

JOINT MEETING OF THE TRACY CITY COUNCIL
AND THE SUCCESSOR AGENCY TO THE CITY OF
TRACY COMMUNITY DEVELOPMENT AGENCY

REGULAR MEETING AGENDA

Tuesday, February 2, 2016, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: 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.

Full copies of the agenda are available at City Hall, 333 Civic Center Plaza, and the Tracy Public Library, 20 East Eaton Avenue, and on the City's website: www.ci.tracy.ca.us

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL

PRESENTATIONS – Employee of the Month
– Introduction of New Parks Director
– Swearing in of Police Chief
– Certificates of Appointment – Parks and Community Services Commission
– Youth Advisory Annual Report
– Freedom of Religion Proclamation

1. CONSENT CALENDAR

- A. Adopt Council Minutes – Closed session minutes of November 17, 2015, and January 19, 2016.
- B. The City Council of the City of Tracy Acting as the Governing Board of the Successor Agency for the Community Development Agency of the City of Tracy Approving the Recognized Obligation Payment Schedule (ROPS)
- C. Approve Master Professional Services Agreement with Hinderliter, De Llamas & Associates for Tax Enhancement, Information, and Audit Services; Approve Funding Appropriation; Designate Hinderliter, De Llamas & Associates as City's Representative Authorized to Examine all Sales, Use, and Property Tax Records of the State Board of Equalization and Other Applicable Government Agencies, and Certify that Consultant Meets the Conditions Set Forth in the Revenue and Taxation Code, Section 7056(B)(1)
- D. Authorize Letter of Agreement with the US Bureau Of Reclamation for Review and Consideration of Inclusion of Cordes Ranch into the City of Tracy Place of Use and Authorize the City Manager to Execute the Agreement
- E. Waive Second Reading and Adopt Ordinance 1206 an Ordinance of the City of Tracy Amending the Minimum Rear Yard Setback Established in the Concept Development Plan for the Southgate Planned Unit Development Located South of the Western Terminus of Schulte Road and East of Mabel Josephine Drive. The Applicant and Owner is Bright Development Application Number PUD12-0002
- F. Approval of a Report Describing the Measures the City is Taking to Address Design and Land Use Concerns Along the I-205 Corridor which led to the Adoption of an Interim Ordinance Prohibiting the Issuance of any Land Use Entitlement or for Certain Warehouse and Distribution Uses Along the I-205 Corridor Between Tracy Boulevard to the Eastern City Limit
- G. Adoption of a Resolution Designating Megan A. Burke and Benjamin L. Stock from Burke, Williams & Sorensen, LLP as Authorized City Representatives to Examine Sales and Use Tax Records

2. ITEMS FROM THE AUDIENCE
3. RECEIVE AND DISCUSS ANNUAL REPORT ON SENIOR SERVICES
4. ADOPTION OF STRATEGIC PRIORITIES, GOALS AND OBJECTIVES FOR FISCAL YEARS 2015/16 AND 2016/17
5. INTRODUCE ORDINANCE ESTABLISHING LOBBYING REGULATIONS IN THE CITY AND ADOPT A RESOLUTION ESTABLISHING REGISTRATION AND RENEWAL FEES
6. CONDUCT A PUBLIC HEARING AND ADOPT A RESOLUTION ELECTING TO ESTABLISH THE CITY OF TRACY AS A GROUNDWATER SUSTAINABILITY AGENCY (GSA) FOR THAT PORTION OF THE TRACY SUB-BASIN WITHIN THE CITY OF TRACY
7. ITEMS FROM THE AUDIENCE
8. COUNCIL ITEMS
9. ADJOURNMENT

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

November 17, 2015, 6:00 p.m.

Council Chambers, 333 Civic Center Plaza, Tracy

1. CALL TO ORDER – Mayor Maciel called the meeting to order at 6:00 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

Pending Litigation (Gov. Code, § 54956.9(d)(1))

- Successor Agency v. California Department of Finance
(Court of Appeal Case No. C077440)
(San Joaquin Superior Court Case No. 34-2013-80001570)
5. MOTION TO RECESS TO CLOSED SESSION – Mayor Pro Tem Rickman motioned to recess the meeting to closed session at 6:01 p.m. Council Member Vargas 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 7:02 p.m.
 7. REPORT OF FINAL ACTION – There was no report of final action.
 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: 7:02 p.m.

The agenda was posted at City Hall on November 10, 2015. The above are action minutes.

Mayor

ATTEST:

City Clerk

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

January 19, 2016, 6:45 p.m.

Council Chambers, 333 Civic Center Plaza, Tracy

1. CALL TO ORDER – Mayor Maciel called the meeting to order at 6:45 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 – Richard Wilmot inquired about the Mayor and Council Members compensation.
Khash Dolatshahi, member of the Tracy Skyliners Club, inquired about the status of when the New Jerusalem Field may be used.
Lalani Case expressed concern that the Police officers are working without a contract and urged the Council to do the right thing.
4. CLOSED SESSION

Real Property Negotiations (Gov. Code, § 54956.8)

Property Location: 2500 Naglee Road, Tracy CA
APN: 212-290-39

Negotiators for the City: Andrew Malik, Development Services Director;
Shelley Burcham, Economic Development Manager;
Barbara Harb, Management Analyst

Negotiating Parties: Jon Becker, Becker Commercial Properties

Under Negotiation: Price and terms of payment for the sale of property
(City-Owned Park & Ride)

5. MOTION TO RECESS TO CLOSED SESSION – Mayor Pro Tem Rickman motioned to recess the meeting to closed session at 6:46 p.m. Council Member Vargas 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 7:12 p.m.
7. REPORT OF FINAL ACTION – There was no report of final action.
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: 7:12 p.m.

The agenda was posted at City Hall on January 12, 2016. The above are action minutes.

ATTEST:

Mayor

City Clerk

AGENDA ITEM 1.B

REQUEST

THE CITY COUNCIL OF THE CITY OF TRACY ACTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)

EXECUTIVE SUMMARY

The City of Tracy has elected to act as the Successor Agency for the former City of Tracy Community Development Agency following the dissolution of redevelopment agencies by the California State Legislature in February 2012. The attached Recognized Obligation Payment Schedule lists the Enforceable Obligations proposed for payment by the Successor Agency for the period July 1, 2016, through June 30, 2017, as required by law.

DISCUSSION

Effective February 1, 2012, the State of California dissolved redevelopment agencies through the passage of Assembly Bill X1 26 and replaced them with successor agencies responsible for the wind-down of the former redevelopment agencies. The City of Tracy City Council elected to serve as the successor agency for the former City of Tracy Community Development Agency (CDA). ABX1 26 also redirected the tax increment funding previously received by the CDA to a Redevelopment Property Tax Trust Fund (RPTTF) held by the County.

The Successor Agency previously approved an Enforceable Obligation Payment Schedule (EOPS) which listed various financial obligations of the City's former CDA including such items as required payments on existing bonds, bond trustee costs and other obligations. This EOPS, once recognized by the state, became the basis for the Recognized Obligation Payment Schedule (ROPS). Beginning in 2016, the law requires that successor agencies adopt an annual ROPS that lists all enforceable obligations proposed for payment in the subsequent fiscal year. Funds once received by the CDA, now held in the RPTTF, are used to fund the ROPS. Any excess funds remaining in the RPTTF are then disbursed to the other taxing agencies (e.g. schools, special districts, city & county) who would have otherwise received the property taxes had the CDA not existed. Funds are disbursed on a pro-rata basis with the City of Tracy receiving approximately 17% of the remaining RPTTF. Attached is ROPS 16-17 for the period July 1, 2016, through June 30, 2017.

The table below summarizes the obligations and amounts requested for the ROPS period. The maximum allowable reimbursement for administrative costs and associated expenses is \$250,000 annually; however only actual administrative costs are reimbursable.

Description	Maturity	16-17A	16-17B	Total
2016 Tax Allocation Bonds – Principal	2033	1,730,000		1,730,000
2016 Tax Allocation Bonds – Interest	2033	2,247,563		2,247,563
2007 Bonds	2038	400,000		400,000
Debt Service Fees		12,000		12,000
Administrative Costs		125,000	125,000	250,000
Total Request		4,514,563	125,000	4,639,563

Finally, On December 1, 2015, the Successor Agency authorized the refunding of the 2003 Tax Allocation Bonds. On January 21, 2016, the Successor Agency sold \$33,720,000 in refunding bonds for a total present value savings of approximately \$11.2M. The refunding payment schedule reflects the sale of these refunded bonds.

STRATEGIC PLAN

This is a routine operational item and not related to one of the City Council's Strategic Plans.

FISCAL IMPACT

There is no fiscal impact to the City's General Fund. Recognized obligations are paid from property tax revenue that previously was allocated to the Tracy Community Development Agency.

RECOMMENDATION

It is recommended that the City Council, acting in its capacity as the Successor Agency, adopt the attached resolution approving the Recognized Obligation Payment Schedule of the former Tracy Community Development Agency for the period July 1, 2016, through June 30, 2017.

Prepared by: Robert Harmon, Senior Accountant

Reviewed by: Daniel Sodergren, Successor Agency Counsel
V. Rachelle McQuiston, Administrative Services Director
Stephanie Garrabrant-Sierra, Assistant City Manager

Approved by: Troy Brown, Executive Director

ATTACHMENTS

Attachment A – ROPS 16-17

RESOLUTION _____

THE CITY COUNCIL OF THE CITY OF TRACY ACTING AS THE GOVERNING BOARD OF
THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE
CITY OF TRACY APPROVING THE RECOGNIZED OBLIGATION
PAYMENT SCHEDULE

WHEREAS, The California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, On January 19, 2012 and pursuant to Health and Safety Code Section 34173, the City Council of the City of Tracy (the "City Council") declared that the City of Tracy, a municipal corporation (the "City"), would act as successor agency (the "Successor Agency") for the dissolved Community Development Agency of the City of Tracy (the "Former CDA") effective February 1, 2012; and

WHEREAS, On February 1, 2012, the Former CDA was dissolved pursuant to Health and Safety Code Section 34172; and

WHEREAS, The Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, Health and Safety Code Section 34177(l)(2)(A) requires the Successor Agency to prepare a draft Recognized Obligation Payment Schedule (the "ROPS") and make associated notifications and distributions;

NOW, THEREFORE, BE IT RESOLVED, That the City Council, acting as the Governing Board of the Successor Agency, hereby authorizes and directs the City Manager or the City Manager's designee, acting on behalf of the Successor Agency, to organize and call the meetings of the Oversight Board to facilitate the Oversight Board's approval of the ROPS.

BE IT FURTHER RESOLVED, That the City Council, acting as the Governing Board of the Successor Agency, hereby approves the ROPS 16-17 which contains the Successor Agency Administrative Cost Estimates.

BE IT FURTHER RESOLVED, That the City Council, acting as the Governing Board of the Successor Agency, hereby authorizes and directs the City Manager or the City Manager's designee, acting on behalf of the Successor Agency, to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with approval of the ROPS, and other actions taken pursuant to this Resolution.

BE IT FURTHER RESOLVED, That this Resolution shall take immediate effect upon adoption.

Resolution _____
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ADOPTED _____, 2016 by the City Council of the City of Tracy, acting in its capacity as the Successor Agency of the Community Development Agency of the City of Tracy, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

Chair

ATTEST:

Successor Agency Secretary

APPROVED AS TO FORM:

Successor Agency Counsel

Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Tracy
County: San Joaquin

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		16-17A Total	16-17B Total	ROPS 16-17 Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding				
A	Sources (B+C+D):	\$ -	\$ -	\$ -
B	Bond Proceeds Funding	-	-	-
C	Reserve Balance Funding	-	-	-
D	Other Funding	-	-	-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 4,514,563	\$ 125,000	\$ 4,639,563
F	Non-Administrative Costs	4,389,563	-	4,389,563
G	Administrative Costs	125,000	125,000	250,000
H	Current Period Enforceable Obligations (A+E):	\$ 4,514,563	\$ 125,000	\$ 4,639,563

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

 Name Title
 /s/ _____
 Signature Date

Attachment A - ROPS 16-17

Tracy Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [CASH BALANCE TIPS SHEET](#).

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
ROPS 15-16A Actuals (07/01/15 - 12/31/15)									
1	Beginning Available Cash Balance (Actual 07/01/15)	3,562,294	-	-	-	1,894,718	320,594	OFA-DDR: \$1,894,718 orig \$2,281,718 (less: 387,000)	
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015	2,126,315	-	-	-	2,336,680	1,417,734	OFA-DDR - rec'd from City: \$2,126,000 in unspent bond proceeds \$2,336,680 contested funds	
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)	-	-	-	-	4,231,398	1,639,740	OFA-DDR: \$4,231,398 disbursed to C.A.C.	
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	5,688,609	-	-	-	-	-		
5	ROPS 15-16A RPTTF Balances Remaining	No entry required						-	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,588		
ROPS 15-16B Estimate (01/01/16 - 06/30/16)									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 5,688,609	\$ -	\$ -	\$ -	\$ -	\$ 98,588		
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016	-	-	-	-	-	2,688,936		
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)	-	-	-	-	-	2,703,231		
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	5,688,609	-	-	-	-	-		
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,293		

AGENDA ITEM 1.C

REQUEST

APPROVE MASTER PROFESSIONAL SERVICES AGREEMENT WITH HINDERLITER, DE LLAMAS & ASSOCIATES FOR TAX ENHANCEMENT, INFORMATION, AND AUDIT SERVICES; APPROVE FUNDING APPROPRIATION; DESIGNATE HINDERLITER, DE LLAMAS & ASSOCIATES AS CITY'S REPRESENTATIVE AUTHORIZED TO EXAMINE ALL SALES, USE, AND PROPERTY TAX RECORDS OF THE STATE BOARD OF EQUALIZATION AND OTHER APPLICABLE GOVERNMENT AGENCIES, AND CERTIFY THAT CONSULTANT MEETS THE CONDITIONS SET FORTH IN THE REVENUE AND TAXATION CODE, SECTION 7056(b)(1).

EXECUTIVE SUMMARY

In the City's on-going efforts to service its community, staff recently issued a Request for Qualifications and Proposals for tax enhancement, information, and audit services and now recommends that Hinderliter, de Llamas & Associates (HdL) be hired to maximize the City's income and minimize the cost of lost revenue by detecting and documenting misallocations of Local District Tax (also known as Transactions & Use Tax), Bradley-Burns sales tax, local use tax activity, and Property Tax within the statute of limitations on recoverability.

The firm has an exemplary reputation, servicing 44 counties, 339 cities (including the Cities of Brentwood, Livermore, Dublin, and Fremont), and 79 tax districts in California.

HdL's quarterly fees for Sales and Use Tax services will be \$1,700; for Property Tax services, \$3,298¹. Additionally, HdL will receive a percentage² of recovered taxes resulting from HdL's tax recovery services.

Revenue and Taxation Code, Section 7056(b)(1) requires Council to certify that a Consultant will meet certain conditions that guard the confidentiality of the accessed tax data. The Master Professional Services Agreement contains provisions to provide such confidentiality.

DISCUSSION

Sales and Use Tax Revenue Services

Over the last decade, administration of sales and use tax revenues has become increasingly complex. The State Board of Equalization now processes returns from over 1.2 million active accounts, some having 200 or more sub outlets. The difficulty of properly allocating the local share of revenues has been compounded by the constant turnover, selling, and consolidation of businesses; evolving regulations impacting the allocation of sales and use tax from e-commerce, warehousing and construction

¹ If the City chooses to have consultant provide services to the City of Tracy Successor Agency (for former Redevelopment Agency), the quarterly amount for property tax services will be \$3,673.

² 15% up on first \$1,000,000; 10% for \$1,000,001 to \$2,500,000; and 5% for \$2,500,001 and up.

projects; and the trend of larger companies to outsource order-taking and distribution, as well as tracking and filing of their state tax returns to other firms.

If not monitored closely, allocation errors can accumulate to the point where agencies pay exorbitant fees for recovery of revenues lost because of insufficient tracking and poor follow-up. HdL's systematic approach minimizes these costs by:

- Reduction of errors through detailed quarterly analysis and advanced data mining techniques to ensure correct permit registration information.
- Ongoing monitoring to ensure that errors that do occur are quickly identified and not allowed to age and become inordinately large.
- Aggressive monitoring and follow-up on claims to the Board of Equalization to ensure rapid turnaround and reduction in the amount of fees associated with retroactive payments.

HdL's detailed auditing has resulted in new revenues other than just the local sales and use tax. HdL recently identified an error in California's gas tax/excise tax swap that caused a \$125 million underfunding of Proposition 172 revenues and realignment allocations. The correction benefited all counties in California and the majority of cities through their analysis of the county allocation.

Property Tax Audit Services

The City currently does not have property tax audit services performed, however, in the interest of optimizing its tax revenue, such services are being considered for future utilization. HdL's staff has performed thousands of secured and unsecured property tax audits for client agencies over the past twenty-three years and recovered millions of dollars in misallocated property tax revenue. 83% of its property tax audit and information services clients have been using HdL's services for more than 10 years and 50% of its clients have been under contract for more than 15 years.

HdL can provide a variety of reports detailing property and revenue trends for the entire City and Successor Agency and for custom defined geographic areas. These reports can be used for budgeting purposes, planning, economic development and public information. Among the reports provided are top property owner/taxpayer listings, identification of property ownership transfers, sales trend analysis, Proposition 8 tracking and restoration forecasting, use category value/revenue analysis and budget projections. HdL can also provide the City with quarterly reports of successful, pending and historical assessment appeals for the City's use in its forecasting efforts.

Additionally, HdL can reconcile the annual Auditor/Controller Assessed Valuations Report and furnish a breakdown of assessed values within the City and Successor Agency.

The identification of escaping revenue through the use of property tax data sets has been a targeted focus for HdL. With the reduction of tax revenues through legislated Educational Revenue Augmentation Fund (ERAF), cities, counties, agencies and special districts have been focusing on ways to increase the limited resources already stretched

thin. The unsecured roll contains property owners which, when matched with a business license data set can be used to identify escaping revenues. For instance, property leased to businesses in Tracy is taxed to the lessor of the property. Frequently, the lessors are not properly registered with a city business license. When notified and properly licensed, these businesses will generate additional revenue for the city.

HdL can also identify errors resulting in the misallocation of property taxes. By performing analyses of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls assessed valuations can be evaluated to assure that the resulting taxes are correctly allocated to the City or its Successor Agency. By cross matching parcels with the City's building permit activity and project completion information, HdL will be able to track parcels which should have been reassessed due to new construction activity but have been missed by the assessor's appraisers (escaped assessments). **Revenue and Taxation Code**

Section 7056 of the State of California Revenue and Taxation Code specifically limits the disclosure of confidential taxpayer information contained in the records of the State Board of Equalization and specifies the conditions under which a city may authorize persons other than city officers and employees to examine State Sales and Use Tax records.

The following conditions specified in Section 7056-(b), (1) of the State of California Revenue and Taxation Code are included in the Agreement and Resolution before Council for approval:

(A) Consultant is authorized by this Agreement to examine sales, use or transactions and use tax records of the Board of Equalization provided to CITY pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law Revenue and Taxation Code section 7200 et.seq.

(B) Consultant is required to disclose information contained in, or derived from, those sales, use or transactions and use tax records only to an officer or employee of the CITY who is authorized by resolution to examine the information.

(C) Consultant is prohibited from performing consulting services for a retailer, as defined in California Revenue & Taxation Code Section 6015, during the term of this Agreement.

(D) Consultant is prohibited from retaining the information contained in, or derived from those sales, use or transactions and use tax records, after this Agreement has expired.

(E) Information obtained by examination of Board of Equalization records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the City as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code.

The City of Tracy currently utilizes limited tax services of MuniServices which has been servicing the City since 1989. Although a respondent to the Request for Qualifications

and Proposals, in reviewing and assessing the qualifications, it is anticipated that HdL will provide the services that best optimize tax revenue income and assist the City with strategies to enhance tax revenue potential.

STRATEGIC PLAN

This item is in accordance with Council Governance Strategy, Goal 2: Ensure continued fiscal sustainability through budgetary and financial stewardship; Objective 3: Enhance Fiscal Transparency and Goal 3: Identify resources to promote communication and civic engagement, enhance city services, and promote organizational productivity.

FISCAL IMPACT

HdL will receive the following percentages of recovered taxes resulting from HdL's audit and recovery services:

15% up on first \$1,000,000;
10% for \$1,000,001 to \$2,500,000;
5% for \$2,500,001 and up

HdL's annual fixed fees (not to exceed \$50,000 depending upon the services the City wishes to utilize) will be from the Finance Division's operational budget (General Fund).

RECOMMENDATION

That City Council, by resolution approve the Master Professional Services Agreement with Hinderliter, De Llamas & Associates for tax enhancement, information, and audit services; authorize the City Manager to execute Task Orders under the Agreement; approve a funding appropriation; designate Hinderliter, De Llamas & Associates as the City's representative, authorized to examine all sales, use, and property tax records of the state board of equalization and other applicable government agencies; and certify that the consultant meets the conditions set forth in the Revenue and Taxation Code, Section 7056(b)(1).

Prepared by: V. Rachelle McQuiston, Administrative Services Director

Reviewed by: Stephanie Garrabrant-Sierra, Assistant City Manager

Approved by: Troy Brown, City Manager

ATTACHMENT

Attachment A – Master Professional Services Agreement

CITY OF TRACY
MASTER PROFESSIONAL SERVICES AGREEMENT
Tax Consulting Services

This Master Professional Services Agreement (Agreement) is entered into between the City of Tracy, a municipal corporation (City), and Hinderliter, de Llamas & Associates, a California Corporation (Consultant).

RECITALS

A. On August 4, 2015, the City issued a Request for Qualifications and Proposals (RFP) for the City of Tracy Tax Consulting Services. On September 14, 2015, Consultant submitted its proposals for the Project to the City. After negotiations between the City and Consultant, the parties have reached an agreement for the performance of services in accordance with the terms set forth in this Agreement

Now therefore, the parties mutually agree as follows:

1. Scope of Services. Consultant shall perform the services generally described in Exhibit "A" attached and incorporated by reference. Consultant's specific scope of services shall be more particularly described in individual Task Orders subject to the written approval of the City and Consultant. The terms of this Agreement shall be incorporated by reference into each Task Order. The services shall be performed by, or under the direct supervision of, Consultant's Authorized Representative: Andrew Nickerson. Consultant shall not replace its Authorized Representative, nor shall Consultant replace any of the personnel listed in Exhibit "A," nor shall Consultant use any subcontractor or subconsultant, without the City's prior written consent.

2. Time of Performance and Task Order Execution. Time is of the essence in the performance of services under this Agreement and the timing requirements set forth here shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. Consultant shall begin performance, and shall complete all required services no later than the dates set forth in each individual Task Order as approved in writing by the City Manager. Any services for which times for performance are not specified in each individual Task Order shall be started and completed by Consultant in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the Consultant. Consultant shall submit all requests for extensions of time to the City in writing no later than ten days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. City shall grant or deny such requests at its sole discretion.

