

March 9, 2021, 6:00 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy

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

Due to the COVID-19 emergency, the special 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 Young called the meeting to order at 6:04 p.m.
2. Roll call found Council Members Arriola, Bedolla, Davis, Mayor Pro Tem Vargas, and Mayor Young present.
3. ITEMS FROM THE AUDIENCE – Robert Tanner requested Council finish Legacy Fields, asked about an update on the Aquatics Park, and stated a Multi-General Center should be on hold.
4. ACCEPT FINANCIAL FORECAST REPORT FROM MANAGEMENT PARTNERS; ADOPT COUNCIL GUIDING BUDGET PRINCIPLES; EXTEND COUNCIL AD-HOC FISCAL SUSTAINABILITY COMMITTEE; CONSIDER FISCAL SUSTAINABILITY STRATEGIES PROPOSED BY THE AD-HOC COMMITTEE; AND PROVIDE DIRECTION TO STAFF

Jenny Haruyama, City Manager provided opening comments.

Nancy Hetrick, and Steve Toler, Management Partners provided a presentation regarding financial sustainability and answered questions from Council.

Council Member Arriola, Ad Hoc Fiscal Sustainability Committee member provided comments regarding the recommended budget strategies and responded to Council questions.

Mayor Pro Tem Vargas, Ad Hoc Fiscal Sustainability Committee member provided comments regarding the recommended budget strategies, and responded to Council questions.

Robert Tanner suggested putting a two-year wage freeze in the union contracts, spoke about commissions and Council stipends costing approximately over \$300,000 and suggested they give up wages and stipends to close that gap.

Mira Woodworth asked how much the consultant project is costing the city and requested more details about their process such as did they consult staff with some of the recommendations.

Jeff Bordes serving as an Arts Commissioner stated with political and racial divide we now more than ever need the arts, shared support for the local art center at the Grand Theatre adding it would be a huge disservice to reduce arts in the community.

Kaylin Dell'Arringa voiced her concerns over the proposed \$1.54 million reduction to subsidies for recreation and cultural arts and the impact on The Grand.

Karin Schnaider, Finance Director responded to Council questions.

City Council questions and comments followed.

ACTION: Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Vargas to adopt **Resolution 2021-023** approving the Financial Principles for the City of Tracy. Roll call found all in favor; passed and so ordered.

Motion made by Council Member Arriola and seconded by Mayor Pro Tem Vargas to direct staff to pursue the green/preferred proposed fiscal sustainability strategies.

City Council reviewed the following Fiscal Sustainability Strategies: Revenue Enhancements, Expenditure Controls/Cost Shifts, Service Delivery Alternatives, and Service Level Reductions.

Council Member Bedolla motioned to amend the current motion on the floor to direct staff to explore strategies number 1 through 11 and as is practice for staff to seek out funds to compensate where appropriate. There was no second to the motion.

Council Member Arriola asked if business license tax is the same for everyone, talked about timing for 2022 election, but because of large fiscal target of over \$4 million, what would be the cost of implementing a special election for that particular item.

Ms. Schnaider responded it is General Tax, so in order to go outside of normal general election we would have to declare a fiscal emergency to do that.

Leticia Ramirez, City Attorney added under the Election Code to have an item of that nature as a Measure on a Special Election Council would have to declare a fiscal emergency and state there is an eminent threat to provide services to the community. Staff could brief Council on the implications with doing that via memo confidentially. Mayor Pro Tem Vargas supported that.

Council Member Arriola was in support of item #1 but would like additional information on what that may look like. If special election is \$300,000, that is a difference of \$4 million we could obtain to balance our budget sooner so would like more information on that when staff brings that back.

Council Member Davis referred to item #5 under Revenue Enhancements and requested more information about what modifications would look like if we had to take a look at Public Works and Park Landscape.

Expenditure Controls/Cost Shifts:

Council Member Arriola talked about recreational and cultural programming, and would like to look into opportunities to develop programmatic solutions to continue to help supplement our lower income residents so they have the same opportunity to utilize the same recreational and cultural programming that everyone else has. Would like more assessment of that to bring back.

Mayor Pro Tem Vargas wanted to propose to give extra tools and latitude to staff on how we can facilitate that, as well as the community participating in arts, to explore and bring back with recommendations with other alternatives that are brought to us.

Service Delivery Alternatives:

Council Member Davis stated anything related to public service reduction, public safety, public works, parks maintenance and pavement standards are things she draws a hard line of reducing at all costs in a city that is growing the way we are.

ACTION: Motion made by Council Member Arriola and seconded by Mayor Pro Tem Vargas to direct staff to pursue the green/preferred proposed fiscal sustainability strategies. Roll call found all in favor; passed and so ordered.

Karin Schnaider, Finance Director provided a brief overview regarding the extension of the Council Ad Hoc Fiscal Sustainability Subcommittee.

ACTION: Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Vargas to adopt **Resolution 2021-024** extending the Council Ad Hoc Fiscal Sustainability Subcommittee for one-year term. Roll call found all in favor; passed and so ordered.

5. COUNCIL ITEMS AND COMMENTS – None.

6. ADJOURNMENT – Time: 8:06 p.m.

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

The above agenda was posted at the Tracy City Hall on March 4, 2021. The above are action minutes. A recording is available at the office of the City Clerk.

ATTEST:

Mayor

City Clerk