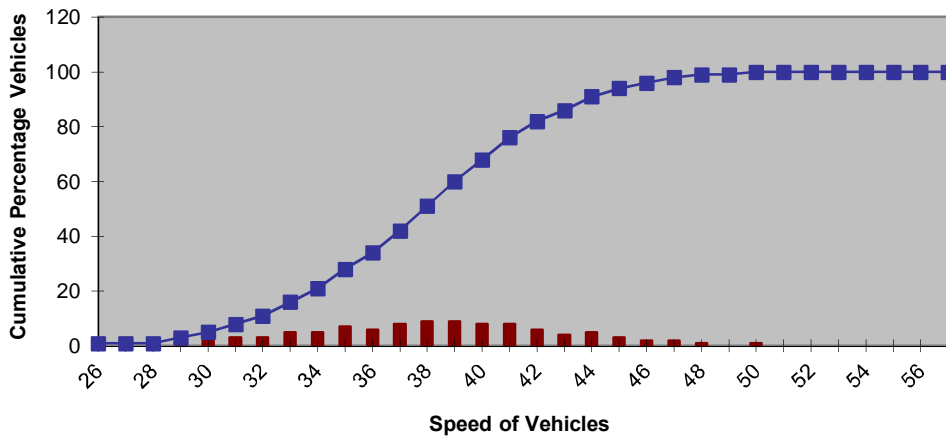
**SPEED DATA**

Speed	Number
25	0
26	1
27	0
28	0
29	2
30	2
31	3
32	3
33	5
34	5
35	7
36	6
37	8
38	9
39	9
40	8
41	8
42	6
43	4
44	5
45	3
46	2
47	2
48	1
49	0
50	1
51	0
52	0
53	0
54	0
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	100 veh.
Speed range:	26-50 mph
50th Percentile Speed:	38 mph
85th Percentile Speed:	43 mph
10 mph pace speed:	33-42 mph
Average Speed:	38.29

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 10, including 3 speed related
Period:	01/01/11-12/31/13
Street	4 lanes with median island
Volume (if known)	
Parking Conditions:	No Parking, Class II Bike Lane
Other Considerations	Intermediate intersections, Transitions to Rural/County Road

**RECOMMENDATIONS**

Recommended speed limit = 40 mph





Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

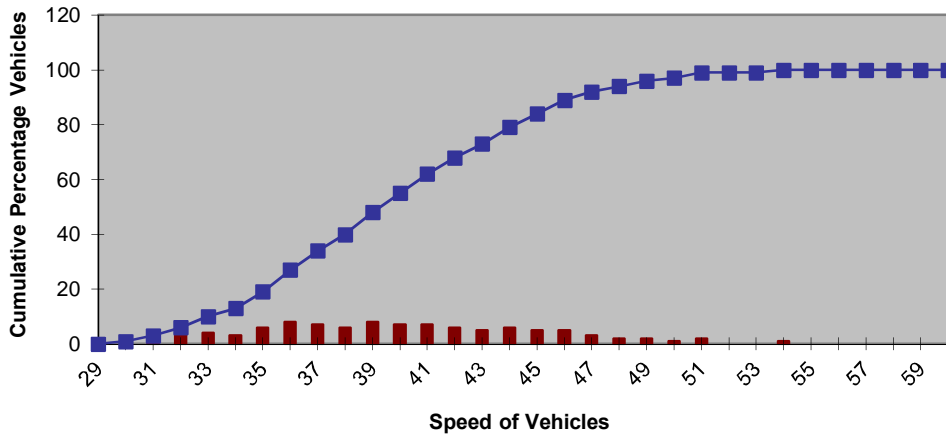
Location:	<b>Valpico Road (Tracy Blvd.-Mac Arthur Drive)</b>		
Date:	<u>8/14/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>1:20 PM</u>	Direction:	<u>EB&amp;WB</u>
End Time:	<u>1:50 PM</u>	Land use:	<u>Ind/Res</u>
Day:	<u>Thursday</u>	Type:	<u>Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>40 mph</u>

SPEED DATA	
Speed	Number
28	0
29	0
30	1
31	2
32	3
33	4
34	3
35	6
36	8
37	7
38	6
39	8
40	7
41	7
42	6
43	5
44	6
45	5
46	5
47	3
48	2
49	2
50	1
51	2
52	0
53	0
54	1
55	0
56	0
57	0
58	0
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>30-54 mph</u>
50th Percentile Speed:	<u>40 mph</u>
85th Percentile Speed:	<u>46 mph</u>
10 mph pace speed:	<u>35-44 mph</u>
Average Speed:	<u>40.13</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	total of 17, including 5 intersection related
Period:	01/01/11-12/31/13
Street	2 lanes without median island
Volume (if known)	
Parking Conditions:	No Parking, there is a segment of Class II Bike Lane, Bike Route
Other Considerations	Industrial and Residential Subdivisions, Limited Shoulder Lane Transitions