3. Compensation.

3.1 General. For services performed by Consultant under this Agreement, City shall pay Consultant on a time and expense basis, at the billing rate amounts set forth in Exhibit "B," and the Not to Exceed amount set forth in each individual Task Order which will not exceed \$50,000 for fixed costs per year. Audit recoveries shall be at the billing rates set forth in Exhibit "B". Billing rates may be adjusted in an amount not to exceed 3% per year, upon City's receipt of written notice from the Consultant. Any proposed increases beyond 3% will be subject to the City Manager's written approval. Consultant's billing rates, and Not to Exceed amount, shall cover all costs and expenses for Consultant's performance of this Agreement. No work shall be performed by Consultant in excess of the Not to Exceed amount without City Manager's prior written approval.

3.2 Invoices. Consultant shall submit monthly invoices to the City describing the services performed, including times, dates, and names of persons performing the service.

3.3 Payment. Within 30 days after the City's receipt of invoice, City shall make payment to the Consultant based upon the services described on the invoice and approved by the City.

4. Indemnification. Consultant shall, to the fullest extent permitted by law, indemnify, defend (with independent counsel approved by the City), and hold harmless the City from and against any claims arising out of Consultant's performance or failure to comply with obligations under this Agreement, except to the extent caused by the sole, active negligence or willful misconduct of the City.

In this section, "City" means the City, its officials, officers, agents, employees and volunteers; "Consultant" means the Consultant, its employees, agents and subcontractors; "Claims" includes claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses in connection therein) and any allegations of these; and "Arising out of" includes "pertaining to" and "relating to".

The provisions of this section survive completion of the services or the termination of this contract, and are not limited by the provisions of Section 5 relating to insurance.

5. Insurance.

5.1 General. Consultant shall, throughout the duration of this Agreement, maintain insurance to cover Consultant, its agents, representatives, and employees in connection with the performance of services under this Agreement at the minimum levels set forth here.

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 \$2,000,000 general aggregate and \$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 \$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 Professional Liability coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Consultant in an amount not less than \$1,000,000 per occurrence.

5.6 Endorsements. Consultant shall obtain endorsements to the automobile and commercial general liability with the following provisions:

5.6.1 The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."

5.6.2 For any claims related to this Agreement, Consultant's coverage shall be primary insurance with respect to the City. Any insurance maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

5.7 Notice of Cancellation. Consultant shall notify City if the policy is canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy is considered a cancellation. Consultant shall immediately obtain a replacement policy.

- 5.8 Authorized Insurers.** All insurance companies providing coverage to Consultant 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.
- 5.9 Insurance Certificate.** Consultant shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance and endorsements, in a form satisfactory to the City Attorney, before the City signs this Agreement.
- 5.10 Substitute Certificates.** No later than 30 days before the policy expiration date of any insurance policy required by this Agreement, Consultant shall provide a substitute certificate of insurance.
- 5.11 Consultant's Obligation.** Maintenance of insurance by the Consultant as specified in this Agreement shall in no way be interpreted as relieving the Consultant of any responsibility whatsoever (including indemnity obligations under this Agreement), and the Consultant may carry, at its own expense, such additional insurance as it deems necessary.

6. Independent Contractor Status; Conflicts of Interest. Consultant is an independent contractor and is solely responsible for all acts of its employees, agents, or subconsultants, including any negligent acts or omissions. Consultant is not City's employee and Consultant shall have no authority, express or implied, to act on behalf of the City as an agent, or to bind the City to any obligation, unless the City provides prior written authorization to Consultant.

Consultant (including its employees, agents, and subconsultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. City may terminate this Agreement if Consultant maintains or acquires such a conflicting interest.

7. Termination. The City may terminate this Agreement by giving ten days written notice to Consultant. Upon termination, Consultant shall give the City all original documents, including preliminary drafts and supporting documents prepared by Consultant for this Agreement. The City shall pay Consultant for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.

8. Ownership of Work. All original documents prepared by Consultant for this Agreement are the property of the City, and shall be given to the City at the completion of Consultant's services, or upon demand from the City. No such documents shall be revealed or made available by Consultant to any third party without the prior written consent of City.

9. Confidentiality; Ownership/Use of Information

9.1 Section 7056 of the State of California Revenue and Taxation Code specifically limits the disclosure of confidential taxpayer information contained in the records of the State Board of Equalization. Section 7056 specifies the conditions under which a CITY may authorize persons other than CITY officers and employees to examine State Sales and Use Tax records.

9.2 The following conditions specified in Section 7056-(b), (1) of the State of California Revenue and Taxation Code are hereby made part of this Agreement:

9.2.1 Consultant is authorized by this Agreement to examine sales, use or transactions and use tax records of the Board of Equalization provided to CITY pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law Revenue and Taxation Code section 7200 et.seq.

9.2.2 Consultant is required to disclose information contained in, or derived from, those sales, use or transactions and use tax records only to an officer or employee of the CITY who is authorized by resolution to examine the information.

9.2.3 Consultant is prohibited from performing consulting services for a retailer, as defined in California Revenue & Taxation Code Section 6015, during the term of this Agreement.

9.2.4 Consultant is prohibited from retaining the information contained in, or derived from those sales, use or transactions and use tax records, after this Agreement has expired.

9.3 Information obtained by examination of Board of Equalization records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the City as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. The resolution shall designate the Consultant as a person authorized to examine sales and use tax records and certify that this Agreement meets the requirements set forth above and in Section 7056 (b), (1) of the Revenue and Taxation Code.

10. Miscellaneous.

10.1 Notices. All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the other party as follows:

To City:
V. Rachelle McQuiston
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

To Consultant:
Andrew Nickerson, President
Hinderliter, de Llamas & Associates
1340 Valley Vista Drive, Suite 200
Diamond Bar, CA 91765

With a copy to:
City Attorney
333 Civic Center Plaza
Tracy, CA 95376

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) three working days after deposit in the United States Mail of registered or certified mail, sent to the address designated above.

10.2 Standard of Care. Unless otherwise specified in this Agreement, the standard of care applicable to Consultant's services will be the degree of skill and diligence ordinarily used by licensed professionals performing in the same or similar time and locality, and under the same or similar circumstances.

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

10.4 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.

10.5 Assignment and Delegation. Consultant may not assign, transfer or delegate this Agreement or any portion of it without the City’s written consent. Any attempt to do so will be void. City’s consent to one assignment shall not be deemed to be a consent to any subsequent assignment.

10.6 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.

10.7 Compliance with the Law. Consultant shall comply with all local, state, and federal laws, whether or not those laws are expressly stated in this Agreement.

10.8 Business Entity Status. Contractor is responsible for filing all required documents and/or forms with the California Secretary of State and meeting all requirements of the Franchise Tax Board, to the extent such requirements apply to Contractor. City may void this Agreement if Contractor is a suspended corporation, limited liability company or limited partnership at the time it enters into this Contract, City may take steps to have this Agreement declared voidable.

10.9 Business License. Before the City signs this Agreement, Consultant shall obtain a City of Tracy Business License.

10.10 Entire Agreement; Severability. This Agreement comprises the entire integrated understanding between the parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations or agreements. If a term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in effect.

11. 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 the Consultant and the City. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

The parties agree to the full performance of the terms set forth here.

City of Tracy

By: Michael Maciel
Title: Mayor

Date: _____


Approved by City Council on
February 2, 2016 by Resolution No. _____

Attest:

Nora Pimentel, City Clerk

Consultant

Hinderliter, de Llamas & Associates, a
California Corporation



By: Andrew Nickerson
Title: President

Date: 1-22-16



By: Jeffrey Schmehr
Title: Chief Financial Officer

Date: 1-22-16

Federal Employer Tax ID No. 33-008507

Approved as to form:

Daniel G. Sodergren, City Attorney

Exhibits:

- A Scope of Services
- B Performance Schedule and Compensation

EXHIBIT A

SCOPE OF SERVICES

Sales, Use and Transactions Tax Services

Hinderliter, de Llamas and Associates will provide all services requested to Tracy as requested in the Request for Qualifications and Proposals. Implementation of HdL's sales tax services will be seamless without any loss of historical data or interruption in audit, reporting and support activity. HdL maintains Tracy's historical sales and use tax data back to 1991 and has been providing audit and analytical services to clients in the San Joaquin County region for decades.

Personnel: There will always someone available to take questions during HdL's normal business hours of 8:00 am – 5:00 pm.

Comprehensive Audits: HdL will utilize the largest database outside of the Board of Equalization to allow for a "fresh" look at revenue collections and will use advanced technology and processes to find allocation errors and revenue opportunities.

Accurate Forecasting: A comprehensive, detail-oriented method for projecting and monitoring client sales and use tax revenues will be used and result in estimates that fall within 1% of actual receipts two-thirds of the time.

Insightful Reports and Timely Services: HdL's analysis will be performed in context with the surrounding market region to better identify retail trends, voids and opportunities. The service includes a custom non-confidential newsletter that can be shared with the Council and community. The firm's sophisticated economic support program will provide special reports and data to assist the City in monitoring and leveraging existing economic development programs, identifying new revenue opportunities and maximizing use tax revenues.

Easy to use Software: Our web-based sales tax application will provide the City with immediate access to current and historical sales tax data. The application allows for easy printing of reports and data export to other systems or programs. Quarterly reports will be available on the website within 5 days of receiving the Quarterly Data Report from the SBE.

Seamless Transition: Switching sales tax services to HdL will be seamless without any loss of historical data or interruption in audit, reporting and support activity.

1. General Strategy

A. Sales, Use and Transactions Tax Auditing

Over the last decade, administration of sales and use tax revenues has become increasingly complex. The State Board of Equalization now processes returns from over 1.2 million active accounts, some having 200 or more sub outlets. The difficulty of properly allocating the local share of revenues has been compounded by the constant turnover, selling and consolidation of businesses, evolving regulations impacting the allocation of sales and use tax from e-commerce, warehousing and construction projects and the trend of larger companies to outsource order taking and distribution as well as tracking and filing of their state tax returns to other firms.

HdL will monitor closely to minimize allocation errors which can accumulate to the point where agencies pay exorbitant fees for recovery of revenues lost because of insufficient tracking and poor follow-up. HdL's systematic approach will minimize these costs by:

- Reduction of errors through detailed quarterly analysis and advanced data mining techniques to insure correct permit registration information.
- Ongoing monitoring to insure that errors that do occur are quickly identified and not allowed to age and become inordinately large.
- Aggressive monitoring and follow-up on claims to the Board of Equalization to insure rapid turn around and reduction in the amount of fees associated with retroactive payments.

HdL maintains a secure internal system which contains the City's data back to 1991. The firm's extensive database is supplemented with quarterly updates from the SBE, and continually reviewed and enhanced by staff to improve quality. HdL will provide approved City staff with unlimited access to the web-based sales tax system to facilitate in-house analysis and printing of reports. The system will allow City staff to search all sales tax producers in the City by business name, address, SBE account number and current or historical sales tax allocations.

B. Role of City Staff:

HdL will require minimal involvement of the City's staff resources. The firm requires the following to successfully complete the services requested.

- The name and contact information for our primary point of contact and other key contacts.
- The name and contact information of the individual responsible for scheduling quarterly sales tax meetings.
- The name and contact information of the individual responsible for reviewing and authorizing Work Authorizations.
- A listing of all staff (names and email addresses) the City would like to be authorized access to HdL's web-based sales tax system.
- The name and contact information for submitting quarterly invoices.

C. Interaction with the BOE

HdL submits an average of 5,000-5,500 claims a year including complex industrial, e-commerce, distribution and out-of-state misallocations that require specialized knowledge and methodology to identify and correct. HdL will ensure that its claims are corrected in the timeliest manner possible by employing a full time case manager and Local Government Advocate whose sole responsibility is to monitor and work with the Board of Equalization to insure that cases are not allowed to idle, and are instead consistently pursued and processed.

HdL will employ an amicable and professional approach when working with the City's business community; maintaining a careful balance between compliance and revenue collection, and tactfulness, sensitivity and taxpayer education. Taxpayer interviews will always be conducted in a business friendly, non-intrusive manner that emphasizes cooperation and protection of confidentiality.

D. Sources of Information

HdL currently has all of the information necessary to provide quarterly analysis and management support, and to perform point of sale audits. Our primary information source is the BOE registration and allocation data, which is updated on either a monthly or quarterly basis. HdL has historical data for the City back to 1991 through our long-standing relationship with the County of San Joaquin. The following items are required from the City to continue using HdL Sales/Use Tax Auditing Services:

- An executed agreement and applicable Task Orders
- Copy of a Board Resolution authorizing HdL access to the City's sales tax data.

E. Track Record

HdL is effective in recovering misallocated revenue for client agencies in 97% of all cases submitted to the BOE. In the roughly 3% of cases that are initially disclaimed, HdL achieves positive results by successfully appealing cases. The small number of cases that are appealed is evidence of HdL's thorough research and the quality of the factual information included to support initial claims.

Only 5% of HdL's case submittals are unresolved after two quarters with an average for all cases of 186 days. The firm's backlog of cases requiring retroactive adjustments for any lengthy period of time is one-fifth that of other companies submitting claims to the BOE. Equally important, agencies converting to HdL from other firms consistently find that HdL's more detailed approach to audits and follow up produces new revenue previously unidentified by other firms.

HdL's detailed auditing often results in new revenues other than just the local sales and use tax. HdL recently identified an error in California's gas tax/excise tax swap that caused a \$125 million under funding of Proposition 172 revenues and Realignment allocations. The correction benefited all counties in California and the majority of cities through their share of the county allocation.

HdL will continue to work for the City in a manner that does not lessen its track record.

2. Audit Objectives and Methodology

To achieve the highest audit and recovery results, HdL will employ the following audit techniques and programs:

A. Identification of Errors and Revenue Maximization Opportunities

Taxable Nexus Field Audits: Field inventories of the City's business and industrial areas will be conducted every 10-12 months to identify businesses located within the City that appear to be under-reporting revenues or are not on the SBE

allocation rolls. Specially trained field auditors, using the latest in mapping, GPS and digital recording technology, will document not only the existence of sales tax producing businesses but also any relevant factors such as size, presence of a large stock of goods, will-call windows and any specific references to sales activity. This process identifies a wide range of registration errors including erroneous consolidation of multiple outlets, misreporting of point of sale from an erroneous location and delays in reporting new outlets.

Tax Area Code (TAC) Review: HdL will review every active account on the SBE's allocation rolls reporting \$50 or more in local tax to ensure proper TAC assignment. Government and private sector mapping and GIS databases are used extensively in this process. These programs are important because physical canvassing will not reveal businesses with missing or incomplete signage, or those that are home-based. A complete TAC review is performed at least once every 9-12 months.

Deficiency Assessment Audits: HdL will apply proprietary queries and analyses to its statewide allocation database to identify all accounts for which there has been a substantial change in allocation pattern. HdL's database, unmatched in size, comprises over 98.5% of all sales and use tax transactions in California and allows for the most comprehensive audits in the state. The deviation review is performed every three months and is far more sophisticated and thorough than a review of the SBE's published Quarterly Distribution Report. The review will be applied to direct allocations and to the county pools, to allow for a much broader view and understanding of what has happened in any given quarter. Well-founded leads are quickly culled from this process, often without the need for time-consuming manual reviews of taxpayer files. This allows for faster processing and less time used for preparing submittals. This in turn will lower recovery fees by reducing the amount of prior quarter revenue requiring redistribution.

Accounts Payable Audits: HdL will perform a comprehensive Accounts Payable Sales/Use Tax Audit and provide technical assistance to identify purchases that are exempt from California sales and use tax. Our experienced staff will utilize various technologies, software and sophisticated testing methodologies to identify tax refunds and unclaimed sales tax exemptions in areas of highest probability for revenue recovery. These audits are non-intrusive, utilize minimal client resources and handle all details from identification to recovery of dollars, including comprehensive legal analysis.

The State Board of Equalization administers procedures for the preparation, timing and documentation requirements for filing and supporting refund claims. A key factor in the processing of refund claims is the type of tax involved; "sales tax" vs. "use tax". Setting priorities to protect the maximum periods available is the very first step. Below you will find an overview of the type of tax and claim processing mechanism:

- a) Sales tax overpayments on purchases made from an in-state vendor may only be recovered by the retailer/vendor who initially collected and reported the tax.
- b) Self-assessed use tax overpayments reported on your tax returns must be recovered directly from the State of California.
- c) Use tax overpayments collected by an out of state seller may be recovered directly from the State of California or by the retailer/vendor who made the over collection.
- d) Review of City purchases to identify opportunities for the City to capture the 1% local tax on purchases subject to use tax.

In situations where a choice to file claims directly with the State or through the vendor can be made, your audit history, open statutes available and vendor cooperation are key factors as to the best option. The decision will be made on a case by case scenario (some vendors refuse to process claims and require customers to go directly to the State).

A vendor's statute of limitations dictates the available periods, therefore vendor refund claims will normally be addressed early in the process so to ensure time to initiate communication with the vendors and file the necessary refund claims and documentation.

Use Tax Errors and Opportunities: State Board of Equalization Regulation 1802(d) allows for direct allocation of local use tax on qualifying individual sales or purchases over \$500,000. Under Regulation 1699.6, businesses and organizations (including local government agencies) with aggregate purchases subject to use tax of at least \$500,000 per year can apply for a Use Tax Direct Payment Permit, allowing for direct allocation of the corresponding local share.

Under a resolution adopted by the SBE in December of 1994, a construction contractor who enters into a contract equal to or greater than \$5,000,000 may elect to obtain a sub-permit for the jobsite resulting in a direct allocation of local use tax to the jurisdiction where the jobsite is located. HdL will analyze the use tax allocation pools of the 58 counties and the state each quarter to identify instances where a taxpayer may have misidentified a transaction as use tax rather than sales tax. Further specialized reviews and techniques will be employed to identify direct allocation opportunities of local use tax.

Regulation 1699 Permitization Audits: SBE Regulation 1699 controls when and where a permit should be issued to a given business location. Wholesalers, contractors, processors, manufacturers, and other non-retail businesses that do not normally sell merchandise often conduct occasional sales, self-accrue use tax or are levied deficiency assessments by the state. HdL will use proprietary methods for finding companies that should be taking out permits so that those revenues are allocated to the City.

Quarterly Distribution Audit Reports: A thorough deviation review will be performed every three months and will include a thorough review of the SBE's published

Quarterly Distribution Report. The review will be applied to direct allocations and to the county pools, to allow for a much broader view and understanding of what has happened in any given quarter. Well-founded leads will be quickly culled from this process, often without the need for time-consuming manual reviews of taxpayer files. This allows for faster processing and less time used for preparing submittals. This in turn will lower recovery fees by reducing the amount of prior quarter revenue requiring redistribution.

B. Monitoring and Recovery of Misallocated Revenue

Development of Correction Data: Preliminary lead lists developed through any of the aforementioned audit programs will be further culled using a variety of programs and databases to reduce the need for taxpayer contact. Companies remaining in the audit database will then be contacted by a specialized audit team whose members are specifically selected and trained to interview tax preparers and marketing, warehouse and management staff. Taxpayer interviews will always be conducted in a business friendly, non-intrusive manner that emphasizes cooperation and protection of confidentiality.

Documentation Standards: HdL files claims that are supported by a high level of documentation. Factual and corroborating information will be thoroughly researched and explained for ease of comprehension by the Board of Equalization staff and other who may become involved in deciding a case. In addition, HdL will anticipate what questions might arise and will provide extra information as necessary to provide answers beforehand. In some instances cases filed with supporting documentation have been confirmed and corrected by SBE Allocation Group staff in as little as 2-3 days.

To gather the necessary factual information to support a claim, telephone contacts will be made to the taxpayer; these are often accompanied by a written follow-up questionnaire concerning business activities, a specific one-time transaction or a written confirmation of our findings. The documentation submitted with our petitions has three direct benefits. It minimizes SBE processing time and thereby ensures faster recovery of misallocated revenues. Secondly, it lowers audit fees payable by the client by reducing the number of quarters requiring retroactive adjustment and perhaps most importantly, sharply reduces the incidence of case appeals by the losing jurisdiction.

Case research and documentation also will include, where appropriate, reviews of taxpayer files for any evidence of a prior SBE date of knowledge that may allow for the reallocation of revenue from additional prior periods.

City Review: To avoid potential conflicts with a City's in-house audit efforts, HdL will prepare a list of misallocated or under-reporting businesses for City officials to review and authorize prior to any invoicing. This line item, account-level approval process is an important step in eliminating any misunderstandings or disagreements regarding what may be considered a valid audit "find."

Preparation and Submittal of Corrections: Petitions will be prepared (SBE Form 549-S or 549-L) that notify the SBE the existence and nature of the misallocation.

All relevant and available supporting documentation will be included. Copies of all transmittal forms and correspondence with the SBE and taxpayers will be sent to City staff.

Continuous Follow-up: HdL employs a full-time case manager whose responsibility is to monitor and follow-up on case inventory. An aging report will be updated and reviewed on a monthly basis and the appropriate follow-up is initiated on cases that are taking an inordinate amount of time to correct. This follow-up emphasizes partnership and cooperation with SBE Allocation Group staff. HdL's continuous efforts to check on the status of submittals are made to ensure that corrections are being pursued. Timely follow-up on cases reduces the time it takes for the City to recover its revenue.

Appeals: Appeals are relatively few due to the extra effort HdL expends in gathering and presenting the relevant facts to support a correction of previously allocated revenue. Strong documentation at the outset reduces the number of cases that are initially disclaimed and must be further researched and defended through a very lengthy SBE appeals process. Nearly all HdL cases are resolved favorably at either the first or second levels of the SBE petition process described in Regulation 1807. HdL has cultivated close working relationships with the SBE Appeals Division and with each of the elected Board Members. When an appeal is required, HdL will have the necessary expertise and access to competently and aggressively represent client interests.

Track Record: HdL is effective in recovering misallocated revenue for client agencies in 97% of all cases submitted to the SBE. In the roughly 3% of cases that are initially disclaimed, HdL is able to achieve positive results by successfully appealing cases. The small number of cases that are appealed is evidence of HdL's thorough research and the quality of the factual information included to support claims. HdL will utilize the same processes for the City that have resulted in HdL's current track record.

C. Use Tax Maximization Program

Major construction projects and even ongoing business operations often generate significant use tax revenues from purchases of machinery, equipment and other fixed assets. HdL has worked with numerous clients to insure that use tax from manufacturing and assembly plants, food processing, cold storage facilities, power/energy projects, medical, research and technical facilities, oil fields/refineries and extraction/mining industries are properly allocated to the host jurisdiction.

HdL's sales tax team of specialists will review new business startups that might present potential self-assessed use tax opportunities, meet with contractors to advise on sub-permits and reporting procedures and provide materials and advice on purchasing companies and direct payment permits. HdL will monitor major construction projects to insure that any use tax generated is properly allocated to the job site's host jurisdiction.

