

May 19, 2020, 5:30 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy

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

Due to the COVID-19 emergency, the regular meeting was conducted pursuant to the provisions of the Governor's Executive Order N-29-20 which suspends certain requirements of the Ralph M. Brown Act. Residents participated remotely via email, phone and WebEx during the meeting.

1. Mayor Rickman called the meeting to order at 5:30 p.m.
2. Roll call found Council Members Arriola, Ransom, Vargas, Mayor Pro Tem Young, and Mayor Rickman present.
3. ITEMS FROM THE AUDIENCE – There were no comments from the public.
4. DISCUSS PROPOSED FY 2020-21 FINANCIAL BUDGET FOR THE CITY OF TRACY AND CAPITAL IMPROVEMENT PLAN; ADOPT A RESOLUTION TO FORM AN AD-HOC COMMITTEE OF THE CITY COUNCIL TO GUIDE THE DEVELOPMENT OF A FISCAL SUSTAINABILITY PLAN

Karin Schnaider, Finance Director provided the staff report and presentation.

Michel Bazinet spoke about use of Measure V Funds, delivering funds for promised amenities, and provided options to avoid using Measure V Funds.

Sandy Taylor expressed concerns about using Measure V funds to subsidize budget shortfalls and stated it is not ok to use Measure V funds for staff salaries, structural deficit, unfunded retirement plan or potential COVID impact.

Marsha McCray stated if the City chooses to use Measure V funds to balance the budget it will erode public confidence and requested Council reject the use of Measure V money to balance the budget.

City Council questions and discussion followed.

Jenny Haruyama, City Manager summarized Council's discussion:

- Council consensus on implementing a hiring freeze and hold positions vacant as part of an interim budget strategy to reduce the City's existing deficit.
- Council consensus to use the Economic/Budget Stabilization Reserve (\$2.5M).
- No Council consensus to use limited portion of FY 2020-21 Measure V Reserve funds (\$6.6 million). Council Member Ransom and Council Member Vargas were interested in setting up a replenishment agreement, and that would be the terms that they would only be interested in. Council Member Arriola and Mayor Pro Tem Young were not on using Measure V funds, but one caveat is to finalize what our path forward is with Measure V amenities and funding. Mayor Rickman wanted more information before taking a position.

- Council consensus to use alternate funding source or budget strategy to address the City's deficit.

Ms. Haruyama to bring more information in June to assist Council in making their decision in the breakdown of revenue types in terms of losses and can provide a draft replenishment agreement for Council's perusal. Also more Measure V conversation, finalizing that direction and providing information on how we can get there on a parallel process, and that could occur during the summer.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Vargas to adjourn. Roll call found all in favor; passed and so ordered.

ACTION: Motion was made by Council Member Vargas and seconded by Mayor Pro Tem Young to reopen the special meeting to consider a motion. Roll call found all in favor; passed and so ordered.

ACTION: Motion was made by Council Member Ransom and seconded by Council Member Arriola to adopt **Resolution 2020-067** establishing the Council Ad Hoc Fiscal Sustainability Committee. Council Members Arriola, Ransom, Vargas and Mayor Pro Tem Young in favor; passed and so ordered. Mayor Rickman opposed.

5. ADJOURNMENT: Time: 7:10 p.m.

ACTION: Motion was made by Council Member Ransom and seconded by Council Member Arriola to adjourn. Roll call found all in favor; passed and so ordered.

The above agenda was posted at the Tracy City Hall on May 14, 2020. The above are action minutes. A recording is available at the office of the City Clerk.

ATTEST:

Mayor

City Clerk