**RECOMMENDATIONS**

Recommended speed limit = 40 mph



Traffic Section, Engineering Division  
City of Tracy

**VEHICLE SPEED SURVEY REPORT**

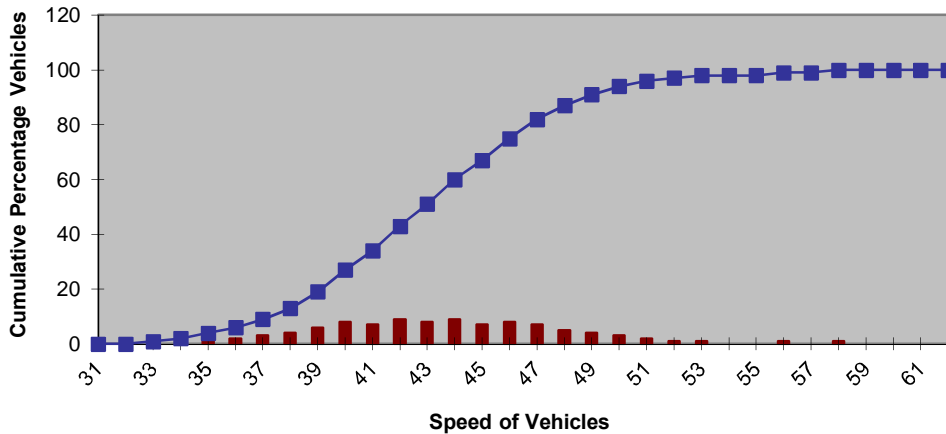
Location:	<b>Valpico Road (Chrisman Road-Fairoaks Road)</b>		
Date:	<u>7/29/2014</u>	Recorder:	<u>DM</u>
Begin Time:	<u>1:50 PM</u>	Direction:	<u>EB&amp;WB</u>
End Time:	<u>2:25 PM</u>	Land use:	<u>Residential</u>
Day:	<u>Tuesday</u>	Type:	<u>Arterial</u>
Weather:	<u>Clear &amp; Sunny</u>	Posted Limit:	<u>45 mph</u>

SPEED DATA	
Speed	Number
30	0
31	0
32	0
33	1
34	1
35	2
36	2
37	3
38	4
39	6
40	8
41	7
42	9
43	8
44	9
45	7
46	8
47	7
48	5
49	4
50	3
51	2
52	1
53	1
54	0
55	0
56	1
57	0
58	1
59	0
60	0
61	0
62	0
63	0
64	0
65	0
66	0
67	0
68	0
69	0
70	0
71	0
72	0
73	0
74	0
75	0
<b>Total</b>	<b>100</b>

**SUMMARY STATISTICS**

Total observed:	<u>100 veh.</u>
Speed range:	<u>33-58 mph</u>
50th Percentile Speed:	<u>43 mph</u>
85th Percentile Speed:	<u>48 mph</u>
10 mph pace speed:	<u>39-48 mph</u>
Average Speed:	<u>43.50</u>

**GRAPH OF CUMULATIVE %AGE VEHICLES VS SPEED**



**ANALYSIS INFORMATION**

Number of Accidents:	Total of 3, including 2 speed related
Period:	01/01/11-12/31/13
Street	2 lanes without median island (TWLTL)
Volume (if known)	
Parking Conditions:	On street parking allowed on Southside only
Other Considerations	Residential Driveway, Bike Lane, Intersections

**RECOMMENDATIONS**

Recommended speed limit = 45 mph



AGENDA ITEM 8.A

REQUEST

**APPOINT AN APPLICANT TO THE MEASURE E RESIDENTS' OVERSIGHT COMMITTEE**

EXECUTIVE SUMMARY

There is currently one vacancy due to the resignation of a Commissioner on the Measure E Residents' Oversight Committee. A recruitment was conducted and an appointment needs to be made.

DISCUSSION

There is currently one vacancy on the Measure E Residents' Oversight Committee due to the resignation of Teresa Kandes. To fill the vacancy the City Clerk's office conducted a three week recruitment beginning on January 8, 2015, and ending on January 29, 2015, during which time two applications were received. As stated in Resolution 2004-152, in the event there are not two or more applicants than vacancies, the filing deadline will be extended. The recruitment was extended for a two week period beginning on January 30, 2015, and ending on February 13, 2015. The City Clerk's office received two additional applications during the extended recruitment period.

On February 3, 2015, a Council subcommittee consisting of Mayor Pro Tem Rickman and Council Member Mitracos interviewed four applicants. In accordance with Resolution 2004-152, the Council subcommittee will recommend an applicant for appointment to serve the remainder of the vacated term, which will begin on March 4, 2015, and end on March 1, 2017.

STRATEGIC PLAN

This item is a routine operational item and does not relate to any of the Council's Strategic Plans.

FISCAL IMPACT

None.

RECOMMENDATION

That Council approves the subcommittee's recommendations and appoint an applicant to the Measure E Residents' Oversight Committee to serve the remainder of a vacated term which will end on March 1, 2017.

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