When brought into a project early, HdL will assist the City with inserting provisions in conditional use permits and development agreements to guarantee that use tax maximization procedures are followed and will monitor projects and subcontractors to insure that sales tax is properly allocated back to City jurisdiction. Direct payment permits and purchasing corporations will sometimes be utilized where conditions offer mutual opportunities for the City to capture additional sales tax revenues and the participating company can increase control of sales and use tax liabilities.

D. Timing

Services under the proposed contract will commence immediately upon receipt of the executed agreement and applicable Task Order. Audit activities will be promptly conducted on each new quarter's data to identify those accounts requiring further research. Allocation errors and supporting documentation will be filed with the State Board of Equalization in time to meet the state's statutory time limits to ensure that the City does not lose any revenue to which it is entitled.

E. Confidentiality

HdL follows strict guidelines regarding confidentiality.

Sales tax data is required by Revenue and Taxation Code Section 7056 to be kept confidential. Thus, it is unlawful for any person who obtains access to sales and use tax records, to make known in any manner the information disclosed on any [tax] return, including any abstract thereof. Accordingly, a local agency may not disclose amounts of tax paid, whether tax amounts are up or down from a prior period, or any other information that would reveal the business affairs or operations of a business.

Though confidential by law, sales and use tax information can be used by local government officials if the use is "related to collection of local sales and use taxes" or "related to other governmental functions of the county, city and county, or city." Permit administrators, finance or revenue managers, economic development staff, redevelopment and community development personnel, and business license officials can benefit from access to local sales and use tax allocation information. However, only those positions or individuals authorized by resolution of the governing body (City Council or Board of Supervisors) may have access to confidential data and each person so authorized is required to abide by the provisions of Revenue and Taxation Code Section 7056.

Combined Information May be Disclosed

Sales tax payments for groups of businesses may be revealed to the general public if the so-called "gang of four" rule is followed. This rule allows combined data for four or more businesses to be released as long as no single member of the group is the source of a disproportionate percentage of the group total. The "group" may be defined as businesses in the same shopping center, a specific business type such as new auto sellers, or businesses sharing the same major business group. Pursuant to an authorization signed by Governor Wilson in April 1994, it is also possible to publish a list of the top sales tax generators if all of the

following conditions are met:

At least 25 retailers are included;

- *Businesses are presented in random or alphabetical order;*
- *Businesses are not ranked by amount paid; and*
- *Sales or use tax amounts are omitted.*

New Restrictions on Use of State Board of Equalization Data

AB1945, adding Section 1798.69 to the Civil Code, was signed into law in 2000. The bill bars the release of the names and addresses of individuals in order to protect the privacy of these often home-based businesses. The SBE codes these firms as married co-ownership companies or sole proprietorships. The ownership code is provided in your HdL Sales Tax Software. "M" will designate married co-ownership firms. "S" will denote a sole proprietorship. Similar information collected by a local government in the normal course of business license administration, or from other sources, may be released, but Section 1798.69 prohibits disclosure if the SBE is the information source.

Maintaining confidentiality protects local businesses from competitors. It also precludes penalties such as losing access to State Board of Equalization sales and use tax data.

IT Security

HdL's internal systems have built in security mechanisms to enforce access rules, and track and monitor all access. HdL will utilize secure transmission methods for any electronic transmission of data between HdL and the City.

3. Reports and Corollary Consulting

A. Quarterly Written Reports and Meetings

Each quarter, a principal of the firm will analyze the City's data in detail and meet with appropriate City officials to review trends, and discuss and make recommendations regarding the budget implications of the quarter's data. Hard copies of written reports will be provided and reviewed with the City staff. Analysis of sales and use tax data for the quarterly presentations to City staff will be led by seasoned professionals, whose experience and knowledge adds value by identifying emerging retail trends, business retention needs, leveraging of economic clusters and reviewing successes in client jurisdictions with similar characteristics. HdL staff will also prepare sales and use tax projections for proposed development projects, respond to technical questions relating to SBE processes, procedures and regulations, and monitor revenue sharing agreements.

HdL will provide data analysis instead of bound stacks of raw data printouts. The firm's quarterly analysis will be done in context with regional market areas, countywide and statewide trends to better monitor and compare the City's economic performance by business category and geographical area. A non-confidential

newsletter will be included to support management's efforts to inform and engage the public.

Quarterly sales tax reports are provided on both a cash and adjusted basis. Cash reports reconcile to SBE payments and are necessary for any revenue sharing agreements that the City might have in place. The adjusted reports shift payment aberrations (double-up payments, SBE audit adjustments, etc.) into the quarter where the sales occurred to accurately show the City's true economic trends. The quarterly sales tax data will be presented in reports for major sales tax producers by both rank and category, analysis of sales tax activity by category, business or geographic areas specified by the City.

HdL's quarterly sales tax reports will include a summary of top sales tax producers and comparisons of local, regional and statewide trends. Retailer information is provided in grouped form or in business by business detail. Quarterly information also includes tables that track year-to-date receipts and show comparisons with past periods to measure progress toward achieving the City's annual budgeted revenue amount.

HdL has developed a comprehensive, detail-oriented method for projecting and monitoring client sales and use tax revenues that has proved to result in estimates that fall within 1% of actual receipts two-thirds of the time. Initial and mid-year projections will be made by factoring out payment aberrations that skew the base revenue and factoring in known changes such as new or closed businesses. HdL will incorporate information from over 90 economic sources as well as information gathered from quarterly client meetings to develop economic factors to apply to individual retail business segments; the results will be combined into a single estimate of anticipated revenue. HdL will further enhance its projections by contacting builders of large-scale development projects to better time and estimate the value of potential use tax payments into its estimates. Five year forecasts will be provided.

HdL will prepare regular Legislative Updates for the City to keep it updated on any changes that may impact local revenues. Also provided will be Issue Updates which are similar in nature but deal with specific issues such as Sales Tax Participation Agreements. Each issue will be presented in detail so that City staff is better equipped to handle questions on that topic from their community leaders.

The firm has retained Johan Klehs as a lobbyist to represent client interests in matters before the SBE and the state legislature. Mr. Klehs is respected as an expert in budget, fiscal, taxation, and business issues affecting California and its economy; he maintains a wide range of ties with the executive and legislative branches of state and federal government. In statewide office, Klehs served as Chair and a Member of the California State Board of Equalization (1995-2003) and a Member of the Franchise Tax Board. He also served 14 years as a Member of the California State Assembly.

SALES TAX SAMPLE REPORT PACKAGE

Trends by Major Groups

1. Major Industry Groups
2. Quarterly Line Graph
3. Annually Line Graph

Major business type changes, including comparisons with state and county averages.

1. Allocations by Business Type Including Pools
2. Adjusted for Reporting Aberrations

Quarterly printouts of top sales tax generators listed in descending order. Used by top management to track trends and identify companies who should be contacted as part of a business retention program and who might identify customers and suppliers who might be interested in relocating to the City.

1. Top 100 Sales Tax Generators
2. Top Ranking Comparisons
3. Q
 Quarterly Sales Tax Leakage

Reports for Revenue Projections.

1. S
 Sales Tax Allocation Summary
2. C
 Cash Reconciliation Report
3. B
 Budget Projections
4. F
 Five Year Forecast
5. P
 Proposition 172 Projections
6. T
 Triple Flip Calculations and Reconciliation
7. C
 Consensus Forecast

Quarterly analyses of sales by designated geographic area, including reports to comply with any sales tax sharing agreements with other agencies or private developers.

1. Sample of Detailed Geo Analysis
2. Sample of Trends Comparison

Quarterly customized newsletter summarizing sales tax highlights presented in a manner to protect community businesses' confidentiality and that can be shared with public.

Special reports as needed for economic development and other purposes.

1. Regional Updates
2. Market Competition Comparisons

-
3. Surplus / Gap Analysis
 4. Retail Analytics Brochure
 5. Sample of Legislative and Issue Updates:
 - Legislative Update – May 2015
 - Issue Update – Triple Flip Unwind, March 2015
 - HeadLines – Trends Affecting California's Economy (E-Newsletter)

B HdL Sales Tax Web Application

HdL maintains Tracy's detailed sales tax data back to 1992 and will provide City staff with unlimited access to its quarterly updated web-based sales tax system to facilitate "in-house" analysis and printing of reports. The system will allow City staff to search, print and export their sales tax data for a variety of financial, management and planning functions. The system provides the ability to search all sales tax producers in the City by business name, address, SBE account number and current or historical sales tax allocations. The web application also provides access to the City's archived quarterly sales tax reports in PDF format. Data is easily queried and exported to either comma delimited or native Excel formats, allowing for convenient use with standard applications such as the Microsoft Office suite. The web application is accessible from all major operating systems, internet browser platforms, and device types (laptop, tablet, PC, mobile). Training on use of the sales tax application is included at no additional charge.

HdL's Geo-area feature supports use of address ranges, which ensures the inclusion of all appropriate SBE registrations and also allows City staff to create and modify Geo-areas without a separate GIS system. HdL also supports interfacing with the City's GIS by including accurately geocoded latitude and longitude for each business. The geocoded data can be exported for use in a secured GIS layer, or GIS provided shape files can be imported into the HdL system to create additional HdL geo areas.

Preliminary sales and use tax reports are provided each quarter within 5 days following the receipt of the quarterly distribution report. These PDF reports can be accessed online via HdL's web-based sales tax application immediately after the data has been updated from the SBE. Hard copy reports are provided at the regularly scheduled quarterly sales tax meetings. A variety of other reports, sales tax issues papers and legislative updates are also accessible on the HdL website, www.hdlcompanies.com

C. Status Reports

HdL will provide the following reports on a quarterly basis:

Audit Activity Summary – Report will show current and historical data, broken down by quarter, and will include the number of petitions filed with BOE, the number of BOE corrections received, the billable fund transfer and regular payment amounts and the corresponding HdL fee.

Audit Recovery Detail – Report will provide account level detail for current billable recovery and will include firm name, permit number, date of knowledge, date of BOE response, number of days the case was pending, current recovery and any relevant comments regarding case status.

D. Corollary Consulting

HdL also serves as “on-call” staff to provide sales tax estimates for proposed projects, assist with budget projections and answer sales and use tax questions related to economic development, budgeting and related revenue collection. When

requested by the City, principals also meet with committees of the City Council and other groups to explain sales tax regulations and their importance to the City's tax base.

HdL will, when requested by the City, conduct technical seminars for City personnel on California sales and use tax processes. To support in-house efforts to maximize use tax, the seminars will cover the fundamentals of direct payment permits, purchasing corporations and maximizing “use tax” from construction projects.

HdL maintains close and positive relationships with members of the SBE and staff to quickly resolve policy issues unique to individual clients. The firm also advocates regulation and legislative changes when they are of benefit to all clients. Examples are the Company's work in the change of allocation of “use tax” for major construction projects, securing an Executive Order from the Governor to allow publishing of top taxpayers in public documents and the introduction of the problem of “point of sale” for warehouses to the SBE.

E. Preserve and Enhance Sales and Use Tax

When properly refined and organized, sales tax data analysis is an important tool for strengthening and expanding local economies. The data shows companies that are growing and may need expansion space and should be contacted as part of an agency's business retention program. When broken out geographically, the data produces patterns of industries that potentially share common customers, suppliers, technology and labor and therefore offer opportunities for attracting new businesses. The data further exposes retail areas that may be over saturated in some retail segments while also identifying voids and opportunities for additional retail development.

Although numerous companies and agencies use the SBE's published data as a basis for analysis, the results are usually inaccurate and misleading due to address and business categorization errors in the data. To correct those deficiencies, HdL will perform data validation and scrubbing techniques on an ongoing basis, fixing business addresses and re-categorizing merchants to differentiate brick and mortar retailers from “business to business” suppliers and on-line retailers.

The company further creates and groups businesses into additional categories and classifications, not provided by the SBE, to better track new and emerging economic trends. Samples include the breaking out of biotech/medical suppliers, online

fulfillment centers, alternate energy and utility providers, wineries and marijuana clinics. This focused approach to data management allows agencies to more accurately compare the impact of trends in their jurisdiction with state and regional trends. On a regional basis, it also allows for the identification of true economic voids and opportunities to expand the City's tax bases.

Accurate addressing allows for improved performance monitoring and comparison of specific economic areas such as shopping centers, downtown districts and auto malls with similar projects throughout California.

In addition to using our large database, HdL's principals will leverage their experience analyzing client data throughout California to identify new trends and developments that might help other clients. The service includes analyses to identify retail voids and opportunities and an annual publication of retailers seeking expansion in the region and state.

Property Tax Services

HdLCC provides property tax management services to over 195 California public agencies. The company consists of a team of seasoned professionals with decades of experience in every aspect of local government including finance, management, auditing, economic development, redevelopment and legislative advocacy. This ensures prompt and knowledgeable response to inquiries and provides for relevant and timely information on issues impacting the City's property tax. HdLCC's specialized computer software, databases and highly trained staff have generated over \$95,000,000 in new revenues for client agencies, \$52.6 million since 2000.

Personnel: Knowledgeable staff will be assigned to ensure that the deadlines for deliverables are met and that requests placed by City staff are handled expeditiously.

HdLCC maintains property tax data from 43 California counties, including all cities and successor agency project areas in those counties. Our data resources include 15-22 years of historical data in most counties and the company maintains more than fifteen years of annual property tax records for San Joaquin County. Our audit team has worked extensively with key County staff and is thoroughly familiar with San Joaquin County's procedures.

Using HdLCC's custom software, a data set of all parcel in the City and former redevelopment project area(s), successor agency, will be established and be available via the internet through the HdLCC Web-Based property tax program. This data is prepared from the San Joaquin lien date property rolls that are purchased annually in July. HdLCC updates the original county roll with any transfers of ownership, which have occurred between the lien date and the current month and updates the ownership information (name, and mailing address), date of transfer, sale price, and document (deed) number monthly.

Property Tax Reports and Analytical Services: HdLCC will provide a variety of reports detailing property and revenue trends for the entire City and Successor Agency and for custom defined geographic areas. These reports can be used for budgeting purposes,

planning, economic development and public information. Among the reports provided are top property owner/taxpayer listings, identification of property ownership transfers, sales trend analysis, Proposition 8 tracking and restoration forecasting, use category value/revenue analysis and budget projections. We also provide the City with quarterly reports of successful, pending and historical assessment appeals.

1. Property Tax General Strategy

A. Reconciliation of Assessed Valuations

HdL Coren and Cone will reconcile the annual Auditor/Controller Assessed Valuations Report and will furnish a breakdown of assessed values within the City and Successor Agency.

The identification of escaping revenue through the use of property tax data sets has been a targeted focus for HdLCC during the past 23 years. With the reduction of tax revenues through legislated Educational Revenue Augmentation Fund (ERAF), cities, counties, agencies and special districts have been focusing on ways to increase the limited resources already stretched thin. The unsecured roll contains property owners which, when matched with a business license data set can be used to identify escaping revenues. For instance, property leased to businesses in your jurisdiction is taxed to the lessor of the property. We find that frequently, the lessors are not properly registered with a city business license. When notified and properly licensed, these businesses will generate additional revenue for the city.

The use of the secured roll will assist in identifying owners of rented residential, commercial, or industrial properties that do not have a business license with the City should one be required.

B. Identification and Correction of Errors

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City and Successor Agency to identify costly errors resulting in the misallocation of property taxes.

The company has the ability to audit the secured and unsecured property tax rolls two ways, first reviewing the entire county to find parcels miscoded to other jurisdictions; and second, reviewing the parcels within the city, county or agency to ensure that each is coded to the appropriate taxing entity. To date, we have recovered in excess of \$95 million in net revenue for our client agencies in 43 counties statewide. Our advanced technology, accuracy and track record have placed us in a unique position to be hired by cities to find additional revenues after audits have been performed by prior consultants. In addition, by filing audit results with the County Assessor in a timely manner, we can assure that the repetitive errors from previous years will not re-occur.

Upon approval of the contract, the company will perform an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City or its Successor Agency. This analysis is accomplished through the use of specialized computer

software, assessor maps, city GIS maps, city records, other pertinent documents, and field investigations. The review will include the lien date secured and unsecured data for the current tax year as well as historical data back for a total of four (4) tax years. By cross matching parcels with the City's building permit activity and project completion information, we are able to track parcels which should have been reassessed due to new construction activity but have been missed by the assessor's appraisers (escaped assessments).

2. Methodology and Deliverables

The methodology that the company follows in identifying, correcting and recovering property tax errors includes the following:

Task I	Establishment of County Data Set
Task II	Identify and Correct Errors
Task III	Prepare Reports
Task IV	Ongoing Analysis

A. Deliverables

HdL Coren & Cone has ample staff to devote to the tasks required in this request for qualifications.

B. Reports

The company will provide the following reports based on the current year lien date rolls and will provide the reports annually, quarterly or monthly as appropriate: Reports are also available from prior years if required.

- A five year history of the values within the city, Successor Agency and custom (city defined) geographic area;
- A listing of the largest value changes, positive and negative between tax years;
- An annual parcel listing of properties with parcel number changes between tax years identifying parcel splits and combines;
- A listing of the major property owners for both the City and Successor Agency, including the combined assessed values of their property and property use code designation;
- A listing of the major property tax payers, including an estimate of the property taxes;
- A listing of property tax transfers which occurred since the lien date ordered by month;
- A listing of parcels that have not changed ownership since the enactment of Proposition 13;

-
- A comparison of property within the City and Successor Agency by county use-code designation;
 - A multiple year comparison of growth by use code designation over a 10 year period;
 - A listing by parcel of new non-residential construction activity;
 - Calculate an estimate of property tax revenue anticipated to be received for the fiscal year by the City and Successor Agency respectively based upon the initial information provided by the County and subject to modification. This report is interactive for tax modeling. This estimate shall not be used to secure the indebtedness of the City or Successor Agency.
 - Analyses based on geo areas designated by the City to include assessed valuations and square footage computations for use in economic analysis and community development planning.

C. Information Provided Monthly or Quarterly


- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board. These reports will be prepared for both the City General Fund portion of the City and Successor Agency and include a history of all appeals filed; the disposition of those appeals, successful appeals, pending appeals, Proposition 8 appeals and a report to assist the City/RDA in determining the potential impact of pending appeals. These reports are provided in a pdf format and are emailed to designated city staff.
- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a monthly basis. This data will include the new owner/seller of the property, new mailing address if not the situs address, the date of sale, the sale price when verified, document number, and transaction type.

D. Property Tax Application

Delivering Revenue,
Insight and Efficiency
to Local Government

The City Of Tracy
24,787 parcels

Logout



Parcel 212-050-23

Use CSHO Commercial SHOPPING CENTER

Owner TARGET CORPORATION

Situs 2800 N NAGLEE RD
Tracy CA 95304

DBA TARGET STORE #0738

Mall Name TARGET CORPORATION

& Address PO BOX 802206 DALLAS TX 753802206

This Parcel Is: Absentee Owned Pre Prop 13

TRA 004-056 The City Of Tracy

Agency Tracy General Fund

Zoning Region (unknown)

Net AV \$ 10,623,563 % Chg. from Prior Yr. 0.11%

Revenue type: General Fund Successor Agency

Secured	\$13,809.46	% Share of Total Tax	12.99%
Unsecured	\$0.00		
Cross-Ref	\$0.00	Tax Bill	\$0.00
Total Rev	\$13,809.46		
Last Sale Date	07/24/1995	Sale Price	\$0

Values	Sales	General	Unsecured	Cross-Ref	SBE Utilities
	Current Year Values				
Land		2,481,722	Exemptions		
Improvements		6,527,102			
Fixtures		80,648			
Personal Property		1,534,091			
Totals		10,623,563			
Net Total AV		10,623,563			
	Prior Year Values				
		2,433,118	Exemptions		
		6,399,269			
		90,864			
		1,689,093			
		10,612,344			
		10,612,344			

<	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals

filings, and deed recordings. GIS map layers are also provided to allow staff to search for and select properties visually.

As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost.

Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged. The help manual available within the program is easy to navigate and "user friendly." HdLCC staff is available Monday through Friday, 8 a.m. to 5 p.m. to answer questions and assist staff on the use of the software. Assistance is available either by phone or via email.

The city will be granted a "site license" for the application, providing no limit to the number of users. HdLCC will not charge an annual maintenance fee for the software program. Periodically, as the program changes and product enhancements are developed, upgrades or new releases of the software are issued at no additional cost to the client.

E. Successor Agency Support

Successor Agency Services including but not limited to:

- Tax increment projections and cash flow analysis for the Successor Agency by Project Area
- Assistance with Redevelopment Obligation Payment Schedules (ROPS)
- Assistance in providing property tax information for the taxing agencies receiving property tax revenues from former Project Areas
- Estimates of property tax revenues to be received by the taxing entities from former Project Areas
- Provide property tax information to the Oversight Board at the direction of the Successor Agency
- Provide access to the Oversight Board to City and former redevelopment agency documents at the direction of the Successor Agency
- Monitor the County distribution of tax-sharing revenues to the taxing entities of the former redevelopment agency
- Coordinate with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency
- Coordination and assistance with developing a long range property management plan
- Legislative analysis

F. Consultation

- Advice and consultation on the City/Successor Agency's preparation of required reports, such as revenue projections; review of Recognized Obligation Payment Schedules (ROPS), submittals to the Oversight Board and/or County or State agencies, and new or revised legislative requirements;
- Analysis of legislative and judicial matters impacting Redevelopment Property Tax Trust Fund (RPTTF) revenues to the Successor Agency and to the City;

Other Services

1. Economic Development

HdL recently announced the formation of ECONsolutions by HdL, a division created to provide our clients with a comprehensive array of economic development services. With powerful software capability to aid in the preparation of demographic and site selection reports, designed with the ability to easily analyze and identify the best locations for business success, clients have the opportunity to zero in on the most

effective locations for new businesses to open. Working closely with city clients, along with developers, shopping center owners, real estate brokers and business representatives, ECONsolutions provides an effective method to recruit new retailers and restaurants to a community.

ECONsolutions offers strategic planning and consulting services to assist local governments with economic development planning and execution:

- Community Profiles
- Trade Area & Void Analysis
- Site Selection Package
- Business Attraction Support
- Economic Development Action Plans
- Financial Analysis & Revenue Projections
- Reuse and Redevelopment Studies
- Consumer Demand/Market Supply Assessment
- Demographic Report

The firm has the ability to engage in projects of every size from data analysis to comprehensive studies to short-term advisory support and more.

These services provide clients with solutions for important strategic decisions. Every client has a different set of needs and each program offers customized solutions based on budget and development requirements.

2. HdL Local Tax Solutions

HdL can help the City maximize a variety of locally administered revenue sources, such as business license tax and transient occupancy tax. HdL is the only full service provider for these important revenue sources, which also serve as key customer service touch points for your business community. Whether looking to support staff operations with better systems and processes, or looking for an experienced service provider to manage all aspects of operations, HdL can help you achieve your strategic objectives. HdL is the only provider of these services that was founded by municipal leaders and continues to employ government experts from all departments at all levels. HdL's software solution, HdL Prime, is the premiere business license and transient occupancy tax software solution; selected by more California municipalities than any other. HdL's Professional Services Team provides operations management and compliance services powered by a dedication to customer service to both City staff and the business community, and extensive industry experience including CROs and previous municipal department supervisors. Here is a sample of the solutions HdL offers in this area:

- Business license and transient occupancy tax software – HdL Prime facilitates efficient staff operations and a high level of customer service to your businesses via a 24x7 online business portal, allowing filing of returns, payments, and more.
- Business license and transient occupancy tax compliance service – HdL's service team collaborates with your staff to provide robust discovery and

audit services. HdL is mindful of the important role that customer service plays in the successful implementation of a compliance and revenue collection program. Therefore, HdL makes every effort to ensure that all communications with the City's business community is kept at a professional level, maintaining a careful balance between compliance and revenue collection and tactfulness, sensitivity, and taxpayer education.

- Business license and transient occupancy tax operations management service – HdL's service team manages all aspects of operations while providing a high level of customer service and convenience to both the City staff and business community. Businesses benefit from the latest technology providing online services and a dedicated business support center accessible via phone, email, fax or online. City staff are able to focus on other strategic areas while retaining control of the process through 24x7 real time access to the business registry and HdL's collaborative service management process. Having managed business license projects and software systems for over 200 municipalities, the HdL team has the unique experience of working intimately with staff across a wide variety of circumstances. HdL's team extrapolates best practices from these experiences, resulting in innovations in service, business practices, and technology solutions.
- Consulting services – HdL's consulting services include fee studies, code review, process consulting and more.

EXHIBIT B

COST AND PERFORMANCE SCHEDULE

1. Sales, Use and Transactions Tax Services

A. Sales and Use Tax Audit Recoveries

A fee of **15%** of all new sales and use tax revenue received by the City (including reimbursement from the sales and use tax compensation fund outlined in Section 97.68 of the Revenue and Taxation Code) will be charged as a result of audit and recovery work performed by the firm. This audit fee applies to monies received in the first eight consecutive reporting quarters beginning with the receipt of the audit revenue and includes retroactive back quarter adjustments obtained by HdL.

In addition, HdL agrees to provide a tiered contingency fee structure that will enable the City to contain costs associated with individual petitions for high-value sales and use tax recoveries and significant one-time allocation adjustments. Our proposed tiers are as follows:

15% of the first \$1,000,000 of sales and use tax recovered
10% for \$1,000,001 to \$2,500,000
5% for \$2,500,001 and up

Audit fees are billed only after completion of the audit, submittal of corrections to the BOE and receipt of revenues by the client. 100% of all new revenue generated by HdL flows to the City after the completion of the eight quarters. The fee constitutes the full reimbursement to HdL and covers all direct and indirect costs incurred by the firm under this contract. This includes all salaries of our employees, travel expenses and service contracting costs to the City of Tracy under this proposal.

HdL does not bill for audit revenues until the client has actually received said monies. Further, if during the billing cycle, a taxpayer receives a refund for overpayment of taxes generated during that cycle, HdL credits back any proportionate share of the fee that may have been levied.

Invoices are submitted quarterly after the City has received the revenue from the audit correction. The invoice includes a printout showing the name, address, and sales tax registration number of each company, and the specific amount of revenue allocated by the BOE to the City for those businesses.

If a misallocation correction involves additional revenue from a company that had already been partially allocating revenues to the City, the City and HdL will agree in a Work Authorization, prior to billing, the methodology for identifying the incremental revenue attributable to HdL's work.

B. Web-Based Application and Sales Tax Management Services

HdL's standard fees for an agency of Tracy's size and character is **\$6,800 annually** billed quarterly. This includes access to the sales tax web application, ongoing

analysis, reports, legislative support and unlimited access to HdL's team members for sales and use tax related questions, as well as training and support for internal implementation of a program of use tax maximization and economic expansion.

C. Transactions and Use Tax Services

HdL will monitor and report on this additional revenue source at no additional annual charge. The only requirement is that the City adopts a separate resolution of confidentially authorizing HdL's access to the confidential database. Should the City desire HdL to audit it's transactions and use taxes, the charge would be a 25% contingency fee against retroactive adjustments only (no prospective billing). Audit fees are billed only after the completion of the audit, submittal of corrections to the BOE and receipt of revenue by the City.

D. Additional Services

Additional services beyond the scope of services in this proposal are priced separately depending on the complexity of tasks involved. Such fees can either be fixed or time and materials. Our current hourly rates are listed below:

Principal	\$225 Per Hour
Programmer	\$195 Per Hour
Senior Associate	\$150 Per Hour
Analyst	\$75 Per Hour

E. Sales, Use and Transactions Tax Performance Schedule

1. Project Staffing and Hours

HdL employs a team approach for both analysis and management support services and for its point of sale audit work. With respect to analysis and administrative support, this provides superior continuity of service and responsiveness by ensuring an HdL Principal familiar with the City is always available to answer a question or provide additional data as needed. An overlapping team approach to the point of sale audit work ensures that audits are completed in a timely and very thorough basis. HdL has the "depth of bench" to scale allocation of personnel and hours to meet whatever the City's current needs are, rough estimates of time needed based on current clients of similar size are:

- Data Analysis, Client Meetings & Phone/email Support (Principal) – 20 hours per quarter
- Physical Field Canvass (Audit Team) – 24 hours every 10-12 months
- In-House Follow Up on Field Audit Leads (Audit Team) – 40 hours per complete field canvass
- Ongoing In-House Database Reviews for Allocation Errors (Audit Team) – 20 hours per quarter

2. Project Communications

HdL has developed a streamlined approach to project management and delivery of its sales tax services. At the beginning of the project, HdL requests the City to provide a primary point of contact for communicating the following:

- Scheduling quarterly sales tax meetings
- Distributing audit "work authorizations"
- Distributing quarterly audit reports
- Coordinating special training sessions for City staff, elected officials or special boards
- Preparing/updating geographic study areas or proposed annexations

In addition, HdL coordinates with the City to ensure that all authorized City staff are provided access to the following services:

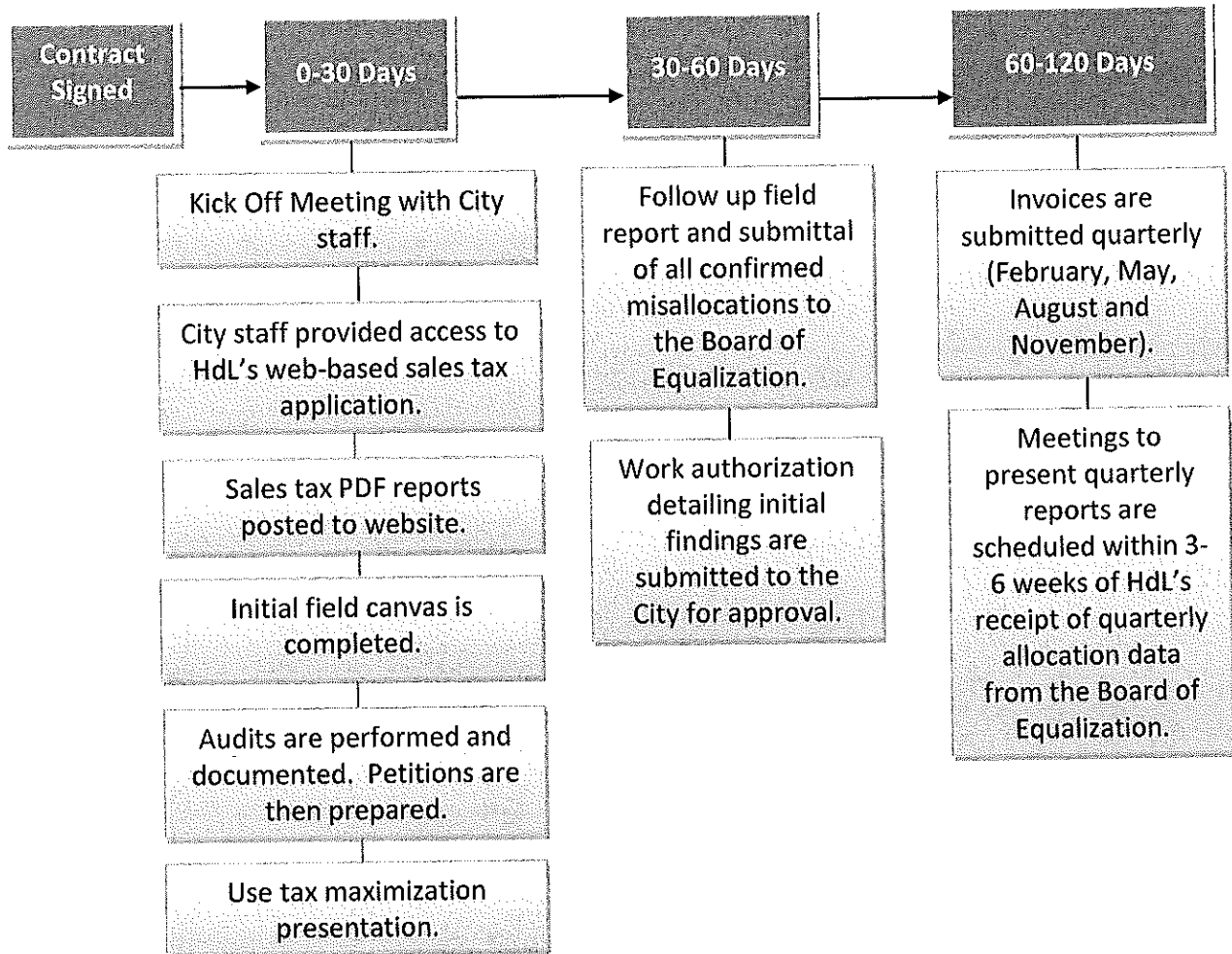
- HdL's web-based client sales tax application
- HdL's bi-weekly HeadLines e-news service
- Sales tax issue updates
- Legislative updates

3. Project Schedule

Services under the proposed contract would commence immediately upon receipt of the executed agreement. Audit activities will be promptly conducted on each new quarter's data to identify those accounts requiring further research. Allocation errors and supporting documentation will be filed with the State Board of Equalization in time to meet the state's statutory time limits to ensure that the City does not lose any revenue to which it is entitled.

Training on use of HdL's web-based application used to access the sales and use tax database will be scheduled at a time convenient to the City staff that are authorized access to the confidential information.

A typical implementation timeline is on the next page



2. Property Tax Services

A. Cost Schedule

Based on the number of parcels within Tracy (24,787), our fee for these services is **\$3,673.25 per quarter**, (\$14,693/year). In addition to the fixed fee, 20% of net tax revenues recovered for the City and/or Successor Agency from the audits performed over the period of time allowable by State statute (current year and 3 prior lien date years) shall be paid to HdL Coren & Cone. Net tax revenues mean the taxes received by the City or Successor Agency through our audit efforts after factoring for tax sharing agreements. If the City would like to exclude the Successor Agency work, the new fee would be **\$3,298.25 per quarter**, (\$13,193/year) and 20% of net tax revenues recovered for the City and/or Successor Agency from the audits performed over the period of time allowable by State statute (current year and 3 prior lien date years) shall be paid to HdL Coren & Cone

Work that is requested by the City and that is beyond the scope of services outlined in this proposal shall be charged on a time and material basis. No work shall be performed without prior written approval of the City/RDA Successor Agency. Fees for these services are as follows:

Partner	\$225 per hour
Principal	\$195 per hour
Associate	\$150 per hour
Programmer	\$150 per hour
Senior Analyst	\$100 per hour
Analyst	\$ 65 per hour
Administrative	\$ 45 per hour

Hourly rates are exclusive of expenses. Expenses, reasonable travel and lodging fees are billed at 1.15 times actual incurred costs.

B. Timeline for Property Tax Analysis and Audit Services:

- County assessment rolls are purchased annually in July.
- The property data program will be available for access via the internet within 30 days of the execution of the agreement. Parcel data will be updated monthly to include the most current ownership information due to parcel transfers.
- The initial secured and unsecured audits for the City and Successor Agency will be completed and submitted to the County Assessor for corrective action within 90 days of receipt of county rolls. The City will receive file copies of submittals simultaneous with submissions to the County Assessor.
- Data collection from the county assessor's and auditor controller's offices for reports is performed in August and September each year and preliminary reports will be delivered to the City annually before the end of December.

-
- The final tax ratio percentages are available from the auditor controller's office annually in February/March. Final reports will be prepared and delivered prior to the end of April annually.

3. **Not to Exceed Cost Schedule for Sales, Use, Transactions and Property Tax Services**

The combined fixed fee sales tax and property tax services shall not exceed **\$38,000** annually. Audit services are billed on a contingency fee basis as described in this proposal.

RESOLUTION _____

APPROVING THE MASTER PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF TRACY AND HINDERLITER, DE LLAMAS & ASSOCIATES FOR TAX ENHANCEMENT, INFORMATION, AND AUDIT SERVICES; AUTHORIZING THE CITY MANAGER TO EXECUTE TASK ORDERS UNDER THE AGREEMENT; APPROVING THE FUNDING APPROPRIATION; DESIGNATING HINDERLITER, DE LLAMAS & ASSOCIATES AS ITS REPRESENTATIVE TO EXAMINE ALL SALES, USE, AND PROPERTY TAX RECORDS OF THE STATE BOARD OF EQUALIZATION AND OTHER APPLICABLE GOVERNMENT AGENCIES; AND CERTIFYING THAT HINDERLITER, DE LLAMAS & ASSOCIATES MEETS THE CONDITIONS SET FORTH IN THE CALIFORNIA REVENUE AND TAXATION CODE SECTION 7056-(B)(1)

WHEREAS, The City of Tracy (City) desires to maximize the City's income and minimize the cost of lost revenue by detecting and documenting misallocations of Local District Tax (also known as Transactions & Use Tax), Bradley-Burns sales tax, local use tax activity, and Property Tax within the statute of limitations on recoverability, and

WHEREAS, The City issued a Request for Proposals and Qualifications on August 28, 2015 to consultants for sales and property tax enhancement, information, and audit services, and

WHEREAS, the City received responses on September 14, 2015, evaluated, and negotiations were conducted with Hinderliter, de Llamas & Associates, and

WHEREAS, the City would like to enter into a Master Professional Services Agreement with Hinderliter, de Llamas & Associates for the scope of services listed on Attachment A and the performance and cost schedule listed on Attachment B, and

WHEREAS, the additional funding appropriation requires City Council approval; and

WHEREAS, the City wishes to designate Hinderliter, de Llamas & Associates as its representative, authorized to examine all Sales and Use Tax records of the State Board of Equalization per the conditions stated in Section 7056 of the California Revenue and Taxation Code; and wishes to designate Hinderliter, de Llamas & Associates as its representative, authorized to examine Property Tax records of all other applicable government agencies.

NOW, THEREFORE, BE IT RESOLVED, That City Council does hereby approve the Master Professional Services Agreement between the City of Tracy and Hinderliter, de Llamas & Associates for tax enhancement, information, and audit services; authorizes the City Manager to execute all Task Orders; approves the funding appropriation; designates Hinderliter, de Llamas & Associates as its representative to examine all Sales, Use, and Property Tax records of the State Board of Equalization and other applicable government agencies; certifies that Hinderliter, de Llamas & Associates meets the conditions set forth in the California Revenue and Taxation Code Section 7056-(b)(1) and authorizes the Mayor to execute the Agreement.

* * * * *

Resolution _____
Page 2

The foregoing Resolution _____ was adopted by City Council on the 2nd day of February, 2016, 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 LETTER OF AGREEMENT WITH THE US BUREAU OF RECLAMATION FOR REVIEW AND CONSIDERATION OF INCLUSION OF CORDES RANCH INTO THE CITY OF TRACY PLACE OF USE AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT

EXECUTIVE SUMMARY

The authorization of the letter of agreement allows the United States Bureau of Reclamation (USBR) to provide services for environmental analysis and reimbursement of the costs from the City of Tracy for the inclusion of Cordes Ranch development into the City of Tracy approved place of use for USBR Central Valley Project (CVP) water.

DISCUSSION

The City has established a diverse portfolio of water supplies. These include: a contract with the US Bureau of Reclamation (Bureau) with both urban reliability and agricultural reliability, groundwater, and Stanislaus River water from the South San Joaquin Irrigation District.

The water supply agreement for Cordes Ranch identified that the City had adequate existing and future water supply to serve this development from various sources including USBR CVP water. However, the existing agreement between USBR and the City allows the City to use the USBR CVP water within the established place of use which was the City's existing boundaries at the time of the execution of the agreement. With the annexation of the Cordes Ranch development area within the City limits, the City's boundaries have changed; thus necessitating the inclusion of the development within the City of Tracy's approved place of use to serve from CVP water.

The majority of the Cordes Ranch area has been served by the Byron Bethany Irrigation District (BBID) with the exception of a small portion of the area which does not receive water from any irrigation district.

In order to utilize USBR CVP water to serve Cordes Ranch and potentially bring BBID water allocation from this development area to the City supplies, it is necessary to include this development within the City of Tracy approved place of use. An environmental analysis will need to be completed by USBR to achieve the expanded place of use of the CVP water. The USBR has agreed to provide such services upon authorization of the attached letter of agreement.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's four strategic plans.

FISCAL IMPACT

There is no fiscal impact to the General Fund. Costs for USBR analysis and assistance are estimated at \$5,000. There are adequate funds in the approved Fiscal Year 2015-16 budget and costs will be reimbursed from the Cordes Ranch development.

RECOMMENDATION

That the City Council, by resolution, authorizes the letter of agreement with the US Bureau of Reclamation for review and consideration of the inclusion of Cordes Ranch development into the City of Tracy place of use and authorizes the City Manager to execute the agreement.

Prepared by: Steve Bayley, Project Specialist

Reviewed by: Kuldeep Sharma, Director of Utilities
Stephanie Garrabrant-Sierra, Assistant City Manager

Approved by: Troy Brown, City Manager

ATTACHMENTS

Attachment A: Letter of Agreement Contract No. 15-WC-20-0729 dated 12/3/15



United States Department of the Interior

BUREAU OF RECLAMATION
 South-Central California Area Office
 Tracy Office
 16650 Kelso Road
 Byron, CA 94514-1909

IN REPLY REFER TO:

TO-442
 LND-11.00

DEC 03 2015

Letter of Agreement
 Contract No. 15-WC-20-0729

Mr. Troy S. Brown
 City Manager
 City of Tracy
 333 Civic Center Plaza
 Tracy, CA 95376

Subject: Letter of Agreement Contract No. 15-WC-20-0729 for Payment of Cost Associated with the Environmental Analysis and Administrative Cost Incurred for Review and Analysis of Cordes Ranch Inclusion Request – City of Tracy (City) – Central Valley Project (CVP)

Dear Mr. Brown:

This Letter of Agreement Contract No. 15-WC-20-0729 (Agreement) between the Bureau of Reclamation (Reclamation) and the City is entered into pursuant to Contract No. 14-06-200-7858A-IR1 (Contract) entitled, "*Interim Renewal Contract Between the United States and the City of Tracy Providing for Project Water Service from the Delta Division*". Pursuant to Subdivision (a) of Article 34 of the Contract, "While this Contract is in effect, no change may be made in the Contractor's Service Area, by inclusion or exclusion of lands, dissolution, consolidation, merger, or otherwise, except upon the Contracting Officer's written consent". This Agreement provides for reimbursement of Reclamation costs related to the review and analysis of the request to approve the Cordes Ranch inclusion in the City's service area for receipt of CVP water supplies.

Appropriate Reclamation staff from various Mid-Pacific (MP) Region division offices and area offices shall participate in meetings, consultation and coordination as necessary to environmentally analyze, research, and prepare the appropriate contractual documents pursuant to this Agreement. Reclamation's team may consist of, but is not limited to, staff from the following disciplines: Contracts, Environmental, Lands, Water Rights, and Operations. The City shall be responsible for financing all actual costs incurred pursuant to this Agreement and understands that while executing this Agreement, it does not imply approval of any of the proposed actions requested.

Based upon the foregoing, the PARTIES HEREBY AGREE:

1. **CITY PAYMENT OBLIGATION:** The City shall be responsible for advancing to Reclamation the estimated costs and ultimately paying in full, the actual costs incurred preparing and administering the City's subject activities. Reclamation's MP-Region Finance Office will provide the City with reports of the costs incurred upon request.

Subject: Letter of Agreement Contract No. 15-WC-20-0729 for Payment of Cost Associated with the Environmental Analysis and Administrative Cost Incurred for Review and Analysis of Cordes Ranch Inclusion Request – City of Tracy (City) – Central Valley Project (CVP)

2

2. DEPOSIT AND MINIMUM BALANCE: The City will deposit with Reclamation an advance in the amount of Five Thousand Dollars (\$5,000) which will be used to finance the total costs incurred to pursue the activities described above. The City agrees to maintain a balance in the account of Five Thousand Dollars (\$5,000) to cover anticipated costs. Whenever the account balance is less than \$2,000, an additional deposit of \$5,000 will be required and the City shall pay such additional deposit to Reclamation within ten (10) working days of notification by Reclamation.
3. REFUND: Any unexpended funds advanced by the City pursuant to this Agreement remaining on deposit with Reclamation at the termination of this Agreement will be refunded.
4. TERM: This Agreement is effective February 1, 2016, and shall continue in effect until terminated by either party by such party providing the other party with a thirty (30) days advance written notice. The City shall be responsible for all expenses incurred prior to the termination of this Agreement.

If the City agrees with the above, please sign three duplicate originals of this Agreement on the signature pages and retain one signed original for your records. Return two signed originals to:

Bureau of Reclamation
Attention: M. Cathy James (TO-442)
16650 Kelso Road
Byron, California 94514

In addition to providing two signed original Agreements to the address provided, please enclose:

- (1) City Council Resolution authorizing the City to execute this Agreement and
- (2) Deposit of \$5,000

If you have any questions, please contact Ms. Cathy James, Repayment Specialist via electronic mail at mjames@usbr.gov or call 209-836-6279 (TDD 209-836-6282).

Sincerely,



Mary C. James
Repayment Specialist

Subject: Letter of Agreement Contract No. 15-WC-20-0729 for Payment of Cost Associated with the Environmental Analysis and Administrative Cost Incurred for Review and Analysis of Cordes Ranch Inclusion Request – City of Tracy (City) – Central Valley Project (CVP)

In Triplicate

On behalf of the City of Tracy, I concur with the foregoing:

Authorizing Official's Signature

Date

Authorizing Official's Name (Print)

Authorizing Official's Title (Print)

cc: Mr. Kul Sharma
Utilities Director
City of Tracy
3900 Holly Drive
Tracy, CA 95304

RESOLUTION 2016 - _____

AUTHORIZING LETTER OF AGREEMENT WITH THE US BUREAU OF RECLAMATION FOR REVIEW AND CONSIDERATION OF INCLUSION OF THE CORDES RANCH INTO THE CITY OF TRACY PLACE OF USE AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT

WHEREAS, The City has established a diverse portfolio of water supplies, and

WHEREAS, These include: a contract with the US Bureau of Reclamation (USBR) with both urban reliability and agricultural reliability, groundwater, and Stanislaus River water from the South San Joaquin Irrigation District, and

WHEREAS, The Water Supply Assessment for Cordes Ranch identified that the City had adequate existing and future water supply to serve this development, and

WHEREAS, In order to utilize USBR water, it is necessary to include this development within the City of Tracy approved place of use, and

WHEREAS, A portion of the Cordes Ranch development has never been served by USBR water supply and it is not located within an irrigation district, and

WHEREAS, Services of the USBR are needed for environmental analysis, and

WHEREAS, The USBR has agreed to provide services upon authorization of the attached letter agreement;

NOW, THEREFORE, BE IT RESOLVED, That the City Council hereby authorizes the letter of agreement with the US Bureau of Reclamation for review and consideration of the inclusion of the Cordes Ranch development into the City of Tracy place of use and authorizes the City Manager to execute the agreement.

* * * * *

The foregoing Resolution 2016-_____ was passed and adopted by Tracy City Council on the 2nd day of February, 2016, 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

WAIVE SECOND READING AND ADOPT ORDINANCE 1206 AN ORDINANCE OF THE CITY OF TRACY AMENDING THE MINIMUM REAR YARD SETBACK ESTABLISHED IN THE CONCEPT DEVELOPMENT PLAN FOR THE SOUTHGATE PLANNED UNIT DEVELOPMENT LOCATED SOUTH OF THE WESTERN TERMINUS OF SCHULTE ROAD AND EAST OF MABEL JOSEPHINE DRIVE. THE APPLICANT AND OWNER IS BRIGHT DEVELOPMENT APPLICATION NUMBER PUD12-0002

EXECUTIVE SUMMARY

Ordinance 1206 was introduced at the Council meeting held on January 19, 2016. Ordinance 1206 is before Council for adoption.

DISCUSSION

Ordinance 1206 was introduced at a regular City Council meeting held on January 19, 2016, to amend the Concept Development Plan for the Southgate Residential Subdivision. The amendment will change the established rear yard setback minimum from fifteen feet to ten feet. Establishing a ten foot minimum setback would provide flexibility by allowing homeowners in the future to build into rear yards without conflicting with lot coverage regulations.

STRATEGIC PLAN

This agenda item does not relate to the Council's four strategic plans.

FISCAL IMPACT

None.

RECOMMENDATION

That Council adopt Ordinance 1206.

Prepared by: Adrienne Richardson, Deputy City Clerk

Reviewed by: Nora Pimentel, City Clerk
Stephanie Garrabrant-Sierra, Assistant City Manager

Approved by: Troy Brown, City Manager

ATTACHMENTS:

Attachment A – Ordinance 1206

ORDINANCE 1206

AN ORDINANCE OF THE CITY OF TRACY AMENDING THE MINIMUM REAR YARD SETBACK ESTABLISHED IN THE CONCEPT DEVELOPMENT PLAN FOR THE SOUTHGATE PLANNED UNIT DEVELOPMENT LOCATED SOUTH OF THE WESTERN TERMINUS OF SCHULTE ROAD AND EAST OF MABEL JOSEPHINE DRIVE. THE APPLICANT AND OWNER IS BRIGHT DEVELOPMENT APPLICATION NUMBER PUD12-0002

The City Council of the City of Tracy does ordain as follows:

SECTION 1: The minimum rear yard setback established in the Concept Development Plan of the Southgate Planned Unit Development, a subdivision located south of the western terminus of Schulte Road, is amended to ten feet.

SECTION 2: This Ordinance shall take effect thirty (30) days after its final passage and adoption.

SECTION 3: 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 1206 was introduced at a regular meeting of the Tracy City Council on the 19th day of January, 2016, finally adopted on the 2nd day of February, 2016, and became effective on the 16th day of February, 2016, 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

APPROVAL OF A REPORT DESCRIBING THE MEASURES THE CITY IS TAKING TO ADDRESS DESIGN AND LAND USE CONCERNS ALONG THE I-205 CORRIDOR WHICH LED TO THE ADOPTION OF AN INTERIM ORDINANCE PROHIBITING THE ISSUANCE OF ANY LAND USE ENTITLEMENT OR FOR CERTAIN WAREHOUSE AND DISTRIBUTION USES ALONG THE I-205 CORRIDOR BETWEEN TRACY BOULEVARD TO THE EASTERN CITY LIMIT

EXECUTIVE SUMMARY

In response to City Council introducing an interim ordinance on January 5, 2016, prohibiting the issuance of any land use entitlement for certain warehouse and distribution uses along the I-205 Corridor between Tracy Boulevard to the eastern City limit, the City is required to report on the steps being taken to ameliorate the conditions which led to the interim ordinance. This agenda item lists the steps being taken by the City.

DISCUSSION

Over the last several months, City Council has conducted a series of discussions and a workshop related to the I-205 Corridor. On December 15, 2015, the City Council furthered those discussions and received new information from BAE Urban Economics (consulting firm commissioned by the City) related to demand for retail space and the Tracy retail market in general, as well as new draft design guidelines for architecture and landscaping (prepared by Kimley-Horn and Associates, consulting for the City). City Council considered the information and made the decision to continue to study the corridor, including options related to potential changes to development standards and zoning along portions of the I-205 Corridor. City Council also directed staff to bring back an interim ordinance for City Council consideration. It was discussed that the area of study that would be subject to the interim ordinance is the I-205 Corridor from Tracy Boulevard east to the east City limit line (Attachment A is an aerial photograph of the area proposed to be subject to the interim ordinance).

As a result of Council's discussion and review of the information, on January 5, 2016, City council adopted, by four fifths vote, an interim ordinance limiting land use approvals along I-205 from Tracy Boulevard to the eastern City limit (Attachment B: interim ordinance). The interim ordinance remains in effect for 45 days. However, after notice and hearing, the City Council may extend such interim ordinance for 10 months and 15 days and subsequently extend the interim ordinance for an additional one year.

City steps being taken to address I-205 Corridor

The following is a list of steps that are being taken by the City to address the conditions which led to the adoption of the interim ordinance:

- 1) Review of the General Plan designations along the entire corridor, and specifically with in the study area identified in the interim ordinance;
- 2) Review of the zoning designations along the entire corridor, and specifically with in the study area identified in the interim ordinance;
- 3) Review of new, proposed Design Guidelines intended for properties within the study area identified in the interim ordinance;
- 4) Review of a consultant prepared Economic Forecast of Demand for retail land uses within the study area; and
- 5) Research and review of various land use regulations such as “overlay” zones and development standards used elsewhere in the City and in other cities for possible applicability and utility in the study area identified in the interim ordinance.

On February 16, 2016, City Council will conduct another workshop to further discuss what specific actions staff should pursue in order to meet City Council’s objectives for the corridor. At the workshop, a matrix of planning and zoning tools will be discussed which range from design guidelines, overlay zones, to policy and zoning changes. While the interim ordinance is in place for property along the eastern portion of I-205 through the City, City Council was clear in the last meeting that an explanation of the zoning of the whole corridor should also be included. Given that some of the area is not within the City limits, but included in future annexation areas (Sphere of Influence), staff will provide information on each area of the corridor, highlight relevant General Plan policy, explain the zoning and current design or overlay zones currently in place. City Council will further refine how any one of these planning and zoning tools should be applied to each of these areas.

STRATEGIC PLANS

The proposal is a routine item and is not related to the Council’s Strategic Plans.

FISCAL IMPACT

No fiscal impact.

RECOMMENDATION

Staff recommends that the City Council accept the report describing the measures being taken to address design and land use concerns along the I-205 Corridor between Tracy Boulevard to the eastern City limit.

Prepared by: Bill Dean, Assistant Development Services Director

Reviewed by: Andrew Malik, Development Services Director

Stephanie Garrabrant-Sierra, Assistant City Manager

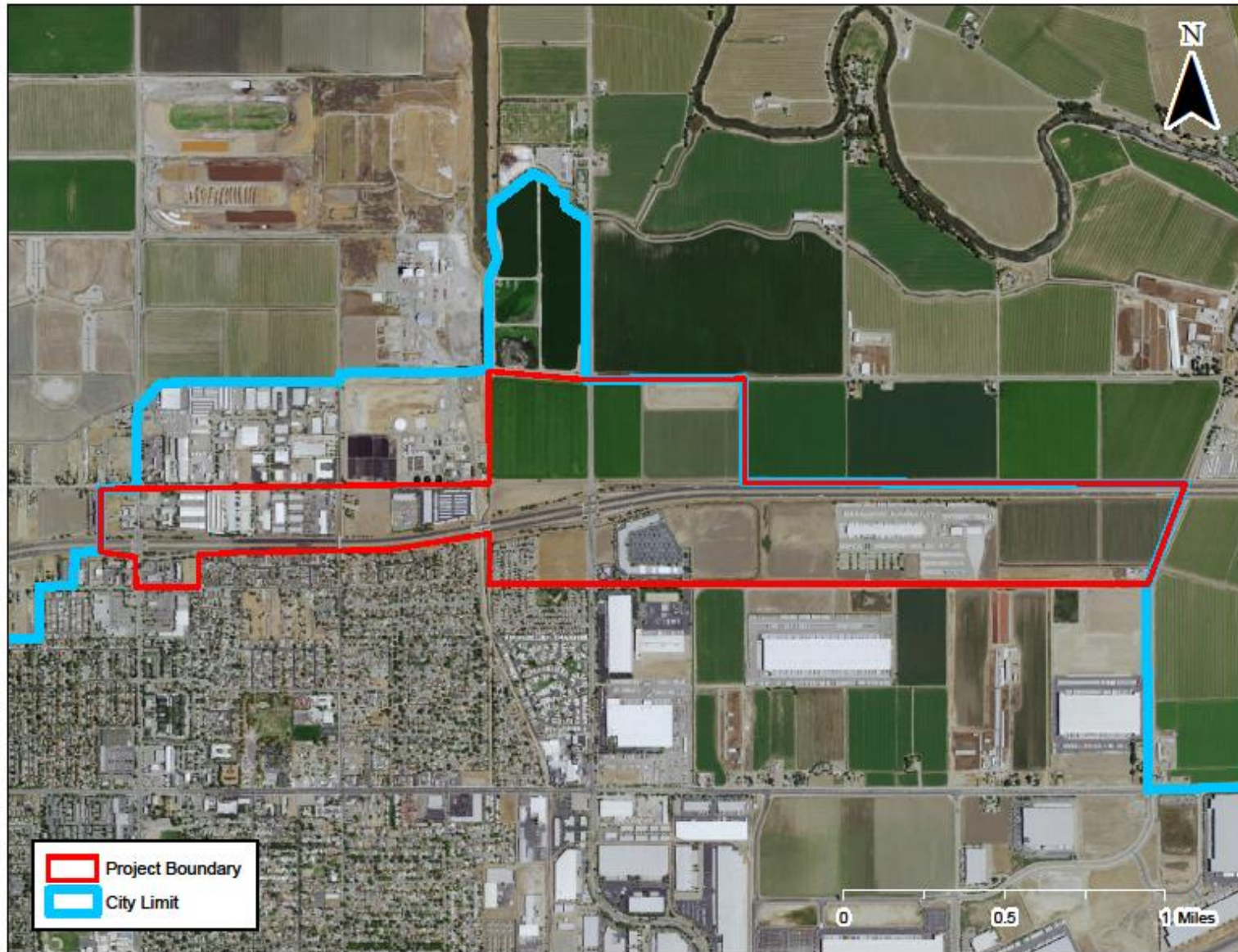
Approved by: Troy Brown, City Manager

ATTACHMENTS

Attachment A – Air Photo of Study Area: I-205 Corridor from Tracy Boulevard East to the City
Limit

Attachment B - Interim Ordinance adopted on January 5, 2016

Figure 1-1: Project Boundary



ORDINANCE 1205

AN INTERIM ORDINANCE OF THE CITY OF TRACY PROHIBITING THE
ISSUANCE OF ANY LAND USE ENTITLEMENT FOR CERTAIN WAREHOUSE
AND DISTRIBUTION USES ALONG THE I-205 CORRIDOR BETWEEN TRACY
BOULEVARD TO THE EASTERN CITY LIMIT

The City Council of the City of Tracy does ordain as follows:

SECTION 1. FINDINGS

The City Council of the City of Tracy finds and declares that:

A. Interstate 205 ("I-205") runs through the northern-most part of the City and connects to Interstates 580 and 5. Areas that are adjacent to I-205 ("I-205 Corridor") are of vital importance to the City because they are visual entryways to the City and serve a significant function in preserving the City's economic vitality; and

B. Large buildings, particularly with long expanses, built along I-205, may lack aesthetic appeal, block views of the City and nearby scenic resources, or create an imposing presence, negatively affecting the impression of the City's image and character to people traveling along I-205; and

C. Some areas of the I-205 Corridor are governed by the I-205 Corridor Specific Plan. A major amendment to the I-205 Corridor Specific Plan was adopted by the City Council in 1999 (Resolution No. 99-240). Since that time, there have been a number of amendments to the I-205 Specific Plan; and

D. Other areas of the I-205 Corridor are governed by different specific planning areas and zoning districts, including: the Industrial Area Specific Plan; the Northeast Industrial Specific Plan; the Light Industrial Zone (M-1); the Highway Service Zone (HS); the Planned Unit Development Zone (PUD); the Medium Density Cluster Zone (MDC); and the Low Density Residential Zone (LDR); and

E. In 2011, the City adopted a major update of its General Plan; and

F. The General Plan recognizes the aesthetic importance of the I-205 Corridor; and

G. The Community Character Element of the General Plan provides in relevant part that:

Tracy is at the crossroads of three Interstate highways that carry many visitors, in addition to residents, through the city. Thus, aesthetically pleasing entryways and visual landmarks that signal a sense of arrival to Tracy are important components that contribute to the City's character. (Community Character Element, p. 3-5.); and;

H. The Land Use Element of the General Plan identifies parts of the I-205 Corridor

as "areas of special consideration" and provides in relevant part that:

Areas around I-205 off-ramps, including areas on Eleventh Street, Grant Line Road, Tracy Boulevard and MacArthur Drive, serve as entryways to the City. Special attention should be given to the types of uses and design of these areas to ensure that development is visually attractive.

5a. Entryway locations include, but are not limited to: Paradise Road, Chrisman Road, Lammers Road, MacArthur Drive, Grant Line Road and Eleventh Street, where these streets intersect I-205.

5c. Follow the guidance for entryways in the City's Civic Art Plan. (Land Use Element, p. 2-55.); and

I. The Economic Development Element of the General Plan also recognizes that the I-205 Corridor serves a significant function in preserving the City's economic vitality and sets forth the following objective and policies:

Objective ED-6.5 Support and expand the I-205 Specific Plan.

Policies

P1. The following types of businesses are encouraged in the I-205 Specific Plan area:

- ◆ Office or tech/flex office development to support the retail base with daytime customer clientele.
- ◆ Big box and regional destination/lifestyle retail development.
- ◆ Restaurants.

P2. The City shall support efforts to ensure that the I-205 Specific Plan area remains a regional retail destination. (Land Use Element, p. 4-15 – 4-16.)

J. The General Plan also calls for the City to "[t]ake actions necessary to ensure that Specific Plans are in conformance with the General Plan." (Land Use Element, p.2-34.); and

K. The City anticipates receiving land use applications for warehouse and distribution buildings on properties within the I-205 Corridor in the near future; and

L. The City believes that the General Plan's goals and policies related to preserving the visual and economic importance of the I-205 Corridor may be better furthered by incorporating updated development standards and the design standards in the existing specific plans and zoning districts that govern warehouse and distribution type uses in the I-205 Corridor; and

M. On July 21, 2015, the City Council directed City staff to begin studying options for

the land uses, development standards, and design standards along portions of the I-205 Corridor from Tracy Boulevard to the eastern City limit; and

N. On October 9, 2015, the City Council authorized funding and directed staff to create draft design guidelines for, and to conduct an economic analysis of, the I-205 Corridor; and

O. On December 15, 2015, the City Council reviewed the draft design guidelines and economic analysis of the I-205 Corridor, and directed staff to present options to the City Council related to possible zoning ordinance amendments to uses in the I-205 Corridor; and

P. Government Code section 65858 authorizes the City to adopt as an urgency measure an interim ordinance prohibiting any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the City Council is considering or studying or intends to study within a reasonable time; and

Q. City staff has been informed that a developer will be submitting a land use application for a distribution use in the I-205 Corridor in the near future that may conflict with, and undermine, any new land uses, development standards, and design standards that the City may implement as a result of the current study of the I-205 Corridor which is being undertaken. This study is intended to better further the visual and economic goals and objectives of the City's General Plan. Therefore, there is a current and immediate threat to the public health, safety, or welfare.

R. The approval of this application, and additional subdivisions, use permits, variances, or development review permits, or preliminary or final development plans related to the warehouse and distribution uses listed below would be a threat to public health, safety, or welfare.

SECTION 2. INTERIM PROHIBITION

During the time this Ordinance is in effect, no approvals shall be given for any subdivisions, use permits, variances, development review permits, or preliminary or final development plans for property fronting, abutting, and/or located within 500 feet of I-205 from Tracy Boulevard to the eastern City limit and that relate to the following uses:

- a. "Warehouse and distribution facilities" in the Industrial Areas Specific Plan.
- b. "Warehouse and distribution" in the I-205 Corridor Specific Plan.
- c. "Warehouse and distribution facilities" in the Northeast Industrial Specific Plan.
- d. "Warehousing and storage (Use Group 53)" in the Light Industrial Zone (M-1).

SECTION 3. EFFECTIVE DATE AND DURATION

This Ordinance is an urgency ordinance enacted under Government Code sections 65858 and 36937 and takes effect immediately upon adoption. This Ordinance remains in effect for 45 days unless extended by the City in accordance with Government Code section 65858.

SECTION 4. WRITTEN REPORT

Pursuant to subdivision (d) of Government Code section 65858, ten days before the expiration of this Ordinance, or any extension of it, the City Council shall issue a written report describing the measures taken to alleviate the condition that led to the adoption of the ordinance.

SECTION 5. ENVIRONMENTAL REVIEW

The City Council finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to sections 15606(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in section 15378) of the CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3).

SECTION 6. PUBLICATION

This Ordinance shall be published once in the Tri-Valley Times, a newspaper of general circulation, within fifteen (15) days from and after its final passage and adoption.

* * * * *

The foregoing Ordinance 1205 was enacted as an interim, urgency ordinance on the 5th day of January, 2016, by the following vote, which is at least 4/5ths of the City Council:

AYES: COUNCIL MEMBERS: MITRACOS, VARGAS, YOUNG, RICKMAN


NOES: COUNCIL MEMBERS: MACIEL

ABSENT: COUNCIL MEMBERS: NONE

ABSTAIN: COUNCIL MEMBERS: NONE



MAYOR

ATTEST:


CITY CLERK

AGENDA ITEM 1.G

REQUEST

ADOPTION OF A RESOLUTION DESIGNATING MEGAN A. BURKE AND BENJAMIN L. STOCK FROM BURKE, WILLIAMS & SORENSEN, LLP AS AUTHORIZED CITY REPRESENTATIVES TO EXAMINE SALES AND USE TAX RECORDS

EXECUTIVE SUMMARY

In the City's on-going efforts to resolve Amazon sales tax and use allocations, the City deems it necessary to authorize Megan A. Burke and Benjamin L. Stock from the Burke, Williams & Sorensen, LLP (BWS) law firm to examine confidential sales and use tax records of the State Board of Equalization pertaining to sales and use taxes collected by the Board for the City pursuant to that contract.

DISCUSSION

Amazon utilizes fulfillment centers, located in the Cities of Moreno Valley, Redlands, San Bernardino, and Tracy ("Fulfillment Center Cities"), to process orders and arrange for products to be delivered to its California customers. Currently, Amazon pays use tax on its California sales, which is allocated to local jurisdictions through countywide pools throughout the State, rather than sales tax, which would be allocated directly to the Fulfillment Center Cities.

The Fulfillment Center Cities, would like to transform Amazon's use tax into sales tax by either persuading the BOE that Amazon has been improperly designating the tax or by reaching an agreement with Amazon whereby Amazon will alter its business operations to provide for the payment of sales tax in exchange for a sales tax rebate provided by the Fulfillment Center Cities.

The City of Tracy, in conjunction with the cities of Moreno Valley, Redlands, and San Bernardino are working with the BWS law firm to obtain and review the Board of Equalization documents regarding agreements and decisions with Amazon to determine the viability of increasing the sales tax received from the Amazon fulfillment center.

STRATEGIC PLAN

This item is in accordance with Council Governance Strategy, Goal 2: Ensure continued fiscal sustainability through budgetary and financial stewardship; Objective 3: Enhance Fiscal Transparency and Goal 3: Identify resources to promote communication and civic engagement, enhance city services, and promote organizational productivity.

FISCAL IMPACT

None

RECOMMENDATION

That City Council approve the resolution authorizing Megan A. Burke and Benjamin L. Stock access to examine sales and use tax records.

Prepared by: V. Rachelle McQuiston, Administrative Services Director

Reviewed by: Stephanie Garrabrant-Sierra, Assistant City Manager

Approved by: Troy Brown, City Manager

RESOLUTION _____

DESIGNATING MEGAN A. BURKE AND BENJAMIN L. STOCK FROM BURKE, WILLIAMS & SORENSEN, LLP AS AUTHORIZED CITY REPRESENTATIVES TO EXAMINE SALES AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance No 6.28.040, the City of Tracy entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local sales and use taxes; and

WHEREAS, the City Council of the City of Tracy deems it desirable and necessary for authorized representatives of the City to examine confidential sales and use tax records of the State Board of Equalization pertaining to sales and use taxes collected by the Board for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales and use tax records of the Board;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY HEREBY RESOLVES AS FOLLOWS:

Section 1. That the City Manager, or other officer or employee of the City designated in writing by the City Manager to the State Board of Equalization (hereafter referred to as Board), is hereby appointed to represent the City with authority to examine sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board pursuant to the contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales and use taxes by the Board pursuant to that contract.

Section 2. Megan A. Burke and Benjamin L. Stock of Burke, Williams & Sorensen, LLP are hereby appointed as duly authorized officers of the City of Tracy to the offices of Special Counsel City Attorneys for the purposes of receiving and reviewing sales or transactions and use tax records for the City of Tracy from the Board of Equalization. The officers referred to as Special Counsel City Attorneys shall represent the City with other designated officers and employees previously identified in resolutions in any and all matters pertaining to the ascertainment and collection of those taxes.

Section 3. Information any such parties obtain by examination of Board records shall be used only for purposes related to the collection of local sales and use tax information pursuant to any appointment or contract.

● * * * * *

Resolution _____
Page 2

The foregoing Resolution 2016-_____ was adopted by City Council on the 2nd day of February, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST

CITY CLERK

AGENDA ITEM 3

REQUEST

RECEIVE AND DISCUSS ANNUAL REPORT ON SENIOR SERVICES

EXECUTIVE SUMMARY

This report discusses the activities of the Senior Services Division during the previous year, including program highlights and increases in attendance. The report includes an update on senior needs and concerns based on the findings from three senior forums and also summarizes the efforts of the Parks and Community Services Commission who have an active role within the senior community.

DISCUSSION

The Lolly Hansen Senior Center provides a wide variety of programs, services and activities for seniors including educational programs, health and wellness presentations, recreational programs, special events, senior related topics seminars, and volunteer and intergenerational opportunities. The Senior Center also serves as a resource hub to connect seniors and their families to services and referrals in coordination with various local agencies. It also offers a daily nutritional lunch offered through the San Joaquin County Department of Aging and Transportation. Most importantly, the Senior Center is a place for older adults in the Tracy community to gather and socialize.

The City Council named "Quality of Life" as a strategic priority for those living and working in Tracy and the Senior Center operates with that priority in mind. Staff strives to improve efficiencies, increase satisfaction and uphold the community's values and expectations through its work with the Tracy senior community.

Programming at Lolly Hansen Senior Center

2,496 seniors are currently registered with the Senior Center. In Fiscal Year 2014/2015, the Senior Center provided approximately 37,009 services for these seniors. Based on feedback from the various community forums, staff has increased programming over the past year, adding several new activities. These activities include six new Health and Wellness classes, 2 health workshops, ten recreational classes, one additional trip (for a total of four trips a year), two casual social events and additional monthly presentations on senior related topics.

To address the needs of seniors who expressed a desire for low-cost affordable classes at the Grand Theatre Center for Arts, the Recreation Division has collaborated with the Arts Education Division to offer "Senior Tuesdays". "Seniors Tuesdays" is a new program offering low-cost, entertainment and educational offerings to seniors, age 50+, at the Grand Theatre Center for the Arts. The program began in April, 2015 and served approximately one-hundred thirty seniors in 2015. "Exhibit A" to this report outlines the Senior Center's improved program impact numbers through increased offerings for 2014 and 2015.

On November 18, 2014, Council supported staff's recommendation to create "Senior Link-Tracy" to address an alternative way to outreach to seniors regarding their needs and concerns. The Senior Link-Tracy program provides an opportunity for senior citizens in Tracy to voice their concerns, share their needs and identify resources that will assist them in living full, vibrant and independent lives. The program, launched in January, 2015, has served 96 seniors with formal appointments, not including those seniors who walk-in, call or request information on a daily basis.

Council also supported the Local Senior Resource Guide, which assists seniors and caregivers in connecting with a wide variety of local resources and non-profit agencies, as well as to City Council and Commissions. The guides can be found at the Senior Center, City facilities, City website and throughout the community.

The Senior Center continues to be a resource hub to connect seniors and their families to local and county services via phone, email, mail or in person. In partnership with various local, county and non-profit agencies that provide information to the Senior Center's Resource Area, staff is able to link seniors and caregivers to various resources and services throughout the County. The Senior Center is also an active member of the new *2-1-1 San Joaquin Get Connected, Get Answers* toll free call center. *2-1-1 San Joaquin* is a collaborative effort of health and human service providers, state legislators, local government representatives and county residents who provide resources, programs, or services 24 hours a day, 7 days a week, including holidays, in over 200 languages for the public.

Parks & Community Services Commission

The Parks and Community Services Commission (The Commission) has purview over parks and programming for youth, adults and seniors. Staff from the Recreation Division provides a monthly recreation report as well as a quarterly update on Senior Comments and Concerns to the Commission. Staff also meets with the various subcommittees that have been established to meet the Commission's two year goals for FY's 2015/2017. The Commission has senior representation actively engaged in the Tracy Community.

On October 24, 2014, the Commission's Community Involvement subcommittee discussed the various ways the Commission could reach their FY 2015/2017 goal to increase their visibility within the senior community. To reach this goal, the Commission hosted three senior forums at the Senior Center, the Transit Station and the Community Center. The information gathered was provided to the Commission with recommended action steps by staff and the subcommittee to address the concerns presented.

On December 8, 2014, the Commission, in collaboration with staff, hosted "Getting to know your Community Services" at the Transit Station. The forum brought seniors together with staff from the various City Departments: Code Enforcement, Fire, Planning, Police, Recreation and Transportation, to discuss senior concerns that arose during the previous "Community Conversation" event, as well as any additional concerns in the Tracy community. There were approximately 47 seniors who were in attendance at this forum.

On January 12, 2015, the Commission held a special meeting at the Senior Center to provide seniors the opportunity to address the Parks and Community Services Commission regarding their needs and concerns. The meeting was held in the early afternoon and approximately 15 seniors were in attendance.

On May 13, 2015, the yearly "Community Conversation" forum was held with three sessions throughout the day at the Tracy Community Center and the Senior Center. "Exhibit B" to this report outlines the needs and concerns expressed at the forum, with staff responses.

Informally, the Commission has also attended community events such as the Sutter Tracy Hospital Community Health and Wellness Fair, Senior Center activities and events, Summer Downtown Block Parties, Farmers Market and various other community events that provide the Commissioners the opportunity to interact with the community and engage with seniors regarding the Commission and services provided by the City of Tracy. The Community Involvement Subcommittee has scheduled presentations with various community groups in Tracy where they provided information regarding the various senior services and the role of the Commission, including how to connect to City services, the Local Senior Resource Guide, the Senior Link-Tracy program, the Recreation Activity Guide and the Arts Education Catalog.

Lastly, two Commissioners, along with City staff, regularly attend the Tracy Senior Association monthly meeting, where they listen to seniors' needs and concerns and provide information to the group.

The Parks and Community Services Commission's Community Involvement subcommittee will continue to increase the Commission's visibility in the senior community by attending community events and Senior Center events and will continue to outreach to the various neighborhood groups, service clubs and the Tracy Senior Association.

Recreation staff and the Commission will continue to outreach to the senior community and provide an opportunity for seniors to address their needs and concerns by:

- Reporting to the Parks and Community Services Commission on a quarterly basis on current and future needs for seniors in the Tracy community.
- Using the Senior Center as a resource hub to inform the senior community on how to connect with City services and other senior-related agencies.
- Marketing the Senior Link-Tracy program and Local Senior Services and Resources guide at locations including the Lolly Hansen Senior Center, City facilities and other locations where seniors gather. Marketing efforts will also include reaching out to non-profits and other organizations that provide services to seniors.

- Hosting the annual Community Conversations in May, 2016 and a special meeting in November, 2016 at the Senior Center to gather the needs and concerns from seniors to report back to City Council in January, 2017.

STRATEGIC PLAN

1. This agenda item supports the Quality of Life Strategy, specifically:

Goal 1: Improve current recreation and entertainment programming & services to reflect the community and match trending demands.

Objective 3: Align recreation and cultural arts services & programs to match demographics, evaluation feedback and trends.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

Staff recommends that Council accept the Annual Report on Senior Services.

Prepared by: Jolene Jauregui, Recreation Services Supervisor

Reviewed by: Kim Scarlata, Division Manager II
Stephanie Garrabrant-Sierra, Assistant City Manager

Approved by: Troy Brown, City Manager

ATTACHMENTS

Exhibit A – Summary of the Senior Center program impact numbers and offerings

Exhibit B – Status of senior needs and concerns from three Senior Forums

PROGRAM IMPACT

LIFE ENRICHMENT & WELLNESS PROGRAMS

PURPOSE: To promote health and wellness by providing access to activities, programs, and services.

2014 STATISTICS & SIGNIFICANT INFORMATION:

- Program attendance = 35,889
- Average daily attendance = 141
- Average weekly attendance = 739
- Average monthly attendance = 2,991
- 856 educational opportunities, activities, recreational programs and services were offered.
- New programs = 2
- New classes = 11
- Information & Assistance appointments = 3,199
- Average number of meals served:
 - 14/day
 - 70/week
 - 286/month
 - 3,434/year
- Average number of meals delivered:
 - 7,800/year
- AARP Tax Assistance appointments = 97

SERVICE RELATED OFFERINGS:

- AARP Driver Safety Classes
- AARP Tax Assistance
- Brown Bag
- Daily Nutrition Lunch
- Drive Well, Age Smart
- Flu Shot Clinics
- HICAP (Health Insurance Counseling & Advocacy Program)
- Meals on Wheels
- Mobile Farmer's Market
- Paralegal
- Senior Link – Tracy Program
- University of Pacific Health Fair for Seniors & other Medicare Beneficiaries

2015 STATISTICS & SIGNIFICANT INFORMATION:

- Program attendance= 36,657
- Average daily attendance = 147
- Average weekly attendance = 781
- Average monthly attendance = 3,060
- 871 educational opportunities, activities, recreational programs and services were offered.
- New programs = 5
- New classes = 11
- Information & Assistance appointments = 3,265
- Average number of meals served:
 - 17/day
 - 85/week
 - 374/month
 - 4,250/year
- Average number of meals delivered:
 - 9,780/year
- AARP Tax Assistance appointments = 83

VOLUNTEER SUPPORT

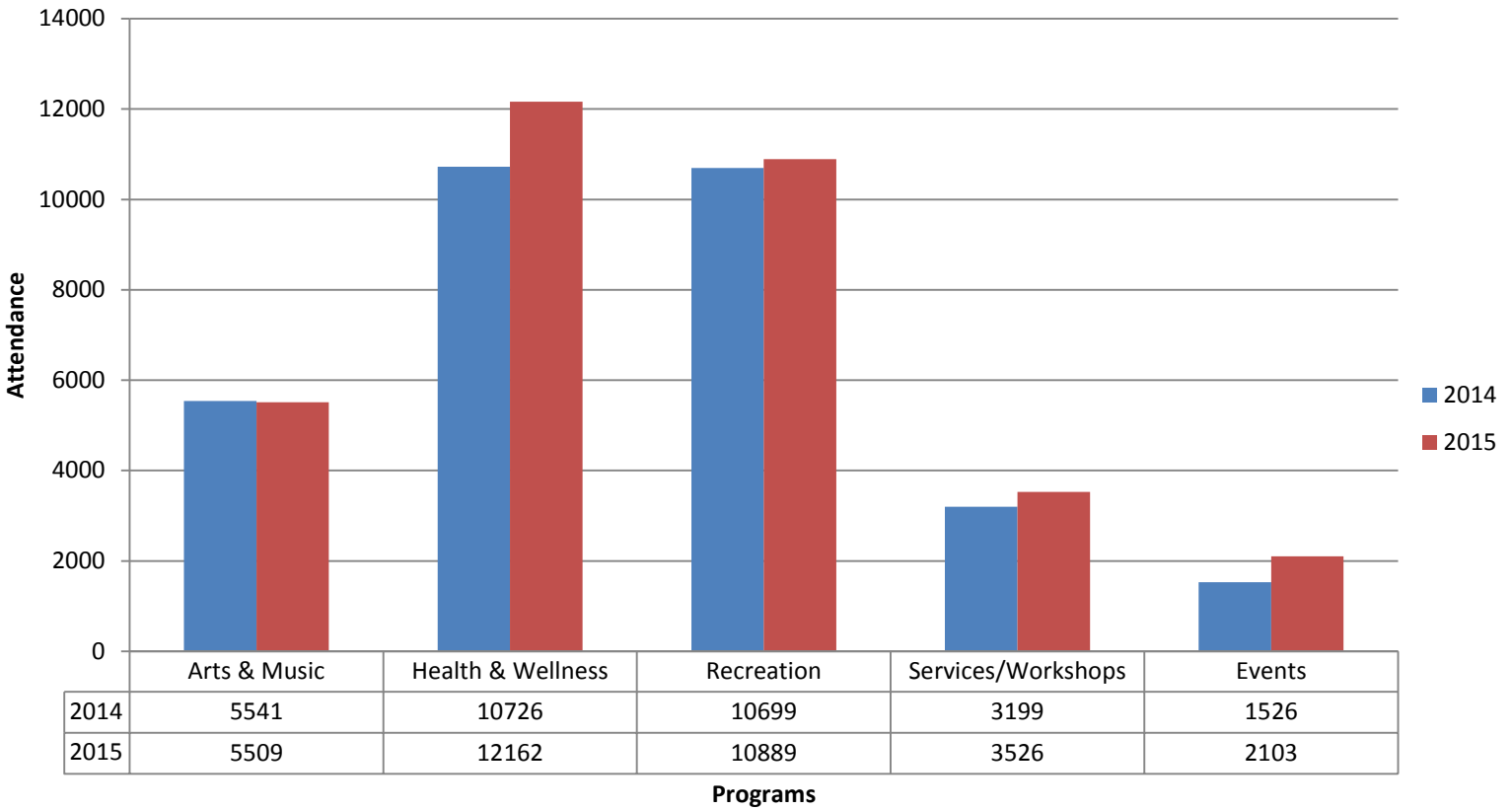
2014/2015 Hours of Volunteer Support:

The number of unduplicated volunteers that reported volunteer hours = 44

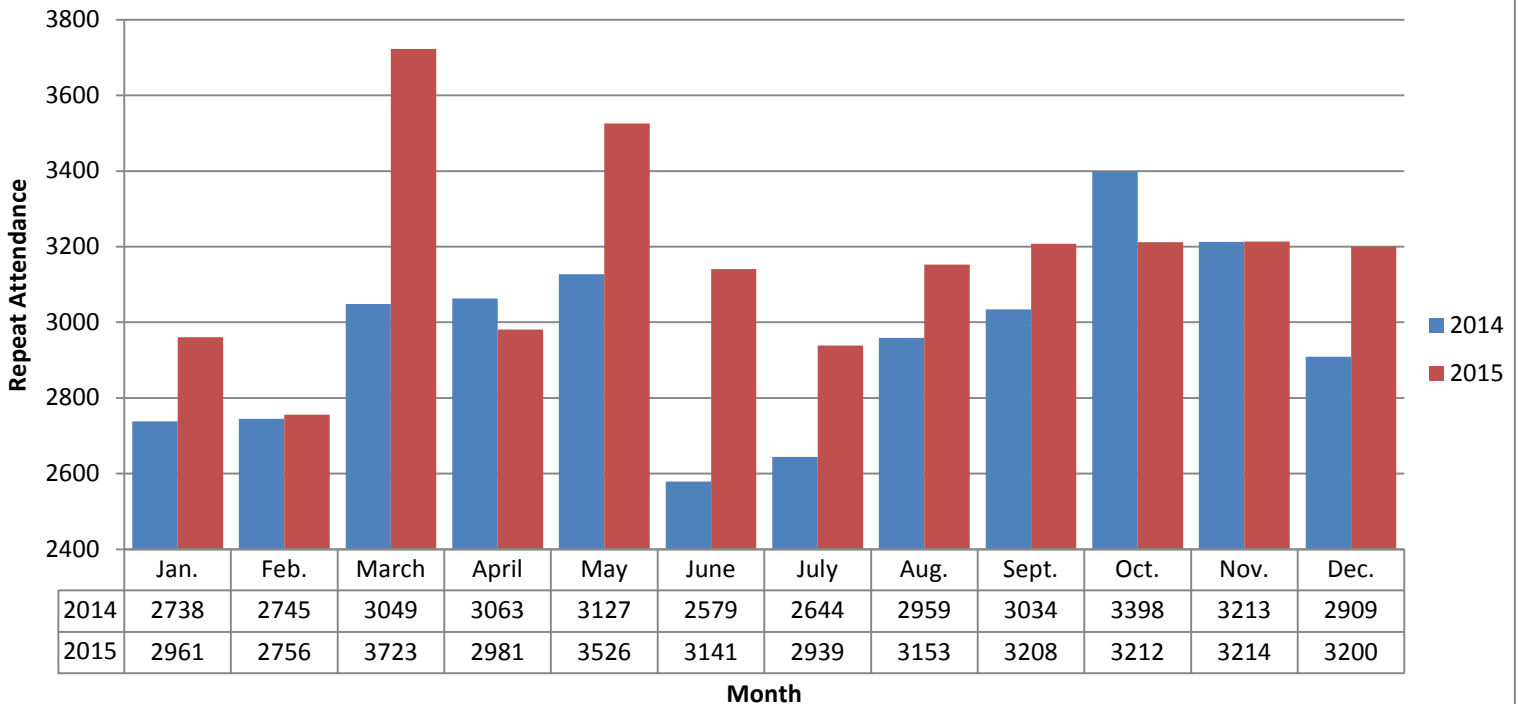
Total of reported volunteer hours = 3,721

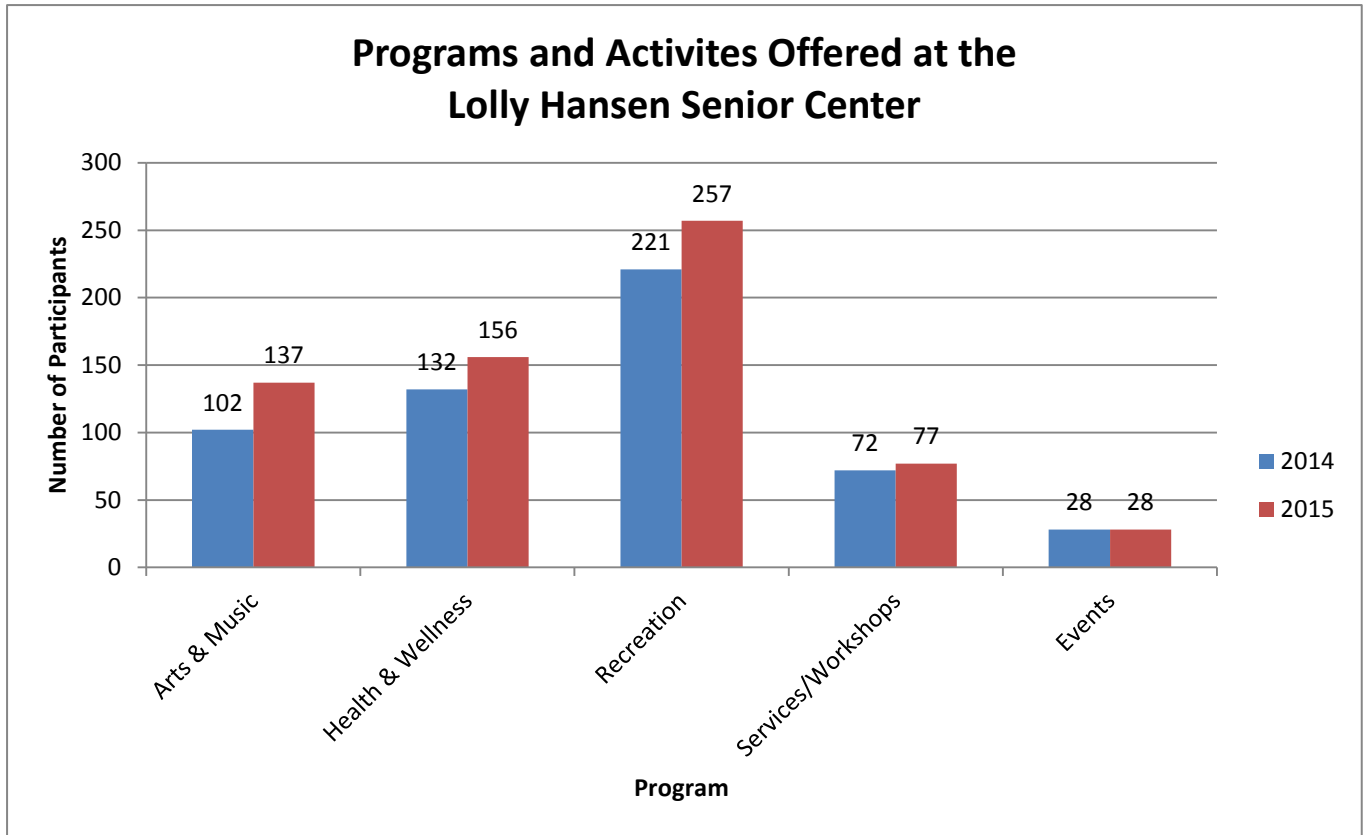
We continue to work at increasing the number of volunteers who record their hours in our database. We appreciate all volunteer service, whether formally recorded or not.

Lolly Hansen Senior Center Attendance for Programs



Lolly Hansen Senior Center Monthly Total - Repeat Senior Attendance





**Getting to Know Your City Services December 8, 2014
Current Senior Citizen Needs and Concerns**

Attendance: 47

What's Working:

- **Public Work's smartphone application**

Department: City Manager's Office / Recreation Division/Cultural Arts Division

Senior Concern	Recommendation	Status
Better ways to communicate	Senior Recommendation: In the mail, on the computers at Senior Center, send to schools, nursing homes and hospitals. List of cities phone numbers and information. Televised Parks and Community Services Commission meetings.	The Senior Center's current marketing efforts include: Flyers, web based information, press release, local newspapers, Recreation Activity Guide (3x year). In addition the Senior Center provides daily announcements in all classes, information on 4 bulletin boards and resource area. The Senior Center targets locations which seniors frequently visit. The current distribution includes locations such as; Pharmacies, restaurants, doctor's offices and senior living facilities. Staff will research more locations. A Local Senior Services & Resources guide that contains city contacted information is now available at the Senior Center and locations throughout the community. The Management Analyst in the City Manager's office notified the seniors that they will take the recommendation to televise Parks & Community Services Commission meetings.

Department: Planning Division

Senior Concern	Recommendation	Status
Senior Housing	Senior Recommendation: Age based housing, having a quota of senior housing per regular housing built. Wheel chair accessible housing.	On December 8, Planning Division staff addressed the issue and notified seniors of possible future senior housing locations in the Tracy area.
Plans for Middle Road	Senior Recommendation: N/A	On December 8, Planning Division staff addressed the issue and notified seniors of the County telephone number for further information.

More jobs	Senior Recommendation: N/A	On December 8, Planning Division staff addressed the issue and notified seniors of zoning areas for possible new businesses.
Lack of handicap parking throughout downtown area	Senior Recommendation: Increase availability of handicap parking.	On December 8, Planning Division staff addressed the issue and notified seniors to put in a request through the Planning Division or to contact Code Enforcement.

Department: Transportation Division

Senior Concern	Recommendation	Status
Bart	Senior Recommendation: Discounted Bay Area Rapid Transit (BART) tickets.	On December 8, Transportation Coordinator shared information of where discounted BART tickets can be purchased and will also share information with BART.
Long wait times for Paratransit customers	Senior Recommendation: Increase the amount of Paratransit vehicles.	On December 8, Transportation Coordinator addressed the issue and notified seniors of plans to extend services.
Long wait time for processing Paratransit applications	Senior Recommendation: N/A	On December 8, Transportation Coordinator addressed the issue and notified seniors that the current processing time is 21 days. During that time, a temporary Paratransit ID is given and services can be utilized.
Not being updated about new transportation services	Senior Recommendation: Advertise new transportation information on city website.	On December 8, Transportation Coordinator addressed the issue and notified seniors that the city website does include all of the transportation services as well as any new information.

Department: Public Works

Senior Concern	Recommendation	Status
Illegal dumping	Senior Recommendation: N/A	On December 8, Public Works staff addressed the issue and notified seniors to utilize the "3 Ways to Report A Problem" Seniors were given Public Works contact information.

**PARKS & COMMUNITY SERVICES COMMISSION
SPECIAL MEETING January 12, 2015**

Attendance: 15

What's Working:

- Appreciation for the Senior Center
- Zumba and exercise classes
- Nice instructors
- Many classes to choose from including sewing class and painting class
- Better classes than what are held in Palo Alto & Fremont

Department: City Manager's Office / Recreation Division/Cultural Arts Division

Senior Concern	Recommendation	Status
Wi-Fi	Senior Recommendation: Have Wi-Fi installed at the Senior Center.	Completed September 2015 (CIP)
More activities and trips	Senior Recommendation: More field trips and social gatherings.	Staff implemented 1 more yearly trip and added two new social activities; Mix & Mingle and Taste of the Country.
Senior Center Newsletter	Senior Recommendation: Newsletter sent out to all seniors 65 years and over similar to other senior centers.	The Senior Center currently has a quarterly calendar that can be picked up at the front desk and is also available on the city website. The calendar features events and seminars on one side and Monday – Friday classes listed on the other.
Lolly Hansen Senior Center offerings different from other Senior Centers	Senior Recommendation: Changes to the current funding for the Senior Center.	Staff informed group that the senior that the Senior Center needs to stay within the parameters of the current budget. The City does not have the funding to allow the Senior Center to stay open in the evenings or on Sundays.
Veteran Programs	Senior Recommendation: Federal Programs available to Veterans	Staff worked with a representative at the Department of Veterans Affairs office in Stockton. However, due to staff changes and availability, a representative for Veterans is not available at this time. Staff will continue to reach out to them in hopes that a representative will become available.
Fundraising	Senior Recommendation: Bingo Night fundraiser	Staff informed the senior that fundraising is not needed at this time to sustain the Senior Center. All of the funding needs are

		currently met by the budget set by Council.
Discounted Grand Theatre activities	Senior Recommendation: Offer more discounted activities and programs at the Grand Theatre for seniors.	Completed April 2015. The Recreation and Cultural Arts Divisions collaborated to create Senior Tuesday at the Grand. A new program offering low-cost, entertaining and educational offerings to seniors, age 50+.

Department: Transportation Division

Senior Concern	Recommendation	Status
TRACER Outlet Route	Senior Recommendation: Reinstate the TRACER Bus Route "A" near the Outlet Mall to bring seniors to the Senior Center.	Staff encouraged the senior to attend the Unmet Transit Needs Assessment. TRACER Commuter Route E provides service in the mornings (6:53am & 7:50am) & afternoons (3:38pm & 4:38pm) Monday to Friday to the Outlet Mall.
Cost of Bus Services	Senior Recommendation: Lower rates for seniors.	The current bus routes offer a rate of \$.50 (Cash only) each way for Seniors (65+)/Disabled/ADA/Medicare and Paratransit offers a fixed rate of \$1.50 each way.

General Comments

Senior Concern	Recommendation	Status
Discounted Hearing Aid Services	Senior Recommendation: More locations such as Costco or Miracle Ear to offer discounted Hearing Aid services.	There are currently no locations that offer a discount for Hearing Aid services. Staff continues to research locations and programs.
Handicap Parking	Senior Recommendation: Increased handicap parking on 10 th St.	The Tracy City Center Association (TCCA) is aware of the issue. The subcommittee is working on assessing the parking issues in order to put a proposal together to increase the handicap parking downtown.

**Senior Community Conversation Meeting May 13, 2015
Current Senior Citizen Needs and Concerns**

**Attendance: Morning Session: 12 – Seniors & 7 Community Members
Afternoon Session: 2**

What’s Working:

- Exercise class
- Number of new programs
- AARP tax volunteers
- Cheerful/positive attitude of staff
- Hot meals
- Games
- Can call the Senior Center for help and if they can’t assist you, they will direct you

Department: City Manager’s Office / Recreation Division/Cultural Arts Division

Senior Concern	Recommendation	Status
Marketing	Senior Recommendation: Market to more locations.	The Senior Center’s current marketing efforts include: Flyers, web based information, press releases, local newspapers, Recreation Activity Guide (3x year). The Senior Center provides daily announcements in all classes, information on 4 bulletin boards and resource area. The Senior Center targets locations which seniors frequently visit. The current distribution includes locations such as; Pharmacies, restaurants, doctor’s offices and senior living facilities. Staff will research more locations.
New Senior Center	Senior Recommendation: Possible use of modular buildings for temporary solution.	Consider the Senior Center for expansion or new facility as part of the CIP process.
Classes, Trips, and Senior Entertainment	Senior Recommendations: Wine & Dinner, Sacramento Train Museum, Ports Game, AARP driving classes (more than 1x per year)	As part of the Recreation Division, senior trips must be educational or recreational in nature. Staff will research trips suggestions. An additional trip was added in Summer 2015.
Senior Link	Senior Recommendation: Senior Link – Tracy program be available for morning appointments upon request.	Implemented June 2015. However, staff available as needed for walk-in & over the phone questions. Advertised in the Fall 2015 Recreation Activity Guide.

Cost of Grand Theatre tickets	Senior Recommendation: Offer senior discounts.	Once a year a show is underwritten by the Grand Foundation to offer discounted tickets to seniors. In 2015 three shows were offered to seniors at a discounted rate: Once on this Island, The Swining'n Blue Stars, Glen Campbell Movie (private rental)
Computers	Senior Recommendation: Faster computer speeds and better computers.	Completed. Computers were maintained as requested. Wi-Fi was installed on September 2015.

Department: Planning Division

Senior Concern	Recommendation	Status
Senior Housing	Senior Recommendation: More Nursing/Assisted Living homes. More senior housing.	The Planning Division staff was notified of senior concern. Additionally, a presentation by City Planner on housing element was held on December 8, 2014 as part of the Getting to Know Your City Services Event.
Handicap and General parking downtown	Senior Recommendation: More handicap and general parking in the downtown area.	Tracy City Center Association (T.C.C.A.) representatives attended the meeting and addressed concern and possible next steps.

Department: Transportation Division

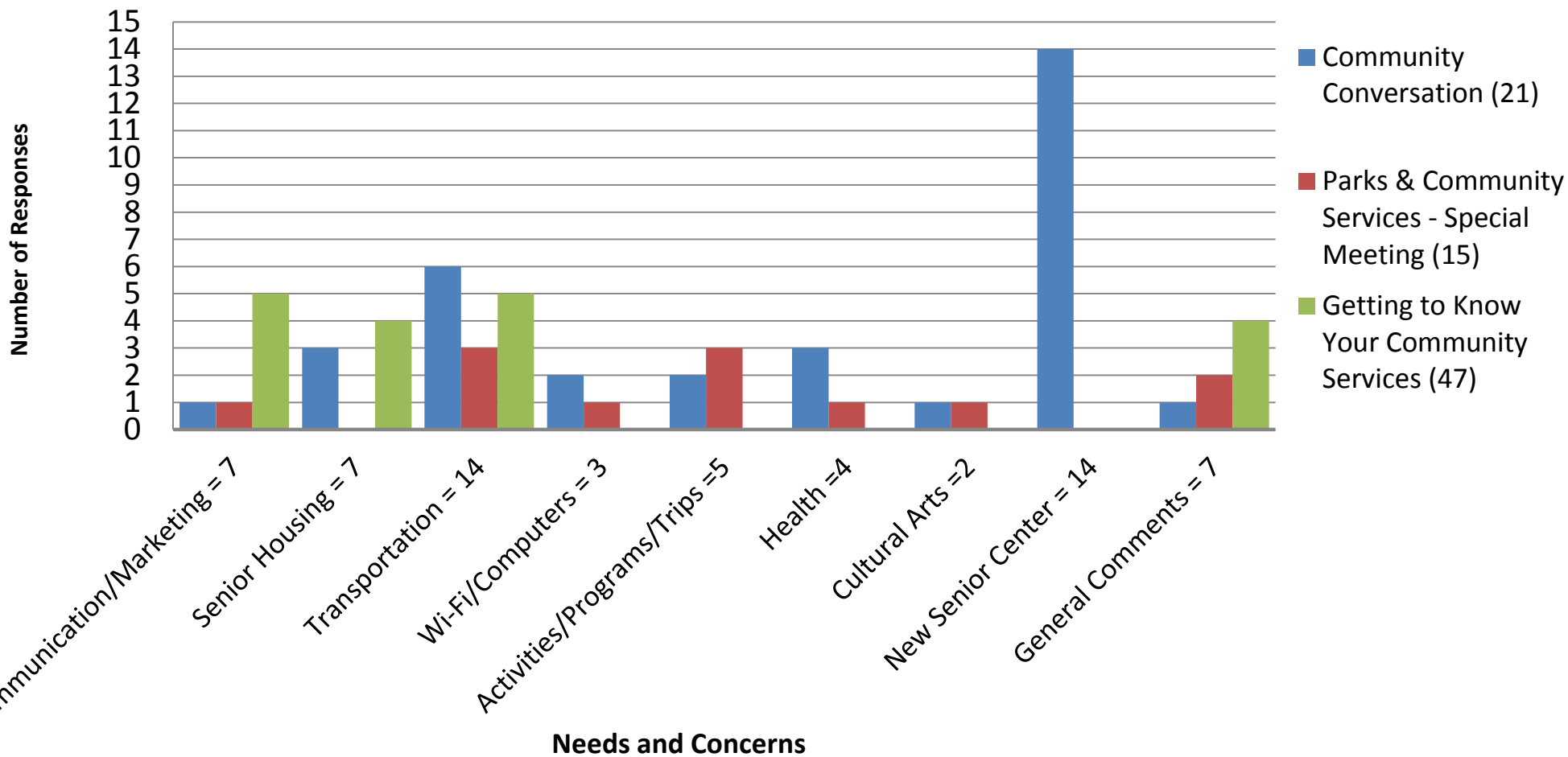
Senior Concern	Recommendation	Status
Transportation	Senior Recommendation: Sunday bus service, cheaper bus fares, more bus stop locations, expanded services to rural areas, operation on holidays.	Transportation Division staff was available and addressed concerns. Transportation staff also addressed issues on December 8, 2014 as part of the Getting to Know Your City Services Event.

General Comments

Senior Concern	Recommendation	Status
Lack of Geriatric doctors	Senior Recommendation: More Geriatric doctors.	Economic Development staff can inform medical field representatives of senior concern when the opportunity arises. Additionally, a representative from Sutter Tracy Hospital attended the meeting and addressed the concern. The representative will also inform the Sutter Tracy Hospital Board of the concern.

<p>Sutter Tracy Community Hospital</p>	<p>Senior Recommendation: Bigger hospital, shorter emergency wait times and less crowding.</p>	<p>Economic Development staff can inform medical field representatives of senior concern when the opportunity arises. Additionally, a representative from Sutter Tracy Hospital attended the meeting and addressed the concern. The representative will also inform the Sutter Tracy Hospital Board of the concern.</p>
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Lolly Hansen Senior Center Senior Needs and Concerns



AGENDA ITEM 4

REQUEST

ADOPTION OF STRATEGIC PRIORITIES, GOALS AND OBJECTIVES FOR FISCAL YEARS 2015/16 AND 2016/17

EXECUTIVE SUMMARY

This staff report presents the City's proposed strategic priority areas, goals and objectives for Fiscal Years 2015/16 and 2016/17 discussed during the City Council retreat held in November, 2015. The four strategy areas include: (1) Public Safety, (2) Quality of Life, (3) Governance, and; (4) Economic Development. Staff requests that Council adopt the proposed strategic priority goals and objectives. Once adopted, the strategic priorities will have work plans developed and regular updates will be provided to the City Council during Fiscal Years 2015/16 and 2016/17.

DISCUSSION

On November 10, 2015, the City Council and senior staff attended a retreat designed, in part, to discuss and define the City's strategic goals and objectives over the next two years. During that discussion, the Council identified desired outcomes related to the City's social, economic, organizational, and environmental landscape. Council then directed the City Manager to work with staff to amend the City Council's current stated goals and objectives to reflect the consensus reached during the retreat regarding priority areas and City goals.

Subsequently, the City Manager developed interdepartmental teams to distill the Council's discussion regarding the City's strategy areas, Public Safety, Quality of Life, Governance, and Economic Development, into goals and objectives for the coming year. Once adopted, the strategic priorities will have work plans developed and regular updates will be provided to the City Council during Fiscal Years 2015/16 and 2016/17.

1. Public Safety Strategy:

The purpose of the Public Safety Strategy is to enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education and offering prevention, intervention and suppression services that meet the needs of Tracy residents.

Goals:

The four (4) goals identified in the Public Safety Strategy include: (1) Partner with and engage the community to address public safety concerns, (2) Promote public health, safety, & community welfare throughout the community, (3) Enhance citywide disaster preparedness, and (4) Promote traffic safety.

Objectives:

For Goal 1, ***Partner with and Engage the Community to Address Public Safety Concerns***, four objectives were identified.

Objective 1: Increase communication with residents regarding crime information and prevention.

Objective 2: Establish partnerships with business owners to address and educate on current trends in crime prevention.

Objective 3: Identify and engage commercial property owners regarding crime prevention and safety.

Objective 4: Enhance community engagement through volunteer opportunities.

For Goal 2, ***Promote Public Health, Safety, and Community Welfare Throughout the Community***, three objectives were identified:

Objective 1: Reduce the number of blighted property conditions.

Objective 2: Address community concerns regarding homelessness.

Objective 3: Promote awareness of fire safety, crime prevention, and unsafe building conditions.

For Goal 3 ***Enhance Citywide Disaster Preparedness***, two objectives were identified:

Objective 1: Develop and implement community education programs to prepare and respond to man-made and natural disasters.

Objective 2: Update existing City-wide emergency safety and evacuation plan and related infrastructure.

For Goal 4, ***Promote Traffic Safety***, two objectives were identified:

Objective 1: Increase public awareness of traffic safety issues specific to Tracy.

Objective 2: Implement a data-driven traffic enforcement campaign.

2. Quality of Life Strategy:

The purpose of the Quality of Life Strategy is to provide an outstanding quality of life by enhancing the City's amenities, business mix and services and cultivating connections to promote positive change and progress in our community.

Goals:

The four (4) goals identified in the Quality of Life Strategy include the following: (1) Address City amenities and facility usage with an emphasis on accessibility, streamlined services and cost recovery, (2) Improve current recreational, cultural arts and entertainment programming and services to reflect community interests and demands, (3) Cultivate Community Engagement through digital and traditional communication means, and (4) Engage in efforts to review and align design and development standards with the community.

Objectives:

For Goal 1, ***Address City Amenities and Facility Usage with an Emphasis on Accessibility, Streamlined Services and Cost Recovery***, three objectives were identified:

Objective 1: Update facility use and special event Memorandum of Understanding (MOU) policies.

Objective 2: Explore cost recovery opportunities to protect and preserve current amenities.

Objective 3: Continue exploration of initiatives geared towards a multi-use recreation facility with a focus on youth and teen services.

For Goal 2, ***Improve Current Recreational, Cultural Arts and Entertainment Programming and Services to Reflect Community Interests and Demands***, three objectives were identified:

Objective 1: Develop recreational, cultural arts and entertainment programs and services that reflect community demographics, evaluation feedback, trends.

Objective 2: Utilize new facility, recreation and volunteer management software to enhance programming and service capabilities.

Objective 3: Promote and market recreation, cultural arts and special event programs using digital and traditional means.

For Goal 3, ***Cultivate Community Engagement through Digital and Traditional Communication Means***, two objectives were identified:

Objective 1: Develop a value-based marketing and communications plan that bridges the gap between residents, businesses and the city.

Objective 2: Enhance methods of informing and engaging the community on City related projects, programs and policies.

For Goal 4, ***Engage in Efforts to Review and Align Design and Development Standards with the Community***, three objectives were identified:

Objective 1: Develop design goals and development standards, specifically for buildings and landscape for the I-205 corridor, Northeast Industrial and Industrial Specific Plan areas.

Objective 2: Develop improvement plan for City Landscape Maintenance Districts.

Objective 3: Partner with local service organizations, community volunteers and residents to enhance the community's urban forest, parks and landscape areas.

3. Governance Strategy:

The purpose of the Governance Strategy is to retain and attract new talent, enhance fiscal stability, improve the use of technology, and enhance transparency for the betterment of the Tracy community.

Goals:

The three (3) goals identified in the Governance Strategy include the following: (1) Further develop an organization that attracts, motivates, develops and retains a high quality, engaged, informed and high performing workforce, (2) Ensure continued fiscal sustainability through financial and budgetary stewardship, (3) Identify technological resources to promote communication, enhance city services, and promote organizational productivity.

Objectives:

For Goal 1, ***Further Develop an Organization that Attracts, Motivates, Develops and Retains a High Quality, Engaged, Informed and High Performing Workforce***, two (2) objectives were identified:

Objective 1: Gather data on and develop solutions for issues facing the organization.

Objective 2: Develop an organizational succession plan.

For Goal 2, ***Ensure Continued Fiscal Sustainability through Financial and Budgetary Stewardship***, three (3) objectives were identified:

Objective 1: Initiate City Council review of financial policies.

Objective 2: Present quarterly fiscal updates to City Council.

Objective 3: Identify new revenue opportunities.

For Goal 3, ***Identify Technological Resources to Promote Communication, Enhance City Services, and Promote Organizational Productivity***, three (3) objectives were identified:

Objective 1: Identify technological deficiencies in all City departments.

Objective 2: Develop IT policy and guidelines for the implementation and use of new software and hardware.

Objective 3: Implement additional Enterprise Resource Planning software modules.

4. Economic Development Strategy:

The purpose of the Economic Development Strategy is to enhance the competitiveness of the City while further developing a strong and diverse economic base.

Goals:

The four (4) goals identified in the Economic Development Strategy include the following: (1) Attract head-of-household jobs reflective of the City's target industries and those that best match the skill sets of the local labor force, (2) Attract retail, hotel, entertainment and recreational uses that offer residents of all ages quality dining, shopping and entertainment experiences, (3) Support higher education and vocational training in the City of Tracy, and (4) Position Tracy as the preferred location for start-up companies and entrepreneurial investment.

Objectives:

For Goal 1, ***Attract Head-Of-Household Jobs Reflective of the City's Target Industries and those that Best Match the Skill Sets of the Local Labor Force***, three (3) objectives were identified:

Objective 1: Focus business recruitment efforts on identified target industries.

Objective 2: Foster relationships with the existing business community to support the overall upgrade and expansion of employment opportunities.

Objective 3: Establish a predictable development process.

For Goal 2, ***Attract Retail, Hotel, Entertainment and Recreational Uses that Offer Residents of all Ages Quality Dining, Shopping and Entertainment Experiences***, three (3) objectives were identified:

Objective 1: Focus retail recruitment efforts on quality retailers, hotels and restaurants that meet the desires of the community.

Objective 2: Increase the entertainment and recreational opportunities and events that draw people into Tracy.

Objective 3: Collaborate with and support the Tracy City Center Association (TCCA) in an effort to increase the drawing power of the downtown.

For Goal 3, ***Support Higher Education and Vocational Training in the City of Tracy***, three (3) objectives were identified:

Objective 1: Continue supporting Notre Dame de Namur's academic programming in Tracy.

Objective 2: Continue partnership and offer support to the Tracy Consortium for Higher Education.

Objective 3: Identify and support agencies with vocational training programs such as San Joaquin Delta College, Tracy Unified School District, San Joaquin County Office of Education and Manex.

For Goal 4, ***Position Tracy as the Preferred Location for Start-Up Companies and Entrepreneurial Investment***, one (1) objective was identified:

Objective 1: Attract start-up companies and entrepreneurs from the Greater Bay Area to San Joaquin Valley region.

FISCAL IMPACT

There is no fiscal impact with the adoption of this agenda item. Any budget implications will be addressed during the budget process.

RECOMMENDATION

That the City Council adopt the proposed Council Strategic Priority areas, goals and objectives for Fiscal Years 2015/2016 and 2016/2017 which include Public Safety, Quality of Life, Governance and Economic Development.

Prepared by: Vanessa Carrera, Public Information Officer
Andrew Malik, Development Services Director
Don Scholl, Public Works Director
Alex Neicu, Police Lieutenant
Ed Lovell, Management Analyst II

Reviewed by: Stephanie Garrabrant-Sierra, Assistant City Manager

Approved by: Troy Brown, City Manager

ATTACHMENTS

Attachment "A":	Public Safety Strategic Plan Chart for FY 15-17
Attachment "B":	Quality of Life Strategic Plan Chart for FY 15-17
Attachment "C":	Governance Strategic Plan Chart for FY 15-17
Attachment "D":	Economic Development Strategic Plan Chart for FY 15-17



City Council Strategic Priorities 2015-2017



PUBLIC SAFETY

Purpose: To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education and offering prevention, intervention and suppression services that meet the needs of Tracy residents.

GOAL 1

Partner with and engage the community to address public safety concerns

OBJECTIVES

1. Increase communication with residents regarding crime information and prevention.
2. Establish partnerships with business owners to address and educate on current trends in crime prevention.
3. Identify and engage commercial property owners regarding crime prevention and safety.
4. Enhance community engagement through volunteer opportunities.

GOAL 2

Promote public health, safety, and community welfare throughout the community

OBJECTIVES

1. Reduce the number of blighted property conditions.
2. Address community concerns regarding homelessness.
3. Promote awareness of fire safety, crime prevention, and unsafe building conditions

GOAL 3

Enhance citywide disaster preparedness

OBJECTIVES

1. Develop and implement community education programs to prepare and respond to man-made and natural disasters.
2. Update existing citywide emergency safety and evacuation plan and related infrastructure.

GOAL 4

Promote traffic safety

OBJECTIVES

1. Increase public awareness of traffic safety issues specific to Tracy.
2. Implement a data-driven traffic enforcement campaign.



QUALITY OF LIFE

Purpose: To provide an outstanding quality of life by enhancing the City's amenities, business mix and services and cultivating connections to promote positive change and progress in our community.

GOAL 1

Address City amenities and facility usage with an emphasis on accessibility, streamlined services and cost recovery.

OBJECTIVES

1. Update Facility Use and Special Event Memorandum of Understanding (MOU) policies.
2. Explore cost recovery opportunities to protect and preserve current amenities.
3. Continue exploration of initiatives geared towards a multi-use recreation facility with a focus on youth and teen services.

GOAL 2

Improve current recreational, cultural arts and entertainment programming and services to reflect community interests and demands.

OBJECTIVES

1. Develop recreational, cultural arts and entertainment programs and services that reflect community demographics, evaluation feedback and trends.
2. Utilize new facility, recreation and volunteer management software to enhance programming and service capabilities.
3. Promote and market recreation, cultural arts and special event programs using digital and traditional means.

GOAL 3

Cultivate community engagement through digital and traditional communication means.

OBJECTIVES

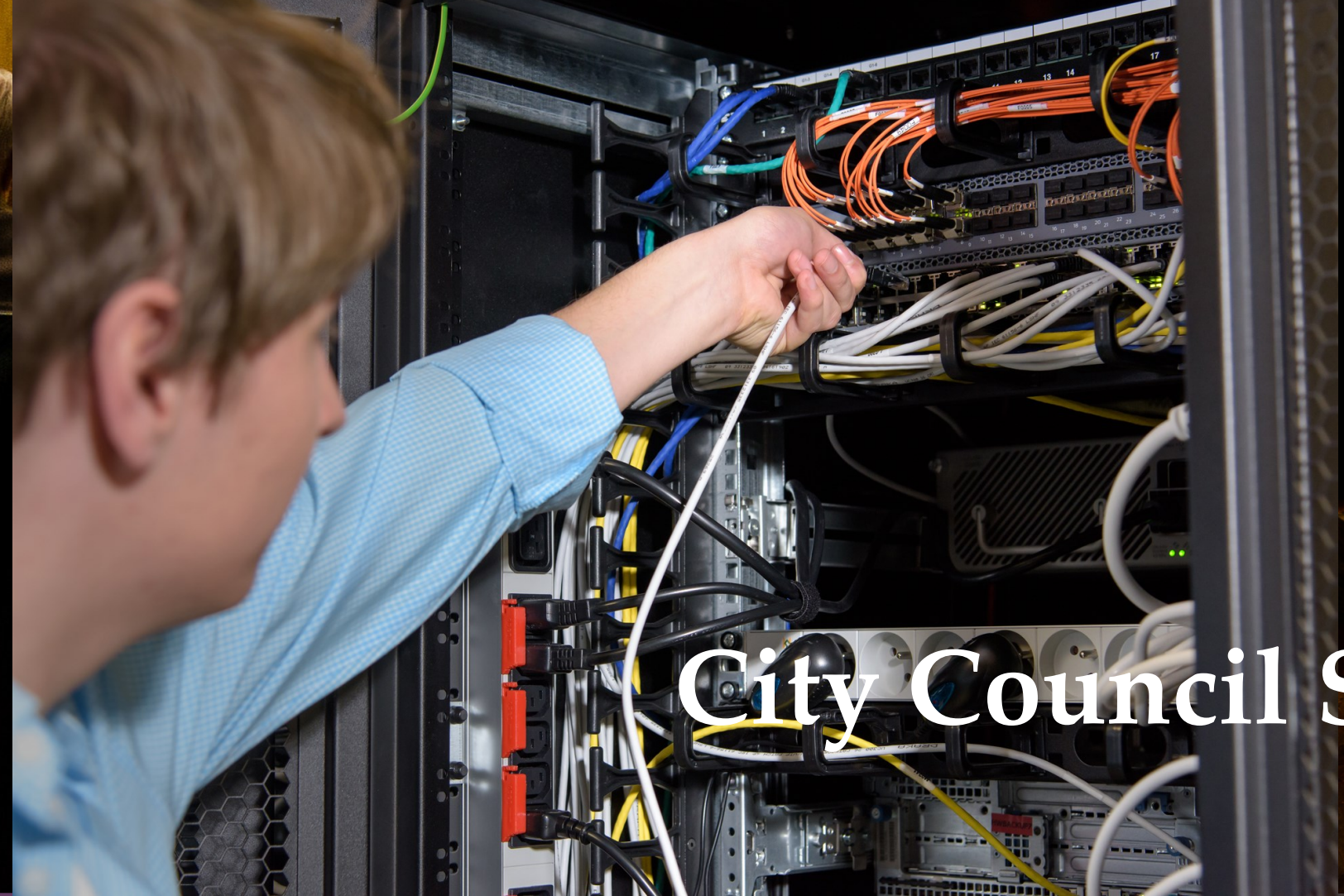
1. Develop a value-based marketing and communications plan that bridges the gap between residents, businesses and the City.
2. Enhance methods of informing and engaging the community on City related projects, programs and policies.

GOAL 4

Engage in efforts to review and align design and development standards with the community.

OBJECTIVES

1. Develop design goals and development standards, specifically for buildings and landscape, for the I-205, Northeast Industrial and Industrial Specific Plan areas.
2. Develop improvement plan for City Landscape Maintenance Districts.
3. Partner with local service organizations, community volunteers and residents to enhance the community's urban forest, parks and landscape areas.



City Council Strategic Priorities 2015-2017



GOVERNANCE

Purpose: To retain and attract new talent, enhance fiscal stability, improve the use of technology, and enhance transparency for the betterment of the Tracy community.

GOAL 1

Further develop an organization that attracts, motivates, develops and retains a high quality, engaged, informed and high performing workforce.

OBJECTIVES

1. Gather data on and develop solutions for issues facing the organization.
2. Develop an organizational succession plan.

GOAL 2

Ensure continued fiscal sustainability through financial and budgetary stewardship.

OBJECTIVES

1. Initiate City Council review of financial policies.
2. Present quarterly fiscal updates to City Council.
3. Identify new revenue opportunities.

GOAL 3

Identify technological resources to promote communication, enhance city services, and promote organizational productivity.

OBJECTIVES

1. Identify technology deficiencies in all departments.
2. Develop IT policy and guidelines on the implementation and use of new software and hardware.
3. Implement additional Enterprise Resource Planning software modules.



ECONOMIC DEVELOPMENT STRATEGY

Purpose: To enhance the competitiveness of the City while further developing a strong and diverse economic base.

GOAL 1

Attract head-of-household jobs reflective of the City's target industries and those that best match the skill sets of the local labor force.

OBJECTIVES

1. Focus on business recruitment efforts on identified target industries.
2. Foster relationships with the existing business community to support the overall upgrade and expansion of employment opportunities.
3. Establish a predictable development process.

GOAL 2

Attract retail, hotel, entertainment and recreational uses that offer residents of all ages quality dining, shopping, and entertainment experiences.

OBJECTIVES

1. Focus retail recruitment efforts on quality retailers, hotels, and restaurants that meet the desires of the community.
2. Increase the entertainment, recreational opportunities and events that draw people into Tracy.
3. Collaborate with and support the Tracy City Center Association in an effort to increase the drawing power of the Downtown.

GOAL 3

Support higher education and vocational training in the City of Tracy.

OBJECTIVES

1. Continue supporting Notre Dame de Namur's academic programming in Tracy.
2. Continue partnership and offer support to the Tracy Consortium for Higher Education.
3. Identify and support agencies with vocational training programs such as San Joaquin Delta College, Tracy Unified School District, San Joaquin County Office of Education

GOAL 4

Position Tracy as the preferred location for start-up companies and entrepreneurial investment.

OBJECTIVES

1. Attract start-up companies and entrepreneurs from the Greater Bay Area to San Joaquin Valley regions.

February 2, 2016

AGENDA ITEM 5

REQUEST

INTRODUCE ORDINANCE ESTABLISHING LOBBYING REGULATIONS IN THE CITY AND ADOPT A RESOLUTION ESTABLISHING REGISTRATION AND RENEWAL FEES

EXECUTIVE SUMMARY

The City Council will consider a proposed ordinance regulating lobbying in the City with a corresponding resolution to amend the City's Fee Schedule to establish the registration and renewal fees.

DISCUSSION

Ordinance. At meetings on March 3, 2015, May 5, 2015 and November 3, 2015, the City Council considered whether to enact lobbying regulations in the City, and directed staff to prepare an ordinance for consideration.

The proposed ordinance is intended to incorporate the best provisions of the San Joaquin County lobbying ordinance, but to eliminate some reporting and enforcement requirements that would not be effective for the City and may burden City staff unnecessarily.

Lobbyist is defined as a person who is compensated by a client in monetary or in-kind compensation and who engages in lobbying which includes at least one direct communication with a City official (Council Member or Commissioner), conducted either personally or through agents, for the purpose of attempting to influence a governmental decision on behalf of the client.

As proposed, the ordinance would require each lobbyist in the City to register on an annual basis, including submitting a statement of the lobbyist's and client's contact information and the governmental decision that may be affected. No one may act as a lobbyist in the City without having registered, and no one may do anything to place a City official under personal obligation regarding City business, or represent that he or she can control an official action.

The ordinance may be enforced by any of the City's existing enforcement tools set forth in the Municipal Code.

Resolution. The proposed resolution establishes the registration fee, annual renewal fee and late fees. These are based on the estimated staff time required to prepare forms, send notification letters, distribute and receive completed forms, and post the results on the City's website, estimated to be approximately one hour per application on average, and one-half hour for a renewal.

FISCAL IMPACT

Unknown at this time; anticipate minimal fiscal impact; general fund.

STRATEGIC PLAN

This is a routine operational item and is not related to any of the Council Strategic Plans.

RECOMMENDATION

- (1) Introduce ordinance establishing lobbying regulations in the city, and
- (2) Adopt resolution establishing registration and renewal fees, to take effect 30 days after the ordinance is adopted.

Prepared by: Stephanie Garrabrant-Sierra, Assistant City Manager
Nora Pimentel, City Clerk
Daniel G. Sodergren, City Attorney

Reviewed by: Stephanie Garrabrant-Sierra, Assistant City Manager

Approved by: Troy Brown, City Manager

ORDINANCE _____

AN ORDINANCE OF THE CITY OF TRACY ADDING A NEW CHAPTER 6.32, LOBBYING,
TO THE TRACY MUNICIPAL CODE

WHEREAS, the City Council considered whether to propose lobbying regulations at its regular meetings on March 3, 2015, May 5, 2015, and November 3, 2015, and directed staff to prepare an ordinance for consideration.

The City Council of the City of Tracy does ordain as follows:

SECTION 1: A new Chapter 6.32, Lobbying Regulations, is added to Title 6 (Businesses, Professions and Trades) of the Tracy Municipal Code to read as set forth in the attached Exhibit A.

SECTION 2: The City Council finds that the adoption and implementation of this ordinance is exempt from the California Environmental Quality Act (CEQA) in that there is no possibility that the implementation of this ordinance may have a significant effect on the environment.

SECTION 3: This Ordinance shall take effect 30 days after its final passage and adoption.

SECTION 4: This Ordinance shall either (1) be published once in the TriValley Times, a newspaper of general circulation, within 15 days after its final adoption, or (2) be published in summary form and posted in the City Clerk's office at least five days before the ordinance is adopted and within 15 days after adoption, with the names of the Council Members voting for and against the ordinance. (Gov't. Code §36933.)

* * * * *

The foregoing Ordinance _____ was introduced at a regular meeting of the Tracy City Council on February 2, 2016, and finally adopted on _____, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

Mayor

ATTEST:

City Clerk

**“Chapter 6.32
Lobbying**

Sections	
6.32.010	Purpose
6.32.020	Definitions
6.32.030	Registration and reporting
6.32.040	Prohibited acts
6.32.050	Enforcement
6.32.060	Expiration

6.32.010 Purpose.

City government serves all citizens. The citizens have a right to know the identity of people and interests that attempt to influence City government decisions. Everyone engaged in compensated lobbying activities aimed at influencing City decisions must be subject to the same regulations, regardless of their background, training or other professional qualifications or licenses. Complete public disclosure of the full range of activities by and financing of lobbyists, and those who employ them, is essential to maintaining citizen confidence in the integrity of local government.

6.32.020 Definitions.

In this chapter, terms have the meanings set forth below.

Attempting to influence means promoting, supporting, opposing or seeking to modify or delay a governmental decision.

City official means the Mayor, City Council Member, or Planning Commissioner.

Client means (a) the person who compensates a lobbyist for attempting to influence a governmental decision; and (b) the person on whose behalf a lobbyist attempts to influence a governmental decision, even if the lobbyist is compensated by another person for the representation. (If a lobbyist represents a membership organization, an individual member is not a client solely because the individual member is represented by the lobbyist unless the member makes a payment for such representation in addition to the usual membership fee.)

Compensation means money or anything of value that is received, or is to be received, in return for or in connection with lobbying services, including reimbursement for expenses incurred in lobbying.

Governmental decision means any legislative or administrative matter proposed or pending before the City, including but not limited to: the granting, denial, revocation, or modification of a license, permit or entitlement for use (including all land use permits); adoption of ordinances or resolutions. It does not include:

- (1) a ministerial action, not involving the exercise of discretion; or
- (2) an action related to a collective bargaining agreement or memorandum of understanding between the City and a recognized employee organization, or a management decision as to the working conditions of represented employees.

Lobbying means engaging in, either personally or through an agent, written or oral direct communication with a City official for the purpose of attempting to influence a governmental decision. *Lobbying* does not include a communication:

- (1) merely requesting information or inquiring about facts or status;
- (2) made by a public official or employee acting in his or her official capacity;
- (3) made in the course of preparing or disseminating news, information, or commentary to the public;
- (4) when appearing at or submitting documents for an open, public meeting;
- (5) made in a speech, publication or other material that is distributed and made available to the public, including a written public petition for a governmental decision;
- (6) which is a response to a request from the City, including a request for public bidding;
- (7) made by a person solely on behalf of that person or his or her relative. The term *relative* includes (biological or step-) spouse, child, father, mother, grandmother, grandfather, grandchild, brother, sister, aunt, uncle, cousin, father-in-law, mother-in-law, brother-in-law, sister-in-law;
- (8) made on behalf someone regarding his or her City employment or benefits; or
- (9) made by an attorney made solely in connection with his or her duties representing a party to an administrative or quasi-judicial proceeding;

Lobbyist means a person who is compensated in monetary or in-kind compensation and who engages in lobbying.

Person includes an individual or entity.

6.32.030 Registration.

(a) Registration. Except as provided in subsection (b), each lobbyist must register with the City Clerk by filing a written statement under penalty of perjury. The written statement must be submitted on the form provided by the City Clerk, and will include:

- (1) the lobbyist's full name, business address, telephone number, and email address. If the lobbyist is a firm, the information must include the information for the firm, and for each firm member who may be involved in the lobbying activity;
- (2) the client's name, business address, telephone number and email address; and
- (3) the governmental decision(s) that may be affected.

If there is a change to the written information, the lobbyist must submit an amended registration within 15 days of the change.

- (b) Timing. The registration must be filed or renewed on an annual basis during January of each year, or within 15 days of the initial employment, whichever occurs first. The initial registration period begins 30 days after this chapter takes effect.
- (c) Fees. When registering or renewing, the applicant must pay the registration or renewal fee in the amount established by City Council resolution.
- (d) Public information. The City will make registration information available to the public on its website.

6.32.040 Prohibited acts.

- (a) General. No person may act as a lobbyist in the City without having registered in compliance with section 6.32.030. No person may employ a person to act as a lobbyist in the City, if the lobbyist is not registered.
- (b) Other prohibited acts. No lobbyist may:
 - (1) do anything whose purpose is to place a City official under personal obligation regarding City business, or represent that the lobbyist can control the official action.
 - (2) deceive a City official or staff member regarding a material fact pertinent to pending or proposed governmental decision.

6.32.050 Enforcement

A person who violates this chapter is subject to civil or criminal penalties, or both, as set forth in Chapter 1.04.

6.32.060 Expiration

This chapter expires in five years from its effective date unless extended by ordinance.”

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF TRACY
APPROVING AN AMENDMENT TO THE MASTER FEE SCHEDULE REGARDING LOBBYIST
REGISTRATION AND RENEWAL FEES**

WHEREAS, on May 19, 2015, 2015 the City Council adopted the amended, City-wide Master Fee Schedule (Resolution No. 2015-075); and

WHEREAS, at the same meeting as it considered this resolution, the City Council introduced an ordinance adding a new Chapter 6.32, Lobbying, to the Tracy Municipal Code; and

WHEREAS, Section 6.32.030 of the Lobbying ordinance requires lobbyists to register with the City and to renew their registration annually, and these requirements are subject to fees established by the City Council; and

WHEREAS, the adoption of this amendment to the Master Fee Schedule is not subject to the California Environmental Quality Act because it is not a project which has the potential for causing a significant effect on the environment. (CEQA Guildelines, 14 Cal. Code of Regs. §15061(b)(3).). Further, the adoption on this amendment is state-mandated and not subject to the notice requirements of Government Code section 66018.

NOW, THEREFORE, the Tracy City Council resolves as follows:

- 1. The Master Fee Schedule is amended as follows:

Page 9 of the 2015 Master Fee Schedule, City Clerk and City Manager’s Departments, is amended by adding a new Lobbyist Registration fee, to read as follows:

SERVICE OR APPLICATION	FEE	LEGAL AUTHORITY
Lobbyist Registration	\$70.00	TMC §6.32.030 (c)
Annual Renewal	\$35.00	
Late fee	\$10 per week, to maximum of \$500	

- 2. This Resolution takes effect 30 days after the Lobbying regulations ordinance is adopted.

The foregoing Resolution was passed and adopted by the Tracy City Council on February 2, 2016 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

Mayor

ATTEST:

City Clerk

AGENDA ITEM 6

REQUEST

CONDUCT A PUBLIC HEARING AND ADOPT A RESOLUTION ELECTING TO ESTABLISH THE CITY OF TRACY AS A GROUNDWATER SUSTAINABILITY AGENCY (GSA) FOR THAT PORTION OF THE TRACY SUB-BASIN WITHIN THE CITY OF TRACY

EXECUTIVE SUMMARY

Adoption of a resolution to establish the City as a Groundwater Sustainability Agency (GSA) for the portion of the Tracy Sub-basin within the city limits will allow the underlying groundwater to be managed locally by the City. Failure of the City to become a GSA may allow the groundwater under Tracy to be managed by San Joaquin County, or other entities.

DISCUSSION

Senate Bills 1168 and 1319, and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act of 2014 (SGMA), became law on September 16, 2014. SGMA requires that the groundwater must be managed by a Groundwater Sustainability Agency (GSA) and the deadline for the formation of a GSA is June 30, 2017. After formation of the GSA, a Groundwater Sustainability Plan must be prepared and submitted by January 31, 2022.

The purpose of SGMA is to require management of the groundwater in a sustainable manner. Many areas in California do not manage their local groundwater. Management of the groundwater entails activities related to and the measurement of the depth of groundwater, constituents contained in the groundwater, protection of the groundwater from contamination, identification of how recharge of the aquifer occurs, and measurement of the amount of groundwater pumped from the aquifer.

Tracy has managed its groundwater effectively for more than three decades and has a good understanding of local geology and groundwater conditions. What is not known is the future impact on groundwater from the new agricultural users including a significant number of new almond orchards surrounding Tracy. This increased water demand may have impacts on the underlying groundwater.

The City of Tracy water supply is reliant upon a number of emergency wells which go into production during peak hour demand and when no water supplies are received from the Delta Mendota Canal due to its closure and maintenance. It is extremely important that either the City be its own GSA or be part of the group who share the same aquifer.

The GSA designation process prescribed by SGMA and the California Department of Water Resources (DWR) dictates that no overlap between GSAs can exist. Consequently, there is an inherent risk for non-filing agencies that if another entity is designated as the GSA, the non-filing agency's autonomy and authority to make groundwater management decisions within its service area could be diluted and/or

compromised. To protect the ability for a local public agency to maintain its authority with regards to SGMA, the local agency must become a GSA or negotiate an agreement with the adjacent local agencies.

Since San Joaquin County is seeking to establish itself as a GSA for the whole county, it is incumbent upon the City to become a GSA in order to ensure local management of the groundwater that remains with the City of Tracy. The City's aquifer is shared by areas west of the City and is different than the other municipalities and agencies within San Joaquin County.

The City must file within 90 days of DWR posting the San Joaquin GSA formation notice. Failure by the City to file within the allotted time period will result in San Joaquin County being the GSA for the City of Tracy.

After Council's election to establish the City as a GSA, the City will inform DWR who in turn will post the City's GSA formation notice. Assuming that San Joaquin County has also filed to be a GSA, DWR will deem both competing GSA requests to be incomplete requiring the submittals to be withdrawn and/or modified to eliminate any overlap in boundaries.

In the future, it is anticipated that the local agencies in the southern portion of San Joaquin County will work cooperatively together to develop a Groundwater Sustainability Plan.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's four strategic plans.

FISCAL IMPACT

There is no significant fiscal impact to the General Fund or the Water Fund for establishing the GSA. Costs consist of staff time and public hearing notice publication charges.

RECOMMENDATION

That the City Council conduct a public hearing and at the close of the hearing, by resolution, elect to act as the Groundwater Sustainability Agency under the Sustainable Groundwater Management Act (SGMA) (California Water Code § 10720 et seq.) for the portion of the Tracy Subbasin of the San Joaquin Valley Groundwater Basin within the city limits of the City of Tracy.

Prepared by: Steve Bayley, Project Specialist

Reviewed by: Kuldeep Sharma, Utilities Director
Stephanie Garrabrant-Sierra, Assistant City Manager

Approved by: Troy Brown, City Manager

RESOLUTION 2016 - _____

RESOLUTION ELECTING TO ESTABLISH THE CITY OF TRACY AS A GROUNDWATER SUSTAINABILITY AGENCY FOR THAT PORTION OF THE TRACY SUB-BASIN WITHIN THE CITY OF TRACY

WHEREAS, Senate Bills 1168 and 1319, and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act of 2014 (SGMA), became law on September 16, 2014, and

WHEREAS, SGMA went into effect on January 1, 2015, and

WHEREAS, SGMA requires the groundwater under Tracy to be managed by a Groundwater Sustainability Agency (GSA), and

WHEREAS, SGMA delineates a deadline for formation of a GSA for the Tracy sub-basin of June 30, 2017, and

WHEREAS, The SGMA authorizes a local public agency overlying groundwater sub-basin to elect to become a GSA, and

WHEREAS, The City of Tracy is a local public agency as defined under the SGMA and is therefore eligible to serve as a GSA, and

WHEREAS, Section 10723.2 of the SGMA requires that a GSA consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans, and

WHEREAS, Section 10723.8 of the SGMA requires that a local public agency electing to be a GSA notify DWR of its election and intention to undertake sustainable groundwater management within a sub-basin, and

WHEREAS, The City is committed to sustainable management of its groundwater resources, and

WHEREAS, Pursuant of Government Code Section 6066, notices of a public hearing regarding whether to adopt a Resolution to elect to become a GSA was published on January 15, 2016 and January 22, 2016 in the Tri Valley Herald San Joaquin edition, and

WHEREAS, The City held a public hearing on February 2, 2016, and

WHEREAS, The City wishes to exercise the powers and authorities of a GSA granted by the SGMA;

NOW, THEREFORE, BE IT RESOLVED, That the City Council hereby elects to become a Groundwater Sustainability Agency for that portion of the Tracy Sub-basin of the San Joaquin Valley Groundwater Basin within the city limits of the City of Tracy, and directs staff to, within 30 days from the date of this Resolution, provide notification of this election to DWR, including a copy of this Resolution and additional information required by Water Code Section 10723.8, in the manner required by law.

* * * * *

The foregoing Resolution _____ was passed and adopted by City Council on the 2nd day of February, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK