TRACY CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, June 20, 2023, 7:00 P.M.

Tracy City Hall Chambers, 333 Civic Center Plaza, Tracy
Web Site: www.cityoftracy.org

THIS MEETING WILL BE OPEN TO THE PUBLIC FOR IN-PERSON AND REMOTE PARTICIPATION PURSUANT TO GOVERNMENT CODE SECTION 54953(e).

MEMBERS OF THE PUBLIC MAY PARTICIPATE REMOTELY IN THE MEETING VIA THE FOLLOWING METHOD:

As always, the public may view the City Council meetings live on the City of Tracy's website at CityofTracy.org or on Comcast Channel 26/AT&T U-verse Channel 99. To view from the City's website, open the "Government" menu at the top of the City's homepage and select "City Council Meeting Videos" under the "City Council" section.

If you only wish to watch the meeting and do not wish to address the Council, the City requests that you stream the meeting through the City's website or watch on Channel 26.

***Remote Public Comment**:*

During the upcoming City Council meeting public comment will be accepted via the options listed below. If you would like to comment remotely, please follow the protocols below:

- *Comments via:*
  - **Online by visiting** https://cityoftracyevents.webex.com and using the following **Event Number: 2552 821 7229** and **Event Password**: TracyCC
  - ***If you would like to participate in the public comment anonymously***, you may submit your comment in WebEx by typing "Anonymous" when prompted to provide a First and Last Name and inserting Anonymous@example.com when prompted to provide an email address.
  - Join by phone by dialing +1-408-418-9388, enter 25528217229#8722922# Press *3 to raise the hand icon to speak on an item.

- *Protocols for commenting via WebEx:*
  - *If you wish to comment on the "Consent Calendar", "Items from the Audience/Public Comment" or "Regular Agenda" portions of the agenda:*
    - *Listen for the Mayor to open that portion of the agenda for discussion, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.*
    - *If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.*
  - *Comments for the "Consent Calendar" "Items from the Agenda/Public Comment" or "Regular Agenda" portions of the agenda will be accepted until the public comment for that item is closed.*

Comments received on Webex outside of the comment periods outlined above will not be included in the record.

Date Posted: June 16, 2023

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 (209/831-6105) 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. To facilitate the orderly process of public comment and to assist the Council to conduct its business as efficiently as possible, members of the public wishing to address the Council are requested to, but not required to, hand a speaker card, which includes the speaker's name or other identifying designation and address to the City Clerk prior to the agenda item being called. Generally, once the City Council begins its consideration of an item, no more speaker cards will be accepted. An individual's failure to present a speaker card or state their name shall not preclude the individual from addressing the Council. Each citizen will be allowed a maximum of five minutes for input or testimony. In the event there are 15 or more individuals wishing to speak regarding any agenda item including the "Items from the Audience/Public Comment" portion of the agenda and regular items, the maximum amount of time allowed per speaker will be three minutes. When speaking under a specific agenda item, each speaker should avoid repetition of the remarks of the prior speakers. To promote time efficiency and an orderly meeting, the Presiding Officer may request that a spokesperson be designated to represent similar views. A designated spokesperson shall have 10 minutes to speak. At the Presiding Officer'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 City Council direction. One motion, a second, and a roll call vote may enact the items listed on the Consent Calendar. No separate discussion of Consent Calendar items shall take place unless a member of the City Council, City staff or the public request discussion on a specific item.

Addressing the Council on Items not on the Agenda – The Brown Act prohibits discussion or action on items not on the posted agenda. The City Council's Meeting Protocols and Rules of Procedure provide that in the interest of allowing Council to have adequate time to address the agendized items of business, "Items from the Audience/Public Comment" following the Consent Calendar will be limited to 15-minutes maximum period. "Items from the Audience/Public Comment" listed near the end of the agenda will not have a maximum time limit. A five-minute maximum time limit per speaker will apply to all individuals speaking during "Items from the Audience/Public Comment". For non-agendized items, Council Members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to Council. 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.

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 on the City's website: *www.cityoftracy.org*

Date Posted: June 1 2023

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ACTIONS, BY MOTION, OF CITY COUNCIL PURSUANT TO AB 2449, IF ANY

ROLL CALL

PRESENTATIONS

1. Proclamation – Disability Awareness Month

1. CONSENT CALENDAR

1.A Adopt May 23, 2023 Special Meeting Minutes, May 24, 2023 Closed Session Minutes, May 30, 2023 Closed Session Minutes and June 6, 2023 Closed Session and Regular Meeting Minutes.

1.B. City Council 1) approve the execution of a 3-year agreement with Microsoft for software licenses to desktop computers and servers for an annual not to exceed amount of $194,225; and 2) determine that execution of this agreement, without conducting a competitive selection process, is in the best interests of the City pursuant to Tracy Municipal Code section 2.20.140(b)(6)

1.C. Adopt a Resolution approving Amendment No. 1 to the Professional Services Agreement with 4LEAF, Inc. for construction inspection and plan checking services extending the term of the agreement through June 30, 2025, for a total not-to-exceed amount $700,000 per fiscal year, pursuant to the terms of the existing agreement.

1.D. Adopt a Resolution (1) approving Amendment No. 1 to the Master Professional Services Agreement with David W. Enke, L.S. (Amendment) for Land Surveying Services and Engineering Assistance for Land Development projects to extend the agreement through June 30, 2024, for a not-to-exceed amount of $300,000 per year and (2) determine that execution of the Amendment, without conducting a competitive selection process, is in the best interest of the City Council pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

1.E. Adopt a Resolution (1) approving Amendment No. 1 to the Master Professional Services Agreement with West Yost & Associates (Amendment) for storm drainage engineering services for Land Development projects to extend the agreement through December 31, 2024, for a not-to-exceed amount of $200,000 per calendar year and (2) determine that execution of the Amendment, without conducting a competitive selection process, is in the best interests of the City Council pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

1.F. Approve Amendment No. 1 to Offsite Improvement Agreement for NEI PH 3 Mass Grading Storm Drainage to increase the Storm Drainage Fee Credits amount to a total of $1,040,960.01.

1.G. Approve Amendment No. 1 to Offsite Improvement Agreement for NEI PH 3 Big Bird Street Improvement Plans for Grant Line Road, Chrisman Road, Paradise Road, and Skylark Way to increase the roadway fee credit amount to a total of $2,809,358.18.

1.H Adopt a Resolution 1) amending Council Resolution No. 2023-075, adopted on May 2, 2023, to correct typographical errors regarding the project costs for the Police Multipurpose Reality Based Training Facility Project, CIP 71110, and 2) authorizing the City Manager to approve change orders up to the contingency amount of $470,717, if needed, pursuant to Tracy Municipal Code Section 2.20.090(b).

1.I City Council, by resolution; 1) authorize participation in the CEPPT program, for the prefunding of the City's accrued pension costs; 2) authorize the City Treasurer and Finance Director to, jointly, request disbursements from the trust and 3) authorize the execution of the Prefunding Agreement.

1.J The Tracy Homelessness Advisory Committee recommends that the City Council adopt a Resolution partially rescinding Resolution No. 2022-121, whereby authorization was given to the City Manager to take immediate and emergency actions to implement interim housing solutions for the City of Tracy's unsheltered, and waived procurement requirements for professional services under Tracy Municipal Code Section 2.20.140(b)(6).

1.K Adopt a Resolution: 1) approving the Memorandum of Understanding (MOU) between the City of Tracy and the Tracy Police Managers' Association; 2) approving the MOU between City of Tracy and Tracy Mid-Managers Bargaining Unit; 3) approving the Compensation & Benefit Plan for Confidential Employees Unit; 4) approving the Compensation & Benefit Plan for Department Heads, and 5) authorizing an amendment to the City's Master Salary Schedule to reflect the terms of the MOUs

1.L The City Attorney recommends that the City Council, by motion, deem as moot and not legally permissible to be read again in a second reading that certain Ordinance of the City of Tracy amending Section 2.08.080(b) of the Tracy Municipal Code, to reflect that the City Manager may be removed by a three-fifths (simple majority) vote of the City Council instead of a four-fifths (super majority) vote, which was introduced by a majority of the City Council on May 23, 2023.

2. ITEMS FROM THE AUDIENCE

3. REGULAR AGENDA

3.A. City Council conduct a public hearing and upon the conclusion adopt the following: 1) Resolution approving the Engineer's Report regarding the proposed levy and collection of assessments for the Tracy Consolidated Landscape Maintenance District pursuant to the Landscaping and Lighting Act of 1972 for Fiscal Year 2023/2024; and 2) Resolution ordering the levy and collection of assessments within the Tracy Consolidated Landscape Maintenance District for Fiscal Year 2023/2024.

3.B City Council conduct a public hearing, and upon conclusion, adopt a Resolution adopting Wastewater Rates effective August 1, 2023 for Fiscal Years 2023-24 through 2027-28.

3.C City Council conduct a public hearing and adopt a resolution approving service revisions to the Tracer bus service effective August 1, 2023.

3.D. Adopt a Resolution Accepting the Irrevocable Offer of Dedication of Fee Interest for 16 Acres of Community Park Land for an Aquatic Park (Aquatic Center), generally located at the Intersection of Corral Hollow Road and Summit Drive (Property), from Ellis Village, LLC to the City of Tracy, a Municipal Corporation (City), and directing the City Manager to take Requisite Actions to Effectuate the Acceptance of the Property.

3.E Adopt a Resolution of the City Council of the City of Tracy, California: A) Censuring Mayor Nancy Young for violations of the City of Tracy's Code of Conduct, Meeting Protocols and Rules of Procedure and other laws and B) Imposing a sanction for such violations.

3.F City Council 1) adopt an Urgency Ordinance, pursuant to Government Code, § 36937(d), revising Section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories to take effect immediately upon adoption and 2) introduce an Ordinance revising Section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories.

3.G City Council (1) receive an informational report regarding the Fiscal Year 2023-2024 and 2024-2025 City Council Strategic Priorities, (2) provide feedback on strategic priority goals and objectives, and (3) by motion, accept the City Council Workshop Report as the February 4 and 5, 2023 Special Meeting Minutes.

4. ITEMS FROM THE AUDIENCE

5. STAFF ITEMS

6. COUNCIL ITEMS

7. ADJOURNMENT

SPECIAL MEETING MINUTES OF THE TRACY CITY COUNCIL

May 23, 2023, 6:00 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy, CA.

1. Mayor Young called the meeting to order at 6:14 p.m.

2. There was no action required pursuant to AB 2449.

3. Roll call found Council Members Arriola, Bedolla, Evans, Mayor Pro Tem Davis and Mayor Young present.

4. Items from the Audience: Stella Lakey thanked Council Member Evans for the transparency report provided on homelessness and addressed the Council meeting that took place on May 6, 2023 and urged that the Mayor be mindful of who is watching or listening regardless of age, and please lead by example.

   Gabriela Rodriguez Machuca requested Council assistance on their business, Johnny's Diner, that is in the Planning Department and the item was going to be heard by the Planning Commission and then pulled off the agenda last minute, expressed frustration regarding the lack of responsiveness.

   Rosario Arulappan stated Tracy elected you to lead the City with wisdom, knowledge and vision, it is a gift and it is important to be respectful of others opinions even of you disagree with them, work together to build a strong community that is open to new ideas and perspectives, it is human nature to lash out when feeling threatened and can be hurtful and divisive especially when it comes to race since this is deeply ingrained in our society, urged Council to work together for the betterment of the community.

   Juana Dement requested that Council consider a censure of the Mayor as a result of City Council Code of Conduct violations, specifically items 3.1, 3.3.1, 3.3.72, 3.4.6, 3.4.8, 4.4.1, and 4.4.6 and went on to explain to Council to look at their Code of Conduct section on Compliance and Enforcement and that this could be achieved during Council Items and Comments by following this censure rules outlined in item number 3.6 and 1.1. It should be formally addressed at the next agenda regarding the conduct regarding allegations of racism and corruption.

   Community Member expressed that they were embarrassed at the conduct displayed by the Mayor's actions, behavior and disregard for the citizens of Tracy and should resign or be recalled by a special election vote, this behavior should not be tolerated.

   Heather Smiddy expressed that City Council Meetings have become an embarrassment under the Mayor's leadership, shared that in the past meeting turning a motion that was disagreed upon into a racial issue is giving the City a reputation that it does not deserve, and expressed disappointment in the Mayors' actions and expects more from leadership.

   Robert Tanner expressed his frustration over cannabis permits and sewer rate increases.

Terry Donaldson urged Council to disregard egos and remember that they are here for the City and kindness should be dictating how you treat each other and all the people watching.

Rodney Davis stated that in the Rosenburg Rules the Mayor is the Chair of the Council and not the boss, the boss of the City Manager or the City Attorney and that the Chair's word is final on decisions unless overruled by the majority. This is not a racial situation, look at your Council, your City Manager, your City Attorney, and the City we are a Community of many.

Community Member shared that the behavior displayed was not good, as a black woman the display of the stereotypical angry black woman was hard because standards are important and as leaders one should have standards and be good people, Council should work as a team and since you were voted in to bring the City forward, the disrespect displayed to staff and other Council Members is horrible and should not see the light of day again, listen to each other and stop arguing.

James Damasco expressed that the Mayor should not be the face of Tracy especially when using buzz words such as systemic racism and manufactured division, as a former Tracy employee and child of immigrants did not see a single thing resembling the systemic racism that the Mayor speaking on.

Ester shared that Mayor Young did not represent her at the previous week's meeting and did not appreciate the Mayor using race because she did not get her way, did not conduct herself in a respectful manner, this is not a monarchy and as a representative of the people you cannot demand respect while disrespecting. Called for the Mayor to apologize to the City Attorney and for the Mayor to resign.

Alice English shared that the Mayor's antics have nothing to do with race and all about not getting her way. The Mayor does not follow the rules and perpetuates false narratives especially when it comes to cannabis buffer zones.

Casey advocates for a functional and appropriate political process, it seems that it is now common practice in all sectors of government displaying inappropriate behavior, and advocates that this not happen in Tracy. The last City Council meeting shows that this is a path that Tracy is headed in the disrespect displayed among Council and that is a disrespect of the Community.

Mike questioned how is it that you fight racism with racism, racism needs to be erased, we need to be better than that and now our little town is viewed by people from the state and the Country as racists, urged Council to be better.

Community Member hopes that all Council can work together, believe that racism does exist and hopes that the situation can be resolved because it is very hurtful.

Karen Moore shared that she attended the Homeless Committee Meeting and shared her thoughts on the meeting and the issues with the containers.

Community Member shared that she had been heckled by Council Members Bedolla and Evans following a comment that she had made and felt bullied. Expressed that there seems to be more of an interest in own agenda rather than the community.

Roy Hawkins has lived in Tracy for 35 years and find this to be the most disturbing times in Council with the lack of decorum that the community has come to depend on.

Tim Silva expressed his disappointment in the Mayor and her behavior and was disturbed that the City Attorney had to defend herself given her 25 years of legal expertise and shared that this is not the first time that the Mayor has contacted the media and accused someone of racism, last time it was former Mayor Rickman that she accused behind the firing of former Police Chief Larry Esquivel.

Robin Cole was surprised that it took the Mayor so long to lose her cool since from day one she has been pushed by this Council and is sure that the behavior that took place in the prior meeting will not happen again.

5. Discussion Items

5.A INTRODUCE AN ORDINANCE OF THE CITY OF TRACY AMENDING SECTION 2.08.080(B) OF THE TRACY MUNICIPAL CODE, TO REFLECT THAT THE CITY MANAGER MAY BE REMOVED BY A THREE-FIFTHS (SIMPLE MAJORITY) VOTE OF THE CITY COUNCIL INSTEAD OF A FOUR-FIFTHS (SUPER MAJORITY) VOTE.

Council Member Bedolla and Mayor Pro Tem Davis provided the staff report.

Council clarifying questions followed.

Imani Kuumba shared that favoritism has nothing to do with a person's competence in doing their job, the Grand Jury asked for the super majority to be put in place for a reason, this is a dysfunctional family.

Robert Tanner shared that in 2019 the City lost the City Manager and the Police Chief that was fired by the interim City Manager, this needs to stay at the super majority, the antics that the community witnessed at the last meeting shows that this Council is no better than the past Council.

Jenny Wood has questions regarding the 24 accusations and where is the evidence regarding these accusations and asked that there be evidence provided and believes that the Council should abide by the recommendation that was made by the Grand Jury to prevent instability.

Gabriela Rodriguez Machuca shared that this is democracy in action and not about racism and expressed that the community of Tracy appreciates the service that the City Attorney provides.

Gia McElroy asked why the City has hired personnel for the City of Tracy from out of state and why was someone from the state or Central Valley not considered and what was the thought involved in hiring from out of state and maybe evaluate those answers prior to recruiting.

Marsha McCray stated that the agenda is about three Council Members that are signaling their intent on changing the super majority rule to a simple majority looking sole purpose to firing the City Manager and this will apply only to the City Manager not any other position that would require a super majority, this was

originally written to aid in the restoration of trust for the public to Council and this action will once again erode the public trust and this is not a benefit for the City.

Maurice stated that a closed session would have been a more appropriate way to handle this situation and maybe table this item until you can all come back to a closed session rather this rash action does not understand how things escalated from great review to this point.

Kenny Lima advocated for the super majority and shared that the ordinance requested should be for both the City Attorney and City Manager and that this employee performance issue should be handled appropriately and help regain public trust.

Yolanda Knight shared excerpts from the 2019 Grand Jury recommendation and shared that the statement in the ordinance that the City Manager is aggressive and hostile with staff is dangerous, if there is a concern with staff, convince each other, do not change the rules.

Jerry Jetts shared that Council must convince each other that Mr. Rogers needs to be terminated, not circumvent the rules.

D'Adrea Davie Vice President of the NAACP shared that this ordinance is out of order, and this should be exercised in closed session and this conversation should not be taking place so publicly. The NAACP has received numerous complaints from residents of Tracy regarding the City's governance.

Community Member shared that Council was elected to do what is best for the City and the community expectation is that you communicate not only with the community but with each other, changing the vote from a super majority is not acceptable, next election will be determined on your actions and this should have been addressed internally.

Mayor Young addressed Bijal Patel the City Attorney and shared that this seems like an evaluation and asked if the City was in legal territory. Ms. Patel clarified that the item before Council is an Ordinance to change to the municipal code and some of the justifications used were examples and not a performance review and Mayor Young asked is the City is in any legal danger, Ms. Patel, clarified that the City is not in any legal danger and outside counsel was brought in to advise on this item before proceeding.

Melissa Barrett has been in contact with the NAACP general counsel and believes that the City Council has been discriminating practices by terminating the last three City Managers that were African American and supported the City Manager.

Pastor Lewis Smith encouraged Council to work together, and it seems that this is personal based on the evaluation in December and the leave taken on for several months, give him another year

Pat Cowell wanted to remind the people of the money spent on the search for City Managers in Tracy, he had to acquaint himself with a move, pandemic, California laws, additional duties to staff. Maybe some of the Council members should be recalled.

Suzie Harrison shared that she heard on the news that there was a recommendation that a super majority must be implemented and was imposed by an impartial body, if the City Manager was really doing such a bad job the change of a super majority would not need to be changed.

Burnell Shull stated that the money wasted, and nothing was accomplished the evaluation was done prematurely and the City Manager is responsible for a lot of the spending and no decisions could not be made. Why have an Assistant City Manager if she cannot make any decisions.

Amir Bushi shared his observations and sees a clear division in the Council and sees deflecting of ideas, accusation and what is most repugnant is using race as a base of an argument. Council should come together and please bring factual information when presenting an argument.

Christina Damasco expressed her disgust with how this situation has been handled, requested that Council take responsibility and monitor employees better.

James Damasco strongly urged that the ordinance be passed since it will potentially lead to the dismissal of the City Manager, shared the issues with the dormitory containers that were purchased and sent to the Temporary Homeless Facility.

Community Member shared her shock that the custom containers were unusable and was disappointed to hear and the Mayor's behavior was intolerable and was an embarrassment to the City of Tracy.

Heather Smiddy asked how the Mayor would say that she was embarrassed to have this meeting, but she contacted the media, shared that in the Public Records Request, still pending her request to be finalized and that some professional boundaries have been crossed, and called for a resolution. Mayor Young requested clarification and Ms. Smiddy provided some clarification.

Stella Lakey asked why $600,000 was spent on the homeless shelter and if all the information came to light while he was gone on medical leave and what else if anything needs to be discussed.

Christian Chukwuma, Tracy resident and business owner, shared that he has never had a situation where he has had an employee with a stellar evaluation and then a leave and then suddenly termination, if we are not careful, it will be very difficult to get a City Manager here as they will be scared to come to Tracy.

Community Member shared that she was appalled by the Mayor's narrative and throwing a tantrum at the previous meeting in protecting the City Manager, if the City Manager is underperforming there should be accountability, the community deserves transparency, respect and professionalism from the Council.

Shawn Staley addressed that the City Council seems to be non-partisan and that the perception seems to be that the City has a commitment to nonpartisanship to diversity of ideas and this makes the super majority rule in line with the City

values, a shortsighted goal can be turned and used in a different fashion later, shared concerns with the role of the City Attorney in the role of parliamentarian.

Clara Voss believes that these matters should be handled in a closed session, this City Manager and his family were brought here from another state and there have been a number of City Managers that have been terminated just because someone gets upset, the super majority forces the Council to come together and figure it out.

Casey Thomas finds this meeting inappropriate and the information disseminated in such a public forum and it should be applied to both positions, the comments of decorum stand if productive conversations would have taken place, we would not be here now.

Alice English shared that she attended the October 21, 2019 meeting when Mayor Young and former Council Member Vargas wanted to change the vote from a super majority, encouraged Council to go ahead with vote.

Community Member asked for clarification on the current ordinance requiring a super majority to terminate both the City Manager and City Attorney and asked why this proposed ordinance not apply to both and expressed support for the City Manager and the super majority.

Ann Langley thanked Council but shared that she is heartbroken at the bullying that has been demonstrated on the dais but disagrees with the targeting of one of Council's appointed positions and the curious protection of the other.

Michael Bazinet shared that the City is very lucky to have a professional City Manager and he is qualified, the problem with the process today seems that some members of Council are, judge and jury without explanations,

Robin Cole stated that the super majority should be kept, this is shortsighted and narrow minded, this is an employee issue and this should be conducted in a specific manner to protect the City from a lawsuit, urged Council to think about what they are asking.

Karen Moore reiterated that these are accusations without investigations, changing the vote is a trust issue and seems like a power grab, requested it to stay as a super majority.

Community Member asked why anyone would want to be City Manager or City Attorney, expressed her anger at Council and the inability to get along everyone is equal and the Mayor should not be talking over anyone.

Dotty Nygard shared that she agrees with many of the prior speakers and keep the super majority this should be a private matter specially since there have been so many accusations and he has not had the opportunity to defend himself.

Tim Silva supported the 3/5th rule and that contract employees are not performing, they should be terminated, they know what their contract is especially if they are or aren't behaving ethically.

Robert Nelson shared that he is confused as to why the rules are being changed, will the rules be changed every time Council wants to do something, the proper

rules need to be followed and since you do not have the votes, get together and discuss, this is not a good look.

Roger Birdsall shared that when it was a 3/5th rule, it came at a great cost to the City of Tracy in the sense of recruitment, consultants, and severance pays. Mr. Birdsall shared that changing the rules is not in the best interest of the citizens of Tracy.

Andy Wood stated his concerns for due process for a City Manager that is doing a difficult job and should not be castigated before a public forum, and would rather have a super majority and consider if this resource is being used appropriately civilly or not.

Maurice Francis spoke regarding civility and that the Council needs to come together and what the public saw in the video will take a while for the community to get over, can the City Manager have an opportunity to defend himself, privately and before Council.

Jass Sangha shared that it is discouraging as to the levels that we have reached but that there is always recourse and that it is disappointing that Council cannot communicate in a respectful manner and urged Council to work together so that businesses want to come to Tracy rather than Lathrop or Manteca

Alex Monceaux firmly believes in the super majority, and this helps not change the political winds at every election, if you are in the right in your belief convince your political opponent rather than change the rules.

Pastor Young expressed his concerns for potential legal action and shared that since media is not involved it's unfortunate that this is what they see and what Council does, shared that it is evil to call a meeting when it is known that some Council Members would be unavailable.

Juana Dement requested that Council focus on the Council item and that it is the duty of the Council to terminate at-will employees if they are not performing. Ms. Dement expressed her opinion that the Grand Jury report has been used to politicize and weaponize other movements and the display of power politics regarding the Mayor's press conference prior to the meeting and requested that Council move forward with the 3/5 vote.

Ester supported the super majority because the only thing that is constant is change, regardless of the City Manager's absence City business must continue and shared that now supports the 3/5 vote.

Community Member shared that this is an embarrassment the constant claims of racism especially when Council is diverse.

Mayor Young called for a break at 9:37 p.m.

Mayor Young reconvened the meeting at 9:52 p.m.

Council comments or questions followed.

ACTION: Motion was made by Council Member Bedolla and seconded by Mayor Pro Tem Davis to introduce an Ordinance of the City of Tracy amending Section 2.08.080(b) of the Tracy Municipal Code, to reflect that the City Manager may be removed by a three-fifths (simple majority) vote of the City Council instead of a four-fifths (super majority) vote. Roll Call found Council Member Bedolla, Council Member Evans and Mayor Pro Tem Davis in favor, Council Member Arriola and Mayor Young opposed. Motion passed.

6. Council Comments or Items - Mayor Pro Tem Davis stated that the racial agenda propaganda is simply false and has been working with Council Member Bedolla on understanding DEI and working on a policy that can be presented to the community and since education was requested from City Manager and never received, that is the reason why she did not approve that agenda item. Absolutely supports Diversity, Equality, and Inclusion but not clear on how that works in a government setting and since that did not happen, has been working on education self, and is currently working on a policy that is not tied to national movements. Hopes that personal attacks stop since that is against the Grand Jury and has been unjustly attacked, just because we disagree it does not mean that there is a racial narrative. Does not have a political affiliation, is not left or right is all about the people and makes decisions based on what makes sense for the community. Requests the false allegations, slander, and narrative to stop going against the Code of Conduct and continue unethical behavior.

   Mayor Young requested facts and data to come back with this ordinance for the accusations that are unfounded and unsubstantiated in the ordinance, for each one of the allegations. Requested a closed session meeting to meet with City Manager and discuss issues for employment.

   City Attorney, Bijal Patel clarified that since this is a Council sponsored ordinance, staff would not have the additional information that Mayor is requesting and needs to be requested from the Council Members that sponsored the Ordinance.

   Mayor Young expressed that documents should be provided.

   Mayor Pro Tem Davis shared that she would need to defer to the City Attorney to see what can legally be provided.

   Mayor Young stated that since the Ordinance was introduced everything needs to be provided.

   Ms. Patel stated that documents would have to be evaluated to see what can legally be released and reminded Mayor Young that there will be a Closed Session Meeting the next day that will have more information regarding the City Manager’s evaluation.

   Mayor Young asked Deputy City Clerk if the City Attorney’s Evaluation would be included in the Closed Session.

   Necy Lopez, Deputy City Clerk clarified that due to the Mayor’s schedule that the specific meeting regarding the City Attorney’s evaluation was left out and that for a future meeting and explained that since the request was made requesting as soon as a quorum was available and that since the Mayor requested a Special Meeting, she would need to be present.

Ms. Patel clarified that the motion made for today's meeting was date specific and the Mayor's additional motion was not date specific that was not scheduled and since the motion maker would need to be present.

Mayor Young read a portion of an email that polled Council to clarify her schedule and found it unfair that her request was not included. Ms. Patel clarified that there was no malintent and that a poll would be sent out.

Mayor Young expressed that in her opinion there has been malintent and that the polling should have continued and would like the Special Meeting as soon as possible and that as a Council equity initiative was adopted in 2019 or 2020 and asked for it to be brought back for Council review as soon as it can be fit in the schedule and explained the historical process that takes place after Council Retreats. Mayor Young asked when the Strategic Plans would be coming back to Council. Michael Rogers City Manager shared that he believes that it will be coming back on June 6th meeting.

Mayor Young asked about the Flag Policy and the Code of Conduct and clarified that May of every year the Flag Policy should be coming back every May so that Council can make needed revisions. Deadlines need to be fair and equitable especially since it was an issue that was brought up when it was time to fly the Pan African Flag. Midori Lichtwardt Assistant City Manager clarified that requests were taken from Council in May for budgeting purposes, so that flags can be purchased. Mayor Young shared that since there is a new Council Member this should have been addressed and that offering should have been made.

Council Member Bedolla shared that the public got a small clip of the Mayor attacking City staff, in this case the City Clerk's Office and this behavior needs to stop. Council Member Bedolla clarified the allegations made by Mayor Young regarding the 49er tickets and that it was learned via a conversation with the City Attorney when it was from a Public Record Request, specifically 23-095. Requested support for a motion that City Attorney bring on the June 6th Council Meeting Agenda a resolution of censure by the City Council against certain actions taken by the Mayor for the Council's consideration and approval. Motion was seconded by Mayor Pro Tem Davis.

Mayor Young asked for clarification on the motion to see if it was in the realm of the City Attorney or in the realm of the City Manager currently. Ms. Patel shared that as the Code of Conduct is written on the censure policy, it is inconsistent with constitutional law and that the Supreme Court decision that took place in March of 2022 that censure is a power of all assemblies in the United States of America regardless of what the local policy dictates. Mayor Young reiterated her question if it was up to the City Attorney or City Manager. Ms. Patel clarified that the City Attorney in a General Law City is the sole Attorney that is responsible that all legislation is reviewed if not drafted by the City Attorney's Office and that the findings would come with the motion makers. Mayor Young shared that in her opinion that is a transfer of power and believes that it is inconsistent with Council Rule of Government and finds it all problematic, and that the motions made are a racial attack to try and silence her voice for what is wrong.

Mayor Pro Tem Davis called a point of order, clarified as to why she seconded the motion because the Mayor attacked her on the National news and social media by calling the Mayor Pro Tem and Council Colleagues racists and power grabbing racists and adding to a racial agenda and since the Mayor continues down this path, Mayor Pro Tem Davis supports censure. Mayor Pro Tem Davis expressed that she would never have called Mayor Young out of her name or suggest things about the Mayor's character

especially calling someone a racist no matter the color of the person's skin and would never had done that to the Mayor and requested the Mayor to stop.

Mayor Young stated that she will continue to bring up what needs to be brought up for the community because that is why she was voted in. For there to be an item that has allegations that are unfounded and introduce an ordinance publicly and at the same time no one else can be held accountable to what is wrong and one day the community will have its day to look into the very real allegations of collusion and corruption between the City Attorney and the three Council Members that are here and we will see as we move forwarded.

7. Adjournment: Time: 10:51 p.m.

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

The above agenda was posted at the Tracy City Hall on May 22, 2023. The above are action minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

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City Clerk

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

May 24, 2023, 5:00 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy, CA.

1. Mayor Young called the closed session meeting to order at 5:02 p.m.

2. There was no action required pursuant to AB 2449.

3. Roll call found Council Members Arriola, Evans, Mayor Pro Tem Davis and Mayor Young present.

   Council Member Bedolla arrived at 5:05 p.m. after roll call.

4. ITEMS FROM THE AUDIENCE - Gabriella Machuca expressed frustration with the Planning Commission agenda cancellation and the short notification that was received verbally after the close of business on a Thursday prior to a closed Friday with the explanation that staff has logistical issues to work out. Still awaiting a response and submitted emails for record.

   Karen Moore shared that she had sent in an email in regard to the homeless shelter and how Tracy's money was not wasted rather issues with an unscrupulous contractor and hopes that there is a clause in the contract that includes habitability and delivery information, also expressed that instead of using the word racism; inclusion, equity and diversity would be better terms.

   Andrea Brown expressed that she has spoken out against the City Manager and Mayor for not doing their part in taking care of the Homeless situation and the crime associated with it and attempted to play a recording. City Attorney Bijal Patel asked if the individuals in the recording had given consent to be recorded and that it would not be acceptable without making the determination if all the parties in the recording are not present to give consent to the playing of that recording in a public forum, the recording could not be heard. Ms. Brown confirmed that City Manager Michael Rogers was not present at the meeting and shared that she had asked why there was no ordinance in place at the park regarding enforcement and that the City Manager is not doing anything helpful.

   Andy Wood shared concerns about last night's meeting and that the majority of those present affirming their belief that the Grand Jury was right when they said that the City Manager and City Attorney should be shielded from power politics and shifting alliances by requiring a super majority vote. This behavior exposes our City to a lawsuit and urged Council to recognize mutual obligations to work within the systems created, not change the rules, hold yourselves to a higher standard of decorum and civility and not tolerate bullying from anyone at the dais especially when some of our leaders are quick to condemn the sins of other when they themselves have committed the same and find common ground we are counting on all of you to put Tracy first.

   Juana Dement expressed that it does not matter the attendance in last night's meeting, what matters is that the decisions are made with the correct process and the data needed to make the objective decisions, it is good that people show up and share their opinion. Ms. Dement urged Council to assist the Machuca family since they have been asking for help and have been a community orientated business, and urged that along with staff the Machuca family is provided the tools needed to be successful in their

business and it seems that there is retaliation happening from someone in City Hall. Ms. Dement expressed concern regarding the decorum seen from Council when they witness a colleague harassing or bullying staff, it is up to them to stop it and that treatment should not be allowed and urged professionalism.

Community Member expressed her concerns that Mr. Rogers retained legal counsel and by the statements made by the NAACP and by a potential second Grand Jury investigation, Council should work cohesively. Tracy deserves better and the vote last night, the voice of the people was not heard since the majority of the people that spoke were against the ordinance. If Council feels differently share the evidence with the community, urged Council to not move forward to attempt to remove the City Manager and look to see how to make the situation better and apologize to those you have wronged and restore trust to our reputation.

Alice English agreed with Ms. Dement's comments and stated Council allowing the Mayor to belittle and harass the Clerk and City Attorney and by objecting in silence is not right knowing that the Mayor is completely out of line, a point of order should be called. Mayor Young asked that Ms. English direct her comment at the whole Council and requested that her time be stopped. Ms. English stated the people that are commenting on City business are not even from Tracy and the Mayor does not deserve to be Mayor because of the fiasco that she has caused. Respect is earned not demanded and all the Mayor does is disrespect the staff and citizens of Tracy. Mayor Young stated that since she was elected, she has earned respect.

Dotty Nygard stated that respect goes both ways and expressed concern over potential litigation and the fact that businesses are watching closely, trust has been lost and is hard to repair, please take a close look at the business that we depend on such as the warehouses and product distribution centers and restore common decency. The people of Tracy look for you to lead, so please lead

5. REQUEST TO CONDUCT CLOSED SESSION

5.A PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE (GOV. CODE §§ 54957, 54954.5)

5.B CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(2) ONE POTENTIAL CASE (COMPLAINT BY EMPLOYEE OF DISCRIMINATION)

Alice English shared that it will be very difficult for Council Members and expressed that when a contract is signed and broken in combination with the years of experience, he should know better. Ms. English also shared that the community needs to be aware that due to confidentiality what happens behind closed doors will remain behind closed doors and will not be made public.

ACTION: Motion was made by Mayor Pro Tem Davis and seconded by Council Member Arriola to recess to closed session. Roll call found all in favor; passed and so ordered. Time: 5:32 p.m.

6. Reconvene to Open Session – 7:05 p.m.

7. Report of Final Action, if Any - City Attorney Bijal Patel shared that there was no reportable action but wanted to note that Mayor Young was recused from closed session at 6:10 p.m.

8. Council Items and Comments – None

9. Adjournment – Time: 7:06 p.m.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Evans to adjourn. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis all in favor; Mayor Young was absent from roll call, motion passed and so ordered.

The above agenda was posted at the Tracy City Hall on May 23, 2023. The above are action minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

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City Clerk

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

May 30, 2023, 10:00 a.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy, CA.

1. Mayor Young called the closed session meeting to order at 10:03 a.m.

2. There was no action required pursuant to AB 2449.

3. Roll call found Council Members Bedolla, Evans, Mayor Pro Tem Davis and Mayor Young were present. Council Member Arriola absent.

4. ITEMS FROM THE AUDIENCE - Alice English shared that this past weekend was Memorial Day weekend and it was about honoring the fallen who fought for our freedom regardless of race, background, gender, or political affiliation. The Mayor calls the media and tries to divide the city, calling fellow Council Members corrupt without proof or basis, and expressed disappointment at the Mayor's continued attempts to divide the City with racist rhetoric and false statements. One of the past City Managers that was fired, it was on record that it was due to embezzlement with a credit card and not due to his race, he broke his contract and stole from the City of Tracy. Ms. English asked that the Mayor stop hiding behind racial rhetoric and her religion and stop bringing her personal dirt to the City and shared the diversity of staff and community and that should not be divisive when should be looking to unite.

   Mayor Young asked that anyone that addressed the Council have it be on issues that the Council can handle and expressed her disagreement with Ms. English's comments.

5. REQUEST TO CONDUCT CLOSED SESSION

   5.A CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2) ONE POTENTIAL CASE (COMPLAINT BY EMPLOYEE OF DISCRIMINATION)

   5.B PUBLIC EMPLOYEE APPOINTMENT (Gov. Code §§ 54954.5, 54957.) TITLE: INTERIM CITY MANAGER

   Gabriela Rodriguez-Machuca shared that she has had issues getting her business relocated and up and running and hoped that the selected interim City Manager is going to follow through on the direction that Council gives and get things done for the City.

   Pat Howell shared her observation that the community has witnessed collusion of the majority Council with the Assistant City Manager, City Attorney and other staff to get rid of the City Manager while he was on medical leave. Ms. Howell stated that by airing these grievances in public have completely disregarded the City Manager's reputation and has tainted the reputation of the City, potential lawsuit, and costs involved for a new manager search. Council should have listened to the current and past disgruntled employees and the public and suggested that Council fire the City Attorney who advised Council poorly.

Alice English stated that she disagreed with the prior speaker especially when it comes to what was published and what was discussed. The City Attorney is employed by the Council, and some are attempting to tarnish her integrity. Ms. English stated that Council needs to do the job that they were elected for, they work for the whole City of Tracy and expressed disappointment in the City Manager being partisan in some of his speech and what Council is doing is right and requested that the Council select an Interim City Manager that will get the job done for Tracy.

Burnell Shull expressed her sadness at the loss of the City Manager who may have a great personality, but he picked the wrong friends. Ms. Shull expressed her confusion as to why certain things are being held up and how the City Attorney came in and is correcting issues that have been ongoing in the City. Ms. Shull asked why there were issues with the Homeless Center.

Community Member shared that Tracy is a City Manager system of Government and there are checks and balances, at this time there does not seem to be checks and balances. The opportunity is given to Council to do the right thing and you don't do it. Some of the items that they have read are personal grudges, you all have inspiration to move on to the next thing and are not here for the City. If you cannot do the job please step down, the quality of life has gone down as bad as the quality of those that are representing us up there.

Bobby Bivens President of the NAACP of San Joaquin County expressed his sadness that City leadership has moved in a negative manner to impede progress and shared that in the 1930's every time a black man was lynched, the offices at the NAACP would fly a flag that stated "another black man lynched today" and Tracy should fly that flag. Mr. Bivens expressed his belief that those who did the job during the City Manager's absence should be fired and thousands of people from diverse ethnicities have moved to the City of Tracy and the City is not welcoming to people of color. Mr. Bivens questioned the abilities of the three Council Members and staff regarding experience and training and based on his past experience as a government employee he understands how government works. Mr. Bivens commented that Council Member Bedolla, Council Member Evans and Mayor Pro Tem Davis are members of the proud boys based on their behavior and asked them to rethink on the actions that they are thinking about taking against the City Manager.

Council Member Evans called a point of order and clarified that he has zero affiliation with the group mentioned.

Mayor Pro Tem Davis called a point of order and expressed her disappointment in the Mayor for not calling out affronts to all speakers equally.

Council Member Bedolla disagreed with the characterization of the previous two commenters.

Mary Kennedy Bracken shared that she is appalled by the conduct of Council and the lack of respect shown to the Mayor and that the Mayor needs to be

respected and urged Council to make decisions based on facts and what is good for the City.

ACTION: Motion was made by Council Member Bedolla and seconded by Mayor Pro Tem Davis to recess to closed session. Roll call found Council Members Bedolla, Evans, Mayor Pro Tem Davis and Mayor Young in favor; passed and so ordered. Council Member Arriola absent. Time: 10:54 a.m.

6. Reconvene to Open Session – 11:11 a.m.

7. Report of Final Action for Agenda Item 5.A. - Bijal Patel City Attorney, reported that in closed session under 5.A by a vote of three (3) Ayes, one (1) abstention and one (1) absence, the Council voted to approve a Settlement Agreement with City Manager Rogers. Mr. Rogers recently served the City with a demand letter. The Settlement Agreement as signed by Mr. Rogers provides that Mr. Rogers will waive and release his employment related claims against the City and will resign his City employment and other material terms and in exchange for a Settlement Agreement in the same amount as the 9-month severance provision reflected in his employment agreement that amount is $265,963.32.

   Recessed back to Closed Session at 11:13 a.m.

   Reconvened to Open Session at 11:28 a.m.

   Report of Final Action for Agenda Item 5.B, if any – Bijal Patel City Attorney, reported that in closed session by vote of four (4) ayes and one (1) absence the Council voted for the appointment of Midori Lichtwardt as Interim City Manager, effective immediately and that she will receive the City Manager salary of $286,536.00 annually. Council directs staff to prepare an Employment Agreement consistent with these items and bring back at the next Council Meeting.

8. Council Items and Comments – Council Member Evans expressed gratitude to those that served in the Armed Forces and their families.

9. Adjournment – Time: 11:29 a.m.

ACTION: Motion was made by Mayor Pro Tem Davis and seconded by Council Member Evans to adjourn. Roll call found Council Members Bedolla, Evans, Mayor Pro Tem Davis and Mayor Young in favor; passed and so ordered. Council Member Arriola was absent.

The above agenda was posted at the Tracy City Hall on May 26, 2023. The above are action minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

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City Clerk

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

June 6, 2023, 5:00 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy, CA.

1. Mayor Pro Tem Davis called the closed session meeting to order at 5:01 p.m.

2. There was no action required pursuant to AB 2449.

3. Roll call found Council Members Arriola, Bedolla, Evans, and Mayor Pro Tem Davis present. Mayor Young absent.

4. ITEMS FROM THE AUDIENCE – Alice English stated she was disappointed the special meeting was cancelled. Ms. English referred to the March 21 meeting, item 3.E related to Council travel budget and shared concerns regarding the former City Manager approving a $5,000 membership fee without Council approval in excess of the $6,000 for the Mayor to travel to a conference when Council was over that budget limit and suggested the $5,000 be paid back to the City of Tracy because it was not approved. Ms. English spoke about the Mayor violating her rights, and shared concerns regarding the Mayor's behavior.

5. REQUEST TO CONDUCT CLOSED SESSION

5.A. Conference with Labor Negotiators (Gov. Code § 54957.6)

- City Negotiators
  Midori Lichtwardt, Interim City Manager
  Karin Schnaider, Assistant City Manager
  Kimberly Murdaugh, Human Resources Director
  JoAnn Weberg, Human Resources Manager
  Sara Cowell, Finance Director
  Bijal Patel, City Attorney

- Employee Organizations:
  General Teamsters Local No. 439, IBT
  Tracy Mid Managers Bargaining Unit
  Tracy Police Management Association
  Tracy Police Officers' Association
  Tracy Technical and Support Services Employee Association

5.B Conference regarding Labor Negotiations involving Joint Powers Agency (JPA) pursuant to Gov. Code § 54956.96

- Negotiators for South San Joaquin County Fire Authority (JPA):
  Randall Bradley, Fire Chief
  Christopher Boucher, Legal Counsel
  Marc Zafferano, Legal Counsel

- Employee Organizations:
  Tracy Firefighters Association
  South County Fire Authority Association

There was no public comment.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Evans to recess to closed session. Roll call found Council Members Arriola, Bedolla, Evans, and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent. Time: 5:10 p.m.

6. Reconvened to Open Session – 7:03 p.m.

   Adrianne Richardson, City Clerk announced that an email was received from James Damasco regarding agenda item 5.

7. Report of Final Action, if Any - None

8. Council Items and Comments - None

9. Adjournment – Time: 7:04 p.m.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Evans to adjourn. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

The above agenda was posted at the Tracy City Hall on June 1, 2023. The above are action minutes. A recording is available at the office of the City Clerk.

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Mayor

ATTEST:

_____
City Clerk

TRACY CITY COUNCIL REGULAR MEETING MINUTES

June 6, 2023, 7:00 p.m.

City Hall, 333 Civic Center Plaza, Tracy *Web Site: www.cityoftracy.org*

Mayor Pro Tem Davis called the meeting to order at 7:10 p.m.

Mayor Pro Tem Davis led the Pledge of Allegiance.

Pastor Scott McFarland, Journey Christian Church offered the invocation.

There were no actions taken pursuant to AB 2449.

Roll call found Council Members Arriola, Bedolla, Evans, and Mayor Pro Tem Davis present. Mayor Young absent.

Midori Lichtwardt, Interim City Manager presented Employee of the Month award for June 2023 to Kenny Lipich, Development Services Department.

Mayor Pro Tem Davis recognized DARE students.

Mayor Pro Tem Davis presented a Certificate of Appointment to new Parks and Community Services Commissioner to Matthew Shrout.

Mayor Pro Tem Davis presented a proclamation for Juneteenth Day to Gwendolyn White, President of Tracy African American Association.

Council Member Arriola presented a proclamation for LGBTQ Pride Month 2023 to Andrea Juarez-Smith and William Muetzenberg, and Tracy Pride.

It was Council's consensus to move regular agenda item 3.D to the beginning of the regular meeting.

1. CONSENT CALENDAR – Following the removal of consent items 1.B, 1.F and 1.J by James Damasco and 1.H by Council Member Bedolla motion was made by Council Member Arriola and seconded by Council Member Bedolla to adopt the Consent Calendar. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

    1.A Adoption of May 16, 2023 Closed Session, Special Meeting and Regular Meeting Minutes – **Minutes were adopted.**

    1.C Adopt a Resolution authorizing the purchase of equipment in the amount of $242,000 through Sourcewell cooperative purchasing agreements to maintain and operate Legacy Fields. – **Resolution 2023-091** authorized the purchase of equipment through Sourcewell cooperative purchasing agreements.

1.D Adopt a resolution 1) approving a Professional Services Agreement with Faster, LLC for a total not to exceed the amount of $295,600 for a term of five years to convert the City of Tracy's current fleet asset software to web-based software and determining that it is in the best interest of the City to dispense procurement requirements for the Agreement pursuant to Tracy Municipal Code Section 2.20.140 (b)(6) and 2) authorize the City Manager to make any minor amendments and contract extensions upon recommendation from the Operations & Utilities Director. – **Resolution 2023-092** approved the Professional Services Agreement with Faster, LLC., and authorize the City Manager to make minor amendments and contract extensions.

1.E. Adopt a resolution authorizing the purchase of a replacement crack seal machine from Crafco, Inc. through Sourcewell cooperative purchasing agreement #080521 for the amount of $101,590. – **Resolution 2023-093** authorized the purchase of a replacement crack seal machine from Crafco, Inc. through Sourcewell cooperative purchasing agreement.

1.G. Adopt the following: 1) Resolution initiating proceedings for the annual levy of assessments and approving the preliminary Engineer's Report for the Tracy Consolidated Landscape Maintenance District pursuant to the provisions of the Landscape and Lighting Act of 1972 for Fiscal Year 2023/2024; and 2) Subject to approval of Item 1, Resolution declaring the City of Tracy's intention to levy annual assessments for the Tracy Consolidated Landscape Maintenance District for Fiscal Year 2023/2024 and setting a public hearing on June 20, 2023, at 7 p.m. to consider the same in accordance with the Landscape and Lighting Act of 1972. – **Resolution 2023-094** initiated the proceedings for the annual levy of assessments and approved the preliminary Engineer's Report for the TCLMD. **Resolution 2023-095** declared the City's intention to levy annual assessments for the TCLMD for FY 2023/2024 and setting the public hearing.

1.I. Staff recommends that the City Council a) Dispense the procurement requirements for this Agreement pursuant to Tracy Municipal Code Section 2.20.140(b)(6). b) Adopt a resolution renewing a Small Government Enterprise Licensing Agreement and the purchase of Geographic Information System software licenses through the Environmental Systems Research Institute, Inc. for a term of three years and a not-to-exceed amount of $171,600 – **Resolution 2023-096** dispensed with the procurement requirements and renewed a Small Government Enterprise Licensing Agreement and the purchase of Geographic Information System software licenses through Environmental Systems Research Institute, Inc.

1.K Staff recommends that the City Council authorize the City of Tracy to continue participation in the San Joaquin County Urban County Consortium and Urban County Cooperation Agreement for the Federal Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) program funding for fiscal years 2024-2026 – **Resolution 2023-097** authorized the to continue participation in the San Joaquin County Urban County Consortium and Urban County Cooperation Agreement for CDBG and HOME investment Partnership program.

1.B Adopt a resolution (1) accepting the construction for the Temporary Emergency Housing Project on Arbor Avenue, Phase 1, and the preparation work for the modular and container units, Phases 3 & 4, CIP 71112, for work completed by GradeTech, Inc., of San Ramon, California, (2) authorizing the City Clerk to File the Notice of Completion with the San Joaquin County Recorder's Office, and (3) authorizing the City Engineer to release the bonds and retention payment. – **Resolution 2023-098**

James Damasco pulled the item and shared he was hired by the City briefly in November 2022 and was made Acting Project Manager of CIP 71112 – Temporary Housing Project on Arbor Avenue. In January 2023 he documented and reported deficiencies in the shipping containers and the next day he was fired and was told due to culture clash and is preparing numerous Public Record Act requests.

There was no Council comment.

1.F Adopt a resolution awarding a construction contract to Tracy Grading & Paving, Inc., of Tracy, California, for the Bessie Avenue Reconstruction Project – CIP 73192, 74166, and 75164, with a not-to-exceed project budget of $5,464,884. – **Resolution 2023-099**

James Damasco pulled the item but had no comments.

Tim Silva stated he was in support of getting Bessie Road fixed as soon as possible and spoke about conditions ambulances endure on that road as the back entrance to Tracy Hospital.

There were no comments from Council.

1.J. Staff recommends the City Council approve a Voluntary Agreement with Prologis, L.P. a Delaware Limited Partnership for the construction of a turnaround and installation of an automated fire-access gate on the City portion of Hansen Road, in response to the County's decision to limit access to their portion of Hansen Road. – **Resolution 2023-100**

James Damasco pulled the item but had no comments.

Alice Wilcox stated she was shocked the item was off the agenda. Mayor Pro Tem Davis clarified the item is on tonight's agenda for approval.

Karen Moore asked if there will be an opening for pedestrian traffic, for bicyclists, or runners or anyone trying to get through that gate or is all connectivity cut off with this gate.

Koosun Kim, City Engineer responded to questions.

There were no comments from Council.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Arriola to adopt Consent Items 1.B (**Resolution 2023-098**), 1.F (**Resolution 2023-099**) and 1.J (**Resolution 2023-100**). Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

1.H. Waive the second reading and adopt an ordinance of the City of Tracy: 1) Amending Tracy Municipal Code Sections: (A) 6.36.040 to add clarifying language; (B) 6.36.080 to further toll the expiration date of the commercial cannabis business permits that are expiring on June 21, 2023, to March 3, 2024; and (C) 6.36.100 to modify the cannabis business permit renewal requirements; and 2) Determining that the Project is categorically exempt from the California Environment Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(B)(3).

Council Member Bedolla stated at the last meeting he did not support Section B and wanted to remain consistent. He will be voting yes but has reservations regarding Section B.

There was no public comment.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Arriola to adopt **Ordinance 1338** as written in its entirety**,** an ordinance of the City of Tracy: 1) Amending Tracy Municipal Code Sections: (A) 6.36.040 to add clarifying language; (B) 6.36.080 to further toll the expiration date of the commercial cannabis business permits that are expiring on June 21, 2023, to March 3, 2024; and (C) 6.36.100 to modify the cannabis business permit renewal requirements; and 2) Determining that the Project is categorically exempt from the California Environment Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(B)(3). Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

2. ITEMS FROM THE AUDIENCE – Karen Moore stated because those on the dais have different genders, religions, races that we are diverse but that is not how Diversity, Equity and Inclusion (DEI) works; women are fighting to get equal pay; unemployment is higher for different groups. Ms. Moore also stated continuing to gate the city tells her we are not thinking about equity and inclusion for people who rely on wheelchairs and bikes to get around, hopes Council revisits getting that training, is speaking out for the disabled and asked that every gate in town has access.

Richard Williams stated on May 2 he came to Council regarding a grant for the City to submit for safer pedestrians regarding crosswalks, Council approved it but has not seen it on consent calendar. Requested to be on Transportation Committee agenda but did not make the agenda for this coming Thursday. As of right now missed four opportunities for this grant to help with submission and gaining information. Deadline is July 10. Need to do something so that the citizens of Tracy can be safer. His family will not relent making this happen in the memory of their father.

Gabriela Rodriguez Machuca requested the mobile food ordinance 10.08.3193 be brought back to Council to help mobile food trucks work in Tracy. Provided a timeline and nothing has happened yet. Ms. Machuca stated she has been working on a project since September, want to relocate business downtown and faced enormous hurdles in writing and verbally. Shared frustration regarding communication with City staff and email threads to the City were unanswered.

Midori Lichtwardt, Interim City Manager clarified staff has been working with Ms. Machuca and she is meeting with her this week. There has been confusion on next steps and what the project being put forward is, how it will impact the mobile food ordinance and hoped to get that resolved quickly and make that call to either bring it back or resolve her issues to get her business up and going and confirmed Ms. Machuca's project and the mobile food ordinance are entwined.

Robert Tanner stated three members of this Council put a target on the back of Tracy citizens for their attitudes and how they handled the current City Manager leaving. The ordinance that was written contains personal items that will be there for the life of the ordinance, was surprised it was allowed, City of Attorney is supposed to review before becoming law and should have been in closed session. The comment that was made about the Grand Jury – that they didn't mean to make it permanent is unconscionable. There are all kinds of racism even within their own races. We had one member who never voted to hire the City Manager and seems like he got what he wanted.

Robin Cole stated we are in the middle of a revolution of local governance of California and spoke about switching to district elections stating all but one member of our Council lives south of 11th Street. This leaves some residents with little representation and puts Tracy at risk of a lawsuit. The City Manager that was supporting it is no longer here. The School District is moving to districts. Do the right thing, bring to Council to move Tracy to representative districts, the current consolidated power is currently in the newer higher income areas and that is wrong.

Pat Howell stated at the last Tracy Homelessness Advisory Committee meeting the report was complete and informative - reminded citizens that repetition in reporting allows us to compare the program's effectiveness to previous reports. In rebuttal of objections to the use of taxpayer dollars for the homeless, money used for these programs are designated specially for dealing with homelessness and will not be available for other uses. In rebuttal to objections to government interference in dealing with our homeless problem it was because of the outcry of our citizens, nationally, statewide and locally that the government had to step in. Staff needs our support to continue their efforts improving the conditions of the homeless population and shared appreciation for the work staff is doing.

June Yasemsky stated unfortunately three members of our Council are gaslighting us. Spoke about Michael Rogers hiring DEI consultants and shared reasons why local governments hire DEI consultants. There are Council members that would like you to believe their ethnicity race excludes them from participating in discriminatory practices, but the most dangerous and unfair practices are supported by the very people these practices target. Spoke about DEI and changing to districts. Have goal to redistribute some of the City's political power. DEI represents visionary thinking.

Cheryl Hayes stated she has volunteered with TCCC since 2018. TCCC worked tirelessly during COVID to come up with ways to help our unhoused citizens. Still have a

vested interest in the homeless situation. Without efforts of TCCC CEO Bubba Paris we would not have any shelter at all and shared some of Bubba Paris's efforts to locating, negotiating pricing and securing funding to move modular housing to Tracy site. We are finding a way to communicate about the corruption in City government.

Juana Dement expressed concern regarding not being able to have the opportunity to speak at the meeting on May 30 via Webex and felt her first amendment rights were violated. Ms. Dement stated very few people understand the process for terminating City hired employees, only Council knows what really happens when letting someone go. There was a lot of gaslighting going on by the opposition when the City Police Chief was dismissed, and not by the Council but let go by the City Manager and Council cannot get involved. Gaslighting happens on both sides of the spectrum. In favor of looking forward to a plan for districting the City of Tracy. One day we will get sued.

A resident stated the Council and City Manager form of government is designed to ensure the City Manager is accountable to City Council. City Manager is responsible for carrying the policies. Our City Attorney assures our city runs smoothly. Make the Aquatic Park a reality and find out why it is delayed. Council can address the homelessness, improving public safety and roads and sidewalk, promoting the economy to attract new business.

Don Penning stated there is a lot of finger pointing going on. A lot stems from the Mayor who is not grasping the position of leadership and is not taking the opportunity to get the synergy that is needed in her position. It is ok to not agree on everything, but as a leader to come to a consensus to use team as a synergy instead of pitting one member against another. Starts at top and will works its way down.

Alice English spoke about a petition by Surland that is supposed to be coming to Council on June 20. It is misleading as City and staff has been working very hard to get the Aquatics Park done. Surland is delaying the project by trying to sue the City twice and failed. Asked developer to separate the Development Agreement from the pool and he did not want to as it is all about RGAs. Have Surland give the City the $9.2 Million he owes and the 16 acres so we can go forward. Give us money and get out.

Dotty Nygard stated she heard from Council that they are here for the people and represent their constituents but have witnessed majority voices being ignored in this Chamber. Witnessed Mayor being denied funding, and now our city is facing a huge severance package and possible litigation because there is a fear on the dais to address equity and districts. There is a power grip on our City. Districts have enormous say in how we respect the representation in our community. Three Council Members live in close proximity to each other, and they would have to run risk of campaigning against each other with districts. Businesses and residents have lost trust in our city. Shame on us for allowing our leadership to repeat itself and be epicenter of chaos.

Council Member Bedolla clarified the four Council Members on the dais live in the north, south, east, and west side of Tracy.

Tim Silva stated once again the misguided haters are trying to lead you down the wrong path in trying to say our Council terminated our City Manager. Tracy Press says he resigned and dropped lawsuit against City. The City Council did not terminate him, he resigned. Council questioned his ethics and job performance and with that he decided to

resign. Shared support for a three majority vote. If you have to have a supermajority vote nothing will get done. City Council is doing a great job.

Burnell Shull stated no one fired the City Manager, he resigned. Think of his salary per month and the $600,000 he has cost us; we are getting by cheap. Spoke about blame being put on the City Attorney, she is doing a good job trying to find the end of the mess we are in. Mayor needs to be replaced; she is too busy collecting money from developers. Staff and Council are doing a good job. You have to look out for the people and that is what you are doing.

3. REGULAR AGENDA

DEVIATION

3.D. Staff recommends that the City Council receive the annual informational report for the Youth Advisory Commission for the 2022 calendar year.

DeAnna Pombo, Youth and Teen Coordinator introduced Alexis McAdams and Archit Bhattacharya, Youth Advisory Commissioners who presented the Youth Advisory Commission annual information report for 2022 and responded to questions.

Kimberly Range stated when looking at activities Juneteenth coming up and asked if the Black Student Union has been contacted to participate on the committee.

Council questions and comments followed.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Bedolla to accept the annual information report of the Youth Advisory Commission for the 2022 calendar year. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

3.A Staff recommends that Council adopt a resolution approving a Joint Community Facilities Agreement with the Jefferson School District relating to the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) and approving and authorizing related documents and actions.

Sara Cowell, Finance Director provided the staff report.

Mike Souza stated it is mechanism to help finance all infrastructure to put into Tracy Hills, spoke about progress for building schools, and process of funding schools with the goal of having the school open when it is 50% full. Already paid $32 million to Jefferson School District. Costs were higher than anticipated. By doing this JCFA allows them to use some of the bond money to help reimburse them for payments made to Jefferson School District for infrastructures. It depends on interest rates how much money will

come back for the sale of bonds. Mr. Souza also responded to Council questions.

Council comments and questions followed.

There was no public comment.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Bedolla to adopt **Resolution 2023-101** approving a Joint Community Facilities Agreement with the Jefferson School District relating to the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) and approving and authorizing related documents and actions. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

3.B Approve a resolution to adopt amendments to the City Council's A) Code of Conduct and B) Meeting Protocols and Rules of Procedures.

Bijal Patel, City Attorney provided the staff report and presentation.

Council asked clarifying questions.

Cheryl Hayes stated this was a rushed thing, and what is being handed out to the public is not what we are seeing on the screen. How are the community members able to address the Code of Conduct if you are not sharing all the information. Requested taking the item off the agenda item tonight and represent it at the next meeting when it is not rushed.

Mayor Pro Tem Davis asked if the Mayor's comments had been made available to the public. Adrianne Richardson, City Clerk responded they have not.

Ms. Patel clarified the Mayor sent separate comments to the members of the body so do not get shared with the public and was unaware the Mayor would not be participating in the meeting. They were very detailed notes. Mayor asked to provide Council with copies but not necessarily comments that would be shared with the audience.

Juana Dement stated the process is not rushed has been going on a long time and stated the censuring policy is not correct. A person that brings the censuring motion cannot be made to pay for cost of mediation, as written now to censure has to go through the City Manager and they are not an attorney. Concerns her that we give unilateral authority – and already without looking at the rules to govern yourself could see a Mayor who refused a motion on the floor. If Council gives the City Manager direction on an item, how can that person who hasn't been elected pull something when there is a motion on the floor. Be very careful, the Mayor is violating that and that is what a censure policy is for.

Tim Silva stated the Mayor continues to act in the same manner former Council Members were acting towards a Mayor and doesn't like it because they don't agree with her. Don't need all the policies to govern Council. Have ethics training and laws. There is a good Council up here right now, no arguing, and healthy debate. Fine line between debating and arguing and the Mayor does not know that line and is very argumentative. If no one is held accountable why have the policies.

Alice English stated glad this item is here and shared concerns about the Mayor's behavior when she does not get her way. Glad to see including a parliamentarian. We have three Council Members that care about our City and want to go forward. Not happy with homeless progress, street repairs, no amenities. Council was elected to do the job and not just for developers.

James Damasco stated he stands firmly in favor of passage of the resolution to adopt the changes in question to the Code of Conduct. With regard to the elimination of Section 2.2.9 – could not think of a better Mayor from whom to revoke any unnecessary power and assert this based on Mayor's bullying of City Attorney on May 16, 2023. Mr. Damasco spoke about democracy over republic and the Mayor claiming moral high ground and suggested rewatching consent items from May 16, 2023.

Council comments and questions followed.

Ms. Patel addressed concerns and listed proposed edits on the floor:

Code of Conduct edits:
Section 1.4 – adding 3rd bullet point after approvals it would say as to form and legality.
Section 2.2.1 – Not delete *Pro Tem*
Section 2.2.2 – Remove the addition of *for a one-year term*.
Section 3.6.1 – Suggested deleting all of it except the following: A request for censure of a member of the City Council may be submitted pursuant to Section 4.3. of meeting protocols which is agenda setting process. Keep the last sentence in that paragraph which says it is the intent of the City Council that a request for censure be used only for significant and or repeated violations of the Code of Conduct and not a means to address politically or personally motivated disagreements amongst City Council Members.
Section 3.6.2 – Should stay. The court did not address sanctions. To the extent you want to have additional guidance to how to sanction, is appropriate.
Section 3.6.3. – Should stay.
That is the proposed edits on Section 3.6 to make it aligned with recent rulings.

Meeting Protocols:
Section 2.5 – The change made conforms with the law. The Brown Act requires a legislative body to post an agenda containing a brief description of each item. The agenda belongs to the legislative body. Suggested removing the edit proposed and instead add after the word may where it

says the City Manager sets the Council agenda and once published may *request that the City Council by majority vote withdraw an item.*
Section 2.8 – Believed her interpretation is consistent with what the outside Counsel has said also which is because it doesn't specify it is advisory because Council has adopted the Rosenberg's Rules and under that the Chair makes the final decision. The City Attorney is the parliamentarian, Council would defer to her and ask for her opinion on procedural questions but it is up to Council and the Chair if they agree. If Council disagree they will have to overrule the Chairs decision. Would not add anything to clarify unless Council wants to change it.
Section 3.4.5 – Language is overbroad. In the rare instance that there is an instance where the Council does not want the City Attorney there if talking disciplinary issues or personnel matters related to the City Attorney, Council does not want the City Attorney in Closed Session. Suggested: *Shall attend all closed sessions except those involving disciplinary or personnel matters related to the City Attorney.*

Council questions and comments continued.

Motion was made by Council Member Arriola to adopt a Resolution approving amendments to the City Council's A) Code of Conduct and B) Meeting Protocols and Rules of Procedures with the amendments as stated by the City Attorney related to Code of Conduct Sections 1.4, 2.2.1, 2.2.2, 3.6 and Meeting Protocols as defined by the City Attorney to Sections 2.5, 2.8 and requested amendment to 3.4.5 with language saying amend language to allow a majority of City Council to excuse the City Attorney from attending closed session.

Council discussion continued.

Ms. Patel stated her new proposal for Meeting Protocols Section 3.4.5: *City Attorney shall attend all closed sessions unless excused by a majority vote of the Council as related to personnel evaluations or disciplinary matters related to the City Attorney.*

Council discussion continued.

Council Member Arriola confirmed Section 2.8 language would remain the same as described by Ms. Patel.

ACTION: Council Member Arriola restated his motion to adopt **Resolution 2023-102** amending the City Council's A) Code of Conduct and B) Meeting Protocols and Rules of Procedures with the following amendments: Code of Conduct Sections 1.4, 2.2.1, 2.2.2, and 3.6 as defined by the City Attorney and to Meeting Protocols and Sections 2.5 and 3.4.5 as defined by the City Attorney. Council Member Evans seconded the motion. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

Ms. Bijal thanked Council and City Management team.

3.C. Conduct a public hearing, and upon conclusion, adopt the following: 1) Resolution approving new positions for an annual aggregate cost of $1,375,165 and authorizing the Budget Officer to amend the City's Position Control Roster for FY 2023/24; 2) Resolution adopting the City of Tracy Fiscal Years (FY) 2023/24 Annual Operating and Capital Budget, reflecting additional positions approved through Resolution XXX; 3) Resolution adopting Committed Fund Balances (GASB 54) for Fiscal Year ending June 30, 2023 in compliance with Statement 54 of the Governmental Accounting Standards Board; and 4) Resolution establishing Fiscal Year 2023/24 appropriations limit pursuant to Article XIIIB of the California State Constitution.

Mayor Pro Tem Davis opened the public hearing.

Felicia Galindo, Budget Officer provided the staff report and presentation.

Council asked clarifying questions.

Tim Silva stated it is a sound fiscal year budget and asked for more funding for roadways and bikeways. Mr. Silva spoke about bike lanes where lines are gone, and there is a bad one west of Corral Hollow on Lowell Ave. Also need signage. The airport needs a full-time maintenance worker, two part time does not do it as the Airport is growing. Would serve Skyview better.

Council questions and comments followed.

Mayor Pro Tem Davis closed the public hearing.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Evans to adopt **Resolution 2023-103** approving new positions for an annual aggregate cost of $1,375,165 and authorizing the Budget Officer to amend the City's Position Control Roster for FY2023-24. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so order. Mayor Young absent.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Evans to adopt **Resolution 2023-104** adopting the City of Tracy Fiscal Year (FY) 2023/24 Annual Operating and Capital Budget, reflecting additional positions approved through Resolution 2023-103. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Arriola to adopt **Resolution 2023-105** of the City Council of the City of Tracy approving Committed Fund Balances for Fiscal Year ending June 30, 2023 in compliance with Statement 54 of the Governmental Accounting Standards Board. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Arriola to adopt **Resolution 2023-106** establishing Fiscal Year 2023/24 appropriations limit (GANN) pursuant to Article XIIIB of the California State

Constitution. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

3.E Staff recommends that the City Council appoint, by motion, a subcommittee of two Councilmembers, and an alternate, to interview the five (5) adult applicants to fill five (5) of the seven (7) vacancies on the City of Tracy Environmental Sustainability Commission.

Adrianne Richardson, City Clerk provided the staff report.

William Muetzenberg on behalf of Public Health Advocates (PHA) thanked Council for creating the commission and recognized the communities' efforts with advocates like Dotty Nygard. Shared information regarding PHA. Mr. Muetzenberg recommended whoever serves on the Council subcommittee to interview applicants select applicants that are dedicated to climate justice and resilience to serve on the commission. We must ensure the City of Tracy does its part and must incorporate climate resilience.

Council Member Arriola volunteered to serve on the subcommittee.

Council Member Evans proposed Mayor Pro Tem Davis and Council Member Arriola to serve on the committee. Council Member Bedolla supported and volunteered to be alternate.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Bedolla to appoint Council Member Arriola and Mayor Pro Tem Davis as a two-member Council subcommittee and Council Member Bedolla as alternate, to interview the five (5) adult applicants to fill five (5) adult applicants to fill five (5) of the seven (7) vacancies on the City of Tracy Environmental Sustainability Commission. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

3.F. Staff recommends that the City Council appoint, by motion, a subcommittee of two Councilmembers, and an alternate, to interview applicants to serve on the San Joaquin County Commission on Aging.

Council Member Evans nominated himself.

Council Member Arriola proposed Mayor Young serve on the Council subcommittee.

Mayor Pro Tem Davis volunteered to be the alternate.

ACTION: Motion was made by Council Member Evans and seconded by Council Member Bedolla to appoint Mayor Young and Council Member Evans as two-member subcommittee of two Council Members, and Mayor Pro Tem Davis as alternate, to interview applicants to fill one term vacancy on the San Joaquin County Commission on Aging. Roll call found Council Members Arriola, Bedolla, Evans

and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

3.G Approve an At-Will Employment Agreement between Ms. Lichtwardt and the City of Tracy for an interim bi-weekly salary of $11,020.62, for a term that ends when the City Council appoints a permanent City Manager.

JoAnn Weberg, Human Resources Manager provided the staff report.

Alice English hoped Council makes the right decision and accepts Ms. Lichtwardt's contract and stated she has handled herself professionally and never crossed the line. Happy to see we are going forward with our City and positive changes.

Council comments followed.

ACTION: Motion was made by Council Member Bedolla and seconded by Council Member Evans to adopt **Resolution 2023-107** to approve an at-will Employment Agreement between Ms. Lichtwardt and the City of Tracy for an interim bi-weekly salary of $11,020.62, for a term that ends when the City Council appoints a permanent City Manager. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

4. ITEMS FROM THE AUDIENCE – Gabriela Machuca requested clarification regarding her project – the current Director of DS has been trying to move our project forward. Believed the hurdles and confusion is within the Planning Department. Hopes to be able to work with City Manager and City Attorney to set the record straight so she can get help to move the project forward. Shared concerns regarding some employees.

Tim Silva thanked staff for reiterating his request for help needed at the Airport. Thanked City staff, Council, Chapter 38 for the Norcal Aerobatics Championships at the Airport. This is the second year. Lot of attendance and vendors and twice as many aerobatics as last year. Last year had the Western Nationals. Pushed really hard to have events at the Airport.

Alice English spoke about the 3-2, three Council Members did not sign up for power but to serve the City. The 3-2 want to move the City forward. Information was withheld from our Council. Ms. English shared concerns regarding the custom containers. Spoke about freedom of speech, hoped everyone is united to make it better. We should be pristine and have more amenities. Have had lack of leadership, because of the Mayor's behavior people are paying more attention to Tracy, and spoke about crime in Tracy.

Council Member Arriola objected to some of the comments made especially related to public safety when he is a Deputy District Attorney.

5. STAFF ITEMS – Bijal Patel, City Attorney reported on her attendance at the California League of Cities annual City Attorney's Conference in Monterey.

Ms. Patel stated there has been repeated and prolific circulation over social media of a false narrative about her. It is time to set the record straight. The false narrative alleges that she was racially discriminatory because "she refused the City from displaying the Pan African Flag on City property". She cannot disclose what she advised Council. City has an adopted flag policy. Also note this item was considered by Council on January 30, 2023 and was approved by Resolution 2023-018. Resolution 2021-008 approved the display of the Pan African flag for a very explicit and narrow period of February 1 to March 1, 2021 so hopefully that helps clarify that false narrative. The situation is saddening to her on many fronts. These attacks on her character are grossly inconsistent with the reality, it is a joke. Ms. Patel stated she is African nationality, was born in Africa and have a generation of family born in Africa. Don't judge a book by its cover, learn to know who we all are. If you see a meeting of my extended family, it is like a meeting of the United Nations. Has travelled about 30 countries in the world, is a world citizen and attacking her is racially discriminatory. It is really sad.

Midori Lichtwardt, Interim City Manager announced the following:

- Rollin' Rec, our free, pop-up mobile recreation program, will be out at Alden Park tomorrow from 9:00 a.m. to 12:00 p.m.. Check our website calendar for all upcoming dates and locations: www.cityoftracy.org.
- Tickets are available for The Comedy Zone at The Grand Theatre on Thursday, June 8th at 7:00 p.m: www.atthegrand.org.
- Our second Block Party of the season is this Friday at Front Street Plaza at 6:00 p.m. – join us for some country music from the Country Cougars band! Block parties are free and family-friendly.
- City offices will be closed on Monday, June 19th in observance of the Juneteenth holiday
- Joe Wilson Pool is now open for the season! Please join us for open swim from 7:00 – 8:00 p.m., and watch "The Bad Guys" at 8 PM at first our Dive-In Movie event of the season on Friday, June 16. The entry fee is $5 (free to children 0-2 years old)

6. COUNCIL ITEMS – Council Member Arriola thanked Council for navigating the potentially contentious item with the amendment to the Code of Conduct and Protocols. Wished everyone happy Pride, acknowledged the Pride Month flag raising on June 1st., wished everyone a happy Juneteenth and happy Father's Day, and asked staff when districts was coming back before Council.

Bijal Patel, City Attorney stated she will be sending a confidential memo out this week.

Council Member Arriola announced he has been invited to State Capital on Thursday on behalf of the Day of Portugal and Azores to receive a resolution from the state senate. Been invited to dinner with the Vice President of the Azores, Dr. Artur Lima. Council Member Arriola recognized the passing of Superintendent Dr. Franco. He was a huge leader in the community. Growing up here he was someone he saw on campus all the time and had an opportunity to interact with him when he was on the School Board and send condolences to his family.

Council Member Evans acknowledged Ms. Patel's statements and thanked her for her service to our City and for enduring some of the same false accusations that Council Members have also endured. Thanked Council for this meeting, stating the four Council

Members can collaborate and get business done for the City. Would hate to think we would have a panel of five people who agree on everything, the City deserves Council getting things done and working through issues. Council Member Evans reported on all the events he attended over the weekend and shared he assisted County District Attorney Ron Freitas in presenting two $25,000 checks at the PAL Donut Dash 5K, one to Tracy Police Activities League and the other to DARE. In Ron Freitas's words the money came out of the hands of drug dealers and into the hands of the community where it belongs and thanked him for his no nonsense approach to fighting crime.

Council Member Evans stated a few meetings back met with Police Department (PD) and talked about bringing a representative of the PD into Council Chambers once a month to talk about violent crime, about the prior month and year to date and crimes we are seeing, what we are doing differently, approaches we will see in the future and what PD needs from Council. Wants to have interaction until we see a turnaround in violent crime. Mayor Pro Tem Davis supported the request.

Midori Lichtwardt, Interim City Manager asked if we could do it quarterly as we have packed agendas.

Council Member Evans responded we are seeing a spike especially in violent crime. Keep it to a short agenda item. Open to ideas. We try limit it to 20-30 minutes but do it monthly.

Ms. Lichtwardt proposed bringing one back, see how it works out and be flexible would be helpful to our workload. Will work with the Police Chief to see if we can get something to Council before we go on recess.

Council Member Evans stated Richard Williams was in chambers and thought that was coming back through Transportation Commission and asked staff to look at the status of that item.

Ms. Lichtwardt responded she spoke with Mr. Williams and Transportation Advisory Commissioner Silva and confirmed with staff that we have already been in the process of applying for that grant along with others.

Council Member Bedolla stated on May 25 four or five Southwest Park School teachers took a field trip with classes of 20 students each to MacDonald Park and thanked the Police Department (PD), specifically Office Gustavos Cisneros. PD made sure it was a safe place and thanked Brian MacDonald and Parks Department for making sure the splash pad was working. Council Member Bedolla reported on events he attended in Tracy during the weekend and thanked Johnnies Diner and other food trucks for their participation.

Mayor Pro Tem Davis expressed the same sentiments as her colleagues of how the meeting could have been super contentious, but it was not and appreciated how respectful Council was and worked together, negotiated and ended up with something we can all be happy with and hopefully the public can as well. Mayor Pro Tem Davis acknowledged Ms. Patel for sharing her story and how she has been impacted and it is important for people to hear all her truth. There is a false narrative out there, it is not fair but comes with the territory. Thanked Ms. Patel for being brave enough to share her story. Mayor Pro Tem Davis reported on the events she has attend over the past week

and also thanked Ron Freitas for the donation to DARE and PAL. Loved the quote from District Attorney taking from the bad guy to the good guy. Will have report on July 5 for May and June. Wished everyone happy Pride Month, and happy Father's Day, happy Juneteenth.

7. ADJOURNMENT – Time: 11:16 p.m.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Evans to adjourn. Roll call found Council Members Arriola, Bedolla, Evans and Mayor Pro Tem Davis in favor; passed and so ordered. Mayor Young absent.

The above agenda was posted at the Tracy City Hall on June 1, 2023. The above are action minutes. A recording is available at the office of the City Clerk.

_____
Mayor

ATTEST:

_____
City Clerk

June 20, 2023

Agenda Item 1.B

RECOMMENDATION

Staff recommends City Council 1) approve the execution of a 3-year agreement with Microsoft for software licenses to desktop computers and servers for an annual not to exceed amount of $194,225; and 2) determine that execution of this agreement, without conducting a competitive selection process, is in the best interests of the City pursuant to Tracy Municipal Code section 2.20.140(b)(6).

EXECUTIVE SUMMARY

The City licenses various software products from Microsoft for both its desktops and servers. The City's current three-year license agreement with Microsoft is set to expire July 31 2023. This Agreement renews our existing license agreement with Microsoft for an additional three years.

BACKGROUND AND LEGISLATIVE HISTORY

The City maintains an Enterprise Agreement with Microsoft to provide use of ongoing support, and security updates for Microsoft products utilized by the organization. The City must obtain licenses for all the software that runs on its desktop computers and servers. This includes Microsoft Windows Operating Systems, Microsoft Word, Excel, Teams and Outlook, just to name a few of the Microsoft products. Many of these software products are critical to the City operations. The City has been using various Microsoft products for many years and has maintained this agreement since 2007.

ANALYSIS

The City's current agreement with Microsoft, approved by Council in 2020, is set to expire July 31st 2023 and now must be renewed. The City has budgeted for these licenses as part of the operating budget. Microsoft offers a program to municipalities by which an annual fee can be paid and Microsoft will always provide the most recent version of the software to the City. In this way, the City will be assured it always has the most recent and up to date, secure software for its desktop computers and selected servers. This renewal can be sole-sourced pursuant to Tracy Municipal Code section 2.20.140(b)(2). Microsoft is the leader in server and desktop operating systems software space and is used by countless government agencies. The City has many critical applications reliant on Microsoft Enterprise licensing. The annual cost of the Microsoft licensing program is approximately $194,225 for each year of the three-year agreement. However, if the City adds additional Microsoft licenses during the three-year agreement, the cost of these new licenses will be added onto the existing agreement thereby increasing the annual cost. The City will evaluate the number of licenses required annually and funds will be appropriated during the annual budget process. Therefore, the resolution is presented as an estimated amount of $582,676 dependent on the number of users for the next three years.

FISCAL IMPACT

Funding for the agreement with Microsoft is included in the adopted FY2023-24 budget. The total cost of the agreement is $194,225 per year. Software licensing is paid from the IT fund (Fund 602). The costs associated with the IT fund are collected through cost allocation to City departments.

COORDINATION

N/A

STRATEGIC PLAN

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

RECOMMENDATION

Staff recommends City Council a) adopt a resolution renewing a three-year agreement with Microsoft to supply software for City desktop computers and servers for an estimated amount of $582,676 b) dispense the procurement requirements for this Agreement pursuant to Tracy Municipal Code Section 2.20.140(b)(2).

Prepared by: Robert Rosenberg, Systems Administrator

Reviewed by: Norbert Ruijling, Chief Innovation Officer
Sara Cowell, Finance Director
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A - Microsoft Agreement

Microsoft Volume Licensing

Program Signature Form

MBA/MBSA number	
Agreement number	8084445

5-0000009714582

Note: Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, "Customer" can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

Contract Document	Number or Code
Enterprise Enrollment (Indirect)	X20-10635
Enterprise Amendment	M97;M325 (New)
Product Selection Form	1286627.007_PSF

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

Customer
Name of Entity (must be legal entity name)* City of Tracy
Signature*
Printed First and Last Name*
Printed Title
Signature Date*
Tax ID

** indicates required field*

Microsoft Affiliate	
Microsoft Corporation	
Signature	Shirley Snyder
Printed First and Last Name	Shirley Snyder
Printed Title	Authorized Signatory
Signature Date (date Microsoft Affiliate countersigns)	May 22, 2023
Agreement Effective Date (may be different than Microsoft's signature date)	

Optional 2nd Customer signature or Outsourcer signature (if applicable)

Customer
Name of Entity (must be legal entity name)*
Signature*
Printed First and Last Name*
Printed Title
Signature Date*

** indicates required field*

Outsourcer
Name of Entity (must be legal entity name)*
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*

** indicates required field*

If Customer requires additional contacts or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

Microsoft Corporation
Dept. 551, Volume Licensing
6880 Sierra Center Parkway
Reno, Nevada 89511
USA

Microsoft Volume Licensing

Enterprise Enrollment State and Local

Enterprise Enrollment number *(Microsoft to complete)*	77008803
Previous Enrollment number *(Reseller to complete)*	71374555
Framework ID *(if applicable)*	

This Enrollment must be attached to a signature form to be valid.

This Microsoft Enterprise Enrollment is entered into between the entities as identified in the signature form as of the effective date. Enrolled Affiliate represents and warrants it is the same Customer, or an Affiliate of the Customer, that entered into the Enterprise Agreement identified on the program signature form.

This Enrollment consists of: (1) these terms and conditions, (2) the terms of the Enterprise Agreement identified on the signature form, (3) the Product Selection Form, (4) the Product Terms, (5) the Online Services Terms, (6) any Supplemental Contact Information Form, Previous Agreement/Enrollment form, and other forms that may be required, and (7) any order submitted under this Enrollment. This Enrollment may only be entered into under a 2011 or later Enterprise Agreement. By entering into this Enrollment, Enrolled Affiliate agrees to be bound by the terms and conditions of the Enterprise Agreement.

All terms used but not defined are located at http://www.microsoft.com/licensing/contracts. In the event of any conflict the terms of this Agreement control.

Effective date. If Enrolled Affiliate is renewing Software Assurance or Subscription Licenses from one or more previous Enrollments or agreements, then the effective date will be the day after the first prior Enrollment or agreement expires or terminates. If this Enrollment is renewed, the effective date of the renewal term will be the day after the Expiration Date of the initial term. Otherwise, the effective date will be the date this Enrollment is accepted by Microsoft. Any reference to "anniversary date" refers to the anniversary of the effective date of the applicable initial or renewal term for each year this Enrollment is in effect.

Term. The initial term of this Enrollment will expire on the last day of the month, 36 full calendar months from the effective date of the initial term. The renewal term will expire 36 full calendar months after the effective date of the renewal term.

Terms and Conditions

1. Definitions.

Terms used but not defined in this Enrollment will have the definition in the Enterprise Agreement. The following definitions are used in this Enrollment:

"Additional Product" means any Product identified as such in the Product Terms and chosen by Enrolled Affiliate under this Enrollment.

"Community" means the community consisting of one or more of the following: (1) a Government, (2) an Enrolled Affiliate using eligible Government Community Cloud Services to provide solutions to a Government or a qualified member of the Community, or (3) a Customer with Customer Data that is subject to Government regulations for which Customer determines and Microsoft agrees that the use of Government Community Cloud Services is appropriate to meet Customer's regulatory requirements.

Membership in the Community is ultimately at Microsoft's discretion, which may vary by Government Community Cloud Service.

"Enterprise Online Service" means any Online Service designated as an Enterprise Online Service in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Online Services are treated as Online Services, except as noted.

"Enterprise Product" means any Desktop Platform Product that Microsoft designates as an Enterprise Product in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Products must be licensed for all Qualified Devices and Qualified Users on an Enterprise-wide basis under this program.

"Expiration Date" means the date upon which the Enrollment expires.

"Federal Agency" means a bureau, office, agency, department or other entity of the United States Government.

"Government" means a Federal Agency, State/Local Entity, or Tribal Entity acting in its governmental capacity.

"Government Community Cloud Services" means Microsoft Online Services that are provisioned in Microsoft's multi-tenant data centers for exclusive use by or for the Community and offered in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-145. Microsoft Online Services that are Government Community Cloud Services are designated as such in the Use Rights and Product Terms.

"Industry Device" (also known as line of business device) means any device that: (1) is not useable in its deployed configuration as a general purpose personal computing device (such as a personal computer), a multi-function server, or a commercially viable substitute for one of these systems; and (2) only employs an industry or task-specific software program (e.g. a computer-aided design program used by an architect or a point of sale program) ("Industry Program"). The device may include features and functions derived from Microsoft software or third-party software. If the device performs desktop functions (such as email, word processing, spreadsheets, database, network or Internet browsing, or scheduling, or personal finance), then the desktop functions: (1) may only be used for the purpose of supporting the Industry Program functionality; and (2) must be technically integrated with the Industry Program or employ technically enforced policies or architecture to operate only when used with the Industry Program functionality.

"Managed Device" means any device on which any Affiliate in the Enterprise directly or indirectly controls one or more operating system environments. Examples of Managed Devices can be found in the Product Terms.

"Qualified Device" means any device that is used by or for the benefit of Enrolled Affiliate's Enterprise and is: (1) a personal desktop computer, portable computer, workstation, or similar device capable of running Windows Pro locally (in a physical or virtual operating system environment), or (2) a device used to access a virtual desktop infrastructure ("VDI"). Qualified Devices do not include any device that is: (1) designated as a server and not used as a personal computer, (2) an Industry Device, or (3) not a Managed Device. At its option, the Enrolled Affiliate may designate any device excluded above (e.g., Industry Device) that is used by or for the benefit of the Enrolled Affiliate's Enterprise as a Qualified Device for all or a subset of Enterprise Products or Online Services the Enrolled Affiliate has selected.

"Qualified User" means a person (e.g., employee, consultant, contingent staff) who: (1) is a user of a Qualified Device, or (2) accesses any server software requiring an Enterprise Product Client Access License or any Enterprise Online Service. It does not include a person who accesses server software or an Online Service solely under a License identified in the Qualified User exemptions in the Product Terms.

"Reseller" means an entity authorized by Microsoft to resell Licenses under this program and engaged by an Enrolled Affiliate to provide pre- and post-transaction assistance related to this agreement;

"Reserved License" means for an Online Service identified as eligible for true-ups in the Product Terms, the License reserved by Enrolled Affiliate prior to use and for which Microsoft will make the Online Service available for activation.

"State/Local Entity" means (1) any agency of a state or local government in the United States, or (2) any United States county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state and located within Customer's state's jurisdiction and geographic boundaries.

"Tribal Entity" means a federally recognized tribal entity performing tribal governmental functions and eligible for funding and services from the U.S. Department of Interior by virtue of its status as an Indian tribe.

"Use Rights" means, with respect to any licensing program, the use rights or terms of service for each Product and version published for that licensing program at the Volume Licensing Site and updated from time to time. The Use Rights include the Product-Specific License Terms, the License Model terms, the Universal License Terms, the Data Protection Terms, and the Other Legal Terms. The Use Rights supersede the terms of any end user license agreement (on-screen or otherwise) that accompanies a Product.

"Volume Licensing Site" means http://www.microsoft.com/licensing/contracts or a successor site.

2. *Order requirements.*

a. **Minimum order requirements.** Enrolled Affiliate's Enterprise must have a minimum of 250 Qualified Users or Qualified Devices. The initial order must include at least 250 Licenses for Enterprise Products or Enterprise Online Services.

   (i) **Enterprise commitment.** Enrolled Affiliate must order enough Licenses to cover all Qualified Users or Qualified Devices, depending on the License Type, with one or more Enterprise Products or a mix of Enterprise Products and the corresponding Enterprise Online Services (as long as all Qualified Devices not covered by a License are only used by users covered with a user License).

   (ii) **Enterprise Online Services only.** If no Enterprise Product is ordered, then Enrolled Affiliate need only maintain at least 250 Subscription Licenses for Enterprise Online Services.

b. **Additional Products.** Upon satisfying the minimum order requirements above, Enrolled Affiliate may order Additional Products.

c. **Use Rights for Enterprise Products.** For Enterprise Products, if a new Product version has more restrictive use rights than the version that is current at the start of the applicable initial or renewal term of the Enrollment, those more restrictive use rights will not apply to Enrolled Affiliate's use of that Product during that term.

d. **Country of usage.** Enrolled Affiliate must specify the countries where Licenses will be used on its initial order and on any additional orders.

e. **Resellers.** Enrolled Affiliate must choose and maintain a Reseller authorized in the United States. Enrolled Affiliate will acquire its Licenses through its chosen Reseller. Orders must be submitted to the Reseller who will transmit the order to Microsoft. The Reseller and Enrolled Affiliate determine pricing and payment terms as between them, and Microsoft will invoice the Reseller based on those terms. Throughout this Agreement the term "price" refers to reference price. Resellers and other third parties do not have authority to bind or impose any obligation or liability on Microsoft.

f. **Adding Products.**

   (i) **Adding new Products not previously ordered**. New Enterprise Products or Enterprise Online Services may be added at any time by contacting a Microsoft Account Manager or Reseller. New Additional Products, other than Online Services, may be used if an order is placed in the month the Product is first used. For Additional Products that are Online Services, an initial order for the Online Service is required prior to use.

(ii) **Adding Licenses for previously ordered Products.** Additional Licenses for previously ordered Products other than Online Services may be added at any time but must be included in the next true-up order. Additional Licenses for Online Services must be ordered prior to use, unless the Online Services are (1) identified as eligible for true-up in the Product Terms or (2) included as part of other Licenses.

g. **True-up requirements.** Enrolled Affiliate must submit an annual true-up order that accounts for any changes since the initial order or last order. If there are no changes, then an update statement must be submitted instead of a true-up order.

(i) **Enterprise Products.** For Enterprise Products, Enrolled Affiliate must determine the number of Qualified Devices and Qualified Users (if ordering user-based Licenses) at the time the true-up order is placed and must order additional Licenses for all Qualified Devices and Qualified Users that are not already covered by existing Licenses, including any Enterprise Online Services.

(ii) **Additional Products.** For Additional Products that have been previously ordered under this Enrollment, Enrolled Affiliate must determine the maximum number of Additional Products used since the latter of the initial order, the last true-up order, or the prior anniversary date and submit a true-up order that accounts for any increase.

(iii) **Online Services.** For Online Services identified as eligible for true-up in the Product Terms, Enrolled Affiliate may place a reservation order for the additional Licenses prior to use and payment may be deferred until the next true-up order. Microsoft will provide a report of Reserved Licenses ordered but not yet invoiced to Enrolled Affiliate and its Reseller. Reserved Licenses will be invoiced retrospectively to the month in which they were ordered.

(iv) **Subscription License reductions.** Enrolled Affiliate may reduce the quantity of Subscription Licenses at the Enrollment anniversary date on a prospective basis if permitted in the Product Terms, as follows:

1) For Subscription Licenses that are part of an Enterprise-wide purchase, Licenses may be reduced if the total quantity of Licenses and Software Assurance for an applicable group meets or exceeds the quantity of Qualified Devices and Qualified Users (if ordering user-based Licenses) identified on the Product Selection Form, and includes any additional Qualified Devices and Qualified Users added in any prior true-up orders. Step-up Licenses do not count towards this total count.

2) For Enterprise Online Services that are not a part of an Enterprise-wide purchase, Licenses can be reduced as long as the initial order minimum requirements are maintained.

3) For Additional Products available as Subscription Licenses, Enrolled Affiliate may reduce the Licenses. If the License count is reduced to zero, then Enrolled Affiliate's use of the applicable Subscription License will be cancelled.

Invoices will be adjusted to reflect any reductions in Subscription Licenses at the true-up order Enrollment anniversary date and effective as of such date.

(v) **Update statement.** An update statement must be submitted instead of a true-up order if, since the initial order or last true-up order, Enrolled Affiliate's Enterprise: (1) has not changed the number of Qualified Devices and Qualified Users licensed with Enterprise Products or Enterprise Online Services; and (2) has not increased its usage of Additional Products. This update statement must be signed by Enrolled Affiliate's authorized representative.

(vi) **True-up order period.** The true-up order or update statement must be received by Microsoft between 60 and 30 days prior to each Enrollment anniversary date. The third-year true-up order or update statement is due within 30 days prior to the Expiration Date, and any license reservations within this 30 day period will not be accepted. Enrolled Affiliate

may submit true-up orders more often to account for increases in Product usage, but an annual true-up order or update statement must still be submitted during the annual order period.

(vii) **Late true-up order.** If the true-up order or update statement is not received when due, Microsoft will invoice Reseller for all Reserved Licenses not previously invoiced and Subscription License reductions cannot be reported until the following Enrollment anniversary date (or at Enrollment renewal, as applicable).

h. **Step-up Licenses.** For Licenses eligible for a step-up under this Enrollment, Enrolled Affiliate may step-up to a higher edition or suite as follows:

(i) For step-up Licenses included on an initial order, Enrolled Affiliate may order according to the true-up process.

(ii) If step-up Licenses are not included on an initial order, Enrolled Affiliate may step-up initially by following the process described in the Section titled "Adding new Products not previously ordered," then for additional step-up Licenses, by following the true-up order process.

i. **Clerical errors.** Microsoft may correct clerical errors in this Enrollment, and any documents submitted with or under this Enrollment, by providing notice by email and a reasonable opportunity for Enrolled Affiliate to object to the correction. Clerical errors include minor mistakes, unintentional additions and omissions. This provision does not apply to material terms, such as the identity, quantity or price of a Product ordered.

j. **Verifying compliance.** Microsoft may, in its discretion and at its expense, verify compliance with this Enrollment as set forth in the Enterprise Agreement.

3. *Pricing.*

a. **Price Levels.** For both the initial and any renewal term Enrolled Affiliate's Price Level for all Products ordered under this Enrollment will be Level "D" throughout the term of the Enrollment.

b. **Setting Prices.** Enrolled Affiliate's prices for each Product or Service will be established by its Reseller. Except for Online Services designated in the Product Terms as being exempt from fixed pricing, As long as Enrolled Affiliate continues to qualify for the same price level, Microsoft's prices for Resellers for each Product or Service ordered will be fixed throughout the applicable initial or renewal Enrollment term. Microsoft's prices to Resellers are reestablished at the beginning of the renewal term.

4. *Payment terms.*

For the initial or renewal order, Microsoft will invoice Enrolled Affiliate's Reseller in three equal annual installments. The first installment will be invoiced upon Microsoft's acceptance of this Enrollment and remaining installments will be invoiced on each subsequent Enrollment anniversary date. Subsequent orders are invoiced upon acceptance of the order and Enrolled Affiliate may elect to pay annually or upfront for Online Services and upfront for all other Licenses.

5. *End of Enrollment term and termination.*

a. **General.** At the Expiration Date, Enrolled Affiliate must immediately order and pay for Licenses for Products it has used but has not previously submitted an order, except as otherwise provided in this Enrollment.

b. **Renewal option.** At the Expiration Date of the initial term, Enrolled Affiliate can renew Products by renewing this Enrollment for one additional 36-month term or by signing a new Enrollment. Microsoft must receive a Renewal Form, Product Selection Form, and renewal order prior to or at the Expiration Date. Microsoft will not unreasonably reject any renewal.

Microsoft may make changes to this program that will make it necessary for Customer and its Enrolled Affiliates to enter into new agreements and Enrollments at renewal.

c. **If Enrolled Affiliate elects not to renew.**

(i) **Software Assurance.** If Enrolled Affiliate elects not to renew Software Assurance for any Product under its Enrollment, then Enrolled Affiliate will not be permitted to order Software Assurance later without first acquiring a new License with Software Assurance.

(ii) **Online Services eligible for an Extended Term.** For Online Services identified as eligible for an Extended Term in the Product Terms, the following options are available at the end of the Enrollment initial or renewal term.

1) **Extended Term.** Licenses for Online Services will automatically expire in accordance with the terms of the Enrollment. An extended term feature that allows Online Services to continue month-to-month ("Extended Term") is available. During the Extended Term, Online Services will be invoiced monthly at the then-current published price as of the Expiration Date plus a 3% administrative fee for up to one year. If Enrolled Affiliate wants an Extended Term, Enrolled Affiliate must submit a request to Microsoft at least 30 days prior to the Expiration Date.

2) **Cancellation during Extended Term.** At any time during the first year of the Extended Term, Enrolled Affiliate may terminate the Extended Term by submitting a notice of cancellation to Microsoft for each Online Service. Thereafter, either party may terminate the Extended Term by providing the other with a notice of cancellation for each Online Service. Cancellation will be effective at the end of the month following 30 days after Microsoft has received or issued the notice.

(iii) **Subscription Licenses and Online Services not eligible for an Extended Term.** If Enrolled Affiliate elects not to renew, the Licenses will be cancelled and will terminate as of the Expiration Date. Any associated media must be uninstalled and destroyed and Enrolled Affiliate's Enterprise must discontinue use. Microsoft may request written certification to verify compliance.

d. **Termination for cause.** Any termination for cause of this Enrollment will be subject to the "Termination for cause" section of the Agreement. In addition, it shall be a breach of this Enrollment if Enrolled Affiliate or any Affiliate in the Enterprise that uses Government Community Cloud Services fails to meet and maintain the conditions of membership in the definition of Community.

e. **Early termination.** Any early termination of this Enrollment will be subject to the "Early Termination" Section of the Enterprise Agreement.

For Subscription Licenses, in the event of a breach by Microsoft, or if Microsoft terminates an Online Service for regulatory reasons, Microsoft will issue Reseller a credit for any amount paid in advance for the period after termination.

6. *Government Community Cloud.*

a. **Community requirements.** If Enrolled Affiliate purchases Government Community Cloud Services, Enrolled Affiliate certifies that it is a member of the Community and agrees to use Government Community Cloud Services solely in its capacity as a member of the Community and, for eligible Government Community Cloud Services, for the benefit of end users that are members of the Community. Use of Government Community Cloud Services by an entity that is not a member of the Community or to provide services to non-Community members is strictly prohibited and could result in termination of Enrolled Affiliate's license(s) for Government Community Cloud Services without notice. Enrolled Affiliate acknowledges that only Community members may use Government Community Cloud Services.

b. All terms and conditions applicable to non-Government Community Cloud Services also apply

to their corresponding Government Community Cloud Services, except as otherwise noted in the Use Rights, Product Terms, and this Enrollment.

c. Enrolled Affiliate may not deploy or use Government Community Cloud Services and corresponding non-Government Community Cloud Services in the same domain.

d. **Use Rights for Government Community Cloud Services.** For Government Community Cloud Services, notwithstanding anything to the contrary in the Use Rights:

   (i) Government Community Cloud Services will be offered only within the United States.

   (ii) Additional European Terms, as set forth in the Use Rights, will not apply.

   (iii) References to geographic areas in the Use Rights with respect to the location of Customer Data at rest, as set forth in the Use Rights, refer only to the United States.

Physically Submitted

Enrollment Details

1. *Enrolled Affiliate's Enterprise.*

a. Identify which Agency Affiliates are included in the Enterprise. (Required) Enrolled Affiliate's Enterprise must consist of entire offices, bureaus, agencies, departments or other entities of Enrolled Affiliate, not partial offices, bureaus, agencies, or departments, or other partial entities. Check only one box in this section. If no boxes are checked, Microsoft will deem the Enterprise to include the Enrolled Affiliate only. If more than one box is checked, Microsoft will deem the Enterprise to include the largest number of Affiliates:

☒ Enrolled Affiliate only

☐ Enrolled Affiliate and all Affiliates

☐ Enrolled Affiliate and the following Affiliate(s) (Only identify specific affiliates to be included if fewer than all Affiliates are to be included in the Enterprise):

☐ Enrolled Affiliate and all Affiliates, with following Affiliate(s) excluded:

b. Please indicate whether the Enrolled Affiliate's Enterprise will include all new Affiliates acquired after the start of this Enrollment: Exclude future Affiliates

2. *Contact information.*

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (*) indicate required fields. By providing contact information, Enrolled Affiliate consents to its use for purposes of administering this Enrollment by Microsoft, its Affiliates, and other parties that help administer this Enrollment. The personal information provided in connection with this Enrollment will be used and protected in accordance with the privacy statement available at https://www.microsoft.com/licensing/servicecenter.

a. **Primary contact.** This contact is the primary contact for the Enrollment from within Enrolled Affiliate's Enterprise. This contact is also an Online Administrator for the Volume Licensing Service Center and may grant online access to others. The primary contact will be the default contact for all purposes unless separate contacts are identified for specific purposes

Name of entity (must be legal entity name)* City of Tracy
Contact name* **First** Kurt **Last** Tavares
Contact email address* Kurt.Tavares@cityoftracy.org
Street address* 333 Civic Center Plaza
City* Tracy
State* CA
Postal code* 95376-4062-
(Please provide the zip + 4, e.g. xxxxx-xxxx)
Country* United States
Phone* +12098316801
Tax ID
** indicates required fields*

b. **Notices contact and Online Administrator.** This contact (1) receives the contractual notices, (2) is the Online Administrator for the Volume Licensing Service Center and may grant online access to others, and (3) is authorized to order Reserved Licenses for eligible Online Servies, including adding or reassigning Licenses and stepping-up prior to a true-up order.

Pending submittal

☐ Same as primary contact (default if no information is provided below, even if the box is not checked).

Contact name* **First** Kurt **Last** Tavares
Contact email address* Kurt.Tavares@cityoftracy.org
Street address* 333 Civic Center Plaza
City* Tracy
State* CA
Postal code* 95376-4062-
(Please provide the zip + 4, e.g. xxxxx-xxxx)
Country* United States
Phone* +12098316801
Language preference. Choose the language for notices. English
☐ This contact is a third party (not the Enrolled Affiliate). Warning: This contact receives personally identifiable information of the Customer and its Affiliates.
** indicates required fields*

c. **Online Services Manager.** This contact is authorized to manage the Online Services ordered under the Enrollment and (for applicable Online Services) to add or reassign Licenses and step-up prior to a true-up order.

Same as notices contact and Online Administrator (default if no information is provided below, even if box is not checked)

Contact name*: First Kurt **Last** Tavares
Contact email address* Kurt.Tavares@cityoftracy.org
Phone* +12098316801
☐ This contact is from a third party organization (not the entity). Warning: This contact receives personally identifiable information of the entity.
** indicates required fields*

d. **Reseller information.** Reseller contact for this Enrollment is:

Reseller company name* SoftwareONE, Inc.
Street address (PO boxes will not be accepted)* 20875 Crossroads Circle, Suite 1
City* Waukesha
State* WI
Postal code* 53186-4093
Country* United States
Contact name* MS Admin
Phone* 262-317-5555
Contact email address* ms-admin.us@softwareone.com
** indicates required fields*

By signing below, the Reseller identified above confirms that all information provided in this Enrollment is correct.

Signature* Erick Chavez
Printed name* Erick Chavez
Printed title* Operations Analyst
Date* 05/22/2023
** indicates required fields*

Changing a Reseller. If Microsoft or the Reseller chooses to discontinue doing business with each other, Enrolled Affiliate must choose a replacement Reseller. If Enrolled Affiliate or the Reseller intends to terminate their relationship, the initiating party must notify Microsoft and the

Pending Submitted

other party using a form provided by Microsoft at least 90 days prior to the date on which the change is to take effect.

e. If Enrolled Affiliate requires a separate contact for any of the following, attach the Supplemental Contact Information form. *Otherwise, the notices contact and Online Administrator remains the default.*

(i) Additional notices contact
(ii) Software Assurance manager
(iii) Subscriptions manager
(iv) Customer Support Manager (CSM) contact

3. Financing elections.

Is a purchase under this Enrollment being financed through MS Financing? ☐ Yes, ☒ No.

If a purchase under this Enrollment is financed through MS Financing, and Enrolled Affiliate chooses not to finance any associated taxes, it must pay these taxes directly to Microsoft.

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Microsoft Volume Licensing

Previous Enrollment(s)/Agreement(s) Form

Entity Name: City of Tracy
Contract that this form is attached to: State Local Government

For the purposes of this form, "entity" can mean the signing entity, Customer, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

Please provide a description of the previous Enrollment(s), Agreement(s), Purchasing Account(s), and/or Affiliate Registration(s) being renewed or consolidated into the new contract identified above.

a. Entity may select below any previous contract(s) from which to transfer MSDN subscribers to this new contract. Entity shall ensure that each MSDN subscriber transferred is either properly licensed under the new contract or is removed.

b. Entity may select below only one previous contract from which to transfer the Software Assurance (SA) Benefit contact details, i.e., benefits contact (*not* the SA manager) and the program codes, to this new contract.

c. An Open License cannot be used to transfer either the SA Benefit details or MSDN subscribers.

d. The date of the earliest expiring Enrollment/Agreement that contains SA or Online Services will be the effective date of the new contract (or SA coverage period for Select Plus).

e. Please insert the number of the earliest expiring Enrollment/Agreement with SA or Online Services in the appropriate fields of the new contract.

Enrollment/Agreement/ Purchasing Account/Affiliate Registration Description	Enrollment/Agreement/ Purchasing Account/Affiliate Registration Public Customer Number	Transfer SA Benefit Contact	Transfer MSDN Subscribers
Standard Enrollment	71374555	X	X

Microsoft Volume Licensing

Amendment to Contract Documents

Agreement Number | 5-0000009714582

These amendments are entered into between the parties identified on the attached program signature form. They amend the Enrollment or Agreement identified above. All terms used but not defined in these amendments will have the same meanings provided in that Enrollment or Agreement.

Enterprise Enrollment
Invoice for Quoted Price
Amendment ID M97

The price quoted to Enrolled Affiliate is a fixed price based on an estimated order submission date. Microsoft will invoice Enrolled Affiliate based on this fixed price quote. If this order is submitted later than the estimated order submission date, Enrolled Affiliate will be charged for net new Monthly Subscriptions (including Online Services) for the period during which these services were not provided. For Indirect models, Pricing to Enrolled Affiliate is agreed between Enrolled Affiliate and Enrolled Affiliate's Reseller.

SKU Number	SKU Description	Existing Quantity	Incremental quantities
AAA-11924	O365 G3 FSA GCC Sub Per User	317	0
T2P-00001	O365 G5 FSA GCC Sub Per User	3	0
T2N-00001	O365 G5 GCC Sub Per User	1	0
AAA-12416	CCAL Bridge O365 FSA Sub Per User	320	0
AAA-12414	CCAL Bridge O365 Sub Per User	316	1
AAA-11894	O365 G3 GCC Sub Per User	316	0
3GU-00001	Defender O365 P1 GCC Sub Per User	633	0
9K4-00003	Visio P2 FSA GCC Sub Per User	2	0
P3U-00001	Visio P2 GCC Sub Per User	19	0
MQN-00001	Azure Active Directory Premium P2 GCC Sub Per User	1	0

SKU Number	SKU Description	Existing Quantity	Incremental quantities
3NS-00003	Exchange Online P2 GCC Sub Per User	2	0
DDJ-00001	Power BI Pro GCC Sub Per User	1	0
7E7-00001	Project P3 FSA GCC Sub Per User	1	0
7MS-00001	Project P3 GCC Sub Per User	5	14
NYH-00001	Teams AC with Dial Out US/CA GCC Sub Add-on	0	633
LM9-00001	Teams Domestic Calling Plan GCC Sub Per User	4	0

Enterprise Enrollment
Early Commitment
Amendment ID M325

For the purposes of this Amendment, "Entity" can mean the signing entity, Customer, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

The parties agree that the Enrollment is amended by adding a section entitled "Early Commitment."

Early Commitment

a. In this Amendment, "Entity" can mean the signing entity, Customer, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

b. This renewal may be earlier than the required timeline. The effective date of this Enrollment shall be one day following the Expiring Enrollment.

c. Entity's initial order under this Enrollment includes a renewal of Entity's Software Assurance and/or Subscription Licenses previously ordered under the Expiring Enrollment number 71374555 for the full term of the Expiring Enrollment from the day after expiration. The following conditions apply to this renewal:

(i) Entity's final true-up order on the Expiring Enrollment shall be placed at the time this Enrollment is signed and any contents of that true-up order that Entity wishes to renew must also be added to this Enrollment's initial order.

(ii) Any subsequent true-up orders placed under the Expiring Enrollment after the signing of this Enrollment must be placed no later than 15 days prior to the Expiring Enrollment's Expiration Date, and must be placed with the assistance of Entity's Microsoft Account Manager, Software Advisor or Reseller.

(iii) During the period between the execution and effective date of this Enrollment, Entity may add new Products to the Expiring Enrollment. No later than 15 days prior to the Expiring Enrollment's Expiration Date, Entity may renew Software Assurance or Subscription Licenses for such Products under this Enrollment with the assistance of Entity's Microsoft Account Manager, Software Advisor or Reseller by submitting a supplemental order.

(iv) Entity should tick the following box ☐ if this is the final True Up under their current Expiring Agreement.

Except for changes made by these amendments, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in these amendments and any provision in the Enrollment or Agreement identified above, these amendments shall control.

This Amendment must be attached to a signature form to be valid.

Microsoft Internal Use Only:

(M97)EnrAmend(Ind)(InvoiceforQuotedPrice)(WW)(ENG)(Jan2023)v2(IU).docx		M97	B
(M325)EnrAmend(EarlyCommitment)(WW)(ENG)(June2019)(IU).docx		M325	PLSS

Enterprise Enrollment Product Selection Form

Microsoft | Volume Licensing

Proposal ID

1286627.007

Enrollment Number

Language: English (United States)

Enrolled Affiliate's Enterprise Products and Enterprise Online Services summary for the initial order:				
Profile	Qualified Devices	Qualified Users	Device / User Ratio	CAL Licensing Model
Enterprise	637	637	1.0	User Licenses

Products	Enterprise Quantity
Office 365 Plans	
O365 G5 GCC	1
O365 G5 GCC FromSA	3
O365 G3 GCC FromSA	317
O365 G3 GCC	316
Client Access License (CAL)	
Core CAL	
Bridge for Office 365	317
Core CAL Bridge for Office 365 From SA	320

Enrolled Affiliate's Product Quantities:				
Price Group	1	2	3	4
Enterprise Products	Office Professional Plus + M365 Apps for Enterprise + Office 365 (Plans E3 and E5) + Microsoft 365 Enterprise	Client Access License + Office 365 (Plans E1, E3 and E5) + Microsoft 365 Enterprise	Client Access License + Windows Intune + EMS USL + Microsoft 365 Enterprise	Win E3 + Win E5 + Win VDA + Microsoft 365 Enterprise
Quantity	637	637	0	0

Enrolled Affiliate's Price Level:	
Product Offering / Pool	**Price Level**
Enterprise Products and Enterprise Online Services USLs: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Groups 1 through 4.	D
Additional Product Application Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 1.	D
Additional Product Server Pool: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Group 2 or 3.	D

Additional Product Systems Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 4.	D

Notes	
Unless otherwise indicated in the associated contract documents, the price level for each Product offering / pool is set as described above, based upon the quantity to price level mapping below:	
Quantity of Licenses and Software Assurance	**Price Level**
2,399 and below	A
2,400 to 5,999	B
6,000 to 14,999	C
15,000 and above	D
Note 1: Enterprise Online Services may not be available in all locations. Please see the Product List for a list of locations where these may be purchased.	
Note 2: Unless otherwise indicated in associated Agreement documents, the CAL selection must be the same across the Enterprise for each Profile.	
Note 3: If Enrolled Affiliate does not order an Enterprise Product or Enterprise Online Service associated with an applicable Product pool, the price level for Additional Products in the same pool will be price level "A" throughout the term of the Enrollment. Refer to the Qualifying Government Entity Addendum pricing provision for more details on price leveling.	
Note 4: Bridge CAL, Office 365 Plan E3 Add Ons, EMS Add Ons, Windows Ent SA Per User Add Ons, and Enterprise Cloud Suite Add On quantities are not included for Price Leveling, as License quantities are determined by the corresponding Enterprise Online Service(s).	

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

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1) **APPROVING THE EXECUTION OF A 3-YEAR AGREEMENT WITH MICROSOFT FOR SOFTWARE LICENSES TO DESKTOP COMPUTERS AND SERVERS FOR AN ANNUAL NOT TO EXCEED AMOUNT OF $194,225; AND**
2) **(2) DETERMINING THAT EXECUTION OF THIS AGREEMENT, WITHOUT CONDUCTING A COMPETITIVE SELECTION PROCESS, IS IN THE BEST INTERESTS OF THE CITY PURSUANT TO TRACY MUNICIPAL CODE SECTION 2.20.140(b)(6)**

WHEREAS, The City maintains an Enterprise Agreement with Microsoft to provide use of, ongoing support, and security updates for Microsoft products utilized by our organization; and

WHEREAS, The City must obtain licenses for all the software that runs on its desktop computers and servers; and

WHEREAS, The City, since 2007, has been using various Microsoft products, including Microsoft Windows Operating Systems, Microsoft Word, Excel, Teams and Outlook; and

WHEREAS, The use of these software products are critical to the City operations; and

WHEREAS, The City's current agreement with Microsoft, approved by Council in 2020, is set to expire July 31, 2023; and

WHEREAS, changing vendors would be extremely disruptive to City operations and, as such, staff recommends that the City Council approve a renewal of the agreement with Microsoft; and

WHEREAS, As a part of the FY 2023-24 budget, the City budgeted $194,225 to purchase Microsoft licenses for software updates to desktop computers and servers, and

WHEREAS, Microsoft offers a program to municipalities by where an annual fee can be paid and Microsoft will provide the most recent version of the software to the City, and

WHEREAS, The Tracy Municipal Code section 2.20.140(b)(6) permits the City Council to waiver the competitive bidding requirement when it is in the best interest of the City; and

WHEREAS, The annual cost of the Microsoft licensing program for the City of Tracy is $194,225.37 each year of the three year program; and

WHEREAS, The City will use the operating budget for this program; and

WHEREAS, Software licensing is expensed to fund 602 (Central Services), an internal services fund and is re-expensed out to all funds making use of the services..

NOW, THEREFORE, BE IT RESOLVED: That the City Council of the City of Tracy hereby approved and authorizes the execution of three-year agreement with Microsoft to supply software for City computers and servers with an annual not to exceed amount of $194,225; and be it further

RESOLVED: That the City Council hereby finds it is in the best interest of the City to enter in said agreement with Microsoft as changing vendors would be extremely disruptive to City operations; and be it further

RESOLVED: That this Resolution is effective immediately upon adoption.

* * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 20th day of June 2023 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

June 20, 2023

Agenda Item 1.C

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution approving Amendment No. 1 to the Professional Services Agreement with 4LEAF, Inc. for construction inspection and plan checking services extending the term of the agreement through June 30, 2025, for a total not-to-exceed amount $700,000 per fiscal year, pursuant to the terms of the existing agreement.

EXECUTIVE SUMMARY

On July 20, 2021, by Resolution No. 2021-098, City Council authorized the execution of the Professional Services Agreement with 4LEAF, Inc. for Construction Inspection and Plan Check Services (Agreement), which was ultimately executed by the City. Unless extended, the Agreement will terminate on June 30, 2023. The proposed Amendment No. 1 to the Agreement (Amendment No. 1) would extend the term of the Agreement through June 30, 2025, allowing 4LEAF, Inc. (Consultant) to continue providing construction inspection and plan checking services for capital improvement and development projects on an as needed basis for Fiscal Years 2023 through 2025.

BACKGROUND AND LEGISLATIVE HISTORY

The City and Consultant entered into the Agreement to provide temporary staffing of construction inspectors and plan check engineers for Capital Improvement Project (CIPs) and Development Projects on July 20, 2021, under Resolution No. 2021-098.

Due to the increased workload relating to upcoming CIPs, encroachment permits, and development projects, additional support services are required to provide constructability review, plan check, and perform construction inspections to ensure compliance in accordance with City standard plans and specifications. Due to fluctuations in workload and staffing, the City relies on support services from contract construction inspectors and plan check engineers, such as those employed by Consultant, on an as-needed basis.

ANALYSIS

The Development Services (DS) Department uses the support services of contract construction inspectors, such as those employed by Consultant, to perform inspections and plan checking on various Capital Improvement Projects (CIPs) and development projects on an as-needed basis. The services of contract construction inspectors are secured through Professional Services Agreements, such as the Agreement. The cost of these services is generally passed through and are charged to the City's capital projects and developers through the development process.

The Agreement is set to expire June 30, 2023. Amendment No. 1 would extend the Agreement for two additional years.

Section 2.1 of the Agreement provides that the Agreement may be extended for an additional two (2) years by the City Manager provided that Consultant makes a written request for extension no later than 60 days prior to June 30, 2023, and the City determines, in writing, that Consultant has satisfactorily performed all obligations under the Agreement and grants the extension in writing;

Staff has determined that Consultant has satisfactorily performed all obligations under the Agreement and recommends the City Council approve the amendment.

FISCAL IMPACT

This agenda item, with City Council approval, would amend the Agreement to provide support staffing of construction inspectors and plan check engineers for CIPs and Development Projects for a not-to-exceed amount of $700,000 per fiscal year. It is important to note that the not-to-exceed amount is a maximum contract cap, and the expenses may not reach past that level. The funds to cover the Agreement for support services will be paid from budgeted Capital Improvement Projects and developer fees. The City's General Fund provides an annual subsidy to the Development Services fund to cover any non-cost recoverable expenditures.

PUBLIC OUTREACH / INTEREST

The public is invited to comment on Amendment No. 1 at the June 20, 2023, regular City Council Meeting.

COORDINATION

Engineering and the Consultant have coordinated with Finance Department on Amendment No 1.

CEQA DETERMINATION

No action needed.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Quality of Life Strategic Priority, which 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.

ACTION REQUESTED OF THE CITY COUNCIL

That the City Council adopt a resolution approving Amendment No. 1 to the professional services agreement with 4LEAF, Inc. for construction inspection and plan checking services extending the term of the agreement through June 30, 2025, for a total not-to-exceed amount of $700,000 per fiscal year, pursuant to the terms of the existing agreement.

Prepared by: Leisser Mazariegos, Associate Engineer

Reviewed by: Koosun Kim, PE, City Engineer / Asst. Director of Development Services
Jaylen French, Director of Development Services
Sara Cowell, Finance Director
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Amendment No. 1 to the PSA with 4LEAF, Inc.

CITY OF TRACY
AMENDMENT NO. 1 TO
PROFESSIONAL SERVICES AGREEMENT WITH 4 LEAF INC., FOR
CONSTRUCTION INSPECTION AND PLAN CHECKING SERVICES

This Amendment No. 1 (**Amendment**) to the Professional Services Agreement **(Agreement)** for construction inspection and plan checking services for subdivision construction and Capital Improvement Projects is entered into between the City of Tracy, a municipal corporation (**City)**, and 4 Leaf, Inc., a California corporation (CONSULTANT). City and Consultant are referred to individually as "**Party**" and collectively as "**Parties**."

Recitals

A. The City and Consultant entered into a Professional Services Agreement ("Agreement") for provide construction inspection and plan checking services for subdivision construction and Capital Improvement Projects which was approved by the City Council on July 20, 2021, under Resolution No. 2021-098

B. The term of the existing Agreement is from July 1, 2021, to June 30, 2023.

C. As set forth in Section 2.1 of the Agreement, the Agreement can be extended for two additional years (Fiscal Years 2023-2025) by the City Manager provided that Consultant makes a written request for extension (no later than 60 days prior to June 30, 2023), and the City determines, in writing, that Consultant has satisfactorily performed all obligations under the Agreement and grants the extension in writing.

D. The City Manager is authorized to execute the Amendment pursuant to Resolution No. 2021-098

Now therefore, the parties mutually agree as follows:

1. **Incorporation by Reference.** This Amendment incorporates by reference all terms and conditions set forth in the Agreement, unless specifically modified by this Amendment. All terms and conditions set forth in the Agreement which are not specifically modified by this Amendment shall remain in effect.

2. **Terms of Amendment.**

   A. The term of the existing Agreement shall be extended through June 30, 2025

   B. Paragraph 2.1 of the Agreement shall be amended to read as follows:
   The term of this Agreement shall begin on July 1, 2023, and end on June 30, 2025.

   "For services performed by Consultant in accordance with this Agreement, City shall pay Consultant on a time and expense basis, at the billing rates set forth in Exhibit "1" hereto and incorporated herein by reference. Consultant's fee for this Agreement is Not to Exceed $700,000 per fiscal year, at the billing rates set forth in Exhibit "B." The billing rates in Exhibit "B" may be adjusted to comply with state prevailing wage requirements., Consultant's billing

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rates shall cover all costs and expenses of every kind and nature for Consultant's performance of this Agreement. No work shall be performed by consultant more than the Not to Exceed amount without the prior written approval of the City."

3. Modifications. This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

4. Severability. If any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.

5. Signatures. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Amendment. This Amendment 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 Rogers
Title: City Manager

Date: _____

Attest:

_____
By: Adrianne Richardson, City Clerk

Approved As To Form:

_____
By: Bijal Patel, City Attorney

Consultant
4 Leaf, Inc.,

DocuSigned by:
Gene Barry
F20ECA11BF02495...
By: Gene Barry, P.E.
Title: Vice President

Date: 5/12/2023 | 8:22 AM PDT

DocuSigned by:
Kevin Duggan
813734D554DD4B5...
By: Kevin Duggan
Title: Secretary

Date: 5/12/2023 | 8:27 AM PDT

Federal Employer Tax ID No. 94-3393574

City Business License: 06002075

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023-_____

APPROVING AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH 4LEAF, INC., A CALIFORNIA CORPORATION, FOR CONSTRUCTION INSPECTION AND PLAN CHECKING SERVICES, EXTENDING THE TERM OF THE AGREEMENT THROUGH JUNE 30, 2025, FOR A TOTAL NOT-TO-EXCEED AMOUNT OF $700,000 PER FISCAL YEAR, PURSUANT TO THE TERMS OF THE EXISTING AGREEMENT

WHEREAS, the Development Services Department (DS) uses the temporary services of consultants to perform inspections and plan checking on various Capital Improvement Projects (CIPs) and Development Projects on an as-needed basis; and

WHEREAS, on July 20, 2021, by the adoption of Resolution No. 2021-098, City Council authorized the execution of the Professional Services Agreement with 4LEAF, Inc. for Construction Inspection and Plan Check Services (Agreement). The Agreement was ultimately executed by the City and 4LEAF, Inc. (Consultant); and

WHEREAS, the Agreement is set to expire on June 30, 2023; and

WHEREAS, Section 2.1 of the Agreement provides that the Agreement may be extended for an additional two (2) years by the City Manager provided that Consultant makes a written request for extension no later than 60 days prior to June 30, 2023, and the City determines, in writing, that Consultant has satisfactorily performed all obligations under the Agreement and grants the extension in writing; and

WHEREAS, the City has determined that Consultant has satisfactorily performed all obligations under the Agreement; and

WHEREAS, the City and Consultant wish to execute Amendment No. 1 to the Agreement (Amendment No. 1), thereby extending the Agreement through June 30, 2025 (Extension Term); and

WHEREAS, Resolution 2021-098 authorizes the City Manager to execute Amendment No. 1; and

WHEREAS, the contract cost of the inspection and plan checking services performed by Consultant during the Extension Term are not-to- exceed $700,000 per year and will be charged to approved Capital Improvement Projects (CIPs) and Development Projects.

NOW, THEREFORE, be it resolved as follows:

RESOLVED: That the City Council of the City of Tracy hereby approves Amendment No.1 to the professional services agreement with 4LEAF, Inc. for construction inspection and plan checking services extending the term of the agreement through June 30, 2025, for a total not-to-exceed amount of $700,000 per fiscal year, pursuant to the terms of the existing agreement. After review and approval by the City Attorney's office, the City Council authorizes the execution of Amendment No. 1, and authorizes any and all actions that may be necessary or advisable to effectuate the purposes of this Resolution; and be it;

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

* * * * * * * * * * *

The foregoing Resolution 2023-_____ was passed and adopted by the Tracy City Council on the 20th day of June 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

June 20, 2023

Agenda Item 1.D

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution (1) approving Amendment No. 1 to the Master Professional Services Agreement with David W. Enke, L.S. (Amendment) for Land Surveying Services and Engineering Assistance for Land Development projects to extend the agreement through June 30, 2024, for a not-to-exceed amount of $300,000 per year and (2) determine that execution of the Amendment, without conducting a competitive selection process, is in the best interest of the City Council pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

EXECUTIVE SUMMARY

On June 16, 2020, by Resolution 2020-092, the City Council authorized the execution of the Master Professional Services Agreement with David. W. Enke, L.S. (Consultant), which was ultimately executed by the City on July 28, 2020 (Agreement). The Agreement will terminate on June 30, 2023, if it is not extended. The proposed Amendment No. 1 to the Agreement (Amendment) will extend the Agreement for land surveying services through June 30, 2024, with a not-to-exceed amount of $300,000 per year.

BACKGROUND AND LEGISLATIVE HISTORY

The City issued a Request for Proposals (RFP) on July 18, 2019, for Land Surveying Services and Engineering Assistance. The City and Consultant entered into the Agreement after City Council approved the Agreement on June 16, 2020, by adopting Resolution No. 2020-092. During the initial term of the Agreement, Consultant has satisfactorily met all of the terms of the Agreement.

ANALYSIS

The Development Services Department staff are working with various developers on a large number of entitlement applications, most of which include the need for engineering analyses and other engineering assistance, such as the services provided by Consultant. Some examples include on-going development in the Cordes Ranch Specific Plan (aka International Park of Commerce), Northeast Industrial, I-205 Corridor, Tracy Hills, Ellis, minor subdivisions, and various other development projects. Some proposed projects require land surveying services, writing of legal descriptions of land, plating land, review of Plat and Legal Descriptions, review of Maps, and of professional Land Surveying tasks. The City also requires land surveying support for its Capital Improvement Projects.

City staff is currently using the services of the Consultant to assist staff in the review of developers' tentative and final maps, plats, legal descriptions, performing boundary surveys, staking, setting monuments, lot line adjustments, lot mergers, and other surveying-related items. In order to continue to complete these necessary services, staff seek to extend the Agreement through June 30, 2024, and increase the compensation to a not-to-exceed amount of $300,000 per year.

Staff is working on issuing a Request for Proposals (RFP) that will include the services in this agreement. The process of issuing the RFP, awarding contracts, and taking those contracts to

Council for approval will take 6 to 9 months. In order for the City to continue to provide these necessary storm drainage review services in the meantime, staff is asking the City Council to determine that this Amendment No. 1 to the Agreement with David W. Enke, L.S., is in the best interest of the City pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

FISCAL IMPACT

The cost of the work performed by consultants will be captured through developer contributions or through the CIPs that the consultants will work on. The developer contributions include Cost Recovery Agreements, plan-check fees, and/or other fees per the City's Master Fee Schedule. It should be noted that Cost Recovery Agreements cover the costs of staff time and consultant work related to each project. The cost of the work performed by consultants for City Capital Improvement Projects (CIPs) will be funded by each CIP and that CIP's respective funding plan.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Quality of Life Strategic Priority, which 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.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a Resolution (1) approving Amendment No. 1 to the Master Professional Services Agreement with David W. Enke, L.S. (Amendment) for Land Surveying Services and Engineering Assistance for Land Development projects to extend the agreement through June 30, 2024, for a not-to-exceed amount of $300,000 per year and (2) determine that execution of the Amendment, without conducting a competitive selection process, is in the best interest of the City Council pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

Prepared by: Veronica Child, Management Analyst II

Reviewed by: Koosun Kim, PE, City Engineer / Assistant Director of Development Services
Jaylen French, Director of Development Services
Sara Cowell, Finance Director
Bijal M. Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Amendment No. 1 to MPSA with David W. Enke, L.S.
Attachment B – Original Master Professional Services Agreement with David W. Enke, L.S.

CITY OF TRACY
AMENDMENT NO. 1 TO MASTER PROFESSIONAL SERVICES AGREEMENT WITH DAVID W. ENKE, L.S. A LICENSED PROFESSIONAL LAND SURVEYOR

This Amendment No. 1 (**Amendment**) to the Master Professional Service Agreement is entered into between the City of Tracy, a municipal corporation (**City**), and David W. Enke, L.S., a licensed professional land surveyor (**Consultant**). City and Consultant are referred to individually as "**Party**" and collectively as "**Parties**."

Recitals

A. The City and Consultant entered into a Master Professional Services Agreement for on call Land Surveying Services and Engineering Assistance (Agreement), which was approved by the City Council on June 16, 2020, under Resolution No. 2020-092.

B. The City desires to extend the term of the Agreement by one year.

C. The parties seek to increase compensation by $100,000 annually for the remainder of the Agreement term.

D. This Amendment is being executed pursuant to Resolution No. ____ approved by Tracy City Council on _____, 2023.

Now therefore, the Parties mutually agree as follows:

1. **Incorporation by Reference.** This Amendment incorporates by reference all terms set forth in the Agreement, unless specifically modified by this Amendment. The terms which are not specifically modified by this Amendment will remain in effect.

2. **Terms of Amendment.**

A. 2.1 Term.

The term of the Agreement shall be extended through June 30, 2024 in accordance with Section 13 of the Agreement.

B. 3.1 Not to Exceed Amount.

The Consultants' total compensation under this Agreement shall not exceed $300,000 per year.

C. Exhibits.

Exhibit "B-1" shall replace and supersede Exhibit "B" of the Agreement.

3. **Modifications.** This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

4. Severability. If any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.

5. Signatures. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment. This Amendment 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: _____
Nancy Young
Title: Mayor
Date: _____

Attest:

By: _____
Adrianne Richardson, City Clerk

Approved as to form

By: _____
Bijal M. Patel, City Attorney

Consultant

By: David W. Enke
David W. Enke, L.S.
Title: Owner
Date: 5/9/23

Federal Tax ID No. XXX-XX-5769

EXHIBIT "B-1"

PER DIEM FEE SCHEDULE

OFFICE, PROFESSIONAL AND TECHNICAL SERVICES

PRINCIPAL	$250.00 PER HOUR
LAND SURVEYOR	$225.00 PER HOUR
PROJECT SURVEYOR	$195.00 PER HOUR
CLERICAL	$80.00 PER HOUR

Court appearances/Depositions (minimum charge) - $2100/half day, $4200/full day: Preparation at applicable hourly rates.

FIELD SURVEY SERVICES

Survey Party (2 Person or 1 Person with Robotic)	$350.00 PER HOUR
3-Man Survey Party (including EDM equipment)	$460.00 PER HOUR

MATERIALS AND SERVICES

Consultants, Special Equipment, Reproductions, Materials and Other Outside Charges	COST PLUS 15%
GPS Receivers	$300/day EACH
Automobile Transportation	$0.85 per mile
Insurance	COST PLUS 15%

OVERTIME FEE IS HOURLY FEE TIMES 1.40.

PAYMENTS ARE TO BE RECIVED WITHIN 30 CALENDAR DAYS OF OUR INVOICE DATE. ALL LATE PAYMENTS ARE SUBJECT TO A LATE FEE AND A SERVICE CHARGE OF 1 1/2% PER MONTH.

SUBJECT TO REVISION ON 01/01/2024 01/01/2023

CITY OF TRACY
MASTER PROFESSIONAL SERVICES AGREEMENT WITH
DAVID W. ENKE, L.S.

This Master Professional Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and David W. Enke, L.S., a licensed professional land surveyor (**Consultant**). City and Consultant are referred to individually as "Party" and collectively as "Parties."

Recitals

A. City desires to retain Consultant to land surveying services and engineering assistance; and

B. On July 18, 2019, the City issued a Request for Proposals (**RFP**) for the Land Surveying Services and Engineering Assistance (**Project**). On August 27, 2019, Consultant submitted its proposal for the Project to the City. City has determined that Consultant possesses the skills, experience and certification required to provide the services.

C. 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.

D. This Agreement is being executed pursuant to Resolution No. ____ approved by Tracy City Council on May 5, 2020.

Now therefore, the Parties mutually agree as follows:

1. **Scope of Work.** Consultant shall perform the services generally described in Exhibit "A" attached, and incorporated by reference, as directed by written Notice to Proceed by the City's Development Services Director. The services shall be performed by, or under the direct supervision of, Consultant's Authorized Representative: David W. Enke. Consultant shall not replace its Authorized Representative, nor shall Consultant replace any of the personnel listed in Exhibit "A," nor shall Consultant use or replace any subcontractor or subconsultant, without City's prior written consent. A failure to obtain the City's prior written consent for any change or replacement in personnel or subcontractor/subconsultant may result in the termination of this Agreement.

1.1 Non-Exclusive Agreement. The City reserves the right to contract with other consultants providing the same or similar scope of services described above during the term of this Agreement. The City further reserves the right to, assign work, at its sole discretion, to consultants other than Consultant based on City's budget, experience, and skills of consultants based on the City's specific needs.

2. **Time of Performance.** Time is of the essence in the performance of services under this Agreement and the timing requirements set forth 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 Notice to Proceed. Any services for which times for performance are not specified in each individual Notice to Proceed shall be started and completed by Consultant in a reasonably prompt and timely manner based upon the circumstances and direction communicated by the City to the Consultant. Consultant shall submit all requests for time extensions 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.

2.1 Term. The term of this Agreement shall begin on July 1, 2020 and end on June 30, 2023, unless terminated in accordance with Section 6. This Agreement may be extended for an additional

one year by the City Manager following a written determination that Consultant has satisfactorily met all the requirements of this Agreement.

3. Compensation. City shall pay Consultant on a time and expense basis, at the billing rates set forth in Exhibit "B," attached and incorporated by reference for services performed under this Agreement.

3.1 Not to Exceed Amount. Consultant's total compensation under this Agreement shall not exceed $200,000 per year. Consultant's billing rates shall cover all costs and expenses for Consultant's performance of this Agreement. On January 1, 2021, Consultant's billing rates under this Agreement may be annually increased in January of each year by the lesser of 3% or the annual increase in the Cost of Living Index – All Items, for the Sacramento Metropolitan Region. No work shall be performed by Consultant in excess of the total compensation amount provided in this section without the City's prior written approval.

3.2 Invoices. Consultant shall submit monthly invoice(s) to the City that describe the services performed, including times, dates, and names of persons performing the services.

3.2.1 If Consultant is providing services in response to a development application, separate invoice(s) must be issued for each application and each invoice shall contain the City's designated development application number.

3.2.2 Consultant's failure to submit invoice(s) in accordance with these requirements may result in the City rejecting said invoice(s) and thereby delaying payment to Consultant.

3.3 Payment. Within 30 days after the City's receipt of invoice(s), City shall make payment to the Consultant based upon the services described on the invoice(s) 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) and any allegations of these; and "Arising out of" includes "pertaining to" and "relating to".

(The duty of a "design professional" to indemnify and defend the City is limited to claims that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the design professional, under Civ. Code § 2782.8.)

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

5. Insurance. 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 herein.

5.1 Commercial General Liability (with coverage at least as broad as ISO form CG 00 01 01 96) "per occurrence" coverage shall be maintained in an amount not less than $4,000,000 general aggregate and $2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

5.2 Automobile Liability (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") "claims made" coverage shall be maintained in an amount not less than $1,000,000 per accident for bodily injury and property damage.

5.3 Workers' Compensation coverage shall be maintained as required by the State of California.

5.4 Professional Liability "claims made" 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 claim.

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

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

5.5.2 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.

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

5.7 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.

5.8 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, before the City signs this Agreement.

5.9 Substitute Certificates. Consultant shall provide a substitute certificate of insurance no later than 30 days prior to the policy expiration date of any insurance policy required by this Agreement.

5.10 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. Failure to provide or maintain any insurance policies or endorsements required herein may result in the City terminating this Agreement.

6. 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.

7. Dispute Resolution. If any dispute arises between the City and Consultant that cannot be settled after engaging in good faith negotiations, City and Consultant agree to resolve the dispute in accordance with the following:

7.1 Each Party shall designate a senior management or executive level representative to negotiate the dispute;

7.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

7.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiations between legal counsel. If the aforementioned process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

7.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

7.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

7.6 The dispute resolution process is a material condition to this Agreement and must be exhausted prior to either Party initiating legal action. This dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

8. Ownership of Work. All original documents prepared by Consultant for this Agreement, whether complete or in progress, 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 City's prior written consent.

9. Independent Contractor Status. Consultant is an independent contractor and is solely responsible for the acts of its employees or agents, 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. Consultant is free to work for other entities while under contract with the City. Consultant, and its agents or employees, are not entitled to City benefits.

10. Conflicts of Interest. 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. If Consultant maintains or acquires such a conflicting interest, the City may terminate any contract (including this Agreement) involving Consultant's conflicting interest.

11. Rebates, Kickbacks, or Other Unlawful Consideration. Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful consideration either promised or paid to any City official or employee. For breach of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

12. 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 to the addresses listed below. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated below, or (2) three working days after the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

To City:

Development Services Department
Al Gali
333 Civic Center Plaza
Tracy, CA 95376

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

To Consultant:

David W. Enke, L.S.
22968 Los Ranchos Drive
Tracy, CA 95304

13. Miscellaneous.

13.1 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 reputable professionals performing in the same or similar time and locality, and under the same or similar circumstances.

13.2 Amendments. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

13.3 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.

13.4 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.

13.5 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.

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

13.6.1 Prevailing Wage Laws. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates; employment of apprentices (§ 1777.5), certified payroll records (§1776), hours of labor (§1813 and §1815), debarment of contractors and subcontractors (§1777.1) and the performance of other requirements on "public works" and "maintenance" projects. If the services being performed under this Agreement are part of a "public works" or "maintenance" project, as defined in the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. These prevailing rates are on file with the City and are available online at http://www.dir.ca.gov/DLSR. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents, harmless from any and all claims, costs, penalties, or interests arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

13.6.2 Non-discrimination. Consultant represents and warrants that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Consultant shall also comply with all applicable anti-discrimination federal and state laws, including but not limited to, the California Fair Employment and Housing Act (Gov. Code 12990 (a-f) et seq.).

13.7 Business Entity Status. Consultant 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 Consultant. By entering into this Agreement, Consultant represents that it is not a suspended corporation. If Consultant is a suspended corporation at the time it enters this Agreement, City may take steps to have this Agreement declared voidable.

13.8 Business License. Before the City signs this Agreement, Consultant shall obtain a City of Tracy Business License. Consultant shall maintain an active City of Tracy Business License during the term of this Agreement.

13.9 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

13.10 Construction of Agreement. Each Party hereto has had an equivalent opportunity to participate in the drafting of this Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting Party shall not apply hereto.

13.11 Severability. 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.

13.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Consultant's proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Consultant's proposal (if any), the Exhibits shall control.

13.13 Entire Agreement. This Agreement and the attached Exhibits comprise the entire integrated understanding between the Parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations or agreements. All exhibits attached hereto are incorporated by reference herein.

14. Signatures. The individuals executing this Agreement on behalf of Consultant represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of Consultant.

[SIGNATURES ON FOLLOWING PAGE]

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

City of Tracy

By: Robert Rickman
Title: Mayor
Date: 7-28-2020

Attest:

Adrianne Richardson, City Clerk

Approved as to form:

Leticia M. Ramirez, City Attorney

Consultant
DAVID W. ENKE, L.S.

By: David W. Enke, L.S.
Title: Owner
Date: 4/6/2020

Federal Employer Tax ID No. xxx-xx-5769

Exhibits:

A	Scope of Work, including personnel and time of performance (See Agreement sections 1 and 2.)
B	Compensation (See Agreement section 3.)

EXHIBIT A - Scope of Work

1) Services shall include review for technical accuracy various land development documents. The types of land surveying documents may include:

    a. Tentative Tract and Tentative Parcel Maps, including non-technical specific plan plotting/site layouts

    b. Final Tract/Subdivision Maps and Final Parcel Maps

    c. Lot Line Adjustments

    d. Lot Mergers

    e. Legal Descriptions and Plats required for land acquisition and easements

2) Additional Services shall include field land surveying to verify topography, elevations, right-of-way, property boundaries, verifying survey monuments, establishing survey monuments, construction staking, locating field and filed records, communicating and interfacing with land surveying professionals, preparing legal descriptions and plats, and other tasks as assigned.

3) Act as the "Land Surveyor for the City" to certify necessary recordable documents associated with assigned projects.

PERSONNEL

David W. Enke, L.S.
Todd A. Enke

EXHIBIT B - Compensation

PER DIEM FEE SCHEDULE

OFFICE, PROFESSIONAL AND TECHNICAL SERVICES

PRINCIPAL	$215.00 PER HOUR
LAND SURVEYOR	$190.00 PER HOUR
PROJECT SURVEYOR	$165.00 PER HOUR
CLERICAL	$70.00 PER HOUR

Court appearances/Depositions (minimum charge) - $2,000.00/half day, $4,000.00/full day: Preparation at applicable hourly rates.

FIELD SURVEY SERVICES

Survey Party (2 Person or 1 Person with Robotic)	$305.00 PER HOUR
3-Man Survey Party (including EDM equipment)	$405.00 PER HOUR

MATERIALS AND SERVICES

Consultants, Special Equipment, Reproductions, Materials and Other Outside Charges	COST PLUS 15%
GPS Receivers	$300/day EACH
Automobile Transportation	$0.85 per mile
Insurance	COST PLUS 15%

PAYMENTS ARE TO BE RECEIVED WITHIN 30 CALENDAR DAYS OF OUR INVOICE DATE.

SUBJECT TO REVISION ON 01/01/2021

Date: 02/07/2020, revised ALG 4/6/2020 due to C.A.O. comments

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023- _____

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(1) APPROVING AMENDMENT NO. 1 TO THE MASTER PROFESSIONAL SERVICES AGREEMENT WITH DAVID W. ENKE, L.S. (AMENDMENT) TO PROVIDE LAND SURVEYING SERVICES AND ENGINEERING ASSISTANCE FOR LAND DEVELOPMENT PROJECTS TO EXTEND THE AGREEMENT THROUGH JUNE 30, 2024, AND FOR A NOT-TO-EXCEED AMOUNT OF $300,000 PER YEAR; AND

(2) DETERMINE THAT EXECUTION OF THE AMENDMENT, WITHOUT CONDUCTING SELECTION PROCESS, IS IN THE BEST INTEREST OF THE CITY COUNCIL PURSUANT TO TRACY MUNICIPAL CODE SECTION 2.20.140(b)(6).

WHEREAS, the City issued a Request for Proposals (RFP) on July 18, 2019, for Land Surveying Services and Engineering Assistance; and

WHEREAS, on June 16, 2020, by the adoption of Resolution 2020-092, City Council authorized the execution of the Master Professional Services Agreement with David W. Enke, L.S. (Agreement). Thereafter, the City and David W. Enke (Consultant) executed the Agreement; and

WHEREAS, the Agreement will expire on June 30, 2023; and

WHEREAS, Section 2.1 of the Agreement provides that the Agreement may be extended for an additional one (1) year by the City Manager provided the City determines that Consultant has satisfactorily performed all obligations under the Agreement; and

WHEREAS, Consultant has satisfactorily met all of terms of the Agreement; and

WHEREAS, Development Services Staff is working with various developers on a large number of entitlement applications, most of which include the need for storm drainage-related engineering analyses and other engineering assistance, which can be provided by Consultant; and

WHEREAS, City staff is currently using the services of the Consultant to assist staff in the review of developers' tentative and final maps, plats, legal descriptions, performing boundary surveys, staking, setting monuments, lot line adjustments, lot mergers, and other surveying-related items; and

WHEREAS, the City and Consultant wish to amend the Agreement to extend the Agreement through June 30, 2024 and increase the compensation to a not-to-exceed amount of $300,000 per year (Amendment No. 1).

NOW, THEREFORE, be it resolved as follows:

RESOLVED: That the City Council of the City of Tracy hereby (1) approves Amendment No. 1 to the Agreement to provide for land surveying and engineering assistance for Land Development projects to extend the agreement through June 30, 2024, for a not-to-exceed amount of $300,000 per year and (2) determine that execution of the Amendment, without conducting a competitive selection process, is in the best interest of the City Council pursuant to Tracy Municipal Code Section 2.20.140(b)(6). After review and approval by the City Attorney's office, City Council authorizes the execution of Amendment No. 1, and authorizes any and all actions that may be necessary or advisable to effectuate the purposes of this Resolution; and be it

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

* * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 20th day of June by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

June 20, 2023

Agenda Item 1.E

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution (1) approving Amendment No. 1 to the Master Professional Services Agreement with West Yost & Associates (Amendment) for storm drainage engineering services for Land Development projects to extend the agreement through December 31, 2024, for a not-to-exceed amount of $200,000 per calendar year and (2) determine that execution of the Amendment, without conducting a competitive selection process, is in the best interests of the City Council pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

EXECUTIVE SUMMARY

On August 18, 2020, by Resolution 2020-151, City Council authorized the execution of the Master Professional Services Agreement with West Yost & Associates (Consultant), which was ultimately executed by the City on September 24, 2020 (Agreement). The Agreement will terminate on June 30, 2023 if it is not extended. The proposed Amendment No. 1 to the Agreement (Amendment) will extend the Agreement for storm drainage engineering services for Land Development projects through December 31, 2024, with a not-to-exceed amount of $200,000 per calendar year.

BACKGROUND AND LEGISLATIVE HISTORY

The City issued a Request for Proposals (RFP) for storm drainage engineering services on March 19, 2020. The City and Consultant entered into the Agreement on September 24, 2020, after City Council approved the same by adopting Resolution No. 2020-151. During the initial term of the Agreement, Consultant has satisfactorily met all of the terms of the Agreement.

ANALYSIS

Development Services staff is working with various developers on a large number of land development applications, most of which include the need for storm drainage-related engineering analyses and other engineering assistance. Staff requires assistance from Consultant to review the storm drainage components of development projects. Staff also requires the assistance of the Consultant for other high-priority storm drainage review services. Staff requests the extension of the term of the Agreement through December 31, 2024, with a not-to-exceed amount of $200,000 per calendar year in order to continue the necessary evaluations.

Staff is working on issuing a Request for Proposals (RFP) that will include the services in this agreement. The process of issuing the RFP, awarding contracts, and taking those contracts to Council for approval will take 6 to 9 months. In order for the City to continue to provide these necessary storm drainage review services in the meantime, staff is asking the City Council to determine that this Amendment No. 1 to the Agreement with West Yost is in the best interest of the City pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

FISCAL IMPACT

The cost of the work performed by Consultant will be captured through developer contributions. The developer contributions include Cost Recovery Agreements, plan-check fees, and/or other fees collected by the City. It should be noted that Cost Recovery Agreements cover the costs of staff time and consultant work related to each project.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Quality of Life Strategic Priority, which 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.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a Resolution (1) approving Amendment No. 1 to the Master Professional Services Agreement with West Yost & Associates (Amendment) for storm drainage engineering services for Land Development projects to extend the agreement through December 31, 2024, for a not-to-exceed amount of $200,000 per calendar year and (2) determine that execution of the Amendment, without conducting a competitive selection process, is in the best interests of the City Council pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

Prepared by: Veronica Child, Management Analyst II

Reviewed by: Koosun Kim, PE, City Engineer / Assistant Director of Development Services
Jaylen French, Director of Development Services
Sara Cowell, Finance Director
Bijal M. Patel, City Attorney

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Amendment No. 1 to the MPSA with West Yost & Associates
Attachment B – Original Master Professional Services Agreement with West Yost & Associates

CITY OF TRACY
AMENDMENT NO. 1 TO
MASTER PROFESSIONAL SERVICES AGREEMENT WITH WEST YOST & ASSOCIATES, INC. FOR STORM DRAINAGE ENGINEERING SERVICES FOR LAND DEVELOPMENT PROJECTS

This Amendment No. 1 (**Amendment**) to the Master Professional Service Agreement is entered into between the City of Tracy, a municipal corporation (**City**), and West Yost & Associates, Inc. a California Corporation (Consultant). City and Consultant are referred to individually as "**Party**" and collectively as "**Parties**."

Recitals

A. The City and Consultant entered into a Master Professional Services Agreement (**Agreement**) for Storm Drainage Engineering Services for Land Development Projects (**Project**) on August 18, 2020, under Resolution No. 2020-151.

B. The City desires to extend the term of the Agreement through the December 31, 2024.

C. This Amendment is being executed pursuant to Resolution No. ____ approved by Tracy City Council on _____, 2023.

Now therefore, the Parties mutually agree as follows:

1. Incorporation by Reference. This Amendment incorporates by reference all terms set forth in the Agreement, unless specifically modified by this Amendment. The terms which are not specifically modified by this Amendment will remain in effect.

2. Terms of Amendment.

A. 2.1 Term.

The term of this Agreement shall be extended through December 31, 2024 in accordance with Section 13 of the Agreement.

B. Exhibits.

Exhibit "B-1" shall replace and superseded Exhibit "B" of the Agreement.

3. Modifications. This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

4. Severability. If any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.

5. Signatures. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment. This Amendment 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: _____
Nancy Young
Title: Mayor
Date: _____

Attest:

By: _____
Adrianne Richardson, City Clerk

Consultant
West Yost & Associates

By: Charles Duncan
Charles Duncan
Title: Chief Executive
Date: May 5, 2023

Federal Employer ID No. 68-0370826

By: Lindsay Smith
Lindsay Smith
Title: Treasurer
Date: May 4, 2023

Approved as to form

By: _____
Bijal M. Patel, City Attorney

Exhibit B-1

2023 Billing Rate Schedule

(Effective January 1, 2023 through December 31, 2023)*

WEST YOST
Water. Engineered.

POSITIONS	LABOR CHARGES (DOLLARS PER HOUR)
ENGINEERING	
Principal/Vice President	$338
Engineer/Scientist/Geologist Manager I / II	$319 / $334
Principal Engineer/Scientist/Geologist I / II	$288 / $307
Senior Engineer/Scientist/Geologist I / II	$259 / $272
Associate Engineer/Scientist/Geologist I / II	$215 / $231
Engineer/Scientist/Geologist I / II	$173 / $201
Engineering Aide	$101
Field Monitoring Services	$125
Administrative I / II / III / IV	$92 / $115 / $138 / $152
ENGINEERING TECHNOLOGY	
Engineering Tech Manager I / II	$332 / $334
Principal Tech Specialist I / II	$305 / $315
Senior Tech Specialist I / II	$279 / $291
Senior GIS Analyst	$252
GIS Analyst	$239
Technical Specialist I / II / III / IV	$178 / $203 / $228 / $254
Technical Analyst I / II	$128 / $152
Technical Analyst Intern	$103
Cross-Connection Control Specialist I / II / III / IV	$133 / $144 / $162 / $180
CAD Manager	$201
CAD Designer I / II	$156 / $176
CONSTRUCTION MANAGEMENT	
Senior Construction Manager	$322
Construction Manager I / II / III / IV	$197 / $211 / $224 / $283
Resident Inspector (Prevailing Wage Groups 4 / 3 / 2 / 1)	$172 / $191 / $213 / $221
Apprentice Inspector	$156
CM Administrative I / II	$83 / $112
Field Services	$221

- Hourly rates include Technology and Communication charges such as general and CAD computer, software, telephone, routine in-house copies/prints, postage, miscellaneous supplies, and other incidental project expenses.
- Outside Services such as vendor reproductions, prints, shipping, and major West Yost reproduction efforts, as well as Engineering Supplies, etc. will be billed at actual cost plus 15%.
- The Federal Mileage Rate will be used for mileage charges and will be based on the Federal Mileage Rate applicable to when the mileage costs were incurred. Travel other than mileage will be billed at cost.
- Subconsultants will be billed at actual cost plus 10%.
- Expert witness, research, technical review, analysis, preparation and meetings billed at 150% of standard hourly rates. Expert witness testimony and depositions billed at 200% of standard hourly rates.
- A Finance Charge of 1.5% per month (an Annual Rate of 18%) on the unpaid balance will be added to invoice amounts if not paid within 45 days from the date of the invoice.

CITY OF TRACY
MASTER PROFESSIONAL SERVICES AGREEMENT WITH WEST YOST & ASSOCIATES, INC. FOR STORM DRAINAGE ENGINEERING SERVICES FOR LAND DEVELOPMENT PROJECTS

This Master Professional Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and **West Yost & Associates, Inc.** a California corporation (**Consultant**). City and Consultant are referred to individually as "Party" and collectively as "Parties."

Recitals

A. City desires to retain Consultant to storm drainage engineering services for land development projects; and

B. On March 19, 2020, the City issued a Request for Proposals (RFP) for the Storm Drainage Engineering Services for Land Development Projects (**Project**). On April 21, 2020, Consultant submitted its proposal for the Project to the City. City has determined that Consultant possesses the skills, experience and certification required to provide the services.

C. 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.

D. This Agreement is being executed pursuant to Resolution No. 2020-151 approved by Tracy City Council on Aug. 18, 2020.

Now therefore, the Parties mutually agree as follows:

1. Scope of Work. Consultant shall perform the services generally described in Exhibit "A" attached, and incorporated by reference, as directed by written Notice to Proceed by the City's Development Services Director. The services shall be performed by, or under the direct supervision of, Consultant's Authorized Representative: Elizabeth T. Drayer, P.E. Consultant shall not replace its Authorized Representative, nor shall Consultant replace any of the personnel listed in Exhibit "A," nor shall Consultant use or replace any subcontractor or subconsultant, without City's prior written consent. A failure to obtain the City's prior written consent for any change or replacement in personnel or subcontractor/subconsultant may result in the termination of this Agreement.

1.1 Non-Exclusive Agreement. The City reserves the right to contract with other consultants providing the same or similar scope of services described above during the term of this Agreement. The City further reserves the right to, assign work, at its sole discretion, to consultants other than Consultant based on City's budget, experience, and skills of consultants based on the City's specific needs.

2. Time of Performance. Time is of the essence in the performance of services under this Agreement and the timing requirements set forth 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 Notice to Proceed. Any services for which times for performance are not specified in each individual Notice to Proceed shall be started and completed by Consultant in a reasonably prompt and timely manner based upon the circumstances and direction communicated by the City to the Consultant. Consultant shall submit all requests for time extensions 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.

2.1 Term. The term of this Agreement shall begin on July 1, 2020 and end on June 30, 2023, unless terminated in accordance with Section 6.

3. Compensation. City shall pay Consultant on a time and expense basis, at the billing rates set forth in Exhibit "B," attached and incorporated by reference for services performed under this Agreement.

3.1 Not to Exceed Amount. Consultant's total compensation under this Agreement shall not exceed $200,000 per calendar year. Consultant's billing rates shall cover all costs and expenses for Consultant's performance of this Agreement. Effective January 1, 2021, Consultant's billing rates under this Agreement may be annually increased in January of each year by the lesser of 3% or the annual increase in the Cost of Living Index – All Items, for the Sacramento Metropolitan Region. No work shall be performed by Consultant in excess of the total compensation amount provided in this section without the City's prior written approval.

3.2 Invoices. Consultant shall submit monthly invoice(s) to the City that describe the services performed, including times, dates, and names of persons performing the services.

3.2.1 If Consultant is providing services in response to a development application, separate invoice(s) must be issued for each application and each invoice shall contain the City's designated development application number.

3.2.2 Consultant's failure to submit invoice(s) in accordance with these requirements may result in the City rejecting said invoice(s) and thereby delaying payment to Consultant.

3.3 Payment. Within 30 days after the City's receipt of invoice(s), City shall make payment to the Consultant based upon the services described on the invoice(s) 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) and any allegations of these; and "Arising out of" includes "pertaining to" and "relating to".

(The duty of a "design professional" to indemnify and defend the City is limited to claims that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the design professional, under Civ. Code § 2782.8.)

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

5. Insurance. 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 herein.

5.1 Commercial General Liability (with coverage at least as broad as ISO form CG 00 01 01 96) "per occurrence" coverage shall be maintained in an amount not less than $4,000,000 general aggregate and $2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

5.2 Automobile Liability (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") "claims made" coverage shall be maintained in an amount not less than $1,000,000 per accident for bodily injury and property damage.

5.3 Workers' Compensation coverage shall be maintained as required by the State of California.

5.4 Professional Liability "claims made" 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 claim.

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

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

5.5.2 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.

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

5.7 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.

5.8 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, before the City signs this Agreement.

5.9 Substitute Certificates. Consultant shall provide a substitute certificate of insurance no later than 30 days prior to the policy expiration date of any insurance policy required by this Agreement.

5.10 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. Failure to provide or maintain any insurance policies or endorsements required herein may result in the City terminating this Agreement.

6. 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.

7. Dispute Resolution. If any dispute arises between the City and Consultant that cannot be settled after engaging in good faith negotiations, City and Consultant agree to resolve the dispute in accordance with the following:

7.1 Each Party shall designate a senior management or executive level representative to negotiate the dispute;

7.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

7.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiations between legal counsel. If the aforementioned process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

7.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

7.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

7.6 The dispute resolution process is a material condition to this Agreement and must be exhausted prior to either Party initiating legal action. This dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

8. Ownership of Work. All original documents prepared by Consultant for this Agreement, whether complete or in progress, 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 City's prior written consent.

9. Independent Contractor Status. Consultant is an independent contractor and is solely responsible for the acts of its employees or agents, 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. Consultant is free to work for other entities while under contract with the City. Consultant, and its agents or employees, are not entitled to City benefits.

10. Conflicts of Interest. 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. If Consultant maintains or acquires such a conflicting interest, the City may terminate any contract (including this Agreement) involving Consultant's conflicting interest.

11. Rebates, Kickbacks, or Other Unlawful Consideration. Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful consideration either promised or paid to any City official or employee. For breach of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

12. 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 to the addresses listed below. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated below, or (2) three working days after the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

To City:
Development Services Department
Attn: City Engineer
333 Civic Center Plaza
Tracy, CA 95337

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

To Consultant:
West Yost & Associates
Attn: Elizabeth T. Drayer, P.E.
2020 Research Drive, Suite 100
Davis CA 95618

13. Miscellaneous.

13.1 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 reputable professionals performing in the same or similar time and locality, and under the same or similar circumstances.

13.2 Amendments. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

13.3 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.

13.4 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.

13.5 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.

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

13.6.1 Prevailing Wage Laws. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates; employment of apprentices (§ 1777.5), certified payroll records (§1776), hours of labor (§1813 and §1815), debarment of contractors and subcontractors (§1777.1) and the performance of other requirements on "public works" and "maintenance" projects. If the services being performed under this Agreement are part of a "public works" or "maintenance" project, as defined in the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. These prevailing rates are on file with the City and are available online at http://www.dir.ca.gov/DLSR. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents, harmless from any and all claims, costs, penalties, or interests arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

13.6.2 Non-discrimination. Consultant represents and warrants that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Consultant shall also comply with all applicable anti-discrimination federal and state laws, including but not limited to, the California Fair Employment and Housing Act (Gov. Code 12990 (a-f) et seq.).

13.7 Business Entity Status. Consultant 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 Consultant. By entering into this Agreement, Consultant represents that it is not a suspended corporation. If Consultant is a suspended corporation at the time it enters this Agreement, City may take steps to have this Agreement declared voidable.

13.8 Business License. Before the City signs this Agreement, Consultant shall obtain a City of Tracy Business License. Consultant shall maintain an active City of Tracy Business License during the term of this Agreement.

13.9 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

13.10 Construction of Agreement. Each Party hereto has had an equivalent opportunity to participate in the drafting of this Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting Party shall not apply hereto.

13.11 Severability. 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.

13.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Consultant's proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Consultant's proposal (if any), the Exhibits shall control.

13.13 Entire Agreement. This Agreement and the attached Exhibits comprise the entire integrated understanding between the Parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations or agreements. All exhibits attached hereto are incorporated by reference herein.

14. Signatures. The individuals executing this Agreement on behalf of Consultant represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of Consultant.

[SIGNATURES ON FOLLOWING PAGE]

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

City of Tracy

By: Robert Rickman
Title: Mayor
Date: 9-24-2020

Attest:

Adrianne Richardson, City Clerk

Approved as to form:

for Leticia M. Ramirez, City Attorney

Consultant
West Yost & Associates

By: Charles T. Duncan
Title: Chief Executive
Date: 7.02.2020

Federal Employer Tax ID No. 68-0370826

By: Lindsay Smith
Title: ~~CFO~~/Treasurer
Date: 7/2/20

Exhibits:

A	Scope of Work, including personnel and time of performance (See Agreement sections 1 and 2.)
B	Compensation (See Agreement section 3.)

EXHIBIT A
SCOPE OF SERVICES

MASTER PROFESSIONAL SERVICES AGREEMENT WITH WEST YOST & ASSOCIATES, INC. FOR STORM DRAINAGE ENGINEERING SERVICES FOR LAND DEVELOPMENT PROJECTS

Consultant shall provide Professional Services for the following:

1 Conduct/perform storm drainage studies, in connection with private land development projects within CITY limits and its sphere of influence, of site-specific drainage plans. Conducted/performed storm drainage studies shall include review of the various proposed on-site and off-site storm water drainage plans, low impact development and hydro-modification plans. The Consultant may be tasked to perform the following professional services, among others:

a. Conduct/perform storm water drainage hydrologic studies and hydraulic calculations. The studies shall conform with the Citywide Storm Drainage Master Plan, any edition, its Updates, associated Specific Plan, if any, and City of Tracy Design Standards.

2 Peer-review storm drainage studies including review for technical accuracy of data and analyses methods and proposed mitigations provided by private land development projects against the items cited below. The Consultant may be tasked to perform the following professional services, among others:

b. Review hydrologic studies/reports submitted by developer to confirm technical accuracy and conformance with the Citywide Storm Drainage Master Plan, any edition, its Updates, associated Specific Plan, if any.
c. Review storm water drainage hydraulic calculations submitted by developer for technical accuracy and conformance with City of Tracy Design Standards.
d. Review project for conformance with the Manual for Stormwater Quality Control Standards for New Development and Redevelopment and verifying compliance with post-construction stormwater quality standards.

3 In both conducted/performed and peer-reviewed studies, Consultant shall identify potential trigger points requiring construction of off-site Storm Drainage Masterplan ("Program") capital improvements within the drainage basin and determine project's fair share of such capital improvements.

4 To properly document the findings of the Project's storm water drainage infrastructure system analysis, the Consultant will deliver a Technical Memorandum to the CITY summarizing the project, the methodology, document any recommended system modifications, identify potential impacts on drainage infrastructure, and recommend mitigations of those impacts.

EXHIBIT A
MASTER PROFESSIONAL SERVICES AGREEMENT WITH WEST YOST & ASSOCIATES, INC. FOR STORM DRAINAGE ENGINEERING SERVICES FOR LAND DEVELOPMENT PROJECTS

5 Consultant may have to attend meetings, Public Hearings, Planning Commission, and/or City Council meetings.

6 Plan-check developer's improvement plans to confirm compliance with the storm drain study and required mitigations. Review project plans and specifications for technical accuracy and conformance with the City of Tracy Design Standards, Standard Plans, and Standard Specifications.

7 If requested, Consultant may be requested to inspect during construction and after construction.

8 Other tasks as assigned.

Deadlines:
Responses to Request for Quotes with delivery schedule: seven (7) calendar days
Submittal of Deliverables: By the delivery date on the Consultant provided delivery schedule. If needed, Consultant will be given a seven (7) calendar day grace period.

Staff Members:
Elizabeth Drayer, P.E.
Doug Moore, P.E.
Brian Keating, P.E., C.F.M.
Melissa Duffy, P.E.
Ryan Dunne, P.E.
Michele Miller, P.E., Q.S.P.
Whitney Jones, E.I.T.

WEST YOST ASSOCIATES

Exhibit B - 2020 Billing Rate Schedule

(Effective January 1, 2020 through December 31, 2020) *

POSITIONS	LABOR CHARGES (DOLLARS PER HR)
ENGINEERING	
Principal/Vice President	$298
Engineering/Scientist/Geologist Manager I / II	$283 / $295
Principal Engineer/Scientist/Geologist I / II	$257 / $272
Senior Engineer/Scientist/Geologist I / II	$230 / $241
Associate Engineer/Scientist/Geologist I / II	$198 / $212
Engineer/Scientist/Geologist I / II	$160 / $185
Engineering Aide	$92
Administrative I / II / III / IV	$81 / $102 / $123 / $135
ENGINEERING TECHNOLOGY	
Engineering Tech Manager I / II	$291 / $294
Principal Tech Specialist I / II	$268 / $279
Senior Tech Specialist I / II	$245 / $256
Senior GIS Analyst	$224
GIS Analyst	$211
Technical Specialist I / II / III / IV	$156 / $178 / $200 / $223
Cross Connection Specialist I / II / III / IV	$117 / $127 / $143 / $159
CAD Manager	$178
CAD Designer I / II	$138 / $155
CONSTRUCTION MANAGEMENT	
Senior Construction Manager	$289
Construction Manager I / II / III / IV	$174 / $186 / $198 / $251
Resident Inspector (Prevailing Wage Groups 4 / 3 / 2 / 1)	$152 / $169 / $188 / $196
Apprentice Inspector	$138
CM Administrative I / II	$74 / $99
Field Services	$196

- Hourly rates include Technology and Communication charges such as general and CAD computer, software, telephone, routine in-house copies/prints, postage, miscellaneous supplies, and other incidental project expenses.
- Outside Services such as vendor reproductions, prints, shipping, and major West Yost reproduction efforts, as well as Engineering Supplies, etc. will be billed at actual cost plus 15%.
- Mileage will be billed at the current Federal Rate and Travel will be billed at cost.
- Subconsultants will be billed at actual cost plus 10%.
- Expert witness, research, technical review, analysis, preparation and meetings billed at 150% of standard hourly rates. Expert witness testimony and depositions billed at 200% of standard hourly rates.
- A Finance Charge of 1.5% per month (an Annual Rate of 18%) on the unpaid balance will be added to invoice amounts if not paid within 45 days from the date of the invoice.

* This schedule is updated annually

WEST YOST ASSOCIATES

Exhibit – B 2020 Billing Rate Schedule (continued)

(Effective January 1, 2020 through December 31, 2020) *

Equipment Charges

EQUIPMENT	BILLING RATES
Gas Detector	$80/day
Hydrant Pressure Gauge	$10/day
Hydrant Pressure Recorder, Standard	$40/day
Hydrant Pressure Recorder, Impulse (Transient)	$55/day
Trimble GPS – Geo 7x	$220/day
Vehicle	$10/hour
Water Flow Probe Meter	$20/day
Water Quality Multimeter	$185/day
Well Sounder	$30/day

* This schedule is updated annually

RESOLUTION 2020-161

APPROVING MASTER PROFESSIONAL SERVICES AGREEMENTS WITH WEST YOST & ASSOCIATES, BLACK WATER CONSULTING ENGINEERS, INC., AND BENNETT ENGINEERING SERVICES, INC. TO PROVIDE WATER PRESSURE AND CAPACITY ANALYSES AND ENGINEERING SERVICES FOR LAND DEVELOPMENT PROJECTS, AND AUTHORIZING THE DEVELOPMENT SERVICES DIRECTOR TO ISSUE FUTURE NOTICES TO PROCEED RELATED TO THE AGREEMENTS, FOR A NOT-TO-EXCEED AMOUNT OF $200,000 FOR EACH CONSULTANT PER CALENDAR YEAR

WHEREAS, A number of the City's Land Development Projects require water pressure and capacity analyses, and

WHEREAS, The City of Tracy requires the support of a Professional Engineer to perform these tasks to support City Staff and is recommending that we contract out these services, and

WHEREAS, In accordance with Tracy Municipal Code, Section 2.20 a Request For Proposals for water pressure and capacity analyses and engineering services was posted on the City's website, and

WHEREAS, The City received eight proposals from known firms to provide required services, and after extensive review staff selected three firms to enter into agreements to provide required services, and

WHEREAS, The terms for these agreements are for a period of three years and can be extended for an additional year by the City Manager following a written determination that Consultant has satisfactorily met all the requirements of this Agreement, and

WHEREAS, West Yost & Associates, Black Water Consulting Engineers, Inc., and Bennett Engineering Services, Inc., were found to be the most qualified consultants, and

WHEREAS, Cost of required services will be paid from Land Development Projects;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy, hereby approves the Master Professional Services Agreements with West Yost & Associates, Black Water Consulting Engineers, Inc., and Bennett Engineering Services, Inc., to provide water pressure and capacity analyses and engineering services for Land Development projects, and authorizes the Development Services Director to issue future Notices to Proceed related to the Agreements, with an annual not-to-exceed amount $200,000 for each consultant per calendar year.

****

The foregoing Resolution 2020-161 was adopted by the Tracy City Council on the 1st day of September, 2020, by the following vote:

AYES:	COUNCIL MEMBERS: ARRIOLA, RANSOM, VARGAS, YOUNG, RICKMAN
NOES:	COUNCIL MEMBERS: NONE
ABSENT:	COUNCIL MEMBERS: NONE
ABSTAIN:	COUNCIL MEMBERS: NONE

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023-_____

---

1) APPROVING AMENDMENT NO. 1 TO THE MASTER PROFESSIONAL SERVICES AGREEMENT WITH WEST YOST & ASSOCIATES FOR STORM DRAINAGE ENGINEERING SERVICES FOR LAND DEVELOPMENT PROJECTS TO EXTEND THE AGREEMENT THROUGH DECEMBER 31, 2024, FOR A NOT-TO-EXCEED AMOUNT OF $200,000 PER CALENDAR YEAR; AND

2) DETERMINING THAT EXECUTION OF THE AMENDMENT, WITHOUT CONDUCTING A COMPETITIVE SELECTION PROCESS, IS IN THE BEST INTERESTS OF THE CITY COUNCIL PURSUANT TO TRACY MUNICIPAL CODE SECTION 2.20.140(B)(6)

WHEREAS, The City issued a Request for Proposals (RFP) for storm drainage engineering services on March 19, 2020; and

WHEREAS, On August 18, 2020, by Resolution No. 2020-151, City Council authorized the execution of a Master Professional Services Agreement (Agreement) with West Yost & Associates (Consultant). The City and Consultant entered into the Agreement on September 24, 2020; and

WHEREAS, Consultant has satisfactorily met all of terms of the Agreement; and

WHEREAS, Development Services Staff is working with various developers on a large number of land development applications, most of which include the need for storm drainage-related engineering analyses and other engineering assistance; and

WHEREAS, The City desires to extend the term of the Agreement through December 31, 2024, with a not-to-exceed amount of $200,000 per calendar year in order to continue the necessary storm drainage evaluations; and

WHEREAS, Staff is working on issuing a Request for Proposals (RFP) that will include the services in this Agreement; and

WHEREAS, The process of issuing the RFP, awarding contracts and taking those contracts to Council for approval will take 6 to 9 months; and

WHEREAS, In order for the City to continue to provide these necessary storm drainage review services in the meantime, staff is asking the City Council to determine that this

Amendment No. 1 to the Agreement with West Yost is in the best interest of the City pursuant to Tracy Municipal Code Section 2.20.140(b)(6); and

WHEREAS, The City desires to enter into that certain Amendment No. 1 to Master Professional Services Agreement with West Yost & Associates, Inc. for Storm Drainage Engineering Services for Land Development Projects (Amendment No. 1), a copy of which was distributed at and considered during the June 20, 2023, regular City Council meeting.

NOW, THEREFORE, be it resolved as follows:

RESOLVED: That the City Council of the City of Tracy hereby approves Amendment No. 1. After review and approval of Amendment No. 1 by the City Attorney's office, the City authorizes the execution of Amendment No. 1 and authorizes any and all actions that may be necessary or advisable to effectuate the purposes of this Resolution; and be it,

FURTHER RESOLVED: In order for the City to continue to provide the necessary storm drainage review services until an RFQ is completed, the City Council hereby determines that execution of this Amendment No. 1 to the Agreement with West Yost, without conducting a competitive selection process, is in the best interest of the City pursuant to Tracy Municipal Code Section 2.20.140(b)(6); and be it

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

* * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 20th day of June by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

June 20, 2023

Agenda Item 1.F

RECOMMENDATION

Staff recommends that the City Council approve Amendment No. 1 to Offsite Improvement Agreement for NEI PH 3 Mass Grading Storm Drainage to increase the Storm Drainage Fee Credits amount to a total of $1,040,960.01.

EXECUTIVE SUMMARY

The proposed Amendment will amend that certain Offsite Improvement Agreement for NEI PH 3 Mass Grading Storm Drainage between the City and Prologis, L.P. (the "Agreement") to correct the amount of storm drainage fee credits Prologis will receive for certain offsite storm drainage improvements.

BACKGROUND AND LEGISLATIVE HISTORY

On November 10, 2020, the City Council approved Prologis' Development Review Application (D20-0017) for an industrial building and associated site improvements commonly known as "Project Big Bird." On September 17, 2021, the City and Prologis entered into the Agreement to facilitate Prologis' completion of certain offsite improvements related to mass grading and storm drainage. A copy of the Agreement is Attachment A hereto.

The Agreement provides for Prologis to receive Storm Drainage Fee Credits in the amount of $816,407 in accordance with the City's Municipal Code and Fee Program. See Attachment A, Section 1.1 (page 2).

ANALYSIS

The amount of fee credits set forth in the Agreement at the time of its execution was not correct for two reasons. First, it did not include the costs of the dewatering associated with the OIA improvements. Second, it was based on a fee amount that did not reflect the required annual fee adjustments for inflation.

With respect to the first reason, under the City's applicable Code requirements and procedures, the costs for dewatering are eligible for fee credits when a developer incurs such costs in the construction of creditable public improvements. In this case, Developer incurred such costs in its construction of the storm drainage improvements described in the Agreement, in the amount of $126,411.22, as shown on Attachment C hereto. The City and Developer inadvertently omitted those costs when calculating the Storm Drainage Fee Credits that would be set forth in Section 1.1 of the Agreement. The City Engineering Department has confirmed that those costs are eligible for fee credits and should have been included in the original Agreement and has confirmed the amount of those costs that should be added to the Storm Drainage Fee Credits by the proposed Amendment to the Agreement.

With respect to the second reason, the City's development impact fees and development impact fee credits adjust each year on July 1, according to the Engineering News Record (ENR) Construction Cost Index (CCI) for San Francisco. When development impact fee credits are provided to a developer, they receive the fee credits that are in place at the time of execution of

the agreement. The same principle is applied to the payment of development impact fees. Developers are responsible for paying the fees that are in place at the time their fees are paid.

In addition to not including the above-described dewatering costs, the amount of fee credits set forth in the Agreement, $816,407, was based on fee amounts that did not reflect the required July 1, 2021, ENR CCI fee adjustment. As adjusted by the July 1, 2021, ENR CCI fee increases alone, without including the dewatering costs, the fee credit amount in the Agreement should have been $914,548.79, as shown on Attachment C hereto. The City and Developer inadvertently used the unadjusted fee amounts to calculate the fee credits for the original Agreement. The City Engineering and Finance Departments have both confirmed that, without including the dewatering costs, Prologis was eligible for Storm Drainage Fee Credits in the amount of $914,548.79.

As noted above, the City's Engineering and Finance Departments have both reviewed Attachment C and confirmed that it provides an appropriate basis for the proposed Amendment No. 1 to the Agreement. Therefore, based on all of the foregoing, the proposed Amendment No. 1 to the Agreement would increase the Storm Drainage Fee Credits amount in Section 1.1 of the Agreement from $816,407.00 to $1,040,960.01, to reflect the inclusion of the dewatering costs and the annual inflationary adjustment to the City's fee amounts. A copy of the proposed Amendment No. 1 is Attachment B hereto.

FISCAL IMPACT

There is no fiscal impact associated with this action. The Developer is receiving fee credits for the completion of required infrastructure. The fee credits are being corrected to reflect the fee credits that were in place at the time of execution of the Agreement. Fee credit calculations are reflected in Attachment C.

PUBLIC OUTREACH / INTEREST

Not applicable.

COORDINATION

Not applicable.

CEQA DETERMINATION

Not applicable.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Quality of Life Strategic Priority, which 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.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve Amendment No. 1 to Offsite Improvement Agreement for NEI PH 3 Mass Grading Storm Drainage adjusting the fee credit amount to a total of $1,040,960.01.

Prepared by: Veronica Child, Management Analyst II

Reviewed by: Koosun Kim, City Engineer / Assistant Director of Development Services
Jaylen French, Development Services Director
Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Offsite Improvement Agreement for NEI PH3 Mass Grading Storm Drainage
Attachment B – Amendment No. 1 to Offsite Improvement Agreement for NEI PH3 Mass Grading Storm Drainage
Attachment C – Preliminary Estimated Credit / Reimbursement for Construction of 60” SD Main in Chrisman Road dated 11/1/2021

OFFSITE IMPROVEMENT AGREEMENT FOR
NEI PH3 MASS GRADING
STORM DRAINAGE

This **OFFSITE IMPROVEMENT AGREEMENT** (hereinafter "**Agreement**") is made and entered into by and between the **CITY OF TRACY** a municipal corporation (hereinafter "**City**"), and **PROLOGIS, L. P.**, a Delaware limited partnership (referred to as "**Developer**").

RECITALS

A. Developer is currently the owner of the real property located (hereinafter "**Property**"), and more particularly described in Exhibit "A", attached and incorporated herein by this reference. The Project is geographically bounded by Grant Line Road, Chrisman Road, Future Paradise Road and Skylark Way, within the portions of said streets that front on or are within Assessor's Parcel Numbers 250-020-80, 250-020-81, and 250-020-93.

B. The Development Review Application (D20-0017) for the Tracy NEI Phase 3 Mass Grading (hereinafter "**Project**") was approved by the Development Services Director on November 10, 2020. Approval of the Project was subject to specified Conditions of Approval (hereinafter "**Conditions of Approval**"). The Conditions of Approval are attached hereto as Exhibit "B," and incorporated herein by reference.

C. In accordance with the Conditions of Approval, Developer has submitted, and the City Engineer has approved, those certain improvement plans and specifications relating to the construction of a storm drainage, catch basins, storm drain manholes, stubs and other associated improvements on Chrisman Road and Future Paradise Road (collectively, " "**Work**").

D. The Work is described more fully in the total twenty-one (21) sheets of Civil improvement plans prepared by Kier & Wright Civil Engineers & Surveyors, Inc. of Livermore, CA entitled "Mass Grading Plans of Tracy NEI Phase 3 for Prologis (collectively "**Plans and Specifications**"). The Plans and Specifications are on file with the City Engineer, and are incorporated herein by reference.

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

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** Developer shall perform, or cause to be performed, the Work in the manner and as described in the Plans and Specifications, to the satisfaction of the City Engineer pursuant to this Agreement. The Work shall be performed, and all materials and labor shall be provided, at Developer's expense, in the manner described in the Plans and Specifications. No material change shall be made to the scope of Work unless authorized in writing by the City Engineer, such approval not to be unreasonably withheld. Developer may submit a written request to the City Engineer for a change in the scope of the Work, as required by Tracy Municipal Code Section 12.36.060(f). To the

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extent applicable, all of the Work shall be performed by the Developer in accordance with the requirements of the State prevailing wage laws.

1.1. STORM DRAINAGE FEE CREDITS. Upon submission of the improvement security, payment of engineering review fees, and City's execution of this Agreement, Developer shall be entitled to receive storm drainage basin fee credits in the amount of $816,407.

2. **DEVELOPER'S AUTHORIZED REPRESENTATIVE.** At all times during the progress of the Work, Developer shall have a competent foreman or superintendent (hereinafter "**Authorized Representative**") on site with authority to act on Developer's behalf. Developer shall, at all times, keep the City Engineer informed in writing of the name and telephone number of the Authorized Representative. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the names and telephone numbers of all contractors and subcontractors performing the Work. **Exhibit "C"** attached hereto includes the initial contact information referenced herein.

3. **LOCATION OF PERFORMANCE.** Developer shall perform the Work at the locations and grades shown on the Plans and Specifications or as otherwise approved by the City Engineer. Developer shall acquire all easements and/or rights-of-way necessary for the performance of the Work, at Developer's sole cost and expense.

4. **IMPROVEMENT SECURITY.** Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall furnish contract security, in a form authorized by the Subdivision Map Act (including Government Code Sections 66499 *et seq.*) and Tracy Municipal Code Section 12.36.080, in the following amounts:

4.1. **Faithful Performance** security in the amount of **$1,802,365** to secure faithful performance of this Agreement (until the day following the date upon which the City Council accepts the Work as complete).

4.2. **Labor and Material** security in the amount of **$1,802,365** to secure payment by the Developer to laborers and materialmen (until the day following the date upon which any and all claims in connection with the Work are required to be made by laborers and materialmen in accordance with applicable laws).

4.3. **Warranty** security in the amount of **$180,236** to guarantee improvements against any defective work or labor done or defective materials used in the performance of Work (from the day following the date upon which the City Council accepts the Work as complete through and including the same date in +the following year).

5. **IRREVOCABLE OFFER OF DEDICATION.** Concurrently with the execution of this Agreement, Developer shall execute the Irrevocable Offer of Dedication (IOD) in the form attached hereto as Exhibit D. At Developer's expense, Developer shall also remove or insure over, as requested by City, any new encumbrances City deems, in its discretion, to conflict with the City's intended ownership and use of the facilities as set forth in Tracy Municipal Code section 12.32.040.

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6. **INSURANCE.** Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall furnish evidence to City that all of the following insurance requirements have been satisfied by the Developer or its general contractor responsible for the Work. The insurance coverage requirements below can also be covered by umbrella policies if approved by the City.

6.1. **General.** Developer shall, throughout the duration of this Agreement, maintain or cause to be maintained insurance to cover Developer, its agents, representatives, contractors, subcontractors, and employees in connection with the performance of services for the Work covered by this Agreement at the minimum levels set forth herein.

6.2. **Commercial General Liability.** Developer shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars ($2,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability and coverage for explosion, collapse and underground property damage hazards. Developer's general liability policies shall be primary and non-contributory and be endorsed using Insurance Services Office form CG 20 10 to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction contracts, an endorsement providing completed operations to the additional insured, ISO form CG 20 37, is also required.

6.3. **Automobile Liability.** Developer shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than two million dollars ($2,000,000) per accident.

6.4. **Workers' Compensation.** Developer shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars ($1,000,000). Developer shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

6.5. **Professional Liability.** Developer shall cause its design professionals to maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of one million dollars ($1,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement, and Developer agrees to cause its design professionals to maintain continuous coverage through a period no less than three years after completion of the services required by this Agreement.

6.6. **Notice of Cancellation.** Developer shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days' prior written notice to City should the policy be canceled before the expiration date. For the

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purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

6.7. **Authorized Insurers.** All insurance companies providing coverage to Developer shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

6.8. **Insurance Certificate.** Developer shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form reasonably satisfactory to the City Attorney.

6.9. **Substitute Certificates.** No later than five (5) calendar days prior to the policy expiration date of any insurance policy required by this Agreement, Developer shall provide City with a substitute certificate of insurance.

6.10. **Developer's Obligation.** Maintenance of insurance by Developer as specified in this Agreement shall in no way be interpreted as relieving Developer of any of its obligations hereunder (including indemnity obligations under this Agreement), and Developer may carry, at its own expense, such additional insurance as it deems necessary or desirable.

7. **PERMITS, LICENSES, AND COMPLIANCE WITH LAW.** Developer shall, at its expense, obtain and maintain all necessary permits, approvals and licenses for performance of the Work. In its performance of the Work, Developer shall comply with all applicable local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.

8. **TIME OF PERFORMANCE.** Time is of the essence in the performance of the Work, and Developer and the City shall with diligence and in good faith adhere to the timing requirements set forth herein unless otherwise modified in writing in accordance with this Agreement. Developer shall submit all requests for extensions of time to City, in writing, no later than ten (10) days after the start of the condition that purportedly caused the delay, and not later than the date on which performance is due.

8.1. **Commencement of Work.** No later than fifteen (15) days prior to the commencement of the Work, Developer shall provide written notice to the City Engineer of the date on which Developer intends to commence the Work. Developer shall not commence the Work until after the notice required by this Section 8.1 is provided, and Developer shall not commence Work prior to the date specified in said written notice.

8.2. **Schedule of Work.** Concurrently with the written notice of commencement of Work, Developer shall provide the City with a written schedule of Work that is acceptable to the City Engineer in its reasonable discretion, which shall be updated in writing as necessary to accurately reflect Developer's prosecution of the Work.

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8.3. **Completion of Work.** Developer shall complete all no later than three hundred sixty-five (365) calendar days after Developer's submittal of its notice of commencement of Work pursuant to Section 8.1 above and subject to extension for force majeure.

9. **INSPECTION BY CITY.** To permit City to inspect the Work, Developer shall, at all times, provide to City reasonable and safe access to the Work site, and all portions of the Work, and to all shops wherein portions of the Work are in preparation. When requested by Developer, City shall use reasonable efforts to complete the requested inspection.

9.1. **INSPECTION FEES.** Concurrently with the execution of this Agreement by Developer, and prior to the commencement of any Work, Developer shall pay the City Inspection Fees in the amount of three and one-half percent (3-1/2 %) of the estimated Project costs (as approved by the City Engineer).

In the event that the City requires an independent inspection, the Developer shall pay all such costs and provide a report to the City.

10. **DEFAULT**

10.1. **Notice of Default.** In the event that Developer is in default of this Agreement, as defined in this section, the City Engineer shall provide written notice to Developer and Developer's surety (if any) in which the default is described.

10.2. Material Breach. Developer shall be in default of this Agreement if the City Engineer determines that any one of the following conditions exist (which conditions are not intended to constitute the exclusive bases for default):

10.2.1. The Developer is insolvent, bankrupt, or makes a general assignment for the benefit of its creditors.

10.2.2. The Developer abandons the Work site.

10.2.3. The Developer fails to perform one or more material requirements of this Agreement and fails to cure any such non-performance pursuant to Section 10.3, below.

10.2.4. Developer violates any legal requirement related to the Work and fails to cure such violation pursuant to Section 10.3, below.

10.3. **Cure of Default.** In the event that Developer fails, within thirty (30) calendar days after receipt of written notice from the City, to either cure the default or provide adequate written assurance to the reasonable satisfaction of the City Engineer that the cure will be promptly commenced and diligently prosecuted to its completion, the City may, in its discretion, take any or all of the following actions:

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10.3.1. Demand that Developer complete performance of the Work.

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

10.3.3. Any other judicial remedies available to the City.

11. **REPAIR OF ANY DAMAGE**. In the event and to the extent Developer or its agents, representatives, contractors, subcontractors, or employees, in connection with performance of the Work, cause any damage to property owned by City or other property owners, then Developer shall promptly take all reasonable steps to repair or replace (as necessary) such property to remedy the damage caused thereto.

12. **ACCEPTANCE OF WORK.** Upon Developer's satisfactory completion, as reasonably determined by the City Engineer, of all items on all punch lists prepared by the City for the Work, City Staff shall use its best efforts to expeditiously present the improvements comprising the Work to the City Council for the City Council's final acceptance. Prior to final acceptance of the Work by the City Council, Developer shall be solely responsible for maintaining the quality of the Work, and maintaining safety at the Work site.

13. **WARRANTY PERIOD.** Developer shall warrant the quality of the Work, in accordance with the Plans and Specifications, for a period of one (1) year after final acceptance of the Work by the City Council.

14. **INDEPENDENT CONTRACTOR STATUS.** Developer is an independent contractor, and the parties agree that City shall have no responsibility for any acts of Developer's employees, agents, representatives, contractors or subcontractors, including any negligent acts or omissions. Developer is not City's employee and Developer shall have no authority, express or implied, to act on behalf of City as an agent, or to bind City to any obligation whatsoever, unless City provides prior written authorization to Developer.

15. **OWNERSHIP OF WORK.** All original documents prepared by Developer for this Agreement shall be given to City upon City's final acceptance of the Work; provided, however, ownership of said documents shall be determined in accordance with applicable laws and with Developer's contracts with its design professionals.

16. **INDEMNIFICATION.** Developer shall indemnify, defend, and hold harmless City (including its elected officials, officers, agents and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) resulting from the performance of the Work by Developer or Developer's agents, representatives, contractors, subcontractors, or employees until such time as all of the following have occurred: (1) the City Council accepts all of the improvements comprising the Work, (2) the City becomes responsible for the maintenance, operation and repair of all of the improvements comprising the Work, and (3) the one year warranty period set forth in Section 13, above, has expired, at which time the indemnification obligations under this Section 16 shall automatically terminate, with

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regard to any cause of action arising after such date. For avoidance of doubt, Developer's obligations under this Section 16 are in addition to all other Developer obligations set forth in this Agreement, and shall not affect Developer's warranty obligations set forth in Section 13, above.

17. **ASSIGNMENT AND DELEGATION.** This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of Developer's duties be delegated, without the written consent of City, which shall not be unreasonably withheld, delayed, or denied. Any attempt to assign or delegate this Agreement without City's written consent shall be void and of no force and effect. Consent by City to one assignment shall not be deemed to be consent to any subsequent assignment.

18. **NOTICES.**

18.1. Notice in Writing. All notices, demands, or other communications which this Agreement contemplates, authorizes or requires shall be in writing and shall be personally delivered and electronically mailed to the respective party as follows:

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

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

attorney@cityoftracy.org

Prologis: Prologis L.P.
Attn: Ali Harandi
Pier 1, Bay 1
San Francisco, CA 94111
Tel: (415) 733-9525
Fax: (415) 733-2171

aharandi@prologis.com

Copy to: Rutan & Tucker, LLP
Attn: John A. Ramirez
611 Anton Blvd.
Costa Mesa , CA 92694
Tel: 714-662-4610
Fax: 415.262.5199

jramirez@rutan.com

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

legalnotice@prologis.com

18.2. Communications shall be deemed to have been given and received when actual receipt at the email address designated above occurs.

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

20. **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.

21. **SEVERABILITY.** In the event a court of competent jurisdiction holds any term of this Agreement invalid, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.

22. **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.

23. **ENTIRE AGREEMENT.** This Agreement, including all documents incorporated by reference, comprises the entire integrated understanding between the parties concerning the Work. This Agreement supersedes all prior negotiations, representations, or agreements, as such may relate to performance of the Work.

24. **SIGNATURES**. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Developer and City. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

[SIGNATURES ON NEXT PAGE]

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

CITY OF TRACY

Nancy Young
~~Robert Rickman~~, Mayor
Date: 9-17-2021

Attest:

Adrianne Richardson, City Clerk

Approved as to form:

Leticia Ramirez, City Attorney

PROLOGIS, L.P. a Delaware Limited Partnership

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

DocuSigned by:
552BB3DC5D1E487...

Ali Harandi, Vice President
Date: 24 November 2020

EXHIBITS
A Legal Description
B Conditions of Approval
C Contact List
D Irrevocable Offer of Dedication

EXHIBIT "A"
LEGAL DESCRIPTION

ADJUSTED PARCEL A:

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTHEAST 1/4 SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE MERIDIAN AS DECRIBED IN THAT CERTAIN GRANT DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012 OFFICIAL RECORDS, THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE PARCEL OF LAND DESCRIBED IN THE GRANT DEED RECORDED ON MARCH 26, 2013 AS INSTRUMENT NUMBER 2013-039277, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, TOGETHER WITH A PORTION OF PARCEL 7, PORTION OF PARCEL 8 & PORTION OF PARCEL 9, AS SAID PARCELS ARE SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 21, 2009, IN BOOK 25 OF PARCEL MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHERLY QUARTER CORNER OF SAID SECTION 22, THENCE ALONG THE NORTHERLY LINE OF SECTION 22, SOUTH 89° 33' 43" EAST, 100.00 FEET;

THENCE LEAVING SAID NORTHERLY LINE, SOUTH 0° 26' 26" WEST, 81.00 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF GRANT LINE ROAD;

THENCE ALONG THE SOUTHERLY RIGHT OF WAY, SOUTH 89° 33' 43" EAST, 180.00 FEET TO THE **POINT OF BEGINNING;**

THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT OF WAY THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

1. SOUTH 89° 33' 43" EAST, 2260.62 FEET;
2. SOUTH 43° 43' 46" EAST, 66.21 FEET;
3. SOUTH 88° 41' 37" EAST, 17.00 FEET;
4. SOUTH 84° 39' 24" EAST, 22.93 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF CHRISMAN ROAD;

THENCE ALONG SAID WESTERLY RIGHT OF WAY SOUTH 01° 19' 00" WEST, 1,268.86 FEET;

THENCE LEAVING SAID RIGHT OF WAY, NORTH 89° 34' 00" WEST, 402.08 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, THE CENTER OF WHICH BEARS SOUTH 26° 58' 53" EAST;

THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 75.00 FEET, THROUGH A CENTRAL OF 21° 24' 01", FOR AN ARC DISTANCE OF 28.01 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, THE CENTER OF WHICH BEARS SOUTH 40° 39' 33" EAST;

THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 547.00 FEET, THROUGH A CENTRAL ANGLE OF 08° 32' 07", FOR AN ARC DISTANCE 81.49 FEET;

THENCE SOUTH 54° 29' 00" WEST, 192.29 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;

THENCE ALONG SAID TANGENT CURVE, HAVING A RADIUS OF 673.00 FEET, THROUGH A CENTRAL ANGLE OF 36° 00' 13", FOR AN ARC DISTANCE OF 422.90 FEET;

THENCE NORTH 89° 30' 47" WEST, 1,102.52 FEET;

THENCE NORTH 86° 39' 02" WEST, 102.15 FEET;

THENCE NORTH 89° 30' 47" WEST, 200.25 FEET TO BEGINNING OF A TANGENT CURVE TO THE RIGHT;

THENCE ALONG SAID TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 89° 57' 13", FOR AN ARC DISTANCE OF 78.50 FEET;

THENCE NORTH 00° 26' 26" EAST, 248.38 FEET;

THENCE SOUTH 89° 34' 00" EAST, 49.84 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF SKYLARK WAY (WIDTH VARIES);

THENCE ALONG SAID EASTERLY LINE THE FOLLOWING SIX (6) COURSES:

1) NORTH 44° 30' 11" WEST, 70.56 FEET,
2) NORTH 00° 26' 26" EAST, 628.93 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT,
3) ALONG SAID CURVE HAVING A RADIUS OF 684.50 FEET, THROUGH A CENTRAL ANGLE OF 21° 49' 20", FOR AN ARC DISTANCE OF 260.71,
4) NORTH 22° 15' 46" EAST, 164.25 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT,
5) ALONG SAID CURVE HAVING A RADIUS OF 530.00 FEET, THROUGH A CENTRAL ANGLE OF 21° 49' 29", FOR AN ARC DISTANCE OF 201.88 FEET,
6) NORTH 46° 41' 35" EAST, 51.76 FEET TO THE **POINT OF BEGINNING.**

CONTAINING 88.3058 ACRES OF LAND, MORE OR LESS.

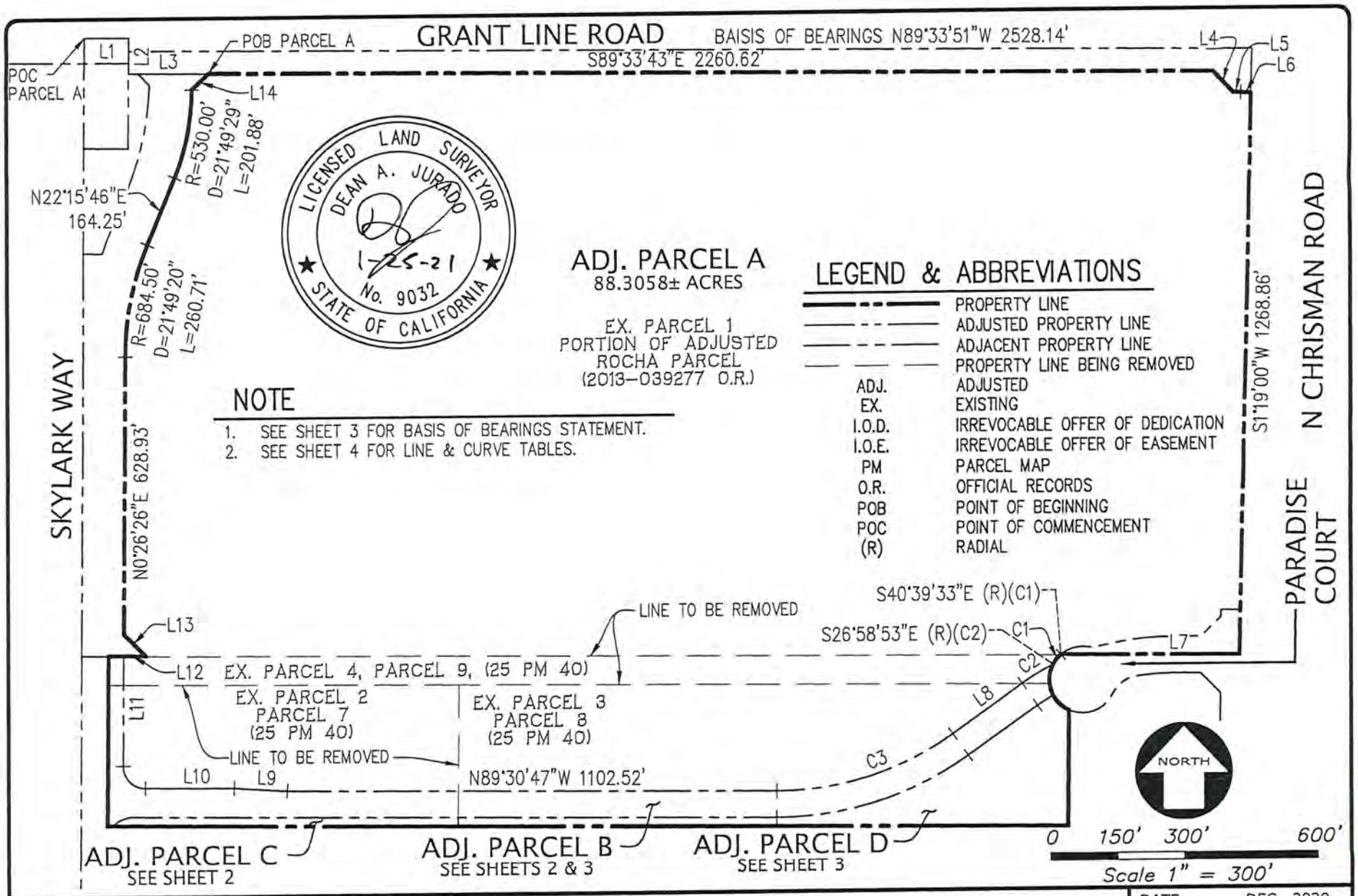
AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART OF.

DESCRIPTION PREPARED BY KIER & WRIGHT CIVIL ENGINEERS AND SYRVEYORS, INC.

DEAN A. JURADO, L.S. 9032

1-25-21
DATE

LICENSED LAND SURVEYOR
DEAN A. JURADO
No. 9032
STATE OF CALIFORNIA



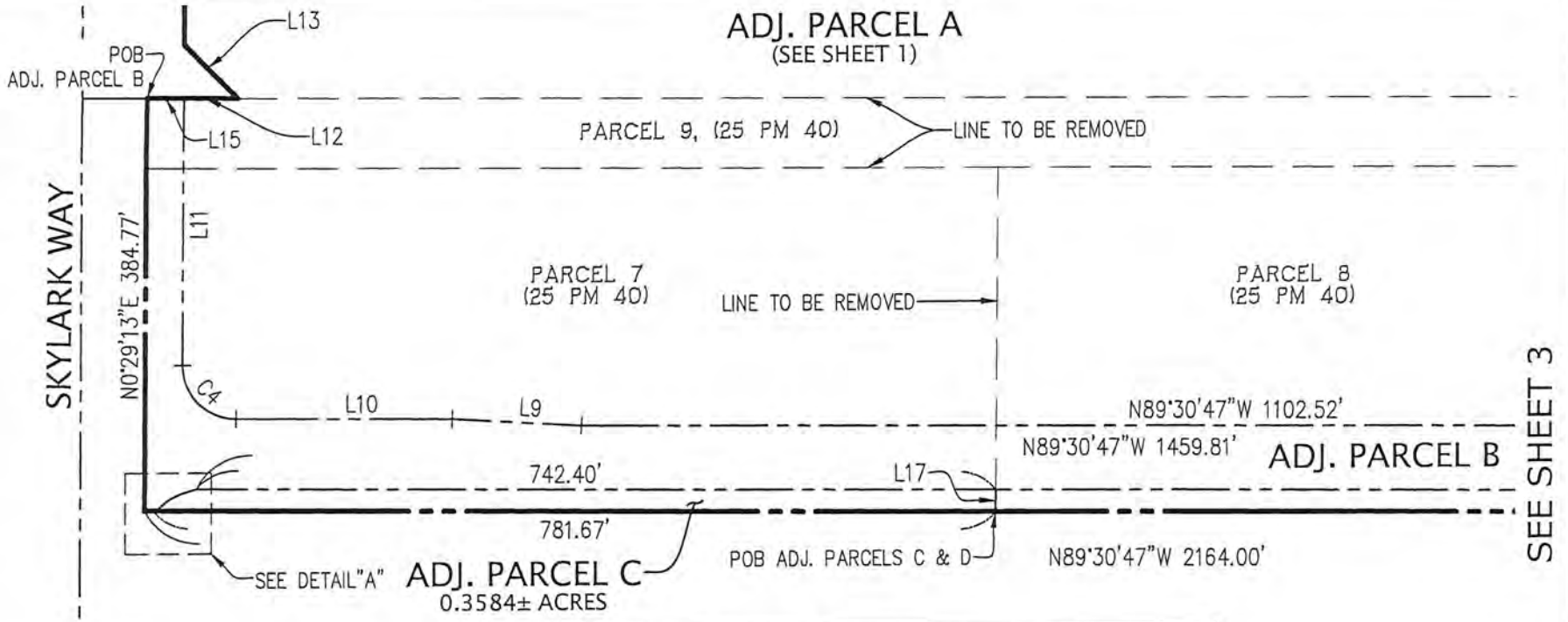
KIER+WRIGHT
250 Cherry Lane, Suite 107, 208
Manteca, CA 95337
Phone: (209) 328-1123
www.kierwright.com

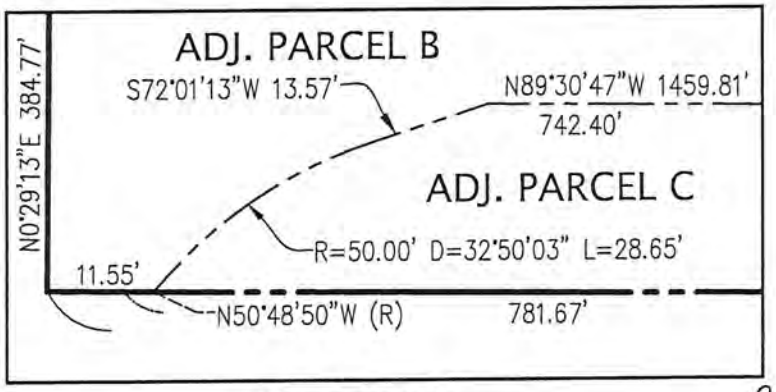
EXHIBIT "B"
LOT LINE ADJUSTMENT

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	DEC., 2020
SCALE	1" = 300'
BY	CSW
JOB NO.	A05728-45
SHEET	1 OF 4

EXHIBIT "A"
Page 3 of 6





DETAIL "A"
NOT TO SCALE

LEGEND & ABBREVIATIONS

	PROPERTY LINE
	ADJUSTED PROPERTY LINE
	ADJACENT PROPERTY LINE
	PROPERTY LINE BEING REMOVED
I.O.D.	IRREVOCABLE OFFER OF DEDICATION
I.O.E.	IRREVOCABLE OFFER OF EASEMENT
PM	PARCEL MAP
O.R.	OFFICIAL RECORDS
POB	POINT OF BEGINNING
POC	POINT OF COMMENCEMENT
(R)	RADIAL

NORTH

0 75 150 300

Scale 1" = 150'

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EXHIBIT "B"
LOT LINE ADJUSTMENT

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	DEC., 2020
SCALE	1" = 150'
BY	CSW
JOB NO.	A05728-45
SHEET	2 OF 4

EXHIBIT "A"
Page 4 of 6

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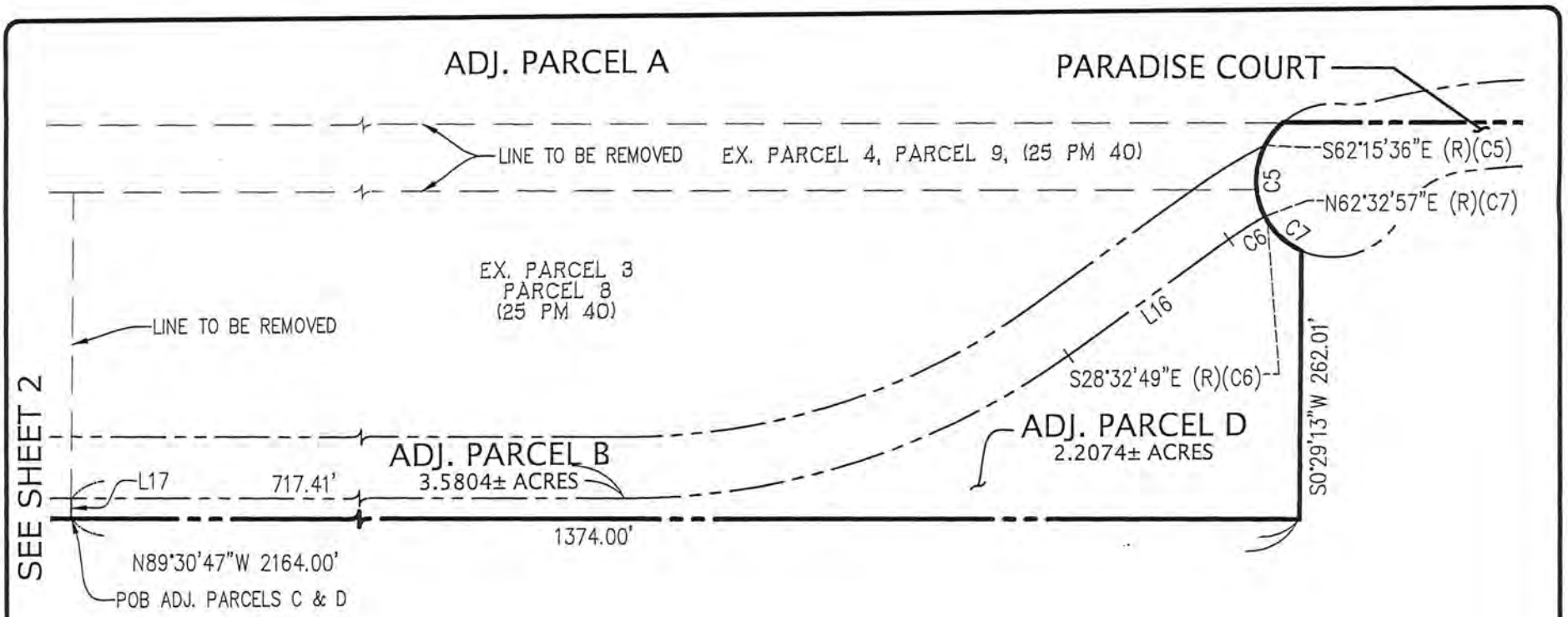

LEGEND & ABBREVIATIONS

	PROPERTY LINE
	ADJUSTED PROPERTY LINE
	ADJACENT PROPERTY LINE
	PROPERTY LINE BEING REMOVED
I.O.D.	IRREVOCABLE OFFER OF DEDICATION
I.O.E.	IRREVOCABLE OFFER OF EASEMENT
PM	PARCEL MAP
O.R.	OFFICIAL RECORDS
POB	POINT OF BEGINNING
POC	POINT OF COMMENCEMENT
(R)	RADIAL

BASIS OF BEARINGS

THE BEARING OF NORTH 89°33'51" WEST TAKEN ON THE MONUMENT LINE OF GRANT LINE ROAD AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 25, 2009, IN BOOK 25 OF MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY WAS TAKEN AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NORTH

0 75 150 300

Scale 1" = 150'

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EXHIBIT "B"
LOT LINE ADJUSTMENT

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	DEC., 2020
SCALE	1" = 150'
BY	CSW
JOB NO.	A05728-45
SHEET	3 OF 4

EXHIBIT "A"
Page 5 of 6

LINE TABLE		
LINE #	DIRECTION	LENGTH
L1	S89°33'43"E	100.00'
L2	S0°26'26"W	81.00'
L3	S89°33'43"E	180.00'
L4	S43°43'46"E	66.21'
L5	S88°41'37"E	17.00'
L6	S84°39'24"E	22.93'
L7	N89°34'00"W	402.08'
L8	N54°29'00"E	192.29'
L9	N86°39'02"W	120.15'
L10	S89°30'47"E	200.25'

LINE TABLE		
LINE #	DIRECTION	LENGTH
L11	N0°26'26"E	248.38'
L12	S89°34'00"E	49.84'
L13	N44°30'11"W	70.56'
L14	N46°41'35"E	51.76'
L15	S89°34'00"E	34.44'
L16	S54°29'00"W	191.71'
L17	N0°29'13"E	20.46'

CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	75.00'	21°24'01"	28.01'
C2	547.00'	8°32'07"	81.49'
C3	673.00'	36°00'13"	422.90'
C4	50.00'	89°57'13"	78.50'
C5	75.00'	55°11'27"	72.24'
C6	340.00'	6°58'11"	41.36'
C7	75.00'	38°03'43"	49.82'

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EXHIBIT "B"
LINE & CURVE TABLES

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	DEC., 2020
SCALE	NONE
BY	CSW
JOB NO.	A05728-45
SHEET	4 OF 4

EXHIBIT "A"
Page 6 of 6

EXHIBIT B
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RESOLUTION 2020-184

APPROVING A DEVELOPMENT REVIEW PERMIT FOR AN APPROXIMATELY 99-FOOT TALL, 1,355,618 SQUARE FOOT INDUSTRIAL BUILDING AND ASSOCIATED SITE IMPROVEMENTS ON AN APPROXIMATELY 86-ACRE AREA SOUTH OF E. GRANT LINE ROAD, EAST OF SKYLARK WAY, AND WEST OF CHRISMAN ROAD (ASSESSOR'S PARCEL NUMBERS 250-020-93, 250-020-80, 250-020-81, AND 250-020-95)

WHEREAS, On May 26, 2020, the City received a development review permit application for an industrial project located on the south side of Grant Line Road, between Chrisman Road and Skylark Way, a site totaling approximately 86 acres and located within the Northeast Industrial Specific Plan area (Application No. D20-0017), and a specific plan amendment application to the Northeast Industrial Specific Plan to modify development standards which would permit the proposed project (Application No. SPA20-0005), and

WHEREAS, The development review permit application is a Tier 1 project that is subject to Planning Commission and City Council review in accordance with Tracy Municipal Code, Title 10, Article 30, and

WHEREAS, The project is exempt from CEQA pursuant to CEQA Guidelines Section 15162(a) and 15168(c)(2), which pertains to projects with a certified Environmental Impact Report (EIR) where the project does not propose substantial changes that will result in a major revision of the previous EIR. On May 8, 1996, the City of Tracy certified the Northeast Industrial EIR (SCH# 95102050). The project does not propose new significant changes to the environment that was not analyzed in the Northeast Industrial EIR, including the areas of traffic, air quality, utilities, and aesthetics. Therefore, no further environmental assessment is needed, and

WHEREAS, The Planning Commission conducted a public hearing to review and consider the development review permit application on October 28, 2020 and recommended approval of the project by a 4:1 vote, and

WHEREAS, The City Council conducted a public hearing to review and consider the development review permit application on November 10, 2020;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves development review permit D20-0017 for an approximately 1,355,618-square foot, 99-foot tall industrial building and associated parking, landscaping, and trucking areas on approximately 86-acres of property located south of Grant Line Road, east of Skylark Way, and west of Chrisman Road (Assessor's Parcel Numbers 250-020-93, 250-020-80, 250-020-81, and 250-020-95), subject to the conditions contained in Exhibit 1 and based on the following findings:

1) The proposal increases the quality of the project site, and enhances the property in a manner that therefore improves the property in relation to the surrounding area and the citizens of Tracy, because the proposed project improves the use and aesthetic quality of the currently undeveloped site, enhancing the property with a new building, decorative masonry walls, and generous landscaping improvements. The building is designed with varied façade articulation comprised of a combination of concrete and metal finishes of various colors and textures that provide visual interest to the large and tall building.

Though the building measures to approximately 99 feet at it tallest point, only two-thirds of the building are proposed at this height and is designed to substantially step back from the lower one-third of the building, which is proposed to be only be approximately 30 feet in height. This significant building articulation provides visual variety to the otherwise large building massing. The also building has changes in parapet wall heights and varied building façade depths that prevent visual monotony. The presence of vertical wavy metal textures and accent colors at the building corners and every few hundred lineal feet on the top half of the building break up the long, straight appearance of the building and provides an interesting contrast to the lower half of the building, which is comprised of concrete walls adorned with substantial glazing at the primary building entrance, several complementary colors and scorelines in horizontal manner. Because the building is taller than other buildings in the vicinity, it is set back several hundred feet from the public right-of-way, thereby reducing the effect of large building mass near public pedestrian sidewalks and roadways. The building is oriented such that trucking areas face away from the more heavily traveled arterial roadways, and all parking areas, truck docks and loading areas, and ground-mounted equipment will be screened from public view by decorative screen walls and dense landscape screens comprised of trees and large shrubs. The project site will also have large landscaped areas on the perimeters of the site, which soften public views of the tall building and further the aesthetic quality of the streetscapes. Additionally, a large landscaped area will be established at the northeast corner of the site, which provides an additional visual buffer between the industrial site and the intersection of Grant Line Road and Chrisman Road.

2) The proposal conforms to the City of Tracy General Plan, the Northeast Industrial Specific Plan, the City's Design Goals and Standards, any applicable Infrastructure Master Plans, City Standard Plans, and other City regulations.

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The foregoing Resolution 2020-184 was adopted by the City Council of the City of Tracy on the 10th day of November, 2020, by the following vote:

AYES:	COUNCIL MEMBERS:	ARRIOLA, RANSOM, VARGAS, YOUNG, RICKMAN
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

MAYOR

ATTEST:

CITY CLERK

City of Tracy
Conditions of Approval
Project Big Bird
Application Number D20-0017

A. General Provisions and Definitions.

A.1. General. These Conditions of Approval apply to:

The Project: An approximately 1,355,618-square foot, 99-foot tall industrial building and associated parking, landscaping, and trucking areas

The Property: An approximately 86-acre site located south of Grant Line Road, east of Skylark Way, and west of Chrisman Road, Assessor's Parcel Numbers 250-020-93, 250-020-80, 250-020-81, and 250-020-95

A.2. Definitions.

a. "Applicant" means any person, or other legal entity, defined as a "Developer."

b. "City Engineer" means the City Engineer of the City of Tracy, or any other duly licensed Engineer designated by the City Manager, or the Development Services Director, or the City Engineer to perform the duties set forth herein.

c. "City Regulations" means all written laws, rules, and policies established by the City, including those set forth in the City of Tracy General Plan, the Tracy Municipal Code ordinances, resolutions, policies, procedures, the Northeast Industrial Areas Specific Plan, and the City's Design Documents (including the Standard Plans, Standard Specifications, and relevant Public Facility Master Plans).

d. "Development Services Director" means the Director of the City of Tracy Development Services Department, or any other person designated by the City Manager or the Development Services Director to perform the duties set forth herein.

e. "Conditions of Approval" shall mean the conditions of approval applicable to the Project, Application Number D20-0017. The Conditions of Approval shall specifically include all conditions set forth herein.

f. "Developer" means any person, or other legal entity, who applies to the City to divide or cause to be divided real property within the Project boundaries, or who applies to the City to develop or improve any portion of the real property within the Project boundaries. The term "Developer" shall include all successors in interest.

A.3. Compliance with submitted plans. Except as otherwise modified herein, the project shall be constructed in substantial compliance with the site, civil, elevation, building section, line of sight, and landscape plans, including colors and materials, received by the Development Services Department on October 5, 2020 to the satisfaction of the Development Services Director.

A.4. Payment of applicable fees. The applicant shall pay all applicable fees for the project, including, but not limited to, development impact fees, building permit fees, plan check

fees, grading permit fees, encroachment permit fees, inspection fees, school fees, or any other City or other agency fees or deposits that may be applicable to the project.

A.5. Compliance with laws. The Developer shall comply with all laws (federal, state, and local) related to the development of real property within the Project, including, but not limited to:

- the Planning and Zoning Law (Government Code sections 65000, et seq.)
- the California Environmental Quality Act (Public Resources Code sections 21000, et seq., "CEQA"),
- the Guidelines for California Environmental Quality Act (California Administrative Code, title 14, sections 1500, et seq., "CEQA Guidelines"),
- California Building Code, and
- California Fire Code

A.6. Compliance with City regulations. Unless specifically modified by these Conditions of Approval, the Developer shall comply with all City regulations, including, but not limited to, the Tracy Municipal Code (TMC), Standard Plans, the Northeast Industrial Areas (NEI) Specific Plan, and Design Goals and Standards.

A.7. Protest of fees, dedications, reservations, or other exactions. Pursuant to Government Code section 66020, including section 66020(d)(1), the City HEREBY NOTIFIES the Developer that the 90-day approval period (in which the Developer may protest the imposition of any fees, dedications, reservations, or other exactions imposed on this Project by these Conditions of Approval) has begun on the date of the conditional approval of this Project. If the Developer fails to file a protest within this 90-day period, complying with all of the requirements of Government Code section 66020, the Developer will be legally barred from later challenging any such fees, dedications, reservations or other exactions.

B. Development Services Department, Planning Division Conditions

Contact: Kimberly Matlock (209) 831-6430 kimberly.matlock@cityoftracy.org

B.1. Architecture. Prior to the approval of a building permit, the applicant submit detailed plans for the smokers' shelter to demonstrate that it will architecturally complement the main building in terms of design and color to the satisfaction of the Development Services Director.

B.2. Parking area. Before the approval of a building permit, the applicant shall submit the following to the satisfaction of the Development Services Director:

B.2.1 Site plans and construction details that demonstrate 12-inch wide concrete curbs along the perimeter of landscape planters where such planters are parallel and adjacent to vehicular parking spaces to provide access to vehicles without stepping into the landscape planters.

B.2.2 Detailed plans that demonstrate the parking stalls are striped in accordance with Standard Plan 154.

B.2.3 Detailed plans that demonstrate any sidewalk, landscape planters, or bio-retention areas perpendicular to parking stalls overhang up to 24 inches into the parking stall in place of wheel stops where feasible. Any landscape planter overhang may not be double-counted toward the required amount of parking area landscaping.

B.2.4 Bicycle parking spaces shall be provided in accordance with Tracy Municipal Code Section 10.08.3510.

B.2.5 Detailed plans that demonstrate a minimum of one foot candle throughout the parking area as defined in TMC Section 10.08.3450.

B.3. Landscaping & irrigation. Before the approval of a building permit, the applicant shall provide detailed landscape and irrigation plans consistent with the following to the satisfaction of the Development Services Director:

B.3.1. Said plans shall demonstrate compliance with the NEI Specific Plan and the Tracy Municipal Code Section 10.08.3560 for parking area landscaping. Said plans shall clearly delineate the property line and shall include a planting legend indicating, at minimum, the quantity, planting size, and height and width at maturity.

B.3.2. Each planter shall contain a combination of trees, shrubs, and live groundcover. Trees shall be a minimum of 24" box size, shrubs shall be a minimum size of 5 gallon, and groundcover shall be a minimum size of 1 gallon at planting. Landscaping shall be continuously maintained to prevent incidence of wildfire.

B.3.3. Where trees are planted ten feet or less from a sidewalk or curb, root barriers dimensioned 8 feet long by 24 inches deep shall be provided adjacent to such sidewalk and curb, centered on the tree.

B.3.4. Said plans shall demonstrate that the land to the south of reconstructed Paradise Road is landscaped and irrigated with a combination of trees, shrubs, and groundcover.

B.3.5. Landscape & Irrigation Maintenance. Prior to the issuance of a building permit for each phase, the Developer shall execute a two-year landscape and irrigation maintenance agreement and submit financial security, such as a performance bond, to ensure the success of all on-site landscaping for the term of the agreement. The security amount shall be equal to $2.50 per square foot of the landscaped area or equal to the actual labor and material installation cost of all on-site landscaping and irrigation for that phase.

B.4. Employee break areas. Before the approval of a building permit, the applicant shall submit plans that show locations and details for high-quality outdoor employee break

spaces. Such spaces shall be incorporated as part of site design and should include special paving, tables, benches, shade trees and other amenities that support employee events and serve as an informal gathering space and shall be designed to be used by anyone, e.g. not only those who smoke.

B.5. Fencing. No chain-link or vinyl fencing is permitted where visible from any public right-of-way, and no barbed wire, razor wire, or electric fence is permitted anywhere on site.

B.6. Screening utilities and equipment. Before the approval of a building permit, the applicant shall submit detailed plans that demonstrate the following:

B.6.1. Trash collection areas, such as trash and recycling compactors or traditional trash and recycling dumpsters shall be screened by structures or enclosures architecturally complementary of the main building to the satisfaction of the Development Services Director. Trash and recycling collection enclosures shall include a solid roof structure, solid metal doors, and solid walls sufficiently sized to fully screen the dumpsters. The enclosure, including the roof, shall be architecturally compatible with the buildings, which includes but is not limited to, design, materials, and colors. A six-inch concrete curb and/or bollards may be installed on the interior of the enclosure for the protection and durability of the enclosure walls. A building permit is required prior to construction of such enclosures for the evaluation of design and location to the satisfaction of the Development Services Director.

B.6.2. No roof mounted equipment, including, but not limited to, HVAC units, vents, fans, antennas, sky lights and dishes, whether proposed as part of this application, potential future equipment, or any portion thereof, shall be readily visible from any public right-of-way, which includes, but is not limited to, Grant Line Road, Chrisman Road, Skylark Way, Paradise Court, future Paradise Road, and the I-205 freeway. The plans shall demonstrate that such equipment is fully screened from view behind parapet walls to the satisfaction of the Development Services Director.

B.6.3. All vents, gutters, downspouts, flashing, and electrical conduits shall be internal to the structures and other ground-mounted, wall-mounted, or building-attached utilities, including bollards, shall be painted to match the color of the adjacent surfaces or otherwise designed in harmony with the building exterior to the satisfaction of the Development Services Director.

B.6.4. All PG&E transformers, phone company boxes, Fire Department connections, backflow preventers, irrigation controllers, and other on-site utilities, shall be vaulted or substantially screened from view behind structures or landscaping, to the satisfaction of the Development Services Director.

B.6.5. Truck loading areas, dock doors, and trash compactors shall be substantially screened from view from the public right-of-way, which includes, but is not limited to, Grant Line Road, Chrisman Road, Skylark Way, Paradise Court, and future Paradise Road, as shown in the plans. Landscape screening shall

be tall and dense enough to substantially screen to the top of trailers, dock doors, and trash compactors from public view. Where there are gaps between trees and beneath tree canopies, screen shrubs shall be planted to prevent views between tree trunks.

B.7. Signs. No business identification signs are approved with this development review permit. All business identification signs shall obtain a sign permit in accordance with the NEI Specific Plan and the Tracy Municipal Code.

B.8. Compliance with Mitigation Measures. Unless specifically modified by these Conditions of Approval, the Developer shall comply with all mitigation measures identified in the General Plan Environmental Impact Report certified on February 1, 2011 and the Northeast Industrial Concept Development Plan Environmental Impact Report certified on May 8, 1996.

B.9. Habitat conservation. Prior to issuance of any permits for ground disturbance, the applicant shall comply with the San Joaquin County Habitat Conservation Division and a signed copy of the Incidental Take Minimization Measures shall be submitted to the Engineering Division as verification of compliance.

C. Development Services Department, Engineering Division Conditions

Contact: Nanda Gottiparthy (925) 251-0100 nanda@sngassociates.com

C.1. General Conditions

Developer shall comply with the applicable sections of approved documents and/or recommendations of the technical analyses/ reports prepared for the Project listed as follows:

a) *Tracy NEI Phase 3 Traffic Analysis* – Traffic Memorandum prepared by Kimley-Horn Associates, dated October 16, 2020, and any subsequent updates. ("***Traffic Analysis***")

b) *Prologis Big Bird Tracy NEI Phase 3 G4+5 Project Sewer Collection System Hydraulic Capacity Analysis,* prepared by Blackwater Consulting Engineers, Inc., dated October 15, 2020, and any subsequent updates. ("***Wastewater Analysis***")

c) *Hydraulic Evaluation of Project Big Bird,* prepared by West Yost Associates Inc., dated August 12, 2020, and any subsequent updates. ("***Water Analysis***")

d) *Review of NEI Phase 3 Mass Grading for Stormwater Quality Requirements and Interim Runoff Detention Conditions,* prepared by Wood Rodgers, Inc., dated October 19, 2020, and any subsequent updates. ("***Storm Drain Analysis***")

e) *Stormwater Volume Management Options for Phase 1 of NEI Phase 3 Mass Grading,* prepared by Wood Rodgers, Inc., dated October 19, 2020, and any subsequent updates. ("***Interim Storm Drain Analysis***")

C.2. Grading Permit

All grading work shall require a Grading Plan. All grading work shall be performed and completed in accordance with the recommendation(s) of the Project's Registered Geotechnical Engineer. The City will not accept a Grading Permit application for the Project until Developer provides all documents related to said Grading Permit required by the applicable City Regulations and these Conditions of Approval, to the satisfaction of the City Engineer, including, but not limited to, the following:

C.2.1. Grading and Drainage Plans prepared on a 24" x 36" size 4-mil thick polyester film (mylar). Grading and Drainage Plans shall be prepared under the supervision of and stamped and signed by a Registered Civil Engineer.

C.2.2. Payment of the applicable Grading Permit fees which include grading plan checking and inspection fees, and other applicable fees as required by these Conditions of Approval.

C.2.3. All existing on-site water well(s), septic system(s), and leech field(s), if any, shall be abandoned or removed in accordance with the City and San Joaquin County requirements. Developer shall be responsible for all costs associated with the abandonment or removal of the existing well(s), septic system(s), and leech field(s) including the cost of permit(s) and inspection. Developer shall submit a copy of written approval(s) or permit(s) obtained from San Joaquin County regarding the removal and abandonment of any existing well(s), prior to the issuance of the Grading Permit.

C.2.4. Prior to the issuance of the Grading Permit, Developer shall submit to the Utilities Department (stephanie.hiestand@cityoftracy.org) one (1) electronic copy and one (1) hard copy of the Storm Water Pollution Prevention Plan (SWPPP) as submitted in Stormwater Multiple Applications and Reporting Tracker System (SMARTS) along with either a copy of the Notice of Intent (NOI) with the state-issued Wastewater Discharge Identification number (WDID) or a copy of the receipt for the NOI. After the completion of the Project, the Developer is responsible for filing the Notice of Termination (NOT) required by SWQCB, and shall provide the City, a copy of the completed Notice of Termination. Cost of preparing the SWPPP, NOI and NOT including the annual storm drainage fees and the filing fees of the NOI and NOT shall be paid by the Developer. Developer shall comply with all the requirements of the SWPPP, applicable Best Management Practices (BMPs) and the Multi-Agency Post-Construction Stormwater Standards Manual adopted by the City in 2015 and any subsequent amendment(s).

C.2.5. Developer shall provide a PDF copy of the Project's Geotechnical Report signed and stamped by a Registered Geotechnical Engineer. The technical report must include relevant information related to soil types and characteristics, soil bearing capacity, compaction recommendations, retaining wall recommendations, if necessary, paving recommendations, slope recommendations, and elevation of the highest observed groundwater level.

C.2.6. Two (2) sets of Hydrologic and Storm Drainage Calculations for the design of the on-site and off-site storm drainage system.

C.2.7. Developer shall provide a copy of the approved Incidental Take Minimization Measures (ITMM) habitat survey [San Joaquin County Multi-Species Habitat Conservation & Open Space Plan (SJMSCP)] from San Joaquin Council of Governments (SJCOG).

C.2.8. Developer shall provide a copy of the approved Air Impact Assessment (AIA) with an Indirect Source Review (ISR) and Dust Control from San Joaquin Valley Air Pollution Control District (SJVAPCD).

C.2.9. If required, Construction Easements or agreements with the owners of the adjacent properties shall be obtained prior to the start of any construction encroaching onto the adjacent properties.

C.2.10. If at any point during grading that the Developer, its contractor, its engineers, and their respective officials, employees, subcontractor, and/or subconsultant exposes/encounters/uncovers any archeological, historical, or other paleontological findings, the Developer shall address the findings as required per the General Plan Cultural Resource Policy and General Plan EIR; and subsequent Cultural Resource Policy or mitigation in any applicable environmental document.

C.3. Encroachment Permit - No applications for encroachment permit will be accepted by the City as complete until the Developer provides all relevant documents related to said encroachment permit required by the applicable City Regulations and these Conditions of Approval, to the satisfaction of the City Engineer, including, but not limited to, the following:

C.3.1. Improvement Plans prepared on a 24" x 36" size 4-mil thick polyester film (mylar), if necessary that incorporate all the requirements described in these Conditions of Approval. Improvement Plans shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work.

C.3.2. Signed and stamped Engineer's Estimate that summarizes the cost of constructing all the public improvements shown on the Improvement Plans.

C.3.3. Signed and notarized Offsite Improvement Agreement (OIA) and Improvement Security, to guarantee completion of the identified public improvements that are necessary to serve the Project as required by these Conditions of Approval. The form and amount of Improvement Security shall be in accordance with Section 12.36.080 of the Tracy Municipal Code (TMC), and the OIA. The Developer's obligations in the OIA shall be deemed to be satisfied upon City Council's acceptance of the public improvements and release of the Improvement Security.

C.3.4. If required, signed and notarized Deferred Improvement Agreement (DIA) and Improvement Security, to allow deferment of completion of improvements as required by these Conditions of Approval. The form and amount of Improvement Security shall be in accordance with the DIA and Section 12.36.080 of the TMC. The Developer's obligations in the DIA shall be deemed to be satisfied upon the release of the Improvement Security.

C.3.5. Payment of applicable fees required by these Conditions of Approval and City Regulations, including but not limited to, plan checking, grading and encroachment permits and agreement processing, construction inspection, and testing fees. The engineering review fees will be calculated based on the fee rate adopted and updated by the City Council. Developer shall submit payment in the form of a check for the aforementioned fees.

C.3.6. Traffic Control Plan - Prior to starting the work for any work within City's right-of-way, the Developer shall submit a Traffic Control Plan (TCP). TCP can be split among the different construction phases. TCP will show the method and type of construction signs to be used for regulating traffic at the work areas within these streets. TCP shall conform to the Manual on Uniform Traffic Control Devices as amended by the State of California, latest edition (MUTCD-CA). TCP shall be prepared under the supervision of, signed and stamped by a Registered Civil Engineer or Registered Traffic Engineer.

C.3.7. Access and Traffic Circulation to Existing Businesses/Residents - Developer shall take all steps necessary to plan and construct site improvements such that construction operations do not impact safety and access (including emergency vehicles) to the existing businesses and residents throughout the duration of construction. Developer shall coordinate with the owners and cooperate to minimize impacts on existing businesses. All costs of measures needed to provide safe and functional access shall be borne by the Developer.

C.3.8. No street trench shall be left open, uncovered, and/or unprotected during night hours and when the Developer's contractor is not performing construction activities. Appropriate signs and barricades shall be installed on the street and on all trenches during such times. If the Developer or its contractor elects to use steel plates to cover street trenches, said steel plates will be skid-resistance, and shall be ramped on all sides. Ramps will be a minimum two-foot wide and will run the entire length of each side.

C.4. Improvement Plans:

Improvement Plans shall contain the design, construction details and specifications of all improvements necessary to serve the Project. The Improvement Plans shall be drawn on a 24" x 36" size 4-mil thick polyester film (mylar) and shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, and Registered Landscape Architect for the relevant work. The Improvement Plans shall be completed to comply with City Regulations, City Design Standards, Standard Plans and Specifications, these Conditions of Approval, and the following requirements:

C.4.1. The Improvement Plans, including the Grading and Drainage Plans, shall be prepared in accordance with the City's Subdivision Ordinance and Design Standards. The improvement plans shall be prepared to specifically include, but not be limited to, the following items:

a. All existing and proposed utilities such as domestic water line, irrigation service, fire service line, storm drain, and sanitary sewer, including the size and location of the pipes.

b. All supporting engineering calculations, materials information or technical specifications, cost estimate, and technical reports.

c. Developer shall provide a PDF copy of the Project's Geotechnical Report signed and stamped by a Registered Geotechnical Engineer.

d. The Project's on-site drainage connections to City's storm drainage system and on-site storm water treatment as approved by the City Engineer. Improvement Plans to be submitted with the hydrology and storm drainage calculations for the sizing of the on-site storm drainage system.

C.4.2. Grading and Drainage Plans

Site Grading

a. Include all proposed erosion control methods and construction details to be employed and specify materials to be used.

b. All grading work shall be performed and completed in accordance with the recommendation(s) of the Project's Geotechnical Engineer. A copy of the Project's Geotechnical Report must be submitted with the Grading and Storm Drainage Plans.

c. When the grade differential between the Project Site and adjacent property(s) exceeds 12 inches, a reinforced concrete or masonry block, or engineered retaining wall is required for retaining soil. The Grading Plan shall show construction detail(s) of the retaining wall or masonry wall. The entire retaining wall and footing shall be constructed within the Project Site. Structural calculations shall be submitted with the Grading and Storm Drainage Plans.

d. The Developer shall be responsible for obtaining permission from owner(s) of the adjacent and affected property(s) for grading beyond the property boundaries. If required, slope easement must be recorded prior to the issuance of the final building certificate of occupancy.

Storm Drainage

e. The Developer shall design and install storm drain lines and connection to the City's NEI Drainage System, per the ***Storm Drain Analysis*** and City Regulations.

f. Grading for the site shall be designed such that the Project's storm water can overland release to a public street that has a functional storm drainage system with adequate capacity to drain storm water from the Project Site, in the event that the on-site storm drainage system fails or it is clogged. The storm drainage release point is recommended to be at least 0.70 foot lower than the building finish floor elevation and shall be improved to the satisfaction of the City Engineer.

g. Developer shall submit hydrology and hydraulic calculations and improvement plans for storm drain lines within proposed Paradise Road alignment and Chrisman Road.

Crate and Barrel Temporary Retention Basins 1A and 1B

h. As noted in the ***Interim Storm Drain Analysis*** TM, if Detention Basin NEI and/or other downstream storm drain facilities per the Storm Drainage Master Plan are not in service when the Crate & Barrel Temporary Retention Basins 1A and 1B are filled in as part of the NEI Phase 3 Mass Grading project, the Developer shall provide an additional 35 acre-feet of storage in the NEI Retention Basin for interim temporary Retention Basin(s). The Temporary Retention Basin(s) shall be designed in accordance with City Regulations and Standards. The Temporary Retention Basin(s) shall be designed to retain storm water run-off from the Project resulting from 200% of the 10-year, 48-hour storm event in compliance with Sections 5.06 and 5.07 of City of Tracy Design Standards.

   (i) Alternatively, if the Developer reaches an agreement with the Pescadero Reclamation District, a 1,75 cfs pump shall be provided to discharge into Pescadero Reclamation District facilities.

   (ii) The Developer shall comply with the requirements of the *Indemnification Obligation for Interim Storm Drainage* Exhibit.

Temporary Drainage System – Onsite Retention Basin(s)

i. If Detention Basin NEI and/or other downstream storm drain facilities per the Storm Drainage Master Plan are not in service when the project is constructed, then the Developer may construct as interim onsite Temporary Retention Basin(s). The Temporary Retention Basin(s) shall be designed in accordance with City Regulations and Standards. The Temporary Retention Basin(s) shall be designed to retain storm water run-off from the Project resulting from 200% of the 10-year, 48-hour storm event in compliance with Sections 5.06 and 5.07 of City of Tracy Design Standards.

j. The Developer shall provide a geotechnical investigation with respect to the Temporary Retention Basin(s) that validates percolation rates for the subsurface soils at and below the bottom of the basin are acceptable.

k. Developer shall be responsible for maintenance of onsite Temporary Retention Basin(s) until the above-mentioned downstream drainage facilities are installed and accepted by the City. The Developer shall sign an improvement agreement (Deferred Improvement Agreement), to assure completion of the Developer's obligation to repair and maintain said basin(s) while the storm drainage retention basin is in service and then to modify/remove Temporary Retention Basin(s) and connect on-site storm drainage system to the master plan facilities when constructed (by others) and operational. The scope of improvements and security required with the Deferred Improvement Agreement will be determined during the improvement plan review.

l. Excavated materials shall be kept within the basin site. If the excavated materials are removed from the basin site, the Subdivider shall post cash security equivalent to the cost of import backfill materials, hauling to the basin site, spreading, compacting and re-grading the basin site. If excavated materials are retained on-site, the stockpile of excavated materials shall not be

higher than 8 feet and slope should not be steeper than 1:1.

m. A metal fence and access gate shall be installed by the Subdivider to enclose the basin site.

n. The bottom of the temporary on-site storm drainage retention basin(s) shall be 5 feet above the observed highest groundwater elevation at the basin site, or as approved by the City Engineer. The Geotechnical Report shall also indicate the observed highest groundwater elevation at the basin site.

o. The Developer shall record a temporary storm drainage easement to grant rights to the City to access the temporary storm drainage retention basin(s) for any necessary emergency repair or maintenance work the City may have to perform within the basin site. The temporary access easement shall include a sunset clause that the easement will automatically be terminated at such time as the above-referenced permanent storm drainage improvements are completed.

Stormwater Treatment:

p. As detailed in the ***Storm Drain Analysis***, the public street systems serving the project site will need to include storm water quality treatment provisions. Storm water runoff from Skylark Way, Paradise Road, and Chrisman Road shall be treated in conformance with the Multi-Agency Post-Construction Stormwater Standards Manual, dated June 2015.

q. Calculations related to the design and sizing of on-site storm water treatment facilities must be submitted with the Grading and Storm Drainage Plans and approved by City's Stormwater Coordinator prior to issuance of the Grading Permit for the Project.

r. The design and construction details of the Project's onsite storm drainage system and treatment facilities shall meet City Regulations and shall comply with the applicable requirements of the Multi-Agency Post-Construction Stormwater Standards Manual, dated June 2015, and any subsequent amendments.

s. Prior to the issuance of the building certificate of occupancy, the Developer shall submit a signed and notarized Stormwater Treatment Facilities Maintenance Agreement (STFMA) as a guarantee for the performance of Developer's responsibility towards the repair and maintenance of on-site storm water treatment facilities.

C.4.3. Sanitary Sewer

a. Prior to the issuance of Building Permit for the Project, Developer shall submit improvement plans and secure approval of plans from the City's Building Division, for the design of on-site sewer improvements. The Developer shall design and install sanitary sewer facilities including the Project's sewer connection in accordance with City Regulations and utility improvement plans approved by the City Engineer.

b. As shown in the ***Wastewater Analysis***, sewage from the project shall ultimately connect to the existing 18" sewer line in the Chrisman Road extension north of Grant Line Road.

c. The Developer is responsible for the cost of installing the Project's sanitary sewer connection, including but not limited to, replacing asphalt concrete pavement, reconstructing curb, gutter and sidewalk, restoring pavement marking and striping, and other improvements that are disturbed as a result of installing the Project's sanitary sewer connection.

d. The City's responsibility to maintain sewer lateral is from the onsite sewer manhole or sewer cleanout at the right-of-way line/property line to the point of connection with the sewer main.

C.4.4. Water System

a. Developer shall comply with the recommendations of the ***Water Analysis***.

b. For water line in Paradise Road, Developer shall remove the existing 12-inch water line in the private access Paradise Road and install the new 12-inch water main in the realigned Paradise Road. (Upsizing of the existing 8-inch water main in Paradise Road cul-de-sac is recommended.) Developer shall not receive any fee credits or reimbursements for this work.

c. During the construction of the Project, the Developer is responsible for providing water infrastructure (temporary or permanent) capable of delivering adequate fire flows and pressure appropriate to the various stages of construction and as approved by the City of Tracy Fire Code Official.

d. Interruption to the water supply to the existing businesses and other users will not be allowed to facilitate construction of improvements related to the Project. The Developer shall be responsible for notifying business owner(s) and users, regarding construction work. The written notice, as approved by the City Engineer, shall be delivered to the affected residents or business owner(s) at least 72 hours before start of work. Prior to starting the work described in this section, the Developer shall submit a Work Plan acceptable to the City that demonstrates no interruptions to the water supply, and Traffic Control Plan to be used during the installation of the offsite water mains and connections.

e. Domestic and Irrigation Water Services – The Developer shall design and install domestic and irrigation water service connection, including a remote-read water meter (the water meter to be located within City's right-of-way) and a Reduced Pressure Type back-flow protection device in accordance with City Regulations. The domestic and irrigation water service connection(s) must be completed before the final inspection of the building. The City shall maintain water lines from the water meter to the point of connection with the water distribution main (inclusive) only. Repair and maintenance of all on-site water lines, laterals, valves, fittings, fire hydrant and appurtenances shall be the responsibility of the Developer.

f. All costs associated with the installation of the Project's water connection(s) including the cost of removing and replacing asphalt concrete pavement,

pavement marking and striping such as crosswalk lines and lane line markings on existing street or parking area(s) that may be disturbed with the installation of the permanent water connection(s), or domestic water service, and other improvements shall be paid by the Developer.

g. Fire Service Line – Location and construction details of fire service line including fire hydrant(s) that are to serve the Project shall be approved by the South San Joaquin County Fire Authority Fire Marshal. Prior to the approval of the Improvement Plans by the City Engineer, the Developer shall obtain written approval from the Fire Marshal for the design, location and construction details of the fire service connection to the Project, and for the location and spacing of fire hydrants that are to be installed or planned to serve the Project.

C.4.5. Roadway Improvements on Grant Line Road

Prior to issuance of the temporary or final certificate of occupancy, the Developer shall complete construction of improvements on Grant Line Road and driveways in compliance with recommendations in the ***Traffic Analysis***, and satisfy applicable requirements specified in these Conditions of Approval and City Regulations.

a. Grant Line Road is classified as a 4-lane major arterial with median in the Tracy Transportation Master Plan (TMP). The Developer shall remove and replace the existing sidewalk along the entire frontage of the Property on Grant Line Road with a 10-foot wide Class I Bikeway and a 7-foot wide landscape strip between cub & gutter and new Class I Bikeway.

b. The Developer shall design and install improvements to construct the sidewalk/Class I Bikeway along the full frontage of the Project on Grant Line Road, install project driveways, and modify striping on Grant Line Road for the full frontage of the Project. The improvement plans shall include all improvements and striping of Grant Line Road required to safely transition to the existing roadway improvements east and west of the Project Limits.

(iii) The roadway improvements to be constructed with this Project shall include, but are not limited to, concrete curb, gutter and sidewalk, accessible ramps, asphalt concrete pavement, signing and striping, storm drains, catch basins, fire hydrants, traffic signal, LED street lights, landscape with automatic irrigation system, undergrounding of overhead utilities, and other improvements as determined by the City Engineer that are necessary for a safe transition from a newly improved street to existing street sections on the east and west ends.

(iv) The roadway improvements must be designed and constructed by the Developer to meet the applicable requirements of the latest edition of the California Department of Transportation Highway Design Manual (HDM) and the California Manual of Uniform Traffic Control Devices (MUTCD), the applicable City Regulations, and these Conditions of Approval. Design and construction details of the Offsite Roadway Improvements must be shown on the Improvement Plans.

(v) Upon completion of street improvements on Grant Line Road, including overlay at utility cuts as required per these Conditions, the Developer shall slurry seal the entire street width for the project frontage prior to restriping.

(vi) The frontage improvements on Grant Line Road are Developer's Responsibility and are therefore not eligible for any fee credits.

(vii) The Developer shall take all steps necessary to plan and construct site improvements such that construction operations do not impact safety and access (including emergency vehicles) to the existing businesses, farms, and residences throughout the duration of construction. Developer shall coordinate with the owners and cooperate to minimize impacts. All costs of measures needed to provide safe and functional access shall be borne by the Developer.

c. Developer shall dedicate 10-foot wide Public Utility Easement for the full frontage of the Project on Grant Line Road.

C.4.6. Chrisman Road

Chrisman Road is classified as a 6-lane parkway in the Tracy Transportation Master Plan (TMP). North of Paradise Road, the existing portion of Chrisman Road between Grant Line Road and Paradise Road, adjacent to the project has been constructed approximately on the eastern half of the future roadway and the widened curb returns at the intersections. The subject roadway will be widened toward the project site.

a. The existing right-of-way along the west side of Chrisman Road is 30', measured from the Section Line/centerline of Chrisman Road. The Developer shall dedicate an additional 64' feet of right-of-way along the frontage of the Property on Chrisman Road to widen the existing street section to a 6-lane Parkway with a median and a minimum right-of-way width of 134' feet. (Near the intersection with Paradise Road, 73' of right-of-way dedication will be required to provide an overall right-of-way of 143' total width to accommodate the proposed dedicated right turn lane.)

(i) The Developer will be eligible to receive transportation impact fee credits for costs of widening the portion of Chrisman Road that are the City's responsibility. (City's responsibility is three southbound travel lanes and median; Developer's responsibility is landscape planter and Class 1 Bikeway along project frontage and dedicated right turn lane at Chrisman Road/Paradise Road intersection.)

(ii) The roadway improvements to be constructed with this Project shall include, but are not limited to, concrete curb, gutter and sidewalk, accessible ramps, asphalt concrete pavement, signing and striping, storm drains, catch basins, fire hydrants, LED street lights, landscape with automatic irrigation system, undergrounding of overhead electric line and other improvements as determined by the City Engineer that are necessary for a safe transition from a newly improved street to existing street sections on the north and south ends.

(iii) The Chrisman Road/Grant Line Road intersection shall be reconfigured to have one left turn, two through lands, and one right turn lane for the northbound approach, and one left turn, two through lanes, and one right turn lane for the southbound approach.

(iv) The Chrisman Road/Paradise Road intersection shall be reconfigured to have one left turn, two through lands, and one shared through/right turn lane turn lane for the northbound approach, and one left turn, three through lanes, and one right turn lane for the southbound approach.

(v) The striping plan for Chrisman Road shall show lane drops and/or lane merge to transition from three southbound travel lanes for the segment between Grant Line Road to Paradise to one southbound lane for the segment south of Paradise Road.

b. Overhead electric line along Chrisman Road shall be placed in an underground facility on west side of Chrisman Road.

C.4.7. Paradise Road

Paradise Road west of Chrisman Road currently ends at a cul-de-sac with a private drive aisle, public access easement extending west to Skylark Way. Proposed Paradise Road extension will be designed as an Industrial Street with TWLTL.

a. The alignment for the proposed Paradise Road extension will be located approximately 200' south of the existing private drive aisle intersection at Skylark Way.

b. Paradise Road right-of-way shall accommodate the TMP Industrial Street with Two-way Left Turn Lane (TWLTL). The roadway improvements to be constructed with this Project shall include, but are not limited to, concrete curb, gutter and sidewalk, accessible ramps, asphalt concrete pavement, signing and striping, storm drains, catch basins, fire hydrants, LED street lights, landscape with automatic irrigation system, and other improvements as determined by the City Engineer that are necessary for a safe transition from a newly improved street to existing street sections at Chrisman Road and at Skylark Way.

c. The existing cul-de-sac of Paradise Road will need to be reconstructed and realigned as a through street. The existing Crate and Barrel driveway on the south side of the road will need to be modified accordingly. Sight triangles shall be provided for new driveway locations for Crate and Barrel.

d. Developer shall submit an Irrevocable Offer of Dedication of right-of-way for Paradise Road between Chrisman Road and Skylark Way within 30 days from approval of the Offsite Improvement Agreement.

e. Developer shall dedicate 10-foot wide Public Utility Easement for the full frontage of the Project on Paradise Road.

f. The Developer shall be responsible for all design and construction costs related to improvements on Paradise Road extension.

C.4.8. Skylark Way

Skylark Way located on west side of proposed building is an existing TMP Industrial Street with a TWLTL. This Industrial standard roadway will be extended approximately 200' to the south with the proposed Paradise Road extension.

a. The roadway improvements to be constructed with this project shall include, but are not limited to, approximately 20' widening of existing Skylark Way from center line towards east side, concrete curb, gutter and sidewalk, accessible ramps, asphalt concrete pavement, signing and striping, landscape with automatic irrigation system and other improvements as determined by the City Engineer.

b. Skylark Way will be super-elevated to slope towards the curb and gutter and existing infiltration planter located on the west side of Skylark Way.

c. The developer shall be responsible for all design and construction costs related to improvements on Skylark Way.

C.4.9. Project Driveways:

The Developer shall install six driveways to serve the site in accordance with the recommendations of the "*Traffic Analysis*" and City Regulations. Two driveways will be constructed along Skylark Way, three driveways will be constructed on Grant Line Road, and one driveway will be constructed along Chrisman Way.

a. Project Driveway 1: The southerly driveway on Skylark Way (Driveway 1) shall be designed to operate as a full access, Side Street Stop Control (SSSC) for STAA Truck and Trailer traffic only. The driveway design shall include sight distance triangles for the driveway entrance.

b. Project Driveway 2: The northerly driveway on Skylark Way, Project Driveway 2, shall be a full access, passenger vehicle access only driveway. Traffic control shall be Side Street Stop Control. The driveway should be located approximately 420' south of Grant Line Road (Skylark Way Station 112+00±) to allow left turns to access the site using the two-way left turn lane.

c. Project Driveway 3: The westerly driveway to the site from Grant Line Road shall be a Right In/Right Out, SSSC driveway for passenger vehicles only.

d. Project Driveway 4: The middle driveway to the site from Grant Line Road shall aligned with the primary access driveway serving the Tracy Warehouse property on the north side of Grant Line Road (1547 E. Grant Line Road). Project Driveway 4 shall be a full access signalized driveway, designed to operate as a joint primary access for this Project and the Tracy Warehouse property. Certain median modifications identified in the Traffic Analysis recommendations and the installation of a traffic signal will be required to allow full access traffic movements at this location for both projects.

(i) The Developer shall design and install the traffic signal for Driveway 4 prior to issuance of temporary or final Certificate of Occupancy for the Project.

The Developer shall pay for all costs relating to design, construction and inspection for the traffic signal.

(ii) The Tracy Warehouse property developer has paid Traffic Signal In-Lieu Fees to the City of Tracy in the amount of $85,000 for his share of the cost of the proposed traffic signal; the Prologis NEI Phase 3 Property Developer shall receive this amount from the City upon completion of the Traffic Signal installation.

(iii) The cost of modifying the median island per the Traffic Analysis recommendations will be the responsibility of the Developer.

(iv) The Developer shall dedicate required easements for maintenance access of the on-site traffic signal loops and associated traffic signal equipment.

(v) The Developer shall enter into an Off-site Improvement Agreement and post required security to guarantee installation of the traffic signal.

e. Project Driveway 5: The easterly driveway entrance to the site from Grant Line Road shall be located approximately 500 feet west of the intersection of Chrisman Road and Grant Line Road; this driveway shall be designed and constructed to operate as a "Right-in / Right-out" SSSC.

f. Project Driveway 6: Driveway 6 will be located approximately 650 feet south of the Grant Line Road/Chrisman Road intersection and approximately 700 feet north of the Chrisman Road/Paradise Road intersection. This driveway shall be designed as a Right-in/Right-out SSSC driveway for both passenger vehicles and Trucks/trailers.

C.4.10. Offsite Improvements

a. MacArthur Drive/Grant Line Road Intersection. As noted in the ***Traffic Analysis***, the MacArthur Drive/Grant Line Road intersection shall be modified to add a west bound right-turn lane with an overlap and associated traffic signal modification to optimize the cycle length. Developer shall design and construct intersection improvements.

(i) As noted in the ***Traffic Analysis***, the Project's fair share of the intersection improvements for the MacArthur Drive/Grant Line Road intersection is 44.64%: Developer shall request formation of Benefit Assessment District for reimbursement of costs in excess of the Project's Fair Share obligation as identified in the ***Traffic Analysis***.

b. Chrisman Road/Paradise Road Intersection. In the Cumulative Condition, the Chrisman Road/Paradise Road intersection will be converted from an AWSC to a signalized intersection.

(i) As noted in the ***Traffic Analysis***, the Project's fair share of the signal cost is 8.99%; Developer shall pay Fair Share costs as identified in the ***Traffic Analysis***.

c. Chrisman Road/Eleventh Street Intersection. In the Cumulative Condition, the Chrisman Road/Eleventh Street intersection will be modified to add a second westbound left turn lane.

(i) As noted in the ***Traffic Analysis***, the Project's fair share of intersection improvements cost is 3.29%; Developer shall pay Fair Share costs as identified in the ***Traffic Analysis***.

C.4.11. Joint Utility Trench Plans:

The Developer shall submit Joint Utility Trench plans for the installation of electric, gas, telephone and TV cable main and service lines that are necessary to be installed to serve the Project. These utilities shall be installed within the PUE.

a. Overhead utilities along the frontage of the project (with the exception of the high-voltage transmission lines with voltages greater than 34.5 KV) shall be placed in an underground facility in accordance with Tracy Municipal Code Chapter 11.08.

b. Overhead electric lines along Chrisman Road shall be placed in an underground facility on east side of building

c. The Developer shall submit Joint Trench Utility improvement plans for the installation of new electric, gas, telephone and TV cable lines to serve the Project. These utilities shall be installed within the 10-foot wide Public Utility Easement (PUE) that will be offered for dedication to the City.

C.4.12. Street Cut(s):

When street cuts are made for installation of utilities, the Developer is required to install 2-inch thick asphalt concrete overlay with reinforcing fabric at least 25 feet from all sides and for the entire length of the utility trench. A 2-inch deep grind on the existing asphalt concrete pavement will be required where the asphalt concrete overlay will be applied and shall be uniform thickness to maintain current pavement grades, cross and longitudinal slopes. The limits of the 2-inch asphalt concrete overlay shall conform to Section 3.14 of the 2008 Design Standards.

C.4.13. Street Repairs:

The Developer shall be responsible for any repairs or reconstruction of street pavement, curb, gutter and sidewalk and other public improvements along the frontage of the Project along Grant Line Road, if determined by the City Engineer to be in poor condition or damaged by construction activities related to the Project.

C.4.14. Offsite Improvement Agreement:

In order to guarantee completion of the Offsite Roadway Improvements, the Developer is required to enter into an Offsite Improvement Agreement (OIA) with the City and post improvement security in the amounts approved by the City Engineer, prior to the Encroachment Permit. The OIA requires authorization from the City Council. The Developer shall pay applicable engineering review fees such as plan checking, agreement and permit processing, testing, and construction inspection fees based on current charge rate and as required by these Conditions of Approval.

C.5. Building Permit:

No building permit within the Project boundaries will be approved by the City until the Developer demonstrates, to the satisfaction of the City Engineer, compliance with all required Conditions of Approval, including, but not limited to, the following:

C.5.1. Payment of the applicable Master Plan and Northeast Industrial Development Impact Fees as applicable to this project.

C.5.2. Payment of San Joaquin County Facilities Fees as required in Chapter 13.24 of the Tracy Municipal Code, and these Conditions of Approval.

C.5.3. Payment of the Regional Traffic Impact Fees (RTIF) as required in Chapter 13.32 of the Tracy Municipal Code and these Conditions of Approval.

C.5.4. Payment of additional City and County fees as required by the Tracy Municipal Code and as applicable to this project.

C.5.5. Submit a signed and notarized Grant Deed for the dedication of the necessary right-of-way on Chrisman Road, Paradise Road, and Skylark Way

C.5.6. Submit a signed and notarized Grant of Easement for the dedication of the necessary traffic detecting loops easement and associated improvements.

C.6. Acceptance of Public Improvements:

Public improvements will not be accepted by the City Council until after the Developer completes construction of the relevant public improvements, and also demonstrates to the City Engineer satisfactory completion of the following:

C.6.1. Correction of all items listed in the deficiency report prepared by the assigned Engineering Inspector relating to public improvements subject to City Council's acceptance.

C.6.2. Certified "As-Built" Improvement Plans (or Record Drawings). Upon completion of the construction by the Developer, the City shall temporarily release the originals of the Improvement Plans to the Developer so that the Developer will be able to document revisions to show the "As Built" configuration of all improvements.

C.6.3. Planting materials dedicated to the City conform to the 90-day "Maintenance and Plant Establishment" period in accordance with paragraph 308.07 of the City's Standard Specifications.

C.7. Temporary or Final Building Certificate of Occupancy:

No Temporary or Final Building Certificate of Occupancy will be issued by the City until the Developer provides reasonable documentation, which demonstrates, to the satisfaction of the City Engineer, that:

C.7.1. The Developer has satisfied all the requirements set forth in Condition C.6, above.

C.7.2. Prior to issuance of the Certificate of Occupancy for the project, the Developer shall grant access rights to the City for the use, operation, repair, and maintenance of traffic detecting loops, wires, conduits, and pull boxes that will be located within the Property. The Developer shall submit a signed and notarized Grant of Easement and provide legal description and plat map that describes the easement

area. The Developer shall pay for the cost of dedicating easement and preparing the legal description and plat map.

C.7.3. The Developer has completed construction of all required public facilities for the building for which a certificate of occupancy is requested and all the improvements required in these Conditions of Approval. Unless specifically provided in these Conditions of Approval, or some other applicable City Regulations, the Developer shall use diligent and good faith efforts in taking all actions necessary to construct all public facilities required to serve the Project, and the Developer shall bear all costs related to construction of the public facilities (including all costs of design, construction, construction management, plan check, inspection, and contingency).

C.8. Improvement Security:

The Developer shall provide improvement security for all public facilities, as required by the Offsite Improvement Agreement, and these Conditions of Approval. The form of the improvement security may be a surety bond, letter of credit or other form in accordance with section 12.36.080 of the TMC and the Development Agreement. The amount of improvement security shall be as follows:

C.8.1. Faithful Performance (100% of estimated cost of constructing the public facilities),

C.8.2. Labor & Materials (100% of estimated cost of constructing the public facilities), and

C.8.3. Warranty (10% of estimated cost of constructing the public facilities)

C.9. Release of Improvement Security:

Improvement Security(s) described herein shall be released to the Developer after City Council's acceptance of public improvements, and after the Developer demonstrates, to the satisfaction of the City Engineer, compliance of these Conditions of Approval, and completion of the following:

C.9.1. Improvement Security for Faithful Performance, Labor & Materials, and Warranty shall be released to Developer in accordance with Section 12.36.080 of the TMC.

C.9.2. Written request from Developer and a copy of recorded Notice of Completion

C.10. Special Conditions

C.10.1. All streets and utilities improvements within City's right-of-way shall be designed and constructed in accordance with City Regulations, and City's Design documents including the City's Facilities Master Plan for storm drainage, roadway, wastewater and water adopted by the City, or as otherwise specifically approved by the City.

C.10.2. If a tile drain system (irrigation system installed decades ago by farmers or irrigation districts) exists within the Project that also runs to the adjacent properties, the Developer shall coordinate with the owners of the neighboring properties for the relocation of affected tile drains, installation of interceptors and reconnecting to the outfall system. The Developer is fully responsible for any damage, repair and maintenance from the Project's activities including but not limited to all type of construction, the weight of the building and vehicular movements to existing tile drain system within the Project. The

Developer shall indemnify, defend, and hold harmless the City (including its elected officials, officers, agents, and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) resulting from or arising out of merely the existence of the tile drain system and interceptors or from damaged or undamaged existing underground tile drain system issues by Developer or Developer's agents, representatives, contractors, subcontractors, or employees, adjacent property owner or adjacent property owner's agents, representatives, contractors, subcontractors, or employees.

C.10.3. All improvement plans shall contain a note stating that the Developer (or Contractor) will be responsible to preserve and protect all existing survey monuments and other survey markers. Any damaged, displaced, obliterated or lost monuments or survey markers shall be re-established or replaced by a licensed Land Surveyor at the Developer's (or Contractor's) sole expense. A corner record must be filed in accordance with the State law for any reset monuments (California Business and Professions Code Section 8871).

C.10.4. Developer shall pay for the future costs of maintenance including PG&E charges for all new streetlights to be installed by the Project

C.10.5. Nothing contained herein shall be construed to permit any violation of relevant ordinances and regulations of the City of Tracy, or other public agency having jurisdiction. This Condition of Approval does not preclude the City from requiring pertinent revisions and additional requirements to the Grading Permit, Encroachment Permit, Building Permit, Improvement Plans, OIA, if the City Engineer finds it necessary due to public health and safety reasons, and it is in the best interest of the City. The Developer shall bear all the cost for the inclusion, design, and implementations of such additions and requirements, without reimbursement or any payment from the City.

D. Utilities Department, Water Resources Division Conditions

Contact: Stephanie Hiestand (209) 831-6333 stephanie.hiestand@cityoftracy.org

D.1. Prior to issuance of a construction or building permit, the applicant shall demonstrate compliance with the 2015 Post-Construction Stormwater Standards (PCSWS) Manual and obtain approval through the following:

D.1.1. Develop a Project Stormwater Plan (PSP) that identifies the methods to be employed to reduce or eliminate stormwater pollutant discharges through the construction, operation and maintenance of source control measures, low impact development design, site design measures, stormwater treatment control measures and hydromodification control measures.

D.1.1.a. Design and sizing requirements shall comply with PCSWS Manual.

D.1.1.b. Demand Management Areas must be clearly designated along with identification of pollutants of concern.

D.1.1.c. Calculations of the Stormwater Design Volume and/or Design Flow with results from the Post-Construction Stormwater Runoff Calculator must be submitted in the PSP for approval.

D.1.1.d. Per the PCSWS Manual, include a hydromodification management plan ensuring the post-project runoff flow rate shall not exceed estimated pre-project flow rate for the 2-year, 24 hour storm.

D.1.1.e. Submit one (1) hard copy of the PSP and an electronic copy to the Utilities Department (WaterResources@cityoftracy.org), include the project name, address and Project # and/or Permit # in the title or subject line.

D.1.2. A separate plan sheet(s) designated SW shall be submitted in the plan set that includes the identified methods for pollution prevention outlined in the submitted PSP. You must include all standards, cross sections and design specifications such as landscape requirement in treatment areas including type of irrigation installation and/or height of drain inlet above the flow line, etc. in these SW plan sheets along with legend.

D.1.3. Develop and electronically submit to the Utilities Department for approval (WaterResources@cityoftracy.org) a preliminary Operations and Maintenance (O & M) Plan that identifies the operation, maintenance, and inspection requirements for all stormwater treatment and baseline hydromodification control measures identified in the approved PSP.

D.1.4. No later than two (2) months after approval notification of the submitted PSP, the applicant shall electronically submit the following information to the Utilities Department (WaterResources@cityoftracy.org) for development of a draft stormwater maintenance access agreement, in accordance with the MAPCSWS:

i. Property Owner(s) name and title report; or Corporate name(s) and binding documents (resolutions, etc) designating ability to sign agreement
ii. Property Address
iii. Exhibit A – legal property description
iv. Exhibit B – approved O & M Plan

D.2. Prior to issuance of a grading permit, the applicant shall provide proof of permit coverage under the Construction General Permit and submittal of an electronic Stormwater Pollution Prevention Plan (SWPPP), to be submitted to WaterResources@cityoftracy.org.

D.3. Prior to Certificate of Occupancy, the applicant shall complete the following to the satisfaction of the Utilities Director:

D.3.1. Return to the City Clerk, a legally signed and notarized copy of the final maintenance access agreement including all exhibits and approved O & M plan received from the Utilities Department.

D.3.2. Obtain final approval by the Utilities Department of the constructed and installed Stormwater pollution prevention methods outlined in the PSP. Frequent inspections of the Post-Construction treatment measures should occur during the construction phase by calling 209-831-6333.

D.3.3. The project shall be in full compliance with Construction General Permit including 70% stabilization of the project with Notice of Termination approval.

D.4. Before the approval of a construction, grading or building permit, the applicant shall demonstrate compliance with Tracy Municipal Code Chapters 11.28 and 11.34 and Chapter 4 of the California Green Building Standards Code to the satisfaction of the Utilities Director.

D.5. Prior to issuance of a construction or building permit, applicant shall demonstrate compliance with the 2015 Model Water Efficient Landscape Ordinance and obtain approval by the Utilities Department through the following:

D.5.1. Develop and submit electronically and by hard copy, a Landscape Document Package (LDP) that identifies the methods to be employed to reduce water usage through proper landscape design, installation and maintenance. This LDP shall consist of:

i. A project information sheet that includes the checklist of all documents in the LDP;
ii. The Water Efficient Landscape Worksheets that include a hydrozone information table and the water budget calculations – Maximum Applied Water Allowance and Estimate Total Water Use;
iii. A soil management report, after compaction and from various locations throughout the project;
iv. A landscape design plan that includes the statement, "I agree to comply with the requirements of the 2015 water efficient landscape ordinance and shall submit for approval a complete Landscape Document Package:
v. An irrigation design plan with schedule; and
vi. A grading design plan.

D.5.2. A Certificate of Completion must be completed, signed, and submitted to the Utilities Department prior to Final approval for Occupancy.

E. Development Services Department, Building Division Conditions

Contact: Sean McNamara (209) 831-6412 sean.mcnamara@cityoftracy.org

E.1. The Applicant shall submit a building permit application along with all pertinent construction documents such as plans, specifications, and/or calculations to the Building Safety Division prior to the construction of any regulated structures, on-site improvements, or accessibility features. Construction documents shall conform to the Title 24 California Code of Regulations edition effective on the date of application for a building permit.

E.2. Any portions of the project being planned in non-compliance with the Title 24 CCR requirements, shall be submitted to the Building Official as an alternative material, design, and/or method of construction in accordance with CBC §104.11 for review, and be approved prior to construction. Per applicant response a performance-based design analysis has been approved conceptually, and the team is working toward gaining site specific approval. If approval of a proposed alternative material, design, and/or method of construction is not granted, the design and construction shall be in strict conformance to the requirements of Title 24 CCR.

F. South San Joaquin County Fire Authority (SSJCFA) Conditions

Contact: Courtney Wood (209) 831-6737 courtney.wood@sjcfire.org

F.1. Prior to construction, applicant shall submit construction documents to the South San Joaquin County Fire Authority for review and approval.

F.1.1. Construction documents shall be designed to the current edition of the California Code of Regulations, Title 24, as amended by the City of Tracy Municipal Code.

F.1.2. Deferred submittals shall be listed on the coversheet of each page. Each deferred submittal shall be submitted, reviewed and approved by SSJCFA prior to installation.

F.1.3. Fire protection water supply must be submitted separately from construction permit. All piping and installation shall be in accordance with CFC §507 & NFPA standards. Approval of grading and/or on-site improvements does not grant installation of underground fire service.

F.1.4. Fire sprinklers shall be designed by a licensed fire protection contractor or engineer. Hydraulic calculations, specifications and plans shall be submitted prior to issuance of building permit.

F.1.5. A request for fire flow shall be submitted to the South San Joaquin County Fire Authority and results shall be approved by the Fire Marshal prior to construction. Fire flow requirements shall be in accordance with CFC Appendix B.

F.1.6. Fire department connections shall be installed in accordance with CFC §912 and NFPA standards. A hydrant shall be placed within 100' of the FDC, in accordance with NFPA 14 §6.4.5.4. FDC locations shall be approved by the fire code official prior to issuance of construction permit.

F.1.7. Fire control room locations shall be approved the fire code official prior to the issuance of construction permit.

F.1.8. Aerial fire apparatus access roads shall have a width of not less than 26'0".

F.1.9. All gates shall be equipped with mean of opening by the fire Authority in case of emergency in accordance with CFC as amended by Tracy Municipal Code.

F.1.10. Provide a truck turning template which clearly shows the truck turning radius of 29'-9" inside and 47'-7" outside. Truck turning template shall show all ingress and egress paths available.

F.2. Applications received by our offices are subject to the current fee schedule for South San Joaquin County Fire Authority.

F.2.1. Application processing fees and minimum plan review fees are due at time of submittal of construction documents.

F.2.2. Additional plan review fees, minimum inspection fees and administrative fees are calculated on approval of project and shall be paid prior to issuance of permit.

F.2.3. Permit holder is responsible for any additional inspection fees incurred, and shall be paid prior to final inspection.

F.3. The Fire Authority will exercise CFC §104.7.2 to utilize third party fire protection engineers for the reviews of the fire protection systems.

F.4. Prior to occupancy of each new business, the tenant shall contact South San Joaquin County Fire Authority for a new business inspection. Additional fees may be required for New Business, Annual and Operational Fire Permits. All fees shall be paid prior to approval of inspections.

F.5. Prior to construction, all-weather fire apparatus access roads shall be installed. Fire apparatus access roads during construction shall have a minimum 20' unobstructed width in accordance with CFC §503.

F.6. All hydrants shall be installed, inspected and tested prior to bringing combustible materials onsite, including storage.

F.7. Knox boxes shall be required. The operator of the building shall immediately notify the Fire Authority and provide the new key where a lock is changed or rekeyed. The key to such shall be secured in the key box.

F.8. Building and each tenant space shall be provided with approved address identification in accordance with CFC §505.

F.9. Prior to final inspection, emergency radio responder coverage shall be tested to confirm coverage areas. It is beneficial for the applicant to conduct testing at foundation as retrofitting for the conduit is costly. If coverage is inadequate, a separate permit for emergency radio responder coverage shall be submitted to SSJCFA for review and approval prior to installation.
Additional improvements may warrant additional testing to be performed. Testing shall be the determination of the fire code official.

DocuSign Envelope ID: 68AF29D4-30C6-4FEE-82FD-0548828C4E98

Exhibit C – Developer's Authorized Representative & Contractor Contact Info

Developer - Prologis

Matthew Sims - Director, Project Development

Direct: (510) 661-4012

Mobile: (510) 298-9810

General Contractor - Goodfellow Brothers Incorporated

Ramsey Medeiros – Senior Project Manager

Direct (925) 449-5764

Mobile (925) 580-0148

Doc #: 2021-061574
04/07/2021 01:49:48 PM
Page: 1 of 23 Fee: $0
Steve J. Bestolarides
San Joaquin County Recorders
Paid By: SHOWN ON DOCUMENT

Recording Requested by:
City of Tracy

Return to:
Adrianne Richardson, City Clerk
333 Civic Center Plaza
Tracy, CA 95376

Recording Fee: Exempt
(Government Code Section 6103 and 27383)

Space above this line for Recorder's use
APN: Portions of 250-020-93

Documentary Transfer Tax: Exempt
(Revenue and Taxation Code Section 11922)

IRREVOCABLE OFFER OF DEDICATION OF FEE INTEREST

For A Valuable Consideration, receipt of which is hereby acknowledged, PROLOGIS, L.P., a Delaware limited partnership (as the successor by merger of Grant Chrisman LLC, a Delaware limited liability company), as the owner of the herein-described real property ("Grantor"), hereby makes an Irrevocable Offer of Dedication to THE CITY OF TRACY, A MUNICIPAL CORPORATION, of the fee interest of the hereinafter described portions of real property for the following public purpose, subject, however, to the permissible encumbrances set forth in Exhibit C:

STREETS AND OTHER PUBLIC PURPOSES

The real property referred to above is situated in the City of Tracy, County of San Joaquin, State of California and is more particularly described as follows:

SEE ATTACHED:

EXHIBIT A FOR LEGAL DESCRIPTION

EXHIBIT B FOR PLAT OF REAL PROPERTY

EXHIBIT C FOR PERMISSIBLE ENCUMBRANCES

This Offer of Dedication is made pursuant to Section 7050 of the Government Code of the State of California and may be accepted at any time by the City of Tracy.

This Offer of Dedication of fee interest shall be irrevocable and shall be binding on the Grantor, its heirs, executors, administrators, successors and assigns. The City and its successors or assigns shall incur no liability with respect to this offer of dedication, and shall not assume any responsibility for the Property or any improvements thereon, until this offer has been accepted by the City of Tracy.

SIGNATURE PAGE OF IRREVOCABLE OFFER OF DEDICATION

Signed this 16th day of ~~October~~ December, 2020

Grantor: **PROLOGIS, L.P. a Delaware Limited Partnership**

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

Grantor Signatures: _____
Signature

Matthew Drury Vice President
Print Name and Title

NOTARY ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
) §
County of Alameda)

On 12-16-2020, before me, Zarina Rathod
a Notary Public, personally appeared Matthew Drury
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature of Notary

ZARINA RATHOD
Notary Public - California
Alameda County
Commission # 2165704
My Comm. Expires Sep 27, 2020

The notary commission extended pursuant to Executive Order N-63-20.

(Affix seal here)

CERTIFICATE OF ACCEPTANCE:

This is to certify that the interest in real property conveyed by this Deed or Grant is hereby accepted at this time by the undersigned City Clerk of the City of Tracy, pursuant to authority conferred by Resolution No. 1670 of the Tracy City Council, adopted on August 6, 1968, and recorded with the San Joaquin County Recorder on August 14, 1968, Book 3231, pages 581 through 583, and the grantee consents to recordation thereof by its duly authorized officer, and the grantee reserves the right to accept the offer of dedication in fee title by separate document.

January 28, 2021

Adrianne Richardson
City Clerk, City of Tracy, California — Date

Pursuant to Section 66477.5 of the California Government Code, the local agency shall re-convey the property to the property owner if the local agency makes a finding that the same purpose for which the property was dedicated does not exist or any portion thereof is not needed for public utilities, as specified in Subdivision (c) of the Section.

EXHIBIT "C"
Page 1 of 1

EXHIBIT C
PERMISSIBLE ENCUMBRANCES

Tract 1

The Following Matters Affect Tract One:

1. An offer of dedication for roadway and incidental purposes, recorded October 08, 2009 as Instrument No. 2009-147553 of Official Records.
   To: A southeasterly portion

2. The terms and provisions contained in the document entitled "Memorandum of Waiver of Surface Rights" recorded May 17, 2017 as Instrument No. 2017-055487 of Official Records. By California Resources Production/Petroleum Corporation, a Delaware corporation.

EXHIBIT A
Page 1 of 3

EXHIBIT A

LEGAL DESCRIPTION OF ENTIRETY OF REAL PROPERTY

Real property in the City of Tracy, County of San Joaquin, State of California, described as follows:

TRACT TWO:

BEING ALL OF PARCEL 7 OF THAT PARCEL MAP FILED APRIL 21, 2009 IN BOOK 25 OF PARCEL MAPS, PAGE 40, SAN JOAQUIN COUNTY RECORDS, CALIFORNIA.

EXCEPTING THEREFROM AN UNDIVIDED 1/2 INTEREST IN AND TO ALL OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS, AS CONVEYED TO HILLMAN-LONG, INC., A CORPORATION, BY DEED DATED JULY 30, 1935 AND RECORDED AUGUST 05, 1935 IN BOOK OF OFFICIAL RECORDS, VOL. 506, PAGE 118.

ALSO EXCEPTING THEREFROM ALL WATER RIGHTS, COAL, OIL, GAS, AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES, PRECIOUS METALS ORES, BASE METALS ORES, INDUSTRIAL GRADE SILICATES AND CARBONATES, FISSIONABLE SUBSTANCES OF EVERY KIND AND CHARACTER, METALLIC OR OTHERWISE, WHETHER OR (OF) NOT PRESENTLY KNOWN TO SCIENCE OR INDUSTRY, BELOW A DEPTH OF 500 FEET, AS RESERVED BY OLIVEIRA FARMS, A CALIFORNIA LIMITED PARTNERSHIP, IN DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY.

TRACT THREE:

BEING ALL OF PARCEL 8 OF THAT PARCEL MAP FILED APRIL 21, 2009 IN BOOK 25 OF PARCEL MAPS, PAGE 40, SAN JOAQUIN COUNTY RECORDS, CALIFORNIA.

EXCEPTING THEREFROM AN UNDIVIDED 1/2 INTEREST IN AND TO ALL OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS, AS CONVEYED TO HILLMAN-LONG, INC., A CORPORATION, BY DEED DATED JULY 30, 1935 AND RECORDED AUGUST 05, 1935 IN BOOK OF OFFICIAL RECORDS, VOL. 506, PAGE 118.

ALSO EXCEPTING THEREFROM ALL WATER RIGHTS, COAL, OIL, GAS, AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES, PRECIOUS METALS ORES, BASE METALS ORES, INDUSTRIAL GRADE SILICATES AND CARBONATES, FISSIONABLE SUBSTANCES OF EVERY KIND AND CHARACTER, METALLIC OR OTHERWISE, WHETHER OR (OF) NOT PRESENTLY KNOWN TO SCIENCE OR INDUSTRY, BELOW A DEPTH OF 500 FEET, AS RESERVED BY OLIVEIRA FARMS, A CALIFORNIA LIMITED PARTNERSHIP, IN DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY.

EXHIBIT "A"
Page 2 of 3

TRACT FOUR:

BEING ALL OF PARCEL 9 OF THAT PARCEL MAP RECORDED IN BOOK 25 OF PARCEL MAPS, PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, CALIFORNIA AND A PORTION OF THE EAST ½ OF SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER SECTION CORNER OF SAID SECTION 22, THENCE ALONG THE NORTH LINE OF SAID SECTION 22, SOUTH 89° 33' 51" EAST, 100.00 FEET; THENCE LEAVING SAID NORTH SECTION LINE OF SECTION 22, PARALLEL TO AND 100 FEET EAST OF THE WEST LINE OF THE EAST HALF OF SAID SECTION 22, SOUTH 00° 26' 18" WEST, 81.00 FEET, TO A POINT ON THE SOUTH LINE OF THE RIGHT OF WAY OF GRANT LINE ROAD AS GRANTED TO THE CITY OF TRACY BY MANUAL TOSTE ROCHA ON JULY 29, 2011 AS DOCUMENT NUMBER 2011-090084, RECORDS OF SAN JOAQUIN COUNTY; THENCE ALONG SAID SOUTH RIGHT OF WAY OF GRANT LINE ROAD, SOUTH 89° 33' 51" EAST, 22.49 FEET, THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTH RIGHT OF WAY OF GRANT LINE ROAD, SOUTH 89° 33' 51" EAST, 157.51 FEET; THENCE LEAVING SAID SOUTH RIGHT OF WAY OF GRANT LINE ROAD, SOUTH 46° 41' 27" WEST, 51.76 FEET, THENCE THROUGH A NONTANGENT CURVE TO THE RIGHT, WITH A BEGINNING RADIAL BEARING OF SOUTH 89° 33' 51" EAST, WITH A RADIUS OF 530.00 FEET, A CENTRAL ANGLE OF 21° 49' 29" AND AN ARC LENGTH OF 201.88 FEET; THENCE SOUTH 22° 15' 38" WEST, 164.25 FEET; THENCE THROUGH A TANGENT CURVE TO THE LEFT, WITH A RADIUS OF 684.50 FEET, A CENTRAL ANGLE OF 21° 49' 20" AND AN ARC LENGTH OF 260.71 FEET; THENCE SOUTH 00° 26' 18" WEST, 628.93 FEET; THENCE SOUTH 44° 33' 52" EAST, 70.58 FEET, TO A POINT ON THE NORTH LINE OF SAID PARCEL 9; THENCE ALONG THE NORTH LINE OF SAID PARCEL 9, SOUTH 89° 34' 00" EAST, 2060.46 FEET; THENCE THROUGH A NON-TANGENT CURVE TO THE LEFT WITH A BEGINNING RADIAL BEARING OF NORTH 40° 55' 19" WEST, WITH A RADIUS OF 75.00 FEET, A CENTRAL ANGLE OF 55° 18' 82" AND AN ARC LENGTH OF 72.40 FEET; THENCE NORTH 89° 34' 00" WEST, 2120.01 FEET; THENCE NORTH 00°29' 13" EAST, 65.00 FEET; THENCE NORTH 89° 34' 00" WEST, 60.00 FEET, TO A POINT ON THE WEST LINE OF THE EAST ½ OF SAID SECTION 22, THENCE ALONG SAID WEST LINE, NORTH 00° 26' 18" EAST, 913.45 FEET; THENCE LEAVING SAID SECTION LINE, SOUTH 89° 33' 51" EAST, 42.48 FEET; THENCE THROUGH A NONTANGENT CURVE TO THE RIGHT, WITH A BEGINNING RADIAL BEARING OF SOUTH 71° 53' 40" EAST, WITH A RADIUS OF 773.00 FEET, A CENTRAL ANGLE OF 4° 09' 18" AND AN ARC LENGTH OF 56.05 FEET; THENCE NORTH 22° 15' 38" EAST, 100.00 FEET; THENCE THROUGH A NONTANGENT CURVE TO THE LEFT, WITH A RADIUS OF 681.00 FEET, A CENTRAL ANGLE OF 20° 13' 01" AND AN ARC LENGTH OF 240.29 FEET, WITH AN ENDING RADIAL BEARING OF NORTH 87° 57' 23" WEST; THENCE NORTH 43° 33' 51" WEST, 35.45 FEET, TO THE POINT OF BEGINNING.

SAID DESCRIPTION IS DESCRIBED IN THAT CERTAIN CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT RECORDED AUGUST 22, 2014 AS INSTRUMENT NO. 2014-083154, SAN JOAQUIN COUNTY OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL THAT PORTION OF LAND GRANTED TO THE CITY OF TRACY, A MUNICIPAL CORPORATION, IN THAT CERTAIN GRANT DEED RECORDED AUGUST 26, 2014 AS INSTRUMENT NO. 2014-084369, SAN JOAQUIN COUNTY OFFICIAL RECORDS.

EXCEPT, ALL OIL, GAS AND OTHER HYDROCARBONS, ETC., AS RESERVED IN DEED EXECUTED BY CAPITAL COMPANY, FORMERLY CALIFORNIA LANDS, INC., TO ALFRED G. PEREIRA AND WIFE, RECORDED JULY 09, 1941 IN BOOK OF OFFICIAL RECORDS, VOL. 736, PAGE 427, SAN JOAQUIN COUNTY RECORDS.

EXCEPTING THEREFROM AN UNDIVIDED ½ INTEREST IN AND TO ALL OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS, AS CONVEYED TO HILLMAN-LONG, INC., A CORPORATION, BY DEED DATED JULY 30, 1935 AND RECORDED AUGUST 05, 1935 IN BOOK OF OFFICIAL RECORDS, VOL. 506, PAGE 118, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL WATER RIGHTS, COAL, OIL, GAS, AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES, PRECIOUS METALS ORES, BASE METALS ORES, INDUSTRIAL GRADE SILICATES AND CARBONATES, FISSIONABLE SUBSTANCES OF EVERY KIND AND CHARACTER, METALLIC OR OTHERWISE, WHETHER OF NOT PRESENTLY KNOWN TO SCIENCE OR INDUSTRY, BELOW A DEPTH OF 500 FEET, AS RESERVED BY OLIVEIRA FARMS, A CALIFORNIA LIMITED PARTNERSHIP, IN DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY.

ALSO EXCEPTING THAT PORTION OF LAND IN THE DEED TO THE CITY OF TRACY RECORDED AUGUST 26, 2014 AS INSTRUMENT NO. 2014-084369, SAN JOAQUIN COUNTY RECORDS.

TRACT 5:

BEING ALL OF THE "ADJUSTED - PARCEL 6"; AS DESCRIBED AND RECORDED IN DOCUMENT NO. 2011-143104 ON NOVEMBER 15, 2011, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, STATE OF CALIFORNIA.

BEING A PORTION OF THE EAST 1/2 OF SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF PARCEL 1, 2, 3, AND ALL OF PARCEL 6 OF THAT PARCEL MAP RECORDED IN BOOK 25 OF PARCEL MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH-WEST CORNER OF PARCEL 6 PER SAID PARCEL MAP, THENCE ALONG THE NORTH LINE OF SAID PARCEL 6, SOUTH 89°34'00" EAST, 60.00 FEET, TO THE EAST LINE OF PARCEL 6; THENCE ALONG SAID EAST LINE, SOUTH 00°29'13" WEST, 384.77 FEET, TO THE NORTH LINE OF SAID PARCEL 6; THENCE ALONG THE NORTH LINE OF SAID PARCEL, SOUTH 89°30'47" EAST, 803.00 FEET; THENCE LEAVING SAID NORTH LINE, SOUTH 00°29'13" WEST, 2509.15 FEET, TO A POINT ON THE SOUTHEASTERLY LINE OF SAID PARCEL 1; THENCE ALONG SAID LINE, SOUTH 64°47'56" WEST, 954.53 FEET, TO THE WEST LINE OF SAID PARCEL 1; THENCE NORTH 00°26'18" EAST, 3307.63 FEET, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM AN UNDIVIDED 1/2 INTEREST IN AND TO ALL OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS, AS CONVEYED TO HILLMAN-LONG, INC., A CORPORATION, BY DEED DATED JULY 30, 1935 AND RECORDED AUGUST 5, 1935 IN BOOK OF OFFICIAL RECORDS, VOL. 506, PAGE 118, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL WATER RIGHTS, COAL, OIL, GAS, AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES, PRECIOUS METALS ORES, BASE METALS ORES, INDUSTRIAL GRADE SILICATES AND CARBONATES, FISSIONABLE SUBSTANCES OF EVERY KIND AND CHARACTER, METALLIC OR OTHERWISE, WHETHER OR (OF) NOT PRESENTLY KNOWN TO SCIENCE OR INDUSTRY, BELOW A DEPTH OF 500 FEET, AS RESERVED BY OLIVEIRA FARMS, A CALIFORNIA LIMITED PARTNERSHIP, IN DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY.

EXHIBIT B

PLAT AND LEGAL DEPICTION OF PORTION OF REAL PROPERTY BEING DEDICATED

[Immediately Follows]

EXHIBIT " B-1 "
Page 1 of 2

EXHIBIT "A"
LEGAL DESCRIPTION
IRREVOCABLE OFFER OF DEDICATION SKYLARK WAY

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTHEAST 1/4 SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE MERIDIAN AS DECRIBED IN THAT CERTAIN GRANT DEED AS PARCEL 2 RECORDED MARCH 30, 2016 AS DOCUMENT NO. 2016-035958 OFFICIAL RECORDS, THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, MORE PARTICULARY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID PARCEL 2 (2016-035958);

THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 2, SOUTH 89° 34' 01" EAST, 60.00 FEET TO THE NORTHEASTERLY CORNER OF SAID PARCEL 2;

THENCE ALONG THE EASTERLY LINE OF SAID PARCEL 2, SOUTH 00° 29' 13" WEST, 384.77 FEET;

THENCE LEAVING LAST SAID LINE, NORTH 89° 30' 47" WEST, 59.70 FEET TO A POINT ON THE WESTERN MOST LINE OF SAID PARCEL 2;

THENCE ALONG LAST SAID LINE, NORTH 00° 26' 31" EAST, 384.71 FEET TO THE **POINT OF BEGINNING**

CONTAINING 23,026 SQUARE FEET OR 0.5286 ACRES OF LAND MORE OR LESS.

THE BASIS OF BEARINGS FOR THIS PLAT AND LEGAL DESCRIPTION IS THE LINE TAKEN AS NORTH 89°33'51"WEST, TAKEN ON THE MONUMENT LINE OF GRANT LINE ROAD AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 25, 2009, IN BOOK 25 OF MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY WAS TAKEN AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART OF.

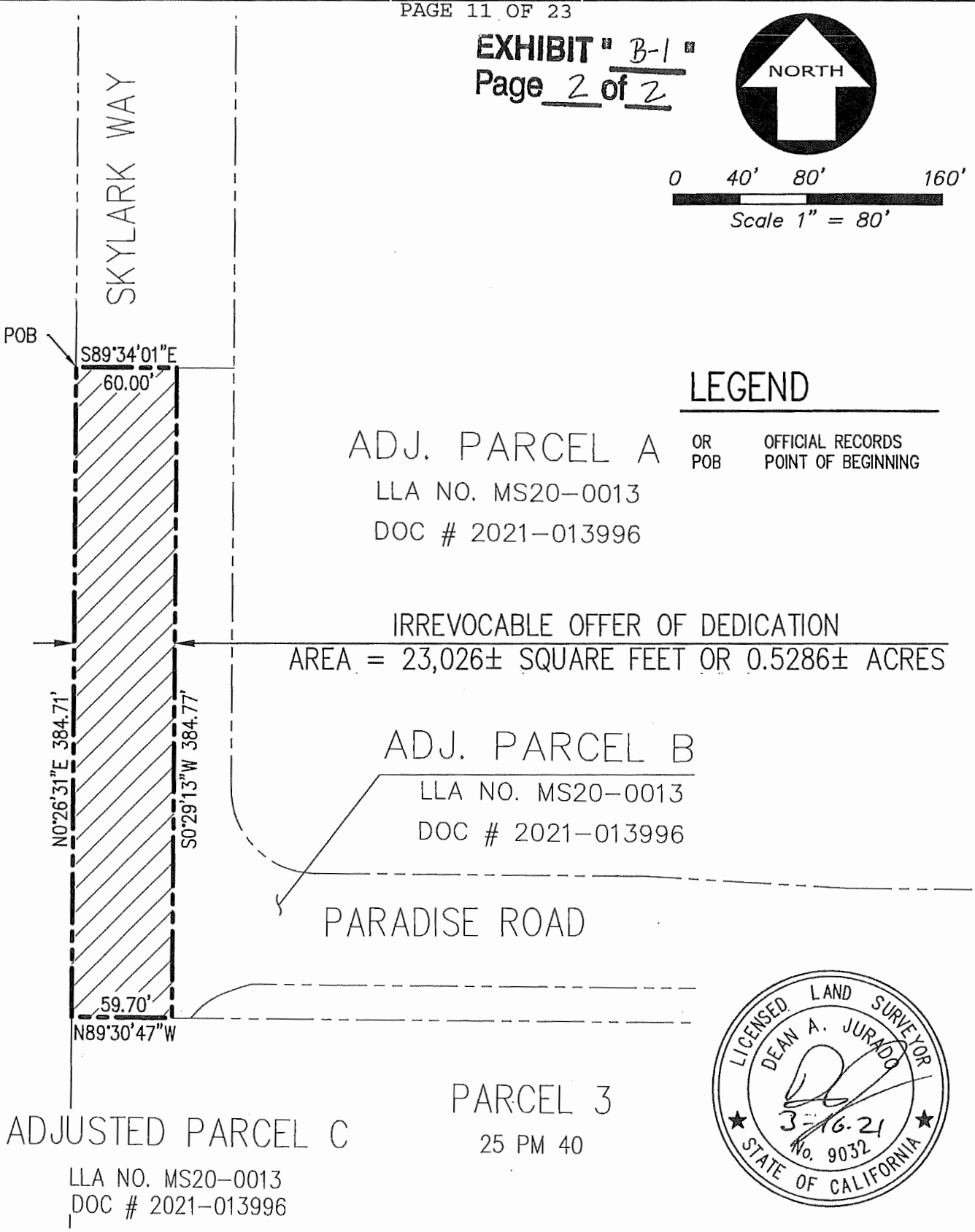
DESCRIPTION PREPARED BY KIER & WRIGHT CIVIL ENGINEERS AND SYRVEYORS, INC.

DEAN A JURADO, L.S. 9032

3-16-21
DATE

LICENSED LAND SURVEYOR
DEAN A. JURADO
No. 9032
STATE OF CALIFORNIA

EXHIBIT "B-1"
Page 2 of 2



KIER+WRIGHT
250 Cherry Lane, Suite 107, 208
Manteca, CA 95337
Phone: (209) 328-1123
www.kierwright.com

EXHIBIT "B"
IRREVOCABLE OFFER OF DEDICATION
TRACY, CALIFORNIA

DATE	MARCH, 2021
SCALE	1" = 80'
BY	CSW
JOB NO.	A05728-45
SHEET	1 OF 1

Z:\2005\A05728-45\DWG\SURVEY\PLATS\DEDICATION\A05728-45 JOB SKY ADK.dwg 3-17-21 10:10:10 PM

EXHIBIT "B-2"
Page 1 of 3

EXHIBIT "A"
LEGAL DESCRIPTION
IRREVOCABLE OFFER OF DEDICATION – PARADISE ROAD

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTHEAST 1/4 SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE MERIDIAN AS DECRIBED IN THAT CERTAIN GRANT DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012 OFFICIAL RECORDS, THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF PARCEL 7, PORTION OF PARCEL 8, AND PORTION OF PARCEL 9, AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 21, 2009, IN BOOK 25 OF PARCEL MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE RIGHT OF WAY OF SKYLARK WAY, SAID POINT ALSO BEING THE NORTHWESTERLY CORNER OF SAID PARCEL 9;

THENCE ALONG SAID RIGHT OF WAY AND THE NORTHERLY LINE OF SAID PARCEL 9, SOUTH 89° 34' 00" EAST, 34.44 FEET;

THENCE LEAVING SAID NORTHERLY LINE THE FOLLOWING EIGHT (8) COURSES AND DISTANCES:

1. SOUTH 00° 26' 26" WEST, 248.38 FEET TO THE BEGINNING OF CURVE TO THE LEFT;
2. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 89° 57' 13", FOR AN ARC DISTANCE OF 78.50 FEET;
3. SOUTH 89° 30' 47" EAST, 200.25 FEET;
4. SOUTH 86° 39' 02" EAST, 120.15 FEET;
5. SOUTH 89° 30' 47" EAST, 1102.52 FEET TO THE BEGINNING OF A CURVE TO THE LEFT;
6. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 673.00 FEET, THROUGH A CENTRAL ANGLE OF 36° 00' 13", FOR AN ARC DISTANCE OF 422.90 FEET;
7. NORTH 54° 29' 00" EAST, 192.29 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT;
8. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 547.00 FEET, THROUGH A CENTRAL ANGLE OF 08° 32' 07", FOR AN ARC DISTANCE OF 81.49 FEET; TO A POINT ON THE RIGHT OF WAY OF PARADISE COURT, SAID POINT ALSO BEING THE BEGINNING OF A NONTANGENT CURVE; THE CENTER BEARS SOUTH 62° 15' 36" EAST;

THENCE ALONG SAID RIGHT OF WAY AND ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET, THROUGH A CENTRAL ANGLE OF 55° 11' 27", FOR AN ARC DISTANCE OF 72.24 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, THE CENTER BEARS SOUTH 28° 32' 49" EAST;

THENCE LEAVING SAID RIGHT OF WAY THE FOLLOWING SIX (6) COURSES AND DISTANCES:

1. ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 340.00 FEET, THROUGH A CENTRAL ANGLE OF 06° 58' 11", FOR AN ARC DISTANCE OF 41.36 FEET;
2. SOUTH 54° 29' 00" WEST, 191.71 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT;
3. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 733.00 FEET, THROUGH A CENTRAL ANGLE OF 36° 00' 13", FOR AN ARC DISTANCE OF 460.60 FEET;
4. NORTH 89° 30' 47" WEST, 1,459.81 FEET;
5. SOUTH 72° 01' 13" WEST, 13.57 FEET; TO THE BEGINNING OF A CURVE TO THE LEFT;

6. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 32° 50' 03", FOR AN ARC DISTANCE OF 28.65 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID PARCEL 7;

THENCE ALONG SAID SOUTHERLY LINE, NORTH 89° 30' 47" WEST, 11.55 FEET TO THE SOUTHWESTERLY CORNER OF SAID PAREL 7;

THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 7, NORTH 00° 29' 13" EAST, 384.77 FEET TO THE **POINT OF BEGINNING;**

CONTAINING 3.3337 ACRES OF LAND MORE OR LESS.

THE BASIS OF BEARINGS FOR THIS PLAT AND LEGAL DESCRIPTION IS THE LINE TAKEN AS NORTH 89°33'51" WEST, TAKEN ON THE MONUMENT LINE OF GRANT LINE ROAD AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 25, 2009, IN BOOK 25 OF MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY WAS TAKEN AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART OF.

DESCRIPTION PREPARED BY KIER & WRIGHT CIVIL ENGINEERS AND SURVEYORS, INC.

DEAN A. JURADO, L.S. 9032

3-16-21
DATE

LICENSED LAND SURVEYOR
DEAN A. JURADO
No. 9032
STATE OF CALIFORNIA

LINE TABLE		
LINE #	DIRECTION	LENGTH
L1	S89°34'00"E	34.44'
L2	S0°26'26"W	248.38'
L3	S89°30'47"E	200.25'
L4	S86°39'02"E	120.15'
L5	N54°29'00"E	192.29'
L6	S54°29'00"W	191.71'
L7	S72°01'13"W	13.57'
L8	N89°30'47"W	11.55'

CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	50.00'	89°57'13"	78.50'
C2	673.00'	36°00'13"	422.90'
C3	547.00'	8°32'07"	81.49'
C4	75.00'	55°11'27"	72.24'
C5	340.00'	6°58'11"	41.36'
C6	733.00'	36°00'13"	460.60'
C7	50.00'	32°50'03"	28.65'

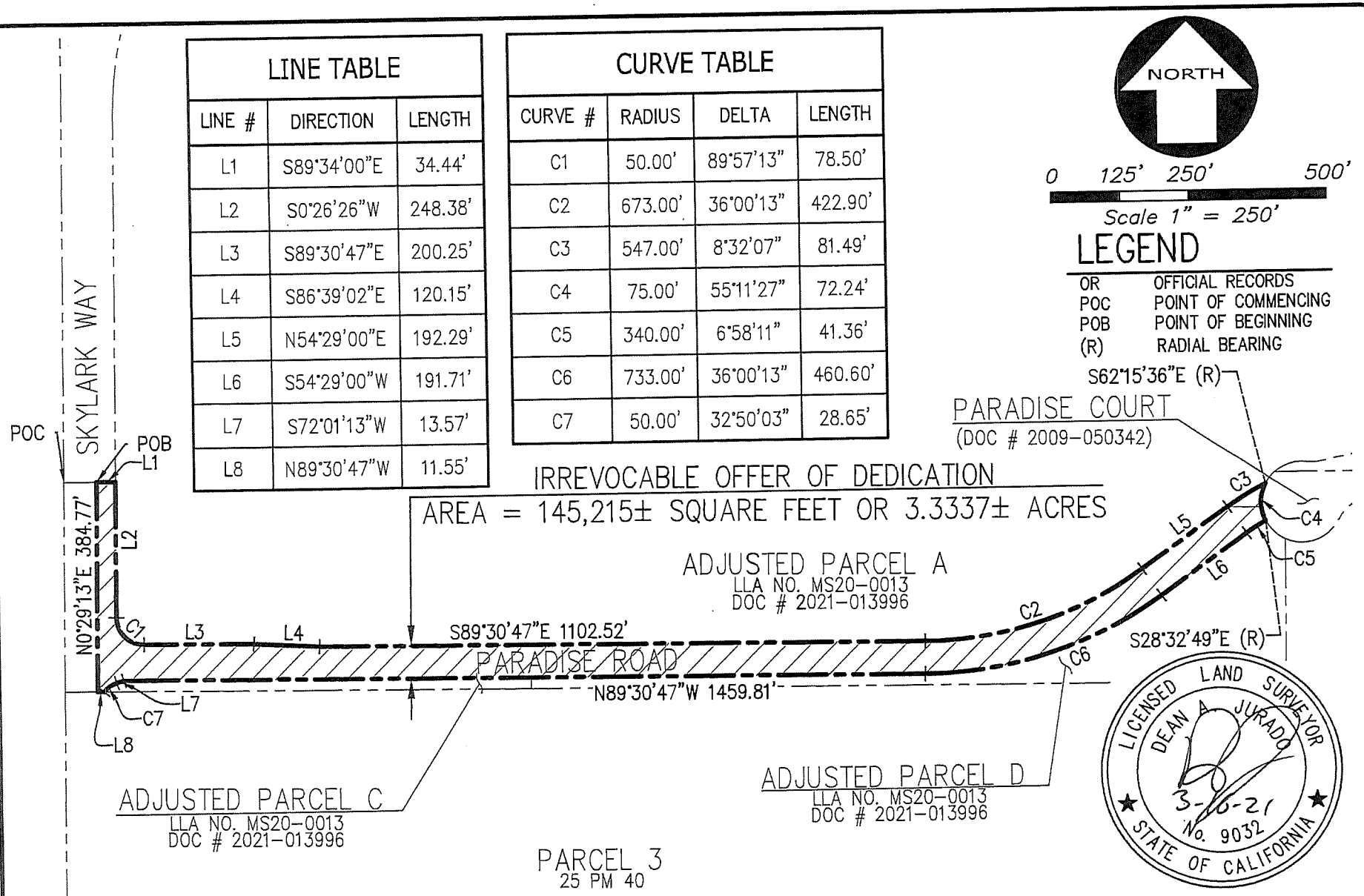


EXHIBIT D
PAGE 14 OF 23

EXHIBIT "B-2"
Page 3 of 3

KIER+WRIGHT

250 Cherry Lane, Suite 107, 208
Manteca, CA 95337

Phone: (209) 328-1123
www.kierwright.com

EXHIBIT "B"
IRREVOCABLE OFFER OF DEDICATION

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	MARCH, 2021
SCALE	1" = 250'
BY	CSW
JOB NO.	A05728-45
SHEET	1 OF 1

EXHIBIT "B-3"
Page 1 of 4

EXHIBIT "A"
LEGAL DESCRIPTION
IRREVOCABLE OFFER OF DEDICATION NORTH CHRISMAN ROAD

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTHEAST 1/4 SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE MERIDIAN AS DECRIBED IN THAT CERTAIN GRANT DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012 OFFICIAL RECORDS, THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE PARCEL OF LAND DESCRIBED IN THE GRANT DEED RECORDED ON MARCH 26, 2013 AS INSTRUMENT NUMBER 2013-039277, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHERLY QUARTER CORNER OF SAID SECTION 22, THENCE ALONG THE NORTHERLY LINE OF SECTION 22, SOUTH 89° 33' 43" EAST, 100.00 FEET;

THENCE LEAVING SAID NORTHERLY LINE, SOUTH 0° 26' 26" WEST, 81.00 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF GRANT LINE ROAD;

THENCE ALONG THE SOUTHERLY RIGHT OF WAY, SOUTH 89° 33' 43" EAST, 180.00 FEET

THENCE CONTINUING ALONG SAID SOUTHERLY LINE, SOUTH 89° 33' 43" EAST, 2260.62 FEET;

THENCE SOUTH 43° 43' 46" EAST, 45.80 FEET TO THE **POINT OF BEGINNING;**

THENCE CONTINUING ALONG SAID COURSE, SOUTH 43° 43' 46" EAST, 20.40 FEET;

THENCE SOUTH 88° 41' 37" EAST, 17.00 FEET;

THENCE SOUTH 84° 39' 24" EAST, 22.93 FEET TO A POINT OF THE WESTERLY RIGHT OF WAY LINE OF NORTH CHRISMAN ROAD;

THENCE ALONG SAID WESTERLY LINE, SOUTH 01° 19' 00" WEST, 1167.11 FEET;

THENCE LEAVING SAID WESTERLY LINE, THE FOLLOWING EIGHT (8) COURSES:

1. NORTH 89° 30' 02" WEST, 43.43 FEET,
2. SOUTH 00° 29' 58" WEST, 15.00 FEET,
3. SOUTH 45° 28' 05" WEST, 4.21 FEET,
4. NORTH 00° 29' 53" EAST, 339.15 FEET,
5. ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 280.00 FEET, THROUGH A CENTRAL ANGLE OF 08° 36' 39", AN ARC DISTANCE OF 42.08 FEET,
6. NORTH 09° 06' 32" EAST, 20.21 FEET,

EXHIBIT "B-3"
Page 2 of 4

7. ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 250.00 FEET, THROUGH A CENTRAL ANGLE OF 08° 36' 39", AN ARC DISTANCE OF 37.57 FEET, AND
8. NORTH 00° 29' 53" EAST, 763.29 FEET TO THE **POINT OF BEGINNING.**

CONTAINING 56,967 SQUARE FEET OR 1.3078 ACRES OF LAND, MORE OR LESS.

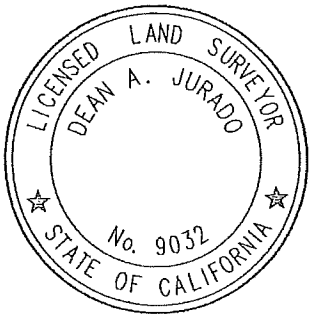
THE BASIS OF BEARINGS FOR THIS PLAT AND LEGAL DESCRIPTION IS THE LINE TAKEN AS NORTH 89°33'51"WEST, TAKEN ON THE MONUMENT LINE OF GRANT LINE ROAD AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 25, 2009, IN BOOK 25 OF MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY WAS TAKEN AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART OF.

DESCRIPTION PREPARED BY KIER & WRIGHT CIVIL ENGINEERS AND SYRVEYORS, INC.

DEAN A. JURADO L.S. 9032

3-12-21
DATE



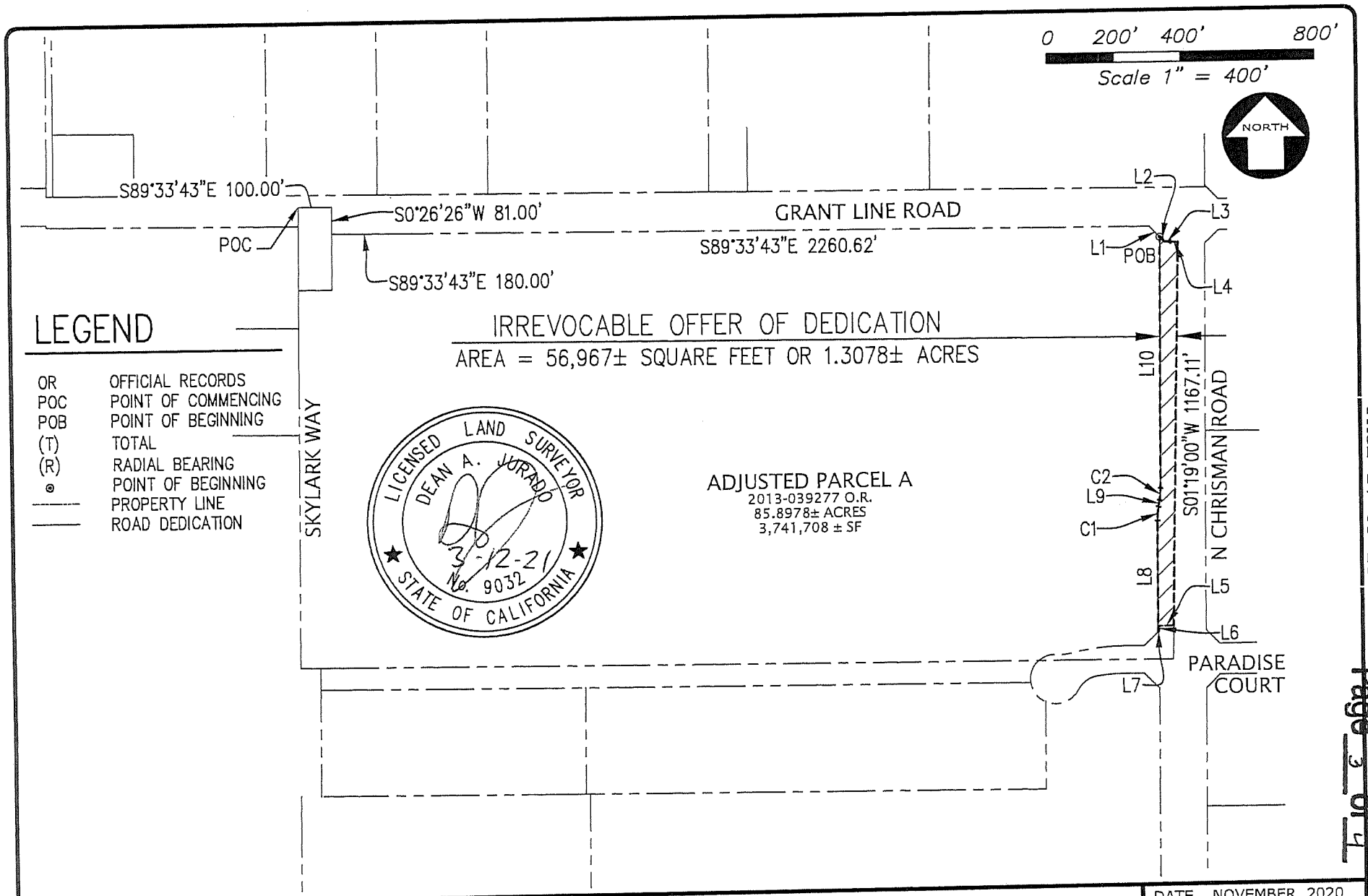


EXHIBIT D
PAGE 17 OF 23

EXHIBIT "B-3"
Page 3 of 4

KIER+WRIGHT

250 Cherry Lane, Suite 107, 208
Manteca, CA 95337

Phone: (209) 328-1123
www.kierwright.com

IRREVOCABLE OFFER OF DEDICATION
NORTH CHRISMAN ROAD

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	NOVEMBER, 2020
SCALE	1" = 400'
BY	CSW
JOB NO.	A05728-44
SHEET	1 OF 2

LINE TABLE		
LINE #	DIRECTION	LENGTH
L1	S43°43'46"E	45.80'
L2	S43°43'46"E	20.40'
L3	S88°41'37"E	17.00'
L4	S84°39'24"E	22.93'
L5	N89°30'02"W	43.43'
L6	S0°29'58"W	15.00'
L7	S45°28'05"W	4.21'
L8	N0°29'53"E	339.15'
L9	N9°06'32"E	20.21'
L10	N0°29'53"E	763.29'

CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	280.00'	8°36'39"	42.08'
C2	250.00'	8°36'39"	37.57'

EXHIBIT D
PAGE 18 OF 23

EXHIBIT " B-3 "
Page 4 of 4

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IRREVOCABLE OFFER OF DEDICATION

NORTH CHRISMAN ROAD

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	NOVEMBER, 2020
SCALE	1" = 400'
BY	CSW
JOB NO.	A05728-44
SHEET	2 OF 2

EXHIBIT "B-4"
Page 1 of 3

EXHIBIT "A"
LEGAL DESCRIPTION
IRREVOCABLE OFFER OF DEDICATION GRANT LINE ROAD

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTHEAST 1/4 SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE MERIDIAN AS DECRIBED IN THAT CERTAIN GRANT DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012 OFFICIAL RECORDS, THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE PARCEL OF LAND DESCRIBED IN THE GRANT DEED RECORDED ON MARCH 26, 2013 AS INSTRUMENT NUMBER 2013-039277, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHERLY QUARTER CORNER OF SAID SECTION 22, THENCE ALONG THE NORTHERLY LINE OF SECTION 22, SOUTH 89° 33' 43" EAST, 100.00 FEET;

THENCE LEAVING SAID NORTHERLY LINE, SOUTH 0° 26' 26" WEST, 81.00 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF GRANT LINE ROAD;

THENCE ALONG THE SOUTHERLY RIGHT OF WAY, SOUTH 89° 33' 43" EAST, 180.00 FEET TO THE **POINT OF BEGINNING;**

THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT OF WAY, SOUTH 89° 33' 43" EAST, 2260.62 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT OF WAY, SOUTH 43° 43' 46" EAST, 16.73 FEET;

THENCE LEAVING SAID SOUTHERLY RIGHT OF WAY, NORTH 89° 33' 43" WEST, 1477.59 FEET;

THENCE NORTH 88° 41' 49" WEST, 794.78' TO THE **POINT OF BEGINNING**

CONTAINING 22,429 SQUARE FEET OR 0.5149 ACRES OF LAND, MORE OR LESS.

THE BASIS OF BEARINGS FOR THIS PLAT AND LEGAL DESCRIPTION IS THE LINE TAKEN AS NORTH 89°33'51"WEST, TAKEN ON THE MONUMENT LINE OF GRANT LINE ROAD AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 25, 2009, IN BOOK 25 OF MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY WAS TAKEN AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

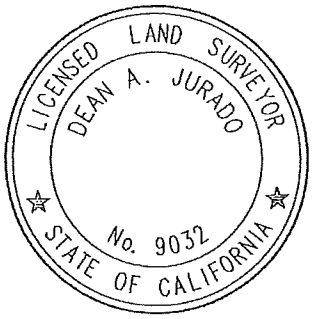
AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART OF.

EXHIBIT "B-4"
Page 2 of 3

DESCRIPTION PREPARED BY KIER & WRIGHT CIVIL ENGINEERS AND SURVEYORS, INC.

DEAN A. JURADO L.S. 9032

3-12-21
DATE



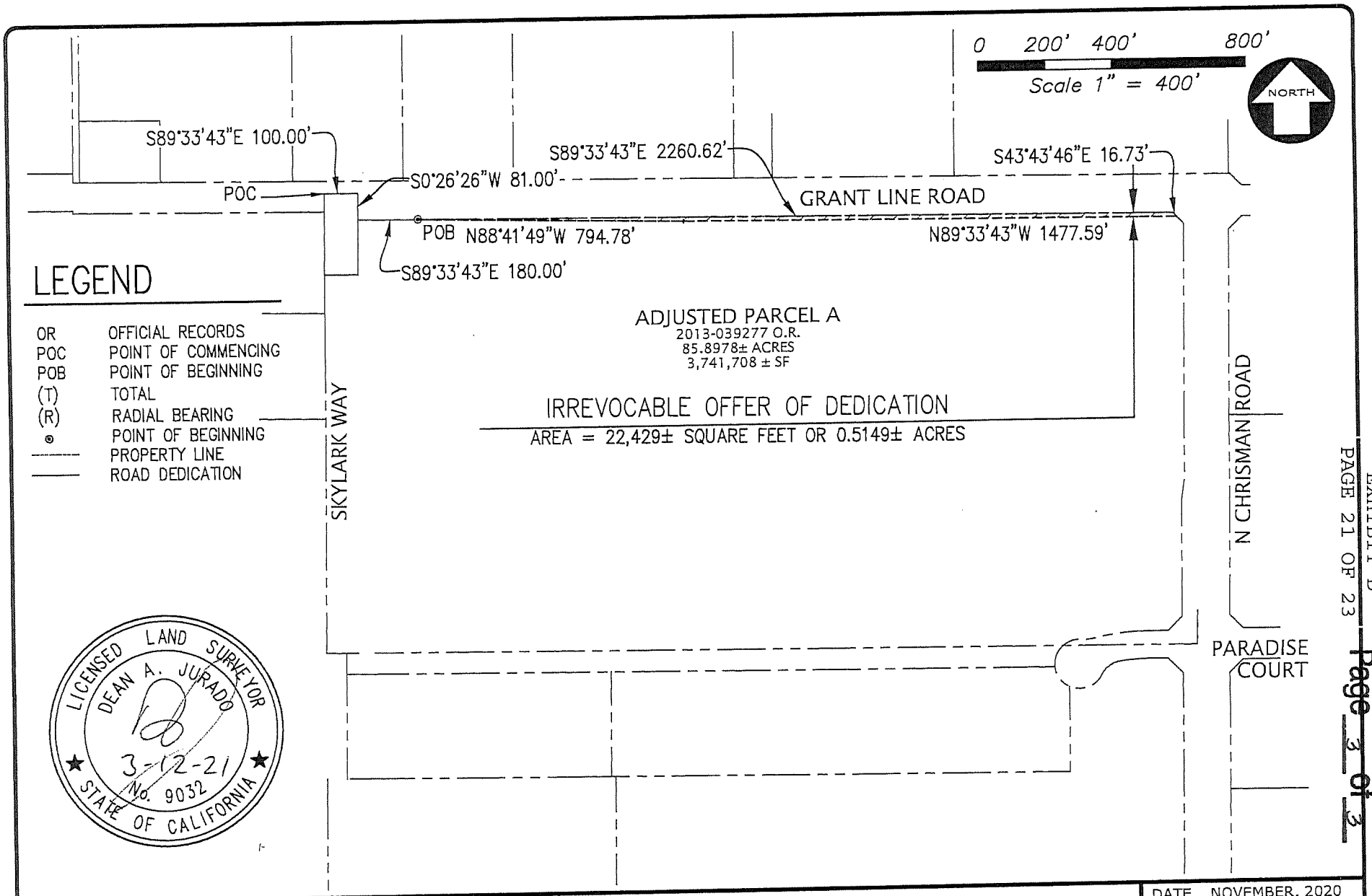


EXHIBIT D
PAGE 21 OF 23

EXHIBIT "B-4"
Page 3 of 3

KIER+WRIGHT
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Phone: (209) 328-1123
www.kierwright.com

IRREVOCABLE OFFER OF DEDICATION GRANT LINE ROAD

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	NOVEMBER, 2020
SCALE	1" = 400'
BY	CSW
JOB NO.	A05728-44
SHEET	1 OF 1

EXHIBIT C
PERMISSIBLE ENCUMBRANCES
Tracts 2, 3, and 4

The Following Matters Affect Tract Two:

1. The terms and provisions contained in the document entitled "City of Tracy Deferred Improvement Agreement Northeast Industrial Area (NEI), Phase 2, Parcel 28 Prologis Park Olivera (Prologis - II) Prologis Property" recorded September 08, 2010 as Instrument No. 2010-117968 of Official Records.

2. Covenants, conditions, restrictions and easements in the document recorded November 30, 2012 as Instrument No. 2012-156790 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

3. Terms and provisions of an unrecorded lease dated November 30, 2012, by and between Prologis Logistics Services Incorporated, a Delaware corporation as lessor and Golden State FC LLC, a Delaware limited liability company as lessee, as disclosed by a Memorandum of Lease recorded November 30, 2012 as Instrument No. 2012-156792 of Official Records.

   Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.

4. The terms, provisions and easement(s) contained in the document entitled "Amended and Restated Declaration of Easements Prologis Park Tracy - Phase II" recorded February 20, 2014 as Instrument 656 of Official Records.

The Following Matters Affect Tract Three:

5. The terms and provisions contained in the document entitled "City of Tracy Deferred Improvement Agreement Northeast Industrial Area (NEI), Phase 2, Parcel 28 Prologis Park Olivera (Prologis - II) Prologis Property" recorded September 08, 2010 as Instrument No. 2010-117968 of Official Records.

6. Covenants, conditions, restrictions and easements in the document recorded November 30, 2012 as Instrument No. 2012-156790 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

7. The terms, provisions and easement(s) contained in the document entitled "Amended

and Restated Declaration of Easements Prologis Park Tracy - Phase II" recorded February 20, 2014 as Instrument No. 2014-016656 of Official Records.

The Following Matters Affect Tract Four:

8. An easement for drainage pipelines and incidental purposes, recorded November 13, 1973 in Book 3818, Page 119 of Official Records.

   In Favor of: The West Side Irrigation District, a public irrigation district
   Affects: as described therein

   NOTE: Grantor's reserved rights thereunder have been assigned to Prologis Logistics Services Incorporated under an unrecorded Assignment of Permits, Contracts and Utility Rights dated March 25, 2013.

9. A document entitled "Notice of Intent to Preserve Mineral Interest and Mineral Related Surface Rights" recorded August 08, 2001 as Instrument No. 01127928 of Official Records.

10. An easement shown or dedicated on the map filed or recorded April 21, 2009 in Book 25, Page 40 of Parcel Maps

    For: temporary right of way and incidental purposes.

11. The terms and provisions contained in the document entitled "City of Tracy Deferred Improvement Agreement Northeast Industrial Area (NEI), Phase 2, Parcel 28 Prologis Park Olivera (Prologis - II) Prologis Property" recorded September 08, 2010 as Instrument No. 2010-117968 of Official Records.

12. Covenants, conditions, restrictions and easements in the document recorded November 30, 2012 as Instrument No. 2012-156790 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

13. The terms, provisions and easement(s) contained in the document entitled "Amended and Restated Declaration of Easements Prologis Park Tracy - Phase II" recorded February 20, 2014 as Instrument No. 2014-016656 of Official Records.

The Bank of Nova Scotia, NY Agency

Trade Services Center,
250 Vesey Street (24th Floor)
New York, NY 10281
Tel: 212 225 5000
Fax: 212 225 6464
SWIFT: NOSCUS33TPS

Irrevocable
Standby Letter of Credit No.: OSB66386NYA

Issuance Date: October 22, 2020

Applicant:
Prologis, LP
1800 Wazee Street
Denver, CO 80202

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

Re: Irrevocable Standby Letter of Credit
Expiration Date: **October 21, 2021**
Amount: USD64,898.40 (United States Dollars Sixty Four Thousand Eight Hundred Ninety Eight and 40/100)

ORIGINAL

Ladies and Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit No. OSB66386NYA (Letter of Credit) in favor of the City of Tracy ("City") for the account of the above referenced applicant ("Applicant") in the aggregate amount of United States Dollars Sixty Four Thousand, Eight Hundred Ninety Eight and 40/100 (USD64,898.40) Said amount is available for immediate payment to City pursuant to the terms and conditions hereunder upon presentation of the following documents:

(A) City's draft at sight marked "Drawn under The Bank of Nova Scotia, New York Agency Irrevocable Letter of Credit No. OSB66386NYA" in the form as attached Exhibit A, including, without limitation, all of the information set forth therein;

(B) The original Letter of Credit and all amendments thereto, if any, which will be returned to City following our notation thereon of the amount of such draft drawn hereunder. If the amount of the draft exhausts the funds remaining available under this Letter of Credit, the original letter will be retained by us; and

(C) A dated Drawing Certificate issued on City's letterhead and purportedly signed by City's authorized representative in the form as attached Exhibit B, including, without limitation, all of the information set forth therein.

The following terms are also an integral part of this Letter of Credit:

(1) This Letter of Credit is provided to City to support Applicant's application to City for Developments within International Park of Commerce ("Project"), and to satisfy requirements under that certain Development Agreement dated September 23, 2013, requiring that Applicant provide adequate security in the form of a letter of credit in the amount of the Master Plan credit due (based on the estimated cost listed in the then-applicable Citywide Infrastructure Master Plan), to ensure construction of such Master Plan Infrastructure.

(2) This Letter of Credit shall immediately expire upon the execution of an Offsite Improvement Agreement for storm water mains to be installed along the property boundary south of Interstate 205, east of International Parkway and West of Hansen Road, with accompanying security in the amounts set by the City and in a form acceptable to the City Attorney. Upon the expiration of this Letter of Credit as provided in this Section (2), City shall promptly return the original signed Letter of Credit, and all amendments thereto, if any, to The Bank of Nova Scotia, New York Agency for cancellation, and shall promptly notify Applicant of said return.

(3) Commencing on the date that is one year from the date that the first Certificate of Occupancy is issued for the Project, City may draw the full amount of this Letter of Credit with a draft satisfying the requirements set forth above.

(4) It is a condition of this Letter of Credit that, unless it has expired pursuant to paragraph (2) above, it shall be automatically extended without amendment for one (1) year from the expiration date hereof, or any future expiration date, unless at least sixty (60) days prior to any expiration date, we notify you in writing by registered mail or overnight courier service at the above address that we elect not to consider this Letter of Credit extended for any such additional period.

(5) In the event of such notice of non-extension, City may draw the full amount of this Letter of Credit with a draft satisfying the requirements set forth above and accompanied by a statement signed by City's authorized representative stating that (a) City has received a non-extension notice from The Bank of Nova Scotia, New York Agency, and (b) the City has not received an acceptable replacement letter of credit.

(6)This Letter of Credit sets forth in full the terms of our undertaking. This undertaking is independent of and shall not in any way be modified, amended, amplified or incorporated by reference to any document, contract, or agreement referenced herein.

(7) We hereby agree with City that a draft drawn under and in compliance with the terms and conditions of this Letter of Credit shall be duly honored if presented together with the document(s) specified above at our office located at 250 Vesey Street, 24th Floor, New York, NY, 10281, Attention: GWO Lending

ORIGINAL

Services NY on or before the above stated expiration date, or any extended expiration date if applicable.

(8) Except as otherwise expressly stated herein, this Letter of Credit is subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (ISP98).

If City requires any assistance or has any questions regarding this transaction, please call 212-225-5418.

Very truly yours,

The Bank of Nova Scotia
New York Agency

AGNES CECILIA TIO
T1155
Authorized Signature

Rodrigo Pacheco
P1543
Authorized Signature

ORIGINAL

Exhibit "A"

FORM OF SIGHT DRAFT

Date: _____

At sight, pay to the order of City of Tracy the amount of USD _____ (USD_____.__), for value received and charge to the account of Prologis, LP.

Drawn under The Bank of Nova Scotia, New York Agency Irrevocable Letter of Credit No. OSB66386NYA, dated October 22, 2020

To:
The Bank of Nova Scotia New York Agency
250 Vesey Street, 24th Floor
New York, NY, 10281
Attention: GWO Lending Services NY

By: _____

ORIGINAL

Exhibit "B"

FORM OF DRAWING CERTIFICATE

The undersigned, an authorized representative of the City of Tracy, hereby certifies with reference to Irrevocable Standby Letter of Credit No.OSB66386NYA, (Letter of Credit) issued by The Bank of Nova Scotia, New York Agency, that:

1. I am the City Manager of the City of Tracy, or the City Manager's duly authorized designee regarding the execution of this Drawing Certificate.

2. As of today's date, the Letter of Credit remains in effect and it has been over one year after the first Certificate of Occupancy was issued for the Project described in paragraph (3) on page 2 of the Letter of Credit.

3. Based on the facts described in the preceding paragraph 2 above, the City of Tracy hereby demands payment in an amount equal to USD _____.__, which amount does not exceed the amount currently available under the Letter of Credit pursuant to the terms and conditions thereof.

4. This is a final drawing.

By: _____

ORIGINAL

DocuSign Envelope ID: 0B8F9698-D8A4-4127-B6F0-8AE8FD357015

CITY OF TRACY
AMENDMENT NO. 1 TO
Offsite Improvement Agreement for NEI PH 3 Mass Grading
Storm Drainage

This Amendment No. 1 (**Amendment**) to the Offsite Improvement Agreement for NEI Ph3 Mass Grading Storm Drainage is entered into between the City of Tracy, a municipal corporation (**City**), and Prologis, L.P., a Delaware limited partnership (**Developer**). City and Consultant are referred to individually as "**Party**" and collectively as "**Parties**."

Recitals

A. The City and Developer entered into an Offsite Improvement Agreement (**Agreement**) for the Mass Grading and Storm Drainage improvements which was approved by the Mayor on 9/17/2021.

B. The storm drainage fee credit amount used in the Agreement was incorrect.

C. This Amendment is being executed pursuant to Resolution No. ____ approved by Tracy City Council on _____, 2023.

Now therefore, the Parties mutually agree as follows:

1. Incorporation by Reference. This Amendment incorporates by reference all terms set forth in the Agreement, unless specifically modified by this Amendment. The terms which are not specifically modified by this Amendment will remain in effect.

2. Terms of Amendment.

A. Section 1.1 is hereby amended and replaced in its entirety to read as follows:

STORM DRAINAGE FEE CREDITS. Upon submission of the improvement security, payment of engineering review fees, and City's execution of this Agreement, Developer shall be entitled to receive storm drainage basin fee credits in the amount of $1,040,960.01.

3. Modifications. This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

4. Severability. If any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.

5. Signatures. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment. This Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

DocuSign Envelope ID: 0B8F9698-D8A4-4127-B6F0-8AE8FD357015

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

City of Tracy

By: _____
Nancy Young, Mayor
Date: _____

Prologis, L.P. a Delaware Limited Partnership

By: DocuSigned by: Matthew Sims 68E5C816ADE74DE...
Matthew Sims, Vice President
Date: 10 May 2023

Attest:

By: _____
Adrianne Richardson, City Clerk

Approved as to form

By: _____
Bijal M. Patel, City Attorney

Preliminary Estimated Credit / Reimbursement for Construction of 60" SD Main in Chrisman Road
11/1/2021

Improvements	Unit Type	Units	Unit Cost [1]	Unit Cost w/ Mark-Up [2]	Max Eligible Credit
Storm Drainage					
60" Storm Drainage Line along Chrisman Road between Grant Line Road and Paradise Road (11+31.03 to 23+68.01)	LF	1,236.98	$ 616.12	$ 739.34	$ 914,548.79
Dewatering [3]	LS	1.00	$ 105,342.68	$ 126,411.22	$ 126,411.22
Subtotal Storm Drainage					**$ 1,040,960.01**
Total					**$ 1,040,960.01**

Notes:
1) Unit costs derived from the Supplement No. 2 of the City of Tracy Storm Drainage Master Plan dated July of 2018. Costs have been escalated by the Engineer's News Record San Francisco Construction Cost Index to June 2021 costs (13459.1/12014.72).
2) Unit costs are marked up by 20% to account for (Engineering (10%) and Construction Management (10%). Contingency costs (15%) and program administration costs (5%) are not eligible for credits per Section 13.08.020 of the City of Tracy Municipal Code.
3) Dewatering is calculated by taking the allocation of construction costs for 60" Storm Drainage Line between Grant Line Road and Paradise Road divided by the total costs of Storm Drainage Improvements in the NEI Area ($715,000.00/11,405,000.00 = approximately 6.27%). This allocation is multiplied by the total dewatering costs for the NEI Area. The dewatering costs have been escalated by the Engineer's News Record San Francisco Construction Cost Index to June 2021 costs (13459.1/12014.72).

APPROVED AS TO FORM

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023-____

APPROVING AMENDMENT NO. 1 TO THE OFFSITE IMPROVEMENT AGREEMENT FOR NEI PH3 MASS GRADING STORM DRAINAGE TO INCREASE THE STORM DRAINAGE FEE CREDITS AMOUNT TO A TOTAL OF $1,040,960.01

WHEREAS, on November 10, 2020, the Development Services Director approved Prologis L.P.'s Development Review application (D20-0017) for an industrial building and associated site improvements commonly known as "Project Big Bird"; and

WHEREAS, on September 17, 2021, the City and Prologis entered into that certain Offsite Improvement Agreement for NEI PH3 Mass Grading Storm Drainage (the "Agreement"); and

WHEREAS, the Agreement provided for Prologis to receive Storm Drainage Fee Credits in the amount of $816,407 in accordance with the City's Municipal Code and Fee Program; and

WHEREAS, the amount of Storm Drainage Fee Credits set forth in the Agreement at the time of its execution was not correct, because it did not reflect the costs of dewatering for the required improvements and because it was based on a fee amount that did not reflect the required annual adjustment for inflation; and

WHEREAS, the City of Tracy Engineering and Finance Departments have determined and confirmed that the amount of Storm Drainage Fee Credits that should have been provided in the Agreement is $1,040,960.01.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Tracy hereby approves and authorizes the execution of Amendment No. 1 to the Agreement in the form attached hereto as Exhibit A, to increase the amount of the Storm Drainage Fee Credits to a total of $1,040,960.01; and be it

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

* * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 20th of June 2023 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of
the City of Tracy, California

June 20, 2023

Agenda Item 1.G

RECOMMENDATION

Staff recommends that the City Council approve Amendment No. 1 to Offsite Improvement Agreement for NEI PH 3 Big Bird Street Improvement Plans for Grant Line Road, Chrisman Road, Paradise Road, and Skylark Way to increase the roadway fee credit amount to a total of $2,809,358.18.

EXECUTIVE SUMMARY

The proposed Amendment is intended to amend that certain Offsite Improvement Agreement for NEI PH 3 Big Bird Street Improvement Plans for Grant Line Road, Chrisman Road, Paradise Road and Skylark Way between the City and Prologis, L.P. (the "Agreement") to correct the amount of the roadway fee credits Prologis will receive for certain offsite road improvements.

BACKGROUND AND LEGISLATIVE HISTORY

On November 10, 2020, the City Council approved Prologis' Development Review Application (D20-0017) for an industrial building and associated site improvements commonly known as "Project Big Bird." On October 1, 2021, the City and Prologis entered into the Agreement to facilitate Prologis' completion of street and utility improvements on Grant Line Road, Chrisman Road, Paradise Road, and Skylark Way. A copy of the Agreement is Attachment A hereto.

The Agreement provides for Prologis to receive Roadway Fee Credits in the amount of $2,729,019.31 in accordance with the City's Municipal Code and Fee Program. See Attachment A, Section 1.1 (page 2).

ANALYSIS

The amount of fee credits set forth in the Agreement at the time of its execution was not correct, because it was based on a fee amount that did not reflect the required annual adjustment for inflation.

Under the City's Municipal Code and Fee Program, the City's development impact fees and development impact fee credits adjust each year on July 1 according to the Engineering News Record (ENR) Construction Cost Index (CCI) for San Francisco. When development impact fee credits are provided to a developer, they receive the fee credits that are in place at the time of execution of the agreement. The city applies the same principle to the payment of development impact fees. Developers are responsible for paying the fees that are in place at the time their fees are paid. The amount of fee credits listed in the Agreement, $2,729,019.31, was based on fee amounts that did not reflect the required July 1, 2021, ENR CCI fee adjustment. As adjusted by the July 1, 2021, ENR CCI fee increases, the amount of fee credits in the Agreement should have been $2,809,358.18, as shown on Attachment C hereto, which has been reviewed and approved by the City Engineering and Finance Departments. The proposed Amendment No. 1 to the Agreement, which is Attachment B hereto, corrects the fee credit amount.

FISCAL IMPACT

There is no fiscal impact associated with this action. The Developer is receiving fee credits for the completion of required infrastructure. The fee credits are being corrected to reflect the fee

credits that were in place at the time of execution of the Agreement. Fee credit calculations are reflected in Attachment C.

PUBLIC OUTREACH / INTEREST

Not applicable.

COORDINATION

Not applicable.

CEQA DETERMINATION

Not applicable.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Quality of Life Strategic Priority, which 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.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve Amendment No. 1 to Offsite Improvement Agreement with Prologis L.P. for NEI PH 3 Big Bird Street Improvement Plans for Grant Line Road, Chrisman Road, Paradise Road, and Skylark Way, to increase the transportation fee credit amount to a total of $2,809,358.18.

Prepared by: Veronica Child, Management Analyst II

Reviewed by: Koosun Kim, City Engineer / Assistant Director of Development Services
Jaylen French, Development Services Director
Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Offsite Improvement Agreement for NEI PH3 Big Bird Street Improvement Plans
Attachment B – Amendment No. 1 to Offsite Improvement Agreement for NEI Big Bird Street Improvement Plans for Grant Line Road, Chrisman Road, Paradise Road, and Skylark Way
Attachment C – Preliminary Estimated Credit / Reimbursement for Construction of Chrisman Road between Grant Line Road and 11th Street dated 11/1/2021

OFFSITE IMPROVEMENT AGREEMENT **FOR**
NEI PH 3 BIG BIRD STREET IMPROVEMENT PLANS FOR
GRANT LINE ROAD, CHRISMAN ROAD, PARADISE ROAD AND SKYLARK WAY

This **OFFSITE IMPROVEMENT AGREEMENT** (hereinafter "**Agreement**") is made and entered into by and between the **CITY OF TRACY** a municipal corporation (hereinafter "**City**"), and **PROLOGIS, L. P.**, a Delaware limited partnership (referred to as "**Developer**").

RECITALS

A. Developer is currently the owner of the real property located (hereinafter "**Property**"), and more particularly described in Exhibit "A", attached and incorporated herein by this reference. The Property is geographically situated on Grant Line Road, Chrisman Road, Paradise Road and Skylark Way, within the portions of said streets that front on or are within Assessor's Parcel Numbers 250-020-80, 250-020-81, 250-020-93 and 250-020-95.

B. The Development Review Application (D20-0017) for the NEI Phase 3 Big Bird Street Improvements (hereinafter "**Project**") was approved by the Development Services Director on 11/20/2020 Approval of the Project was subject to specified Conditions of Approval (hereinafter "**Conditions of Approval**"). The Conditions of Approval are attached hereto as Exhibit "B," and incorporated herein by reference.

C. In accordance with the Conditions of Approval, Developer has submitted, and the City Engineer has approved, those certain improvement plans and specifications relating to the construction of streets and utilities improvements, including but not be limited to construction of concrete curb and gutter and sidewalk, accessible ramps, asphalt concrete pavement, traffic signals, signing and striping, storm drains, catch basins, fire hydrants, LED street lights, street trees with automatic irrigation system, and other associated improvements as determined by the City Engineer that are necessary for a safe transition from a newly improved street to existing street sections on Grant Line Road, Chrisman Road, Paradise Road and Skylark Way (collectively the "**Work**").

D. The Work is described more fully in the sixty-nine (69) sheets of improvement plans (Civil includes twenty-seven (27) sheets prepared by Kier & Wright Civil Engineers & Surveyors, Inc. of Livermore, CA, Landscape includes thirteen (13) sheets prepared by Green Design Landscape Architects, Inc. of Reno, NV, Traffic includes six (6) sheets prepared by TJKM of Pleasanton, CA, Signing and Striping includes six (6) sheets prepared by TJKM of Pleasanton, CA, Street Lighting includes four (4) sheets prepared by Vizion Utility Partners of Pleasanton, CA, and Joint Trench includes thirteen (13) sheets prepared by Pennino Management Group) (collectively "**Plans and Specifications**"). The Plans and Specifications are on file with the City Engineer, and are incorporated herein by reference.

E. Included in the Work is the requirement to install a traffic signal at the intersection of Grant Line Road and Chrisman Road (the "Intersection"). The requirement to install the traffic signal is also required by that certain Offsite Improvement

Agreement For LIT Industrial Limited Partnership (the "LIT OIA") between City and LIT Limited Partnership. City has been advised that Developer has arranged with LIT for Developer to complete the installation of such traffic signal in accordance with the Plans and Specifications required by both the LIT OIA and this Agreement. Notwithstanding any arrangements between Developer and LIT, Developer hereby acknowledges and agrees that Developer's arrangement with LIT does not relieve Developer of any obligations to the City to complete the installation of the traffic signal and all other Work described in this Agreement, as required by Developer's Conditions of Approval for its Project and in conformance with the Plans And Specifications described in this Agreement.

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

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** Developer shall perform, or cause to be performed, the Work in the manner and as described in the Plans and Specifications, to the satisfaction of the City Engineer pursuant to this Agreement. The Work shall be performed, and all materials and labor shall be provided, at Developer's expense, in the manner described in the Plans and Specifications. No material change shall be made to the scope of Work unless authorized in writing by the City Engineer, such approval not to be unreasonably withheld. Developer may submit a written request to the City Engineer for a change in the scope of the Work, as required by Tracy Municipal Code Section 12.36.060(f). To the extent applicable, all of the Work shall be performed by the Developer in accordance with the requirements of the State prevailing wage laws.

    1.1. ROADWAY FEE CREDITS. Upon submission of the improvement security, payment of engineering review fees, and City's execution of this Agreement, Developer shall be entitled to receive roadway fee credits applicable to Chrisman Road in the amount of **$2,729,019.31.**

2. **DEVELOPER'S AUTHORIZED REPRESENTATIVE.** At all times during the progress of the Work, Developer shall have a competent foreman or superintendent (hereinafter "**Authorized Representative**") on site with authority to act on Developer's behalf. Developer shall, at all times, keep the City Engineer informed in writing of the name and telephone number of the Authorized Representative. Developer shall, at all times, keep the City Engineer reasonably informed in writing of the names and telephone numbers of all contractors and subcontractors performing the Work. **Exhibit "C"** attached hereto includes the initial contact information referenced herein.

3. **LOCATION OF PERFORMANCE.** Developer shall perform the Work at the locations and grades shown on the Plans and Specifications or as otherwise approved by the City

Engineer. Developer shall acquire all easements and/or rights-of-way necessary for the performance of the Work, at Developer's sole cost and expense.

4. **IMPROVEMENT SECURITY.** Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall furnish contract security, in a form authorized by the Subdivision Map Act (including Government Code Sections 66499 *et seq.*) and Tracy Municipal Code Section 12.36.080, in the following amounts:

4.1. **Faithful Performance** security in the amount of **$10,748,302** to secure faithful performance of this Agreement (until the day following the date upon which the City Council accepts the Work as complete).

4.2. **Labor and Material** security in the amount of **$10,748,302** to secure payment by the Developer to laborers and materialmen (until the day following the date upon which any and all claims in connection with the Work are required to be made by laborers and materialmen in accordance with applicable laws).

4.3. **Warranty** security in the amount of **$1,074,830** to guarantee improvements against any defective work or labor done or defective materials used in the performance of Work (from the day following the date upon which the City Council accepts the Work as complete through and including the same date in +the following year).

5. **IRREVOCABLE OFFER OF DEDICATION.** Concurrently with the execution of this Agreement, Developer shall execute the Irrevocable Offer of Dedication (IOD) in the form attached hereto as Exhibit D. At Developer's expense, Developer shall also remove or insure over, as requested by City, any new encumbrances City deems, in its discretion, to conflict with the City's intended ownership and use of the facilities as set forth in Tracy Municipal Code section 12.32.040.

6. **INSURANCE.** Concurrently with the execution of this Agreement, and prior to the commencement of any Work, Developer shall furnish evidence to City that all of the following insurance requirements have been satisfied by the Developer or its general contractor responsible for the Work. The insurance coverage requirements below can also be covered by umbrella policies if approved by the City.

6.1. **General.** Developer shall, throughout the duration of this Agreement, maintain or cause to be maintained insurance to cover Developer, its agents, representatives, contractors, subcontractors, and employees in connection with the performance of services for the Work covered by this Agreement at the minimum levels set forth herein.

6.2. **Commercial General Liability.** Developer shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars ($2,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability and coverage for explosion, collapse and underground property damage hazards. Developer's general liability

policies shall be primary and non-contributory and be endorsed using Insurance Services Office form CG 20 10 to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction contracts, an endorsement providing completed operations to the additional insured, ISO form CG 20 37, is also required.

6.3. **Automobile Liability.** Developer shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than two million dollars ($2,000,000) per accident.

6.4. **Workers' Compensation.** Developer shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars ($1,000,000). Developer shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

6.5. **Professional Liability.** Developer shall cause its design professionals to maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of one million dollars ($1,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement, and Developer agrees to cause its design professionals to maintain continuous coverage through a period no less than three years after completion of the services required by this Agreement.

6.6. **Notice of Cancellation.** Developer shall obtain endorsements to all insurance policies by which each insurer is required to provide thirty (30) days' prior written notice to City should the policy be canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

6.7. **Authorized Insurers.** All insurance companies providing coverage to Developer shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

6.8. **Insurance Certificate.** Developer shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form reasonably satisfactory to the City Attorney.

6.9. **Substitute Certificates.** No later than five (5) calendar days prior to the policy expiration date of any insurance policy required by this Agreement, Developer shall provide City with a substitute certificate of insurance.

6.10. **Developer's Obligation.** Maintenance of insurance by Developer as specified in this Agreement shall in no way be interpreted as relieving Developer of any of its obligations hereunder (including indemnity obligations under this Agreement),

and Developer may carry, at its own expense, such additional insurance as it deems necessary or desirable.

7. **PERMITS, LICENSES, AND COMPLIANCE WITH LAW.** Developer shall, at its expense, obtain and maintain all necessary permits, approvals and licenses for performance of the Work. In its performance of the Work, Developer shall comply with all applicable local, state, and federal laws, whether or not said laws are expressly stated in this Agreement.

8. **TIME OF PERFORMANCE.** Time is of the essence in the performance of the Work, and Developer and the City shall with diligence and in good faith adhere to the timing requirements set forth herein unless otherwise modified in writing in accordance with this Agreement. Developer shall submit all requests for extensions of time to City, in writing, no later than ten (10) days after the start of the condition that purportedly caused the delay, and not later than the date on which performance is due.

8.1. **Commencement of Work.** No later than fifteen (15) days prior to the commencement of the Work, Developer shall provide written notice to the City Engineer of the date on which Developer intends to commence the Work. Developer shall not commence the Work until after the notice required by this Section 8.1 is provided, and Developer shall not commence Work prior to the date specified in said written notice.

8.2. **Schedule of Work.** Concurrently with the written notice of commencement of Work, Developer shall provide the City with a written schedule of Work that is acceptable to the City Engineer in its reasonable discretion, which shall be updated in writing as necessary to accurately reflect Developer's prosecution of the Work.

8.3. **Completion of Work.** Developer shall complete all Work no later than three hundred sixty-five (365) calendar days after Developer's submittal of its notice of commencement of Work pursuant to Section 8.1 above and subject to extension for force majeure.

9. **INSPECTION BY CITY.** To permit City to inspect the Work, Developer shall, at all times, provide to City reasonable and safe access to the Work site, and all portions of the Work, and to all shops wherein portions of the Work are in preparation. When requested by Developer, City shall use reasonable efforts to complete the requested inspection.

9.1. **INSPECTION FEES.** Concurrently with the execution of this Agreement by Developer, and prior to the commencement of any Work, Developer shall pay the City Inspection Fees in the amount of three and one-half percent (3-1/2 %) of the estimated Project costs (as approved by the City Engineer).

In the event that the City requires an independent inspection, the Developer shall pay all such costs and provide a report to the City.

10. DEFAULT

10.1. Notice of Default. In the event that Developer is in default of this Agreement, as defined in this section, the City Engineer shall provide written notice to Developer and Developer's surety (if any) in which the default is described.

10.2. Material Breach. Developer shall be in default of this Agreement if the City Engineer determines that any one of the following conditions exist (which conditions are not intended to constitute the exclusive bases for default):

10.2.1. The Developer is insolvent, bankrupt, or makes a general assignment for the benefit of its creditors.

10.2.2. The Developer abandons the Work site.

10.2.3. The Developer fails to perform one or more material requirements of this Agreement and fails to cure any such non-performance pursuant to Section 10.3, below.

10.2.4. Developer violates any legal requirement related to the Work and fails to cure such violation pursuant to Section 10.3, below.

10.3. Cure of Default. In the event that Developer fails, within thirty (30) calendar days after receipt of written notice from the City, to either cure the default or provide adequate written assurance to the reasonable satisfaction of the City Engineer that the cure will be promptly commenced and diligently prosecuted to its completion, the City may, in its discretion, take any or all of the following actions:

10.3.1. Demand that Developer complete performance of the Work.

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

10.3.3. Any other judicial remedies available to the City.

11. REPAIR OF ANY DAMAGE. In the event and to the extent Developer or its agents, representatives, contractors, subcontractors, or employees, in connection with performance of the Work, cause any damage to property owned by City or other property owners, then Developer shall promptly take all reasonable steps to repair or replace (as necessary) such property to remedy the damage caused thereto.

12. ACCEPTANCE OF WORK. Upon Developer's satisfactory completion, as reasonably determined by the City Engineer, of all items on all punch lists prepared by the City for the Work, City Staff shall use its best efforts to expeditiously present the improvements comprising the Work to the City Council for the City Council's final acceptance. Prior to final acceptance of the Work by the City Council, Developer shall be solely responsible for maintaining the quality of the Work, and maintaining safety at the Work site.

13. **WARRANTY PERIOD.** Developer shall warrant the quality of the Work, in accordance with the Plans and Specifications, for a period of one (1) year after final acceptance of the Work by the City Council, consistent with Section 4.3 above.

14. **INDEPENDENT CONTRACTOR STATUS.** Developer is an independent contractor, and the parties agree that City shall have no responsibility for any acts of Developer's employees, agents, representatives, contractors or subcontractors, including any negligent acts or omissions. Developer is not City's employee and Developer shall have no authority, express or implied, to act on behalf of City as an agent, or to bind City to any obligation whatsoever, unless City provides prior written authorization to Developer.

15. **OWNERSHIP OF WORK.** All original documents prepared by Developer for this Agreement shall be given to City upon City's final acceptance of the Work; provided, however, ownership of said documents shall be determined in accordance with applicable laws and with Developer's contracts with its design professionals.

16. **INDEMNIFICATION.** Developer shall indemnify, defend, and hold harmless City (including its elected officials, officers, agents and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) resulting from the performance of the Work by Developer or Developer's agents, representatives, contractors, subcontractors, or employees until such time as all of the following have occurred: (1) the City Council accepts all of the improvements comprising the Work, (2) the City becomes responsible for the maintenance, operation and repair of all of the improvements comprising the Work, and (3) the one year warranty period set forth in Section 13, above, has expired, at which time the indemnification obligations under this Section 16 shall automatically terminate, with regard to any cause of action arising after such date. For avoidance of doubt, Developer's obligations under this Section 16 are in addition to all other Developer obligations set forth in this Agreement, and shall not affect Developer's warranty obligations set forth in Section 13, above.

17. **ASSIGNMENT AND DELEGATION.** This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of Developer's duties be delegated, without the written consent of City, which shall not be unreasonably withheld, delayed, or denied. Any attempt to assign or delegate this Agreement without City's written consent shall be void and of no force and effect. Consent by City to one assignment shall not be deemed to be consent to any subsequent assignment.

18. **NOTICES.**

18.1. Notice in Writing. All notices, demands, or other communications which this Agreement contemplates, authorizes or requires shall be in writing and shall be personally delivered and electronically mailed to the respective party as follows:

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

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

attorney@cityoftracy.org

Prologis: Prologis L.P.
Attn: Ali Harandi
Pier 1, Bay 1
San Francisco, CA 94111
Tel: (415) 733-9525
Fax: (415) 733-2171

aharandi@prologis.com

Copy to: Rutan & Tucker, LLP
Attn: John A. Ramirez
611 Anton Blvd.
Costa Mesa , CA 92694
Tel: 714-662-4610
Fax: 415.262.5199

jramirez@rutan.com

Copy to:

Prologis Amazon Tracy LLC
Prologis, L.P.
Prologis Logistics Services Incorporated
PAC Corporate Center Tracy LLC
c/o Prologis, Inc.
Attn: General Counsel
1800 Wazee Street
Denver, Colorado 80202
Tel: 303.567.5000
Fax: 303.567.5903
legalnotice@prologis.com

18.2. Communications shall be deemed to have been given and received when actual receipt at the email address designated above occurs.

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

20. **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.

21. **SEVERABILITY.** In the event a court of competent jurisdiction holds any term of this Agreement invalid, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect.

22. **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.

23. **ENTIRE AGREEMENT.** This Agreement, including all documents incorporated by reference, comprises the entire integrated understanding between the parties concerning the Work. This Agreement supersedes all prior negotiations, representations, or agreements, as such may relate to performance of the Work.

24. **SIGNATURES**. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Developer and City. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

[SIGNATURES ON NEXT PAGE]

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

CITY OF TRACY

Bob Adams, Interim City Manager
~~Jenny D. Haruyama~~
Date: 10/1/21

Attest:

Adrianne Richardson, City Clerk

Approved as to form:

for
Leticia Ramirez, City Attorney

PROLOGIS AMAZON TRACY LLC
a Delaware limited liability company

By: Authorized Person

Scott Swenson
VP
[name, title] of Prologis, Inc., a Maryland corporation

PAC CORPORATE CENTER TRACY LLC
a Delaware limited liability company (successor by name change to Catellus Corporate Center Tracy, LLC)

By: Authorized Person

Scott Swenson
VP
[name, title] of Palmtree Acquisition Corporation,
a Delaware corporation

PROLOGIS, L.P.
a Delaware limited partnership
(successor by merger of Grant Chrisman LLC
a Delaware limited liability company)

By: Prologis, Inc.
a Maryland corporation
its general partner

By:
Name: Scott Swenson
Title: VP

PROLOGIS LOGISTICS SERVICES INCORPORATED
a Delaware corporation

By:
Name: Scott Swenson
Title: VP

EXHIBITS

A
B
C
D

EXHIBITS ARE BEING PREPARED WITH ASSISTANCE FROM KIER & WRIGHT

EXHIBIT "A"
LEGAL DESCRIPTION

ADJUSTED PARCEL A:

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTHEAST 1/4 SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE MERIDIAN AS DECRIBED IN THAT CERTAIN GRANT DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012 OFFICIAL RECORDS, THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE PARCEL OF LAND DESCRIBED IN THE GRANT DEED RECORDED ON MARCH 26, 2013 AS INSTRUMENT NUMBER 2013-039277, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, TOGETHER WITH A PORTION OF PARCEL 7, PORTION OF PARCEL 8 & PORTION OF PARCEL 9, AS SAID PARCELS ARE SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 21, 2009, IN BOOK 25 OF PARCEL MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHERLY QUARTER CORNER OF SAID SECTION 22, THENCE ALONG THE NORTHERLY LINE OF SECTION 22, SOUTH 89° 33' 43" EAST, 100.00 FEET;

THENCE LEAVING SAID NORTHERLY LINE, SOUTH 0° 26' 26" WEST, 81.00 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF GRANT LINE ROAD;

THENCE ALONG THE SOUTHERLY RIGHT OF WAY, SOUTH 89° 33' 43" EAST, 180.00 FEET TO THE **POINT OF BEGINNING;**

THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT OF WAY THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

1. SOUTH 89° 33' 43" EAST, 2260.62 FEET;
2. SOUTH 43° 43' 46" EAST, 66.21 FEET;
3. SOUTH 88° 41' 37" EAST, 17.00 FEET;
4. SOUTH 84° 39' 24" EAST, 22.93 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF CHRISMAN ROAD;

THENCE ALONG SAID WESTERLY RIGHT OF WAY SOUTH 01° 19' 00" WEST, 1,268.86 FEET;

THENCE LEAVING SAID RIGHT OF WAY, NORTH 89° 34' 00" WEST, 402.08 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, THE CENTER OF WHICH BEARS SOUTH 26° 58' 53" EAST;

THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 75.00 FEET, THROUGH A CENTRAL OF 21° 24' 01", FOR AN ARC DISTANCE OF 28.01 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, THE CENTER OF WHICH BEARS SOUTH 40° 39' 33" EAST;

THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 547.00 FEET, THROUGH A CENTRAL ANGLE OF 08° 32' 07", FOR AN ARC DISTANCE 81.49 FEET;

THENCE SOUTH 54° 29' 00" WEST, 192.29 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;

THENCE ALONG SAID TANGENT CURVE, HAVING A RADIUS OF 673.00 FEET, THROUGH A CENTRAL ANGLE OF 36° 00' 13", FOR AN ARC DISTANCE OF 422.90 FEET;

THENCE NORTH 89° 30' 47" WEST, 1,102.52 FEET;

THENCE NORTH 86° 39' 02" WEST, 102.15 FEET;

THENCE NORTH 89° 30' 47" WEST, 200.25 FEET TO BEGINNING OF A TANGENT CURVE TO THE RIGHT;

THENCE ALONG SAID TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 89° 57' 13", FOR AN ARC DISTANCE OF 78.50 FEET;

THENCE NORTH 00° 26' 26" EAST, 248.38 FEET;

THENCE SOUTH 89° 34' 00" EAST, 49.84 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF SKYLARK WAY (WIDTH VARIES);

THENCE ALONG SAID EASTERLY LINE THE FOLLOWING SIX (6) COURSES:

1) NORTH 44° 30' 11" WEST, 70.56 FEET,
2) NORTH 00° 26' 26" EAST, 628.93 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT,
3) ALONG SAID CURVE HAVING A RADIUS OF 684.50 FEET, THROUGH A CENTRAL ANGLE OF 21° 49' 20", FOR AN ARC DISTANCE OF 260.71,
4) NORTH 22° 15' 46" EAST, 164.25 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT,
5) ALONG SAID CURVE HAVING A RADIUS OF 530.00 FEET, THROUGH A CENTRAL ANGLE OF 21° 49' 29", FOR AN ARC DISTANCE OF 201.88 FEET,
6) NORTH 46° 41' 35" EAST, 51.76 FEET TO THE **POINT OF BEGINNING.**

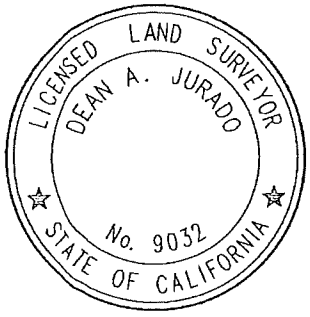
CONTAINING 88.3058 ACRES OF LAND, MORE OR LESS.

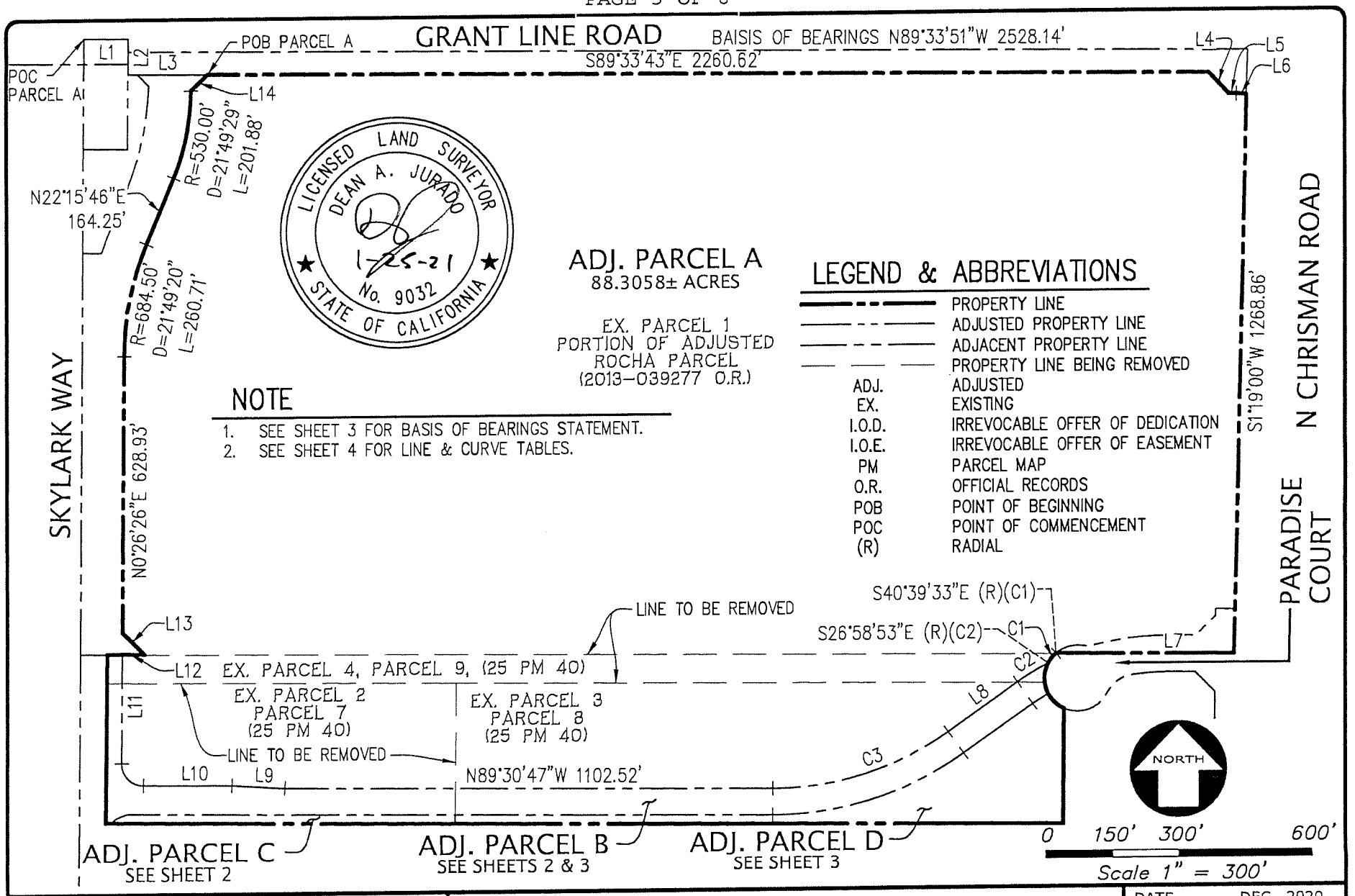
AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART OF.

DESCRIPTION PREPARED BY KIER & WRIGHT CIVIL ENGINEERS AND SYRVEYORS, INC.

DEAN A. JURADO, L.S. 9032

1-25-21
DATE



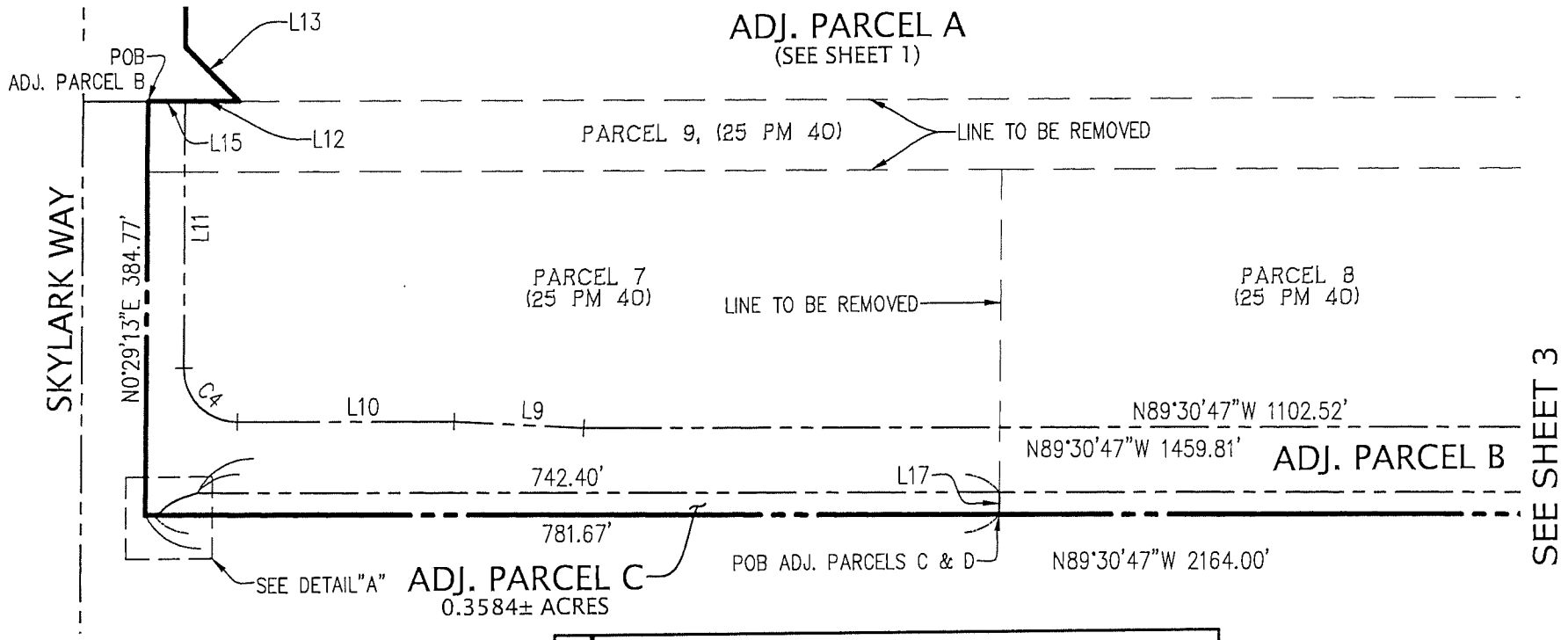


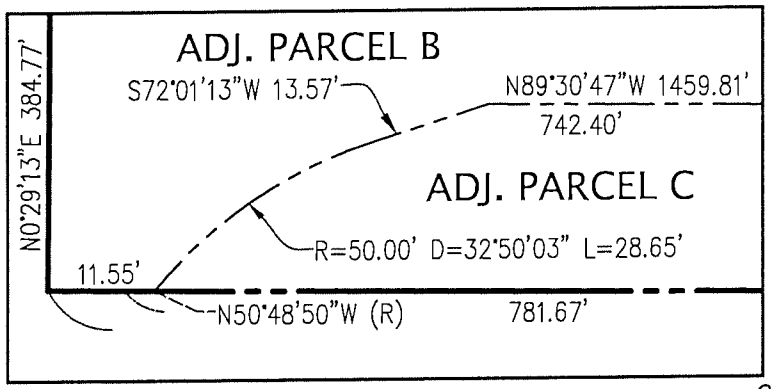
KIER+WRIGHT
250 Cherry Lane, Suite 107, 208
Manteca, CA 95337
Phone: (209) 328-1123
www.kierwright.com

EXHIBIT "B"
LOT LINE ADJUSTMENT

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	DEC., 2020
SCALE	1" = 300'
BY	CSW
JOB NO.	A05728-45
SHEET	1 OF 4





DETAIL "A"
NOT TO SCALE

LEGEND & ABBREVIATIONS

	PROPERTY LINE
	ADJUSTED PROPERTY LINE
	ADJACENT PROPERTY LINE
	PROPERTY LINE BEING REMOVED
I.O.D.	IRREVOCABLE OFFER OF DEDICATION
I.O.E.	IRREVOCABLE OFFER OF EASEMENT
PM	PARCEL MAP
O.R.	OFFICIAL RECORDS
POB	POINT OF BEGINNING
POC	POINT OF COMMENCEMENT
(R)	RADIAL

NORTH

0 75 150 300

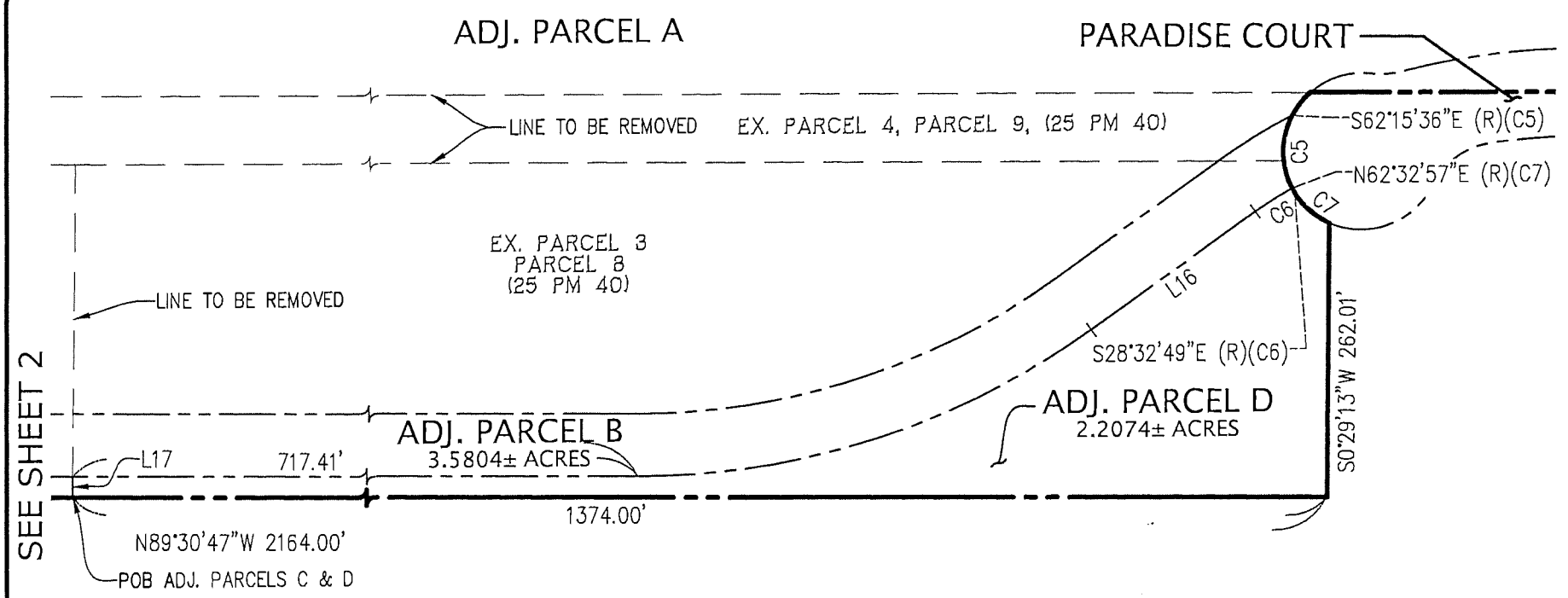
Scale 1" = 150'

KIER+WRIGHT
250 Cherry Lane, Suite 107, 208
Manteca, CA 95337
Phone: (209) 328-1123
www.kierwright.com

EXHIBIT "B"
LOT LINE ADJUSTMENT

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	DEC., 2020
SCALE	1" = 150'
BY	CSW
JOB NO.	A05728-45
SHEET	2 OF 4



LEGEND & ABBREVIATIONS

	PROPERTY LINE
	ADJUSTED PROPERTY LINE
	ADJACENT PROPERTY LINE
	PROPERTY LINE BEING REMOVED
I.O.D.	IRREVOCABLE OFFER OF DEDICATION
I.O.E.	IRREVOCABLE OFFER OF EASEMENT
PM	PARCEL MAP
O.R.	OFFICIAL RECORDS
POB	POINT OF BEGINNING
POC	POINT OF COMMENCEMENT
(R)	RADIAL

BASIS OF BEARINGS

THE BEARING OF NORTH 89°33'51" WEST TAKEN ON THE MONUMENT LINE OF GRANT LINE ROAD AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 25, 2009, IN BOOK 25 OF MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY WAS TAKEN AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

NORTH

0 75 150 300

Scale 1" = 150'

KIER+WRIGHT
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Manteca, CA 95337
Phone: (209) 328-1123
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EXHIBIT "B"
LOT LINE ADJUSTMENT

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	DEC., 2020
SCALE	1" = 150'
BY	CSW
JOB NO.	A05728-45
SHEET	3 OF 4

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LINE TABLE		
LINE #	DIRECTION	LENGTH
L1	S89°33'43"E	100.00'
L2	S0°26'26"W	81.00'
L3	S89°33'43"E	180.00'
L4	S43°43'46"E	66.21'
L5	S88°41'37"E	17.00'
L6	S84°39'24"E	22.93'
L7	N89°34'00"W	402.08'
L8	N54°29'00"E	192.29'
L9	N86°39'02"W	120.15'
L10	S89°30'47"E	200.25'

LINE TABLE		
LINE #	DIRECTION	LENGTH
L11	N0°26'26"E	248.38'
L12	S89°34'00"E	49.84'
L13	N44°30'11"W	70.56'
L14	N46°41'35"E	51.76'
L15	S89°34'00"E	34.44'
L16	S54°29'00"W	191.71'
L17	N0°29'13"E	20.46'

CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	75.00'	21°24'01"	28.01'
C2	547.00'	8°32'07"	81.49'
C3	673.00'	36°00'13"	422.90'
C4	50.00'	89°57'13"	78.50'
C5	75.00'	55°11'27"	72.24'
C6	340.00'	6°58'11"	41.36'
C7	75.00'	38°03'43"	49.82'

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EXHIBIT "B"
LINE & CURVE TABLES
TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	DEC., 2020
SCALE	NONE
BY	CSW
JOB NO.	A05728-45
SHEET	4 OF 4

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RESOLUTION 2020-184

APPROVING A DEVELOPMENT REVIEW PERMIT FOR AN APPROXIMATELY 99-FOOT TALL, 1,355,618 SQUARE FOOT INDUSTRIAL BUILDING AND ASSOCIATED SITE IMPROVEMENTS ON AN APPROXIMATELY 86-ACRE AREA SOUTH OF E. GRANT LINE ROAD, EAST OF SKYLARK WAY, AND WEST OF CHRISMAN ROAD (ASSESSOR'S PARCEL NUMBERS 250-020-93, 250-020-80, 250-020-81, AND 250-020-95)

WHEREAS, On May 26, 2020, the City received a development review permit application for an industrial project located on the south side of Grant Line Road, between Chrisman Road and Skylark Way, a site totaling approximately 86 acres and located within the Northeast Industrial Specific Plan area (Application No. D20-0017), and a specific plan amendment application to the Northeast Industrial Specific Plan to modify development standards which would permit the proposed project (Application No. SPA20-0005), and

WHEREAS, The development review permit application is a Tier 1 project that is subject to Planning Commission and City Council review in accordance with Tracy Municipal Code, Title 10, Article 30, and

WHEREAS, The project is exempt from CEQA pursuant to CEQA Guidelines Section 15162(a) and 15168(c)(2), which pertains to projects with a certified Environmental Impact Report (EIR) where the project does not propose substantial changes that will result in a major revision of the previous EIR. On May 8, 1996, the City of Tracy certified the Northeast Industrial EIR (SCH# 95102050). The project does not propose new significant changes to the environment that was not analyzed in the Northeast Industrial EIR, including the areas of traffic, air quality, utilities, and aesthetics. Therefore, no further environmental assessment is needed, and

WHEREAS, The Planning Commission conducted a public hearing to review and consider the development review permit application on October 28, 2020 and recommended approval of the project by a 4:1 vote, and

WHEREAS, The City Council conducted a public hearing to review and consider the development review permit application on November 10, 2020;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby approves development review permit D20-0017 for an approximately 1,355,618-square foot, 99-foot tall industrial building and associated parking, landscaping, and trucking areas on approximately 86-acres of property located south of Grant Line Road, east of Skylark Way, and west of Chrisman Road (Assessor's Parcel Numbers 250-020-93, 250-020-80, 250-020-81, and 250-020-95), subject to the conditions contained in Exhibit 1 and based on the following findings:

1) The proposal increases the quality of the project site, and enhances the property in a manner that therefore improves the property in relation to the surrounding area and the citizens of Tracy, because the proposed project improves the use and aesthetic quality of the currently undeveloped site, enhancing the property with a new building, decorative masonry walls, and generous landscaping improvements. The building is designed with varied façade articulation comprised of a combination of concrete and metal finishes of various colors and textures that provide visual interest to the large and tall building.

Though the building measures to approximately 99 feet at it tallest point, only two-thirds of the building are proposed at this height and is designed to substantially step back from the lower one-third of the building, which is proposed to be only be approximately 30 feet in height. This significant building articulation provides visual variety to the otherwise large building massing. The also building has changes in parapet wall heights and varied building façade depths that prevent visual monotony. The presence of vertical wavy metal textures and accent colors at the building corners and every few hundred lineal feet on the top half of the building break up the long, straight appearance of the building and provides an interesting contrast to the lower half of the building, which is comprised of concrete walls adorned with substantial glazing at the primary building entrance, several complementary colors and scorelines in horizontal manner. Because the building is taller than other buildings in the vicinity, it is set back several hundred feet from the public right-of-way, thereby reducing the effect of large building mass near public pedestrian sidewalks and roadways. The building is oriented such that trucking areas face away from the more heavily traveled arterial roadways, and all parking areas, truck docks and loading areas, and ground-mounted equipment will be screened from public view by decorative screen walls and dense landscape screens comprised of trees and large shrubs. The project site will also have large landscaped areas on the perimeters of the site, which soften public views of the tall building and further the aesthetic quality of the streetscapes. Additionally, a large landscaped area will be established at the northeast corner of the site, which provides an additional visual buffer between the industrial site and the intersection of Grant Line Road and Chrisman Road.

2) The proposal conforms to the City of Tracy General Plan, the Northeast Industrial Specific Plan, the City's Design Goals and Standards, any applicable Infrastructure Master Plans, City Standard Plans, and other City regulations.

****

The foregoing Resolution 2020-184 was adopted by the City Council of the City of Tracy on the 10th day of November, 2020, by the following vote:

AYES:	COUNCIL MEMBERS:	ARRIOLA, RANSOM, VARGAS, YOUNG, RICKMAN
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

MAYOR

ATTEST:

CITY CLERK

Exhibit 1

City of Tracy
Conditions of Approval
Project Big Bird
Application Number D20-0017

A. General Provisions and Definitions.

A.1. General. These Conditions of Approval apply to:

The Project: An approximately 1,355,618-square foot, 99-foot tall industrial building and associated parking, landscaping, and trucking areas

The Property: An approximately 86-acre site located south of Grant Line Road, east of Skylark Way, and west of Chrisman Road, Assessor's Parcel Numbers 250-020-93, 250-020-80, 250-020-81, and 250-020-95

A.2. Definitions.

a. "Applicant" means any person, or other legal entity, defined as a "Developer."

b. "City Engineer" means the City Engineer of the City of Tracy, or any other duly licensed Engineer designated by the City Manager, or the Development Services Director, or the City Engineer to perform the duties set forth herein.

c. "City Regulations" means all written laws, rules, and policies established by the City, including those set forth in the City of Tracy General Plan, the Tracy Municipal Code ordinances, resolutions, policies, procedures, the Northeast Industrial Areas Specific Plan, and the City's Design Documents (including the Standard Plans, Standard Specifications, and relevant Public Facility Master Plans).

d. "Development Services Director" means the Director of the City of Tracy Development Services Department, or any other person designated by the City Manager or the Development Services Director to perform the duties set forth herein.

e. "Conditions of Approval" shall mean the conditions of approval applicable to the Project, Application Number D20-0017. The Conditions of Approval shall specifically include all conditions set forth herein.

f. "Developer" means any person, or other legal entity, who applies to the City to divide or cause to be divided real property within the Project boundaries, or who applies to the City to develop or improve any portion of the real property within the Project boundaries. The term "Developer" shall include all successors in interest.

A.3. Compliance with submitted plans. Except as otherwise modified herein, the project shall be constructed in substantial compliance with the site, civil, elevation, building section, line of sight, and landscape plans, including colors and materials, received by the Development Services Department on October 5, 2020 to the satisfaction of the Development Services Director.

A.4. Payment of applicable fees. The applicant shall pay all applicable fees for the project, including, but not limited to, development impact fees, building permit fees, plan check

fees, grading permit fees, encroachment permit fees, inspection fees, school fees, or any other City or other agency fees or deposits that may be applicable to the project.

A.5. Compliance with laws. The Developer shall comply with all laws (federal, state, and local) related to the development of real property within the Project, including, but not limited to:

- the Planning and Zoning Law (Government Code sections 65000, et seq.)
- the California Environmental Quality Act (Public Resources Code sections 21000, et seq., "CEQA"),
- the Guidelines for California Environmental Quality Act (California Administrative Code, title 14, sections 1500, et seq., "CEQA Guidelines"),
- California Building Code, and
- California Fire Code

A.6. Compliance with City regulations. Unless specifically modified by these Conditions of Approval, the Developer shall comply with all City regulations, including, but not limited to, the Tracy Municipal Code (TMC), Standard Plans, the Northeast Industrial Areas (NEI) Specific Plan, and Design Goals and Standards.

A.7. Protest of fees, dedications, reservations, or other exactions. Pursuant to Government Code section 66020, including section 66020(d)(1), the City HEREBY NOTIFIES the Developer that the 90-day approval period (in which the Developer may protest the imposition of any fees, dedications, reservations, or other exactions imposed on this Project by these Conditions of Approval) has begun on the date of the conditional approval of this Project. If the Developer fails to file a protest within this 90-day period, complying with all of the requirements of Government Code section 66020, the Developer will be legally barred from later challenging any such fees, dedications, reservations or other exactions.

B. Development Services Department, Planning Division Conditions

Contact: Kimberly Matlock (209) 831-6430 kimberly.matlock@cityoftracy.org

B.1. Architecture. Prior to the approval of a building permit, the applicant submit detailed plans for the smokers' shelter to demonstrate that it will architecturally complement the main building in terms of design and color to the satisfaction of the Development Services Director.

B.2. Parking area. Before the approval of a building permit, the applicant shall submit the following to the satisfaction of the Development Services Director:

B.2.1 Site plans and construction details that demonstrate 12-inch wide concrete curbs along the perimeter of landscape planters where such planters are parallel and adjacent to vehicular parking spaces to provide access to vehicles without stepping into the landscape planters.

B.2.2 Detailed plans that demonstrate the parking stalls are striped in accordance with Standard Plan 154.

B.2.3 Detailed plans that demonstrate any sidewalk, landscape planters, or bio-retention areas perpendicular to parking stalls overhang up to 24 inches into the parking stall in place of wheel stops where feasible. Any landscape planter overhang may not be double-counted toward the required amount of parking area landscaping.

B.2.4 Bicycle parking spaces shall be provided in accordance with Tracy Municipal Code Section 10.08.3510.

B.2.5 Detailed plans that demonstrate a minimum of one foot candle throughout the parking area as defined in TMC Section 10.08.3450.

B.3. Landscaping & irrigation. Before the approval of a building permit, the applicant shall provide detailed landscape and irrigation plans consistent with the following to the satisfaction of the Development Services Director:

B.3.1. Said plans shall demonstrate compliance with the NEI Specific Plan and the Tracy Municipal Code Section 10.08.3560 for parking area landscaping. Said plans shall clearly delineate the property line and shall include a planting legend indicating, at minimum, the quantity, planting size, and height and width at maturity.

B.3.2. Each planter shall contain a combination of trees, shrubs, and live groundcover. Trees shall be a minimum of 24" box size, shrubs shall be a minimum size of 5 gallon, and groundcover shall be a minimum size of 1 gallon at planting. Landscaping shall be continuously maintained to prevent incidence of wildfire.

B.3.3. Where trees are planted ten feet or less from a sidewalk or curb, root barriers dimensioned 8 feet long by 24 inches deep shall be provided adjacent to such sidewalk and curb, centered on the tree.

B.3.4. Said plans shall demonstrate that the land to the south of reconstructed Paradise Road is landscaped and irrigated with a combination of trees, shrubs, and groundcover.

B.3.5. Landscape & Irrigation Maintenance. Prior to the issuance of a building permit for each phase, the Developer shall execute a two-year landscape and irrigation maintenance agreement and submit financial security, such as a performance bond, to ensure the success of all on-site landscaping for the term of the agreement. The security amount shall be equal to $2.50 per square foot of the landscaped area or equal to the actual labor and material installation cost of all on-site landscaping and irrigation for that phase.

B.4. Employee break areas. Before the approval of a building permit, the applicant shall submit plans that show locations and details for high-quality outdoor employee break

spaces. Such spaces shall be incorporated as part of site design and should include special paving, tables, benches, shade trees and other amenities that support employee events and serve as an informal gathering space and shall be designed to be used by anyone, e.g. not only those who smoke.

B.5. Fencing. No chain-link or vinyl fencing is permitted where visible from any public right-of-way, and no barbed wire, razor wire, or electric fence is permitted anywhere on site.

B.6. Screening utilities and equipment. Before the approval of a building permit, the applicant shall submit detailed plans that demonstrate the following:

B.6.1. Trash collection areas, such as trash and recycling compactors or traditional trash and recycling dumpsters shall be screened by structures or enclosures architecturally complementary of the main building to the satisfaction of the Development Services Director. Trash and recycling collection enclosures shall include a solid roof structure, solid metal doors, and solid walls sufficiently sized to fully screen the dumpsters. The enclosure, including the roof, shall be architecturally compatible with the buildings, which includes but is not limited to, design, materials, and colors. A six-inch concrete curb and/or bollards may be installed on the interior of the enclosure for the protection and durability of the enclosure walls. A building permit is required prior to construction of such enclosures for the evaluation of design and location to the satisfaction of the Development Services Director.

B.6.2. No roof mounted equipment, including, but not limited to, HVAC units, vents, fans, antennas, sky lights and dishes, whether proposed as part of this application, potential future equipment, or any portion thereof, shall be readily visible from any public right-of-way, which includes, but is not limited to, Grant Line Road, Chrisman Road, Skylark Way, Paradise Court, future Paradise Road, and the I-205 freeway. The plans shall demonstrate that such equipment is fully screened from view behind parapet walls to the satisfaction of the Development Services Director.

B.6.3. All vents, gutters, downspouts, flashing, and electrical conduits shall be internal to the structures and other ground-mounted, wall-mounted, or building-attached utilities, including bollards, shall be painted to match the color of the adjacent surfaces or otherwise designed in harmony with the building exterior to the satisfaction of the Development Services Director.

B.6.4. All PG&E transformers, phone company boxes, Fire Department connections, backflow preventers, irrigation controllers, and other on-site utilities, shall be vaulted or substantially screened from view behind structures or landscaping, to the satisfaction of the Development Services Director.

B.6.5. Truck loading areas, dock doors, and trash compactors shall be substantially screened from view from the public right-of-way, which includes, but is not limited to, Grant Line Road, Chrisman Road, Skylark Way, Paradise Court, and future Paradise Road, as shown in the plans. Landscape screening shall

be tall and dense enough to substantially screen to the top of trailers, dock doors, and trash compactors from public view. Where there are gaps between trees and beneath tree canopies, screen shrubs shall be planted to prevent views between tree trunks.

B.7. Signs. No business identification signs are approved with this development review permit. All business identification signs shall obtain a sign permit in accordance with the NEI Specific Plan and the Tracy Municipal Code.

B.8. Compliance with Mitigation Measures. Unless specifically modified by these Conditions of Approval, the Developer shall comply with all mitigation measures identified in the General Plan Environmental Impact Report certified on February 1, 2011 and the Northeast Industrial Concept Development Plan Environmental Impact Report certified on May 8, 1996.

B.9. Habitat conservation. Prior to issuance of any permits for ground disturbance, the applicant shall comply with the San Joaquin County Habitat Conservation Division and a signed copy of the Incidental Take Minimization Measures shall be submitted to the Engineering Division as verification of compliance.

C. Development Services Department, Engineering Division Conditions

Contact: Nanda Gottiparthy (925) 251-0100 nanda@sngassociates.com

C.1. General Conditions

Developer shall comply with the applicable sections of approved documents and/or recommendations of the technical analyses/ reports prepared for the Project listed as follows:

a) *Tracy NEI Phase 3 Traffic Analysis* – Traffic Memorandum prepared by Kimley-Horn Associates, dated October 16, 2020, and any subsequent updates. ("***Traffic Analysis***")

b) *Prologis Big Bird Tracy NEI Phase 3 G4+5 Project Sewer Collection System Hydraulic Capacity Analysis,* prepared by Blackwater Consulting Engineers, Inc., dated October 15, 2020, and any subsequent updates. ("***Wastewater Analysis***")

c) *Hydraulic Evaluation of Project Big Bird,* prepared by West Yost Associates Inc., dated August 12, 2020, and any subsequent updates. ("***Water Analysis***")

d) *Review of NEI Phase 3 Mass Grading for Stormwater Quality Requirements and Interim Runoff Detention Conditions,* prepared by Wood Rodgers, Inc., dated October 19, 2020, and any subsequent updates. ("***Storm Drain Analysis***")

e) *Stormwater Volume Management Options for Phase 1 of NEI Phase 3 Mass Grading,* prepared by Wood Rodgers, Inc., dated October 19, 2020, and any subsequent updates. ("***Interim Storm Drain Analysis***")

C.2. Grading Permit

All grading work shall require a Grading Plan. All grading work shall be performed and completed in accordance with the recommendation(s) of the Project's Registered Geotechnical Engineer. The City will not accept a Grading Permit application for the Project until Developer provides all documents related to said Grading Permit required by the applicable City Regulations and these Conditions of Approval, to the satisfaction of the City Engineer, including, but not limited to, the following:

C.2.1. Grading and Drainage Plans prepared on a 24" x 36" size 4-mil thick polyester film (mylar). Grading and Drainage Plans shall be prepared under the supervision of and stamped and signed by a Registered Civil Engineer.

C.2.2. Payment of the applicable Grading Permit fees which include grading plan checking and inspection fees, and other applicable fees as required by these Conditions of Approval.

C.2.3. All existing on-site water well(s), septic system(s), and leech field(s), if any, shall be abandoned or removed in accordance with the City and San Joaquin County requirements. Developer shall be responsible for all costs associated with the abandonment or removal of the existing well(s), septic system(s), and leech field(s) including the cost of permit(s) and inspection. Developer shall submit a copy of written approval(s) or permit(s) obtained from San Joaquin County regarding the removal and abandonment of any existing well(s), prior to the issuance of the Grading Permit.

C.2.4. Prior to the issuance of the Grading Permit, Developer shall submit to the Utilities Department (stephanie.hiestand@cityoftracy.org) one (1) electronic copy and one (1) hard copy of the Storm Water Pollution Prevention Plan (SWPPP) as submitted in Stormwater Multiple Applications and Reporting Tracker System (SMARTS) along with either a copy of the Notice of Intent (NOI) with the state-issued Wastewater Discharge Identification number (WDID) or a copy of the receipt for the NOI. After the completion of the Project, the Developer is responsible for filing the Notice of Termination (NOT) required by SWQCB, and shall provide the City, a copy of the completed Notice of Termination. Cost of preparing the SWPPP, NOI and NOT including the annual storm drainage fees and the filing fees of the NOI and NOT shall be paid by the Developer. Developer shall comply with all the requirements of the SWPPP, applicable Best Management Practices (BMPs) and the Multi-Agency Post-Construction Stormwater Standards Manual adopted by the City in 2015 and any subsequent amendment(s).

C.2.5. Developer shall provide a PDF copy of the Project's Geotechnical Report signed and stamped by a Registered Geotechnical Engineer. The technical report must include relevant information related to soil types and characteristics, soil bearing capacity, compaction recommendations, retaining wall recommendations, if necessary, paving recommendations, slope recommendations, and elevation of the highest observed groundwater level.

C.2.6. Two (2) sets of Hydrologic and Storm Drainage Calculations for the design of the on-site and off-site storm drainage system.

C.2.7. Developer shall provide a copy of the approved Incidental Take Minimization Measures (ITMM) habitat survey [San Joaquin County Multi-Species Habitat Conservation & Open Space Plan (SJMSCP)] from San Joaquin Council of Governments (SJCOG).

C.2.8. Developer shall provide a copy of the approved Air Impact Assessment (AIA) with an Indirect Source Review (ISR) and Dust Control from San Joaquin Valley Air Pollution Control District (SJVAPCD).

C.2.9. If required, Construction Easements or agreements with the owners of the adjacent properties shall be obtained prior to the start of any construction encroaching onto the adjacent properties.

C.2.10. If at any point during grading that the Developer, its contractor, its engineers, and their respective officials, employees, subcontractor, and/or subconsultant exposes/encounters/uncovers any archeological, historical, or other paleontological findings, the Developer shall address the findings as required per the General Plan Cultural Resource Policy and General Plan EIR; and subsequent Cultural Resource Policy or mitigation in any applicable environmental document.

C.3. Encroachment Permit - No applications for encroachment permit will be accepted by the City as complete until the Developer provides all relevant documents related to said encroachment permit required by the applicable City Regulations and these Conditions of Approval, to the satisfaction of the City Engineer, including, but not limited to, the following:

C.3.1. Improvement Plans prepared on a 24" x 36" size 4-mil thick polyester film (mylar), if necessary that incorporate all the requirements described in these Conditions of Approval. Improvement Plans shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work.

C.3.2. Signed and stamped Engineer's Estimate that summarizes the cost of constructing all the public improvements shown on the Improvement Plans.

C.3.3. Signed and notarized Offsite Improvement Agreement (OIA) and Improvement Security, to guarantee completion of the identified public improvements that are necessary to serve the Project as required by these Conditions of Approval. The form and amount of Improvement Security shall be in accordance with Section 12.36.080 of the Tracy Municipal Code (TMC), and the OIA. The Developer's obligations in the OIA shall be deemed to be satisfied upon City Council's acceptance of the public improvements and release of the Improvement Security.

C.3.4. If required, signed and notarized Deferred Improvement Agreement (DIA) and Improvement Security, to allow deferment of completion of improvements as required by these Conditions of Approval. The form and amount of Improvement Security shall be in accordance with the DIA and Section 12.36.080 of the TMC. The Developer's obligations in the DIA shall be deemed to be satisfied upon the release of the Improvement Security.

C.3.5. Payment of applicable fees required by these Conditions of Approval and City Regulations, including but not limited to, plan checking, grading and encroachment permits and agreement processing, construction inspection, and testing fees. The engineering review fees will be calculated based on the fee rate adopted and updated by the City Council. Developer shall submit payment in the form of a check for the aforementioned fees.

C.3.6. Traffic Control Plan - Prior to starting the work for any work within City's right-of-way, the Developer shall submit a Traffic Control Plan (TCP). TCP can be split among the different construction phases. TCP will show the method and type of construction signs to be used for regulating traffic at the work areas within these streets. TCP shall conform to the Manual on Uniform Traffic Control Devices as amended by the State of California, latest edition (MUTCD-CA). TCP shall be prepared under the supervision of, signed and stamped by a Registered Civil Engineer or Registered Traffic Engineer.

C.3.7. Access and Traffic Circulation to Existing Businesses/Residents - Developer shall take all steps necessary to plan and construct site improvements such that construction operations do not impact safety and access (including emergency vehicles) to the existing businesses and residents throughout the duration of construction. Developer shall coordinate with the owners and cooperate to minimize impacts on existing businesses. All costs of measures needed to provide safe and functional access shall be borne by the Developer.

C.3.8. No street trench shall be left open, uncovered, and/or unprotected during night hours and when the Developer's contractor is not performing construction activities. Appropriate signs and barricades shall be installed on the street and on all trenches during such times. If the Developer or its contractor elects to use steel plates to cover street trenches, said steel plates will be skid-resistance, and shall be ramped on all sides. Ramps will be a minimum two-foot wide and will run the entire length of each side.

C.4. Improvement Plans:

Improvement Plans shall contain the design, construction details and specifications of all improvements necessary to serve the Project. The Improvement Plans shall be drawn on a 24" x 36" size 4-mil thick polyester film (mylar) and shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, and Registered Landscape Architect for the relevant work. The Improvement Plans shall be completed to comply with City Regulations, City Design Standards, Standard Plans and Specifications, these Conditions of Approval, and the following requirements:

C.4.1. The Improvement Plans, including the Grading and Drainage Plans, shall be prepared in accordance with the City's Subdivision Ordinance and Design Standards. The improvement plans shall be prepared to specifically include, but not be limited to, the following items:

a. All existing and proposed utilities such as domestic water line, irrigation service, fire service line, storm drain, and sanitary sewer, including the size and location of the pipes.

b. All supporting engineering calculations, materials information or technical specifications, cost estimate, and technical reports.

c. Developer shall provide a PDF copy of the Project's Geotechnical Report signed and stamped by a Registered Geotechnical Engineer.

d. The Project's on-site drainage connections to City's storm drainage system and on-site storm water treatment as approved by the City Engineer. Improvement Plans to be submitted with the hydrology and storm drainage calculations for the sizing of the on-site storm drainage system.

C.4.2. Grading and Drainage Plans

Site Grading

a. Include all proposed erosion control methods and construction details to be employed and specify materials to be used.

b. All grading work shall be performed and completed in accordance with the recommendation(s) of the Project's Geotechnical Engineer. A copy of the Project's Geotechnical Report must be submitted with the Grading and Storm Drainage Plans.

c. When the grade differential between the Project Site and adjacent property(s) exceeds 12 inches, a reinforced concrete or masonry block, or engineered retaining wall is required for retaining soil. The Grading Plan shall show construction detail(s) of the retaining wall or masonry wall. The entire retaining wall and footing shall be constructed within the Project Site. Structural calculations shall be submitted with the Grading and Storm Drainage Plans.

d. The Developer shall be responsible for obtaining permission from owner(s) of the adjacent and affected property(s) for grading beyond the property boundaries. If required, slope easement must be recorded prior to the issuance of the final building certificate of occupancy.

Storm Drainage

e. The Developer shall design and install storm drain lines and connection to the City's NEI Drainage System, per the ***Storm Drain Analysis*** and City Regulations.

f. Grading for the site shall be designed such that the Project's storm water can overland release to a public street that has a functional storm drainage system with adequate capacity to drain storm water from the Project Site, in the event that the on-site storm drainage system fails or it is clogged. The storm drainage release point is recommended to be at least 0.70 foot lower than the building finish floor elevation and shall be improved to the satisfaction of the City Engineer.

g. Developer shall submit hydrology and hydraulic calculations and improvement plans for storm drain lines within proposed Paradise Road alignment and Chrisman Road.

Crate and Barrel Temporary Retention Basins 1A and 1B

h. As noted in the ***Interim Storm Drain Analysis*** TM, if Detention Basin NEI and/or other downstream storm drain facilities per the Storm Drainage Master Plan are not in service when the Crate & Barrel Temporary Retention Basins 1A and 1B are filled in as part of the NEI Phase 3 Mass Grading project, the Developer shall provide an additional 35 acre-feet of storage in the NEI Retention Basin for interim temporary Retention Basin(s). The Temporary Retention Basin(s) shall be designed in accordance with City Regulations and Standards. The Temporary Retention Basin(s) shall be designed to retain storm water run-off from the Project resulting from 200% of the 10-year, 48-hour storm event in compliance with Sections 5.06 and 5.07 of City of Tracy Design Standards.

   (i) Alternatively, if the Developer reaches an agreement with the Pescadero Reclamation District, a 1,75 cfs pump shall be provided to discharge into Pescadero Reclamation District facilities.

   (ii) The Developer shall comply with the requirements of the *Indemnification Obligation for Interim Storm Drainage* Exhibit.

Temporary Drainage System – Onsite Retention Basin(s)

i. If Detention Basin NEI and/or other downstream storm drain facilities per the Storm Drainage Master Plan are not in service when the project is constructed, then the Developer may construct as interim onsite Temporary Retention Basin(s). The Temporary Retention Basin(s) shall be designed in accordance with City Regulations and Standards. The Temporary Retention Basin(s) shall be designed to retain storm water run-off from the Project resulting from 200% of the 10-year, 48-hour storm event in compliance with Sections 5.06 and 5.07 of City of Tracy Design Standards.

j. The Developer shall provide a geotechnical investigation with respect to the Temporary Retention Basin(s) that validates percolation rates for the subsurface soils at and below the bottom of the basin are acceptable.

k. Developer shall be responsible for maintenance of onsite Temporary Retention Basin(s) until the above-mentioned downstream drainage facilities are installed and accepted by the City. The Developer shall sign an improvement agreement (Deferred Improvement Agreement), to assure completion of the Developer's obligation to repair and maintain said basin(s) while the storm drainage retention basin is in service and then to modify/remove Temporary Retention Basin(s) and connect on-site storm drainage system to the master plan facilities when constructed (by others) and operational. The scope of improvements and security required with the Deferred Improvement Agreement will be determined during the improvement plan review.

l. Excavated materials shall be kept within the basin site. If the excavated materials are removed from the basin site, the Subdivider shall post cash security equivalent to the cost of import backfill materials, hauling to the basin site, spreading, compacting and re-grading the basin site. If excavated materials are retained on-site, the stockpile of excavated materials shall not be

higher than 8 feet and slope should not be steeper than 1:1.

m. A metal fence and access gate shall be installed by the Subdivider to enclose the basin site.

n. The bottom of the temporary on-site storm drainage retention basin(s) shall be 5 feet above the observed highest groundwater elevation at the basin site, or as approved by the City Engineer. The Geotechnical Report shall also indicate the observed highest groundwater elevation at the basin site.

o. The Developer shall record a temporary storm drainage easement to grant rights to the City to access the temporary storm drainage retention basin(s) for any necessary emergency repair or maintenance work the City may have to perform within the basin site. The temporary access easement shall include a sunset clause that the easement will automatically be terminated at such time as the above-referenced permanent storm drainage improvements are completed.

Stormwater Treatment:

p. As detailed in the ***Storm Drain Analysis***, the public street systems serving the project site will need to include storm water quality treatment provisions. Storm water runoff from Skylark Way, Paradise Road, and Chrisman Road shall be treated in conformance with the Multi-Agency Post-Construction Stormwater Standards Manual, dated June 2015.

q. Calculations related to the design and sizing of on-site storm water treatment facilities must be submitted with the Grading and Storm Drainage Plans and approved by City's Stormwater Coordinator prior to issuance of the Grading Permit for the Project.

r. The design and construction details of the Project's onsite storm drainage system and treatment facilities shall meet City Regulations and shall comply with the applicable requirements of the Multi-Agency Post-Construction Stormwater Standards Manual, dated June 2015, and any subsequent amendments.

s. Prior to the issuance of the building certificate of occupancy, the Developer shall submit a signed and notarized Stormwater Treatment Facilities Maintenance Agreement (STFMA) as a guarantee for the performance of Developer's responsibility towards the repair and maintenance of on-site storm water treatment facilities.

C.4.3. Sanitary Sewer

a. Prior to the issuance of Building Permit for the Project, Developer shall submit improvement plans and secure approval of plans from the City's Building Division, for the design of on-site sewer improvements. The Developer shall design and install sanitary sewer facilities including the Project's sewer connection in accordance with City Regulations and utility improvement plans approved by the City Engineer.

b. As shown in the ***Wastewater Analysis***, sewage from the project shall ultimately connect to the existing 18" sewer line in the Chrisman Road extension north of Grant Line Road.

c. The Developer is responsible for the cost of installing the Project's sanitary sewer connection, including but not limited to, replacing asphalt concrete pavement, reconstructing curb, gutter and sidewalk, restoring pavement marking and striping, and other improvements that are disturbed as a result of installing the Project's sanitary sewer connection.

d. The City's responsibility to maintain sewer lateral is from the onsite sewer manhole or sewer cleanout at the right-of-way line/property line to the point of connection with the sewer main.

C.4.4. Water System

a. Developer shall comply with the recommendations of the ***Water Analysis***.

b. For water line in Paradise Road, Developer shall remove the existing 12-inch water line in the private access Paradise Road and install the new 12-inch water main in the realigned Paradise Road. (Upsizing of the existing 8-inch water main in Paradise Road cul-de-sac is recommended.) Developer shall not receive any fee credits or reimbursements for this work.

c. During the construction of the Project, the Developer is responsible for providing water infrastructure (temporary or permanent) capable of delivering adequate fire flows and pressure appropriate to the various stages of construction and as approved by the City of Tracy Fire Code Official.

d. Interruption to the water supply to the existing businesses and other users will not be allowed to facilitate construction of improvements related to the Project. The Developer shall be responsible for notifying business owner(s) and users, regarding construction work. The written notice, as approved by the City Engineer, shall be delivered to the affected residents or business owner(s) at least 72 hours before start of work. Prior to starting the work described in this section, the Developer shall submit a Work Plan acceptable to the City that demonstrates no interruptions to the water supply, and Traffic Control Plan to be used during the installation of the offsite water mains and connections.

e. Domestic and Irrigation Water Services – The Developer shall design and install domestic and irrigation water service connection, including a remote-read water meter (the water meter to be located within City's right-of-way) and a Reduced Pressure Type back-flow protection device in accordance with City Regulations. The domestic and irrigation water service connection(s) must be completed before the final inspection of the building. The City shall maintain water lines from the water meter to the point of connection with the water distribution main (inclusive) only. Repair and maintenance of all on-site water lines, laterals, valves, fittings, fire hydrant and appurtenances shall be the responsibility of the Developer.

f. All costs associated with the installation of the Project's water connection(s) including the cost of removing and replacing asphalt concrete pavement,

pavement marking and striping such as crosswalk lines and lane line markings on existing street or parking area(s) that may be disturbed with the installation of the permanent water connection(s), or domestic water service, and other improvements shall be paid by the Developer.

g. Fire Service Line – Location and construction details of fire service line including fire hydrant(s) that are to serve the Project shall be approved by the South San Joaquin County Fire Authority Fire Marshal. Prior to the approval of the Improvement Plans by the City Engineer, the Developer shall obtain written approval from the Fire Marshal for the design, location and construction details of the fire service connection to the Project, and for the location and spacing of fire hydrants that are to be installed or planned to serve the Project.

C.4.5. Roadway Improvements on Grant Line Road

Prior to issuance of the temporary or final certificate of occupancy, the Developer shall complete construction of improvements on Grant Line Road and driveways in compliance with recommendations in the ***Traffic Analysis***, and satisfy applicable requirements specified in these Conditions of Approval and City Regulations.

a. Grant Line Road is classified as a 4-lane major arterial with median in the Tracy Transportation Master Plan (TMP). The Developer shall remove and replace the existing sidewalk along the entire frontage of the Property on Grant Line Road with a 10-foot wide Class I Bikeway and a 7-foot wide landscape strip between cub & gutter and new Class I Bikeway.

b. The Developer shall design and install improvements to construct the sidewalk/Class I Bikeway along the full frontage of the Project on Grant Line Road, install project driveways, and modify striping on Grant Line Road for the full frontage of the Project. The improvement plans shall include all improvements and striping of Grant Line Road required to safely transition to the existing roadway improvements east and west of the Project Limits.

(iii) The roadway improvements to be constructed with this Project shall include, but are not limited to, concrete curb, gutter and sidewalk, accessible ramps, asphalt concrete pavement, signing and striping, storm drains, catch basins, fire hydrants, traffic signal, LED street lights, landscape with automatic irrigation system, undergrounding of overhead utilities, and other improvements as determined by the City Engineer that are necessary for a safe transition from a newly improved street to existing street sections on the east and west ends.

(iv) The roadway improvements must be designed and constructed by the Developer to meet the applicable requirements of the latest edition of the California Department of Transportation Highway Design Manual (HDM) and the California Manual of Uniform Traffic Control Devices (MUTCD), the applicable City Regulations, and these Conditions of Approval. Design and construction details of the Offsite Roadway Improvements must be shown on the Improvement Plans.

(v) Upon completion of street improvements on Grant Line Road, including overlay at utility cuts as required per these Conditions, the Developer shall slurry seal the entire street width for the project frontage prior to restriping.

(vi) The frontage improvements on Grant Line Road are Developer's Responsibility and are therefore not eligible for any fee credits.

(vii) The Developer shall take all steps necessary to plan and construct site improvements such that construction operations do not impact safety and access (including emergency vehicles) to the existing businesses, farms, and residences throughout the duration of construction. Developer shall coordinate with the owners and cooperate to minimize impacts. All costs of measures needed to provide safe and functional access shall be borne by the Developer.

c. Developer shall dedicate 10-foot wide Public Utility Easement for the full frontage of the Project on Grant Line Road.

C.4.6. Chrisman Road

Chrisman Road is classified as a 6-lane parkway in the Tracy Transportation Master Plan (TMP). North of Paradise Road, the existing portion of Chrisman Road between Grant Line Road and Paradise Road, adjacent to the project has been constructed approximately on the eastern half of the future roadway and the widened curb returns at the intersections. The subject roadway will be widened toward the project site.

a. The existing right-of-way along the west side of Chrisman Road is 30', measured from the Section Line/centerline of Chrisman Road. The Developer shall dedicate an additional 64' feet of right-of-way along the frontage of the Property on Chrisman Road to widen the existing street section to a 6-lane Parkway with a median and a minimum right-of-way width of 134' feet. (Near the intersection with Paradise Road, 73' of right-of-way dedication will be required to provide an overall right-of-way of 143' total width to accommodate the proposed dedicated right turn lane.)

(i) The Developer will be eligible to receive transportation impact fee credits for costs of widening the portion of Chrisman Road that are the City's responsibility. (City's responsibility is three southbound travel lanes and median; Developer's responsibility is landscape planter and Class 1 Bikeway along project frontage and dedicated right turn lane at Chrisman Road/Paradise Road intersection.)

(ii) The roadway improvements to be constructed with this Project shall include, but are not limited to, concrete curb, gutter and sidewalk, accessible ramps, asphalt concrete pavement, signing and striping, storm drains, catch basins, fire hydrants, LED street lights, landscape with automatic irrigation system, undergrounding of overhead electric line and other improvements as determined by the City Engineer that are necessary for a safe transition from a newly improved street to existing street sections on the north and south ends.

(iii) The Chrisman Road/Grant Line Road intersection shall be reconfigured to have one left turn, two through lands, and one right turn lane for the northbound approach, and one left turn, two through lanes, and one right turn lane for the southbound approach.

(iv) The Chrisman Road/Paradise Road intersection shall be reconfigured to have one left turn, two through lands, and one shared through/right turn lane turn lane for the northbound approach, and one left turn, three through lanes, and one right turn lane for the southbound approach.

(v) The striping plan for Chrisman Road shall show lane drops and/or lane merge to transition from three southbound travel lanes for the segment between Grant Line Road to Paradise to one southbound lane for the segment south of Paradise Road.

b. Overhead electric line along Chrisman Road shall be placed in an underground facility on west side of Chrisman Road.

C.4.7. Paradise Road

Paradise Road west of Chrisman Road currently ends at a cul-de-sac with a private drive aisle, public access easement extending west to Skylark Way. Proposed Paradise Road extension will be designed as an Industrial Street with TWLTL.

a. The alignment for the proposed Paradise Road extension will be located approximately 200' south of the existing private drive aisle intersection at Skylark Way.

b. Paradise Road right-of-way shall accommodate the TMP Industrial Street with Two-way Left Turn Lane (TWLTL). The roadway improvements to be constructed with this Project shall include, but are not limited to, concrete curb, gutter and sidewalk, accessible ramps, asphalt concrete pavement, signing and striping, storm drains, catch basins, fire hydrants, LED street lights, landscape with automatic irrigation system, and other improvements as determined by the City Engineer that are necessary for a safe transition from a newly improved street to existing street sections at Chrisman Road and at Skylark Way.

c. The existing cul-de-sac of Paradise Road will need to be reconstructed and realigned as a through street. The existing Crate and Barrel driveway on the south side of the road will need to be modified accordingly. Sight triangles shall be provided for new driveway locations for Crate and Barrel.

d. Developer shall submit an Irrevocable Offer of Dedication of right-of-way for Paradise Road between Chrisman Road and Skylark Way within 30 days from approval of the Offsite Improvement Agreement.

e. Developer shall dedicate 10-foot wide Public Utility Easement for the full frontage of the Project on Paradise Road.

f. The Developer shall be responsible for all design and construction costs related to improvements on Paradise Road extension.

C.4.8. Skylark Way

Skylark Way located on west side of proposed building is an existing TMP Industrial Street with a TWLTL. This Industrial standard roadway will be extended approximately 200' to the south with the proposed Paradise Road extension.

a. The roadway improvements to be constructed with this project shall include, but are not limited to, approximately 20' widening of existing Skylark Way from center line towards east side, concrete curb, gutter and sidewalk, accessible ramps, asphalt concrete pavement, signing and striping, landscape with automatic irrigation system and other improvements as determined by the City Engineer.

b. Skylark Way will be super-elevated to slope towards the curb and gutter and existing infiltration planter located on the west side of Skylark Way.

c. The developer shall be responsible for all design and construction costs related to improvements on Skylark Way.

C.4.9. Project Driveways:

The Developer shall install six driveways to serve the site in accordance with the recommendations of the "*Traffic Analysis*" and City Regulations. Two driveways will be constructed along Skylark Way, three driveways will be constructed on Grant Line Road, and one driveway will be constructed along Chrisman Way.

a. Project Driveway 1: The southerly driveway on Skylark Way (Driveway 1) shall be designed to operate as a full access, Side Street Stop Control (SSSC) for STAA Truck and Trailer traffic only. The driveway design shall include sight distance triangles for the driveway entrance.

b. Project Driveway 2: The northerly driveway on Skylark Way, Project Driveway 2, shall be a full access, passenger vehicle access only driveway. Traffic control shall be Side Street Stop Control. The driveway should be located approximately 420' south of Grant Line Road (Skylark Way Station 112+00±) to allow left turns to access the site using the two-way left turn lane.

c. Project Driveway 3: The westerly driveway to the site from Grant Line Road shall be a Right In/Right Out, SSSC driveway for passenger vehicles only.

d. Project Driveway 4: The middle driveway to the site from Grant Line Road shall aligned with the primary access driveway serving the Tracy Warehouse property on the north side of Grant Line Road (1547 E. Grant Line Road). Project Driveway 4 shall be a full access signalized driveway, designed to operate as a joint primary access for this Project and the Tracy Warehouse property. Certain median modifications identified in the Traffic Analysis recommendations and the installation of a traffic signal will be required to allow full access traffic movements at this location for both projects.

(i) The Developer shall design and install the traffic signal for Driveway 4 prior to issuance of temporary or final Certificate of Occupancy for the Project.

The Developer shall pay for all costs relating to design, construction and inspection for the traffic signal.

(ii) The Tracy Warehouse property developer has paid Traffic Signal In-Lieu Fees to the City of Tracy in the amount of $85,000 for his share of the cost of the proposed traffic signal; the Prologis NEI Phase 3 Property Developer shall receive this amount from the City upon completion of the Traffic Signal installation.

(iii) The cost of modifying the median island per the Traffic Analysis recommendations will be the responsibility of the Developer.

(iv) The Developer shall dedicate required easements for maintenance access of the on-site traffic signal loops and associated traffic signal equipment.

(v) The Developer shall enter into an Off-site Improvement Agreement and post required security to guarantee installation of the traffic signal.

e. Project Driveway 5: The easterly driveway entrance to the site from Grant Line Road shall be located approximately 500 feet west of the intersection of Chrisman Road and Grant Line Road; this driveway shall be designed and constructed to operate as a "Right-in / Right-out" SSSC.

f. Project Driveway 6: Driveway 6 will be located approximately 650 feet south of the Grant Line Road/Chrisman Road intersection and approximately 700 feet north of the Chrisman Road/Paradise Road intersection. This driveway shall be designed as a Right-in/Right-out SSSC driveway for both passenger vehicles and Trucks/trailers.

C.4.10. Offsite Improvements

a. MacArthur Drive/Grant Line Road Intersection. As noted in the ***Traffic Analysis***, the MacArthur Drive/Grant Line Road intersection shall be modified to add a west bound right-turn lane with an overlap and associated traffic signal modification to optimize the cycle length. Developer shall design and construct intersection improvements.

(i) As noted in the ***Traffic Analysis***, the Project's fair share of the intersection improvements for the MacArthur Drive/Grant Line Road intersection is 44.64%: Developer shall request formation of Benefit Assessment District for reimbursement of costs in excess of the Project's Fair Share obligation as identified in the ***Traffic Analysis***.

b. Chrisman Road/Paradise Road Intersection. In the Cumulative Condition, the Chrisman Road/Paradise Road intersection will be converted from an AWSC to a signalized intersection.

(i) As noted in the ***Traffic Analysis***, the Project's fair share of the signal cost is 8.99%; Developer shall pay Fair Share costs as identified in the ***Traffic Analysis***.

c. Chrisman Road/Eleventh Street Intersection. In the Cumulative Condition, the Chrisman Road/Eleventh Street intersection will be modified to add a second westbound left turn lane.

(i) As noted in the ***Traffic Analysis***, the Project's fair share of intersection improvements cost is 3.29%; Developer shall pay Fair Share costs as identified in the ***Traffic Analysis***.

C.4.11. Joint Utility Trench Plans:

The Developer shall submit Joint Utility Trench plans for the installation of electric, gas, telephone and TV cable main and service lines that are necessary to be installed to serve the Project. These utilities shall be installed within the PUE.

a. Overhead utilities along the frontage of the project (with the exception of the high-voltage transmission lines with voltages greater than 34.5 KV) shall be placed in an underground facility in accordance with Tracy Municipal Code Chapter 11.08.

b. Overhead electric lines along Chrisman Road shall be placed in an underground facility on east side of building

c. The Developer shall submit Joint Trench Utility improvement plans for the installation of new electric, gas, telephone and TV cable lines to serve the Project. These utilities shall be installed within the 10-foot wide Public Utility Easement (PUE) that will be offered for dedication to the City.

C.4.12. Street Cut(s):

When street cuts are made for installation of utilities, the Developer is required to install 2-inch thick asphalt concrete overlay with reinforcing fabric at least 25 feet from all sides and for the entire length of the utility trench. A 2-inch deep grind on the existing asphalt concrete pavement will be required where the asphalt concrete overlay will be applied and shall be uniform thickness to maintain current pavement grades, cross and longitudinal slopes. The limits of the 2-inch asphalt concrete overlay shall conform to Section 3.14 of the 2008 Design Standards.

C.4.13. Street Repairs:

The Developer shall be responsible for any repairs or reconstruction of street pavement, curb, gutter and sidewalk and other public improvements along the frontage of the Project along Grant Line Road, if determined by the City Engineer to be in poor condition or damaged by construction activities related to the Project.

C.4.14. Offsite Improvement Agreement:

In order to guarantee completion of the Offsite Roadway Improvements, the Developer is required to enter into an Offsite Improvement Agreement (OIA) with the City and post improvement security in the amounts approved by the City Engineer, prior to the Encroachment Permit. The OIA requires authorization from the City Council. The Developer shall pay applicable engineering review fees such as plan checking, agreement and permit processing, testing, and construction inspection fees based on current charge rate and as required by these Conditions of Approval.

C.5. Building Permit:

No building permit within the Project boundaries will be approved by the City until the Developer demonstrates, to the satisfaction of the City Engineer, compliance with all required Conditions of Approval, including, but not limited to, the following:

C.5.1. Payment of the applicable Master Plan and Northeast Industrial Development Impact Fees as applicable to this project.

C.5.2. Payment of San Joaquin County Facilities Fees as required in Chapter 13.24 of the Tracy Municipal Code, and these Conditions of Approval.

C.5.3. Payment of the Regional Traffic Impact Fees (RTIF) as required in Chapter 13.32 of the Tracy Municipal Code and these Conditions of Approval.

C.5.4. Payment of additional City and County fees as required by the Tracy Municipal Code and as applicable to this project.

C.5.5. Submit a signed and notarized Grant Deed for the dedication of the necessary right-of-way on Chrisman Road, Paradise Road, and Skylark Way

C.5.6. Submit a signed and notarized Grant of Easement for the dedication of the necessary traffic detecting loops easement and associated improvements.

C.6. Acceptance of Public Improvements:

Public improvements will not be accepted by the City Council until after the Developer completes construction of the relevant public improvements, and also demonstrates to the City Engineer satisfactory completion of the following:

C.6.1. Correction of all items listed in the deficiency report prepared by the assigned Engineering Inspector relating to public improvements subject to City Council's acceptance.

C.6.2. Certified "As-Built" Improvement Plans (or Record Drawings). Upon completion of the construction by the Developer, the City shall temporarily release the originals of the Improvement Plans to the Developer so that the Developer will be able to document revisions to show the "As Built" configuration of all improvements.

C.6.3. Planting materials dedicated to the City conform to the 90-day "Maintenance and Plant Establishment" period in accordance with paragraph 308.07 of the City's Standard Specifications.

C.7. Temporary or Final Building Certificate of Occupancy:

No Temporary or Final Building Certificate of Occupancy will be issued by the City until the Developer provides reasonable documentation, which demonstrates, to the satisfaction of the City Engineer, that:

C.7.1. The Developer has satisfied all the requirements set forth in Condition C.6, above.

C.7.2. Prior to issuance of the Certificate of Occupancy for the project, the Developer shall grant access rights to the City for the use, operation, repair, and maintenance of traffic detecting loops, wires, conduits, and pull boxes that will be located within the Property. The Developer shall submit a signed and notarized Grant of Easement and provide legal description and plat map that describes the easement

area. The Developer shall pay for the cost of dedicating easement and preparing the legal description and plat map.

C.7.3. The Developer has completed construction of all required public facilities for the building for which a certificate of occupancy is requested and all the improvements required in these Conditions of Approval. Unless specifically provided in these Conditions of Approval, or some other applicable City Regulations, the Developer shall use diligent and good faith efforts in taking all actions necessary to construct all public facilities required to serve the Project, and the Developer shall bear all costs related to construction of the public facilities (including all costs of design, construction, construction management, plan check, inspection, and contingency).

C.8. Improvement Security:

The Developer shall provide improvement security for all public facilities, as required by the Offsite Improvement Agreement, and these Conditions of Approval. The form of the improvement security may be a surety bond, letter of credit or other form in accordance with section 12.36.080 of the TMC and the Development Agreement. The amount of improvement security shall be as follows:

C.8.1. Faithful Performance (100% of estimated cost of constructing the public facilities),

C.8.2. Labor & Materials (100% of estimated cost of constructing the public facilities), and

C.8.3. Warranty (10% of estimated cost of constructing the public facilities)

C.9. Release of Improvement Security:

Improvement Security(s) described herein shall be released to the Developer after City Council's acceptance of public improvements, and after the Developer demonstrates, to the satisfaction of the City Engineer, compliance of these Conditions of Approval, and completion of the following:

C.9.1. Improvement Security for Faithful Performance, Labor & Materials, and Warranty shall be released to Developer in accordance with Section 12.36.080 of the TMC.

C.9.2. Written request from Developer and a copy of recorded Notice of Completion

C.10. Special Conditions

C.10.1. All streets and utilities improvements within City's right-of-way shall be designed and constructed in accordance with City Regulations, and City's Design documents including the City's Facilities Master Plan for storm drainage, roadway, wastewater and water adopted by the City, or as otherwise specifically approved by the City.

C.10.2. If a tile drain system (irrigation system installed decades ago by farmers or irrigation districts) exists within the Project that also runs to the adjacent properties, the Developer shall coordinate with the owners of the neighboring properties for the relocation of affected tile drains, installation of interceptors and reconnecting to the outfall system. The Developer is fully responsible for any damage, repair and maintenance from the Project's activities including but not limited to all type of construction, the weight of the building and vehicular movements to existing tile drain system within the Project. The

Developer shall indemnify, defend, and hold harmless the City (including its elected officials, officers, agents, and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) resulting from or arising out of merely the existence of the tile drain system and interceptors or from damaged or undamaged existing underground tile drain system issues by Developer or Developer's agents, representatives, contractors, subcontractors, or employees, adjacent property owner or adjacent property owner's agents, representatives, contractors, subcontractors, or employees.

C.10.3. All improvement plans shall contain a note stating that the Developer (or Contractor) will be responsible to preserve and protect all existing survey monuments and other survey markers. Any damaged, displaced, obliterated or lost monuments or survey markers shall be re-established or replaced by a licensed Land Surveyor at the Developer's (or Contractor's) sole expense. A corner record must be filed in accordance with the State law for any reset monuments (California Business and Professions Code Section 8871).

C.10.4. Developer shall pay for the future costs of maintenance including PG&E charges for all new streetlights to be installed by the Project

C.10.5. Nothing contained herein shall be construed to permit any violation of relevant ordinances and regulations of the City of Tracy, or other public agency having jurisdiction. This Condition of Approval does not preclude the City from requiring pertinent revisions and additional requirements to the Grading Permit, Encroachment Permit, Building Permit, Improvement Plans, OIA, if the City Engineer finds it necessary due to public health and safety reasons, and it is in the best interest of the City. The Developer shall bear all the cost for the inclusion, design, and implementations of such additions and requirements, without reimbursement or any payment from the City.

D. Utilities Department, Water Resources Division Conditions

Contact: Stephanie Hiestand (209) 831-6333 stephanie.hiestand@cityoftracy.org

D.1. Prior to issuance of a construction or building permit, the applicant shall demonstrate compliance with the 2015 Post-Construction Stormwater Standards (PCSWS) Manual and obtain approval through the following:

D.1.1. Develop a Project Stormwater Plan (PSP) that identifies the methods to be employed to reduce or eliminate stormwater pollutant discharges through the construction, operation and maintenance of source control measures, low impact development design, site design measures, stormwater treatment control measures and hydromodification control measures.

D.1.1.a. Design and sizing requirements shall comply with PCSWS Manual.

D.1.1.b. Demand Management Areas must be clearly designated along with identification of pollutants of concern.

D.1.1.c. Calculations of the Stormwater Design Volume and/or Design Flow with results from the Post-Construction Stormwater Runoff Calculator must be submitted in the PSP for approval.

D.1.1.d. Per the PCSWS Manual, include a hydromodification management plan ensuring the post-project runoff flow rate shall not exceed estimated pre-project flow rate for the 2-year, 24 hour storm.

D.1.1.e. Submit one (1) hard copy of the PSP and an electronic copy to the Utilities Department (WaterResources@cityoftracy.org), include the project name, address and Project # and/or Permit # in the title or subject line.

D.1.2. A separate plan sheet(s) designated SW shall be submitted in the plan set that includes the identified methods for pollution prevention outlined in the submitted PSP. You must include all standards, cross sections and design specifications such as landscape requirement in treatment areas including type of irrigation installation and/or height of drain inlet above the flow line, etc. in these SW plan sheets along with legend.

D.1.3. Develop and electronically submit to the Utilities Department for approval (WaterResources@cityoftracy.org) a preliminary Operations and Maintenance (O & M) Plan that identifies the operation, maintenance, and inspection requirements for all stormwater treatment and baseline hydromodification control measures identified in the approved PSP.

D.1.4. No later than two (2) months after approval notification of the submitted PSP, the applicant shall electronically submit the following information to the Utilities Department (WaterResources@cityoftracy.org) for development of a draft stormwater maintenance access agreement, in accordance with the MAPCSWS:

i. Property Owner(s) name and title report; or Corporate name(s) and binding documents (resolutions, etc) designating ability to sign agreement
ii. Property Address
iii. Exhibit A – legal property description
iv. Exhibit B – approved O & M Plan

D.2. Prior to issuance of a grading permit, the applicant shall provide proof of permit coverage under the Construction General Permit and submittal of an electronic Stormwater Pollution Prevention Plan (SWPPP), to be submitted to WaterResources@cityoftracy.org.

D.3. Prior to Certificate of Occupancy, the applicant shall complete the following to the satisfaction of the Utilities Director:

D.3.1. Return to the City Clerk, a legally signed and notarized copy of the final maintenance access agreement including all exhibits and approved O & M plan received from the Utilities Department.

D.3.2. Obtain final approval by the Utilities Department of the constructed and installed Stormwater pollution prevention methods outlined in the PSP. Frequent inspections of the Post-Construction treatment measures should occur during the construction phase by calling 209-831-6333.

D.3.3. The project shall be in full compliance with Construction General Permit including 70% stabilization of the project with Notice of Termination approval.

D.4. Before the approval of a construction, grading or building permit, the applicant shall demonstrate compliance with Tracy Municipal Code Chapters 11.28 and 11.34 and Chapter 4 of the California Green Building Standards Code to the satisfaction of the Utilities Director.

D.5. Prior to issuance of a construction or building permit, applicant shall demonstrate compliance with the 2015 Model Water Efficient Landscape Ordinance and obtain approval by the Utilities Department through the following:

D.5.1. Develop and submit electronically and by hard copy, a Landscape Document Package (LDP) that identifies the methods to be employed to reduce water usage through proper landscape design, installation and maintenance. This LDP shall consist of:

i. A project information sheet that includes the checklist of all documents in the LDP;
ii. The Water Efficient Landscape Worksheets that include a hydrozone information table and the water budget calculations – Maximum Applied Water Allowance and Estimate Total Water Use;
iii. A soil management report, after compaction and from various locations throughout the project;
iv. A landscape design plan that includes the statement, "I agree to comply with the requirements of the 2015 water efficient landscape ordinance and shall submit for approval a complete Landscape Document Package:
v. An irrigation design plan with schedule; and
vi. A grading design plan.

D.5.2. A Certificate of Completion must be completed, signed, and submitted to the Utilities Department prior to Final approval for Occupancy.

E. Development Services Department, Building Division Conditions

Contact: Sean McNamara (209) 831-6412 sean.mcnamara@cityoftracy.org

E.1. The Applicant shall submit a building permit application along with all pertinent construction documents such as plans, specifications, and/or calculations to the Building Safety Division prior to the construction of any regulated structures, on-site improvements, or accessibility features. Construction documents shall conform to the Title 24 California Code of Regulations edition effective on the date of application for a building permit.

E.2. Any portions of the project being planned in non-compliance with the Title 24 CCR requirements, shall be submitted to the Building Official as an alternative material, design, and/or method of construction in accordance with CBC §104.11 for review, and be approved prior to construction. Per applicant response a performance-based design analysis has been approved conceptually, and the team is working toward gaining site specific approval. If approval of a proposed alternative material, design, and/or method of construction is not granted, the design and construction shall be in strict conformance to the requirements of Title 24 CCR.

F. South San Joaquin County Fire Authority (SSJCFA) Conditions

Contact: Courtney Wood (209) 831-6737 courtney.wood@sjcfire.org

F.1. Prior to construction, applicant shall submit construction documents to the South San Joaquin County Fire Authority for review and approval.

F.1.1. Construction documents shall be designed to the current edition of the California Code of Regulations, Title 24, as amended by the City of Tracy Municipal Code.

F.1.2. Deferred submittals shall be listed on the coversheet of each page. Each deferred submittal shall be submitted, reviewed and approved by SSJCFA prior to installation.

F.1.3. Fire protection water supply must be submitted separately from construction permit. All piping and installation shall be in accordance with CFC §507 & NFPA standards. Approval of grading and/or on-site improvements does not grant installation of underground fire service.

F.1.4. Fire sprinklers shall be designed by a licensed fire protection contractor or engineer. Hydraulic calculations, specifications and plans shall be submitted prior to issuance of building permit.

F.1.5. A request for fire flow shall be submitted to the South San Joaquin County Fire Authority and results shall be approved by the Fire Marshal prior to construction. Fire flow requirements shall be in accordance with CFC Appendix B.

F.1.6. Fire department connections shall be installed in accordance with CFC §912 and NFPA standards. A hydrant shall be placed within 100' of the FDC, in accordance with NFPA 14 §6.4.5.4. FDC locations shall be approved by the fire code official prior to issuance of construction permit.

F.1.7. Fire control room locations shall be approved the fire code official prior to the issuance of construction permit.

F.1.8. Aerial fire apparatus access roads shall have a width of not less than 26'0".

F.1.9. All gates shall be equipped with mean of opening by the fire Authority in case of emergency in accordance with CFC as amended by Tracy Municipal Code.

F.1.10. Provide a truck turning template which clearly shows the truck turning radius of 29'-9" inside and 47'-7" outside. Truck turning template shall show all ingress and egress paths available.

F.2. Applications received by our offices are subject to the current fee schedule for South San Joaquin County Fire Authority.

F.2.1. Application processing fees and minimum plan review fees are due at time of submittal of construction documents.

F.2.2. Additional plan review fees, minimum inspection fees and administrative fees are calculated on approval of project and shall be paid prior to issuance of permit.

F.2.3. Permit holder is responsible for any additional inspection fees incurred, and shall be paid prior to final inspection.

F.3. The Fire Authority will exercise CFC §104.7.2 to utilize third party fire protection engineers for the reviews of the fire protection systems.

F.4. Prior to occupancy of each new business, the tenant shall contact South San Joaquin County Fire Authority for a new business inspection. Additional fees may be required for New Business, Annual and Operational Fire Permits. All fees shall be paid prior to approval of inspections.

F.5. Prior to construction, all-weather fire apparatus access roads shall be installed. Fire apparatus access roads during construction shall have a minimum 20' unobstructed width in accordance with CFC §503.

F.6. All hydrants shall be installed, inspected and tested prior to bringing combustible materials onsite, including storage.

F.7. Knox boxes shall be required. The operator of the building shall immediately notify the Fire Authority and provide the new key where a lock is changed or rekeyed. The key to such shall be secured in the key box.

F.8. Building and each tenant space shall be provided with approved address identification in accordance with CFC §505.

F.9. Prior to final inspection, emergency radio responder coverage shall be tested to confirm coverage areas. It is beneficial for the applicant to conduct testing at foundation as retrofitting for the conduit is costly. If coverage is inadequate, a separate permit for emergency radio responder coverage shall be submitted to SSJCFA for review and approval prior to installation.
Additional improvements may warrant additional testing to be performed. Testing shall be the determination of the fire code official.

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DocuSign Envelope ID: 68AF29D4-30C6-4FEE-82FD-0548828C4E98

Exhibit C – Developer's Authorized Representative & Contractor Contact Info

Developer - Prologis

Matthew Sims - Director, Project Development

Direct: (510) 661-4012

Mobile: (510) 298-9810

General Contractor - Goodfellow Brothers Incorporated

Ramsey Medeiros – Senior Project Manager

Direct (925) 449-5764

Mobile (925) 580-0148

Doc #: 2021-061574
04/07/2021 01:49:48 PM
Page: 1 of 23 Fee: $0
Steve J. Bestolarides
San Joaquin County Recorders
Paid By: SHOWN ON DOCUMENT

Recording Requested by:
City of Tracy

Return to:
Adrianne Richardson, City Clerk
333 Civic Center Plaza
Tracy, CA 95376

Recording Fee: Exempt
(Government Code Section 6103 and 27383)

Space above this line for Recorder's use
APN: Portions of 250-020-93

Documentary Transfer Tax: Exempt
(Revenue and Taxation Code Section 11922)

IRREVOCABLE OFFER OF DEDICATION OF FEE INTEREST

For A Valuable Consideration, receipt of which is hereby acknowledged, PROLOGIS, L.P., a Delaware limited partnership (as the successor by merger of Grant Chrisman LLC, a Delaware limited liability company), as the owner of the herein-described real property ("Grantor"), hereby makes an Irrevocable Offer of Dedication to THE CITY OF TRACY, A MUNICIPAL CORPORATION, of the fee interest of the hereinafter described portions of real property for the following public purpose, subject, however, to the permissible encumbrances set forth in Exhibit C:

STREETS AND OTHER PUBLIC PURPOSES

The real property referred to above is situated in the City of Tracy, County of San Joaquin, State of California and is more particularly described as follows:

SEE ATTACHED:

EXHIBIT A FOR LEGAL DESCRIPTION

EXHIBIT B FOR PLAT OF REAL PROPERTY

EXHIBIT C FOR PERMISSIBLE ENCUMBRANCES

This Offer of Dedication is made pursuant to Section 7050 of the Government Code of the State of California and may be accepted at any time by the City of Tracy.

This Offer of Dedication of fee interest shall be irrevocable and shall be binding on the Grantor, its heirs, executors, administrators, successors and assigns. The City and its successors or assigns shall incur no liability with respect to this offer of dedication, and shall not assume any responsibility for the Property or any improvements thereon, until this offer has been accepted by the City of Tracy.

SIGNATURE PAGE OF IRREVOCABLE OFFER OF DEDICATION

Signed this 16th day of ~~October~~ December, 2020

Grantor: **PROLOGIS, L.P. a Delaware Limited Partnership**

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

Grantor Signatures: _____
Signature

Matthew Drury Vice President
Print Name and Title

NOTARY ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
) §
County of Alameda)

On 12-16-2020, before me, Zarina Rathod
a Notary Public, personally appeared Matthew Drury
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Rathod
Signature of Notary

ZARINA RATHOD
Notary Public - California
Alameda County
Commission # 2165704
My Comm. Expires Sep 27, 2020

The notary commission extended pursuant to Executive Order N-63-20.

(Affix seal here)

CERTIFICATE OF ACCEPTANCE:

This is to certify that the interest in real property conveyed by this Deed or Grant is hereby accepted at this time by the undersigned City Clerk of the City of Tracy, pursuant to authority conferred by Resolution No. 1670 of the Tracy City Council, adopted on August 6, 1968, and recorded with the San Joaquin County Recorder on August 14, 1968, Book 3231, pages 581 through 583, and the grantee consents to recordation thereof by its duly authorized officer, and the grantee reserves the right to accept the offer of dedication in fee title by separate document.

January 28, 2021

Adrianne Richardson
City Clerk, City of Tracy, California — Date

Pursuant to Section 66477.5 of the California Government Code, the local agency shall re-convey the property to the property owner if the local agency makes a finding that the same purpose for which the property was dedicated does not exist or any portion thereof is not needed for public utilities, as specified in Subdivision (c) of the Section.

EXHIBIT A
Page 1 of 3

EXHIBIT A

LEGAL DESCRIPTION OF ENTIRETY OF REAL PROPERTY

Real property in the City of Tracy, County of San Joaquin, State of California, described as follows:

TRACT TWO:

BEING ALL OF PARCEL 7 OF THAT PARCEL MAP FILED APRIL 21, 2009 IN BOOK 25 OF PARCEL MAPS, PAGE 40, SAN JOAQUIN COUNTY RECORDS, CALIFORNIA.

EXCEPTING THEREFROM AN UNDIVIDED 1/2 INTEREST IN AND TO ALL OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS, AS CONVEYED TO HILLMAN-LONG, INC., A CORPORATION, BY DEED DATED JULY 30, 1935 AND RECORDED AUGUST 05, 1935 IN BOOK OF OFFICIAL RECORDS, VOL. 506, PAGE 118.

ALSO EXCEPTING THEREFROM ALL WATER RIGHTS, COAL, OIL, GAS, AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES, PRECIOUS METALS ORES, BASE METALS ORES, INDUSTRIAL GRADE SILICATES AND CARBONATES, FISSIONABLE SUBSTANCES OF EVERY KIND AND CHARACTER, METALLIC OR OTHERWISE, WHETHER OR (OF) NOT PRESENTLY KNOWN TO SCIENCE OR INDUSTRY, BELOW A DEPTH OF 500 FEET, AS RESERVED BY OLIVEIRA FARMS, A CALIFORNIA LIMITED PARTNERSHIP, IN DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY.

TRACT THREE:

BEING ALL OF PARCEL 8 OF THAT PARCEL MAP FILED APRIL 21, 2009 IN BOOK 25 OF PARCEL MAPS, PAGE 40, SAN JOAQUIN COUNTY RECORDS, CALIFORNIA.

EXCEPTING THEREFROM AN UNDIVIDED 1/2 INTEREST IN AND TO ALL OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS, AS CONVEYED TO HILLMAN-LONG, INC., A CORPORATION, BY DEED DATED JULY 30, 1935 AND RECORDED AUGUST 05, 1935 IN BOOK OF OFFICIAL RECORDS, VOL. 506, PAGE 118.

ALSO EXCEPTING THEREFROM ALL WATER RIGHTS, COAL, OIL, GAS, AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES, PRECIOUS METALS ORES, BASE METALS ORES, INDUSTRIAL GRADE SILICATES AND CARBONATES, FISSIONABLE SUBSTANCES OF EVERY KIND AND CHARACTER, METALLIC OR OTHERWISE, WHETHER OR (OF) NOT PRESENTLY KNOWN TO SCIENCE OR INDUSTRY, BELOW A DEPTH OF 500 FEET, AS RESERVED BY OLIVEIRA FARMS, A CALIFORNIA LIMITED PARTNERSHIP, IN DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY.

EXHIBIT A
Page 2 of 3

TRACT FOUR:

BEING ALL OF PARCEL 9 OF THAT PARCEL MAP RECORDED IN BOOK 25 OF PARCEL MAPS, PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, CALIFORNIA AND A PORTION OF THE EAST ½ OF SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER SECTION CORNER OF SAID SECTION 22, THENCE ALONG THE NORTH LINE OF SAID SECTION 22, SOUTH 89° 33' 51" EAST, 100.00 FEET; THENCE LEAVING SAID NORTH SECTION LINE OF SECTION 22, PARALLEL TO AND 100 FEET EAST OF THE WEST LINE OF THE EAST HALF OF SAID SECTION 22, SOUTH 00° 26' 18" WEST, 81.00 FEET, TO A POINT ON THE SOUTH LINE OF THE RIGHT OF WAY OF GRANT LINE ROAD AS GRANTED TO THE CITY OF TRACY BY MANUAL TOSTE ROCHA ON JULY 29, 2011 AS DOCUMENT NUMBER 2011-090084, RECORDS OF SAN JOAQUIN COUNTY; THENCE ALONG SAID SOUTH RIGHT OF WAY OF GRANT LINE ROAD, SOUTH 89° 33' 51" EAST, 22.49 FEET, THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTH RIGHT OF WAY OF GRANT LINE ROAD, SOUTH 89° 33' 51" EAST, 157.51 FEET; THENCE LEAVING SAID SOUTH RIGHT OF WAY OF GRANT LINE ROAD, SOUTH 46° 41' 27" WEST, 51.76 FEET, THENCE THROUGH A NONTANGENT CURVE TO THE RIGHT, WITH A BEGINNING RADIAL BEARING OF SOUTH 89° 33' 51" EAST, WITH A RADIUS OF 530.00 FEET, A CENTRAL ANGLE OF 21° 49' 29" AND AN ARC LENGTH OF 201.88 FEET; THENCE SOUTH 22° 15' 38" WEST, 164.25 FEET; THENCE THROUGH A TANGENT CURVE TO THE LEFT, WITH A RADIUS OF 684.50 FEET, A CENTRAL ANGLE OF 21° 49' 20" AND AN ARC LENGTH OF 260.71 FEET; THENCE SOUTH 00° 26' 18" WEST, 628.93 FEET; THENCE SOUTH 44° 33' 52" EAST, 70.58 FEET, TO A POINT ON THE NORTH LINE OF SAID PARCEL 9; THENCE ALONG THE NORTH LINE OF SAID PARCEL 9, SOUTH 89° 34' 00" EAST, 2060.46 FEET; THENCE THROUGH A NON-TANGENT CURVE TO THE LEFT WITH A BEGINNING RADIAL BEARING OF NORTH 40° 55' 19" WEST, WITH A RADIUS OF 75.00 FEET, A CENTRAL ANGLE OF 55° 18' 82" AND AN ARC LENGTH OF 72.40 FEET; THENCE NORTH 89° 34' 00" WEST, 2120.01 FEET; THENCE NORTH 00°29' 13" EAST, 65.00 FEET; THENCE NORTH 89° 34' 00" WEST, 60.00 FEET, TO A POINT ON THE WEST LINE OF THE EAST ½ OF SAID SECTION 22, THENCE ALONG SAID WEST LINE, NORTH 00° 26' 18" EAST, 913.45 FEET; THENCE LEAVING SAID SECTION LINE, SOUTH 89° 33' 51" EAST, 42.48 FEET; THENCE THROUGH A NONTANGENT CURVE TO THE RIGHT, WITH A BEGINNING RADIAL BEARING OF SOUTH 71° 53' 40" EAST, WITH A RADIUS OF 773.00 FEET, A CENTRAL ANGLE OF 4° 09' 18" AND AN ARC LENGTH OF 56.05 FEET; THENCE NORTH 22° 15' 38" EAST, 100.00 FEET; THENCE THROUGH A NONTANGENT CURVE TO THE LEFT, WITH A RADIUS OF 681.00 FEET, A CENTRAL ANGLE OF 20° 13' 01" AND AN ARC LENGTH OF 240.29 FEET, WITH AN ENDING RADIAL BEARING OF NORTH 87° 57' 23" WEST; THENCE NORTH 43° 33' 51" WEST, 35.45 FEET, TO THE POINT OF BEGINNING.

SAID DESCRIPTION IS DESCRIBED IN THAT CERTAIN CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT RECORDED AUGUST 22, 2014 AS INSTRUMENT NO. 2014-083154, SAN JOAQUIN COUNTY OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL THAT PORTION OF LAND GRANTED TO THE CITY OF TRACY, A MUNICIPAL CORPORATION, IN THAT CERTAIN GRANT DEED RECORDED AUGUST 26, 2014 AS INSTRUMENT NO. 2014-084369, SAN JOAQUIN COUNTY OFFICIAL RECORDS.

EXCEPT, ALL OIL, GAS AND OTHER HYDROCARBONS, ETC., AS RESERVED IN DEED EXECUTED BY CAPITAL COMPANY, FORMERLY CALIFORNIA LANDS, INC., TO ALFRED G. PEREIRA AND WIFE, RECORDED JULY 09, 1941 IN BOOK OF OFFICIAL RECORDS, VOL. 736, PAGE 427, SAN JOAQUIN COUNTY RECORDS.

EXCEPTING THEREFROM AN UNDIVIDED ½ INTEREST IN AND TO ALL OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS, AS CONVEYED TO HILLMAN-LONG, INC., A CORPORATION, BY DEED DATED JULY 30, 1935 AND RECORDED AUGUST 05, 1935 IN BOOK OF OFFICIAL RECORDS, VOL. 506, PAGE 118, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL WATER RIGHTS, COAL, OIL, GAS, AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES, PRECIOUS METALS ORES, BASE METALS ORES, INDUSTRIAL GRADE SILICATES AND CARBONATES, FISSIONABLE SUBSTANCES OF EVERY KIND AND CHARACTER, METALLIC OR OTHERWISE, WHETHER OF NOT PRESENTLY KNOWN TO SCIENCE OR INDUSTRY, BELOW A DEPTH OF 500 FEET, AS RESERVED BY OLIVEIRA FARMS, A CALIFORNIA LIMITED PARTNERSHIP, IN DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY.

ALSO EXCEPTING THAT PORTION OF LAND IN THE DEED TO THE CITY OF TRACY RECORDED AUGUST 26, 2014 AS INSTRUMENT NO. 2014-084369, SAN JOAQUIN COUNTY RECORDS.

TRACT 5:

BEING ALL OF THE "ADJUSTED - PARCEL 6"; AS DESCRIBED AND RECORDED IN DOCUMENT NO. 2011-143104 ON NOVEMBER 15, 2011, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, STATE OF CALIFORNIA.

BEING A PORTION OF THE EAST 1/2 OF SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF PARCEL 1, 2, 3, AND ALL OF PARCEL 6 OF THAT PARCEL MAP RECORDED IN BOOK 25 OF PARCEL MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH-WEST CORNER OF PARCEL 6 PER SAID PARCEL MAP, THENCE ALONG THE NORTH LINE OF SAID PARCEL 6, SOUTH 89°34'00" EAST, 60.00 FEET, TO THE EAST LINE OF PARCEL 6; THENCE ALONG SAID EAST LINE, SOUTH 00°29'13" WEST, 384.77 FEET, TO THE NORTH LINE OF SAID PARCEL 6; THENCE ALONG THE NORTH LINE OF SAID PARCEL, SOUTH 89°30'47" EAST, 803.00 FEET; THENCE LEAVING SAID NORTH LINE, SOUTH 00°29'13" WEST, 2509.15 FEET, TO A POINT ON THE SOUTHEASTERLY LINE OF SAID PARCEL 1; THENCE ALONG SAID LINE, SOUTH 64°47'56" WEST, 954.53 FEET, TO THE WEST LINE OF SAID PARCEL 1; THENCE NORTH 00°26'18" EAST, 3307.63 FEET, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM AN UNDIVIDED 1/2 INTEREST IN AND TO ALL OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS, AS CONVEYED TO HILLMAN-LONG, INC., A CORPORATION, BY DEED DATED JULY 30, 1935 AND RECORDED AUGUST 5, 1935 IN BOOK OF OFFICIAL RECORDS, VOL. 506, PAGE 118, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL WATER RIGHTS, COAL, OIL, GAS, AND OTHER HYDROCARBONS, GEOTHERMAL RESOURCES, PRECIOUS METALS ORES, BASE METALS ORES, INDUSTRIAL GRADE SILICATES AND CARBONATES, FISSIONABLE SUBSTANCES OF EVERY KIND AND CHARACTER, METALLIC OR OTHERWISE, WHETHER OR (OF) NOT PRESENTLY KNOWN TO SCIENCE OR INDUSTRY, BELOW A DEPTH OF 500 FEET, AS RESERVED BY OLIVEIRA FARMS, A CALIFORNIA LIMITED PARTNERSHIP, IN DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY.

EXHIBIT B

PLAT AND LEGAL DEPICTION OF PORTION OF REAL PROPERTY BEING DEDICATED

[Immediately Follows]

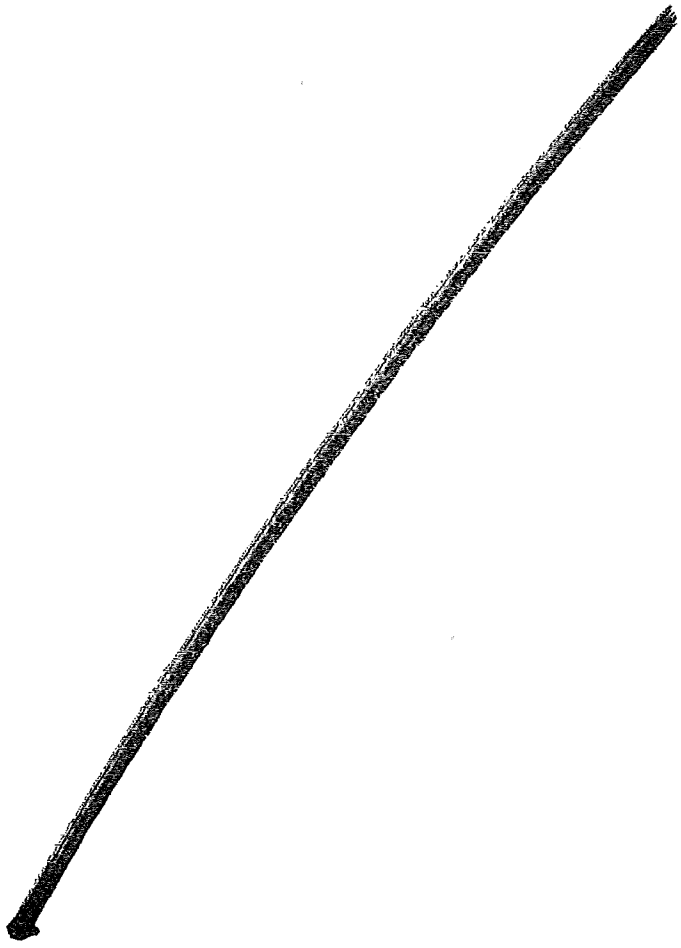


EXHIBIT C
PERMISSIBLE ENCUMBRANCES
Tracts 2, 3, and 4

The Following Matters Affect Tract Two:

1. The terms and provisions contained in the document entitled "City of Tracy Deferred Improvement Agreement Northeast Industrial Area (NEI), Phase 2, Parcel 28 Prologis Park Olivera (Prologis - II) Prologis Property" recorded September 08, 2010 as Instrument No. 2010-117968 of Official Records.

2. Covenants, conditions, restrictions and easements in the document recorded November 30, 2012 as Instrument No. 2012-156790 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

3. Terms and provisions of an unrecorded lease dated November 30, 2012, by and between Prologis Logistics Services Incorporated, a Delaware corporation as lessor and Golden State FC LLC, a Delaware limited liability company as lessee, as disclosed by a Memorandum of Lease recorded November 30, 2012 as Instrument No. 2012-156792 of Official Records.

   Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.

4. The terms, provisions and easement(s) contained in the document entitled "Amended and Restated Declaration of Easements Prologis Park Tracy - Phase II" recorded February 20, 2014 as Instrument 656 of Official Records.

The Following Matters Affect Tract Three:

5. The terms and provisions contained in the document entitled "City of Tracy Deferred Improvement Agreement Northeast Industrial Area (NEI), Phase 2, Parcel 28 Prologis Park Olivera (Prologis - II) Prologis Property" recorded September 08, 2010 as Instrument No. 2010-117968 of Official Records.

6. Covenants, conditions, restrictions and easements in the document recorded November 30, 2012 as Instrument No. 2012-156790 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

7. The terms, provisions and easement(s) contained in the document entitled "Amended

and Restated Declaration of Easements Prologis Park Tracy - Phase II" recorded February 20, 2014 as Instrument No. 2014-016656 of Official Records.

The Following Matters Affect Tract Four:

8. An easement for drainage pipelines and incidental purposes, recorded November 13, 1973 in Book 3818, Page 119 of Official Records.

In Favor of: The West Side Irrigation District, a public irrigation district
Affects: as described therein

NOTE: Grantor's reserved rights thereunder have been assigned to Prologis Logistics Services Incorporated under an unrecorded Assignment of Permits, Contracts and Utility Rights dated March 25, 2013.

9. A document entitled "Notice of Intent to Preserve Mineral Interest and Mineral Related Surface Rights" recorded August 08, 2001 as Instrument No. 01127928 of Official Records.

10. An easement shown or dedicated on the map filed or recorded April 21, 2009 in Book 25, Page 40 of Parcel Maps

For: temporary right of way and incidental purposes.

11. The terms and provisions contained in the document entitled "City of Tracy Deferred Improvement Agreement Northeast Industrial Area (NEI), Phase 2, Parcel 28 Prologis Park Olivera (Prologis - II) Prologis Property" recorded September 08, 2010 as Instrument No. 2010-117968 of Official Records.

12. Covenants, conditions, restrictions and easements in the document recorded November 30, 2012 as Instrument No. 2012-156790 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

13. The terms, provisions and easement(s) contained in the document entitled "Amended and Restated Declaration of Easements Prologis Park Tracy - Phase II" recorded February 20, 2014 as Instrument No. 2014-016656 of Official Records.

EXHIBIT B-1
Page 1 of 2

EXHIBIT "A"
LEGAL DESCRIPTION
IRREVOCABLE OFFER OF DEDICATION SKYLARK WAY

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTHEAST 1/4 SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE MERIDIAN AS DECRIBED IN THAT CERTAIN GRANT DEED AS PARCEL 2 RECORDED MARCH 30, 2016 AS DOCUMENT NO. 2016-035958 OFFICIAL RECORDS, THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, MORE PARTICULARY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID PARCEL 2 (2016-035958);

THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 2, SOUTH 89° 34' 01" EAST, 60.00 FEET TO THE NORTHEASTERLY CORNER OF SAID PARCEL 2;

THENCE ALONG THE EASTERLY LINE OF SAID PARCEL 2, SOUTH 00° 29' 13" WEST, 384.77 FEET;

THENCE LEAVING LAST SAID LINE, NORTH 89° 30' 47" WEST, 59.70 FEET TO A POINT ON THE WESTERN MOST LINE OF SAID PARCEL 2;

THENCE ALONG LAST SAID LINE, NORTH 00° 26' 31" EAST, 384.71 FEET TO THE **POINT OF BEGINNING**

CONTAINING 23,026 SQUARE FEET OR 0.5286 ACRES OF LAND MORE OR LESS.

THE BASIS OF BEARINGS FOR THIS PLAT AND LEGAL DESCRIPTION IS THE LINE TAKEN AS NORTH 89°33'51"WEST, TAKEN ON THE MONUMENT LINE OF GRANT LINE ROAD AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 25, 2009, IN BOOK 25 OF MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY WAS TAKEN AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

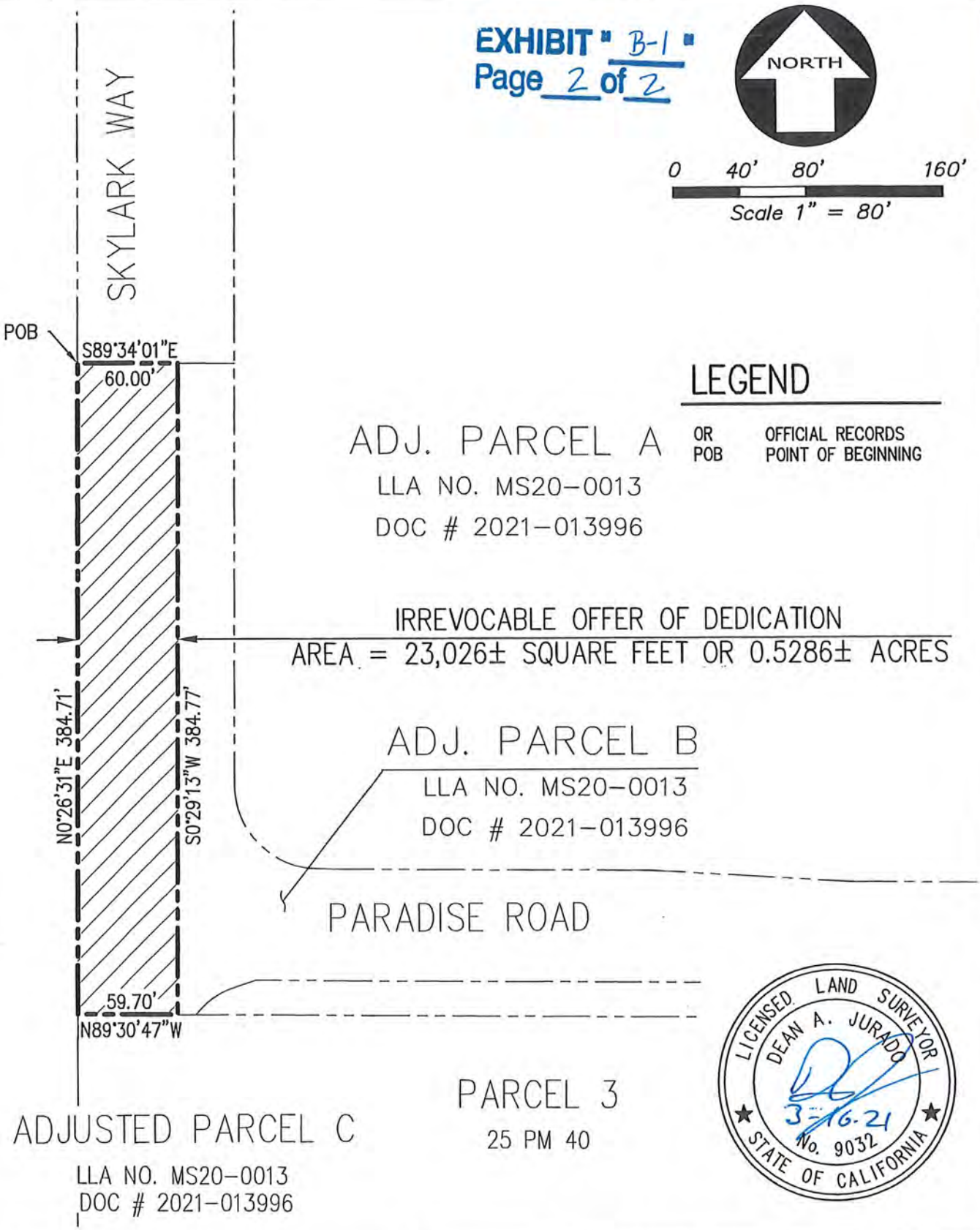
AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART OF.

DESCRIPTION PREPARED BY KIER & WRIGHT CIVIL ENGINEERS AND SYRVEYORS, INC.

DEAN A JURADO, L.S. 9032

3-16-21
DATE

EXHIBIT "B-1"
Page 2 of 2



KIER+WRIGHT
250 Cherry Lane, Suite 107, 208
Manteca, CA 95337
Phone: (209) 328-1123
www.kierwright.com

EXHIBIT "B"
IRREVOCABLE OFFER OF DEDICATION
TRACY, CALIFORNIA

DATE	MARCH, 2021
SCALE	1" = 80'
BY	CSW
JOB NO.	A05728-45
SHEET	1 OF 1

EXHIBIT "C"
Page 1 of 1

EXHIBIT C
PERMISSIBLE ENCUMBRANCES

Tract 1

The Following Matters Affect Tract One:

1. An offer of dedication for roadway and incidental purposes, recorded October 08, 2009 as Instrument No. 2009-147553 of Official Records.
   To: A southeasterly portion

2. The terms and provisions contained in the document entitled "Memorandum of Waiver of Surface Rights" recorded May 17, 2017 as Instrument No. 2017-055487 of Official Records. By California Resources Production/Petroleum Corporation, a Delaware corporation.

EXHIBIT "B-2"
Page 1 of 3

EXHIBIT "A"
LEGAL DESCRIPTION
IRREVOCABLE OFFER OF DEDICATION – PARADISE ROAD

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTHEAST 1/4 SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE MERIDIAN AS DECRIBED IN THAT CERTAIN GRANT DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012 OFFICIAL RECORDS, THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF PARCEL 7, PORTION OF PARCEL 8, AND PORTION OF PARCEL 9, AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 21, 2009, IN BOOK 25 OF PARCEL MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE RIGHT OF WAY OF SKYLARK WAY, SAID POINT ALSO BEING THE NORTHWESTERLY CORNER OF SAID PARCEL 9;

THENCE ALONG SAID RIGHT OF WAY AND THE NORTHERLY LINE OF SAID PARCEL 9, SOUTH 89° 34' 00" EAST, 34.44 FEET;

THENCE LEAVING SAID NORTHERLY LINE THE FOLLOWING EIGHT (8) COURSES AND DISTANCES:

1. SOUTH 00° 26' 26" WEST, 248.38 FEET TO THE BEGINNING OF CURVE TO THE LEFT;
2. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 89° 57' 13", FOR AN ARC DISTANCE OF 78.50 FEET;
3. SOUTH 89° 30' 47" EAST, 200.25 FEET;
4. SOUTH 86° 39' 02" EAST, 120.15 FEET;
5. SOUTH 89° 30' 47" EAST, 1102.52 FEET TO THE BEGINNING OF A CURVE TO THE LEFT;
6. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 673.00 FEET, THROUGH A CENTRAL ANGLE OF 36° 00' 13", FOR AN ARC DISTANCE OF 422.90 FEET;
7. NORTH 54° 29' 00" EAST, 192.29 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT;
8. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 547.00 FEET, THROUGH A CENTRAL ANGLE OF 08° 32' 07", FOR AN ARC DISTANCE OF 81.49 FEET; TO A POINT ON THE RIGHT OF WAY OF PARADISE COURT, SAID POINT ALSO BEING THE BEGINNING OF A NONTANGENT CURVE; THE CENTER BEARS SOUTH 62° 15' 36" EAST;

THENCE ALONG SAID RIGHT OF WAY AND ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET, THROUGH A CENTRAL ANGLE OF 55° 11' 27", FOR AN ARC DISTANCE OF 72.24 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, THE CENTER BEARS SOUTH 28° 32' 49" EAST;

THENCE LEAVING SAID RIGHT OF WAY THE FOLLOWING SIX (6) COURSES AND DISTANCES:

1. ALONG SAID NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 340.00 FEET, THROUGH A CENTRAL ANGLE OF 06° 58' 11", FOR AN ARC DISTANCE OF 41.36 FEET;
2. SOUTH 54° 29' 00" WEST, 191.71 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT;
3. ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 733.00 FEET, THROUGH A CENTRAL ANGLE OF 36° 00' 13", FOR AN ARC DISTANCE OF 460.60 FEET;
4. NORTH 89° 30' 47" WEST, 1,459.81 FEET;
5. SOUTH 72° 01' 13" WEST, 13.57 FEET; TO THE BEGINNING OF A CURVE TO THE LEFT;

6. ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 32° 50' 03", FOR AN ARC DISTANCE OF 28.65 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID PARCEL 7;

THENCE ALONG SAID SOUTHERLY LINE, NORTH 89° 30' 47" WEST, 11.55 FEET TO THE SOUTHWESTERLY CORNER OF SAID PAREL 7;

THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 7, NORTH 00° 29' 13" EAST, 384.77 FEET TO THE **POINT OF BEGINNING;**

CONTAINING 3.3337 ACRES OF LAND MORE OR LESS.

THE BASIS OF BEARINGS FOR THIS PLAT AND LEGAL DESCRIPTION IS THE LINE TAKEN AS NORTH 89°33'51" WEST, TAKEN ON THE MONUMENT LINE OF GRANT LINE ROAD AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 25, 2009, IN BOOK 25 OF MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY WAS TAKEN AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART OF.

DESCRIPTION PREPARED BY KIER & WRIGHT CIVIL ENGINEERS AND SURVEYORS, INC.

DEAN A. JURADO, L.S. 9032

3-16-21
DATE

LINE TABLE		
LINE #	DIRECTION	LENGTH
L1	S89°34'00"E	34.44'
L2	S0°26'26"W	248.38'
L3	S89°30'47"E	200.25'
L4	S86°39'02"E	120.15'
L5	N54°29'00"E	192.29'
L6	S54°29'00"W	191.71'
L7	S72°01'13"W	13.57'
L8	N89°30'47"W	11.55'

CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	50.00'	89°57'13"	78.50'
C2	673.00'	36°00'13"	422.90'
C3	547.00'	8°32'07"	81.49'
C4	75.00'	55°11'27"	72.24'
C5	340.00'	6°58'11"	41.36'
C6	733.00'	36°00'13"	460.60'
C7	50.00'	32°50'03"	28.65'

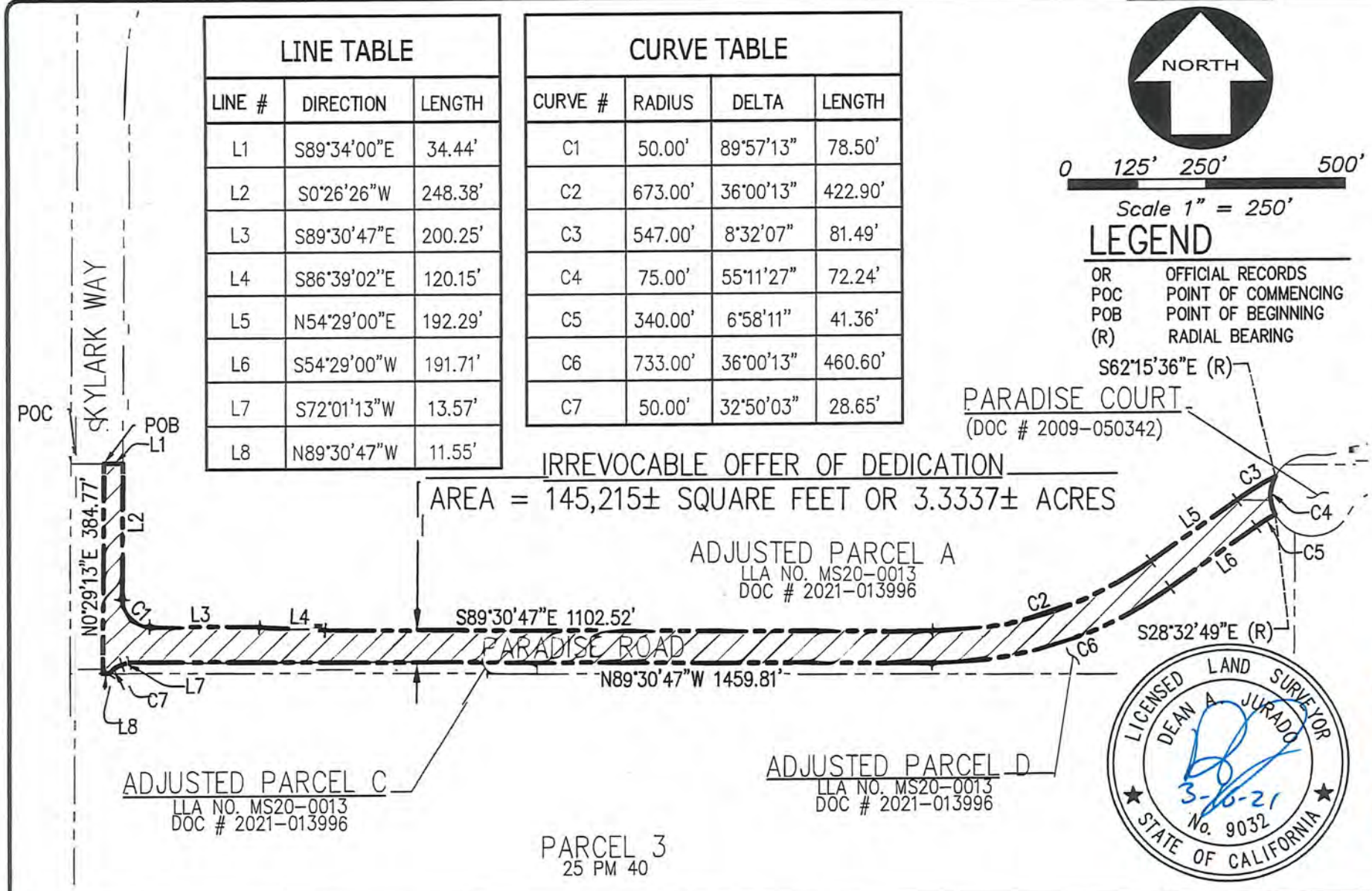


EXHIBIT "B-2"
Page 3 of 3

KIER+WRIGHT
250 Cherry Lane, Suite 107, 208
Manteca, CA 95337
Phone: (209) 328-1123
www.kierwright.com

EXHIBIT "B"
IRREVOCABLE OFFER OF DEDICATION

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	MARCH, 2021
SCALE	1" = 250'
BY	CSW
JOB NO.	A05728-45
SHEET	1 OF 1

EXHIBIT "B-3"
Page 1 of 4

EXHIBIT "A"
LEGAL DESCRIPTION
IRREVOCABLE OFFER OF DEDICATION NORTH CHRISMAN ROAD

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTHEAST 1/4 SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE MERIDIAN AS DECRIBED IN THAT CERTAIN GRANT DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012 OFFICIAL RECORDS, THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE PARCEL OF LAND DESCRIBED IN THE GRANT DEED RECORDED ON MARCH 26, 2013 AS INSTRUMENT NUMBER 2013-039277, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHERLY QUARTER CORNER OF SAID SECTION 22, THENCE ALONG THE NORTHERLY LINE OF SECTION 22, SOUTH 89° 33' 43" EAST, 100.00 FEET;

THENCE LEAVING SAID NORTHERLY LINE, SOUTH 0° 26' 26" WEST, 81.00 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF GRANT LINE ROAD;

THENCE ALONG THE SOUTHERLY RIGHT OF WAY, SOUTH 89° 33' 43" EAST, 180.00 FEET

THENCE CONTINUING ALONG SAID SOUTHERLY LINE, SOUTH 89° 33' 43" EAST, 2260.62 FEET;

THENCE SOUTH 43° 43' 46" EAST, 45.80 FEET TO THE **POINT OF BEGINNING;**

THENCE CONTINUING ALONG SAID COURSE, SOUTH 43° 43' 46" EAST, 20.40 FEET;

THENCE SOUTH 88° 41' 37" EAST, 17.00 FEET;

THENCE SOUTH 84° 39' 24" EAST, 22.93 FEET TO A POINT OF THE WESTERLY RIGHT OF WAY LINE OF NORTH CHRISMAN ROAD;

THENCE ALONG SAID WESTERLY LINE, SOUTH 01° 19' 00" WEST, 1167.11 FEET;

THENCE LEAVING SAID WESTERLY LINE, THE FOLLOWING EIGHT (8) COURSES:

1. NORTH 89° 30' 02" WEST, 43.43 FEET,
2. SOUTH 00° 29' 58" WEST, 15.00 FEET,
3. SOUTH 45° 28' 05" WEST, 4.21 FEET,
4. NORTH 00° 29' 53" EAST, 339.15 FEET,
5. ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 280.00 FEET, THROUGH A CENTRAL ANGLE OF 08° 36' 39", AN ARC DISTANCE OF 42.08 FEET,
6. NORTH 09° 06' 32" EAST, 20.21 FEET,

EXHIBIT "B-3"
Page 2 of 4

7. ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 250.00 FEET, THROUGH A CENTRAL ANGLE OF 08° 36' 39", AN ARC DISTANCE OF 37.57 FEET, AND
8. NORTH 00° 29' 53" EAST, 763.29 FEET TO THE **POINT OF BEGINNING.**

CONTAINING 56,967 SQUARE FEET OR 1.3078 ACRES OF LAND, MORE OR LESS.

THE BASIS OF BEARINGS FOR THIS PLAT AND LEGAL DESCRIPTION IS THE LINE TAKEN AS NORTH 89°33'51"WEST, TAKEN ON THE MONUMENT LINE OF GRANT LINE ROAD AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 25, 2009, IN BOOK 25 OF MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY WAS TAKEN AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART OF.

DESCRIPTION PREPARED BY KIER & WRIGHT CIVIL ENGINEERS AND SYRVEYORS, INC.

DEAN A. JURADO L.S. 9032

3-12-21
DATE

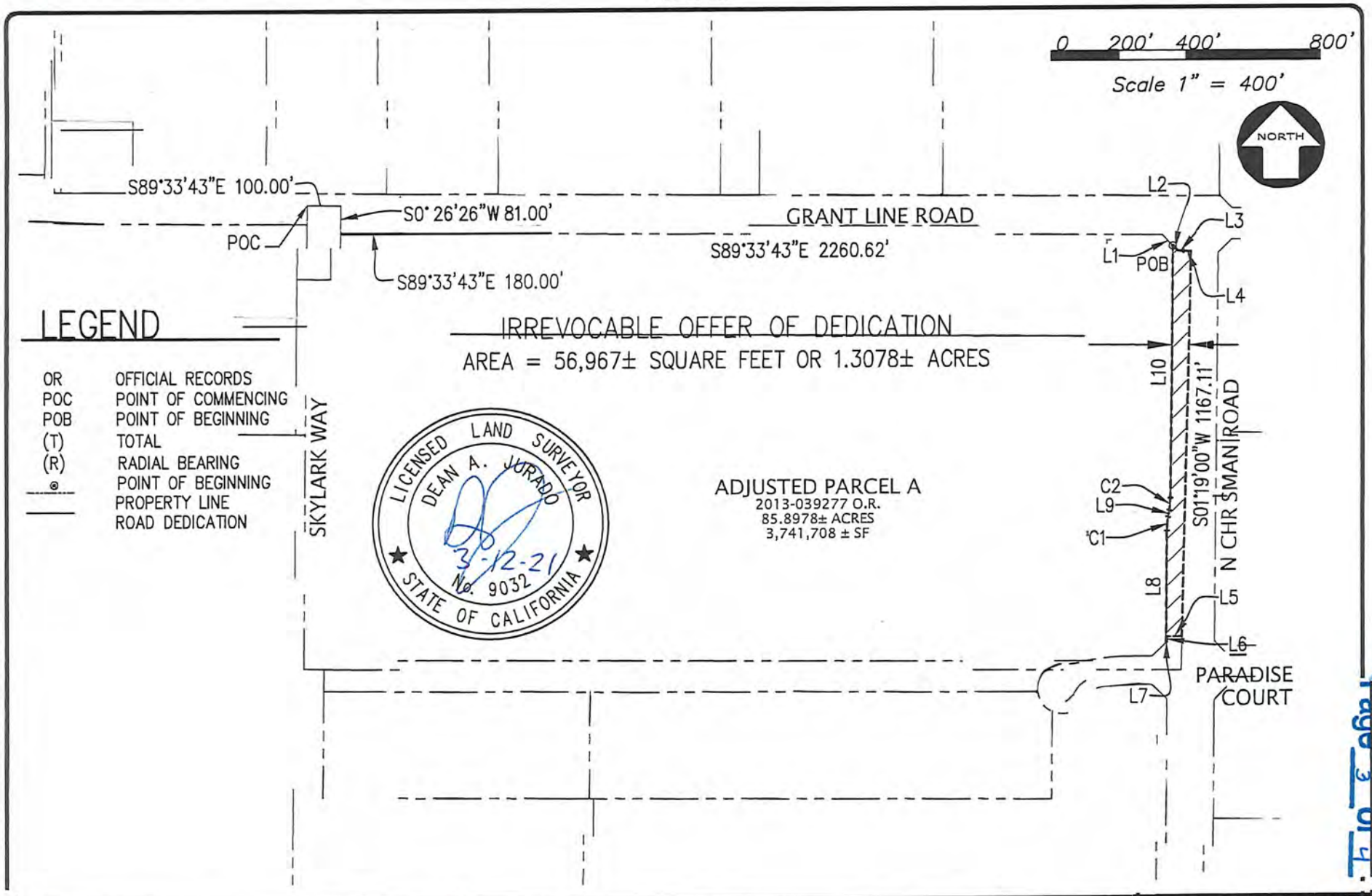


EXHIBIT "B-3"
Page 3 of 4

KIER+WRIGHT
250 Cherry Lane, Suite 107, 208
Manteca, CA 95337
Phone: (209) 328-1123
www.kierwright.com

IRREVOCABLE OFFER OF DEDICATION
NORTH CHRISMAN ROAD

TRACY, SAN JOAQUIN COUNTY, CALIFORNIA

DATE	NOVEMBER, 2020
SCALE	1" = 400'
BY	CSW
JOB NO.	A05728-44
SHEET	1 OF 2

LINE TABLE		
LINE #	DIRECTION	LENGTH
L1	S43°43'46"E	45.80'
L2	S43°43'46"E	20.40'
L3	S88°41'37"E	17.00'
L4	S84°39'24"E	22.93'
L5	N89°30'02"W	43.43'
L6	S0°29'58"W	15.00'
L7	S45°28'05"W	4.21'
L8	N0°29'53"E	339.15'
L9	N9°06'32"E	20.21'
L10	N0°29'53"E	763.29'

CURVE TABLE			
CURVE #	RADIUS	DELTA	LENGTH
C1	280.00'	8°36'39"	42.08'
C2	250.00'	8°36'39"	37.57'

EXHIBIT "B-3"
Page 4 of 4

KIER+WRIGHT
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www.kierwright.com

IRREVOCABLE OFFER OF DEDICATION

NORTH CHRISMAN ROAD

TRACY, SAN JOAQUIN COUNTY CALIFORNIA

DATE	NOVEMBER, 2020
SCALE	1" = 400'
BY	CSW
JOB NO.	A05728-44
SHEET	2 OF 2

EXHIBIT B-4
Page 1 of 3

EXHIBIT "A"
LEGAL DESCRIPTION
IRREVOCABLE OFFER OF DEDICATION GRANT LINE ROAD

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE NORTHEAST 1/4 SECTION 22, TOWNSHIP 2 SOUTH, RANGE 5 EAST, MOUNT DIABLO BASE MERIDIAN AS DECRIBED IN THAT CERTAIN GRANT DEED RECORDED MAY 17, 2005 AS DOCUMENT NO. 2005-118012 OFFICIAL RECORDS, THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE PARCEL OF LAND DESCRIBED IN THE GRANT DEED RECORDED ON MARCH 26, 2013 AS INSTRUMENT NUMBER 2013-039277, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHERLY QUARTER CORNER OF SAID SECTION 22, THENCE ALONG THE NORTHERLY LINE OF SECTION 22, SOUTH 89° 33' 43" EAST, 100.00 FEET;

THENCE LEAVING SAID NORTHERLY LINE, SOUTH 0° 26' 26" WEST, 81.00 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF GRANT LINE ROAD;

THENCE ALONG THE SOUTHERLY RIGHT OF WAY, SOUTH 89° 33' 43" EAST, 180.00 FEET TO THE **POINT OF BEGINNING;**

THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT OF WAY, SOUTH 89° 33' 43" EAST, 2260.62 FEET;

THENCE CONTINUING ALONG SAID SOUTHERLY RIGHT OF WAY, SOUTH 43° 43’ 46” EAST, 16.73 FEET;

THENCE LEAVING SAID SOUTHERLY RIGHT OF WAY, NORTH 89° 33’ 43” WEST, 1477.59 FEET;

THENCE NORTH 88° 41’ 49” WEST, 794.78’ TO THE **POINT OF BEGINNING**

CONTAINING 22,429 SQUARE FEET OR 0.5149 ACRES OF LAND, MORE OR LESS.

THE BASIS OF BEARINGS FOR THIS PLAT AND LEGAL DESCRIPTION IS THE LINE TAKEN AS NORTH 89°33'51”WEST, TAKEN ON THE MONUMENT LINE OF GRANT LINE ROAD AS SHOWN ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON APRIL 25, 2009, IN BOOK 25 OF MAPS AT PAGE 40, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY WAS TAKEN AS THE BASIS FOR ALL BEARINGS SHOWN HEREON.

AS SHOWN ON EXHIBIT “B” ATTACHED HERETO AND BY THIS REFERENCE MADE A PART OF.

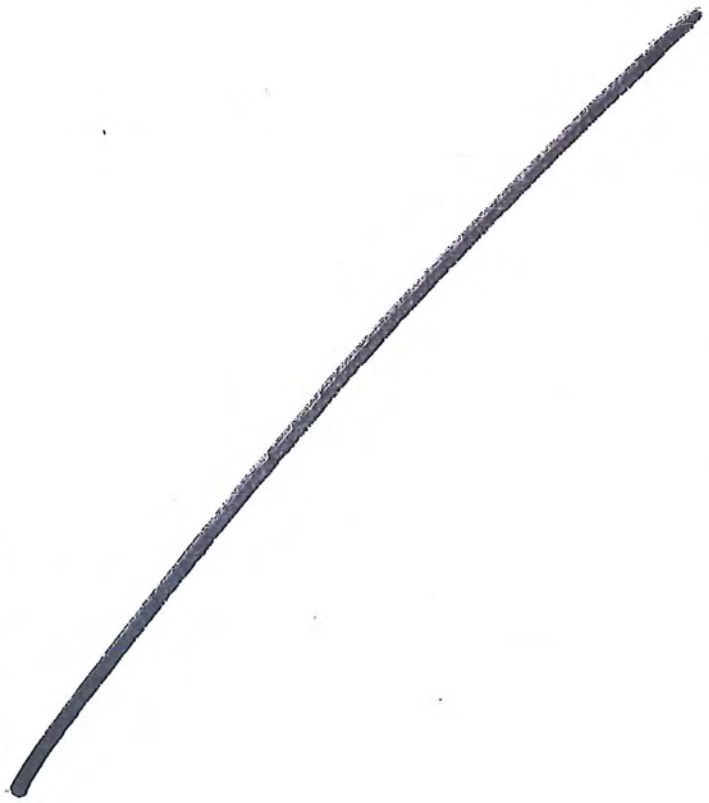
EXHIBIT B-4
Page 2 of 3

DESCRIPTION PREPARED BY KIER & WRIGHT CIVIL ENGINEERS AND SURVEYORS, INC.

DEAN A. JURADO L.S. 9032

3-12-21
DATE

LICENSED LAND SURVEYOR
DEAN A. JURADO
No. 9032
STATE OF CALIFORNIA



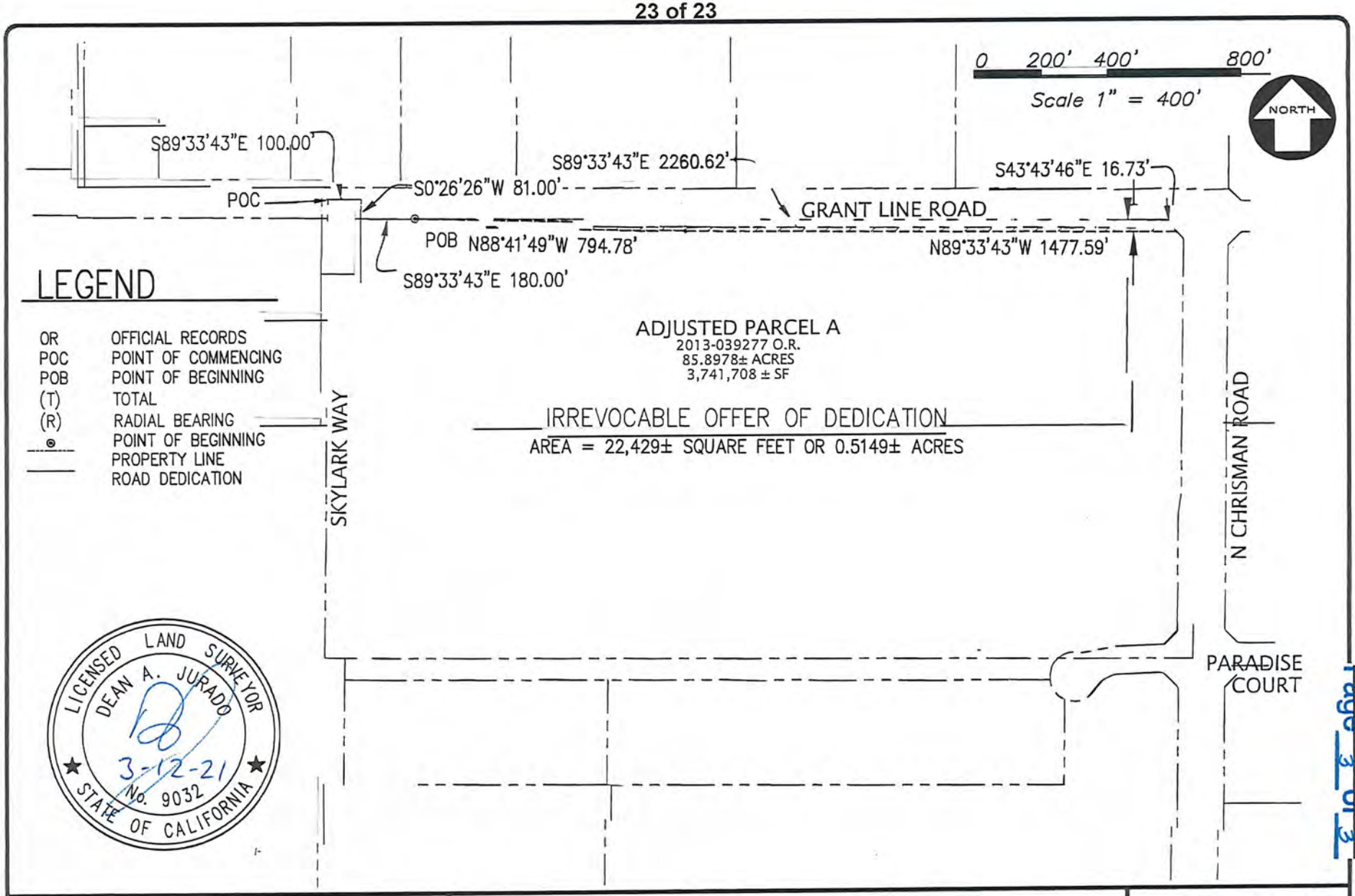


EXHIBIT "B-4"
Page 3 of 3

KIER+WRIGHT
250 Cherry Lane, Suite 107, 208
Manteca, CA 95337
Phone: (209) 328-1123
www.kierwright.com

IRREVOCABLE OFFER OF DEDICATION GRANT LINE ROAD

TRACY, SAN JOAQUIN COUNTY, CALIFORNIA

DATE	NOVEMBER, 2020
SCALE	1" = 400'
BY	CSW
JOB NO.	A05728-44
SHEET	1 OF 1

DocuSign Envelope ID: 807F62E1-B5B6-45BA-9989-5C263060F71E

CITY OF TRACY
AMENDMENT NO. 1 TO
Offsite Improvement Agreement for NEI PH 3 Big Bird Street Improvement Plans for Grant Line Road, Chrisman Road, Paradise Road and Skylark Way

This Amendment No. 1 (**Amendment**) to the Offsite Improvement Agreement for NEI PH 3 Big Bird Street Improvement Plans for Grant Line Road, Chrisman Road, Paradise Road and Skylark Way is entered into between the City of Tracy, a municipal corporation (**City**), and Prologis, L.P., a Delaware limited partnership (**Developer**). City and Consultant are referred to individually as "**Party**" and collectively as "**Parties**."

Recitals

A. The City and Developer entered into an Offsite Improvement Agreement (**Agreement**) for the Mass Grading and Storm Drainage improvements which was approved by the City Manager on 10/01/2021.

B. The storm drainage fee credit amount used in the Agreement was incorrect.

C. This Amendment is being executed pursuant to Resolution No. ____ approved by Tracy City Council on _____, 2023.

Now therefore, the Parties mutually agree as follows:

1. Incorporation by Reference. This Amendment incorporates by reference all terms set forth in the Agreement, unless specifically modified by this Amendment. The terms which are not specifically modified by this Amendment will remain in effect.

2. Terms of Amendment.

A. Section 1.1 is hereby amended and replaced in its entirety to read as follows:

ROADWAY FEE CREDITS. Upon submission of the improvement security, payment of engineering review fees, and City's execution of this Agreement, Developer shall be entitled to receive roadway fee credits applicable to Chrisman Road in the amount of $2,809,358.18.

3. Modifications. This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

4. Severability. If any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.

5. Signatures. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment. This Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

DocuSign Envelope ID: 807F62E1-B5B6-45BA-9989-5C263060F71E

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

City of Tracy

By: _____
Nancy Young, Mayor

Date: _____

Prologis, L.P. a Delaware Limited Partnership

By: DocuSigned by: Matthew Sims 68F5C816ADE74DE...
Matthew Sims, Vice President

Date: 10 May 2023

Attest:

By: _____
Adrianne Richardson, City Clerk

Approved as to form

By: _____
Bijal M. Patel, City Attorney

Attachment C

Preliminary Estimated Credit / Reimbursement for Construction of Chrisman Road between Grant Line Road and 11th Street
11/1/2021

Improvements	Unit Type	Units	Unit Cost [1]	Unit Cost w/ Mark-Up [2]	Max Eligible Credit
Roadway Improvements					
Chrisman Road between Grant Line Road and Paradise Road (10+76.47 to 23+97.01) Master Plan Roadway Segment between Grant Line Road and Eleventh Street [3,4]	LF	1,320.63	$ 1,095.51	$ 1,314.61	$ 1,736,118.20
Chrisman Road between Grant Line Road and Paradise Road (10+76.47 to 23+97.01) Master Plan Roadway Segment between Grant Line Road and Eleventh Street - Right of Way Acquisition [5]	LF	1,320.63	$ 177.79	$ 177.79	$ 234,795.49
Grant Line and Chrisman Road Intersection - Intersection Completion [6]	EA	1.00	$ 755,545.43	$ 838,444.49	$ 838,444.49
Subtotal Roadway					**$ 2,809,358.18**
Total					**$ 2,809,358.18**

Notes:

1) Unit costs derived from the cost estimate worksheet for widening a two lane street to a six lane parkway as detailed in Appendix A of the City of Tracy Traffic Impact Fee Program dated November of 2013. Costs have been escalated by the Engineer's News Record San Francisco Construction Cost Index from November 2013 costs to June 2021 costs (13459.1/10901.09).

2) Unit costs are marked up by 20% to account for (Engineering (10%) and Construction Management (10%). Contingency costs (15%) and program administration costs (5%) are not eligible for credits per Section 13.08.020 of the City of Tracy Municipal Code.

3) Chrisman Road intersects Paradise Road in two locations and pursuant to Figure 4.2 of the City of Tracy Transportation Master Plan, Chrisman Road between Grant Line Road and Paradise Road from Intersection 28 to Intersection O is north of Grant Line Road and is not included in this credit calculation. The improvements detailed in the Plan Set provided by Kier & Wright details a portion of the segment of Chrisman Road between Grant Line Road and Eleventh Street and is shown in Figure 4.2 of the City of Tracy Transportation Master Plan. Per Table 5 of the Transportation Master Plan Addendum date November 2013 Chrisman Road between Grant Line Road and Eleventh Street is programed to be an expansion from a two lane roadway to a six lane roadway.

4) Reimbursable costs for Chrisman Road as detailed in the planset provided by Kier & Wright is based on the cost estimate worksheet for widening a two lane street to a six lane parkway as detailed in Appendix A of the City of Tracy Traffic Impact Fee Program dated November of 2013 and includes half the expanded travel lanes, the construction of the median including landscaping, a portion of fire services and a portion of storm drainage laterals. Streetlights are not included in the reimbursable costs at this time as the Master Plan dictates that streetlights will be installed in the median. If streetlights are installed in the median, the credits are subject to change.

5) Right of Way costs are calculated for the acquisition of the remaining 50% Right of Way. This cost are not escalated to include markups as no engineering and construction management costs are incurred.

6) Prologis is constructing the intersection improvements. However, the Seefried Developer prepared the planset for the improvements on the northern side of the intersection and is eligible to receive credits/reimbursement in the amount of 10% of these improvements. This amount of $55,246.16 has been subtracted from Prologis' eligible credits/reimbursement.

APPROVED AS TO FORM

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023-_____

APPROVING AMENDMENT NO. 1 TO THE OFFSITE IMPROVEMENT AGREEMENT FOR NEI PH3 BIG BIRD STREET IMPROVEMENTS PLANS FOR GRANT LINE ROAD, CHRISMAN ROAD, PARADISE ROAD AND SKYLARK WAY TO INCREASE THE ROADWAY FEE CREDIT AMOUNT TO A TOTAL OF $2,809,358.18

WHEREAS, on November 10, 2020, the Development Services Director approved Prologis L.P.'s Development Review application (D20-0017) for an industrial building and associated site improvements commonly known as "Project Big Bird"; and

WHEREAS, on October 1, 2021, the City and Prologis entered into that certain Offsite Improvement Agreement for NEI PH3 Big Bird Street Improvement Plans for Grant Line Road, Chrisman Road, Paradise Road and Skylark Way (the "Agreement") to facilitate Prologis' completion of certain street and utility improvements on Grant Line Road, Chrisman Road, Paradise Road, and Skylark Way; and

WHEREAS, the Agreement provided for Prologis to receive Roadway Fee Credits in the amount of $2,729,019.31 in accordance with the City's Municipal Code and Fee Program; and

WHEREAS, the amount of Roadway Fee Credits set forth in the Agreement at the time of its execution was not correct, because it was based on a fee amount that did not reflect the required annual adjustment for inflation; and

WHEREAS, the City of Tracy Engineering and Finance Departments have determined and confirmed that the amount of Roadway Fee Credits that should have been provided in the Agreement is $2,809,358.18.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Tracy hereby approves and authorizes the execution of Amendment No. 1 to the Agreement in the form attached hereto as Exhibit A, to increase the amount of the Roadway Fee Credit to $2,809,358.18; and be it

FURTHER RESOLVED: That this Resolution shall become effective immediately upon adoption.

* * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 20th of June 2023 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

June 20, 2023

Agenda Item 1.H

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution 1) amending Council Resolution No. 2023-075, adopted on May 2, 2023, to correct typographical errors regarding the project costs for the Police Multipurpose Reality Based Training Facility Project, CIP 71110, and 2) authorizing the City Manager to approve change orders up to the contingency amount of $470,717, if needed, pursuant to Tracy Municipal Code Section 2.20.090(b).

EXECUTIVE SUMMARY

On May 2, 2023, City Council adopted Resolution No. 2023-075 (Resolution 075) which awarded a construction contract to GCJ, Inc. (Contractor) for the construction of the Police Multipurpose Reality Based Training Facility Project (Project). The total estimated project cost and related sub-line items, including the construction bid and contingency amounts, were understated as set forth below.

BACKGROUND AND LEGISLATIVE HISTORY

On May 2, 2023, Council was presented with a staff report and resolution relating to the award of a construction contract to Contractor. On that same day, City Council approved Resolution No. 2023-075 awarding a contract to Contractor. Resolution No. 2023-075 and the related staff report are attached hereto for your reference. As stated above, said resolution contained typographical errors regarding the Project costs.

The table below is a side-by side comparison showing the typographical errors:

	Construction Bid	**Construction Management**	**Design Support during Construction**	**Contingency**	**Total Project Costs**
Resolution 2023-075	$2,349,496	$234,950	$117,475	$469,900	$3,171,821
Correct Amounts	$2,353,586	$235,359	$117,679	$470,717	$3,177,341

Staff requests City Council amend Resolution No. 2023-075 to correct the typographical errors and correct the dollar amounts for the Project. All other terms in Resolution 075 would remain unchanged.

ANALYSIS

As discussed in the staff report for May 2, 2023, bid analysis indicated that the lowest monetary bid is responsive and the bidder, Contractor, is responsible. Contractor has the appropriate contractor's license in active standing with the State of California and has completed similar projects in the City of Tracy.

The corrected total estimated cost of this project, if awarded to the lowest bidder, is as follows:

Construction Bid	$ 2,353,586
Construction Management (10%)	$ 235,359
Design Support During Construction (5%)	$ 117,679
Contingency (20%)	$ 470,717
Total Corrected Project Cost	$ 3,177,341

Tracy Municipal Code Section 2.20.090(b) authorizes the City Manager to approve change orders up to the contingency amount of $470,717 for this project, which is 20% of the construction contract cost.

FISCAL IMPACT

The total estimated project cost is $3,177,341 and will be funded by CIP 71110, Police Multipurpose Reality Based Training Facility Project. CIP 71110 has a current available budget of $3,331,022 as follows:

Asset Forfeiture	$	250,000
General Projects	$	2,947,225
TIMP - Public Safety	$	133,797
Total Available Budget	**$**	**3,331,022**

PUBLIC OUTREACH / INTEREST

No public outreach was required for this project.

COORDINATION

Engineering Staff coordinated with the Tracy Police Department and the Operations & Utilities Department.

CEQA DETERMINATION

The Project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15303, which pertains to the new construction of conversion of small structures, which identified exemptions for construction of limited numbers of new or small facilities or structures, not-to-exceed 10,000 square feet in an urbanize areas on sites zone for such uses.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Public Safety Strategic Priority.

ACTION REQUESTED OF THE CITY COUNCIL

That City Council, by resolution, amend Council Resolution No. 2023-075 to correct certain typographical errors regarding the project, and authorize the City Manager to approve change orders up to the contingency amount of $470,717, if needed, pursuant to Tracy Municipal Code Section 2.20.090(b).

.

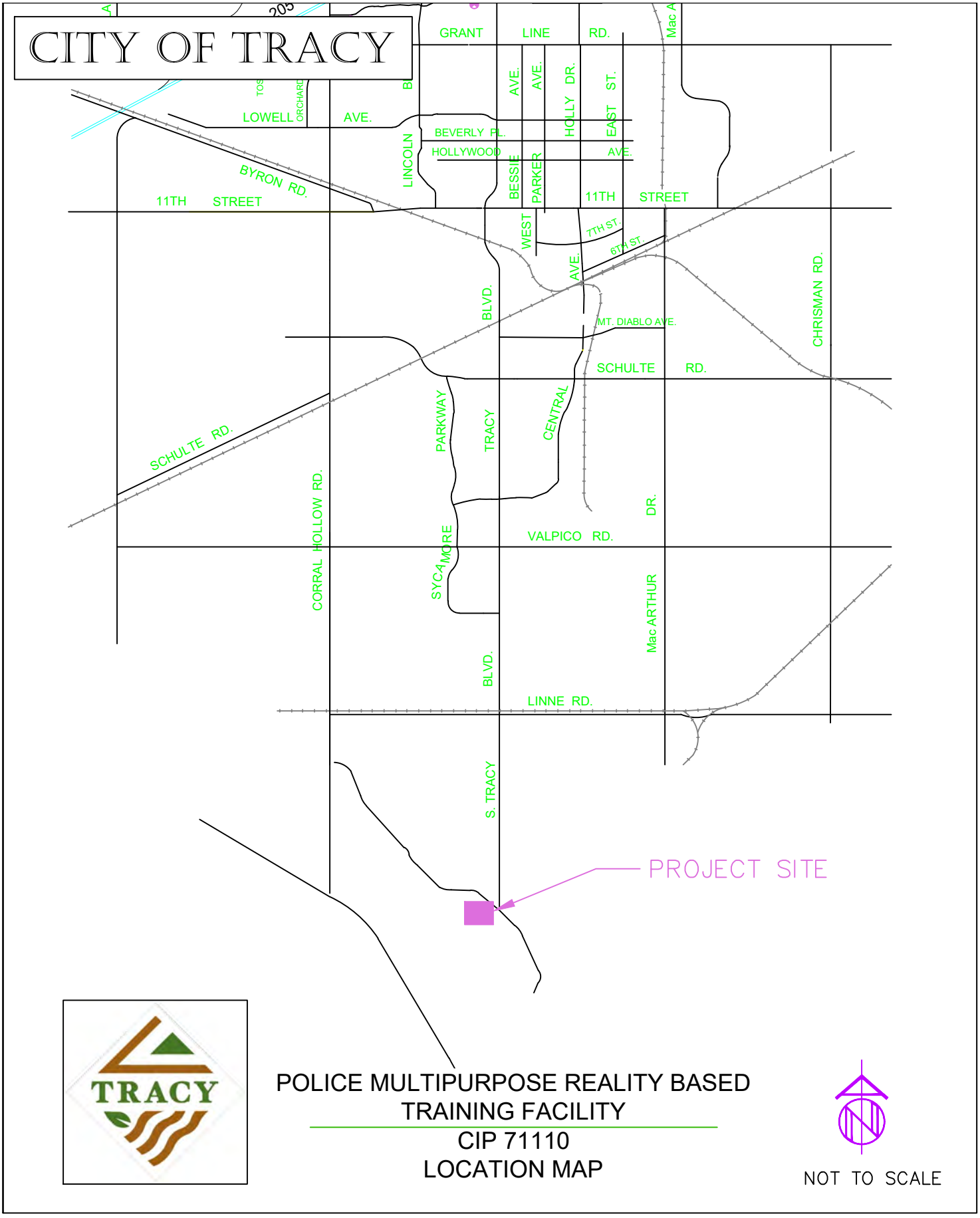
Prepared by: Ilene Macintire, PE, Senior Civil Engineer

Reviewed by: Koosun Kim, PE, City Engineer / Assistant Director of Development Services
Jaylen French, Development Services Director
Sara Cowell, Finance Director
Sekou Millington, Chief of Police
Bijal M. Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Location Map
Attachment B – Staff Report for Resolution 2023-075
Attachment C – Resolution 2023-075



TRACY

POLICE MULTIPURPOSE REALITY BASED TRAINING FACILITY

CIP 71110

LOCATION MAP

NOT TO SCALE

May 2, 2023

Agenda Item 1.H

RECOMMENDATION

Staff recommends that the City Council adopt a resolution: (1) awarding a construction contract to GCJ, Inc., of Stockton, California, in the amount of $2,349,496 for the Police Multipurpose Reality Based Training Facility Project, CIP 71110, with a not-to-exceed budget of $3,171,821 and (2) authorize the City Manager to approve change orders up to the contingency amount of $469,900, if needed.

EXECUTIVE SUMMARY

City staff requests that the City Council award a construction contract for CIP 71110, the Police Multipurpose Reality Based Training Facility Project, to GCJ, Inc., of Stockton, California, in the amount of $2,349,496, with a not-to-exceed amount of $3,171,821 and authorize the City Manager to approve change orders up to the contingency amount of $469,900, if needed.

BACKGROUND AND LEGISLATIVE HISTORY

CIP 71110, the Police Multipurpose Reality Based Training Facility Project, was established by Resolution No. 2019-116 as a new project in the FY 2019/2020 Budget to replace a failing modular classroom structure that included a small office. The new facility will provide 4,226 square feet of interior open training space, providing a larger more flexible temperature and light controlled indoor space for a variety of training purposes, including classroom instruction, reality-based training exercises and 1,270 square feet of covered exterior space.

The City of Tracy established the Tracy Police Firearms Training Facility in the 1950's in its current location at a former rock quarry, south of the Tracy Municipal Airport. The City has supported the facility's improvements over the years. The site has previously provided an opportunity to generate direct and indirect financial revenue when opened to other law enforcement agencies for training use. The new structure will allow the Tracy Police Department to provide large group classroom training to current Tracy law enforcement officers, simulated nighttime conditions by controlling the light levels within the building, access to the interior of the building for tactical and other vehicles to be utilized in simulated training scenarios, will include a dedicated area for virtual reality training systems, and provide vertical interior clearance for practice with and use of drones. The new facility will provide opportunities to host various types of training to other law enforcement agencies and has the potential of generating revenue in the future.

Engineering staff prepared the plans and specifications and advertised the project for competitive bids on February 17, 2023, and February 24, 2023. Bids were received and publicly opened on March 23, 2023, at 2:00 p.m. with the following results:

Contractor	Bid Amount
GCJ, Inc., Stockton, CA	$2,349,496
Diede Construction, Inc., Woodbridge, CA	$2,796,985
CWS Construction Group, Inc., Novato, CA	$3,574,640
Saboo, Inc., Brentwood, CA	$3,974,370

ANALYSIS

Bid analysis indicates that the lowest monetary bid is responsive, and the bidder, GCJ, Inc. of Stockton, California is responsible. The bidder has the appropriate contractor's license in active standing with the State of California and has completed similar projects in the City of Tracy.

The total estimated cost of this project, if awarded to the lowest bidder, is as follows:

Construction Bid	$ 2,349,496
Construction Management (10%)	$ 234,950
Design Support During Construction (5%)	$ 117,475
Contingency (20%)	$ 469,900
Total Project Cost	$ 3,171,821

Tracy Municipal Code Section 2.20.090(b) authorizes the City Manager to approve change orders up to the contingency amount of $469,900 for this project, which is 20% of the construction contract cost.

FISCAL IMPACT

The total estimated project cost is $3,171,821 and will be funded by CIP 71110, Police Multipurpose Reality Based Training Facility Project. CIP 71110 has a current available budget of $3,331,022 as follows:

Asset Forfeiture	$ 250,000
General Projects	$ 2,947,225
TIMP - Public Safety	$ 133,797
Total Available Budget	**$ 3,331,022**

COORDINATION

Engineering staff coordinated with the Tracy Police Department and the Operations & Utilities Department.

CEQA DETERMINATION

The project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15303, which pertains to the new construction of conversion of small structures, which identified exemptions for construction of limited numbers of new or small facilities or structures, not-to-exceed 10,000 square feet in an urbanize areas on sites zone for such uses.

STRATEGIC PLAN

This agenda item supports the City of Tracy's Public Safety Strategic Priority.

ACTION REQUESTED OF THE CITY COUNCIL

That City Council, by resolution, (1) award a construction contract to GCJ, Inc., of Stockton,

California, in the amount of $2,349,496 with a not-to-exceed amount of $3,171,821, and (2) authorize the City Manager to approve change orders up to the contingency amount of $469,900, if needed.

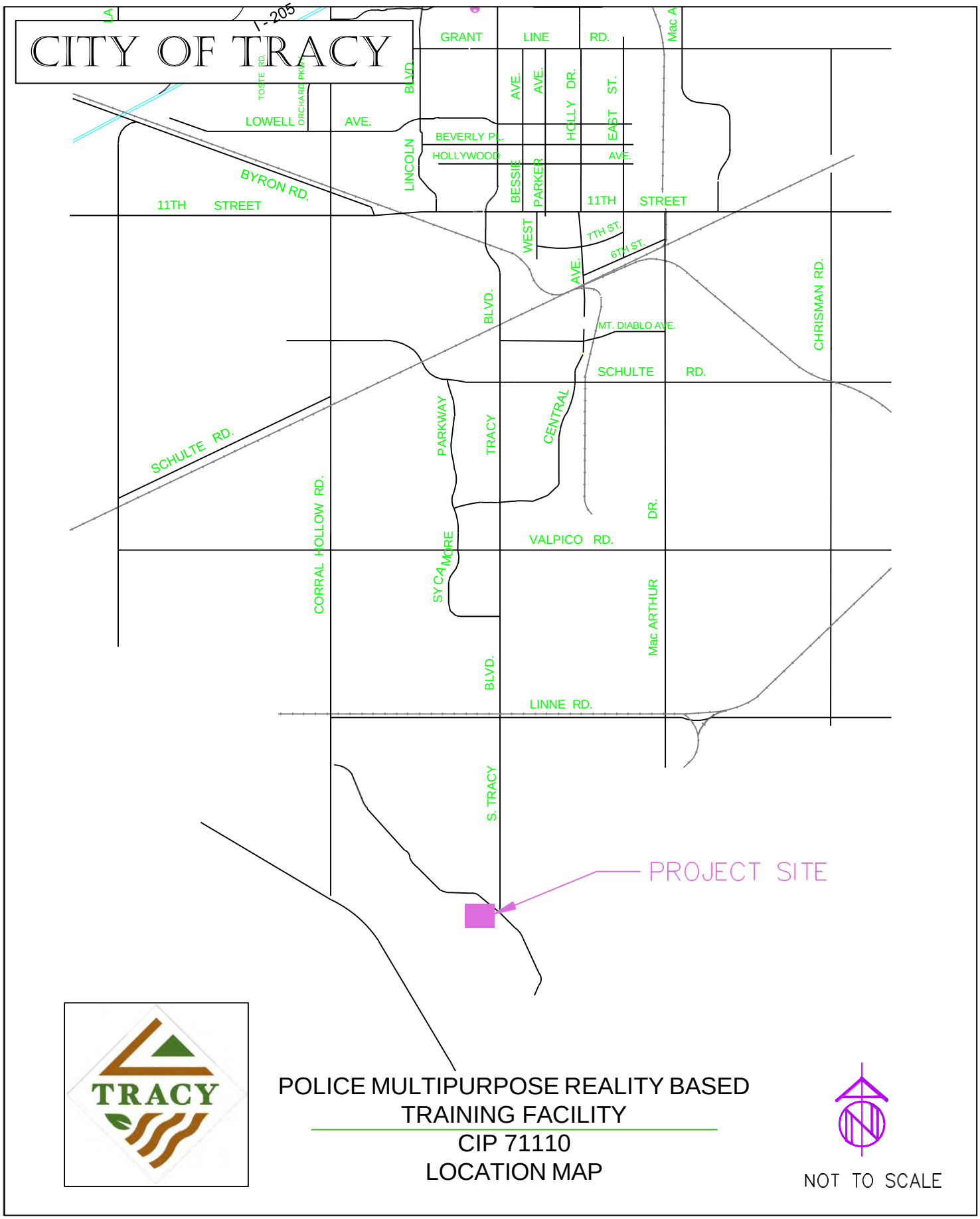
Prepared by: Ilene Macintire, PE, Senior Civil Engineer

Reviewed by: Koosun Kim, PE, City Engineer / Assistant Director of Development Services
Jaylen French, Director of Development Services
Sara Cowell, Finance Director
Sekou Millington, Chief of Police
Nancy Ashjian, Assistant City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Acting City Manager

ATTACHMENTS

Attachment A – Location Map



TRACY

POLICE MULTIPURPOSE REALITY BASED TRAINING FACILITY

CIP 71110

LOCATION MAP

NOT TO SCALE

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023-075

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(1) AWARDING A CONSTRUCTION CONTRACT TO GCJ, INC., OF STOCKTON, CALIFORINA, IN THE AMOUNT OF $2,349,496 FOR THE POLICE MULTIPURPOSE REALITY BASED TRAINING FACILITY PROJECT, CIP 71110, WITH A NOT-TO-EXCEED BUDGET OF $3,171,821 AND
(2) AUTHORIZING THE CITY MANAGER TO APPROVE CHANGE ORDERS UP TO THE CONTINGENCY AMOUNT OF $469,900, IF NEEDED.

WHEREAS, the Police Multipurpose Reality Based Training Facility Project, CIP 71110 was approved by the Tracy City Council under Resolution No. 2019-116; and

WHEREAS, engineering staff prepared the plans and specifications and advertised the project for competitive bids on February 17, 2023, and February 24, 2023. Bids were received and publicly opened in City Hall Room 203/Teleconference at 2:00 p.m. on March 23, 2023, with the following results:

Contractor	Bid Amount
GCJ, Inc., Stockton, CA	$2,349,496
Diede Construction, Inc., Woodbridge, CA	$2,796,985
CWS Construction Group, Inc., Novato, CA	$3,574,640
Saboo, Inc., Brentwood, CA	$3,974,370; and

WHEREAS, GCJ, Inc. of Stockton, California, was the apparent lowest bidder; and

WHEREAS, the bid analysis indicates the bid is "responsive" and the bidder is "responsible;" and

WHEREAS, the Tracy Municipal Code Section 2.20.090(b) authorizes the City Manager to approve change orders up to the contingency amount approved by City Council; and

WHEREAS, the recommended contingency amount for this project is $469,900; and

WHEREAS, the total estimated project cost is $3,171,821, which includes:

Construction Bid	$ 2,349,496
Construction Management (10%)	$ 234,950
Design Support During Construction (5%)	$ 117,475
Contingency (20%)	$ 469,900
Total Project Cost	$ 3,171,821; and

RESOLVED: That the City Council of the City of Tracy awards a construction contract to GCJ, Inc. of Stockton, California for the police multipurpose reality-based training facility project, CIP 71110, in the amount of $2,349,496 with a not-to-exceed amount of $3,171,821; and be it

FURTHER RESOLVED: That City Council authorizes the City Manager to approve change orders up to the contingency amount of $469,900, if needed.

* * * * * * * * * * * * * * *

The foregoing Resolution 2023-075 was adopted by the Tracy City Council on 2nd day of May 2023, by the following vote:

AYES:	COUNCIL MEMBERS: ARRIOLA, BEDOLLA, EVANS, DAVIS, YOUNG
NOES:	COUNCIL MEMBERS: NONE
ABSENT:	COUNCIL MEMBERS: NONE
ABSTENTION:	COUNCIL MEMBERS: NONE

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023-_____

AMENDING COUNCIL RESOLUTION NO. 2023-075, ADOPTED ON MAY 2, 2023, TO CORRECT TYPOGRAPHICAL ERRORS REGARDING THE PROJECT COSTS FOR THE POLICE MULTIPURPOSE REALITY BASED TRAINING FACILITY PROJECT, CIP 71110; AND AUTHORIZING THE CITY MANAGER TO APPROVE CHANGE ORDERS UP TO THE CONTINGENCY AMOUNT OF $470,717, IF NEEDED

WHEREAS, the Police Multipurpose Reality Based Training Facility Project, CIP 71110 (Project) was approved under Council Resolution No. 2019-116; and

WHEREAS, on May 2, 2023, City Council adopted Resolution No. 2023-075, which, in part, awarded a construction contract to GCJ, Inc. (GJC) and authorized the City Manager to approve change orders up to a certain amount; and

WHEREAS, Resolution No. 2023-075 contained typographical errors relating to the project costs, including the award amount, not-to-exceed amount, and contingency amount; and

WHEREAS, the Tracy Municipal Code Section 2.20.090(b) authorizes the City Manager to approve change orders up to the contingency amount approved by City Council; and

WHEREAS, a comparison between the Project costs contained in Resolution No. 2023-075 and the corrected amounts can be found in the table below:

	Construction Bid	**Construction Management**	**Design Support during Construction**	**Contingency**	**Total Project Costs**
Resolution 2023-075	$2,349,496	$234,950	$117,475	$469,900	$3,171,821
Correct Amounts	$2,353,586	$235,359	$117,679	$470,717	$3,177,341

WHEREAS, the corrected total estimated Project cost is $3,177,341, which includes:

Construction Bid	$ 2,353,586
Construction Management (10%)	$ 235,359
Design Support During Construction (5%)	$ 117,679
Contingency (20%)	$ 470,717
Total Project Cost	$ 3,177,341

NOW, THEREFORE, be it resolved as follows:

RESOLVED: the foregoing recitals are true and correct; and be it

FURTHER RESOLVED: That the City Council of the City of Tracy hereby amends Resolution No. 2023-075 as set forth above to reflect the following Project costs:

Construction Bid	$ 2,353,586
Construction Management (10%)	$ 235,359
Design Support During Construction (5%)	$ 117,679
Contingency (20%)	$ 470,717
Total Project Cost	$ 3,177,341

; and be it

FURTHER RESOLVED: That the City Council of the City of Tracy authorizes the City Manager to approve change orders up to the contingency amount of $470,717, if needed; and be it

FURTHER RESOLVED: That, except as amended by this Resolution, Resolution 2023-075 shall remain unchanged and in full force and effect.

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

* * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 20th day of June 2023 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

June 20, 2023

Agenda Item 1.I

RECOMMENDATION

Staff recommends that City Council, by resolution; 1) authorize participation in the CEPPT program, for the prefunding of the City's accrued pension costs; 2) authorize the City Treasurer and Finance Director to, jointly, request disbursements from the trust and 3) authorize the execution of the Prefunding Agreement.

EXECUTIVE SUMMARY

The budget adopted for fiscal year 2022-2023 included a Fiscal Sustainability policy that included $2 million for establishing an Internal Revenue Code Section 115 trust to prefund pension contributions. Prefunding pension contributions is a flexible methodology to begin reducing future pension costs. Staff issued an RFP and received three responses. Based on the City's review of such responses, staff is recommending participation in the §115 California Employers' Pension Prefunding Trust ("CEPPT") Fund through CalPERS. To participate, the City is required to first authorize and execute the Agreement and Election to Prefund Employer Contributions to a Defined Benefit Pension Plan ("Agreement"), which is attached to this staff report as Attachment B.

BACKGROUND AND LEGISLATIVE HISTORY

In May 2023, the Finance Department staff issued a Request for Proposal (RFP) for qualified firms to provide IRS Section 115 Trust services. Three highly qualified firms responded to the RFP. The responses were rated by a team from the Finance Department based on experience, reputation, investment strategies, historical returns, risk and fees. Following this, the team recommended the CEPPT Strategy 1 by CalPERS.

CalPERS established the CEPPT, which is an IRS Section 115 Trust set up for the sole purpose of receiving employer contributions that will pay for pension costs. This program has been around since 2019, with $120 million in assets under management as of December 27, 2022, with 83 participants including cities, counties, school districts, and special districts. Section 115 Trusts are used by cities and counties to reserve funds against pension liabilities. Funds can be transferred from a Section 115 Trust to pay for pension costs; they cannot be used for other purposes.

While the City's investment policy keeps the City's cash and investments safe and liquid, the return on investments is limited. Opening a CEPPT Section 115 Trust with CalPERS provides additional leverage to increase the City's return on investments, while maintaining safety and liquidity. Another benefit is that the City's overall finances will improve, as pre-funding the pension costs will lower the overall pension liability, improving the City's overall balance sheet.

As of June 30, 2021, CalPERS has computed the City's unfunded accrued pension liability at $78 million across both the Miscellaneous and Safety plans. This valuation is based on estimates and is likely to change over time given its long-term nature. The unfunded accrued pension liability is separate from the City's normal pension contributions, which for Fiscal Year 2022-2023 were $4,120,362 for all City employees. To help ensure that there are sufficient

funds available to fund future pension benefits, the City included a Fiscal Sustainability policy in the Fiscal Year 2022-23 Adopted Budget which included $2 million to contribute for pension prefunding. These funds can be used to fund both normal pension contributions and the unfunded liability.

ANALYSIS

If approved by Council, the funds will be held in an IRS §115 trust and will be invested through the CEPPT program via one, or both, of its investment strategies. These strategies invest in four common asset classes: Global Equity, Fixed Income, Global Real Estate (REITs) and Treasury Inflation Protected Securities (TIPS).

The main distinction between the two is asset allocation among these four categories, with Strategy 1 having more assets in equities and Strategy 2 being more conservative with more assets in fixed income.

CEPPT Portfolios	Strategy 1	Strategy 2
Expected Net Rate of Return	4.5%	3.5%
Standard Deviation of Expected Return	8.8%	6.1 %

Approximately 71% of the total funds invested in the CEPPT are invested in Strategy 1. Given the higher expected return, staff recommends initially allocating the entire investment in CEPPT to Strategy 1 but should also allow funds to be moved between strategies as needed.

Advantages of CalPERS' Section 115 CEPPT Fund:

- City has control over the contribution and its funding.
- Earnings on assets would reduce future contributions.
- Reducing the pension liability would improve City's overall fiscal condition.
- Low administrative fee of 25 basis points on asset balances. For each $1,000,000 invested, an annual fee of $2,500 is paid from earnings. There are no additional costs to join or withdraw funds from CEPPT.

CEPPT does come with risk in that it would be more prone to market and economic volatility compared to the City's current investments. The expected returns in either strategy are not guaranteed. Furthermore, the IRS Section 115 Trust is irrevocable, meaning the investment can be only utilized for pension-related costs. Payment of other unforeseen costs is not allowed. Additionally, funds cannot be withdrawn from the trust, with the exception of the pension costs detailed above.

Pursuant to the terms of the CEPPT Agreement (Attachment B hereto), the City must delegate certain City officials with the authority to request on behalf of the City, disbursements from the CEPPT Fund, and to certify the purpose for which those funds will be used. Staff recommends that the City Manager, City Treasurer, and Finance Director be given that authority.

Establishing a §115 Trust arrangement and depositing the $2 million included in the FY2022-23 adopted budget are the first steps to managing the City's long-term pension costs. Staff will return in the Fall to present a more comprehensive, long-term strategy to lower the City's long-term pension costs.

FISCAL IMPACT

The $2 million contribution is included in the FY2022-23 adopted budget and would be paid from City's General Fund. The annual investment fee is paid from earnings on the funds. Prefunding the City's accrued pension costs lowers the overall pension liability, which improves the City's long-term fiscal health.

STRATEGIC PLAN

This agenda item supports the Governance strategic priority, goal 2.10, ensure short-and long-term fiscal health through the continued implementation of the fiscal sustainability plan.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that City Council, by resolution; 1) authorize participation in the CEPPT program, for the prefunding of the City's accrued pension costs; 2) authorize the City Treasurer and Finance Director to, jointly, request disbursements from the trust and 3) authorize the execution of the Prefunding Agreement.

Prepared by: Robert Harmon, Accounting Manager

Reviewed by: Sara Cowell, Finance Director
Karin Schnaider, Assistant City Manager
Bijal Patel, City Attorney

Approved by: Midori Lichtwardt, Interim City Manager

Attachments:

Attachment A – CalPERS CEPPT Prefunding Program
Attachment B – CEPPT Agreement
Attachment C – Delegation of Authority

California Employers' Pension Prefunding Trust (CEPPT) Program Workshop

CalPERS

Discussion Overview

- CalPERS Prefunding Programs Information
- CalPERS Pension Cost Components
- Impact of Prefunding
- Current Pension Cost Challenges
- Pension Cost Management Tools
- Prefunding Pension Costs in 115 Trusts
- CEPPT Investment Policy
- CEPPT Participation Costs
- Advantages of the CEPPT
- Contacts and Communication

CalPERS Prefunding Programs Information

CalPERS Prefunding Programs

California Employers' Retiree Benefit Trust (CERBT)	California Employers' Pension Prefunding Trust (CEPPT)
• Section 115 of Internal Revenue Code	• Section 115 of Internal Revenue Code
• Other Post-Employment Benefits (OPEB)	• Pension Costs (NC, UAL, ADP)
• Established 2007	• Established 2019
• 602 employers	• 83 employers
• ~$16.3B assets	• ~$120M assets
• 3 investment options	• 2 investment options

Prefunding Program Employers

624 employers (602 CERBT and 83 CEPPT)

State of California

157 Cities or Towns

10 Counties

81 School Employers

32 Courts

342 Special Districts & Public Agencies

What is a "Section 115 Trust"?

- Section 115 of the Internal Revenue Code (IRC)
- Interest earnings are not taxed
- Capable of investing more aggressively than you can
  - GC Section 53620-22
- Assets might reduce liabilities
- Irrevocable
  - Which is a good thing
- Dedicated for a specific purpose
  - OPEB or Pension

CalPERS Pension Cost Components

CalPERS Pension Cost Components

- Normal cost
  - Ongoing principal cost to prefund retirements
  - Active employees only
  - Increases with payroll
- Unfunded accrued liabilities (UAL)
  - Created when plan experience is negative
    - Investment losses
    - Actuarial assumption changes
  - Currently exist for most agencies
  - Will reoccur again when plan experience is negative

Impact of Prefunding

CalPERS Pension Prefunding Model

July 1, 2002 - June 30, 2022

- More than half of CalPERS pension benefits are paid by investment earnings
- Prefunding provides employers with a greater likelihood of saving money over the long-term

Impact of Prefunding

Increase investment income	• Outperform County Treasury & LAIF • Build a larger base of assets to increase earnings
Reduce unfunded liabilities and contributions	• Trust assets may reduce liabilities • Higher discount rates reduce liabilities and contributions
Prudent financial management	• Improves financial reporting outcomes • Contributes to preserving positive credit ratings

Current Pension Cost Challenges

Pension Plan Costs Short Term Future

- Capital market assumptions are less optimistic
  - Expected returns are lower
    - Decreases discount rates
    - Increases normal cost and UAL payments
  - Expected volatility is higher
    - Increases UAL payment volatility
    - Budget forecasting is more challenging
- Asset balances are lower
    - Market volatility
    - Both stocks and bonds
- Funded statuses are down

CalPERS Annual Review of Funding Levels and Risks

- Discount rate down to 6.8%
- General inflation rate assumption down to 2.3%
- Payroll growth assumption up to 2.8%
- Recent increases in Consumer Price Index (CPI)
  - 5-12% increase in payroll due to COLA and salary increases
- Funded status down from 81% to 72%
- Termination funded status of 40-45% if 70% funded
  - Discount rate reduces from 6.8% to around 4%
- Probability of dropping below 50% funded in next 30 years is ~25% for some plans

CalPERS Pension Fund Returns

Period	Assets	Return
30-year at 6/30/2022	$440B	7.7%
20-year at 6/30/2022	$440B	6.9%
10-year at 6/30/2022	$440B	7.7%
5-year at 6/30/2022	$440B	6.7%
2017 – 18	$352B	8.6%
2018 – 19	$370B	6.7%
2019 – 20	$389B	4.7%
2020 – 21	$469B	21.3%
2021 – 22	$440B	-7.4%
7/1/22 – 12/31/22	$442B	0.1%

CalPERS Annual Return Probability

- Expected return is 6.8%
- 1 standard deviation (1SD) of expected returns is 12.0%
- Range of probable outcomes at 1SD is -5.2% to +18.8%
  - 68% chance within -5.2% - +18.8%
  - 16% chance above +18.8%
  - 16% chance below range -5.2%
- Range of probable outcomes at 2SD is -17.2% to +30.8%
  - 95% chance within -17.2% - +30.8%
  - 2.5% chance above +30.8%
  - 2.5% chance below -17.2%

CalPERS Pension Plans UAL Summary

Plan	Funded Status (6/30/2021)	Unfunded Liability (6.8% Interest)	UAL Payment 2022-23	UAL Payment 2027-28	UAL Payment Increase
Miscellaneous	97.0%	$12,754,077	$382,828	$1,557,000	$1,174,172
Safety Police	95.7%	$19,455,546	$1,010,253	$2,225,000	$1,214,747
Safety Fire	95.3%	$15,371,848	$852,614	$1,744,000	$891,386
Totals	96.0%	$47,581,470	$2,245,695	$5,526,000	$3,280,305

Pension Contribution Increases

Fiscal Year	Payroll	Normal Cost Contribution (% of Payroll)	Normal Cost Contribution	Unfunded Accrued Liability Payment	Total Contribution
2022-23	$252,168,084	9.7%	$24,334,220	$65,787,464	$90,121,684
2023-24	$259,102,707	9.4%	$24,355,654	$69,734,522	$94,090,176
2024-25	$266,228,031	9.2%	$24,492,979	$74,370,875	$98,863,854
2025-26	$273,549,302	9.0%	$24,619,437	$70,354,925	$94,974,362
2026-27	$281,071,908	8.9%	$25,015,400	$73,862,511	$98,877,911
2027-28	$288,801,385	8.7%	$25,125,720	$75,662,356	$100,788,076
2028-29	$296,021,420	8.7%	$25,753,864	$77,511,696	$103,265,560
2029-30	$303,421,955	8.7%	$26,397,710	$79,411,896	$105,809,606
2030-31	$311,007,504	8.7%	$27,057,653	$81,364,351	$108,422,004

Pension Cost Management Tools

Pension Cost Management Tools

- Pay-as-you-go
  - Most expensive option
    - LAIF or County treasury return rates on less principal
  - Least financially stable and consistent option
- Increase reserves
  - Still more expensive than other options
    - LAIF or County treasury return rates on more principal
  - Earmarked in general fund account
    - Non-irrevocably dedicated
- Re-amortize UAL
  - Pension costs increase now to save money later
  - Hard vs. soft fresh starts

Pension Cost Management Tools (continued)

- Additional Discretionary Payments (ADP's) of UAL
  - Save money by paying UAL faster than required
    - Strategically choose which amortization bases
  - Voluntary amount and timing determined by employer
  - UAL only
    - Does not address normal cost
  - Illiquid investment
  - Market timing risk
  - Large lump sum single contribution risk
  - Not all years are equal when making ADP's
    - 2020-21 (21.3%) vs. 2021-22 (-7.4%)

Pay Down Pension Debt Faster and Save

Amortization Schedule (Page 18 of Valuation)	Total Paid Over Amortization Schedule	Interest Paid Over Amortization Schedule	Payment Increase Due to Shorter Amortization	Total Interest Savings Over Amortization Schedule
Variable Payment 21 Years	$40,556,223	$19,134,330	$0	$0
Level Payment 20 Years	$39,096,275	$17,674,382	$944,561	$1,459,948
Level Payment 15 Years	$34,106,590	$12,684,697	$1,263,520	$6,449,633

Pension Cost Management Tools (continued)

- Pension Obligation Bonds (POB's)
  - Bond proceeds fund an ADP
  - Margins have to be right
  - Market timing risk
  - Large lump sum single contribution risk

- Section 115 trust funds
  - CEPPT
  - Other providers
  - Using 2 asset allocation strategies
    - Shorter term
    - Longer term

Prefunding Pension Costs in 115 Trusts

CEPPT Purposes

- Grow assets for future pension contributions
- Invest over different time horizons than pension fund
- Invest with different risk exposures than pension fund
- Earn higher yields than LAIF and County Treasury
- Retain liquidity on your assets
- Stabilize and subsidize future budgets
- Save overall costs by prefunding them in advance
- Create a contingency reserve for difficult times ahead
- Pay down UAL in an optimally prudent manner

The question we get the most

Simultaneous Pension Tool Utilization

Portfolios	CalPERS Pension	CEPPT Strategy 1	CEPPT Strategy 2	LAIF
Expected Return	6.8%	4.5%	3.5%	~1%
Risk	12.0%	8.8%	6.1%	Lowest
Time Horizon	Longest Term	Employer Determined		Shortest Term
Liquidity	No	Yes		Yes

CEPPT Purpose #1 – Reserve Fund

- Higher returns than LAIF
- Retain asset liquidity
- Stabilize budget
- Subsidize budget

Plan	# Months of Pension Cost
Miscellaneous	X
Safety	Y
Total	Z

CEPPT Purpose #2 – Prefund Future Costs

- Prefund future pension costs in advance
  - Normal cost
  - Amortized UAL payments
- Take advantage of
  - Time
  - Compounding interest

10 Year Compounding Interest Scenario

Investment Duration (Years)	1	2	3	4	5	6	7	8	9	10
Expected Compounded Annualized Rate of Investment Return	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Cumulative Expected Compounded Rate of Investment Return	4%	9%	14%	19%	25%	30%	36%	42%	49%	55%
Future Value of $1	$1.04	$1.09	$1.14	$1.19	$1.25	$1.30	$1.36	$1.42	$1.49	$1.55
Required Investment Principal Contribution Needed to Generate $1M	$957K	$916K	$876K	$839K	$802K	$768K	$735K	$703K	$673K	$644K

Normal Cost Prefunding Scenario

Fiscal Year	Normal Cost Contribution	Investment Duration (Years)										
		1	2	3	4	5	6	7	8	9	10	11
2022-23	$24.3M	$23.3M										
2023-24	$24.4M	$23.3M	$22.3M									
2024-25	$24.5M	$23.4M	$22.4M	$21.5M								
2025-26	$24.6M	$23.5M	$22.5M	$21.6M	$20.6M							
2026-27	$25.0M	$23.9M	$22.9M	$21.9M	$21.0M	$20.1M						
2027-28	$25.1M	$24.0M	$23.0M	$22.0M	$21.0M	$20.1M	$19.3M					
2028-29	$25.8M	$24.7M	$23.6M	$22.6M	$21.6M	$20.7M	$19.8M	$19.0M				
2029-30	$26.4M	$25.3M	$24.2M	$23.1M	$22.1M	$21.2M	$20.3M	$19.4M	$18.6M			
2030-31	$27.1M	$25.9M	$24.8M	$23.7M	$22.7M	$21.7M	$20.8M	$19.9M	$19.1M	$18.2M		
2031-32	$27.7M	$26.5M	$25.4M	$24.3M	$23.2M	$22.2M	$21.3M	$20.4M	$19.5M	$18.6M	$17.8M	
2032-33	$28.4M	$27.2M	$26.0M	$24.9M	$23.8M	$22.8M	$21.8M	$20.9M	$20.0M	$19.1M	$18.3M	$17.5M

CEPPT Purpose #3 – Spread out ADP's

- Spread out ADPs over time
  - Once per year for 2-5 years
  - Longer horizon reduces probable cost savings
  - Assets held increase future options
- Dollar cost averaging can help mitigate
  - Market timing risk
  - Large lump sum single contribution risk
- Not all years are equal when making ADP's
  - 2020-21 (21.3%) vs. 2021-22 (-7.4%)

CEPPT Purpose #4 – Combination

- Prefund future pension costs in advance
  - Normal cost & amortized UAL payments
  - Take advantage of time & compounding interest
- Create a reserve fund to stabilize & subsidize budget
  - Higher returns than LAIF
  - Liquidity retention
- Spread out ADP's over 2-5 years
  - Dollar cost averaging can mitigate risk

CEPPT Investment Policy

CEPPT Investment Portfolios

2022 Capital Market Assumptions	CEPPT Strategy 1	CEPPT Strategy 2
Expected Return	4.5%	3.5%
Risk	8.8%	6.1%

CEPPT Portfolio Details

Asset Classification	Benchmark	Strategy 1	Strategy 2	Target Range
Global Equity	MSCI All Country World Index IMI (Net)	37%	21%	±5%
Fixed Income	Bloomberg US Aggregate Bond Index (CEPPT)	44%	61%	±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Index (Net)	14%	9%	±5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg US TIPS Index, Series L	5%	9%	±3%
Commodities	S&P GSCI Total Return Index	N/A	N/A	±3%
Cash	91-Day Treasury Bill	0%	0%	+2%
Expected Return	N/A	4.5%	3.5%	N/A
Standard Deviation	N/A	8.8%	6.1%	N/A

CEPPT Time-Weighted Investment Returns

Periods Ended February 28, 2023

CEPPT	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
Strategy 1 (Inception October 1, 2019)	$77,038,010	-2.84%	0.30%	1.62%	-8.90%	2.38%	-	-	2.48%
Benchmark		-2.86%	0.22%	1.51%	-9.15%	2.26%	-	-	2.39%
Strategy 2 (Inception January 1, 2020)	$35,447,938	-2.68%	0.02%	-0.24%	-8.92%	-0.82%	-	-	-0.46%
Benchmark		-2.69%	0.07%	-0.24%	-8.97%	-0.92%	-	-	0.56%
CEPPT Total	$112,485,948								

Time weighted return reports the performance of the investment vehicle, not of the employer assets. Returns are gross. Historical performance is not necessarily indicative of actual future investment performance or of future total program cost. Current and future performance may be lower or higher than the historical performance data reported here. Investment return and principal value may fluctuate so that your investment, when redeemed, may be worth more or less than the original cost. The value of an employer's fund shares will go up and down based on the performance of the underlying funds in which the assets are invested. The value of the underlying funds' assets will, in turn, fluctuate based on the performance and other factors generally affecting the securities market.

CEPPT Participation Costs

CEPPT Total Participation Cost Fee Rate

- All-inclusive cost of participation
  - 25 basis points (bps) of assets under management
  - Combines administrative, custodial, recordkeeping, and investment fees
  - Self-funded, not-for-profit, fee rate may change in the future
- Zero cost to join and setup account(s)

Fee Rate Illustration

Asset Value on Deposit*	All-Inclusive Fee Rate	Annual Cost
$1,000,000	25 Basis Points (0.25%)	$2,500

*Asset values shown assume the amount is deposited on the first day of a 12-month calendar year and remains constant the entire 12 months ending on the last day with the exact same amount. No investment gains/losses, or contribution additions/withdrawals are experienced at any time during the 12 months.
There are no additional fees of any kind. No set-up, joining, renewal, contribution, disbursement, termination fees. No minimum contribution amount.

CERBT & CEPPT Fee Rate History

Fiscal Year	CERBT	CEPPT
2007-2008	2.00 basis points	-
2008-2009	6.00 basis points	-
2009-2010	9.00 basis points	-
2010-2011	12.00 basis points	-
2011-2012	12.00 basis points	-
2012-2013	15.00 basis points	-
2013-2014	14.00 basis points	-
2014-2015	10.00 basis points	-
2015-2016	10.00 basis points	-
2016-2017	10.00 basis points	-
2017-2018	10.00 basis points	-
2018-2019	10.00 basis points	-
2019-2020	10.00 basis points	25.00 basis points
2020-2021	10.00 basis points	25.00 basis points
2021-2022	10.00 basis points	25.00 basis points
2022-2023	10.00 basis points	25.00 basis points

Advantages of the CEPPT

Advantages of the CEPPT

- Investment management services by CalPERS
  - Unmatched economies of scale
  - We manage the investment policy for you
- Lowest total participation cost
  - All-inclusive 25bps of assets under management
  - ~$2500 annually per $1M invested
- Excellent customer service
  - Dedicated team available 24/7/365
- Simple administration
- GASB compliance

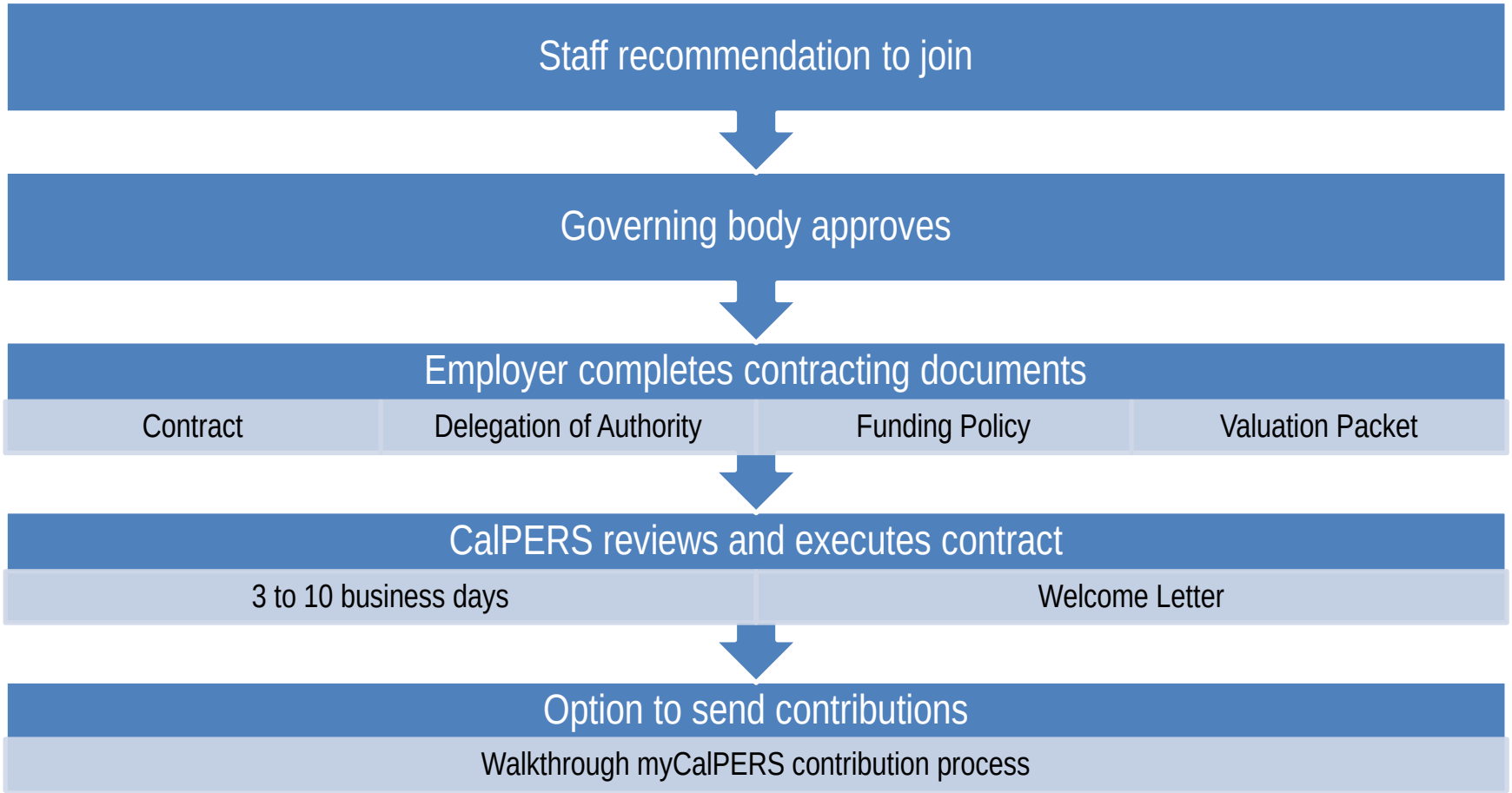
You Control the CEPPT Funding Policy

- Choose your preferred portfolio or use both
- Contributions are voluntary and never required
  - Open a free account and use it once you're ready
- Decide if and when to liquidate trust assets
  - Reimbursement checks mailed monthly
  - Normal costs, UAL payments, ADP's

Customer Outreach & Support

- Contributions
- Disbursements
- Online Record Keeping Portal
- Account Updates
- In-Person Workshops and Webinars
- Statements and Reporting
- Strategy Change

Uncomplicated Contracting Process



Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Matt Goss	Outreach & Support Program Manager	Matthew.Goss@calpers.ca.gov	(916) 795-9071	(916) 382-6487
Karen Lookingbill	Outreach & Support Manager	Karen.Lookingbill@calpers.ca.gov	(916) 795-1387	(916) 501-2219
Darren Lathrop	Outreach & Support Manager	Darren.Lathrop@calpers.ca.gov	(916) 795-0751	(916) 291-0391
Lee Lo	Outreach & Support Analyst	Lee.Lo@calpers.ca.gov	(916) 795-4034	(916) 612-4128
Colleen Cain-Herrback	Administration & Reporting Program Manager	Colleen.Cain-Herrback@calpers.ca.gov	(916) 795-2474	(916) 505-2506
Robert Sharp	Assistant Division Chief	Robert.Sharp@calpers.ca.gov	(916) 795-3878	(916) 397-0756

Program E-mail Addresses	Prefunding Programs Webpages
CEPPT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CEPPT
CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	

CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST PROGRAM

AGREEMENT AND ELECTION OF

_____

(NAME OF EMPLOYER)

to Prefund Employer Contributions to a Defined Benefit Pension Plan

WHEREAS (1) Government Code (GC) Section 21711(a) establishes in the State Treasury the California Employers' Pension Prefunding Trust Fund (CEPPT), a special trust fund for the purpose of allowing eligible employers to prefund their required pension contributions to a defined benefit pension plan (each an Employer Pension Plan) by receiving and holding in the CEPPT amounts that are intended to be contributed to an Employer Pension Plan at a later date; and

WHEREAS (2) GC Section 21711(b) provides that the California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control of the administration and investment of the CEPPT, the purposes of which include, but are not limited to (i) receiving contributions from participating employers; (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds; and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the CEPPT and to deposit employer contributions into Employer Pension Plans in accordance with their terms; and

WHEREAS (3) _____
(NAME OF EMPLOYER)

(Employer) desires to participate in the CEPPT upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the CEPPT upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Employer Contributions to a Defined Benefit Pension Plan (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The CEPPT is a trust fund that is intended to perform an essential governmental function (that is, the investment of funds by a State, political subdivision or 115 entity) within the meaning of Internal Revenue Code (Code) Section 115 and Internal Revenue Service Revenue Ruling 77-261, and as an Investment Trust Fund, as defined in Governmental Accounting Standards Board (GASB) Statement No. 84, Paragraph 16, for accounting and financial reporting of fiduciary activities from the

external portion of investment pools and individual investment accounts that are held in a trust that meets the criteria in Paragraph 11c(1).

WHEREAS (6) The CEPPT is not a Code Section 401(a) qualified trust and the assets held in the CEPPT are not assets of any Employer Pension Plan or any plan qualified under Code Section 401(a).

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Employer Representation and Warranty

Employer hereby represents and warrants that it is the State of California or a political subdivision thereof, or an entity whose income is excluded from gross income under Code Section 115(1).

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the CEPPT by adopting this Agreement and filing with the Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to:
CalPERS
CEPPT
P.O. Box 1494
Sacramento, CA 95812-1494

Filing in person, deliver to:
CalPERS Mailroom
CEPPT
400 Q Street
Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement. Employer shall provide the Board such other documents as the Board may request, including, but not limited to a certified copy of the resolution(s) of the governing body of Employer authorizing the adoption of the Agreement and documentation naming Employer's successor entity in the event that Employer ceases to exist prior to termination of this Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both the Board and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the CEPPT, to carry out the purposes of this Agreement, and to maintain the tax-exempt status of the CEPPT. Employer agrees to follow such procedures and processes.

C. Employer Reports Provided for the Board's Use in Trust Administration and Financial Reporting and Employer Contributions

(1) Employer shall provide to the Board a defined benefit pension plan cost report on the basis of the actuarial assumptions and methods prescribed by Actuarial Standards of Practice (ASOP) or prescribed by GASB. Such report shall be for the Board's use in trust administration and financial reporting and shall be prepared at least as often as the minimum frequency required by applicable GASB Standards. This defined benefit pension plan cost report may be prepared as an actuarial valuation report or as a GASB compliant financial report. Such report shall be:

1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;

2) prepared in accordance with ASOP or with GASB; and

3) provided to the Board prior to the Board's acceptance of contributions for the reporting period or as otherwise required by the Board.

(2) In the event that the Board determines, in its sole discretion, that Employer's cost report is not suitable for the Board's purposes and use or if Employer fails to provide a required report, the Board may obtain, at Employer's expense, a report that meets the Board's trust administration and financial reporting needs. At the Board's option, the Board may recover the costs of obtaining the report either by billing and collecting such amount from Employer or through a deduction from Employer's Prefunding Account (as defined in Paragraph D(2) below).

(3) Employer shall notify the Board in writing of the amount and timing of contributions to the CEPPT, which contributions shall be made in the manner established by the Board and in accordance with the terms of this Agreement and any procedures adopted by the Board.

(4) The Board may limit Employer's contributions to the CEPPT to the amount necessary to fully fund the actuarial present value of total projected benefit payments not otherwise prefunded through the applicable Employer Pension Plan (Unfunded PVFB), as set forth in Employer's cost report for the applicable period. If Employer's contribution would cause the assets in Employer's Prefunding Account to exceed the Unfunded PVFB, the Board may refuse to accept the contribution. If Employer's cost report for the applicable period does not set forth the Unfunded PVFB, the Board may

refuse to accept a contribution from Employer if the contribution would cause the assets in Employer's Prefunding Account to exceed Employer's total pension liability, as set forth in Employer's cost report.

(5) No contributions are required. Contributions can be made at any time following the effective date of this Agreement if Employer has first complied with the requirements of this Agreement, including Paragraph C.

(6) Employer acknowledges and agrees that assets held in the CEPPT are not assets of any Employer Pension Plan or any plan qualified under Code Section 401(a), and will not become assets of such a plan unless and until such time as they are distributed from the CEPPT and deposited into an Employer Pension Plan.

D. Administration of Accounts; Investments; Allocation of Income

(1) The Board has established the CEPPT as a trust fund consisting of an aggregation of separate single-employer accounts, with pooled administrative and investment functions.

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the CEPPT (Employer's Prefunding Account). Assets in Employer's Prefunding Account will be held for the exclusive purpose of funding Employer's contributions to its Employer Pension Plan(s) and defraying the administrative expenses of the CEPPT.

(3) The assets in Employer's Prefunding Account may be aggregated with the assets of other participating employers and may be co-invested by the Board in any asset classes appropriate for a Code Section 115 trust, subject to any additional requirements set forth in applicable law, including, but not limited to, subdivision (d) of GC Section 21711. Employer shall select between available investment strategies in accordance with applicable Board procedures.

(4) The Board may deduct the costs of administration of the CEPPT from the investment income of the CEPPT or from Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income earned shall be allocated among participating employers and posted to Employer's Prefunding Account daily Monday through Friday, except on holidays, when the allocation will be posted the following business day.

(6) If, at the Board's sole discretion and in compliance with accounting and legal requirements applicable to an Investment Trust Fund and to a Code Section 115 compliant trust, the Board determines to its satisfaction that all obligations to pay defined benefit pension plan benefits in accordance with the applicable Employer Pension Plan terms have been satisfied by payment or by defeasance with no remaining risk regarding the amounts to be paid or the value of assets held in the

CEPPT, then the residual Employer assets held in Employer's Prefunding Account may be returned to Employer.

E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.

(2) The Board, at its discretion but at least annually, shall prepare and provide a statement of Employer's Prefunding Account reflecting the balance in Employer's Prefunding Account, contributions made during the period covered by the statement, investment income allocated during such period, and such other information as the Board may determine.

F. Disbursements

(1) Employer may receive disbursements from the CEPPT not to exceed, on an annual basis, the amount of the total annual Employer contributions to Employer's Pension Plan for such year.

(2) Employer shall notify the Board in writing in the manner specified by the Board of the persons authorized to request disbursements from the CEPPT on behalf of Employer.

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board, and the Board may rely conclusively upon such writing. The Board may, but is not required to, require that Employer certify or otherwise demonstrate that amounts disbursed from Employer's Prefunding Account will be used solely for the purposes of the CEPPT. However, in no event shall the Board have any responsibility regarding the application of distributions from Employer's Prefunding Account.

(4) No disbursement shall be made from the CEPPT which exceeds the balance in Employer's Prefunding Account.

(5) Requests for disbursements that satisfy the above requirements will be processed on at least a monthly basis.

(6) The Board shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements, and is under no duty to make any investigation or inquiry about the correctness of such instruction. In the event of any other erroneous disbursement, the extent of the Board's liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the CEPPT, as determined by the Board and in accordance with Paragraph D.

H. Termination of Employer's Participation in the CEPPT

(1) The Board may terminate Employer's participation in the CEPPT if:

(a) Employer's governing body gives written notice to the Board of its election to terminate; or

(b) The Board determines, in its sole discretion, that Employer has failed to satisfy the terms and conditions of applicable law, this Agreement or the Board's rules, regulations or procedures.

(2) If Employer's participation in the CEPPT terminates for either of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the CEPPT, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D, and Employer shall remain subject to the terms of this Agreement with respect to such assets.

(3) After Employer's participation in the CEPPT terminates, Employer may not make further contributions to the CEPPT.

(4) After Employer's participation in the CEPPT terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.

(5) After Employer's participation in the CEPPT terminates, the governing body of Employer may request either:

(a) A trustee to trustee transfer of the assets in Employer's Prefunding Account to a trust dedicated to prefunding Employer's required pension contributions; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Code, other law and accounting standards, and the Board's fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in Employer's Prefunding Account as of the date of the transfer (the "transfer date") and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.

(b) A disbursement of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Code, other law and accounting standards, and the Board's fiduciary duties, all of Employer's obligations for payment of defined benefit pension plan benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the disbursement. The amount to be disbursed shall be the amount in Employer's Prefunding Account as of the date of the disbursement (the "disbursement date") and shall include investment earnings up to an investment earnings allocation date preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement date by more than 150 days.

(6) After Employer's participation in the CEPPT terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate. To the extent that assets remain in Employer's Prefunding Account, this Agreement shall remain in full force and effect.

(7) If, for any reason, the Board terminates the CEPPT, the assets in Employer's Prefunding Account shall be paid to Employer to the extent permitted by law and Code Section 115 after retention of (i) an amount sufficient to pay the Unfunded PVFB as set forth in a current defined benefit pension plan(s) cost report prepared in compliance with ASOP and the requirements of Paragraph C(1), and (ii) amounts sufficient to pay reasonable administrative costs of the Board. Amounts retained by the Board to pay the Unfunded PVFB shall be transferred to (i) another Code Section 115 trust dedicated to prefunding Employer's required pension contributions, subject to the Board's determination that such transfer will satisfy applicable requirements of the Code, other law and accounting standards, and the Board's fiduciary duties or (ii) Employer's Pension Plan, subject to acceptance by Employer's Pension Plan.

(8) If Employer ceases to exist but Employer's Prefunding Account continues to exist, and if no provision has been made to the Board's satisfaction by Employer with respect to Employer's Prefunding Account, the Board shall be permitted to identify and appoint a successor to Employer under this Agreement, provided that the Board first determines, in its sole discretion, that there is a reasonable basis upon which to identify and appoint such a successor and provided further that such successor agrees in writing to be bound by the terms of this Agreement. If the Board is unable to identify or appoint a successor as provided in the preceding sentence, then the Board is authorized to appoint a third-party administrator or other successor to act on behalf of Employer under this Agreement and to otherwise carry out the intent of this Agreement with respect to Employer's Prefunding Account. Any and all costs associated with such appointment shall be paid from the assets attributable to Employer's Prefunding Account. At the Board's option, and subject to acceptance by Employer's Pension Plan,

the Board may instead transfer the assets in Employer's Prefunding Account to Employer's Pension Plan and terminate this Agreement.

(9) If the Board determines, in its sole discretion, that Employer has breached the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the CEPPT.

I. Indemnification

Employer shall indemnify, defend, and hold harmless CalPERS, the Board, the CEPPT, and all of the officers, trustees, agents and employees of the foregoing from and against any loss, liability, claims, causes of action, suits, or expense (including reasonable attorneys' fees and defense costs, lien fees, judgments, fines, penalties, expert witness fees, appeals, and claims for damages of any nature whatsoever) not charged to the CEPPT and imposed as a result of, arising out of, related to or in connection with (1) the performance of the Board's duties or responsibilities under this Agreement, except to the extent that such loss, liability, suit or expense results or arises from the Board's own gross negligence, willful misconduct or material breach of this Agreement, or (2) without limiting the scope of Paragraph F(6) of this Agreement, any acts taken or transactions effected in accordance with written directions from Employer or any of its authorized representatives or any failure of the Board to act in the absence of such written directions to the extent the Board is authorized to act only at the direction of Employer.

J. General Provisions

(1) Books and Records

Employer shall keep accurate books and records connected with the performance of this Agreement. Such books and records shall be kept in a secure location at Employer's office(s) and shall be available for inspection and copying by the Board and its representatives.

(2) Notice

(a) Any notice or other written communication pursuant to this Agreement will be deemed effective immediately upon personal delivery, or if mailed, three (3) days after the date of mailing, or if delivered by express mail or e-mail, immediately upon the date of confirmed delivery, to the following:

For the Board:

Filing by mail, send to:
CalPERS
CEPPT
P.O. Box 1494
Sacramento, CA 95812-1494

Filing in person, deliver to:
CalPERS Mailroom
CEPPT
400 Q Street
Sacramento, CA 95811

For Employer:

Name of Employer

Address

City, State, Zip

(b) Either party to this Agreement may, from time to time by notice in writing served upon the other, designate a different mailing address to which, or a different person to whom, all such notices thereafter are to be addressed.

(3) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of this Agreement shall survive the termination of this Agreement.

(4) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(5) Necessary Acts; Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

(6) Incorporation of Amendments to Applicable Laws and Accounting Standards

Any references to sections of federal or state statutes or regulations or accounting standards shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

(7) Days

Wherever in this Agreement a set number of days is stated or allowed for a particular event to occur, the days are understood to include all calendar days, including weekends and holidays, unless otherwise stated.

(8) No Third Party Beneficiaries

Except as expressly provided herein, this Agreement is for the sole benefit of the parties hereto and their permitted successors and assignees, and nothing herein, expressed or implied, will give or be construed to give any other person any legal or equitable rights hereunder. Notwithstanding the foregoing, CalPERS, the CEPPT, and all of the officers, trustees, agents and employees of CalPERS, the CEPPT and the Board shall be considered third party beneficiaries of this Agreement with respect to Paragraph I above.

(9) Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

A majority vote of Employer's Governing Body at a public meeting held on the _____ day of the month of _____ in the year _____, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: _____

Name of Governing Body: _____

Name of Employer: _____

Date: _____

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY_____
MELODY BENAVIDES
DIVISION CHIEF, PENSION CONTRACTS AND PREFUNDING PROGRAMS
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS The effective date of this Agreement is: _____

California Public Employees' Retirement System
California Employers' Pension Prefunding Trust (CEPPT)
400 Q Street, Sacramento, CA 95811
www.calpers.ca.gov

Delegation of Authority to Request Disbursements California Employers' Pension Prefunding Trust (CEPPT)

RESOLUTION
OF THE

_____
(GOVERNING BODY)

OF THE

_____
(NAME OF EMPLOYER)

The _____ delegates to the incumbents
(GOVERNING BODY)

in the positions of _____ and
(TITLE)

_____ , and/or
(TITLE)

_____ authority to request on behalf of the
(TITLE)

Employer disbursements from the Pension Prefunding Trust and to certify as to the purpose for which the disbursed funds will be used.

By _____

Title _____

Witness _____

Date _____

APPROVED AS TO FORM AND LEGALITY

_____

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. 2023-

AUTHORIZE PARTICIPATION IN THE CEPPT PROGRAM, FOR THE PREFUNDING OF THE CITY'S ACCRUED PENSION COSTS, AUTHORIZE THE CITY TREASURER AND FINANCE DIRECTOR TO, JOINTLY, REQUEST DISBURSEMENTS FROM THE TRUST, AND AUTHORIZE THE EXECUTION OF THE PREFUNDING AGREEMENT

WHEREAS, the budget adopted for the Fiscal Year 2022-2023 included a Fiscal Sustainability element to prefund pension contributions to lower future pension costs; and

WHEREAS, the City issued a request for Proposal ("RFP") for qualified firms to provide Internal Revenue Code Section 115 Trust services. Three (3) highly qualified firms responded to the RFP. The responses were rated by a team from the City's Finance Department based on experience, reputation, investment strategies, historical returns, risk, and fees; and

WHEREAS, based on a thorough review of the three (3) responses, the Finance Department recommended selecting the California Public Employees' Retirement System ("CalPERS") Internal Revenue Code Section 115 California Employers' Pension Prefunding Trust ("CEPPT Trust") Fund; and

WHEREAS, CalPERS established the CEPPT Trust, an IRS Section 115 Trust set up for the sole purpose of receiving employer contributions that will pay for pension costs. Funds held in the CEPPT Trust can be transferred from a Section 115 Trust to pay for pension costs; and

WHEREAS, as of June 30, 2021, CalPERS computed the City's unfunded accrued pension liability at $78 million across Miscellaneous and Safety plans. This valuation is based on estimates and is likely to change over time given its long-term nature. The unfunded accrued pension liability is separate from the normal employer pension contributions, which for Fiscal Year 2022-2023 were $4.12 million for all City employees; and

WHEREAS, the City desires to contribute to the CEPPT Trust and participate in CalPERS CEPPT program; and

WHEREAS, to participate in the CalPERS CEPPT program, the City must execute and approve CalPERS Agreement and Election to Prefund Employer Contributions to a Defined Benefit Pension Plan ("Agreement"). In part, the Agreement requires the City to notify CalPERS of the persons authorized to request disbursements from the CEPPT Fund; and

WHEREAS, the City desires to execute the Agreement and to delegate the authority to request disbursements from the CEPPT Fund to City Manager, City Treasurer, and Finance Director; and

WHEREAS, to help ensure that there are sufficient funds available to fund future pension benefits, the City seeks to initially contribute and prefund $2 million to the CEPPT Fund; and

NOW, THEREFORE, be it resolved as follows:

RESOLVED: The foregoing recitals are true and correct; and be it

FURTHER RESOLVED: That the City Council of the City of Tracy, hereby approves the Agreement, which is attached hereto as Exhibit B, and authorizes the City Manager, upon review and approval by the City Attorney's office of the form of the Agreement to execute same, and all documents necessary to fulfill the purpose of the Agreement; and be it

FURTHER RESOLVED: The City Council hereby delegates the City Treasurer and Finance Director to, jointly, authority to request on behalf of the City, disbursements from the CEPPT Fund and to certify the purpose for which the disbursed funds will be used.

FURTHER RESOLVED: That this resolution takes effect immediately upon its adoption.

* * * * * * * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 20, 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

June 20, 2023

Agenda Item 1.J

RECOMMENDATION

The Tracy Homelessness Advisory Committee recommends that the City Council adopt a Resolution partially rescinding Resolution No. 2022-121, whereby authorization was given to the City Manager to take immediate and emergency actions to implement interim housing solutions for the City of Tracy's unsheltered, and waived procurement requirements for professional services under Tracy Municipal Code Section 2.20.140(b)(6).

EXECUTIVE SUMMARY

On March 10, 2020, the Tracy City Council (Council) adopted Resolution No. 2020-050, which declared a shelter crisis pursuant to California Government Code Section 8698.2. For the subsequent two years, the City of Tracy (City) actively pursued the development and construction of a temporary housing shelter on City-owned land located on Arbor Avenue to serve as an ongoing full-service temporary housing solution for the City's unsheltered (Temporary Emergency Housing Project, CIP 71112). During this period, the City designed the facility and nearly completed Phase I of the Temporary Emergency Housing Project, consisting of groundwork and utility construction, and had anticipated opening the Temporary Emergency Housing Project by December 2022. However, in the summer of 2022, the City incurred a significant setback, after opening bids for the installation of the predesigned and prefabricated housing structure.

On August 16, 2022, after learning of the delay in constructing the Temporary Emergency Housing Project, the ongoing threat to the health and safety of the unsheltered population, and in anticipation of the necessity to protect the unsheltered from exposure to harsh weather conditions from the upcoming winter season, the Council adopted Resolution No. 2022-121 (Resolution), which reaffirmed an emergency shelter crisis, pursuant to California Government Code 8698.4, to immediately address the increasing number of unsheltered individuals within the City. In addition to the declaration of the shelter emergency, the Resolution authorized the City Manager to take requisite actions needed to expeditiously provide interim housing solutions and dispensed the City's competitive bidding requirements for professional services, pursuant to Tracy Municipal Code (TMC) Section 2.20.140(b)(6). On March 7, 2023, Mayor Pro Tem Davis requested that staff return to partially rescind Resolution No. 2022-121, only with respect to the delegation of authority to the City Manager. The Tracy Homelessness Advisory Committee approved this item on May 18, 2023.

BACKGROUND AND LEGISLATIVE HISTORY

On March 10, 2020, the City Council adopted Resolution No. 2020-050, which declared a shelter crisis pursuant to Government Code Section 8698.2. On September 1, 2020, Council authorized the creation of a Capital Improvement Project (CIP) for the Temporary Emergency Housing Project on Arbor Avenue, CIP 71112, to create a safe and dignified facility for residents experiencing homelessness. Phase 1 of the CIP, which included demolition of an existing structure, installation of underground utilities and grading, began in early 2022 and is complete. Phase 2, which is to include the installation of above-ground prefabricated structures, additional utility improvements, and construction of roads, permanent fencing, and sidewalks, was to begin in summer 2022. Only one

bid was received, and the bid was deemed non-responsive, because the required federal compliance forms were not included in the bid packet. The bid also significantly exceeded the engineers' estimate. On August 16, 2022, staff recommended that Council reject the single bid received for the Temporary Emergency Housing Project and authorized staff to re-advertise and rebid the project. With the devastating setback, on August 16, 2022, the City Council adopted the Resolution which reaffirmed an emergency shelter crisis as the City continues to experience an increasing number of unsheltered individuals. Due to the declaration of an emergency, the Resolution authorized the City Manager to take requisite actions needed to expeditiously provide interim housing solutions. The Resolution also dispensed competitive bidding requirements for professional services pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

ANALYSIS

Since August 2022, staff has presented the City Council with various staff reports to ratify contracts and expenses related to the interim emergency solution, also known as Phase 3 (Modulars) and Phase 4 (Custom Containers), purchased under Resolution No. 2022-121 from CC915, Inc., dba Custom Containers 915 (CC915). As of December 29, 2022, eight (8) custom containers were delivered to the Arbor Avenue site.

Vendor	**Summary**	**Ratification Amount**	**Not to Exceed Amount**
Bicsec Security Inc	Fire Alarm System Installation for custom containers	$60,000	$60,000
Jr Wagner Fire Protection Inc	Installation of Fire Sprinklers for custom containers	$26,000	$26,000
SC Fuel	February 2023 through May 2023 fuel costs	$125,000	$125,000
United Fence Services	Temporary fencing until permanent fencing installed	$200,000	$200,000
United Site Services	Temporary Rental of Restroom for Phase 4	$105,000	$105,000
	TOTAL	$516,000	$516,000

This action is in response to Mayor Pro Tem Davis' request made on March 7, 2023, and seconded by Councilmember Evans, requesting that staff return to the City Council with a proposed Resolution partially rescinding Resolution No. 2022-121. This item was scheduled to be heard by the THAC on May 18, 2023. However, due to time constraints, THAC moved this item forward directly to the City Council for consideration and approval. By partially rescinding Resolution No. 2022-121, the City

Manager will not have additional authority beyond what is set forth in the Tracy Municipal Code, and contracts for Professional Service Agreements, General Service Agreements, or procurement of goods will need to follow procedures set forth in Tracy Municipal Code.

FISCAL IMPACT

This item has no direct fiscal impact as it is related to the recission of delegated authority to the City Manager. Separately, the cost for the above-mentioned contracts is approximately $491,000. The City secured a grant of $1.2 million from Health Plan of San Joaquin for the costs of the custom containers and interim site expenses related to Phase 3 and Phase 4. In addition, the City has committed funding from ARPA for the operations costs at the Temporary Housing Emergency Shelter.

CEQA DETERMINATION

This item is administrative action involving delegated authority and does not qualify or relate to a "project" under the California Environmental Quality Act (CEQA). Separately, Government Code section 8698.4 exempts the application of the CEQA to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing Project at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier navigation Centers and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c) for (Emergency Projects). No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, Implement the adopted Homelessness Strategic Plan.

ACTION REQUESTED

The Tracy Homelessness Advisory Committee recommends that the City Council adopt a Resolution partially rescinding Resolution No. 2022-121, whereby authorization was given to the City Manager to take immediate and emergency actions to implement interim housing solutions for the City of Tracy's unsheltered, and waived procurement requirements for professional services under Tracy Municipal Code Section 2.20.140(b)(6).

Prepared by: Karin Schnaider, Assistant City Manager
Reviewed by: Sara Cowell, Director of Finance
Reviewed by: Bijal Patel, City Attorney
Approved by: Midori Lichtwardt, Interim City Manager

APPROVED AS TO FORM AND LEGALITY

_____

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

PARTIALLY RESCINDING RESOLUTION NO. 2022-121, WHEREBY AUTHORIZATION WAS GIVEN TO THE CITY MANAGER TO TAKE IMMEDIATE AND EMERGENCY ACTIONS TO IMPLEMENT INTERIM HOUSING SOLUTIONS FOR THE CITY OF TRACY'S UNSHELTERED, AND WAIVED PROCUREMENT REQUIREMENTS FOR PROFESSIONAL SERVICES UNDER TRACY MUNICIPAL CODE SECTION 2.20.140(B)(6)

WHEREAS, The City of Tracy, like many cities across California, is experiencing a shelter crisis; and

WHEREAS, On March 10, 2020, the City Council declared a shelter crisis through the adoption of Resolution 2020-050 which declared a shelter crisis pursuant to California Government Code Section 8698.2; and

WHEREAS, For the subsequent two years, the City of Tracy (City) actively pursued the development and construction of a temporary housing shelter on City-owned land located on Arbor Avenue to serve as an ongoing full-service temporary housing solution for the City's unsheltered (Temporary Emergency Housing Project, CIP 71112); and

WHEREAS, Under the Shelter Crisis, the City is authorized to provide emergency housing, shelters, bridge housing communities and other services to the homeless; and

WHEREAS, During this period, the City designed the facility and nearly completed Phase I of the Temporary Emergency Housing Project, consisting of groundwork and utility construction, and had anticipated opening the Temporary Emergency Housing Project by December 2022. However, in the summer of 2022, the City incurred a significant setback, after opening bids for the installation of the predesigned and prefabricated housing structure; and

WHEREAS, On August 16, 2022, after learning of the delay in constructing the Temporary Emergency Housing Project, the ongoing threat to the health and safety of the unsheltered population, and in anticipation of the necessity to protect the unsheltered from exposure to harsh weather conditions from the upcoming winter season, the Council adopted Resolution No. 2022-121 (Resolution), which reaffirmed an emergency shelter crisis, pursuant to California Government Code 8698.4, to immediately address the increasing number of unsheltered individuals within the City; and

WHEREAS, The continued shelter crisis is resulting in a threat to the safety and health of the unsheltered as well as other residents in the City; and

WHEREAS, The City desired to provide interim housing solutions until the completion

and opening of the City's Facility; and

WHEREAS, The solutions included various interim housing solutions, such as modulars and custom containers; and

WHEREAS, The solutions required vendors to implement and operate the interim solutions; and

WHEREAS, Under Tracy Municipal Code Section 2.20.140(b)(6), the City Council may dispense with a request for proposal for procurement of services if it is deemed in the best interest of the City; and

WHEREAS, Since August 2022, staff has presented the City Council with various staff reports to ratify contracts and expenses related to the interim emergency solution exercised under the City Manager's delegated authority, also known as Phase 3 (Modulars) and Phase 4 (Custom Containers), purchased from CC915, Inc., dba Custom Containers 915 (CC915); and

WHEREAS, On March 2, 2023, Mayor Pro Tem Davis requested that staff return to partially rescind Resolution No. 2022-121, to remove the additional authority that had been delegated to the City Manager under such resolution; and

WHEREAS, On May 18, 2023, due to time constraints, the Tracy Homelessness Advisory Committee motioned to move this item directly to the City Council for consideration and approval and now, therefore, be it

RESOLVED: That the City Council of the City of Tracy finds and determines the foregoing recitals to be true and correct and hereby makes them a part of this Resolution; and be it further.

RESOLVED: That the City Council hereby partially rescinds Resolution No. 2022-121, whereby authorization was given to the City Manager to take immediate and emergency actions to implement interim housing solutions for the City of Tracy's unsheltered, and waived procurement requirements for professional services under Tracy Municipal Code Section 2.20.140(b)(6); and be it further

RESOLVED: That with the foregoing partial rescission of Resolution No. 2022-121, the City Manager will not have additional authority beyond what is set forth in the Tracy Municipal Code, and contracts for Professional Service Agreements, General Service Agreements, or procurement of goods will need to follow procedures set forth in Tracy Municipal Code; and

RESOLVED: That the City Council hereby reconfirms that Resolution No. 2022-021 still remains valid with respect to the City's reaffirmation of a shelter crisis; and be it further

RESOLVED: This item is administrative action involving delegated authority and does not qualify or relate to a "project" under the California Environmental Quality Act (CEQA); and be it further

RESOLVED: This Resolution shall become effective immediately upon adoption.

* * * * * * * * * * * *

The foregoing Resolution 2023-____was adopted by the Tracy City Council on on the 20th day of June 2023 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council
of the City of Tracy, California

June 20, 2023

Agenda Item 1.K

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution: 1) approving the Memorandum of Understanding (MOU) between the City of Tracy and the Tracy Police Managers Association; 2) approving the MOU between City of Tracy and Tracy Mid-Managers Bargaining Unit; 3) approving the Compensation & Benefit Plan for Confidential Employees Unit; 4) approving the Compensation & Benefit Plan for Department Heads, and 5) authorizing an amendment to the City's Master Salary Schedule to reflect the terms of the MOUs.

EXECUTIVE SUMMARY

The existing Memoranda of Understandings (MOU) between the City of Tracy and the Tracy Police Managers Association (TPMA) and Tracy Mid-Managers Bargaining Unit (TMMBU) expire on June 30, 2023. The existing Compensation and Benefit Plans between the City of Tracy and Department Heads and Confidential Employees Unit (CEU) expire on June 30, 2023.

Representatives from the City and the aforementioned bargaining units met and conferred in good faith and negotiated the terms of a successor MOU. The term of the attached MOUs is for 24 months (two years), effective on July 1, 2023, and expires on June 30, 2025. The term of the attached Compensation and Benefit Plans is for 24 months (two years), effective on July 1, 2023, and expires on June 30, 2025.

BACKGROUND AND LEGISLATIVE HISTORY

Government Code section 3500-3511 known as the Meyers-Milias Brown Act (MMBA) was designed to promote full communication between public employers and their employees by providing a reasonable method of resolving disputes regarding the wages, hours and other terms and conditions of employment between public employers and public employee organizations. Under the Meyers-Milias Brown Act, the City has a duty to meet and confer in good faith with the bargaining representatives of the recognized employee organization regarding matters within the scope of representation and reach agreement within the authority of the representatives. The terms and conditions of the agreement are compiled in an MOU, ratified by each respective bargaining unit and approved by City Council. The City initiated the meet and confer process with the bargaining representatives of each recognized employee organization in February to discuss the terms and conditions of employment of the successor MOU.

ANALYSIS

Tracy Police Managers Association (TPMA)

There are four key changes in the successor MOU for TPMA (Attachment A). The key changes are as follows:

1. Salary Adjustments for All Classifications:

    - Effective July 2, 2023: 3.5% salary adjustment
    - Effective June 30, 2024: 3.5% salary adjustment
    - Added a Me-Too Clause provision that expires on June 30, 2025.

2. Deferred Compensation:

    - Increase employer contribution from 2.0% to 2.5%.

3. Education Expense Reimbursement:

    - Increase tuition reimbursement from $1,800.00 per year to $5,000.00 per year, with a lifetime maximum of up to $20,000.00.

4. Longevity Pay:

    - Added Longevity Pay:
        - 2.5% of base hourly rate of pay after 10 years
        - 5.0% of base hourly rate of pay after 15 years
        - 7.5% of base hourly rate of pay after 20 years

Tracy Mid-Managers Bargaining Unit (TMMBU)

There are five key changes in the successor MOU for TMMBU (Attachment B). The key changes are as follows:

1. Salary Adjustments for All Classifications:

    - Effective July 2, 2023: 3.5% salary adjustment
    - Effective June 30, 2024: 3.5% salary adjustment
    - Added a Me-Too Clause provision that expires on June 30, 2025.

2. Equity Adjustment for Listed Classifications:

    - Effective July 2, 2023, salary ranges for the following classifications will be increased as follows:

        - City Clerk 2.1%
        - Fleet Supervisor 4.1%

3. Education Expense Reimbursement:

    - Increase tuition reimbursement from $2,500.00 per year to $5,000.00 per year, with a lifetime maximum of up to $20,000.00.

4. Longevity Pay:

    - Added Longevity Pay as follows:
        - 1.0% of base hourly rate of pay after 10 years
        - 2.5% of base hourly rate of pay after 15 years
        - 4.5% of base hourly rate of pay after 20 years

5. Incentives:

    - Added Certificate/License Incentives as follows:
        - Public Safety Dispatch Supervisor – 2.5% for POST Dispatch Supervisor Certificate
        - Plan Check Engineers – 5.0% for Structural Engineer License

Department Heads

There are three key changes in the successor Compensation and Benefit Plan for Department Heads (Attachment C). The key changes are as follows:

1. Salary Adjustments for All Classifications:

    - Effective July 2, 2023: 3.5% salary adjustment
    - Effective June 30, 2024: 3.5% salary adjustment
    - Added a Me-Too Clause provision that expires on June 30, 2025.

2. Management Leave:

    - Increase annual management leave hours from 120 to 140.

3. Education Expense Reimbursement:

    - Increase tuition reimbursement from $2,500.00 per year to $5,000.00 per year, with a lifetime maximum of up to $20,000.00.

Confidential Employees Unit (CEU)

There are four key changes in the successor Compensation and Benefit Plan for CEU (Attachment D). The key changes are as follows:

1. Salary Adjustments for All Classifications:

    - Effective July 2, 2023: 3.5% salary adjustment
    - Effective June 30, 2024: 3.5% salary adjustment
    - Added a Me-Too Clause provision that expires on June 30, 2025.

2. Deferred Compensation:

    - Increase employer contribution from 3.0% to 5.0% for Confidential non-management employees.

3. Education Expense Reimbursement:

    - Increase tuition reimbursement from $2,500.00 per year to $5,000.00 per year, with a lifetime maximum of up to $20,000.00.

4. Longevity Pay:

    - Added Longevity Pay as follows:
        - 1.0% of base hourly rate of pay after 10 years
        - 2.5% of base hourly rate of pay after 15 years
        - 4.5% of base hourly rate of pay after 20 years

    - Eliminate retention incentive for Confidential non-management employees.

Other changes to the MOUs and Compensation and Benefit Plans consist of adding provisions or amendments to update statutory language, further clarify current practices, and administrative cleanup.

The City's Master Salary Schedule contains the salaries for employee classifications represented by TPMA, TMMBU, Department Heads, and CEU and serves as the publicly available pay schedule used to determine pay rates for purposes of the California Public Employees Retirement Law. The Master Salary Schedule (Attachment E) must be amended to reflect the terms of the proposed successor MOU and Compensation and Benefit Plans.

FISCAL IMPACT

The adopted FY2023-24 operating budget contains a 3% increase for personnel costs. An additional budget amendment to account for the additional 0.5% resulting from the 3.5% cost of living increase and fringe benefit changes will be brought to Council with the FY2023-24 quarter one budget adjustment.

The total anticipated cost to the City contained in the changes to the sections of the MOUs and Compensation and Benefit Plans listed above for the term of these MOUs is shown in the table below:

	GENERAL FUND YEAR ONE	CITYWIDE YEAR ONE	GENERAL FUND YEAR TWO	CITYWIDE YEAR TWO
CONF	93,000	149,000	190,000	304,000
DH	103,000	137,000	210,000	279,000
TMMBU	156,000	455,000	318,000	926,000
TPMA	94,000	94,000	192,000	192,000

TOTAL	**$446,000**	**$835,000**	**$910,000**	**$1,701,000**

STRATEGIC PLAN

This agenda item supports the City's Governance Strategy and Business Plan, and specifically implements the following goals and objectives:

Governance Strategy

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

Goal 5: Recruit, develop, and retain a high performing and inclusive workforce.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a Resolution: 1) approving the Memorandum of Understanding (MOU) between the City of Tracy and the Tracy Police Managers Association; 2) approving the MOU between City of Tracy and Tracy Mid-Managers Bargaining Unit; 3) approving the Compensation & Benefit Plan for Confidential Employees Unit; 4) approving the Compensation & Benefit Plan for Department Heads, and 5) authorizing an amendment to the City's Master Salary Schedule to reflect the terms of the MOUs.

Prepared by: Kimberly Murdaugh, Director of Human Resources

Reviewed by: Sara Cowell, Director of Finance
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

Attachments:

A – Tracy Police Managers Association (TPMA) MOU DRAFT
B – Tracy Mid-Managers Bargaining Unit (TMMBU) MOU DRAFT
C – Department Heads Compensation & Benefit Plan DRAFT
D – Confidential Employees Unit (CEU) Compensation & Benefit Plan DRAFT
E – DRAFT Master Salary Schedule Effective 07/02/2023

ATTACHMENT A

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF TRACY

AND

THE TRACY POLICE MANAGERS ASSOCIATION (TPMA)

July 1, 2023~~1~~ through June 30, 2025~~3~~

DRAFT

Think Inside the Triangle™

Human Resources Department
333 Civic Center Plaza
Tracy, CA 95376
(209) 831-6150
www.cityoftracy.org

ATTACHMENT A

TRACY POLICE MANAGERS ASSOCIATION (TPMA)
July 1, 20231 through June 30, 20253

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CITY OF TRACY
TRACY POLICE MANAGERS ASSOCIATION
MEMORANDUM OF UNDERSTANDING
July 1, 2023~~31~~ – June 30, 2025~~3~~

Tracy Police Managers' Association (TPMA) and ~~representatives of~~ the City of Tracy (City) ~~have~~ met and conferred in good faith regarding wages, hours and ~~his/her~~ other terms and conditions of employment ~~of employees in the Tracy Police Managers Association, have~~ and freely exchanged information, opinions, and proposals~~., and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.~~

This Memorandum of Understanding~~, hereinafter referred to as "The~~ (Agreement)~~," is~~ was entered into pursuant to the Meyers-Milias-Brown Act (Government Code Sections 3500, et. seq.) and ~~has been~~ was jointly prepared by the parties.

~~This Agreement shall be presented to the City Council as the joint recommendations of the undersigned for salary and employee benefit adjustments for the period commencing July 1, 2021 and ending June 30, 2023~~

Section 1. Recognition

1.1 Association Recognition

Tracy Police Managers' Association~~, hereinafter referred to as the "~~ (Association)~~,"~~ is recognized as the sole and exclusive representative as provided in the City's Employer-Employee Relations resolution for ~~all~~ employees assigned to the classifications of Police Lieutenant and Police Captain.~~set forth below:~~

~~Police Lieutenant~~
~~Police Captain~~

Section 2. ~~Compensation and Benefits~~Wages

2.1 Salary ~~Plan~~

Effective July 2, 2023, all classifications will receive a three and one half percent (3.5%) salary increase.

Effective June 30, 2024, all classifications will receive a three and one half percent (3.5%) salary increase.

2.1.1 Me-Too Clause

In recognition of being the first bargaining group to reach an agreement, the City is providing TPMA a me-too clause for general salary increases (Cost of Living Adjustments) on a prospective basis. This provision expires June 30, 2025.

2.1.2 Term

This Agreement is effective July 1, 2023, and continues in full force and effect through June 30, 2025. All new economic provisions will be effective July 2, 2023, unless otherwise stated.

~~Effective first full pay period in August 2021, or upon approval by the City Council, whichever is latest, classifications in this unit shall receive the equivalent of two percent (2%) annual base salary (non-persable) one-time lump sum payment.~~

~~Effective August 1, 2021, or upon approval by the City Council, whichever is latest, salary ranges for classifications in this unit shall be increased by three percent (3%).~~

~~Effective first full pay period in July 2022 or upon approval by the City Council, whichever is latest, salary ranges for classifications in this unit shall be increased by three percent (3%).~~

2.2 ~~Out-of-Class Pay~~Temporary Upgrade Pay

When an ~~Association Member~~ employee is appointed to fill a Senior Manager vacancy ~~caused by paid leave of absence or separation, compensation will be paid at~~ the employee will receive the entry level of Senior Manager position or ~~at~~ ten ~~(10)~~ percent (10%) ~~over the Association member's current class,~~of their base rate of pay, ~~whichever is greater., after ten consecutive calendar days, retroactive to the first day of such appointment. This out-of-class pay will be as~~ Temporary Upgrade Pay is provided in the Administrative Procedures.

2.2.1 Supervisor Premium

Employees who are routinely and consistently assigned by the Chief of Police to supervise in the absence of a Senior Manager will receive Supervisor Premium in the amount of ten percent (10%) of their base rate of pay for those hours worked.

2.3 Bilingual Pay

Employees certified by the City as bilingual in an approved language will receive Bilingual Pay in the amount of ~~shall be entitled to receive, in addition to their regular compensation, an additional~~ two percent (2%) of their base rate of pay. ~~if they meet the following criteria:~~

~~a. Certification from the City that the employee possesses the needed language skills; and~~
~~b. Certification from the Police Chief that a particular assignment involves the need for the required skills on a regular basis.~~

~~Qualifying~~ Approved languages are Spanish, American Sign Language, and any other language ~~designated by the Police Chief as beneficial to the City~~ approved by the City Manager.

Section 3. Leave

~~3.1 Personnel Rules~~

~~Leave will be granted as provided for in the Personnel Rules. Leave may be used during the first six (6) months of service in accordance with City Policy and practice.~~

~~Members of the Tracy Police Management Association will be considered "Sworn Police Employees" and will accrue vacation at the rates listed for those so classified.~~

3.1 Vacation

Employees accrue vacation based upon months of continuous service per pay period as follows:

Months of Continuous Employment	Hours Accrued
0 to 59	3.69
60 to 120	5.54
121 to 180	6.15
192	6.46
204	6.77
216	7.08
228	7.39
240	7.70
252	8.01
264	8.32
276+	8.63

3.1.1 Vacation Accumulation

Employees may accrue a maximum of four hundred and forty-eight (448) hours of vacation.

Employees who accrue more than two hundred and twenty-four (224) hours per year of vacation are considered "grandfathered" and will continue to accrue the same number of hours.

3.2 Holiday Pay

The City observes the following holidays:

1. New Year's Day
2. Martin Luther King Jr. Day
3. President's Day
4. Memorial Day
5. Juneteenth
6. Independence Day
7. Labor Day
8. Veteran's Day
9. Thanksgiving
10. Day After Thanksgiving
11. Christmas Eve
12. Christmas Day

3.2.1 Holiday In-Lieu

Employees who are in positions that are scheduled to work without regard for the holidays listed above receive holiday-in-lieu pay. Employees receive holiday-in-lieu in the amount of six-

point-five percent (6.5%) of their base hourly rate of pay in lieu of receiving any other form of holiday compensation.

~~On January 1 and July 1 of each year, or prorated thereto, regular full-time employees, shall be granted a bank of fifty-two (52) hours of holiday leave. Employees shall be compensated for holiday leave hours not used during a given six (6) month period at the holiday in-Lieu pay rate. Requests to take a holiday off shall be subject to the Police Chief's approval.~~

~~The holiday in-Lieu pay rate shall be calculated as follows:~~

~~Annual Salary (base salary + incentives) divided by 2,080 hours = Hourly Rate x 8 = Holiday In-Lieu Pay.~~

~~Holiday in-Lieu pay will be paid on separate checks on the second regular payday in the month of June and the first regular payday in the month of December. Holiday hours are paid at the rate earned.~~

~~If a TPMA member is required to work on a holiday designated by the City of Tracy, the employee shall receive an additional eight (8) hours of vacation leave in addition to straight time pay for hours worked. Holidays will be paid at the pay rate during the period in which the holidays were earned.~~

3.2.2~~1 Proclaimed Holidays~~Observed Holidays

The City observes holidays proclaimed by the Governor of the State of California or President of the United States that are approved by the City Council.

~~All holidays proclaimed by the Governor of the State of California or the President of the United States shall be granted as holidays.~~

3.3 Management Leave

~~Association Members~~ Employees are exempt from FLSA and accrue one-hundred twenty (120) hours of management leave annually on the first full pay period in January. Effective January 1, 2024, management leave will be accrued in a management leave accrual bank. Employees may cash out management leave at any time during the year; any remaining management leave is paid to the employee annually on the last regular paycheck in the month of December or upon separation.~~ In recognition of the need to devote more than forty (40) hours per week to their duties, management leave in the amount of one-hundred twenty (120) hours per calendar year shall be granted to Association Members.~~

~~3.4 Maximum Accrual of Leave~~

~~The maximum accrual for Association Member employees for vacation and management leave shall not to exceed a composite of twice the annual accrual rate.~~

3.~~45 City Sell Back of Accumulated Leave~~Vacation Sell-Back

By November 1 of each year, an employee may make an irrevocable election to cash out up to 50 percent (50%) of vacation leave that will accrue in the next calendar year. The employee can elect to receive the percentage selected for cash-out on either the second pay period in July, or the first pay period in December.~~Association Members are allowed an optional sell back of accumulated leave. They may, twice in a calendar year, sell back up to fifty percent (50%) of accumulated leave, but not more than the equivalent of one (1) year's earning rate for vacation. The hourly rate is the annual salary, divided by the annual hours of work.~~

3.5~~6~~ Sick Leave

3.5~~6~~.1 Accrual Rates

Employees accrue three point six-two (3.69) hours of sick leave per pay period during their first twenty (20) years of employment. After the completion of twenty (20) consecutive years of employment, employees accrue seven point two-four (7.38) hours of sick leave per pay period with no limit.~~All Association Members shall be eligible to accrue sick leave at the following rates:~~

~~- Ninety-six (96) hours per year during the first 20 years of employment.~~

~~- One hundred ninety-two hours (192) per year beginning the 21st year of employment and this/hereafter.~~

~~- Unlimited accrual of sick leave is allowed.~~

3.5.2 Retiree Medical Sick Leave Conversion Reopener

The parties agree to continue meeting and conferring up to and including the impasse procedures over the sick leave conversion at retirement with the goal to replace it with a pre-funded retiree medical retirement system. This provision expires June 30, 2025.

3.6.3~~2~~ Retirement Conversion of Sick Leave

Any employee covered by this Agreement, who retires from the City of Tracy, may elect to convert all accrued sick leave to a medical insurance bank. The value of the medical insurance bank ~~shall be~~is determined by multiplying the number of accrued sick leave hours by the employee's hourly rate of pay including incentives. The retired employee and ~~his/her~~ their dependents ~~shall be~~ are entitled to continued group health insurance coverage, dental and/or vision coverage currently in effect, with premiums for such coverage being deducted from the medical insurance bank until said bank is exhausted, subject to the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Thereafter, the employee and ~~his/her~~ their dependents may continue to participate in the City's group health plan, at group rates, provided the City receives the employee's payment for the premium by the 10th of each month for the following month's coverage, subject to the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Terms of the Policy Agreement with the City's insurance carrier regarding coverage and eligibility ~~shall~~ apply to the employee and ~~his/her~~ their dependents.

~~3.6.3 Limited Reopener Regarding Establishment of Section 115 Trust Fund and Sick Leave Conversion at Retirement~~

~~The City agrees to reopen negotiations on the limited topic of establishing an IRS Section 115 Trust Fund ("Trust Fund") and amending sick leave conversion at retirement (see MOU section 3.6.3). During the first year of the MOU, the City will analyze the options available with regards to establishing a Trust Fund. During the second year of the MOU, upon the City's request, TPMA agrees to meet and confer in good faith with the City regarding: (1) The implementation of a Trust Fund; and (2) Reducing the amount of sick leave that an employee can convert at retirement pursuant to Section 3.6.2 of this MOU; however, the City agrees that any reduction to the amount of sick leave an employee may convert upon retirement shall apply on a prospective basis only. The City agrees that it will not implement nor unilaterally impose a Trust Fund without obtaining TPMA's mutual agreement.~~

Section 4: Benefits

4.1 CalPERS Retirement

Employees hired ~~by the City of Tracy on or~~ before July ~~1~~2, 2010 ~~and covered by this agreement shall~~ receive CalPERS three percent at age 50 (3% ~~@at~~ 50) ~~and "single highest year"~~ safety formula with the one (1) year final average compensation period. These employees pay the required twelve percent (12%) member contribution on a pre-tax basis.

Employees hired ~~by the City of Tracy on or~~ after July 12, 2010 ~~and on or before December 31, 2012 who are covered by this agreement shall~~ who are not classified as a new member receive CalPERS three percent at age 55 (3% ~~@at~~ 55) ~~and "single highest year"~~ safety formula with the one (1) year final average compensation period. These employees pay the required twelve percent (12%) member contribution on a pre-tax basis.

Employees hired ~~by the City of Tracy on or~~ after ~~January 1, 2013~~ December 31, 2012 who are classified as a ~~meeting the definition of~~ "new member" under the Public Employees' Pension Reform Act (PEPRA) receive ~~shall be subject to all the provisions of that law, including but not limited to~~ the CalPERS two point seven percent at age 57 (2.7% ~~@at~~ 57) retirement formula with a "three (3) year" final average compensation period. These employees pay one-half of the total normal cost as determined annually by CalPERS plus three percent (3%) of the employer's contribution on a pre-tax basis.

~~Employees who receive the CalPERS retirement formula of 3% @ 50, or 3% @ 55 shall pay 9% of salary employee contribution towards employee statutory share of CalPERS retirement. Employees who receive the CalPERS retirement formula of 2.7% at 57 shall pay the employee contribution required by PEPRA, currently calculated at fifty percent (50%) of the normal cost.~~

~~In accordance with the California Government Code section 20516 contract amendment process, each employee in this unit shall pay 3% towards the employer's share of CalPERS pension regardless of what CalPERS pension formula employee is applicable to employee.~~

4.2 Deferred Compensation

~~Tracy Police Managers Association employees shall be eligible to participate in the City's Deferred Compensation Program and are eligible for a City matching contribution to the deferred compensation plan. Each employee may receive a matching City contribution of~~ The City matches the employee's

contributions to their deferred compensation plan up to two and a half ~~(2%)~~ percent (2.5%) of their annual salary. ~~to their deferred compensation plan.~~

~~Approval for the City's matching contribution shall be approved by both the Police Chief and the City Manager via a Personnel Action Form.~~

4.3 ~~Travel Expense~~Mileage Reimbursement

An employee who is required to provide transportation for the performance of their job or to attend required training is compensated at the Internal Revenue Service (IRS) mileage rate. This reimbursement does not apply to employee commutes to or from their residences.~~Travel expenses shall be reimbursed in accordance with the Travel Expense procedure detailed in the City's Administrative Policy and Procedure Manual.~~

4.4 Health Insurance

4.4.1 Plans Provided

The City offers medical insurance through Kaiser and ~~Health Net~~Sutter. ~~During the term of this Agreement, t~~The City reserves the right to change medical providers and the parties ~~shall~~ will meet and confer regarding any such change.

~~4.4.2 ACA "Cadillac Plan" Reopener~~

~~The parties agree to reopen this MOU within thirty (30) days of a written request by the City to meet and confer, through the entire bargaining and impasse process, over changes to the City's health plans that may be necessary to ensure that the City's medical plans do not trigger excise tax liability as "Cadillac plans" under the Affordable Care Act.~~

4.5 New Employees

New employees ~~hired to the City of Tracy after September 1, 2006 (except those employees within the TPOA bargaining unit that promoted to Lieutenant or Captain and who were hired prior to September 1, 2006) shall be~~ are required to select and maintain a medical plan for at least the employee. ~~and are not eligible for cash benefits except as may be required by provisions of the IRS regulations covering Flexible Benefits plans.~~

4.6 Dental

The City ~~shall~~ offers dental insurance coverage for full-time employees and their eligible dependents. through the existing providers.

4.7 Vision Care

The City ~~shall~~ offers vision care benefits for full-time employees and their eligible dependents ~~through the existing providers.~~ .

4.8 Life Insurance

The City ~~shall~~ provides life insurance ~~coverage equal to the nearest thousand dollars of annual salary, of~~ up to fifty thousand dollars ($50,000) ~~a~~ maximum ~~of $50,000~~. This coverage ~~will be~~ is mandatory for ~~all TPMA~~ employees. The City ~~will fully~~ pays the premium by adding the actual cost of the premium to the amount provided in the ~~C~~cafeteria ~~P~~plan each month.

4.9 Cafeteria Plan

4.9.1 City Contribution

The City ~~shall~~ maintains an account for each full-time employee in regular or probationary status within the City's cafeteria plan. The City contributes $2,994.13 into the employee's cafeteria plan for the purchase of Medical, Dental, and Vision insurance. The cafeteria plan is increased annually by 75% of the average dollar increase of the family HMO plan premiums. The City ~~shall~~ makes monthly payments of no more than the ~~annual maximum amount for the~~ employee's benefit level, either family, employee plus one or employee only, to each employee's account.

4.9.2 Cash Out Options

~~For e~~Employees hired on or before June 1, 2006, who opt out of medical insurance receive ~~the maximum cash payment shall be set at Nine~~ nine ~~Hundred~~hundred and ~~Eighty-~~eighty ~~One~~ one ~~Dollars~~dollars and ~~Fifty~~fifty cents ($981.50) per month. ~~for employees who do not elect a medical, dental, and/or vision plan. For new employees hired to the City of Tracy after June 1, 2006, each employee shall be required to select a medical plan and the cash payment shall be limited to the minimum required by law (if any).~~

~~4.9.3 Future Contributions~~

~~If premiums increase in the plans to which City employees subscribe effective January 1, 2013, and each January thereafter during the term of this Agreement, the City will increase the City's monthly contribution for employees by 75% of the average of the dollar increase of the family HMO plan premiums for employees electing family coverage.~~

~~For employees who elect employee only or employee plus one coverage, any City increase to the employee's account shall be limited to the amount necessary to fully cover the plan selected or up to a maximum of the dollar amount increase allocated to employees who elect family coverage. There shall be no increase for employees who do not elect health insurance coverage.~~

~~In the event the above listed amounts are insufficient to fully pay the premiums required of employees enrolled in any one of the medical insurance plans, the City shall make a payroll deduction from the employee's pay to cover the difference in cost.~~

4.9.~~3~~4 Approved Account Uses

The cafeteria plan may~~The monies in an employee's account shall~~ be used for one or more of the following purposes only: (1) payment of medical premiums ~~charges for the medical (insurance program in which the~~ that the employee is enrolled~~)~~, (2) payment of ~~premium charges for the~~ dental premiums ~~insurance program in which~~ that the employee is enrolled, (3) payment of ~~premium charges for the~~ vision premiums ~~insurance program in which~~ that the employee is enrolled~~.~~, (4) mandatory payment of life insurance premiums.~~The City also independently funds life insurance premiums through each employee's account.~~

~~Each e~~Employee~~s shall~~ provide ~~the Personnel Officer or~~ Human Resources ~~designee~~ in writing on a form provided and at times designated by the City each year all information necessary to administer the ~~Cafeteria~~cafeteria ~~Plan~~plan during the twelve-month period beginning the first day of each plan benefit year. Thereafter, no changes to designations may be made ~~so made will be allowed~~ until the following open enrollment period without a qualifying event.

4.9.~~45~~ Notification of Changes in Number of Dependents

~~Each e~~Employee~~s shall be~~ are responsible for providing immediate written notification to ~~the Personnel Officer or~~ Human Resources ~~designee~~ of any change to the number of ~~his/her~~ their dependents ~~which affects~~affecting the amount ~~of~~ the City ~~payment~~ pays on their behalf ~~of the employee~~. Changes in insurance premiums will take effect the first full pay period in the month following receipt of notice of a chance in dependents.~~Changes in Cafeteria Plan payments required because of a change in an employee's number of dependents shall take effect at the start of the first pay period in the month next following the month in which advice from the employee is received by the Personnel Officer or Human Resource designee. No retroactive payments shall be allowed.~~

4.9.~~56~~ Flexible Benefits Plan (IRS Section 125)

The City ~~has~~ implemented an Internal Revenue Code Section 125 Plan to redirect employees' pre-selected amount of base salary to pay employee paid insurance premiums and other approved expenses. The City ~~will~~ does not treat these ~~monies~~ contributions as compensation subject to income tax withholding unless otherwise directed by the Internal Revenue Service or the Franchise Tax Board. ~~indicates that such contributions are taxable income subject to withholding. Each employee shall be solely and personally responsible for any federal, state or local tax liabilities of the employee that may arise out of the implementation of this section or any penalty that may be imposed, therefore.~~

~~4.10 Long Term Disability~~

~~The City of Tracy will provide PORAC Long Term Disability at $19.50 per month to all members of the Tracy Police Managers Association. These employees must be actively working and members of PORAC. Any additional costs will be deducted from the employee's checks.~~

4.10~~1~~ Annual Physical Exam

An annual physical (medical) examination ~~shall be~~ is provided by the City, if desired and/or requested by the employee.

4.11~~2~~ Education Expense Reimbursement

Under Police Chief approval, an employee who completes a course of study and receives a grade of "C" or better may be reimbursed for University of California's fees, books, and tuition~~Educational expenses shall be paid, but are limited to the cost of University of California's fees, books, and tuition~~ up to a maximum of $5,000.00~~1,800~~ per year to a lifetime maximum of $20,000.00. ~~A grade of "C" or better is required for reimbursement. The Police Chief must approve enrollment.~~ Employees ~~covered by this Agreement,~~ enrolled in an accelerated degree program, ~~shall~~ may be eligible for accelerated reimbursement subject to Department approval.

4.123 Uniform Allowance

Employees receive an allowance of thirty-eight dollars and forty-six cents ($38.46) per pay period for the purchase and maintenance of uniforms. ~~The City shall provide Police Captains and Lieutenants an annual uniform allowance in the amount of $1,000 per year. The uniform allowance shall be paid on the regular payday for the pay period that includes June 30, by a separate check.~~

4.134 Education Incentive

Employees who possess a Bachelor of Art's or Master of Art's degree receive education incentive of five percent (5%) of their base rate of pay.~~Effective August 16, 2015, the City shall pay a five percent (5%) incentive on the existing salary step and range of employees who possess a BA degree or a MA degree in Police Administration or related field.~~

4.14 Longevity Pay

Employees receive longevity pay as follows:

- Upon completion of ten (10) years of service, the employee receives longevity pay of two and a half percent (2.5%) of their base hourly rate of pay.
- Upon completion of fifteen (15) years of service, the employee received an additional two and a half percent (2.5%) of their base hourly rate of pay.
- Upon completion of twenty (20) years of service, the employee receives an additional two and a half percent (2.5%) of their base hourly rate of pay.

4.15 P.O.S.T. Incentive

Employees who possess a POST Supervisory Certificate will receive a POST incentive of two and a half percent (2.5%) of their base rate of pay.

Employees who possess a POST Management Certificate will receive a POST incentive of four point five percent (4.5%) of their base rate of pay.
~~The City shall pay a two- and one-half percent (2-1/2%) incentive on the existing salary step and range of employees who possess a POST Supervisory Certificate.~~

~~Effective the first full pay period in July 2018 or upon approval by the City Council, the City shall pay a four- and one-half percent (4-1/2%) incentive on the existing salary step and range of employees who possess a POST Management Certificate.~~

4.16 Command Duty Officer

~~It is understood that all e~~Employees ~~covered by this agreement~~ are responsible to serve as Command Officer as required.

4.17 Lateral Police Officer Referral Program

Employees who refer an eligible Lateral Police Officer hire and complete the Employee Referral Form, will receive an incentive of up to one thousand dollars ($1,000.00) for newly hired and retained Lateral Police Officers. The City pays the referral incentive in two (2) installments. The City pays the first installment of five hundred dollars ($500.00) to the referring employee when the candidate is hired and five hundred dollars ($500.00) to the referring employee once the candidate completes their field-training program.

The City will only identify one (1) employee as the referring employee for each eligible applicant. The Police Chief retains the right to modify the program based on the needs of the department.

Section 5. Conditions of Service

~~5.1 Service with the City of Tracy shall be regulated by the Personnel Rules and Regulations for the positions covered by this Agreement.~~

~~5.2 The Personnel Rules and Regulations are generally implemented through the City's Administrative Policies & Procedures and Departmental Guidelines.~~

~~5.3 The governing documents for the resolution of any disputes over conditions of service are the Personnel Rules and Regulations.~~

~~5.4 Association Members have the right to appeal conditions of service through the grievance procedure contained in the Personnel Rules and Regulations.~~

~~5.5~~ The discipline process is governed by the Personnel Rules.

In the event an employee receives an overpayment by the City, the employee ~~shall~~ will reimburse the City for the total overpayment and the City may obtain reimbursement by payroll deduction(s). Typically, such repayment ~~shall~~ occurs over a schedule equal to the amount of time over which the overpayment occurred. ~~However, a~~At the employee's request, the City may extend ~~such~~ the repayment over a longer period, to be determined by mutual agreement of the employee and the ~~City Administrative Services~~ Director of Human Resources.

APPROVED AND ACCEPTED:

TRACY POLICE MANAGERS' ASSOCIATION	**CITY OF TRACY**
Luis Mejia Digitally signed by Luis Mejia Date: 2023.06.08 15:35:41 -07'00'	
By: _____	By: _____
Luis Mejia, TPMA President Manager	~~Michael Rogers~~Midori Lichtwardt, Interim City
Dated _____	Dated _____

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ATTACHMENT B

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF TRACY

AND

THE TRACY MID-MANAGERS BARGAINING UNIT (TMMBU)

July 1, 2023~~1~~ through June 30, 2025~~3~~

Think Inside the Triangle™

Human Resources Department
333 Civic Center Plaza
Tracy, CA 95376
(209) 831-6150
www.cityoftracy.org

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ATTACHMENT B

TRACY MID-MANAGERS BARGAINING UNIT (TMMBU)
July 1, 2023~~1~~ through June 30, 2025~~3~~

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CITY OF TRACY
TRACY MID-MANAGERS BARGAINING UNIT (TMMBU)
MEMORANDUM OF UNDERSTANDING
July 1, 2023~~1~~ – June 30, 2025~~3~~

Tracy Mid-Managers Bargaining Unit and ~~representatives of~~ the City of Tracy ~~have~~ met and conferred in good faith regarding wages, hours and other terms and conditions of employment, ~~have~~ and freely exchanged information, opinions and proposals~~., and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.~~

This Memorandum of Understanding, ~~hereinafter referred to as "~~(The Agreement~~,") is~~ was entered into pursuant to the Meyers-Milias-Brown Act (Government Code Sections 3500, et. seq.) and ~~has been~~ was jointly prepared by the parties.

This Agreement shall be presented to the City Council as the joint recommendations of the undersigned for salary and employee benefit adjustments for the period commencing July 1, 2023~~1~~ and ending June 30, 2025~~3~~.

Section 1. Recognition

1.1 Tracy Mid-Managers Bargaining Unit Recognition

Tracy Mid-Managers Bargaining Unit~~, hereinafter referred to as the "~~(TMMBU~~,")~~ is recognized as the sole and exclusive representative as provided in the City's Employer-Employee Relations Resolution for ~~all~~ employees assigned to the classifications set forth in Exhibit A.

1.2 City Recognition

The City Manager or~~, where the authority has been delegated by the City Manager, the City Manager's representative,~~ designee is the representative of the City of Tracy~~., hereinafter referred to as the "City."~~

~~**Section 2. No Discrimination**~~

~~The City agrees not to discriminate against any employee because of membership in the TMMBU or because of any activities on behalf of the TMMBU. TMMBU activities shall not interfere with the normal operation of the City. Neither the City nor the TMMBU shall discriminate for or against any employee or applicant for employment on account of race, color, creed, national origin, age, marital status, sex/gender (including pregnancy, childbirth or related medical conditions), gender identity, gender expression, genetic information, sexual orientation, physical disability, or mental disability which does not prevent an employee from meeting the minimum standards established, military or veteran status.~~

Section ~~2~~3. TMMBU Security

~~3.1 Maintenance of Membership~~

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~~Employees in representative classifications referred to in Exhibit A hereof who are members of the TMMBU on the date upon which this Agreement is executed or who become members of the TMMBU during the term of this Agreement shall remain members during the term of this Agreement and while in City employment in a job classification represented by the TMMBU, except that such employees may withdraw from membership pursuant to Section 3.3.~~

2~~3~~.1~~2~~ TMMBU Dues

Upon certification from TMMBU that an employee has signed an authorization for the deduction of dues, the City will make payroll deductions in an amount to be determined by the TMMBU and communicated to the City annually. The City will promptly remit deductions to the TMMBU through Electronic Funds Transfer (EFT). Employee requests to cancel membership dues deductions from the employee's paycheck must be directed to the TMMBU. The City may only request a copy of a dues authorization in case of a dispute. The TMMBU will hold the City harmless from any and all claims and will indemnify it against any unreasonable costs in implementing this provision and must indemnify the City for any claims made by the employee for deductions made in reliance on that certification, in accordance with Government Code § 1157.12(a).~~The TMMBU shall be entitled to have the regular dues of its members deducted from their paychecks in accordance with the procedures set forth herein.~~

~~To the extent required by Government Code Sections 1157.3 and 1157.12, the City shall honor employees' voluntary authorizations for Association dues deductions from employee salaries or wages. In making such authorized dues deductions, the City shall rely on written certification from the Association confirming that the Association has and will maintain authorizations signed by each individual employee from whose salary or wages the deduction is to be made that the individual affirmatively consents to the dues deduction in a manner that meets the requirements of state and federal law, including but not limited to applicable provisions of Government Code Sections 1150-1157.12 and the First Amendment of the United States Constitution. After providing the required certification, the Association shall not be required to provide a copy of individual authorizations to the City unless a dispute arises about the existence or terms of the authorization.~~

~~The City shall direct employee requests to cancel or change dues deductions to the Association. To the extent required by law, the City will rely on information provided by the Association in writing regarding whether dues deductions were properly cancelled or changed. Any requests from the Association that the City change dues deductions shall include a certification that the changes are requested with the affirmative consent of the individual employee(s) and otherwise comply with all requirements of state and federal law.~~

~~The employee's earnings must be regularly sufficient, after other legal and required deductions are made, to cover the amount of the dues check-off authorized. When an employee, in good standing of the TMMBU, is in a non-pay status, for the pay period when his dues would normally be withheld, no dues deduction will be made from future earnings to cover that withholding; nor will the employee deposit the amount with the City which would have been withheld if the employee had been in a pay status during that period. In the case of an employee who is in a non-pay status during only a part of the pay period and the salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other legal and required deductions have priority over Association dues.~~

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~~Dues withheld by the City based on the provisions of this Section shall be transmitted monthly to the party designated in writing by the Association as the party authorized to receive the funds, at the address specified.~~

~~The Association shall indemnify, defend, and hold the City harmless against any claims made and/or any suit instituted against the City which may arise as a result of the application of this Section, including but not limited to Association dues deductions or changes to such dues deductions. Any amounts paid in error shall be adjusted in subsequent payment.~~

~~3.3 Revocation of Authorization~~

~~Any employee desiring to revoke his/her TMMBU membership and authorization for TMMBU dues may do so in the 60-day period before the expiration of this Agreement. Said employee shall forward a written request to the Employee Relations Officer or designee setting forth his/her desire to revoke said membership and dues authorization. The Employee Relations Officer or designee shall promptly forward a copy of said request to the TMMBU. No authorization shall be revoked for a period of two semi-monthly pay periods following transmittal of said request to the TMMBU.~~

~~3.4 Hold Harmless~~

~~TMMBU shall indemnify and hold the City and the Employee Relations Officer or designee harmless from any and all claims, demands, suits, or any other action arising from the maintenance of membership dues deductions.~~

2.2~~3.5~~ Use of City Facilities and Bulletin Boards

The TMMBU may, with the prior approval of the City Manager or designee, use City facilities during non-work hours for meetings of City employees, provided space is available.

The use of City equipment normally used in the conduct of business meetings, such as desks, chairs, and blackboards, will be made available to the TMMBU.

The TMMBU may use portions of City bulletin boards under the following conditions:

Copies of materials must be sent to the department or division head in charge of the department bulletin board.

All materials must be dated and must identify the organization that published them.

The City reserves the right to determine where bulletin boards shall be placed.

Section 34. TMMBU ~~Representatives~~ Representation

34.1 Attendance at Meetings by Employees

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~~Any bargaining unit member, who is directed to attend a meeting at which one of the issues is the proposed discipline of said employee,~~ Employees ~~shall be~~ are entitled to one (1) TMMBU ~~representation~~ representative ~~at such~~ to attend a meeting addressing the employee's proposed discipline.~~provided, however, such representation shall include no more than one City employee in addition to the employee being disciplined. The limitation of this~~ This Section ~~shall apply~~ applies to employees on paid release time and not to TMMBU staff or witnesses who may be necessary to the meeting.

34.2 TMMBU Representatives

The TMMBU may appoint a reasonable number of representatives. Representatives may report ~~G~~grievances ~~which may arise and which~~ that cannot be adjusted on the job ~~shall be reported~~ to the TMMBU ~~by the representative~~, provided~~, however, in no event shall~~ that the representative or the TMMBU may not order any changes, and no changes ~~shall~~ will be made except with the consent of the City.

Association representatives may attend grievance meetings whereby an employee is entitled to representation without loss of compensation or benefits. ~~If an aggrieved employee desires the assistance of a bargaining unit representative as provided in the grievance procedure, the City shall afford said representative reasonable time off during work hours without loss of compensation or other benefits to investigate and take up said grievance. The representative shall~~ Representatives must obtain the approval of the department head, or designee, before leaving ~~his/her duties or work assignment for the purpose of~~ work to ~~investigating~~ investigate ~~and/~~or process~~ing~~ a grievance. ~~Such a~~Approval ~~shall~~ will not be unreasonably denied.

34.3 Access to Work Locations

Reasonable access to employee work locations ~~shall be~~ is granted to TMMBU officers ~~of the TMMBU~~ and their ~~officially designated~~ representatives~~, for the purpose of contacting~~ to contact employees in ~~members of~~ the bargaining unit concerning business within the scope of representation. ~~Such officers~~ Employees, officers, or representatives ~~shall~~ may not enter any work location without the consent of the Department Head or the Personnel Officer. ~~Such c~~Consent ~~shall~~ will not be unreasonably denied. Access ~~shall be~~ is restricted ~~so as not~~ to not interfere with the normal operations of the department or with established ~~or~~ security requirements.

Solicitation of membership and activities concerned with the internal management of an employee organization, such as collecting dues, holding membership meetings, campaigning for office, conducting elections or distributing literature, ~~shall~~ may not be conducted during on-duty hours.

~~The TMMBU shall designate in writing to the Personnel Officer, the names of the representatives referenced above.~~

34.4 Access to Personnel Files

An employee or~~, or upon presentation of written authorization from the employee,~~ an employee's representative with written authorization from the employee, ~~shall~~ will have access to the employee's

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personnel file upon request. No written reprimand or performance evaluation ~~shall~~ will be placed in an employee's personnel file until that employee has seen and has had opportunity to review the document.

34.5 List of Employees

~~Twice a year, t~~The City ~~shall~~ furnishes the TMMBU with the name, job title, department, work location, work, home and personal cell phone numbers, home address and personal email address on file with the City of Tracy for employees within this bargaining unit once every 120 days and a list of new hires within thirty (30) days of the hire date. ~~names, classifications and date of hire of employees assigned to classifications in the bargaining unit; however, t~~The City is~~shall not be required~~not required to provide such information in any format other than one already used by the City.

34.6 Advance Notice

Except in cases of emergency, TMMBU ~~shall~~ will be given reasonable advance written notice of any changes to ordinances, resolutions, rules, regulations, job classifications, or policies that fall within the scope of representation under the MMBA. The Association has fifteen (15) days to request a meet and confer.~~ordinance, resolution, rule or regulation proposed to be adopted by the City and directly relating to matters within the scope of representation and shall be given the opportunity to meet with City management representatives prior to adoption.~~

Section ~~45~~. Salary

45.1 Salary ~~Plan – Cost of Living Adjustments~~

Effective July 2, 2023, all classifications will receive a three and one half percent (3.5%) salary increase.

Effective June 30, 2024, all classifications will receive a three and one half percent (3.5%) salary increase.

4.1.1 Me-Too Clause

In recognition of being the second bargaining group to reach an agreement, the City is providing TMMBU a me-too clause for general salary increases (Cost of Living Adjustments) on a prospective basis. This provision expires on June 30, 2025.

4.1.2 Term

This Agreement is effective July 1, 2023 and continues in full force and effect through June 30, 2025. All new economic provision will be effective July 2, 2023, or the pay period following adoption by the City Council, whichever is later, unless otherwise stated.

~~Effective the first full pay period in July 2021 or upon approval by the City Council, whichever is latest, salary ranges for classifications in this unit shall be increased by 3%.~~

~~Effective the first full pay period in July 2022, salary ranges for classifications in this unit shall be increased by 3%.~~

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~~5.1.1 One Time Payments~~

~~Effective the beginning of the first full pay period following ratification of this agreement by TMMBU and adoption by the City Council, classifications in this unit shall receive the equivalent of two percent (2%) annual salary (non-PERSable) one-time lump sum payment.~~

4~~5~~.2 Market/Equity Adjustments

Effective the first full pay period following adoption by the City Council or the first full pay period in July 2023, whichever is later, the classifications outlined below will receive equity adjustments:

- City Clerk 2.1%
- Fleet Supervisor 4.1%

~~Effective the first full pay period in July 2018 or upon approval by the City Council, whichever is latest, the classifications outlined below will receive equity adjustments:~~

- ~~City Clerk 1.35%~~
- ~~Crime Scene Property Unit Supervisor 1.15%~~

~~Effective the first full pay period in July 2019, the classifications outlined below will receive equity adjustments:~~

- ~~City Clerk 1.35%~~
- ~~Crime Scene Property Unit Supervisor 1.15%~~

4~~5~~.3 Recruitment and Retention Adjustments

In recognition of a competitive labor market, the City Personnel Officer ~~may offer additional~~ has the discretion to increase compensation or benefits ~~on a case-by-case basis~~ for ~~a~~ challenging recruitment and/or retention circumstances.

~~The City further agrees that i~~If market conditions affect an identified classification, any ~~such~~ pay adjustment(s) ~~shall~~ will be made to all employees within the classification.

Section 5~~6~~. Benefits

5~~6~~.1 Out-of-Class Pay

When a Mid-Manager is appointed to fill a Department Head vacancy caused by paid leave of absence or separation, compensation will be paid at entry level of Department Head position or at ten percent (10%) over the Mid-Manager's current classification salary, whichever is greater with placement within the salary range of the Department Head position after ten consecutive calendar days, retroactive to the first day of such appointment. Other out-of-class pay will be as provided in the Administrative Procedures. TMMBU employees or Department Heads may annually initiate the evaluation of a

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reclassification of a position based on changes of duties and responsibilities. The reclassification process of TMMBU employees is managed by the Human Resources Department and guided by Section 8.10 of the City of Tracy Personnel Rules and Regulations.

5~~6~~.2 Deferred Compensation

The City matches the~~TMMBU~~ employee's ~~shall be eligible for a City matching~~ contribution to their deferred compensation plan~~. The TMMBU employee will receive a City matching contribution~~ of up to five percent (5%) of their annual salary~~. to their deferred compensation plan. The amount of the City's matching contribution will depend on the amount of the employee's contribution. For instance, a 2% employee contribution will be matched with a 2% City contribution; a 4% employee contribution will be matched with a 4% City contribution.~~

~~The City's matching deferred compensation contribution shall be approved by both the Department Head and City Manager via Personnel Action Form.~~

~~The City and TMMBU will meet to discuss the options of adding a Retirement Health Savings Account.~~

5~~6~~.3 Education Expense Reimbursement

Upon Department Head approval, an employee who completes a course of study and receives a grade of "C" or better may be reimbursed for books, and tuition for courses taken at accredited colleges or universities in California, up to a maximum of $5,000.00 per year to a lifetime maximum of $20,000.00. ~~Educational expenses, up to a maximum of $2,500 per calendar year, shall be paid to reimburse the cost of fees, tuition, books and supplies of a State College, State University, or other recognized professional organization or institution offering accredited, degreed, certified or continuing professional development beneficial to the career advancement and skill level of TMMBU employees. Successful completion of the course is required for reimbursement. The Department Head must approve enrollment.~~

5.4 Longevity Pay

Employees receive longevity pay as follows:

- Upon completion of ten (10) years of service, the employee receives longevity pay of one percent (1.0%) of their base hourly rate of pay.
- Upon completion of fifteen (15) years of service, the employee receives an additional one and a half percent (1.5%) of their base hourly rate of pay.
- Upon completion of twenty (20) years of service, the employee receives an additional two percent (2.0%) of their base hourly rate of pay (for a total of 4.5%).

5~~6~~.5~~4~~ Travel Expense Reimbursement

An employee who is required to provide transportation for the performance of their job will receive reimbursement at the Internal Revenue Service (IRS) rate.

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~~Administrative Procedure entitled "Travel Expense" shall be used to reimburse mileage expenses incurred when using a personal vehicle on City business.~~

5~~6~~.6~~5~~ Management and Professional Development Benefits

~~The allocation for Management Benefits is $960 per calendar year and is to be utilized at the discretion of each individual employee for job related expenses or for professional development. The monies will be~~ The allowance for management benefits is ~~allocated~~ thirty-six dollars and ninety-two cents ($36.92) per pay period and may be utilized for a wide variety of job-related expenses, training, association memberships, computer hardware and software, conference registration and attendance and other miscellaneous job expenses or professional development opportunities.

5~~6~~.7~~6~~ Uniforms and Uniform Allowances

Employees in the classifications of Community Preservation Manager, Public Safety Dispatcher Supervisors, Code Compliance Analysts, Police Records Supervisors, Crime Scene Property Unit Supervisors, and Animal Services Supervisors are required to wear uniforms and will receive a uniform allowance of thirty dollars and seventy-seven cents ($30.77) per pay period.

The City reimburses employees required to wear safety boots up to one hundred and ninety dollars ($190.00) for the purchase of safety boots.

~~Employees in the following positions are required to wear uniforms on the job, and the City shall provide uniform allowances in the following amounts to employees in the listed positions:~~

- ~~Crime Scene Property Unit Supervisor and Animal Services Supervisor: eight hundred dollars ($800) per year,~~
- ~~Police Records Supervisor: seven hundred fifty dollars ($750) per year.~~

~~Uniform allowances shall be paid on the regular payday for the pay period that includes June 30.~~

~~The Public Safety Dispatch Supervisor is required to wear department-approved uniform shirts to work, and the City will provide the Public Safety Dispatch Supervisor with up to four (4) department-approved uniform shirts each fiscal year. The total value of the uniform shirts provided does not exceed $240 per fiscal year.~~

~~The City will comply with CalPERS requirements for reporting uniform allowances and the value of uniforms provided. Under current law and related CalPERS rules and regulations, the value of provided uniforms and uniform allowances are reportable to CalPERS only for classic employees.~~

5.8 Incentives

Public Safety Dispatch Supervisor

Employees who possess a POST Dispatch Supervisor Certificate will receive POST incentive of two and one-half percent (2.5%) of their base rate of pay.

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Plan Check Engineer

Plan Check Engineers who possess a valid Structural Engineer license in California will receive an incentive of five percent (5.0%) of their bast rate of pay.

Section ~~67~~. Hours of Work, Overtime and Call-Back for Non-Exempt Employees

~~67~~.1 FLSA Workweek

The workweek ~~shall be~~ is from Sunday at 12:00 AM through the following Saturday at 11:59 PM, unless otherwise designated by the ~~Department Head~~ Personnel Officer. For employees permitted to work on the 9/80 schedule, the workweek ~~shall be midway~~ begins and ends halfway between the 8 hour workday every other Friday.~~through the Friday the employee works to the following Friday noon.~~

~~67~~.2 Overtime

~~Overtime is work~~ Employees who work forty (40) hours per workweek will receive overtime for all hours in excess of forty (40) hours at time and a half (1.5) their regular rate of pay.~~in excess of the employee's regular workweek and which has the~~ Employees must obtain prior approval for overtime from~~of~~ the Department Head or ~~designated representative~~ designee.

~~67~~.3 Overtime Compensation

~~Overtime shall be compensated at the rate of one and one-half (1-1/2) times the hourly rate of pay.~~ The regular rate of pay is computed by the following formula: an employee's remuneration for employment, including all includable remuneration as set forth in the Fair Labor Standards Act, 29 CFR § 779.18 during the work period, divided by the total numbers of hours actually worked in that period.

~~67~~.4 Compensatory Time Off

~~An employee may request, through~~ The use of CTO is at the discretion of the Department Head.~~,~~ Employees may accrue CTO to a maximum of eighty (80) hours. CTO will be cashed out upon promotion. Employees may cash out CTO at any time during the years; any remaining CTO is paid to the employee annually on the last regular paycheck in the month of December or at separation.~~compensatory time off or overtime pay for overtime worked. Accrual of compensatory time shall be at the discretion of the Department Head. No employee may accrue more than 80 hours of compensatory time. An employee shall receive paid overtime for all hours worked in excess of 80 hours biweekly.~~

~~67~~.5 Call-Back Pay

An employee called to work outside of, and not continuous with, regularly scheduled hours ~~shall~~ will~~be paid~~ receive a minimum of ~~two~~ three (~~2~~3) hours ~~at the rate of one and one-half (1-1/2) times the employee's hourly rate of pay.~~ of overtime for each call-back and overtime pay for all hours worked during the call-back shift.

~~All work (other than employee's regularly scheduled work hours) performed under the call-back provision shall be compensated at one and one-half (1-1/2) times the hourly rate of pay. Approved~~

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~~and appropriate leave time taken during the employee's regular work schedule prior to or after call-back shall not preclude payment of overtime during call-back.~~

~~67~~.6 ~~Professional Engineer Incentive Pay~~Engineer Premium Pay

~~The City shall pay employees who are~~ Employees assigned to the position of Associate Engineer and who possess a Professional Engineer (PE) license, will receive an incentive of five percent (5%) of their base ~~salary~~ rate of pay per pay period. Eligible employees ~~shall~~ must submit evidence of the ~~Professional Engineers (~~PE~~)~~ license to the Director of Development Services and the Human Resources Director prior to the effective date of the salary incentive for inclusion in the employee's personnel file.

Section ~~7~~8. Leave

~~8.1 Personnel Rules & Regulations~~

~~Leave will be granted as provided for in the Personnel Rules. Leave may be used during the first six (6) months of service.~~

~~7~~8.1~~.1~~ Holiday Pay

Regular full-time employees who are scheduled to work on an observed holiday receive the observed holiday off and eight (8) hours of pay per holiday.

The City observes the following holidays:

New Year's Day	January 1
Martin Luther King Jr. Day	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Juneteenth	June 19
Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day After Thanksgiving	4th Friday in November
Christmas Eve	December 24
Christmas Day	December 25

A. Holiday Pay and Accruals for Non-Exempt Employees

1. Holiday Pay in Excess of 8 Hours

Employees on a 4/10 or 9/80 schedule must use vacation or CTO to make up additional hours on observed holidays falling on a scheduled workday.

~~1. If a holiday designated by the City of Tracy falls on an employee's regularly scheduled day off, said employee shall be compensated in the following manner:~~

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~~a) An employee working a 4/10 schedule shall receive 8 hours of vacation leave.~~

~~b) An employee working a 9/80 schedule shall receive 8 hours of vacation leave.~~

2. Holiday Pay on Scheduled Days Off

Employees working on a holiday falling on their scheduled day off receive holiday pay at the overtime rate of pay and eight (8) hours of vacation.

~~2. If an employee works an alternate work schedule (i.e. 4/10 or 9/80) and a holiday designated by the City of Tracy falls on their regularly scheduled day off, said employee shall be compensated in the following manner:~~

~~a) An employee working an alternative work schedule shall receive 8 hours of vacation leave and shall be paid 8 hours plus 1 ½ times their current pay level for each holiday that falls on a regularly scheduled non-workday.~~

3 Holiday Pay on Scheduled Workdays

Employees working a holiday falling on their scheduled workday receive holiday pay at three (3) times their rate of pay and eight (8) hours of vacation.

~~3. If an employee works an alternative schedule and a holiday designated by the City of Tracy falls on their regularly scheduled workday which employee is required to work, said employee shall be compensated in the following manner:~~

~~a) An employee working an alternative schedule shall receive 8 hours of vacation leave and shall be paid at 3 times their current pay level for regularly scheduled hours worked and each hour of overtime worked.~~

7~~8~~.2 Floating Holidays

Employees accrue sixteen (16) hours of vacation in lieu of floating holidays annually on the first pay period in January.~~16 hours of floating holiday leave per calendar year shall be granted to TMMBU employees.~~

7~~8~~.3 Management Leave

Employees exempt from FLSA accrue management leave in the amount of one hundred and four (104) hours annually in the first pay period in January. Effective January 1, 2024, management leave will be accrued in a management leave accrual bank. Employees may cash out management leave at any time during the year; any remaining management leave is paid to the employee annually on the last regular paycheck in the month of December or upon separation.~~For those employees represented by TMMBU that are exempt from overtime compensation under the FLSA, the City provides management leave in recognition of the need to devote more than 40 hours per week to their duties. The City shall provide management leave in the amount of 104 hours per calendar year to eligible TMMBU employees. Newly hired or promoted employees who are eligible for management leave under this MOU shall~~

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~~receive a prorated number of hours based on their start date in a TMMBU position.~~

78.4 Maximum Accrual of Leave

Employees accrue a maximum of four hundred and eighty-eight (488) hours of vacation leave.~~The maximum accrual for TMMBU employees for vacation, management leave (for eligible employees), and compensatory time off (for eligible employees) and floating holidays shall be the total accrual for each type of leave, not to exceed 488 hours.~~

78.5 ~~City Buy-Back of Accumulated Leave~~Leave Sell-Back

On November 1 of each year, beginning in 2024, an employee may make an irrevocable election to cash out vacation that will accrue in the next calendar year prior to December. The employee can elect to receive up to 50% of the cash-out on the second pay period in July, and the remainder on the first pay period in December.~~TMMBU employees are allowed an optional buy back of accumulated leave. They may, twice in a calendar year, buy back up to 50 percent (50%) of accumulated leave, but not more than the equivalent of one year's earning rate for vacation, management leave, and floating holidays. The hourly rate is the annual salary divided by the annual hours of work.~~

78.6 Sick Leave Accrual

~~All TMMBU e~~Employees ~~shall be eligible to~~ accrue three point six-nine (3.69) hours of sick leave ~~prorated per pay period at the following rates:~~ per pay period with no limit.

~~Ninety-six (96) hours per year.~~

~~Anyone employed prior to January 1, 1987 shall be entitled to the following: one hundred ninety-two (192) hours per year beginning the 21st year of employment and thereafter.~~

~~Unlimited accrual of sick leave is allowed.~~

~~Employees may utilize up to one-half (1/2) of their annual accrual of sick leave for the care of their immediate family. Immediate family is defined as employee's child, including stepchildren and foster children, parent, spouse, registered domestic partner or the child of a registered domestic partner.~~

7.7 Retiree Medical Sick Leave Conversion Reopener

The parties agree to continue meeting and conferring up to and including the impasse procedures over the sick leave conversion at retirement with the goal to replace it with a pre-funded retiree medical retirement system. This provision expires on [enter last day of the success MOU here].

78.~~8~~7 Conversion of Sick Leave Balance Upon Retirement

Upon retirement, employees may elect to convert all accrued sick leave to a medical insurance bank. The value of the medical insurance bank ~~shall~~ is be determined by multiplying the number of accrued sick leave hours by the employee's hourly rate of pay. The retired employee and ~~his/her~~ their dependents ~~shall be~~ are entitled to continued group health insurance coverage, dental and/or vision

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coverage currently in effect, with premiums for such coverage being deducted from the medical insurance bank until said bank is exhausted. Thereafter, the employee and ~~his/her~~ their dependents may continue to participate in the City's group health plan provided the City receives the employee's payment for the premium by the 10th of each month for the following month's coverage.

Subject to approval by the City, retirees may elect to utilize funds in their medical insurance bank to purchase alternate medical coverage.

Terms of the Policy Agreement with the City's insurance carrier regarding coverage and eligibility ~~shall~~ apply to the employee and ~~his/her~~ their dependents.

~~7~~8.~~9~~8 Conversion of Sick Leave Balance Upon Death/Termination

Upon death, the employee's ~~estate~~ shall receives straight-time pay for all accrued sick leave in excess of 960 hours.

If ~~a TMMBU employee terminates or is terminated~~ an employee separates employment for any reason, all accumulated sick leave ~~shall~~ will be canceled. ~~Such a~~Accumulated sick leave, however, ~~shall be~~ is ~~credited~~ restored ~~to such employee~~ if ~~he/she~~ the employee returns to City employment within two (2) years of such termination.

~~7~~8.~~10~~9 Bereavement Leave

In the event of a death in the immediate family of an employee, an employee may use up to forty (40) hours of paid bereavement leave. If the employee needs additional time, the employee may ~~the employee shall be allowed to take paid bereavement leave not to exceed five (5) workdays within two (2) weeks of the date of death of the family member. The employee may, with his/her Department Head's permission,~~ use vacation leave with the approval of the Department Head of designee; additional leave will not unreasonably be denied.~~if additional leave is required. Such permission shall not be unreasonably refused.~~

In the event of the death of a relative, not a member of the immediate family, employees may take ~~absence from duty shall be allowed not to exceed~~ one (1) day of vacation or unpaid leave to attend the funeral.~~ Such absences shall not be charged to sick leave.~~

The immediate family of an employee is defined as: parents, stepparents, parents in-law, spouse, child, stepchild, brother, sister, grandparents, grandchildren, brother/sister in-law, son/daughter in-law, or legal guardian or a person who is at least fifty~~50~~ percent (50%) dependent on an employee.

~~In special cases, with the approval of the Department Head, the Personnel Officer may grant a bereavement leave in other circumstances.~~

~~8~~7.1~~0~~1 Vacation Accrual

Employees accrue vacation based upon continuous months of service per pay period as follows:

Months of Continuous Employment	Accrued Hours
0 to 59	3.69

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60 to 119	5.23
120 to 179	6.76
180+	7.38

~~Each full-time employee shall accrue vacation prorated per pay period at the following rate for continuous service performed in a pay status as follows:~~

~~0 through 5 years of service~~	~~96 hours per year of vacation~~
~~6 through 10 years of service~~	~~136 hours per year of vacation~~
~~11 through 15 years of service~~	~~176 hours per year of vacation~~
~~16 or more years of service~~	~~192 hours per year of vacation~~

7~~8~~.12~~1~~ Proclaimed Holidays

The City observes holidays proclaimed by the Governor of the State of California or the President of the United States that are approved by the City Council.~~All holidays proclaimed by the Governor of the State of California or the President of the United States shall be granted as holidays. Upon ratification of the MOU, employees shall receive eight (8) hours in their vacation bank in recognition of the first Juneteenth, which occurred on June 18, 2021.~~

Section ~~89~~. CalPERS Retirement

8~~9~~.1 CalPERS Formula

~~Miscellaneous e~~Employees hired on or before December 1~~6~~7, 2010 ~~shall~~ receive the CalPERS two point five percent at age 55 (~~single highest year and~~ 2.5% ~~at~~@ 55) miscellaneous formula with the one (1) year final average compensation period.~~benefit formula provided through the Public Employees' Retirement System (CalPERS).~~ These employees pay the required eight percent (8%) member contribution on a pre-tax basis.

~~Miscellaneous e~~Employees hired ~~on or~~ after December ~~17~~16, 2010, who are not classified as new members receive the CalPERS two percent at age 55 (2% @ 55) miscellaneous formula with the one (1) year final compensation period.~~ and on or before December 31, 2012 shall receive the average of three (3) consecutive highest years and 2% at 55 benefit formula provided through the California Public Employees' Retirement System (CalPERS).~~ These employees pay the required seven percent (7%) member contribution on a pre-tax basis.

~~Miscellaneous e~~Employees hired ~~on or~~ after December 31, 2012, who are classified ~~January 1, 2013 and who qualify~~ as a "new employees" under ~~the Public Employees' Pension Reform Act~~ PEPRA~~shall~~ receive the CalPERS two percent at age 62 (2% @ 62) miscellaneous formula with the ~~average of~~ three (3) year final compensation period. These employees pay one-half of the total normal cost as determined annually by CalPERS on a pre-tax basis.~~consecutive highest years and 2% at 62 benefit formula provided through the Public Employees' Retirement System (PERS).~~

The City will pay the employer contribution for the City's CalPERS retirement benefit.

All miscellaneous retirement formulas have the following optional CalPERS retirement benefits:

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- Social Security Coverage
- Non-Industrial Disability Standard
- Post-Retirement Death Benefits
  - $500 Lump Sum
  - Survivor Allowance (PSRA)
- 2% COLA

~~9.2 CalPERS Retirement~~

~~The City agrees to continue to pay the employer contribution for the City's CalPERS retirement benefit.~~

~~Employees hired on or before December 16, 2010 and under the first tier CalPERS retirement formula (2.5% at 55), shall pay the 8% of salary employee contribution towards employee statutory share of CalPERS retirement during the term of this Agreement.~~

~~Employees hired after December 16, 2010 and on or before December 31, 2012 under the second-tier CalPERS retirement formula (2% at 55), shall pay the 7% of salary employee contribution towards employee statutory share of CalPERS retirement during the term of this Agreement.~~

~~Employees who receive the CalPERS retirement formula of 2% at 62 shall pay the employee contribution required by the Public Employees' Pension Reform Act, currently calculated at fifty percent (50%) of the normal cost.~~

Section ~~9~~10. Insurance

~~9~~10.1 Medical Plans Provided

The City offers medical insurance through Kaiser and ~~Health Net~~ Sutter. ~~During the term of this agreement t~~The City reserves the right to change medical providers and the parties shall meet and discuss regarding ~~such~~ any change in providers.

9.2 Mandatory Health Plan Selection

~~New e~~Employees hired ~~on or~~ after June 30, 2007, ~~December 1, 2007 shall be~~ must ~~required to~~ select and maintain a medical plan for at least the employee. ~~and are not eligible for cash benefits except as may be required by provisions of the IRS regulations covering Flexible Benefits plans.~~

~~9~~10.~~3~~2 Dental

The City ~~shall~~ offers dental insurance coverage for full-time employees and their eligible dependents. ~~through the existing providers.~~

~~9~~10.~~4~~3 Vision

The City ~~shall~~ offers vision care benefits for full-time employees and their eligible dependents. ~~through the existing providers.~~

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910.54 Life Insurance

The City ~~shall~~ provides life insurance coverage equal to the nearest thousand dollars of annual salary, up to a maximum of fifty thousand dollars ($50,000). This coverage ~~will be~~ is mandatory for all ~~Mid-Manager Unit~~ employees. ~~The City will fully pay the premium by adding the actual cost of the premium to the amount provided in the Cafeteria Plan each month.~~

910.65 Cafeteria Plan

910.65.1 City Contribution

The City ~~shall~~ maintains an account for each full-time employee in regular or probationary status within the City's C~~c~~afeteria P~~p~~lan. The City contributes $3,033.63 into the employee's cafeteria plan for the purchase of Medical, Dental, and Vision insurance. The cafeteria plan is increased annually by 75% of the average dollar increase of the family HMO plan premiums. The City ~~shall~~ makes monthly payments of no more than the ~~annual maximum amount for the~~ employee's benefit level, either family, employee plus one, or employee only, to ~~each~~ employee's account. ~~See Exhibit B for TMMBU 2015 cafeteria plan rates.~~

910.65.2 ~~Cash Out Options~~Medical In-Lieu

~~For e~~Employees hired before July 1, 2007, who opt out of medical, dental, and vision insurance received four hundred and sixty dollars ($460) per pay period.~~the maximum cash payment shall be set at $996 per month for employees who do not elect a medical, dental, and/or vision plan. For employees hired on or after July 1, 2007, each employee shall be required to select a medical plan and the cash payment shall be limited to the minimum required by law (if any).~~

~~10.5.3 Future Contributions~~

~~If premiums increase in the plans to which City employees subscribe effective January 1, 2013, and each January thereafter during the term of this Agreement, the City will increase the City's monthly contribution for employees by 75% of the average of the dollar increase of the family HMO plan premiums for employees electing family coverage.~~

~~For employees who elect employee only or employee plus one coverage, any City increase to the Employee's account shall be limited to the amount necessary to fully cover the plan selected or up to a maximum of the dollar amount increase allocated to employees who elect family coverage. There shall be no increase for employees who do not elect health insurance coverage.~~

~~In the event the above listed amounts are insufficient to fully pay the premiums required of employees enrolled in any one of the medical insurance plans, the City shall make a payroll deduction from the employee's pay to cover the difference in cost.~~

910.65.34 Approved Account Uses

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The Cafeteria Plan may ~~The monies in an employee's account shall~~ be used for one or more of the following purposes only: (1) payment of medical premiums ~~charges for the medical insurance program in which~~ that the employee is enrolled, (2) payment of ~~premium charges for the~~ dental ~~insurance program in which~~ premiums that the employee is enrolled, and/or (3) payment of ~~premium charges for the~~ vision premiums that ~~insurance program in which~~ the employee is enrolled.~~, and/or (4) cash-out options as provided in Section 10.5.2. The City also independently funds life insurance premiums through each employee's account.~~

~~Each e~~Employees ~~shall~~ must provide ~~the Personnel Officer or~~ Human Resources ~~designee~~ in writing on a form provided, and at times designated by the City each year all information necessary to administer the Cafeteria Plan during the ~~12~~twelve-month period beginning the first day of each plan benefit year. Thereafter, no changes to designations ~~so made will be allowed~~ may be made until the following open enrollment period without a qualifying event.

~~Each e~~Employees ~~shall be~~ are responsible for providing immediate written notification to ~~the Personnel Officer or~~ Human Resources ~~designee~~ of any change to the number of ~~his/her~~ their dependents which affects the amount of the City payment on behalf of the employee. Changes in insurance premiums will take effect the first full pay period in the month following receipt of notice of a change in dependents.~~Changes in Cafeteria Plan payments required because of a change in an employee's number of dependents shall take effect at the start of the first pay period in the month next following the month in which advice from the employee is received by the Personnel Officer. No retroactive payments shall be allowed.~~

~~910~~.~~76~~ Flexible Benefits Plan (IRS Section 125)

The City ~~has~~ implemented an Internal Revenue Code Section 125 Plan to redirect employees' pre-selected amount of base salary to pay employee~~-~~-paid insurance premiums and other approved expenses. The City ~~will~~ does not treat these ~~monies~~ contributions as compensation subject to income tax withholding unless otherwise directed by the Internal Revenue Service or the Franchise Tax Board. ~~indicates that such contributions are taxable income subject to withholding. Each employee shall be solely and personally responsible for any federal, state or local tax liabilities of the employee that may arise out of the implementation of this section or any penalty that may be imposed therefore.~~

~~910~~.~~87~~ Short Term Disability Insurance

Short Term Disability insurance is required of all regular employees through Standard Insurance. Employees pay an insurance premium ~~with the premium paid by employees per pay period~~ at the current rate of point eight three percent (.83%) of the employee's earnings, pr~~ior to applying taxes~~e-tax.

Section 10~~1~~. Annual Physical Exam

An annual physical examination shall be provided by the City, if desired and requested by a TMMBU employee.

Section 11~~2~~. Conditions of Service

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112.1 Probation Period

New employees or employees promoting to a new classification serve a six (6) month probationary period. ~~Service with the City of Tracy shall be regulated by the Personnel Rules and Regulations and Classification Plan for the positions covered by this Memorandum of Understanding as well as the City's Administrative Policies and Procedures and Departmental Guidelines. Employees hired into this bargaining unit shall serve an orientation period for a period of six (6) months unless specified in writing as a longer period of time at the time of hire. TMMBU employees promoted to another TMMBU classification shall serve an orientation period of six (6) months.~~ Supervisors ~~of TMMBU employees shall~~ will make every effort to evaluate the employee at regular intervals during the ~~orientation~~ probationary period ~~in order~~ to provide immediate and thorough feedback. ~~to new employees.~~

112.2 ~~Governing Documents for Resolution of Disputes~~Discipline Process

The discipline process is governed by the Personnel Rules.

~~The governing documents for the resolution of any disputes over conditions of service are the Personnel Rules and Regulations and the City's Classification Plan, unless covered specifically by provisions in this Memorandum of Understanding.~~

112.3 ~~Right to Appeal~~Grievance Procedure

Employees may grieve violations of this MOU ~~TMMBU employees have the right to appeal conditions of service~~ through the grievance procedure ~~contained~~ in the Personnel Rules. ~~and Regulations.~~

~~**Section 13. Miscellaneous**~~

~~The City Manager is the Personnel Officer and the Employee Relations Officer for the City. The City Manager may assign responsibilities to a designee as he/she deems appropriate.~~

~~All of the above conditions are hereby agreed to by the City of Tracy and the TMMBU as indicated by the signatures below.~~

TRACY MID-MANAGERS BARGAINING UNIT

By: DocuSigned by: Ed Lovell B1634EC5E0AC40B...

Ed Lovell, TMMBU President

Date: 6/9/2023 | 10:17 AM PDT

CITY OF TRACY

By: _____

~~-~~ Midori Lichtwardt ~~Michael Rogers~~,

Interim City Manager

Date: _____

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EXHIBIT A: TMMBU CLASSIFICATIONS

Accountant
Airport Manager
Animal Services Manager
Animal Services Supervisor
Assistant City Engineer
Assistant Engineer
Associate Engineer
Associate Civil Engineer
Associate Planner
Building Official
City Clerk
Code Compliance Analyst
Community Preservation Manager
Crime Scene Property Unit Supervisor
Cultural Arts Division Manager
Cultural Arts Supervisor
Cultural Arts Technical Supervisor
Economic Development Manager
Economic Development Mgmt. Analyst I/II
Environmental Compliance Analyst
Financial Analyst I/II
Fleet Supervisor
Geographic Information Systems Analyst
Homeless Services Manager
Information Technology Specialist
Laboratory Quality Assurance Officer
Landscape Architect
Management Analyst I/II
~~Media Services Supervisor~~
Operations Superintendent
Operations Supervisor
Parks Planning and Development Manager
Parks Project Coordinator
Plan Check Engineer
Police Records Supervisor
Public Safety Dispatch Supervisor
~~Public Works Superintendent~~
~~Public Works Supervisor~~
Real Property Agent
Recreation Services Manager
Recreation Services Supervisor
Senior Accountant
Senior Civil Engineer
Senior Planner

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Supervising Building Inspector
Supervising Construction Inspector
System Administrator
Transit Manager
Utilities Laboratory Superintendent
Utility Lines Maintenance Superintendent
Utility Maintenance Superintendent
~~Utility Maintenance Supervisor~~
Wastewater Operations Superintendent
Water Operations Superintendent
Water Resources and Compliance Manager

ATTACHMENT C

COMPENSATION AND BENEFITS PLAN

BETWEEN

THE CITY OF TRACY

AND

THE DEPARTMENT HEADS

July 1, 2023~~1~~ through June 30, 2025~~3~~

Think Inside the Triangle™

Human Resources Department
333 Civic Center Plaza
Tracy, CA 95376
(209) 831-6150
www.cityoftracy.org

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Department Heads
July 1, 2023~~1~~ through June 30, 2025~~3~~
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CITY OF TRACY
DEPARTMENT HEADS
COMPENSATION AND BENEFITS PLAN
July 1, 2023~~1~~ – June 30, 2025~~3~~

Section 1. Purpose and Intent

The City Council has established a Department Heads Compensation and Benefits Plan. Department Heads are exempt from the Fair Labor Standards Act (FLSA), are at will employees, and serve at the pleasure of the City Manager. They are covered by the authority of the Personnel Rules and Regulations; however, they are not subject to the grievance or appeals procedure. (The City Manager is empowered to grant compensation adjustments as specified in the Department Heads Compensation and Benefits Plan.)

The City of Tracy is desirous of providing greater service to its citizens, and of recruiting and maintaining qualified Department Head staff. The following plan provides the basis for recognition, benefits and compensation, effective July 1, 2023~~1~~ through June 30, 2025~~3~~.

Section 2. Department Heads Unit Membership

Positions covered by this plan exclusively are as follows:

- ~~•~~ Assistant City Manager
- ~~•~~ Chief Innovation Officer
- Director of Development ~~and Engineering~~ Services
- Director of Finance
- ~~•~~ Director of Human Resources
- ~~•~~ Director of Mobility and Housing
- ~~•~~ Director of Operations and Utilities
- Director of Parks and Recreation
- Police Chief
- ~~•~~ ~~Director of Public Works~~
- ~~Director of Utilities~~

Section 3. Compensation

A. Salary Plan

There shall be a minimum and maximum salary for all classifications.

All rates of pay set forth in this Section represent the standard rate of pay for full-time employment for each classification. Employees occupying a position in a classification covered by this Plan shall be paid at a base salary within the range established for that position's classification.

The salary ranges for all classifications covered in the plan shall be increased as outlined in this Section.

~~1. Equity Increases~~

~~There shall be no equity increases for the duration of this term.~~

~~2.~~1. Cost of Living Adjustments

Effective July 2, 2023, all classifications will receive a three and one half percent (3.5%) salary increase.

~~——~~Effective June 30, 2024, all classifications will receive a three and one half percent (3.5%) salary increase.

1.1. Me-Too Clause

The City is providing Department Heads a me-too clause for general salary increases (Cost of Living Adjustments) on a prospective basis. This provision expires on June 30, 2025.

~~Effective the first full pay period in July 2021, employees in this plan shall receive the equivalent of two percent (2%) annual salary (non-persable) one-time lump sum payment.~~

~~Effective the first full pay period in July 2021, salary ranges for employees in this plan shall be increased by three percent (3%).~~

~~Effective the first full pay period in July 2022, salary ranges for employees in this plan shall be increased by three percent (3%).~~

B. Components of Salary

The City Manager is authorized to set the salary of Department Heads at any point within the salary range.

1. Base Salary

This is the amount set at any point within the range at initial appointment and will be subject to adjustment until the Department Head reaches the top of the range. Base salary may be adjusted on an annual basis by the City Manager, based on meritorious performance, but not to exceed the established range.

C. Deferred Compensation

A contribution to the Department Head's Deferred Compensation Plan will be made in the amount of five (5%) of the Department Head's annual salary. City paid deferred compensation to a Department Head shall be paid to a 401a Plan.

Section 4. Leave

A. Vacation Accrual

Employees accrue vacation based upon continuous months of service per pay period as follows:

Months of Continuous Employment	Accrued Hours
0 to 59	4.61
60 to 119	6.15
120 to 179	7.69
180 to 239	8.46
240 +	9.23

~~Department Heads shall accrue vacation prorated per pay period at the following rates:~~

~~0-5 years~~	~~120 hours per year~~
~~6-10 years~~	~~160 hours per year~~
~~11-15 years~~	~~200 hours per year~~
~~16-20 years~~	~~220 hours per year~~
~~21 + years~~	~~240 hours per year~~

B. Management Leave

In recognition of the need to devote more than 40 hours per week to their duties, employees receive ~~accrue management leave in the amount of 120~~ one-hundred forty (140) hours of management leave annually in the first pay period in January. ~~per calendar year shall be granted to Department Heads.~~ Effective January 1, 2024, management leave will be accrued in a management leave accrual bank. Employees may cash out management leave at any time during the year; any remaining management leave is paid to the employee annually on the last regular paycheck in the month of December or upon separation.

C. Floating Holidays

Employees accrue sixteen (16) hours of vacation in lieu of floating holidays annually on the first pay period in January.
~~Sixteen (16) hours of floating holiday leave per calendar year shall be granted to Department Heads.~~

D. Proclaimed Holidays

The City observes holidays proclaimed by the Governor of the State of California or the President of the United States that are approved by the City Council.
~~All holidays proclaimed by the Governor of the State of California or the President of the United States shall be granted as holidays.~~

E. Maximum Accumulation of Leave

The maximum accrual for Department Heads of vacation and~~,~~ management leave combined~~, and floating holidays~~ shall be 750 hours.

~~F. Buy-Back of Accumulated Leave~~ Leave Sell-Back

~~Department Heads are allowed an optional buy back of accumulated leave. They may, twice in a calendar year, buy back up to 50 percent (50%) of accumulated leave, but not more than the equivalent of one (1) year's earning rate for vacation, management leave and floating holidays.~~ On~~By~~ November 1 of each year, beginning in 2024, an employee may make an irrevocable election to cash out vacation that will accrue in the next calendar year prior to December. The employee can elect to receive up to 50% of the cash-out on the second pay period in July, and the remainder on the first pay period in December.

~~G.~~F. Sick Leave Accrual

Employees accrue three point six-nine (3.69) hours of sick leave per pay period with no limit. ~~All Department Heads shall be eligible to accrue sick leave prorated per pay period at the rate of ninety-six (96) hours per year. Unlimited accrual of sick leave is allowed.~~

~~Eligible Department Heads shall be eligible to accrue one hundred ninety-two (192) hours of sick leave per year beginning the 21st year of employment and thereafter. This provision is only applicable to individuals first employed by the City of Tracy prior to January 1, 1987.~~

~~H.~~G. Sick Leave Usage

Sick leave is to be used for personal sickness or disability, medical or dental treatments, or for absences due to serious illness or injury of a member of the employee's immediate family. Employees may utilize up to one-half (1/2) of their annual accrual of sick leave for the care of their immediate family defined as parents, stepparents, parents-in-law, spouse, registered domestic partner, child, stepchild, siblings, grandparents, grandchildren, brother/sister-in-law, son/daughter-in-law, legal guardian or a person who is at least 50 percent (50%) dependent on an employee, or a designated person. Sick leave may also be used by employees who are victims of domestic violence, sexual assault or stalking and who need to take time off of work for any of the reasons set forth in California Labor Code sections 230 and 230.1.

~~I.~~H. Conversion of Sick Leave Balance

1. Conversion of Sick Leave Balance Upon Retirement

   Upon retirement, employees may convert all accrued sick leave at the time of retirement to a medical insurance bank. The value of the medical insurance bank shall be determined by multiplying the number of accrued sick leave hours by the Department Head's hourly rate of pay. The retired employee and their dependents shall be entitled to continue group health insurance coverage, dental and/or vision coverage currently in effect, with premiums for such coverage being deducted from the medical insurance bank until said bank is exhausted. At that time, the employee and their dependents may continue to participate in the City's group health plan provided the City receives the employee's payment for the premium(s) by the 10th of each month for the following month's coverage.

2. Conversion of Sick Leave Balance Upon Death/Termination

   Upon death, ~~the~~ an active employee's estate shall receive straight-time pay for all accrued sick leave in excess of 960 hours.

If a Department Head terminates or is terminated for any reason, all accumulated sick leave shall be canceled. Such accumulated sick leave, however, shall be credited to such employee if he/she returns to City employment within two years of such termination.

J. Bereavement Leave

In the event of a death in the immediate family of an employee, an employee may use up to forty (40) hours of paid bereavement leave. If the employee needs additional time, the employee may use vacation leave with the approval of the City Manager or designee; additional leave will not unreasonably be denied. Such absences shall not be charged to sick leave.

The immediate family of an employee is defined as: parents, stepparents, parents-in-law, spouse, child, stepchild, siblings, grandparents, grandchildren, brother/sister-in-law, son/daughter-in-law, or legal guardian or a person who is at least 50 percent (50%) dependent on an employee.

~~In the event of death in the immediate family of a Department Head, absence from duty may be allowed not to exceed five working days within two weeks of the date of death of the family member. Such absences shall not be charged to sick leave.~~

Section 5. Benefits

A. Determined by City Manager

Department Heads shall receive benefits based on the maximum granted to represented and unrepresented employees, or other reasonable basis, as determined by the City Manager.

B. CalPERS Retirement Formula *(Amended by Resolution 2010-152)*

1. Miscellaneous (Non-Public Safety) Department Heads

Miscellaneous employees hired on or after January 1, 2013 and who qualify as "new employees" under the Public Employees' Pension Reform Act ("PEPRA") shall receive average of three (3) consecutive highest years and 2% at 62 benefit formula provided through the California Public Employees' Retirement System (CalPERS).

Miscellaneous Department Heads hired on or after December 17, 2010 and on or before December 31, 2012, shall receive the average of three (3) consecutive highest years and 2% @ 55 benefit formula provided through the California Public Employees' Retirement System (CalPERS).

Miscellaneous Department Heads hired on or before December 16, 2010 shall receive the single highest year and 2.5% at 55 benefit formula provided through the California Public Employees' Retirement System (CalPERS).

2. Police Chief: Public Safety Department Head

Police Chiefs hired by the City of Tracy on or before July 1, 2010 shall receive single highest year and the three percent at 50 (3%@50) retirement formula provided through the California Public Employees' Retirement System (CalPERS).

Police Chiefs hired by the City of Tracy on or after July 2, 2010 meeting the CalPERS definition of a "classic employee" shall receive single highest year and the three percent at 55 (3%@55) retirement formula provided through the California Public Employees' Retirement System (CalPERS).

Police Chiefs hired on or after January 1, 2013 meeting the definition of "new member" under PEPRA shall be subject to all the provisions of that law, including, but not limited to the two point seven percent at 57 (2.7%@57) retirement formula with a three-year final compensation period.

C. CalPERS Retirement Benefit

The City agrees to continue to pay the employer contribution for the City's CalPERS retirement benefit.

Miscellaneous employees hired on or before December 16, 2010 and under the first-tier CalPERS retirement formula (2.5% at 55), shall pay the 8% employee contribution towards employee statutory share of CalPERS retirement during the term of this Agreement.

Miscellaneous employees hired after December 16, 2010 and on or before December 31, 2012, under the second-tier CalPERS retirement formula (2% at 55), shall pay the 7% employee contribution towards employee statutory share of CalPERS retirement during the term of this Agreement.

Miscellaneous employees hired on or after January 1, 2013 and meeting the definition of "new member" under the Public Employees' Pension reform Act (PEPRA) shall be subject to all the provisions of that law, including, but not limited to the 2%@62 benefit formula provided through the Public Employees' Retirement System (CalPERS) with a three-year final compensation period and shall pay the employee contribution required by PEPRA, currently calculated at fifty percent (50%) of the normal cost.

Safety employees hired by the City and meeting the definition of "classic member" under the Public Employees' Pension Reform Act shall pay the 9% of salary employee contribution toward employee statutory share of CalPERS retirement.

Safety employees hired by the City on or after January 1, 2013 meeting the definition of "new member" under the Public Employees' Pension Reform Act shall be subject to all the provisions of the law, including, but not limited to the two point seven percent at age 57 (2.7%@57) retirement formula with a three-year compensation period and shall pay the employee contribution required by the Public Employees' Pension Reform Act, currently calculated at fifty percent (50%) of normal cost.

D. Short Term Disability Insurance (STD)

Short Term Disability insurance is required for all regular employees in the Department Head

Unit through Standard Insurance with the premium paid by employees per pay period at the current rate of .83% of employee's earnings, prior to applying taxes.

Short Term Disability Insurance payments may be available to employees who cannot work because of sickness or non-work related injuries as determined by the STD insurance provider. STD payments shall be integrated with accumulated sick and vacation leave balances unless the employee elects in writing at the time of disability, to retain STD payments and receive no supplemental income (paid leave) from the City.

To the extent accumulated sick leave or vacation leave is available; the employee will continue to receive normal paychecks. Payments received from the insurance carrier shall be turned in to the City. When such checks are received by the City, a portion of the employee's next paycheck, equal to the amount turned in, shall be recorded as nontaxable pay and sick leave shall be charged only for the amount of the City's share of the paycheck.

In no case may an employee receive more income than the amount of their normal pay. Employees must turn in checks received from the insurance carrier to the City, unless the employee elected in writing, at the time of the disability, of the employee's choice not to receive paid leave.

E. Long Term Disability Program (LTD)

City paid Long Term Disability insurance shall be provided to all Department Heads.

F. Annual Physical

An annual physical examination shall be provided by the City, if desired and requested by a Department Head.

G. Education Reimbursement

Upon City Manager or designee approval, an employee who completes a course of study and receives a grade of "C" or better may be reimbursed for books, and tuition for courses taken at accredited colleges or universities in California, up to a maximum of $5,000.00 per year to a lifetime maximum of $20,000.00.
~~Educational expenses shall be reimbursed, up to $2,500 per calendar year, but are limited to the cost of a State College or University's fees, books, and tuition. A grade of "C" or better is required for reimbursement. Approval by the City Manager is required prior to enrollment.~~

H. Travel

Administrative Procedure, Section T – Travel Expenses, shall be used to reimburse mileage expenses incurred when using a personal vehicle for City business. Department Heads shall not receive mileage reimbursement, in accordance with Administrative Procedure Section T – Travel Expense, unless the one-way mileage from the City of Tracy work site to the final destination exceeds 75 miles. In such circumstances, the Department Head may apply for reimbursement for mileage above the initial 75 miles.

I. City Vehicle/Allowance

Department Heads shall be provided with either a City vehicle or a car allowance of $500 per month, prorated per pay period.

J. Insurance

1. Medical Plans Provided

The City offers medical insurance. During the term of this agreement the City reserves the right to change medical providers and the parties shall meet and discuss regarding such change. New employees hired on or after December 1, 2007 shall be required to select a medical plan for at least the employee and are not eligible for cash benefits except as may be required by provisions of the IRS regulations covering Flexible Benefits plans.

2. Dental

The City shall offer dental insurance coverage for full-time employees and their eligible dependents through the existing providers.

3. Vision

The City shall make available vision care benefits for full-time employees and their eligible dependents through the existing providers.

4. Life Insurance

The City shall purchase life insurance in the amount of $225,000 for each Department Head.

5. Cafeteria Plan

a. City Contributions

The City shall maintain an account for each full-time employee in regular or probationary status within the City's cafeteria plan. The City shall make monthly payments of no more than the annual maximum amount for the employee's benefit level, either family, employee plus one, or employee only to each employee's account.

b. Cash Out Options

For employees hired before December 1, 2007, the maximum cash payment shall be set at $996.00 per month for employees who do not elect a medical, dental, and/or vision plan. For employees hired on or after December 1, 2007, each employee shall be required to select a medical plan and the cash payment shall be limited to the minimum required by law (if any).

c. Future Contributions

If premiums increase in the plans to which City employees subscribe effective January 1, 2024~~2~~, and each January thereafter during the term of this Agreement, the City will increase the City's monthly contribution for employees by 75% of the average of the dollar increase of the family HMO plan premiums for employees electing family coverage.

For employees who elect employee only or employee plus one coverage, any City increase to the employee's account shall be limited to the amount necessary to fully cover the plan selected or up to a maximum of the dollar amount increase allocated to employees who elect family coverage. There shall be no increase for employees who do not elect health insurance coverage.

In the event the above listed amounts are insufficient to fully pay the premiums required of employees enrolled in any one of the medical insurance plans, the City shall make a payroll deduction from the employee's pay to cover the difference in cost.

d. Approved Account Uses

The monies in an employee's account shall be used for one or more of the following purposes only: 1) payment of premium charges for the medical insurance program in which the employee is enrolled, 2) payment of premium charges for the dental insurance program in which the employee is enrolled, and/or 3) payment of premium charges for the vision insurance program in which the employee is enrolled. The City also independently funds life insurance premiums through each employee's account.

Each employee shall provide the Personnel Officer or Human Resources designee in writing on a form provided, and at times designated by the City each year, all information necessary to administer the Cafeteria Plan during the 12 month period beginning the first day of each plan benefit year. Thereafter, no changes to designations so made will be allowed until the following open enrollment period without a qualifying event.

Each employee shall be responsible for providing immediate written notification to the Personnel Officer or Human Resources designee of any change to the number of their dependents which affects the amount of the City payment on behalf of the employee. Changes in Cafeteria Plan payments required because of a change in an employee's number of dependents shall take effect at the start of the first pay period in the month next following the month in which advice from the employee is received by the Personnel Officer or Human Resources designate. No retroactive payments shall be allowed.

e. Flexible Benefits Plan (IRS Section 125)

The City has implemented an Internal Revenue Code Section 125 Plan to redirect employees' pre-selected amount of base salary to pay employee paid insurance premiums and other approved expenses. The City will not treat these monies as compensation subject to income tax withholding unless the Internal Revenue

Service or the Franchise Tax Board indicates that such contributions are taxable income subject to withholding. Each employee shall be solely and personally responsible for any federal, state or local tax liabilities of the employee that may arise out of the implementation of this section or any penalty that may be imposed therefore.

K. Management Benefit Plan

The allowance for ~~M~~management ~~B~~benefits is ~~of $960 per~~thirty-six dollars and ninety-two cents ($36.92) per pay period ~~calendar year will~~ and may be utilized at the discretion of each individual Department Head for job related expenses or for professional development. The monies will be allocated per pay period and may be utilized for a wide variety of job related expenses, training, association memberships, computer hardware and software, conference registration and attendance, and other miscellaneous job expenses or professional development opportunities.

L. Uniform Allowance

The City shall provide the Police Chief a uniform allowance in the amount of $1,100 per year.

The uniform allowance described above shall be paid at forty two dollars and 30 cents ($42.30) ~~($30.88)~~ per pay period.~~annually on the regular payday for the second pay period in June, and first pay period in December, by separate check~~. In the case of a newly appointed employee, the employee shall receive the initial allowance the regular payday following the date of their appointment, and subsequent annual allowances as noted above, prorated/adjusted in the first year after appointment to reflect the receipt of the full uniform allowance received on the payday following appointment.

M. Relocation Incentive

Department Heads wishing to relocate to a residence within the City of Tracy may receive relocation expense reimbursement of up to $5,000 at the City Manager's discretion.

Section 6. Severance

A. Determined by City Manager

The City Manager, at ~~his or her~~ their discretion, is authorized to enter into severance agreements with Department Heads if they involuntarily resign or are terminated by the City, for up to six (6) months of severance pay.

B. Severance Pay

"Severance pay" shall include the cash equivalent to salary and city paid health benefits/premiums including cash in lieu or medical, dental and vision premiums. Severance pay shall be paid in a lump sum payment to the Department Head by the City within 15 working days after the effective date of the severance agreement, or as agreed to by the City and the Department Head. Severance pay shall not be included in final compensation for the purposes

of CalPERS retirement nor shall any payments of the employee's share of the CalPERS rates be deemed to extend the date of separation past termination or resignation of the employee.

C. Waiver and Release

All severance agreements must contain a release of liability for all claims connected with the employment relationship and must be in a form approved by the City Attorney.

ATTACHMENT D

COMPENSATION AND BENEFITS PLAN

BETWEEN

THE CITY OF TRACY

AND

CONFIDENTIAL EMPLOYEES UNIT
(CEU)

July 1, 2023~~1~~ through June 30, 2025~~3~~

DRAFT

Human Resources Department
333 Civic Center Plaza
Tracy, CA 95376
(209) 831-6150
www.cityoftracy.org

ATTACHMENT D

CONFIDENTIAL EMPLOYEES UNIT (CEU)
COMPENSATION AND BENEFITS PLAN
July 1, 2023~~1~~ through June 30, 2025~~3~~

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CITY OF TRACY
CONFIDENTIAL EMPLOYEES UNIT (CEU)
COMPENSATION AND BENEFITS PLAN
July 1, 2023~~31~~ – June 30, 2025~~3~~

Section 1. Purpose and Intent

The City Council desires to establish a Confidential Employees Compensation and Benefits Plan. Confidential Management staff is exempt from the Fair Labor Standards Act (FLSA) and is covered by the authority of the Personnel Rules and Regulations. Confidential Non-Management staff is non-exempt from the Fair Labor Standards Act (FLSA) and is covered by the authority of the Personnel Rules and Regulations. The City Manager is empowered to grant compensation adjustments as specified in the Confidential Employees Compensation and Benefits Plan.

The City of Tracy is desirous of providing greater service to the community, and of recruiting and maintaining qualified staff. The following plan provides the basis for recognition, benefits and compensation, effective July 1, ~~2021~~ 2023 through June 30, ~~2023~~2025.

Section 2. Confidential Employee Unit Membership

Confidential Management positions covered by this plan exclusively are as follows:

Accounting Manager
Assistant City Attorney
Assistant Director of DES
Assistant Director of DES/City Engineer
Assistant Director of Operations
Assistant Director of Utilities
Assistant to the City Manager
Budget Officer
Deputy City Attorney I/II
Human Resources Analyst I/II
Human Resources Manager
Information Technology Manager
Police Support Operations Manager
Public Information Officer

Non-Management Confidential positions covered by this plan exclusively are as follows:

Administrative Assistant (when assigned to Human Resources)
Executive Assistant (when assigned to Human Resources)
Executive Assistant to the City Manager
Human Resources Technician
Legal Secretary

Section 3. Compensation

A. Salary Plan

There shall be a five-step salary range for all classifications.

All rates of pay set forth in this Section represent the standard rate of pay for full-time employment for each classification. Employees occupying a position in a classification covered by this Plan shall be paid at a base salary within the range established for that position's classification. The salary ranges for all classifications covered in the plan shall be increased as outlined in this Section.

~~1. Equity Increases~~

~~There shall be no equity increases for the employees covered under this Compensation and Benefits Plan for the term of this agreement.~~

~~2.~~1. Cost of Living Adjustments

Effective July 2, 2023, all classifications will receive a three and one half percent (3.5%) salary increase.

Effective June 30, 2024, all classifications will receive a three and one half percent (3.5%) salary increase.

1.1. Me-Too Clause

The City is providing CEU a me-too clause for general salary increases (Cost of Living Adjustments) on a prospective basis. This provision expires on June 30, 2025.

~~Effective the first full pay period in July 2021, employees in this plan shall receive the equivalent of two percent (2%) annual salary (non-persable) one-time lump sum payment.~~

~~Effective the first full pay period in July 2021, salary ranges for employees in this plan shall be increased by three percent (3%).~~

~~Effective the first full pay period in July 2022, salary ranges for employees in this plan shall be increased by three percent (3%).~~

B. Components of Salary

The City Manager is authorized to set the salary of employees in the Confidential Employees Unit at any step within the salary range.

1. Base Salary

This is the amount set at any step within the range at initial appointment and will be subject to adjustment until the employee reaches the top step of the range. Base salary may be adjusted on an annual basis by the City Manager, based on meritorious performance and the recommendation of the Department Head, but not to exceed the established range.

C. Overtime

1. Non-Management Confidential Employees

Confidential Non-Management employees are non-exempt from the provisions of the Fair Labor Standards Act (FLSA) with regard to compensation for overtime worked. With the approval of their supervisor and the Department Head, the employee will earn overtime or compensatory time for actual hours work as assigned (recorded in 15-minute increments). Leave time, whether paid or unpaid, is not included in computing the work period for overtime purposes.

Compensatory time off (CTO) accrual may not exceed 120 hours. Employees shall receive pay for overtime hours worked in excess of the 120-hour ~~compensatory tim~~CTO~~e~~ maximum accrual. Employees may cash out CTO at any time during the year; any remaining CTO is paid to the employee annually on the last regular paycheck in the month of December, upon promotion, or at separation.

Overtime is defined as hours worked in excess of the employee's regular work shift that has the prior approval of the Department Head or designee.

a) If an employee is required to perform unanticipated overtime of two (2) hours or more, the City shall pay a meal allowance of seven dollars ($7) to the employee. "Unanticipated overtime" means that the affected employee did not receive notice of the overtime until the same day as the overtime assignment occurred. The two (2) hour minimum must occur at a time which would normally include the employee's regular mealtime.

Section 4. Leaves

A. Vacation

Employees shall accrue vacation prorated per pay period at the following rates:

Months of continuous employment	
~~-~~0-59 ~~years~~months	~~96-~~3.69 hours per ~~year~~pay period
~~-~~60-~~10-~~119 ~~years~~months	~~136-~~5.23 hours per ~~year~~pay period
~~11-15~~120-179 months~~-years~~	~~176-~~6.76 hours per ~~year~~pay period
~~16-20~~180-240 months~~-years~~	~~192-~~7.38 hours per ~~year~~pay period
~~-~~241+ ~~years~~ months	~~216-~~8.30 hours per ~~year~~pay period

B. Management Leave for Confidential Management Employees

The City provides management leave in recognition of the need to devote more than 40 hours per week to their duties. The City shall provide management leave in the amount of 120 hours per calendar year to Confidential Management employees in the Confidential Employees Unit. Newly hired or promoted employees who are Confidential Management employees shall receive

a prorated number of hours based on their start date in a Confidential Management position. Effective January 1, 2024, management leave will be accrued in a management leave accrual bank. Employees may cash out management leave at any time during the year; any remaining management leave is paid to the employee annually on the last regular paycheck in the month of December or upon separation.

C. Holiday Pay

Regular full-time employees who are scheduled to work on an observed holiday receive the observed holiday off and eight (8) hours of pay per holiday.

The City observes the following holidays:

New Year's Day	January 1
Martin Luther King Jr. Day	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Juneteenth	June 19
Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day After Thanksgiving	4th Friday in November
Christmas Eve	December 24
Christmas Day	December 25

D. Holiday Pay and Accruals for Non-Exempt Employees

1. Holiday Pay in Excess of 8 Hours

Employees on a 4/10 or 9/80 schedule must use vacation or CTO to make up additional hours on observed holidays falling on a scheduled workday.

2. Holiday Pay on Scheduled Days Off

Employees working on a holiday falling on their scheduled day off receive holiday pay at the overtime rate of pay and eight (8) hours of vacation.

3 Holiday Pay on Scheduled Workdays

Employees working a holiday falling on their scheduled workday receive holiday pay at three (3) times their rate of pay and eight (8) hours of vacation.

~~C.~~3. Floating Holidays

Employees accrue sixteen (16) hours of vacation in lieu of floating holidays annually on the first pay period in January.

~~16 hours of floating holiday leave per calendar year shall be granted to all employees in the Confidential Employees Unit.~~

~~D.~~4. Proclaimed Holidays

The City observes holidays proclaimed by the Governor of the State of California or the President of the United States that are approved by the City Council.

~~All holidays proclaimed by the Governor of the State of California or the President of the United States shall be granted as holidays.~~

~~E.~~5. Maximum Accrual of Leave

The maximum accrual for Confidential Management employees for vacation~~,~~ and management leave combined~~, and floating holidays~~ shall ~~be the total accrual for each type of leave,~~ not to exceed 600 hours.

The maximum accrual for Confidential Non-Management employees for vacation ~~and floating holidays~~ shall not exceed a total of 400 hours.

~~F. City Buy-Back of Accrued Leave~~ Leave Sell-Back

On~~By~~ November 1 of each year, beginning in 2024, an employee may make an irrevocable election to cash out vacation that will accrue in the next calendar year prior to December. The employee can elect to receive up to 50% of the cash-out on the second pay period in July, and the remainder on the first pay period in December.

~~All employees in the Confidential Employees Unit are allowed an optional buy-back of accumulated leave. They may, twice in a calendar year, buy back up to 50 percent (50%) of accumulated leave, but not more than the equivalent of one (1) year's earning rate for vacation, management leave and floating holidays. The hourly rate is the annual salary divided by the annual hours of work.~~

~~G.~~6. Sick Leave Accrual

Employees accrue three point six-nine (3.69) hours of sick leave per pay period with no limit.

~~All employees in the Confidential Employees Unit shall be eligible to accrue sick leave prorated per pay period at the following rates:~~

~~Ninety-six (96) hours per year.~~

~~Anyone employed prior to January 1, 1987 shall be entitled to the following: One hundred ninety-two (192) hours of sick leave per year beginning the 21st year of employment and thereafter.~~

~~Unlimited accrual of sick leave is allowed.~~

Confidential Management Employees may utilize up to one-half (1/2) of their annual accrual of sick leave for the care of their immediate family. Immediate family is defined as parents, stepparents, parents-in-law, spouse, registered domestic partner, child, stepchild, siblings, grandparents, grandchildren, brother/sister-in-law, son/daughter-in-law, ~~or~~ legal guardian or a person who is at least 50 percent (50%) dependent on an employee, or a designated person.

Confidential Non-Management Employees may take unlimited days of sick leave for care of their immediate family. Immediate family is defined as parents, stepparents, parents-in-law, spouse, registered domestic partner, child, stepchild, siblings, grandparents, grandchildren, brother/sister-in-law, son/daughter-in-law, ~~or~~ legal guardian or a person who is at least 50 percent (50%) dependent on an employee, or designated person.

Sick leave is to be used for personal sickness or disability, medical or dental treatments, or for absences due to serious illness or injury of a member of the employee's immediate family. Sick leave may also be used by employees who are victims of domestic violence, sexual assault or stalking and who need to take time off of work for any of the reasons set forth in California Labor Code sections 230 and 230.1.

~~H.~~7. Conversion of Sick Leave Balance Upon Retirement/Death/Termination

Upon retirement, employees may elect to convert all accrued sick leave to a medical insurance bank. The value of the medical insurance bank shall be determined by multiplying the number of accrued sick leave hours by the employee's hourly rate of pay. The retired employee and their dependents shall be entitled to continued group health insurance coverage, dental and/or vision coverage in effect at the time, with premiums for such coverage being deducted from the medical insurance bank until said bank is exhausted. Thereafter, the employee and their dependents may continue to participate in the City's group health, dental and/or vision plans provided the City receives the employee's payment for the premium by the 10th of each month for the following month's coverage.

Subject to approval by the City, retirees may elect to utilize funds in their medical insurance bank to purchase alternate medical coverage.

Terms of the Policy Agreement with the City's insurance carrier regarding coverage and eligibility shall apply to the employee and their dependents.

Upon death, ~~the~~ an active employee's estate shall receive straight-time pay for all accrued sick leave in excess of 960 hours.

If an employee in the Confidential Employees Unit terminates or is terminated for any reason, all accumulated sick leave shall be canceled. Such accumulated sick leave, however, shall be credited to such employee if they return to City employment within two (2) years of such termination.

~~I.~~8. Bereavement Leave

In the event of a death in the immediate family of an employee, ~~the~~ an employee may use up to forty (40) hour of paid bereavement leave. If the employee needs additional time, the employee

may ~~employee shall be allowed to take paid bereavement leave not to exceed five (5) workdays within two (2) weeks of the date of death of the family member. The employee may, with their Department Director's permission,~~ use vacation leave with the approval of the Department Head or designee; additional leave will not unreasonably be denied. ~~if additional leave is required. Such permission shall not be unreasonably refused.~~ In the event of the death of a relative, not a member of the immediate family, absence from duty shall be allowed not to exceed one (1) day. Such absences shall not be charged to sick leave.

The immediate family of an employee is defined as: parents, stepparents, parents-in-law, spouse, child, stepchild, siblings, grandparents, grandchildren, brother/sister-in-law, son/daughter-in-law, or legal guardian or a person who is at least 50 percent (50%) dependent on an employee.

In special cases, with the approval of the Department Director, the Personnel Officer may grant bereavement leave in other circumstances.

Section 5. Benefits

A. CalPERS Retirement

1. CalPERS Formula

Miscellaneous employees hired on or before December 16, 2010 shall receive the single highest year and 2.5% at 55 benefit formula provided through the California Public Employees' Retirement System (CalPERS).

Miscellaneous employees hired on or after December 17, 2010 and on or before December 31, 2012 shall receive average of three (3) consecutive highest years and 2% at 55 benefit formula provided through the California Public Employees' Retirement System (CalPERS).

Miscellaneous employees hired on or after January 1, 2013 and who qualify as "new employees" under the Public Employees' Pension Reform Act ("PEPRA") shall be subject to all the provisions of that law, including but not limited to the 2% at 62 benefit formula provided through the Public Employees' Retirement System (CalPERS) with a three year final compensation period.

Safety employees hired on or before July 1, 2010 shall receive CalPERS 3% at 50 and single highest year formula provided through the Public Employees' Retirement System (CalPERS).

Safety employees hired on or after July 2, 2010 and on or before December 31, 2012 shall receive CalPERS 3% at 55 and single highest year formula provided through the Public Employees' Retirement System (CalPERS).

Safety employees hired on or after January 1, 2013 meeting the definition of "new member" under PEPRA shall be subject to all the provisions of that law, including but not limited to the two point seven percent at age 57 (2.7% at 57) retirement formula with a three year final compensation period.

2. Payment of CalPERS Retirement Benefit

a. Payment of Employer Share of PERS Contribution for Confidential Management Employees

Each Confidential employee in this unit shall pay 3% towards the employer's share of CalPERS pension regardless of what CalPERS pension formula employee is applicable to employee. In exchange, the City shall pay the corresponding salary increase that represents the 3% contribution. The parties agree that should the parties negotiate elimination of the 3% contribution towards the employers share or such contribution becomes contrary to any subsequent rules, regulations and/or law rendering the contribution null and void that the equivalent salary increase conferred in this section shall also cease and become null and void.

The City agrees to continue to pay the remainder of the employer contribution for the City's CalPERS retirement benefit.

b. Miscellaneous Employees

Miscellaneous employees hired on or before December 16, 2010, and under the first tier CalPERS retirement formula (2.5% at 55), shall pay 8% of salary contribution towards employee statutory share of CalPERS retirement during the term of this Compensation and Benefits Plan.

For miscellaneous employees hired after December 16, 2010 and on or before December 31, 2012 under the second-tier CalPERS retirement formula (2% and 55), shall pay 7% of salary contribution towards employee statutory share of CalPERS retirement during the term of this Compensation and Benefits Plan.

Miscellaneous employees who receive the CalPERS retirement formula of 2% at 62 shall pay the employee contribution required by PEPRA, currently calculated at fifty percent (50%) of the normal cost.

c. Safety Employees

Safety employees hired under the first tier CalPERS retirement formula (3% at 50) or the second tier CalPERS retirement formula (3% at 55) shall pay the 9% employee contribution towards the employee statutory share of CalPERS retirement during the term of this Compensation and Benefit Plan.

Safety employees who receive the CalPERS retirement formula of 2.7% at 57 shall pay the employee contribution required by PEPRA, currently calculated at fifty percent (50%) of the normal cost.

Employee payments of the employee share of the CalPERS retirement benefit cost shall be made as a payroll deduction on a pre-tax basis to the extent allowed by law.

The parties may reopen negotiations to discuss the impact of any changes to the Public Employment Retirement Law which occur during the term of this Compensation and Benefits Plan.

B. Insurance

1. Medical

1.1 Plans Provided

The City offers medical insurance. During the term of this Agreement, the City reserves the right to change medical providers and the parties shall meet regarding any such change.

1.2 New Employees

New employees hired after July 1, 2007, shall be required to select a medical plan for at least the employee and are not eligible for cash benefits except as may be required by provisions of the IRS regulations covering Flexible Benefits plans.

2. Dental

The City shall offer dental insurance coverage for full-time employees and their eligible dependents through the existing providers.

3. Vision Care

The City shall offer vision care benefits for full-time employees and their eligible dependents through the existing providers.

4. Life Insurance

The City shall provide Confidential Management employees life insurance coverage of $150,000. The City shall provide Non-Exempt Confidential employees life insurance coverage of $75,000. The City will fully pay the premium by adding the actual cost of the premium to the amount provided in the Cafeteria Plan each month.

5. Short-Term Disability Insurance (STD)

Short Term Disability insurance is required for all regular employees in the Confidential Employees Unit through Standard Insurance with the premium paid by employees per pay period at the current rate of .83% of the employee's earnings, prior to applying taxes.

Short Term Disability Insurance payments may be available to employees who cannot work because of sickness or non-work related injuries as determined by the STD insurance provider. STD payments shall be integrated with accumulated sick and vacation leave balances unless the employee elects in writing, at the time of disability, to retain STD payments and receive no supplemental income (paid leave) from the City.

To the extent accumulated sick leave or vacation leave is available, the employee will continue to receive normal paychecks. Payments received from the insurance carrier shall be turned in to the City. When such checks are received by the City, a portion of the employee's next paycheck, equal to the amount turned in, shall be recorded as nontaxable pay and sick leave shall be charged only for the amount of the City's share of the paycheck.

In no case may an employee receive more income than the amount of their normal pay. Employees must turn in checks received from the insurance carrier to the City, unless the employee elected in writing, at the time of disability, of the employee's choice not to receive paid leave.

6. Long Term Disability Insurance (LTD)

City-paid Long Term Disability Insurance shall be provided to all employees in the Confidential Employees Unit.

7. Cafeteria Plan

7.1 City Contribution

The City shall maintain an account for each full-time employee in regular or probationary status within the City's cafeteria plan. The City shall make monthly payments of no more than the annual maximum amount for the employee's benefit level, either family, employee plus one, or employee only to each employee's account.

7.2 Cash Out Options

For employees hired before July 1, 2007, the maximum cash payment shall be set at $996 per month for employees who do not elect a medical, dental, and/or vision plan. For employees hired on or after July 1, 2007, each employee shall be required to select a medical plan and the cash payment shall be limited to the minimum required by law (if any).

7.3 Future Contributions

If premiums increase in the plans to which City employees subscribe effective January 1, 2025~~2~~, and each January thereafter during the term of this Agreement, the City will increase the City's monthly contribution for employees by 75% of the average of the dollar increase of the family HMO plan premiums for employees electing family coverage.

For employees who elect employee only or employee plus one coverage, any City increase to the Employee's account shall be limited to the amount necessary to fully cover the plan selected or up to a maximum of the dollar amount increase allocated to employees who elect family coverage. There shall be no increase for employees who do not elect health insurance coverage.

In the event the above listed amounts are insufficient to fully pay the premiums required of employees enrolled in any one of the medical insurance plans, the City shall make a payroll deduction from the employee's pay to cover the difference in cost.

7.4 Approved Account Uses

The monies in an employee's account shall be used for one or more of the following purposes only: 1) payment of premium charges for the medical insurance program in which the employee is enrolled, 2) payment of premium charges for the dental insurance program in which the employee is enrolled and/or 3) payment of premium charges for the vision insurance program in which the employee is enrolled. The City also independently funds life insurance premiums through each employee's account.

Each employee shall provide the Personnel Officer or Human Resources designee in writing on a form provided, and at times designated by the City each year, all information necessary to administer the Cafeteria Plan during the 12-month period beginning the first day of each plan benefit year. Thereafter, no changes to designations so made will be allowed until the following open enrollment period without a qualifying event.

Each employee shall be responsible for providing immediate written notification to the Personnel Officer or Human Resources designee of any change to the number of their dependents which affects the amount of the City payment on behalf of the employee. Changes in Cafeteria Plan payments required because of a change in an employee's number of dependents shall take effect at the start of the first pay period in the month following the month in which advice from the employee is received by the Personnel Officer or Human Resources designee. No retroactive payments shall be allowed.

8. Flexible Benefits Plan (IRS Section 125)

The City has implemented an Internal Revenue Code Section 125 Plan to redirect employees' pre-selected amount of base salary to pay employee paid insurance premiums and other approved expenses. The City will not treat these monies as compensation subject to income tax withholding unless the Internal Revenue Service or the Franchise Tax Board indicates that such contributions are taxable income subject to withholding. Each employee shall be solely and personally responsible for any federal, state or local tax liabilities of the employee that may arise out of the implementation of this section or any penalty that may be imposed therefore.

C. Deferred Compensation

Confidential Management employees shall be eligible to participate in both a City-sponsored 457 deferred compensation plan and a City-sponsored 401(a) deferred compensation plan.

Confidential Management employees shall be eligible for a City-matching contribution to their deferred compensation plan of up to five percent (5%) of their annual salary. The City match will be based on employee contributions towards their deferred compensation plan.

Non-Exempt Confidential employees shall be eligible for a City matching contribution to their deferred compensation plan of up to five~~three~~ percent (5~~3~~%) of their annual salary. The City match will be based on the employee contributions towards their deferred compensation plan.

A fully executed Personnel Action Form shall establish eligibility for all deferred compensation contributions for Confidential Employees Unit employees, which must be approved by both the Department Head and City Manager.

D. Management and Professional Development Benefit for Confidential Management Employees

The allowance for management benefits is thirty-six dollars and ninety-two cents ($36.92) per pay period and may be utilized for a wide variety of job-related expenses, training, association memberships, computer hardware and software, conference registration and attendance and other miscellaneous job expenses or professional development opportunities.
~~Confidential Management Employees shall receive $960 per calendar year to be utilized at the discretion of each individual employee for job related expenses or for professional development. The monies will be allocated per pay period and may be utilized for a wide variety of job-related expenses, training, association memberships, computer hardware and software, conference registration and attendance, and other miscellaneous job expenses or professional development opportunities.~~

E. Non-Exempt Confidential Employee Pay

Non-exempt confidential employees shall receive $50.00 per month prorated per pay period.

F. Annual Physical

An annual physical examination shall be provided by the City, if desired and requested by an employee in the Confidential Employees Unit.

G. Educational Expense Reimbursement

Upon Department Head approval, an employee who completes a course of study and receives a grade of “C” or better may be reimbursed for books, and tuition for courses taken at accredited colleges or universities in California, up to a maximum of $5,000.00 per year to a lifetime maximum of $20,000.00.
~~Educational expenses, up to a maximum of $2,500 per calendar year, shall be paid, but are limited to the cost of a State College or State University's fees, books, and tuition. A grade of "C" or better is required for reimbursement. The Department Head must approve enrollment.~~

H. Longevity Pay

Employees receive longevity pay as follows:

- Upon completion of ten (10) years of service, the employee receives longevity pay of one percent (1.0%) of their base hourly rate of pay.

- Upon completion of fifteen (15) years of service, the employee receives longevity pay of an additional one point five percent (1.5%) of their base hourly rate of pay (*for a total of 2.5%*).~~.~~

- Upon completion of twenty (20) years of service, the employee receives longevity pay of an additional two percent (2%) of their base hourly rate of pay~~.~~ (*for a total of 4.5%*).

Section 6. Miscellaneous

A. Retiree Health Savings Account

The City agrees to explore the option of establishing an IRS Section 115 Trust Fund ("Trust Fund") and amending sick leave conversion at retirement (see section G). The City agrees to report back to employees in the Confidential Employees Unit under this section within twelve (12) months following adoption of this Compensation and Benefits Plan by the City Council.

~~B. Establishment of Additional Deferred Compensation Vehicles~~

~~The City agrees to explore establishing additional 457 and/or 401(k) plans for employee contribution, provided there is no additional cost to the City.~~

~~C. Confidential Non-Management Employee Retention Incentive~~

~~All Confidential Non-Management employees who have completed five (5) years of service with the City of Tracy will receive 40 hours of vacation added to their vacation accruals. Subsequent 40 hours will be added on the next closest five (5) year anniversary date (10th, 15th, 20th, 25th, etc.) to come.~~

~~D.~~B. Confidential Non-Management Bilingual Pay

Confidential Non-Management employees who are required to communicate in languages other than English, as part of their regular assigned duties, may be compensated with an additional two percent (2%) of the employee's base salary, if the following criteria are met:

i. Approval from the Department Head that a particular assignment requires the need for the specific alternate language

ii. Certification by the City that the employee has successfully demonstrated the ability to communicate fluently in the language that the Department Head has determined is required.

Qualifying languages are Spanish, American Sign Language, and any other language designated by the Department Head as beneficial to the City.

~~E.~~C. ~~Acting~~ Temporary Upgrade and Out-of-Class Pay

1. When a Confidential Management employee is appointed to fill a Department Head vacancy in an ~~acting~~ Out of Class capacity caused by paid leave of absence or separation, compensation will be paid at entry level of Department Head position or at ten percent (10%) over the Manager's current classification salary, whichever is greater, after ten consecutive calendar days, retroactive to the first day of such appointment.

2. When a Confidential Non-Management employee is assigned, by the appropriate supervisor, out of class work for a period of eight or more consecutive hours, the employee is entitled to out of class pay from the first hour of such work. Pay for out of class work shall be computed at the rate of Step A of the appropriate higher-class position, provided that the differential in pay is at least six percent (6%) greater than the employee's base rate of pay as listed in the most current master salary schedule.

ATTACHMENT E

Effective 07/02/2023

City of Tracy
Master Salary Schedule

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
4112	Account Clerk	TTSSEA	A	2,176.60	4,715.97	56,591.60	27.2075
			B	2,285.44	4,951.79	59,421.44	28.5680
			C	2,399.70	5,199.35	62,392.20	29.9963
			D	2,519.69	5,459.33	65,511.94	31.4961
			E	2,645.68	5,732.31	68,787.68	33.0710
3106	Accountant*	TMMBU	A	3,541.91	7,674.14	92,089.66	44.2739
			B	3,719.01	8,057.86	96,694.26	46.4876
			C	3,904.96	8,460.75	101,528.96	48.8120
			D	4,100.19	8,883.75	106,604.94	51.2524
			E	4,305.21	9,327.96	111,935.46	53.8151
2520	Accounting Manager*	CONF	A	5,120.40	11,094.20	133,130.40	64.0050
			B	5,376.42	11,648.91	139,786.92	67.2053
			C	5,645.25	12,231.38	146,776.50	70.5656
			D	5,927.52	12,842.96	154,115.52	74.0940
			E	6,223.91	13,485.14	161,821.66	77.7989
4201	Accounting Technician	TTSSEA	A	2,676.79	5,799.71	69,596.54	33.4599
			B	2,810.65	6,089.74	73,076.90	35.1331
			C	2,951.17	6,394.20	76,730.42	36.8896
			D	3,098.74	6,713.94	80,567.24	38.7343
			E	3,253.69	7,049.66	84,595.94	40.6711
4102	Administrative Assistant	TTSSEA	A	2,166.98	4,695.12	56,341.48	27.0873
			B	2,275.31	4,929.84	59,158.06	28.4414
			C	2,389.09	5,176.36	62,116.34	29.8636
			D	2,508.53	5,435.15	65,221.78	31.3566
			E	2,633.95	5,706.89	68,482.70	32.9244
8102	Administrative Assistant - Confidential	CONF	A	2,298.43	4,979.93	59,759.18	28.7304
			B	2,413.34	5,228.90	62,746.84	30.1668
			C	2,534.01	5,490.36	65,884.26	31.6751
			D	2,660.73	5,764.89	69,178.69	33.2591
			E	2,793.75	6,053.13	72,637.50	34.9219
4107	Administrative Technician	TTSSEA	A	2,676.79	5,799.71	69,596.54	33.4599
			B	2,810.65	6,089.74	73,076.90	35.1331
			C	2,951.17	6,394.20	76,730.42	36.8896
			D	3,098.74	6,713.94	80,567.24	38.7343
			E	3,253.69	7,049.66	84,595.94	40.6711
3510	Airport Manager*	TMMBU	A	3,595.32	7,789.86	93,478.32	44.9415
			B	3,775.07	8,179.32	98,151.82	47.1884
			C	3,963.82	8,588.28	103,059.32	49.5478
			D	4,162.00	9,017.67	108,212.00	52.0250
			E	4,370.10	9,468.55	113,622.60	54.6263
5522	Animal Services Aide	TEAMSTERS	A	1,485.35	3,218.26	38,619.10	18.5669
			B	1,559.62	3,379.18	40,550.12	19.4953
			C	1,637.62	3,548.18	42,578.12	20.4703
			D	1,719.49	3,725.56	44,706.74	21.4936
			E	1,805.46	3,911.83	46,941.96	22.5683
3620	Animal Services Manager*	TMMBU	A	3,862.14	8,367.97	100,415.64	48.2768
			B	4,055.25	8,786.38	105,436.50	50.6906
			C	4,258.02	9,225.71	110,708.52	53.2253
			D	4,470.91	9,686.97	116,243.66	55.8864
			E	4,694.46	10,171.33	122,055.96	58.6808

Employees marked with an * (asterisk) are salaried

City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
5521	Animal Services Officer I	TEAMSTERS	A	2,067.32	4,479.19	53,750.32	25.8415
			B	2,170.66	4,703.10	56,437.16	27.1333
			C	2,279.18	4,938.22	59,258.68	28.4898
			D	2,393.14	5,185.14	62,221.64	29.9143
			E	2,512.82	5,444.44	65,333.32	31.4103
5523	Animal Services Officer II	TEAMSTERS	A	2,274.51	4,928.11	59,137.26	28.4314
			B	2,388.22	5,174.48	62,093.72	29.8528
			C	2,507.66	5,433.26	65,199.16	31.3458
			D	2,633.03	5,704.90	68,458.78	32.9129
			E	2,764.70	5,990.18	71,882.20	34.5588
3621	Animal Services Supervisor	TMMBU NON EXEMPT	A	2,861.74	6,200.44	74,405.24	35.7718
			B	3,004.83	6,510.47	78,125.58	37.5604
			C	3,155.06	6,835.96	82,031.56	39.4383
			D	3,312.82	7,177.78	86,133.32	41.4103
			E	3,478.46	7,536.66	90,439.96	43.4808
2573	Assistant City Attorney*	CONF	A	6,518.51	14,123.44	169,481.26	81.4814
			B	6,844.42	14,829.58	177,954.92	85.5553
			C	7,186.65	15,571.08	186,852.90	89.8331
			D	7,545.98	16,349.62	196,195.48	94.3248
			E	7,923.27	17,167.09	206,005.02	99.0409
3338	Assistant City Engineer*	TMMBU	A	5,488.81	11,892.42	142,709.06	68.6101
			B	5,777.70	12,518.35	150,220.20	72.2213
			C	6,081.79	13,177.21	158,126.54	76.0224
			D	6,401.89	13,870.76	166,449.14	80.0236
			E	6,738.82	14,600.78	175,209.32	84.2353
1502	Assistant City Manager*	DH	Min	9,494.97	20,572.43	246,869.12	118.6871
			Max	10,183.22	22,063.64	264,763.71	127.2903
2682	Assistant Director DES*	CONF	A	6,225.58	13,488.76	161,865.08	77.8198
			B	6,536.85	14,163.18	169,958.10	81.7106
			C	6,863.69	14,871.33	178,455.95	85.7961
			D	7,206.86	15,614.86	187,378.36	90.0858
			E	7,567.21	16,395.62	196,747.46	94.5901
2681	Assistant Director DES/City Engineer*	CONF	A	6,522.39	14,131.85	169,582.14	81.5299
			B	6,848.51	14,838.44	178,061.26	85.6064
			C	7,190.94	15,580.37	186,964.44	89.8868
			D	7,550.48	16,359.37	196,312.48	94.3810
			E	7,928.03	17,177.40	206,128.78	99.1004
2635	Assistant Director Operations*	CONF	A	6,225.58	13,488.76	161,865.08	77.8198
			B	6,536.85	14,163.18	169,958.10	81.7106
			C	6,863.69	14,871.33	178,455.95	85.7961
			D	7,206.86	15,614.86	187,378.36	90.0858
			E	7,567.21	16,395.62	196,747.46	94.5901
2636	Assistant Director Utilities*	CONF	A	6,225.58	13,488.76	161,865.08	77.8198
			B	6,536.85	14,163.18	169,958.10	81.7106
			C	6,863.69	14,871.33	178,455.95	85.7961
			D	7,206.86	15,614.86	187,378.36	90.0858
			E	7,567.21	16,395.62	196,747.46	94.5901

Employees marked with an * (asterisk) are salaried

City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
3302	Assistant Engineer*	TMMBU	A	3,768.30	8,164.65	97,975.80	47.1038
			B	3,956.69	8,572.83	102,873.94	49.4586
			C	4,154.53	9,001.48	108,017.78	51.9316
			D	4,362.26	9,451.56	113,418.76	54.5283
			E	4,580.38	9,924.16	119,089.88	57.2548
5232	Assistant Planner	TEAMSTERS	A	2,969.79	6,434.55	77,214.54	37.1224
			B	3,118.28	6,756.27	81,075.28	38.9785
			C	3,274.19	7,094.08	85,128.94	40.9274
			D	3,437.90	7,448.78	89,385.40	42.9738
			E	3,609.80	7,821.23	93,854.80	45.1225
2580	Assistant to the City Manager*	CONF	A	5,120.40	11,094.20	133,130.40	64.0050
			B	5,376.42	11,648.91	139,786.92	67.2053
			C	5,645.25	12,231.38	146,776.50	70.5656
			D	5,927.52	12,842.96	154,115.52	74.0940
			E	6,223.91	13,485.14	161,821.66	77.7989
3333	Associate Engineer*	TMMBU	A	4,159.68	9,012.64	108,151.68	51.9960
			B	4,367.64	9,463.22	113,558.64	54.5955
			C	4,586.04	9,936.42	119,237.04	57.3255
			D	4,815.33	10,433.22	125,198.58	60.1916
			E	5,056.09	10,954.86	131,458.34	63.2011
3303	Associate Civil Engineer*	TMMBU	A	4,159.68	9,012.64	108,151.68	51.9960
			B	4,367.64	9,463.22	113,558.64	54.5955
			C	4,586.04	9,936.42	119,237.04	57.3255
			D	4,815.33	10,433.22	125,198.58	60.1916
			E	5,056.09	10,954.86	131,458.34	63.2011
3202	Associate Planner*	TMMBU	A	3,520.24	7,627.19	91,526.24	44.0030
			B	3,696.25	8,008.54	96,102.50	46.2031
			C	3,881.06	8,408.96	100,907.56	48.5133
			D	4,075.12	8,829.43	105,953.12	50.9390
			E	4,278.89	9,270.93	111,251.14	53.4861
4451	Box Office Assistant	TTSSEA	A	1,951.79	4,228.88	50,746.54	24.3974
			B	2,049.39	4,440.35	53,284.14	25.6174
			C	2,151.86	4,662.36	55,948.36	26.8983
			D	2,259.44	4,895.45	58,745.44	28.2430
			E	2,372.44	5,140.29	61,683.44	29.6555
4455	Box Office Coordinator	TTSSEA	A	2,580.47	5,591.02	67,092.22	32.2559
			B	2,709.51	5,870.61	70,447.26	33.8689
			C	2,844.97	6,164.10	73,969.22	35.5621
			D	2,987.22	6,472.31	77,667.72	37.3403
			E	3,136.58	6,795.92	81,551.08	39.2073
3104	Budget Officer*	CONF	A	4,729.91	10,248.14	122,977.66	59.1239
			B	4,966.40	10,760.53	129,126.40	62.0800
			C	5,214.71	11,298.54	135,582.46	65.1839
			D	5,475.46	11,863.50	142,361.96	68.4433
			E	5,749.24	12,456.69	149,480.24	71.8655
5211	Building Inspector I	TEAMSTERS	A	2,665.08	5,774.34	69,292.08	33.3135
			B	2,798.33	6,063.05	72,756.58	34.9791
			C	2,938.25	6,366.21	76,394.50	36.7281
			D	3,085.17	6,684.54	80,214.42	38.5646
			E	3,239.42	7,018.74	84,224.92	40.4928

Employees marked with an * (asterisk) are salaried

City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
5212	Building Inspector II	TEAMSTERS	A	3,403.75	7,374.79	88,497.50	42.5469
			B	3,573.95	7,743.56	92,922.70	44.6744
			C	3,752.63	8,130.70	97,568.38	46.9079
			D	3,940.27	8,537.25	102,447.02	49.2534
			E	4,137.26	8,964.06	107,568.76	51.7158
5320	Building Maintenance Worker I	TEAMSTERS	A	2,261.97	4,900.94	58,811.22	28.2746
			B	2,375.08	5,146.01	61,752.08	29.6885
			C	2,493.84	5,403.32	64,839.84	31.1730
			D	2,618.53	5,673.48	68,081.78	32.7316
			E	2,749.46	5,957.16	71,485.96	34.3683
5321	Building Maintenance Worker II	TEAMSTERS	A	2,493.89	5,403.43	64,841.14	31.1736
			B	2,618.59	5,673.61	68,083.34	32.7324
			C	2,749.52	5,957.29	71,487.52	34.3690
			D	2,886.99	6,255.15	75,061.74	36.0874
			E	3,031.35	6,567.93	78,815.10	37.8919
3341	Building Official*	TMMBU	A	5,335.89	11,561.10	138,733.14	66.6986
			B	5,602.67	12,139.12	145,669.42	70.0334
			C	5,882.82	12,746.11	152,953.32	73.5353
			D	6,176.95	13,383.39	160,600.70	77.2119
			E	6,485.81	14,052.59	168,631.06	81.0726
4501	Building Permit Technician I	TTSSEA	A	2,471.54	5,355.00	64,260.04	30.8943
			B	2,595.13	5,622.78	67,473.38	32.4391
			C	2,724.87	5,903.89	70,846.62	34.0609
			D	2,861.12	6,199.09	74,389.12	35.7640
			E	3,004.18	6,509.06	78,108.68	37.5523
4502	Building Permit Technician II	TTSSEA	A	2,724.94	5,904.04	70,848.44	34.0618
			B	2,861.19	6,199.25	74,390.94	35.7649
			C	3,004.25	6,509.21	78,110.50	37.5531
			D	3,154.47	6,834.69	82,016.22	39.4309
			E	3,312.19	7,176.41	86,116.94	41.4024
1530	Chief Innovation Officer*	DH	Min	7,107.12	15,398.76	184,785.09	88.8390
			Max	8,631.79	18,702.21	224,426.49	107.8974
1506	City Attorney*	CONTRACT		9,882.28	21,411.61	256,939.37	123.5285
3110	City Clerk*	TMMBU	A	4,840.47	10487.685	125,852.22	60.5059
			B	5,082.50	11012.083	132,145.00	63.5313
			C	5,336.62	11562.677	138,752.12	66.7078
			D	5,603.44	12140.787	145,689.44	70.0430
			E	5,883.61	12747.822	152,973.86	73.5451
1102	City Council Member*			474.93	1,029.00	12,348.00	
1501	City Manager*	CONTRACT		11,406.34	24,713.73	296,564.76	142.5793
1112	City Treasurer*			496.16	1,075.01	12,900.16	
9107	Clerical	LS	A				15.5000
			B				15.7500
			C				16.5400
			D				17.3600
			E				18.2300

Employees marked with an * (asterisk) are salaried

City of Tracy
Master Salary Schedule

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
3155	Code Compliance Analyst*	TMMBU	A	3,733.94	8,090.20	97,082.44	46.6743
			B	3,920.63	8,494.70	101,936.38	49.0079
			C	4,116.66	8,919.43	107,033.16	51.4583
			D	4,322.50	9,365.42	112,385.00	54.0313
			E	4,538.63	9,833.70	118,004.38	56.7329
5202	Code Enforcement Officer	TEAMSTERS	A	2,752.99	5,964.81	71,577.74	34.4124
			B	2,890.63	6,263.03	75,156.38	36.1329
			C	3,035.17	6,576.20	78,914.42	37.9396
			D	3,186.92	6,904.99	82,859.92	39.8365
			E	3,346.27	7,250.25	87,003.02	41.8284
3315	Community Preservation Manager*	TMMBU	A	4,159.68	9,012.64	108,151.68	51.9960
			B	4,367.64	9,463.22	113,558.64	54.5955
			C	4,586.04	9,936.42	119,237.04	57.3255
			D	4,815.33	10,433.22	125,198.58	60.1916
			E	5,056.09	10,954.86	131,458.34	63.2011
5513	Community Services Officer	TEAMSTERS	A	2,403.89	5,208.43	62,501.14	30.0486
			B	2,524.09	5,468.86	65,626.34	31.5511
			C	2,650.26	5,742.23	68,906.76	33.1283
			D	2,782.79	6,029.38	72,352.54	34.7849
			E	2,921.95	6,330.89	75,970.70	36.5244
5222	Construction Inspector I	TEAMSTERS	A	3,089.33	6,693.55	80,322.58	38.6166
			B	3,243.82	7,028.28	84,339.32	40.5478
			C	3,405.99	7,379.65	88,555.74	42.5749
			D	3,576.29	7,748.63	92,983.54	44.7036
			E	3,755.13	8,136.12	97,633.38	46.9391
5223	Construction Inspector II	TEAMSTERS	A	3,406.13	7,379.95	88,559.38	42.5766
			B	3,576.43	7,748.93	92,987.18	44.7054
			C	3,755.25	8,136.38	97,636.50	46.9406
			D	3,943.04	8,543.25	102,519.04	49.2880
			E	4,140.18	8,970.39	107,644.68	51.7523
4605	Crime Analyst	TTSSEA	A	2,920.43	6,327.60	75,931.18	36.5054
			B	3,066.45	6,643.98	79,727.70	38.3306
			C	3,219.79	6,976.21	83,714.54	40.2474
			D	3,380.78	7,325.02	87,900.28	42.2598
			E	3,549.80	7,691.23	92,294.80	44.3725
5514	Crime Prevention Specialist	TEAMSTERS	A	2,490.06	5,395.13	64,741.56	31.1258
			B	2,614.59	5,664.95	67,979.34	32.6824
			C	2,745.32	5,948.19	71,378.32	34.3165
			D	2,882.56	6,245.55	74,946.56	36.0320
			E	3,026.69	6,557.83	78,693.94	37.8336
3622	Crime Scene Property Unit Supervisor	TMMBU Non-Exempt	A	3,077.29	6,667.46	80,009.54	38.4661
			B	3,231.15	7,000.83	84,009.90	40.3894
			C	3,392.68	7,350.81	88,209.68	42.4085
			D	3,562.31	7,718.34	92,620.06	44.5289
			E	3,740.43	8,104.27	97,251.18	46.7554
5517	Crime Scene Technician	TEAMSTERS	A	2,696.73	5,842.92	70,114.98	33.7091
			B	2,831.54	6,135.00	73,620.04	35.3943
			C	2,973.13	6,441.78	77,301.38	37.1641
			D	3,121.79	6,763.88	81,166.54	39.0224
			E	3,277.88	7,102.07	85,224.88	40.9735

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City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
1108	Cultural Arts Commissioner	Stipend of $50.00 per meeting					
3162	Cultural Arts Division Manager*	TMMBU	A	4,996.50	10,825.75	129,909.00	62.4563
			B	5,246.33	11,367.05	136,404.58	65.5791
			C	5,508.65	11,935.41	143,224.90	68.8581
			D	5,784.07	12,532.15	150,385.82	72.3009
			E	6,073.27	13,158.75	157,905.02	75.9159
4459	Cultural Arts Program Coordinator	TTSSEA	A	2,580.47	5,591.02	67,092.22	32.2559
			B	2,709.51	5,870.61	70,447.26	33.8689
			C	2,844.97	6,164.10	73,969.22	35.5621
			D	2,987.22	6,472.31	77,667.72	37.3403
			E	3,136.58	6,795.92	81,551.08	39.2073
3524	Cultural Arts Supervisor*	TMMBU	A	3,862.14	8,367.97	100,415.64	48.2768
			B	4,055.25	8,786.38	105,436.50	50.6906
			C	4,258.02	9,225.71	110,708.52	53.2253
			D	4,470.91	9,686.97	116,243.66	55.8864
			E	4,694.46	9,338.00	112,055.96	58.6808
4461	Cultural Arts Technical Coordinator	TTSSEA	A	2,166.98	4,695.12	56,341.48	27.0873
			B	2,275.31	4,929.84	59,158.06	28.4414
			C	2,389.09	5,176.36	62,116.34	29.8636
			D	2,508.53	5,435.15	65,221.78	31.3566
			E	2,633.95	5,706.89	68,482.70	32.9244
3523	Cultural Arts Technical Supervisor*	TMMBU	A	3,206.16	6,946.68	83,360.16	40.0770
			B	3,366.48	7,294.04	87,528.48	42.0810
			C	3,534.79	7,658.71	91,904.54	44.1849
			D	3,711.54	8,041.67	96,500.04	46.3943
			E	3,897.13	8,443.78	101,325.38	48.7141
9552	D.A.R.E Officer	LS	A				36.3700
			B				38.1900
			C				40.1000
			D				42.1000
			E				44.2100
2571	Deputy City Attorney I*	CONF	A	5,117.85	11,088.68	133,064.10	63.9731
			B	5,373.74	11,643.10	139,717.24	67.1718
			C	5,642.44	12,225.29	146,703.44	70.5303
			D	5,924.56	12,836.55	154,038.56	74.0570
			E	6,220.77	13,478.34	161,740.02	77.7596
2572	Deputy City Attorney II*	CONF	A	5,629.64	12,197.55	146,370.64	70.3705
			B	5,911.13	12,807.45	153,689.38	73.8891
			C	6,206.69	13,447.83	161,373.94	77.5836
			D	6,517.03	14,120.23	169,442.78	81.4629
			E	6,842.87	14,826.22	177,914.62	85.5359
4116	Deputy City Clerk	TTSSEA	A	2,875.19	6,229.58	74,754.94	35.9399
			B	3,018.96	6,541.08	78,492.96	37.7370
			C	3,169.90	6,868.12	82,417.40	39.6238
			D	3,328.41	7,211.56	86,538.66	41.6051
			E	3,494.82	7,572.11	90,865.32	43.6853
1515	Director of Development Services *	DH	Min	7,617.48	16,504.53	198,054.35	95.2185
			Max	9,257.47	20,057.86	240,694.28	115.7184

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City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
1522	Director of Finance*	DH	Min	7,107.12	15,398.76	184,785.09	88.8390
			Max	8,631.79	18,702.21	224,426.49	107.8974
1518	Director of Human Resources*	DH	Min	7,107.12	15,398.76	184,785.09	88.8390
			Max	8,631.79	18,702.21	224,426.49	107.8974
1527	Director of Mobility and Housing*	DH	Min	7,107.12	15,398.76	184,785.09	88.8390
			Max	8,631.79	18,702.21	224,426.49	107.8974
1524	Director of Operations and Utilities*	DH	Min	7,617.48	16,504.53	198,054.35	95.2185
			Max	9,257.47	20,057.86	240,694.28	115.7184
1516	Director of Parks and Recreation*	DH	Min	7,107.12	15,398.76	184,785.09	88.8390
			Max	8,631.79	18,702.21	224,426.49	107.8974
3208	Economic Development Mgmt Analyst I*	TMMBU	A	3,246.98	7,035.12	84,421.48	40.5873
			B	3,409.32	7,386.86	88,642.32	42.6165
			C	3,579.80	7,756.23	93,074.80	44.7475
			D	3,758.78	8,144.02	97,728.28	46.9848
			E	3,946.72	8,551.23	102,614.72	49.3340
3209	Economic Development Mgmt Analyst II*	TMMBU	A	3,733.94	8,090.20	97,082.44	46.6743
			B	3,920.63	8,494.70	101,936.38	49.0079
			C	4,116.66	8,919.43	107,033.16	51.4583
			D	4,322.50	9,365.42	112,385.00	54.0313
			E	4,538.63	9,833.70	118,004.38	56.7329
3207	Economic Development Manager*	TMMBU	A	5,077.00	11,000.17	132,002.00	63.4625
			B	5,330.84	11,550.15	138,601.84	66.6355
			C	5,597.39	12,127.68	145,532.14	69.9674
			D	5,877.26	12,734.06	152,808.76	73.4658
			E	6,171.12	13,370.76	160,449.12	77.1390
5325	Electrician	TEAMSTERS	A	3,416.90	7,403.28	88,839.40	42.7113
			B	3,587.76	7,773.48	93,281.76	44.8470
			C	3,767.16	8,162.18	97,946.16	47.0895
			D	3,955.50	8,570.25	102,843.00	49.4438
			E	4,153.28	8,998.77	107,985.28	51.9160
5221	Engineering Technician I	TEAMSTERS	A	2,719.53	5,892.32	70,707.78	33.9941
			B	2,855.50	6,186.92	74,243.00	35.6938
			C	2,998.27	6,496.25	77,955.02	37.4784
			D	3,148.18	6,821.06	81,852.68	39.3523
			E	3,305.61	7,162.16	85,945.86	41.3201
5225	Engineering Technician II	TEAMSTERS	A	2,998.29	6,496.30	77,955.54	37.4786
			B	3,148.20	6,821.10	81,853.20	39.3525
			C	3,305.62	7,162.18	85,946.12	41.3203
			D	3,470.92	7,520.33	90,243.92	43.3865
			E	3,644.42	7,896.24	94,754.92	45.5553
3412	Environmental Compliance Analyst	TMMBU Non-Exempt	A	3,246.98	7,035.12	84,421.48	40.5876
			B	3,409.32	7,386.86	88,642.32	42.6165
			C	3,579.80	7,756.23	93,074.80	44.7475
			D	3,758.78	8,144.02	97,728.28	46.9848
			E	3,946.72	8,551.23	102,614.72	49.3340

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City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
5424	Environmental Compliance Technician	TEAMSTERS	A	2,471.96	5,355.92	64,270.98	30.8995
			B	2,595.56	5,623.71	67,484.53	32.4445
			C	2,725.34	5,904.90	70,858.76	34.0667
			D	2,861.60	6,200.14	74,401.70	35.7700
			E	3,004.68	6,510.15	78,121.78	37.5585
5313	Equipment Mechanic I	TEAMSTERS	A	2,499.33	5,415.22	64,982.58	31.2416
			B	2,624.29	5,685.96	68,231.54	32.8036
			C	2,755.50	5,970.25	71,643.00	34.4438
			D	2,893.27	6,268.75	75,225.02	36.1659
			E	3,037.93	6,582.18	78,986.18	37.9741
5314	Equipment Mechanic II	TEAMSTERS	A	2,755.49	5,970.23	71,642.74	34.4436
			B	2,893.28	6,268.77	75,225.28	36.1660
			C	3,037.92	6,582.16	78,985.92	37.9740
			D	3,189.83	6,911.30	82,935.58	39.8729
			E	3,349.31	7,256.84	87,082.06	41.8664
4108	Executive Assistant	TTSSEA	A	2,636.03	5,711.40	68,536.78	32.9504
			B	2,767.83	5,996.97	71,963.58	34.5979
			C	2,906.22	6,296.81	75,561.72	36.3278
			D	3,051.54	6,611.67	79,340.04	38.1443
			E	3,204.11	6,942.24	83,306.86	40.0514
8108	Executive Assistant - Confidential	CONF	A	2,795.95	6,057.89	72,694.70	34.9494
			B	2,935.76	6,360.81	76,329.76	36.6970
			C	3,082.54	6,678.84	80,146.04	38.5318
			D	3,236.65	7,012.74	84,152.90	40.4581
			E	3,398.50	7,363.42	88,361.00	42.4813
2581	Executive Assistant to City Manager	CONF	A	3,193.16	6,918.51	83,022.16	39.9145
			B	3,352.81	7,264.42	87,173.06	41.9101
			C	3,520.45	7,627.64	91,531.70	44.0056
			D	3,696.48	8,009.04	96,108.48	46.2060
			E	3,881.29	8,409.46	100,913.54	48.5161
9635	Facility Attendant	LS	A				19.8000
			B				20.7900
			C				21.8300
			D				22.9200
			E				24.0700
3107	Financial Analyst I*	TMMBU	A	3,246.98	7,035.12	84,421.48	40.5873
			B	3,409.32	7,386.86	88,642.32	42.6165
			C	3,579.80	7,756.23	93,074.80	44.7475
			D	3,758.78	8,144.02	97,728.28	46.9848
			E	3,946.72	8,551.23	102,614.72	49.3340
3108	Financial Analyst II*	TMMBU	A	3,733.94	8,090.20	97,082.44	46.6743
			B	3,920.63	8,494.70	101,936.38	49.0079
			C	4,116.66	8,919.43	107,033.16	51.4583
			D	4,322.50	9,365.42	112,385.00	54.0313
			E	4,538.63	9,833.70	118,004.38	56.7329
3404	Fleet Supervisor*	TMMBU	A	3,742.73	8,109.25	97,310.98	46.7841
			B	3,929.84	8,514.65	102,175.84	49.1230
			C	4,126.34	8,940.40	107,284.84	51.5793
			D	4,332.64	9,387.39	112,648.64	54.1580
			E	4,549.28	9,856.77	118,281.28	56.8660

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City of Tracy
Master Salary Schedule

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
3120	GIS Analyst *	TMMBU	A	3,733.94	8,090.20	97,082.44	46.6743
			B	3,920.63	8,494.70	101,936.38	49.0079
			C	4,116.66	8,919.43	107,033.16	51.4583
			D	4,322.50	9,365.42	112,385.00	54.0313
			E	4,538.63	9,833.70	118,004.38	56.7329
4206	GIS Technician	TTSSEA	A	2,920.43	6,327.60	75,931.18	36.5054
			B	3,066.45	6,643.98	79,727.70	38.3306
			C	3,219.79	6,976.21	83,714.54	40.2474
			D	3,380.78	7,325.02	87,900.28	42.2598
			E	3,549.80	7,691.23	92,294.80	44.3725
3215	Homeless Services Manager*	TMMBU	A	4,615.45	10,000.14	120,001.70	57.6931
			B	4,846.22	10,500.14	126,001.72	60.5778
			C	5,088.54	10,941.84	131,302.04	63.6068
			D	5,342.96	11,576.41	138,916.96	66.7870
			E	5,610.10	12,155.22	145,862.60	70.1263
2511	Human Resources Analyst I*	CONF	A	3,327.51	7,209.61	86,515.26	41.5939
			B	3,493.89	7,570.10	90,841.14	43.6736
			C	3,668.57	7,948.57	95,382.82	45.8571
			D	3,852.00	8,346.00	100,152.00	48.1500
			E	4,044.60	8,763.30	105,159.60	50.5575
2512	Human Resources Analyst II*	CONF	A	3,826.53	8,290.82	99,489.78	47.8316
			B	4,017.86	8,705.36	104,464.36	50.2233
			C	4,218.74	9,140.60	109,687.24	52.7343
			D	4,429.70	9,597.68	115,172.20	55.3713
			E	4,651.19	10,077.58	120,930.94	58.1399
2562	Human Resources Manager*	CONF	A	5,120.40	11,094.20	133,130.40	64.0050
			B	5,376.42	11,648.91	139,786.92	67.2053
			C	5,645.25	12,231.38	146,776.50	70.5656
			D	5,927.52	12,842.96	154,115.52	74.0940
			E	6,223.91	13,485.14	161,821.66	77.7989
4301	Human Resources Technician	CONF	A	2,839.20	6,151.60	73,819.20	35.4900
			B	2,981.16	6,459.18	77,510.16	37.2645
			C	3,130.22	6,782.14	81,385.72	39.1278
			D	3,286.74	7,121.27	85,455.24	41.0843
			E	3,451.07	7,477.32	89,727.82	43.1384
4204	Information Systems Technician I	TTSSEA	A	2,539.52	5,502.29	66,027.52	31.7440
			B	2,666.49	5,777.40	69,328.74	33.3311
			C	2,799.83	6,066.30	72,795.58	34.9979
			D	2,939.82	6,369.61	76,435.32	36.7478
			E	3,086.81	6,688.09	80,257.06	38.5851
4205	Information Systems Technician II	TTSSEA	A	2,920.43	6,327.60	75,931.18	36.5054
			B	3,066.45	6,643.98	79,727.70	38.3306
			C	3,219.79	6,976.21	83,714.54	40.2474
			D	3,380.78	7,325.02	87,900.28	42.2598
			E	3,549.80	7,691.23	92,294.80	44.3725
2553	Information Technology Manager*	CONF	A	5,120.40	11,094.20	133,130.40	64.0050
			B	5,376.42	11,648.91	139,786.92	67.2053
			C	5,645.25	12,231.38	146,776.50	70.5656
			D	5,927.52	12,842.96	154,115.52	74.0940
			E	6,223.91	13,485.14	161,821.66	77.7989

Employees marked with an * (asterisk) are salaried

City of Tracy
Master Salary Schedule

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
3111	Information Technology Specialist*	TMMBU	A	3,627.19	7,858.91	94,306.94	45.3399
			B	3,808.57	8,251.90	99,022.82	47.6071
			C	3,998.99	8,664.48	103,973.74	49.9874
			D	4,198.92	9,097.66	109,171.92	52.4865
			E	4,408.87	9,552.55	114,630.62	55.1109
5413	Instrumentation Technician	TEAMSTERS	A	3,172.41	6,873.56	82,482.66	39.6551
			B	3,331.03	7,217.23	86,606.78	41.6379
			C	3,497.59	7,578.11	90,937.34	43.7199
			D	3,672.45	7,956.98	95,483.70	45.9056
			E	3,856.08	8,354.84	100,258.08	48.2010
9108	Intern-Generalist	LS	A				20.5500
			B				21.5800
			C				22.6600
			D				23.7900
			E				24.9800
5224	Junior Engineer	TEAMSTERS	A	3,305.49	7,161.90	85,942.74	41.3186
			B	3,470.77	7,520.00	90,240.02	43.3846
			C	3,644.29	7,895.96	94,751.54	45.5536
			D	3,826.51	8,290.77	99,489.26	47.8314
			E	4,017.85	8,705.34	104,464.10	50.2231
5423	Laboratory Quality Assurance Officer*	TMMBU	A	3,103.48	6,724.21	80,690.48	38.7935
			B	3,258.68	7,060.47	84,725.68	40.7335
			C	3,421.60	7,413.47	88,961.60	42.7700
			D	3,592.67	7,784.12	93,409.42	44.9084
			E	3,772.32	8,173.36	98,080.32	47.1540
5421	Laboratory Technician I	TEAMSTERS	A	2,467.86	5,347.03	64,164.36	30.8483
			B	2,591.23	5,614.33	67,371.98	32.3904
			C	2,720.82	5,895.11	70,741.32	34.0103
			D	2,856.85	6,189.84	74,278.10	35.7106
			E	2,999.68	6,499.31	77,991.68	37.4960
5422	Laboratory Technician II	TEAMSTERS	A	2,720.76	5,894.98	70,739.76	34.0095
			B	2,856.80	6,189.73	74,276.80	35.7100
			C	2,999.64	6,499.22	77,990.64	37.4955
			D	3,149.61	6,824.16	81,889.86	39.3701
			E	3,307.09	7,165.36	85,984.34	41.3386
3508	Landscape Architect*	TMMBU	A	4,107.34	8,899.24	106,790.84	51.3418
			B	4,312.69	9,344.16	112,129.94	53.9086
			C	4,528.32	9,811.36	117,736.32	56.6040
			D	4,754.74	10,301.94	123,623.24	59.4343
			E	4,992.50	10,817.08	129,805.00	62.4063
4109	Legal Secretary	CONF	A	3,049.63	6,607.53	79,290.38	38.1204
			B	3,202.10	6,937.88	83,254.60	40.0263
			C	3,362.22	7,284.81	87,417.72	42.0278
			D	3,530.33	7,649.05	91,788.58	44.1291
			E	3,706.85	8,031.51	96,378.10	46.3356
9636	Lifeguard	LS	A				15.5000
			B				15.7500
			C				16.5400
			D				17.3600
			E				18.2300

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City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
9303	Maintenance Aide	LS	A				17.4500
			B				18.3200
			C				19.2300
			D				20.1900
			E				21.2000
5301	Maintenance Worker I	TEAMSTERS	A	1,839.58	3,985.76	47,829.08	22.9948
			B	1,931.57	4,185.07	50,220.82	24.1446
			C	2,028.14	4,394.30	52,731.64	25.3518
			D	2,129.55	4,614.03	55,368.30	26.6194
			E	2,236.03	4,844.73	58,136.78	27.9504
5303	Maintenance Worker II	TEAMSTERS	A	2,336.62	5,062.68	60,752.12	29.2078
			B	2,453.45	5,315.81	63,789.70	30.6681
			C	2,576.11	5,581.57	66,978.86	32.2014
			D	2,704.91	5,860.64	70,327.66	33.8114
			E	2,840.15	6,153.66	73,843.90	35.5019
3151	Management Analyst I*	TMMBU	A	3,246.98	7,035.12	84,421.48	40.5873
			B	3,409.32	7,386.86	88,642.32	42.6165
			C	3,579.80	7,756.23	93,074.80	44.7475
			D	3,758.78	8,144.02	97,728.28	46.9848
			E	3,946.72	8,551.23	102,614.72	49.3340
3152	Management Analyst II*	TMMBU	A	3,733.94	8,090.20	97,082.44	46.6743
			B	3,920.63	8,494.70	101,936.38	49.0079
			C	4,116.66	8,919.43	107,033.16	51.4583
			D	4,322.50	9,365.42	112,385.00	54.0313
			E	4,538.63	9,833.70	118,004.38	56.7329
4463	Marketing Coordinator	TTSSEA	A	2,580.47	5,591.02	67,092.22	32.2559
			B	2,709.51	5,870.61	70,447.26	33.8689
			C	2,844.97	6,164.10	73,969.22	35.5621
			D	2,987.22	6,472.31	77,667.72	37.3403
			E	3,136.58	6,795.92	81,551.08	39.2073
1101	Mayor*			521.08	1,129.00	13,548.00	
3527	Media Services Supervisor	TMMBU Non-Exempt	A	3,206.16	6,946.68	83,360.16	40.0770
			B	3,366.48	7,294.04	87,528.48	42.0810
			C	3,534.79	7,658.71	91,904.54	44.1849
			D	3,711.54	8,041.67	96,500.04	46.3943
			E	3,897.13	8,443.78	101,325.38	48.7141
5531	Meter Reader	TEAMSTERS	A	1,593.97	3,453.60	41,443.22	19.9246
			B	1,673.66	3,626.26	43,515.16	20.9208
			C	1,757.34	3,807.57	45,690.84	21.9668
			D	1,845.20	3,997.93	47,975.20	23.0650
			E	1,937.47	4,197.85	50,374.22	24.2184
4212	Multimedia Communications Assistant	TTSSEA	A	2,166.98	4,695.12	56,341.48	27.0873
			B	2,275.31	4,929.84	59,158.06	28.4414
			C	2,389.09	5,176.36	62,116.34	29.8636
			D	2,508.53	5,435.15	65,221.78	31.3566
			E	2,633.95	5,706.89	68,482.70	32.9244

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City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
4210	Multimedia Communications Coordinator	TTSSEA	A	2,580.47	5,591.02	67,092.22	32.2559
			B	2,709.51	5,870.61	70,447.26	33.8689
			C	2,844.97	6,164.10	73,969.22	35.5621
			D	2,987.22	6,472.31	77,667.72	37.3403
			E	3,136.58	6,795.92	81,551.08	39.2073
4105	Office Assistant	TTSSEA	A	1,774.36	3,844.45	46,133.36	22.1795
			B	1,863.06	4,036.63	48,439.56	23.2883
			C	1,956.23	4,238.50	50,861.98	24.4529
			D	2,054.05	4,450.44	53,405.30	25.6756
			E	2,156.75	4,672.96	56,075.50	26.9594
3401	Operations Superintendent*	TMMBU	A	4,314.98	9,349.12	112,189.48	53.9373
			B	4,530.73	9,816.58	117,798.98	56.6341
			C	4,757.27	10,307.42	123,689.02	59.4659
			D	4,995.14	10,822.80	129,873.64	62.4393
			E	5,244.88	11,363.91	136,366.88	65.5610
3405	Operations Supervisor*	TMMBU	A	3,595.32	7,789.86	93,478.32	44.9415
			B	3,775.07	8,179.32	98,151.82	47.1884
			C	3,963.82	8,588.28	103,059.32	49.5478
			D	4,162.00	9,017.67	108,212.00	52.0250
			E	4,370.10	9,468.55	113,622.60	54.6263
1107	Parks Commissioner	Stipend of $50.00 per meeting					
3509	Parks Planning & Development Manager*	TMMBU	A	4,518.06	9,789.13	117,469.56	56.4758
			B	4,743.96	10,278.58	123,342.96	59.2995
			C	4,981.15	10,792.49	129,509.90	62.2644
			D	5,230.22	11,332.14	135,985.72	65.3778
			E	5,491.75	11,898.79	142,785.50	68.6469
3507	Parks Project Coordinator*	TMMBU	A	3,571.07	7,737.32	92,847.82	44.6384
			B	3,749.63	8,124.20	97,490.38	46.8704
			C	3,937.12	8,530.43	102,365.12	49.2140
			D	4,133.98	8,956.96	107,483.48	51.6748
			E	4,340.67	9,404.79	112,857.42	54.2584
3306	Plan Check Engineer*	TMMBU	A	5,000.39	10,834.18	130,010.14	62.5049
			B	5,250.40	11,375.87	136,510.40	65.6300
			C	5,512.93	11,944.68	143,336.18	68.9116
			D	5,788.58	12,541.92	150,503.08	72.3573
			E	6,078.01	13,169.02	158,028.26	75.9751
5214	Plan Examiner I	TEAMSTERS	A	3,322.07	7,197.82	86,373.82	41.5259
			B	3,488.21	7,557.79	90,693.46	43.6026
			C	3,662.61	7,935.66	95,227.86	45.7826
			D	3,845.72	8,332.39	99,988.72	48.0715
			E	4,038.03	8,749.07	104,988.78	50.4754
5215	Plan Examiner II	TEAMSTERS	A	3,662.67	7,935.79	95,229.42	45.7834
			B	3,845.84	8,332.65	99,991.84	48.0730
			C	4,038.11	8,749.24	104,990.86	50.4764
			D	4,240.01	9,186.69	110,240.26	53.0001
			E	4,452.04	9,646.09	115,753.04	55.6505
1106	Planning Commissioner	Stipend of $50.00 per meeting					

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City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
4506	Planning Technician	TTSSEA	A	2,676.79	5,799.71	69,596.54	33.4599
			B	2,810.65	6,089.74	73,076.90	35.1331
			C	2,951.17	6,394.20	76,730.42	36.8896
			D	3,098.74	6,713.94	80,567.24	38.7343
			E	3,253.69	7,049.66	84,595.94	40.6711
6212	Police Captain*	TPMA	A	6,702.59	14,522.28	174,267.34	83.7824
			B	7,037.73	15,248.42	182,980.98	87.9716
			C	7,389.60	16,010.80	192,129.60	92.3700
			D	7,759.07	16,811.32	201,735.82	96.9884
			E	8,147.08	17,652.01	211,824.08	101.8385
1513	Police Chief*	DH	Min	8,092.43	17,533.60	210,403.16	101.1554
			Max	9,836.43	21,312.27	255,747.28	122.9554
4603	Police Community Relations Coordinator	TTSSEA	A	2,580.47	5,591.02	67,092.22	32.2559
			B	2,709.51	5,870.61	70,447.26	33.8689
			C	2,844.97	6,164.10	73,969.22	35.5621
			D	2,987.22	6,472.31	77,667.72	37.3403
			E	3,136.58	6,795.92	81,551.08	39.2073
6103	Police Corporal	TPOA	A	3,864.76	8,373.65	100,483.76	48.3095
			B	4,058.01	8,792.36	105,508.26	50.7251
			C	4,260.91	9,231.97	110,783.66	53.2614
			D	4,473.97	9,693.60	116,323.22	55.9246
			E	4,697.67	10,178.29	122,139.42	58.7209
4604	Police Homeless Outreach Coordinator	TTSSEA	A	2,580.47	5,591.02	67,092.22	32.2559
			B	2,709.51	5,870.61	70,447.26	33.8689
			C	2,844.97	6,164.10	73,969.22	35.5621
			D	2,987.22	6,472.31	77,667.72	37.3403
			E	3,136.58	6,795.92	81,551.08	39.2073
9501	Police Intern/Parking Enforcement Officer	LS	A				19.5000
			B				20.4800
			C				21.5000
			D				22.5700
			E				23.7000
6211	Police Lieutenant*	TPMA	A	5,800.93	12,568.68	150,824.18	72.5116
			B	6,090.98	13,197.12	158,365.48	76.1373
			C	6,395.53	13,856.98	166,283.78	79.9441
			D	6,715.30	14,549.82	174,597.80	83.9413
			E	7,051.06	15,277.30	183,327.56	88.1383
6102	Police Officer	TPOA	A	3,513.42	7,612.41	91,348.92	43.9178
			B	3,689.09	7,993.03	95,916.34	46.1136
			C	3,873.55	8,392.69	100,712.30	48.4194
			D	4,067.25	8,812.38	105,748.50	50.8406
			E	4,270.61	9,252.99	111,035.86	53.3826
9517	Police Range Master	LS	A				31.1700
			B				32.7300
			C				34.3600
			D				36.0800
			E				37.8800

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City of Tracy
Master Salary Schedule

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
4103	Police Records Assistant I	TTSSEA	A	2,199.60	4,765.80	57,189.60	27.4950
			B	2,309.59	5,004.11	60,049.34	28.8699
			C	2,425.08	5,254.34	63,052.08	30.3135
			D	2,546.31	5,517.01	66,204.06	31.8289
			E	2,673.63	5,792.87	69,514.38	33.4204
4104	Police Records Assistant II	TTSSEA	A	2,425.04	5,254.25	63,051.04	30.3130
			B	2,546.31	5,517.01	66,204.06	31.8289
			C	2,673.59	5,792.78	69,513.34	33.4199
			D	2,807.28	6,082.44	72,989.28	35.0910
			E	2,947.65	6,386.58	76,638.90	36.8456
3626	Police Records Supervisor*	TMMBU	A	3,263.13	7,070.12	84,841.38	40.7891
			B	3,426.30	7,423.65	89,083.80	42.8288
			C	3,597.60	7,794.80	93,537.60	44.9700
			D	3,777.49	8,184.56	98,214.74	47.2186
			E	3,966.35	8,593.76	103,125.10	49.5794
9551	Police Reserve	LS	A				40.5500
6105	Police Sergeant	TPOA	A	4,252.93	9,214.68	110,576.18	53.1616
			B	4,465.60	9,675.47	116,105.60	55.8200
			C	4,688.89	10,159.26	121,911.14	58.6111
			D	4,923.33	10,667.22	128,006.58	61.5416
			E	5,169.49	11,200.56	134,406.74	64.6186
2712	Police Support Operations Manager*	CONF	A	5,795.56	12,557.05	150,684.56	72.4445
			B	6,085.34	13,184.90	158,218.84	76.0668
			C	6,389.59	13,844.11	166,129.34	79.8699
			D	6,709.07	14,536.32	174,435.82	83.8634
			E	7,044.53	15,263.15	183,157.78	88.0566
4701	Police Support Services Technician	TTSSEA	A	2,676.79	5,799.71	69,596.54	33.4599
			B	2,810.65	6,089.74	73,076.90	35.1331
			C	2,951.17	6,394.20	76,730.42	36.8896
			D	3,098.74	6,713.94	80,567.24	38.7343
			E	3,253.69	7,049.66	84,595.94	40.6711
6101	Police Trainee (Non-Sworn)	TPOA	A	3,055.05	6,619.28	79,431.30	38.1881
9638	Pool Manager	LS	A				21.3100
			B				22.3800
			C				23.4900
			D				24.6700
			E				25.9000
9533	Professional Standards Officer	LS	A				51.9500
			B				54.5500
			C				57.2800
			D				60.1400
			E				63.1500
9110	Program Assistant	LS	Min				15.5000
			Max				25.8200
9231	Project Specialist I	LS	Min				15.5000
			Max				50.0100
9232	Project Specialist II	LS	Min				50.0200
			Max				140.9900

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City of Tracy
Master Salary Schedule

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
5518	Property and Evidence Technician	TEAMSTERS	A	2,372.18	5,139.72	61,676.68	29.6523
			B	2,490.78	5,396.69	64,760.28	31.1348
			C	2,615.33	5,666.55	67,998.58	32.6916
			D	2,746.10	5,949.88	71,398.60	34.3263
			E	2,883.39	6,247.35	74,968.14	36.0424
2585	Public Information Officer*	CONF	A	3,826.53	8,290.82	99,489.78	47.8316
			B	4,017.86	8,705.36	104,464.36	50.2233
			C	4,218.74	9,140.60	109,687.24	52.7343
			D	4,429.70	9,597.68	115,172.20	55.3713
			E	4,651.19	10,077.58	120,930.94	58.1399
3623	Public Safety Dispatch Supervisor*	TMMBU	A	3,786.70	8,204.52	98,454.20	47.3338
			B	3,976.03	8,614.73	103,376.78	49.7004
			C	4,174.85	9,045.51	108,546.10	52.1856
			D	4,383.58	9,497.76	113,973.08	54.7948
			E	4,602.77	9,972.67	119,672.02	57.5346
5502	Public Safety Dispatcher I	TEAMSTERS	A	2,740.56	5,937.88	71,254.56	34.2570
			B	2,877.57	6,234.74	74,816.82	35.9696
			C	3,021.45	6,546.48	78,557.70	37.7681
			D	3,172.52	6,873.79	82,485.52	39.6565
			E	3,331.17	7,217.54	86,610.42	41.6396
5503	Public Safety Dispatcher II	TEAMSTERS	A	3,015.33	6,533.22	78,398.58	37.6916
			B	3,166.09	6,859.86	82,318.34	39.5761
			C	3,324.40	7,202.87	86,434.40	41.5550
			D	3,490.61	7,562.99	90,755.86	43.6326
			E	3,665.15	7,941.16	95,293.90	45.8144
9512	Public Safety Dispatcher II - Per Diem	LS	A				33.1100
			B				34.7700
			C				36.5100
			D				38.3300
			E				40.2500
3214	Real Property Agent*	TMMBU	A	3,571.07	7,737.32	92,847.82	44.6384
			B	3,749.63	8,124.20	97,490.38	46.8704
			C	3,937.12	8,530.43	102,365.12	49.2140
			D	4,133.98	8,956.96	107,483.48	51.6748
			E	4,340.67	9,404.79	112,857.42	54.2584
9631	Recreation Leader I	LS	A				15.5000
			B				15.7500
			C				16.5400
			D				17.3600
			E				18.2300
9632	Recreation Leader II	LS	A				18.7900
			B				19.7300
			C				20.7200
			D				21.7500
			E				22.8400
9633	Recreation Leader III	LS	A				21.3100
			B				22.3800
			C				23.4900
			D				24.6900
			E				25.9000

Employees marked with an * (asterisk) are salaried

City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
4401	Recreation Program Coordinator	TTSSEA	A	2,580.47	5,591.02	67,092.22	32.2559
			B	2,709.51	5,870.61	70,447.26	33.8689
			C	2,844.97	6,164.10	73,969.22	35.5621
			D	2,987.22	6,472.31	77,667.72	37.3403
			E	3,136.58	6,795.92	81,551.08	39.2073
3513	Recreation Services Manager*	TMMBU	A	4,248.32	9,204.69	110,456.32	53.1040
			B	4,460.76	9,664.98	115,979.76	55.7595
			C	4,683.79	10,148.21	121,778.54	58.5474
			D	4,917.99	10,655.65	127,867.74	61.4749
			E	5,163.88	11,188.41	134,260.88	64.5485
3505	Recreation Services Supervisor*	TMMBU	A	3,862.13	8,367.95	100,415.38	48.2766
			B	4,055.24	8,786.35	105,436.24	50.6905
			C	4,258.01	9,225.69	110,708.26	53.2251
			D	4,470.90	9,686.95	116,243.40	55.8863
			E	4,694.44	10,171.29	122,055.44	58.6805
9626	Recreation Specialized Instructor	LS	Min				15.5000
			Max				53.2100
4113	Senior Account Clerk	TTSSEA	A	2,399.11	5,198.07	62,376.86	29.9889
			B	2,519.06	5,457.96	65,495.56	31.4883
			C	2,645.02	5,730.88	68,770.52	33.0628
			D	2,777.28	6,017.44	72,209.28	34.7160
			E	2,916.13	6,318.28	75,819.38	36.4516
3105	Senior Accountant*	TMMBU	A	4,013.46	8,695.83	104,349.96	50.1683
			B	4,214.15	9,130.66	109,567.90	52.6769
			C	4,424.85	9,587.18	115,046.10	55.3106
			D	4,646.10	10,066.55	120,798.60	58.0796
			E	4,878.41	10,569.89	126,838.66	60.9801
4202	Senior Accounting Technician	TTSSEA	A	3,110.93	6,740.35	80,884.18	38.8866
			B	3,266.48	7,077.37	84,928.48	40.8310
			C	3,429.82	7,431.28	89,175.32	42.8728
			D	3,601.31	7,802.84	93,634.06	45.0164
			E	3,781.39	8,193.01	98,316.14	47.2674
5323	Senior Building Maintenance Worker	TEAMSTERS	A	2,749.32	5,956.86	71,482.32	34.3665
			B	2,886.77	6,254.67	75,056.02	36.0846
			C	3,031.10	6,567.38	78,808.60	37.8888
			D	3,182.68	6,895.81	82,749.68	39.7835
			E	3,341.83	7,240.63	86,887.58	41.7729
3304	Senior Civil Engineer*	TMMBU	A	5,000.52	10,834.46	130,013.52	62.5065
			B	5,250.54	11,376.17	136,514.04	65.6318
			C	5,513.08	11,945.01	143,340.08	68.9135
			D	5,788.73	12,542.25	150,506.98	72.3591
			E	6,078.17	13,169.37	158,032.42	75.9771
5315	Senior Equipment Mechanic	TEAMSTERS	A	3,031.06	6,567.30	78,807.56	37.8883
			B	3,182.60	6,895.63	82,747.60	39.7825
			C	3,341.73	7,240.42	86,884.98	41.7716
			D	3,508.81	7,602.42	91,229.06	43.8601
			E	3,684.25	7,982.54	95,790.50	46.0531

Employees marked with an * (asterisk) are salaried

City of Tracy
Master Salary Schedule

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
4208	Senior Information Systems Technician	TTSSEA	A	3,212.47	6,960.35	83,524.22	40.1559
			B	3,373.10	7,308.38	87,700.60	42.1638
			C	3,541.76	7,673.81	92,085.76	44.2720
			D	3,718.85	8,057.51	96,690.10	46.4856
			E	3,904.78	8,460.36	101,524.28	48.8098
9637	Senior Lifeguard	LS	A				18.7900
			B				19.7300
			C				20.7200
			D				21.7500
			E				22.8400
5305	Senior Maintenance Worker	TEAMSTERS	A	2,572.37	5,573.47	66,881.62	32.1546
			B	2,700.97	5,852.10	70,225.22	33.7621
			C	2,836.02	6,144.71	73,736.52	35.4503
			D	2,977.83	6,451.97	77,423.58	37.2229
			E	3,126.71	6,774.54	81,294.46	39.0839
3203	Senior Planner*	TMMBU	A	4,286.61	9,287.66	111,451.86	53.5826
			B	4,500.94	9,752.04	117,024.44	56.2618
			C	4,726.00	10,239.67	122,876.00	59.0750
			D	4,962.30	10,751.65	129,019.80	62.0288
			E	5,210.41	11,289.22	135,470.66	65.1301
4410	Senior Police Records Assistant	TTSSEA	A	2,673.64	5,792.89	69,514.64	33.4205
			B	2,807.35	6,082.59	72,991.10	35.0919
			C	2,947.68	6,386.64	76,639.68	36.8460
			D	3,095.07	6,705.99	80,471.82	38.6884
			E	3,249.82	7,041.28	84,495.32	40.6228
5520	Senior Property & Evidence Technician	TEAMSTERS	A	2609.39	5653.68	67844.14	32.6174
			B	2739.86	5936.36	71236.36	34.2483
			C	2876.86	6233.20	74798.36	35.9608
			D	3020.70	6544.85	78538.20	37.7588
			E	3171.73	6872.08	82464.98	39.6466
5504	Senior Public Safety Dispatcher	TEAMSTERS	A	3,324.25	7,202.54	86,430.50	41.5531
			B	3,490.47	7,562.69	90,752.22	43.6309
			C	3,664.99	7,940.81	95,289.74	45.8124
			D	3,848.24	8,337.85	100,054.24	48.1030
			E	4,040.68	8,754.81	105,057.68	50.5085
5356	Senior Utilities Worker	TEAMSTERS	A	2,701.47	5,853.19	70,238.22	33.7684
			B	2,836.42	6,145.58	73,746.92	35.4553
			C	2,978.16	6,452.68	77,432.16	37.2270
			D	3,127.53	6,776.32	81,315.78	39.0941
			E	3,282.85	7,112.84	85,354.10	41.0356
3343	Supervising Building Inspector*	TMMBU	A	4,107.34	8,899.24	106,790.84	51.3418
			B	4,312.69	9,344.16	112,129.94	53.9086
			C	4,528.32	9,811.36	117,736.32	56.6040
			D	4,754.74	10,301.94	123,623.24	59.4343
			E	4,992.50	10,817.08	129,805.00	62.4063
3345	Supervising Construction Inspector	TMMBU Non-Exempt	A	4,000.37	8,667.47	104,009.62	50.0046
			B	4,200.38	9,100.82	109,209.88	52.5048
			C	4,410.40	9,555.87	114,670.40	55.1300
			D	4,630.91	10,033.64	120,403.66	57.8864
			E	4,862.46	10,535.33	126,423.96	60.7807

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City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
3117	System Administrator*	TMMBU	A	3,733.94	8,090.20	97,082.44	46.6743
			B	3,920.63	8,494.70	101,936.38	49.0079
			C	4,116.66	8,919.43	107,033.16	51.4583
			D	4,322.50	9,365.42	112,385.00	54.0313
			E	4,538.63	9,833.70	118,004.38	56.7329
9361	Theatre Technician	LS	A				29.7100
			B				31.1900
			C				32.7500
			D				34.3900
			E				36.1100
4420	Transit Coordinator	TTSSEA	A	2,580.47	5,591.02	67,092.22	32.2559
			B	2,709.51	5,870.61	70,447.26	33.8689
			C	2,844.97	6,164.10	73,969.22	35.5621
			D	2,987.22	6,472.31	77,667.72	37.3403
			E	3,136.58	6,795.92	81,551.08	39.2073
3515	Transit Manager*	TMMBU	A	4,159.68	9,012.64	108,151.68	51.9960
			B	4,367.64	9,463.22	113,558.64	54.5955
			C	4,586.04	9,936.42	119,237.04	57.3255
			D	4,815.33	10,433.22	125,198.58	60.1916
			E	5,056.09	10,954.86	131,458.34	63.2011
1109	Transportation Commissioner	Stipend of $50.00 per meeting					
3424	Utilities Laboratory Superintendent*	TMMBU	A	4,314.98	9,349.12	112,189.48	53.9373
			B	4,530.73	9,816.58	117,798.98	56.6341
			C	4,757.27	10,307.42	123,689.02	59.4659
			D	4,995.14	10,822.80	129,873.64	62.4393
			E	5,244.88	11,363.91	136,366.88	65.5610
5350	Utilities Worker I	TEAMSTERS	A	1,930.84	4,183.49	50,201.84	24.1355
			B	2,027.60	4,393.13	52,717.60	25.3450
			C	2,128.59	4,611.95	55,343.34	26.6074
			D	2,235.53	4,843.65	58,123.78	27.9441
			E	2,348.41	5,088.22	61,058.66	29.3551
5353	Utilities Worker II	TEAMSTERS	A	2,452.80	5,314.40	63,772.80	30.6600
			B	2,575.87	5,581.05	66,972.62	32.1984
			C	2,704.02	5,858.71	70,304.52	33.8003
			D	2,839.81	6,152.92	73,835.06	35.4976
			E	2,981.55	6,460.03	77,520.30	37.2694
3403	Utility Line Maintenance Superintendent*	TMMBU	A	4,396.39	9,525.51	114,306.14	54.9549
			B	4,616.19	10,001.75	120,020.94	57.7024
			C	4,847.01	10,501.86	126,022.26	60.5876
			D	5,089.35	11,026.93	132,323.10	63.6169
			E	5,343.82	11,578.28	138,939.32	66.7978
3423	Utility Maintenance Superintendent*	TMMBU	A	4,477.76	9,701.81	116,421.76	55.9720
			B	4,701.64	10,186.89	122,242.64	58.7705
			C	4,936.72	10,696.23	128,354.72	61.7090
			D	5,183.56	11,231.05	134,772.56	64.7945
			E	5,442.73	11,792.58	141,510.98	68.0341

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City of Tracy
Master Salary Schedule

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
5411	Utility Mechanic I	TEAMSTERS	A	2,889.68	6,260.97	75,131.68	36.1210
			B	3,034.16	6,574.01	78,888.16	37.9270
			C	3,185.86	6,902.70	82,832.36	39.8233
			D	3,345.16	7,247.85	86,974.16	41.8145
			E	3,512.41	7,610.22	91,322.66	43.9051
5412	Utility Mechanic II	TEAMSTERS	A	3,184.04	6,898.75	82,785.04	39.8005
			B	3,343.25	7,243.71	86,924.50	41.7906
			C	3,510.41	7,605.89	91,270.66	43.8801
			D	3,685.93	7,986.18	95,834.18	46.0741
			E	3,870.23	8,385.50	100,625.98	48.3779
5404	Utility Operator	TEAMSTERS	A	3,895.88	8,441.07	101,292.88	48.6985
			B	4,090.64	8,863.05	106,356.64	51.1330
			C	4,295.18	9,306.22	111,674.68	53.6898
			D	4,509.95	9,771.56	117,258.70	56.3744
			E	4,735.44	10,260.12	123,121.44	59.1930
3422	Wastewater Operations Superintendent*	TMMBU	A	4,477.76	9,701.81	116,421.76	55.9720
			B	4,701.64	10,186.89	122,242.64	58.7705
			C	4,936.72	10,696.23	128,354.72	61.7090
			D	5,183.56	11,231.05	134,772.56	64.7945
			E	5,442.73	11,792.58	141,510.98	68.0341
5405	Wastewater Treatment Plant Operator I	TEAMSTERS	A	2,738.70	5,933.85	71,206.20	34.2338
			B	2,875.62	6,230.51	74,766.12	35.9453
			C	3,019.40	6,542.03	78,504.40	37.7425
			D	3,170.38	6,869.16	82,429.88	39.6298
			E	3,328.91	7,212.64	86,551.66	41.6114
5406	Wastewater Treatment Plant Operator II	TEAMSTERS	A	3,019.50	6,542.25	78,507.00	37.7438
			B	3,170.44	6,869.29	82,431.44	39.6305
			C	3,328.97	7,212.77	86,553.22	41.6121
			D	3,495.44	7,573.45	90,881.44	43.6930
			E	3,670.22	7,952.14	95,425.72	45.8778
5407	Wastewater Treatment Plant Operator III	TEAMSTERS	A	3,322.87	7,199.55	86,394.62	41.5359
			B	3,488.97	7,559.44	90,713.22	43.6121
			C	3,663.43	7,937.43	95,249.18	45.7929
			D	3,846.63	8,334.37	100,012.38	48.0829
			E	4,038.95	8,751.06	105,012.70	50.4869
3421	Water Operations Superintendent*	TMMBU	A	4,439.03	9,617.90	115,414.78	55.4879
			B	4,660.97	10,098.77	121,185.22	58.2621
			C	4,894.03	10,603.73	127,244.78	61.1754
			D	5,138.72	11,133.89	133,606.72	64.2340
			E	5,395.65	11,690.58	140,286.90	67.4456
9351	Water Patrol Aide	LS	A				17.7000
			B				18.5900
			C				19.5100
			D				20.4900
			E				21.5100
3415	Water Resources and Compliance Manager*	TMMBU	A	4,159.68	9,012.64	108,151.68	51.9960
			B	4,367.64	9,463.22	113,558.64	54.5955
			C	4,586.04	9,936.42	119,237.04	57.3255
			D	4,815.33	10,433.22	125,198.58	60.1916
			E	5,056.09	10,954.86	131,458.34	63.2011

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City of Tracy
Master Salary Schedule

Effective 07/02/2023

Class Code	Position Title	Unit	Step	Bi-Weekly Salary	Monthly Salary	Annual Salary	Hourly Rate
5401	Water Treatment Plant Operator I	TEAMSTERS	A	2,917.87	6,322.05	75,864.62	36.4734
			B	3,063.77	6,638.17	79,658.02	38.2971
			C	3,216.96	6,970.08	83,640.96	40.2120
			D	3,377.80	7,318.57	87,822.80	42.2225
			E	3,546.68	7,684.47	92,213.68	44.3335
5402	Water Treatment Plant Operator II	TEAMSTERS	A	3,217.03	6,970.23	83,642.78	40.2129
			B	3,377.89	7,318.76	87,825.14	42.2236
			C	3,546.79	7,684.71	92,216.54	44.3349
			D	3,724.11	8,068.91	96,826.86	46.5514
			E	3,910.32	8,472.36	101,668.32	48.8790
5403	Water Treatment Plant Operator III	TEAMSTERS	A	3,540.24	7,670.52	92,046.24	44.2530
			B	3,717.26	8,054.06	96,648.76	46.4658
			C	3,903.13	8,456.78	101,481.38	48.7891
			D	4,098.28	8,879.61	106,555.28	51.2285
			E	4,303.19	9,323.58	111,882.94	53.7899

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

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1) APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF TRACY AND THE TRACY POLICE MANAGERS ASSOCIATION, 2) APPROVING THE MOU BETWEEN THE CITY OF TRACY AND TRACY MID-MANAGERS BARGAINING UNIT, 3) APPROVING THE COMPENSATION AND BENEFIT PLAN FOR THE CONFIDENTIAL EMPLOYEES UNIT, 4) APPROVING THE COMPENSATION AND BENEFIT PLAN FOR THE DEPARTMENT HEADS, AND 5) AUTHORIZING AN AMENDMENT OF THE CITY'S MASTER SALARY SCHEDULE TO REFLECT THE TERMS OF THE MOUS

WHEREAS, The Memorandum of Understanding (MOU) between the City of Tracy and the Tracy Police Managers Association (TPMA) expires on June 30, 2023; and

WHEREAS, The Memorandum of Understanding (MOU) between the City of Tracy and the Tracy Mid-Managers Bargaining Unit (TMMBU) expires on June 30, 2023; and

WHEREAS, The Compensation and Benefit Plans between the City of Tracy and the Confidential Employees Unit (CEU) expires on June 30, 2023; and

WHEREAS, The Compensation and Benefit Plans between the City of Tracy and the Department Heads expires on June 30, 2023; and

WHEREAS, Representatives from the City and the Tracy Police Managers Association (TPMA) and Tracy Mid-Managers Bargaining Unit (TMMBU) have met and conferred in good faith to negotiate a successor MOU; and

WHEREAS, City of Tracy and Tracy Police Managers Association agree on the terms of the successor MOUs covering the period of July 1, 2023 through June 30, 2025; and

WHEREAS, City of Tracy and Tracy Mid-Managers Bargaining Unit agree on the terms of the successor MOUs covering the period of July 1, 2023 through June 30, 2025; and

WHEREAS, Successor Compensation and Benefit Plans for the Confidential Employees Unit and Department Heads have been updated covering the period of July 1, 2023 through June 30, 2025; and

WHEREAS, Tracy Police Managers Association and Tracy Mid-Managers Bargaining Unit have ratified the terms of the successor Memorandum of Understanding covering the period of July 1, 2023 through June 30, 2025; now, therefore, be it

RESOLVED: That the City Council and the City of Tracy hereby approves a new Memorandum of Understanding between the City of Tracy and Tracy Police Managers Association for the period of July 1, 2023 through June 30, 2025; and be it further

RESOLVED: That the City Council and the City of Tracy hereby approves a new Memorandum of Understanding between the City of Tracy and Tracy Mid-Managers Bargaining Unit for the period of July 1, 2023 through June 30, 2025; and be it further

RESOLVED: That the City Council and the City of Tracy hereby approves a new Compensation and Benefit Plan between the City of Tracy and Confidential Employees Unit for the period of July 1, 2023 through June 30, 2025; and be it further

RESOLVED: That the City Council and the City of Tracy hereby approves a new Compensation and Benefit Plan between the City of Tracy and Department Heads for the period of July 1, 2023 through June 30, 2025; and be it further

RESOLVED: That the City Council implements the provisions of the MOUs and actions approved by this Resolution; and be it further

RESOLVED: That the City Council authorizes amendments to the City's Master Salary Schedule, to reflect the terms of the new MOUs.

* * * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 20th day of June, 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

June 20, 2023

Agenda Item 1.L

RECOMMENDATION

The City Attorney recommends that the City Council, by motion, deem as moot and not legally permissible to be read again in a second reading that certain Ordinance of the City of Tracy amending Section 2.08.080(b) of the Tracy Municipal Code, to reflect that the City Manager may be removed by a three-fifths (simple majority) vote of the City Council instead of a four-fifths (super majority) vote, which was introduced by a majority of the City Council on May 23, 2023.

On May 23, 2023, the majority of the City Council introduced an Ordinance of the City of Tracy amending Section 2.08.080(b) of the Tracy Municipal Code, to reflect that the City Manager may be removed by a three-fifths (simple majority) vote of the City Council instead of a four-fifths (super majority) vote. The second reading of said Ordinance was scheduled to occur on June 6, 2023. However, that reading did not occur because, at the City Council's May 30, 2023 closed session meeting, a majority of the Council voted to approve that certain Separation Agreement and Release of All Claims by and between Michael Rogers and the City of Tracy (Agreement). The Signing Date of the Agreement was May 30, 2023. State law provides an employee a 7-day period to revoke their consent to a separation agreement. Accordingly, the Effective Date of the Agreement did not occur until June 6, 2023, after which date the Agreement became an irrevocable, binding contract as between the parties.

Due to various terms and conditions of the Agreement, the current facts and findings set forth in the Ordinance cannot be considered by the City Council in a second reading of the Ordinance. To comply with these terms and conditions of the Agreement, the City Attorney is requesting that the City Council, by motion, deem the current Ordinance moot and not legally permissible to be read again in a second reading.

Prepared by: Bijal Patel, City Attorney

June 20, 2023

Agenda Item 3.A

RECOMMENDATION

Staff recommends that the City Council conduct a public hearing and upon the conclusion adopt the following: 1) Resolution approving the Engineer's Report regarding the proposed levy and collection of assessments for the Tracy Consolidated Landscape Maintenance District pursuant to the Landscaping and Lighting Act of 1972 for Fiscal Year 2023/2024; and 2) Resolution ordering the levy and collection of assessments within the Tracy Consolidated Landscape Maintenance District for Fiscal Year 2023/2024.

EXECUTIVE SUMMARY

On June 6, 2023, the City Council approved the Tracy Consolidated Landscape Maintenance District (District) preliminary Engineer's Report per Resolution No. 2023-094 and declared its intention to levy annual assessments for the maintenance of landscaping and related appurtenances in the District per Resolution No. 2023-095. After review and consideration of the public comments received staff recommends that the City Council approve the final Engineer's Report and authorize the levy and collection of assessments for Fiscal Year 2023/2024.

For Fiscal Year 2023/2024, the General Fund anticipates providing $730,000 in the form of a Capital Improvement Project (CIP) for the revitalization of arterial trees and landscaping, as these improvements are generally viewed as a general benefit. In addition, the Storm Drain fund is expected to contribute $20,000 to cover a portion of the expenses associated with cannel-way/bike path landscaping. All other revenues are levied through Zone assessments and/or Zone reserves.

The Engineer's Report for Fiscal Year 2023/2024 provides the following breakdown: Fifteen (15) Zones are projected to increase their respective reserve budget to support future asset replacements; Seven (7) Zones are projected to not be assessed as maintenance is performed by another entity (i.e. HOA) or their respective reserve budget has ample funds to cover any maintenance needs plus future asset replacements; Thirteen (13) Zones are projected to have higher expenditures than revenues as enhancements are projected to occur to improve the overall aesthetics; One (1) Zone is projected to eliminate its deficit and begin to establish a reserve budget for asset replacements; Two (2) Zones are expected to reduce their existing deficit; and Three (3) Zones are projected to maintain their existing deficit.

BACKGROUND AND LEGISLATIVE HISTORY

Prior to Fiscal year 2003-2004, the City managed three (3) landscape maintenance districts. Each of these districts were formed with specific areas of improvement. Collectively, there was thirty (30) different Zones, each Zone included specific improvements that were installed as a condition of approval, and the Zone improvements were maintained for the benefit of those properties.

In Fiscal Year 2003-2004, the City consolidated the three (3) districts into a single district pursuant to Section 22605 (d) of the Landscape and Lighting Act of 1972 and established the

Tracy Consolidated Landscape Maintenance District. As part of the consolidation, the improvements associated with the various Zones were evaluated and it was determined that in some areas the special benefits accruing to properties could be more precisely identified by expanding the existing thirty (30) Zones to thirty-seven (37) Zones. Since the consolidation, several annexations have taken place and there are now forty-one (41) Zones in the District.

The City utilizes the equivalent dwelling unit (EDU) method of apportionment. This method is widely seen as the most appropriate and equitable assessment methodology for districts governed by the Landscape and Lighting Act of 1972. An EDU is a land use classification and uses a single-family home site as the basic unit of assessment. Every other land use is converted to EDU's based on an assessment formula that equates the property's specific development status, type of development, and size of the property, as compared to a single-family home site.

On June 6, 2023, Council approved, the Tracy Consolidated Landscape Maintenance District (District) preliminary Engineer's Report by Resolution No. 2023-094 and declared its intention to levy annual assessments for the maintenance of landscaping and related appurtenances in the District by Resolution No. 2023-095.

ANALYSIS

This item is to allow the City Council to conduct a public hearing pertaining to the annual Engineer's Report. Staff recommends that the City Council, upon conclusion of the hearing: 1) consider and approve the final Engineer's Report as presented to or as modified by the City Council; and 2) order the levy and collection of assessments within the District for Fiscal Year 2023/2024.

At the time of the creation (formation) of each Zone, a maximum allowable assessment was established. The maximum assessment should be based on the maintenance and replacement cost projected to cover the landscaping and related services and amenities within each Zone. After analysis, many Zones when originally formed did not comprehensively calculate for the replacement of Zone amenities, resulting in a long-term financial burden. At the conclusion of Fiscal Year, 2021/2022, six (6) Zones had a deficit. The deficit occurred over several years due to Zone expenditures exceeding their revenues and the Zone did not have ample funds in their reserve to offset the difference.

It is recognized that the cost of maintaining and replacing the improvements increases each year due to inflation. Therefore, as an attempt to offset inflationary increases that affect service costs to the Zone, assessments include a formula for increasing the maximum assessment rates for each future Fiscal Year. The annual inflationary rate increase allows the maximum rates to be adjusted by three percent (3%) or the percentage of the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose Area Region, whichever is less. For the most recent applicable twelve (12) month period (June 2022), the CPI-U was 6.8%.

These moderate annual inflationary increases have not been adequate to keep up with the cost of maintaining the improvements and related services within each Zone. For example, over the last six years, with the exception of 2020 (which was impacted by Covid-19), the CPI-U has been greater than three percent (3%). It is anticipated that this year is going to be no different

and the CPI-U will outpace the allowable annual assessment increase. Some Zones have accumulated a structural deficit while others have been dependent on their respective reserves to balance the operating budget for regular routine maintenance. Compounding the miscalculations at the time of formation and having to absorb the inflationary delta over several years has resulted in a financial burden for several Zones.

Twenty-seven (27) of the forty-one (41) Zones (66%) have reached their maximum assessment rates and many either are or will be experiencing a budget shortfall. Pursuant to Article XIII D of the California Constitution (commonly known as Proposition 218), property owners shall approve any assessments that exceeds the adjusted maximum assessment. Prop 218 provides limited opportunities to increase revenue. There are two (2) methods to increase revenue beyond the adjusted maximum assessment: 1) the General Fund may contribute funds to Zones to ensure a balanced budget; and 2) Initiate special ballot proceedings pursuant to Prop 218.

For Fiscal Year 2023/2024, the General Fund anticipates providing approximately $730,000 in the form of a capital improvement project for the revitalization of arterial trees and landscaping, as these improvements are generally viewed as a general benefit. These funds will support a consistent level of preservation for arterial roadways that the public benefits from, for ease of transportation and connectivity throughout the community. Without the General Fund contribution for arterial maintenance, several Zones would need to rely on their reserves, require a service level reduction, and/or incur or increase their deficit to balance the Zones operating budget. In addition, the Storm Drain fund is expected to contribute $20,000 to cover a portion of the expenses associated with cannel-way/bike path landscaping.

The last special ballot proceeding for re-assessment to levy fees beyond the annual inflationary rate was done in Zone 17 of Fiscal Year 2007-2008. This year, staff will be developing a District landing page to provide stakeholders with valuable information pertaining to their Zone. In addition, staff will be implementing strategies for Zones to undertake to explore the overall interest of property owners to initiate a special balloting procedure for re-assessment.

Pursuant to Prop 218, the maximum assessment rates allowed for Fiscal Year 2023/2024 is recommended to be adjusted by three percent (3%) over the prior year's maximum assessment rates. While it is necessary to keep up with inflation and adjust maximum assessments, it is important to note that the amount to be levied will only be based on the estimated cost of maintenance and capital repairs.

Based upon the estimated costs to maintain the long and short-term landscaping and improvements, staff recommends approval of the assigned assessment rates found in Part II ("Estimate of Costs") of the Engineer's Report for Fiscal Year 2023/2024. The report reflects the following:

- Fifteen (15)[1] Zones are projected to increase their respective reserve budget to support future asset replacements.
- Seven (7)[2] Zones are projected to not be assessed as maintenance is performed by another entity (i.e. HOA) or their respective reserve budget has ample funds to cover any maintenance needs.

[1] Zones: 1, 3, 4, 6, 7, 10, 12, 14, 20, 23, 27, 30, 35, 41, and 43
[2] Zones: 5, 25, 31, 32, 33, 36, and 37

- Thirteen (13)[3] Zones are projected to have higher expenditures than revenues as enhancements are expected to occur to improve the overall aesthetics.
- One (1)[4] Zone is projected to eliminate its deficit and begin to establish a reserve budget for future asset replacement.
- Two (2)[5] Zones are expected to reduce their existing deficit.
- Three (3)[6] Zones are projected to maintain their existing deficit.

FISCAL IMPACT

The District has forty-one (41) Zones, therefore each Zone should be viewed as an independent budget. Revenue for operations, maintenance, and capital replacement in each Zone is from assessments, storm drain, general fund, and reserves. Below is a breakdown by Zone:

Zone	Revenue	Expense
1	$51,664	$38,498
2	$16,951	$20,668
3	$513,845	$487,964
4	$8,726	$3,530
5	$0	$227
6	$4,685	$4,143
7	$291,810	$275,551
8	$55,618	$56,038
9	$765,732	$590,029
10	$283,734	$222,652

Zone	Revenue	Expense
11	$2,655	$1,803
12	$123,953	$116,465
13	$139,889	$146,008
14	$68,672	$68,313
15	$266,114	$313,168
16	$56,447	$69,978
17	$371,220	$521,169
18	$155,979	$171,801
19	$184,461	$198,449
20	$37,047	$30,906

Zone	Revenue	Expense
21	$70,809	$93,315
22	$40,908	$43,713
23	$70,723	$65,209
24	$108,144	$267,821
25	$0	$0
26	$277,258	$306,764
27	$16,965	$14,583
28	$99,394	$157,025
29	$95,455	$96,302
30	$63,176	$59,828

Zone	Revenue	Expense
31	$0	$0
32	$0	$0
33	$5,309	$32,341
34	$29,768	$23,440
35	$91,341	$87,634
36	$0	$0
37	$0	$0
40	$6,470	$6,516
41	$2,245	$1,245
42	$22,478	$23,062
43	$10,960	$10,904

PUBLIC OUTREACH / INTEREST

N/A

COORDINATION

The Parks and Recreation Department coordinated with Finance and Utilities & Operations (Urban Forestry Division).

CEQA DETERMINATION

This is an operational item to levy assessments and CEQA does not apply.

STRATEGIC PLAN

This agenda item is consistent with the City Council's adopted Quality of Life strategies.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council conduct a public hearing and upon the conclusion adopt the following: 1) Resolution approving the Engineer's Report regarding the proposed levy and

[3] Zones: 2, 13, 15, 16, 17, 18, 19, 21, 22, 24, 26, 28, and 42
[4] Zone: 34
[5] Zones: 9 and 11
[6] Zones: 8, 29, and 40

collection of assessments for the Tracy Consolidated Landscape Maintenance District pursuant to the Landscape and Lighting Act of 1972 for fiscal year 2023/2024; and 2) Resolution ordering the levy and collection of assessments within the Tracy Consolidated Landscape Maintenance District for Fiscal Year 2023/2024.

Prepared by: Nilo Velazquez, Management Analyst II

Reviewed by: Brian MacDonald, Director of Parks and Recreation
Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

Attachments:

Attachment A: Fiscal Year 2023/2024 Engineer's Report

Attachment B: Powerpoint Presentation

CITY OF TRACY CALIFORNIA
Think Inside the Triangle™

CITY OF TRACY

PRELIMINARY ENGINEER'S REPORT
FISCAL YEAR 2023-24
CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT

June 2023

Harris & Associates

Prepared by

Harris & Associates
1401 Willow Pass Road, Suite 500
Concord, CA 94520
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ENGINEER'S REPORT FOR
FISCAL YEAR 2022-23
CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT
City of Tracy
State of California

APPROVED BY THE CITY COUNCIL FOR THE CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT OF THE CITY OF TRACY, STATE OF CALIFORNIA ON THE _____ DAY OF _____.

_____
ADRIANNE RICHARDSON
CITY CLERK
CITY OF TRACY

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Appendices

Appendix A – Improvement Areas by Zone

Appendix B – Consolidated Landscape Maintenance Map

Appendix C – Assessment Roll

INTRODUCTION

The City of Tracy (the "City"), is the second most populated city in San Joaquin County. The City population is approximately 95,000. Tracy is located inside a geographic triangle formed by Interstate 205 on the north side, Interstate 5 to the east, and Interstate 580 to the southwest; this has given rise to Tracy's motto, now recorded on the City's website: "Think Inside the Triangle".

Prior to Fiscal Year 2003-04, the City levied and managed three individual landscape maintenance districts identified as:

- Tracy Landscape and Lighting Assessment District 8501 formed in 1985;
- Tracy Landscape and Lighting Assessment District 8801 formed in 1988; and,
- Tracy Landscape and Lighting Assessment District 9802 formed in 1998.

Each of these original districts was formed with various Zones, and with specific areas of improvement. The parcels receiving benefit from those improvements have been assessed the costs of maintaining those improvements. At that time, the three original districts included thirty (30) different Zones. Each Zone included specific improvements that were installed as a condition of approval and the Zone improvements were maintained for the benefit of those properties.

In Fiscal Year 2003-04 the City consolidated the three existing districts into a single district pursuant to Section 22605 (d) of the 1972 Act and established the Tracy Consolidated Landscape Maintenance District. As part of the consolidation, the improvements associated with various Zones were closely evaluated and it was determined that in some areas, the special benefits to properties could be more refined by expanding the existing thirty (30) Zones to thirty-seven (37) Zones.

Several annexations have taken place over the subsequent years and there are now 41 Zones within the District. Each annexation was made pursuant to the 1972 Act and the substantive and procedural requirements of the Proposition 218.

As required by the Landscaping and Lighting Act of 1972, this Engineer's Report describes the improvements to be constructed, operated, maintained and serviced by the District, provides an estimated budget for the District, and lists the proposed assessments to be levied upon each assessable lot or parcel within the District. Following the approval of the preliminary report, either as submitted or as modified, the City Council will hold a Public Hearing to provide an opportunity for any interested person to be heard. All property owners must be noticed in accordance with Section 22626 of the Streets and Highways Code prior to the Public Hearing. At the conclusion of the Public Hearing, the City Council may adopt a resolution confirming the levy of assessments as originally proposed or as modified.

Following the adoption of this resolution, the final assessor's roll will be prepared and filed with the County Tax Collector's office to be included on the FY 2023-24 tax roll.

IMPACTS OF PROPOSITION 218

On November 5, 1996 California voters approved Proposition 218 entitled "Right to Vote on Taxes Act" which added Article XIIID to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for the formation and administration of assessment districts. Proposition 218 also requires that with certain specified exceptions, which are described below, all existing assessment districts must be ratified by the property owners within the District using the new procedures.

Some of these exceptions include:

1) Any assessment imposed exclusively to finance the capital cost or maintenance and operation expenses for streets.
2) Any assessments levied pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed.

However, even if assessments are initially exempt from Proposition 218, if the assessments are increased in the future, the City will need to comply with the provisions of Proposition 218 for that portion of the increased assessment unless the increase in assessment was anticipated in the assessment formula (e.g., CPI increase).

Proposition 218 does not define this term "streets", however, following the passage of Proposition 218 based on conversations with other public agency officials, attorneys, assessment engineers and Senate Bill 919, we determined that "streets" include all public improvements located within the street right-of-way. This would include median and parkway landscaping, traffic signals, safety lighting and street lighting.

It was also determined that if assessments were imposed as a condition of development and property owners agreed to the imposition of assessments and subsequently signed a development agreement confirming so, then this would suffice for the requirement of signing a petition.

The more difficult question arose in those situations where the levy of assessments was imposed as a condition of approval for land development or subdivision where the property owner did not enter into a development agreement. In those cases, if the landscape, park, or street light facilities and the resulting assessment were a condition of the land development or subdivisions approval and the property owner acquiesces to the levy of assessment, it is reasoned that this was a functional equivalent of giving express consent or signing a petition requesting the imposition of the assessment. Even the Howard Jarvis Taxpayers' Association seems to tacitly support this conclusion in its "Statement of Drafters' Intent". When discussing the exemption for existing assessments imposed pursuant to a petition, the taxpayers' association said:

> "This provision exempts most land secured financing arrangements used by developers."

Clearly acceptance of a condition of approval of a development or subdivision which requires that imposition of assessments is a common form of land secured financing used by developers to fund street lighting or landscape maintenance.

STATEMENT OF ASSESSMENT ENGINEER

Statement of Assessment Engineer

AGENCY: **CITY OF TRACY**

PROJECT: **CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT**

TO: **THE CITY COUNCIL**
CITY OF TRACY
STATE OF CALIFORNIA

ENGINEER'S REPORT FOR FISCAL YEAR 2023-24

The preparation of this Annual Engineer's Report ("Report") is in conformance with the obligation of the City Council for the Consolidated Landscape Maintenance District of the City of Tracy to provide landscape maintenance services upon each lot or parcel of land in the district in proportion to the estimated benefit to be received by each such lot or parcel of land for Fiscal Year 2023-24.

Pursuant to the Landscaping and Lighting Act of 1972 (Part 2 Division 15 of the Streets and Highways Code of the State of California, commencing with Section 22500) ("Act"), Article XIIID, Section 4(a) of the State of California Constitution, and in accordance with the City of Tracy's Resolution being adopted by the City Council for the Consolidated Landscape Maintenance District on the 6th day of June, this Report has been ordered for:

CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT

(Hereinafter referred to as the "District"),

I, Alison Bouley, authorized representative of the District, the duly appointed Assessment Engineer submit the following Report which consists of the following six (6) parts and Appendices:

PART I

Plans and Specifications: Plans and specifications for the improvements are as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk and are incorporated herein by reference.

PART II

Estimate of Cost: An estimate of the costs of the proposed improvements, including incidental costs and expenses in connection therewith, is as set forth on the lists thereof, attached hereto, and are on file in the Office of the City Clerk and incorporated herein by reference.

PART III

Quantification of Benefit: The quantification of benefit identifies, separates and quantifies the general and special benefits received by each parcel in the District, for the services received and the improvements provided.

PART IV

Method of Assessment: The method of assessment indicates the proposed levy of the net amount of the costs and expenses of the improvements to be levied upon the parcels of land within the District, in proportion to the estimated benefits to be received by such parcels.

PART V

Assessment Diagram: The diagram of the district and zone boundaries showing the exterior boundaries of the Assessment District and all Zones, and the lines and dimensions of each lot or parcel of land within the Assessment District. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of San Joaquin for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report. Appendix A describes the Improvement Areas of the District by Zone. Appendix B provides the Consolidated Landscape Maintenance District Map.

PART VI

Assessment Roll: An assessment of the estimated cost of the improvements on each benefiting lot or parcel of land within the District. The proposed Assessment Roll using the Fiscal Year 2023-24 assessment rates are included in this Report as Appendix C.

Appendices

Appendix A – Improvement Areas by Zone

Appendix B – Consolidated Landscape Maintenance District Map

Appendix C – Assessment Roll

In conclusion, it is my opinion that the costs and expenses of the District have been assessed to the lots and parcels within the boundaries of the District in proportion to the estimated benefits to be received by each lot or parcel from the services provided.

DATED this ____ day of _____, 2023

Harris & Associates

_____

Alison Bouley, P.E., Assessment Engineer
R.C.E. No. C61383
Engineer of Work

PART I – PLANS AND SPECIFICATIONS

DESCRIPTION OF IMPROVEMENTS
FOR THE CITY OF TRACY
CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT
FISCAL YEAR 2023-24

The District assessments provide for the continued maintenance, servicing, administration and operation of specific landscaped areas and associated appurtenances for each of the forty-one (41) Zones in the District. It has been determined that the assessed parcels within each Zone receive special benefits from various landscape improvements that may include, but are not limited to: ground cover, turf, shrubs, trees, irrigation systems, drainage and electrical systems, masonry walls or other fencing, entryway monuments or other ornamental structures, recreational equipment, hardscapes and any associated appurtenances within medians, parkways, dedicated easements, channel-ways, parks or open space areas within each Zone. Services provided include the necessary operations, administration, and maintenance required to keep the improvements in a healthy, vigorous, and satisfactory condition or are necessary or convenient for the maintenance of the improvements. The continued maintenance of these improvements shall be budgeted and reviewed each fiscal year and fully or partially funded through the annual assessments. A listing of the improvement areas for each Zone is shown in Appendix A.

All assessable parcels identified as being within each Zone share in both the cost and the benefits of the improvements. The costs and expenses associated with the improvements in each Zone are equitably spread among all benefitting parcels within that Zone and only parcels that receive special benefit from the improvements are assessed in proportion to benefit received. The funds collected from the assessments are dispersed and used for the services and operations provided within the District. Properties receive the following special benefits from the District landscape improvements:

- Enhanced desirability of properties through association with the improvements and the aesthetic value of green space within the area.
- Improved aesthetic appeal of properties providing a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.
- Environmental enhancement through improved erosion resistance, dust and debris control and reduced noise and air pollution.
- Reduced vandalism and criminal activity resulting from well-maintained surroundings and amenities.
- The special enhancements of the properties that results from the above benefits.

The proposed budgets and maintenance costs for various Zones may include the following long-term cyclical maintenance programs:

1. Tree Maintenance Programs (Arterial, Parkway Street and Park Tree Maintenance);
2. Streetscape Revitalization and Rehabilitation Program and;
3. Park Rehabilitation and Renovation Program.

The total amount to provide these programs in each Zone where these services apply is greater than can be conveniently raised from a single annual assessment and the estimated costs of these programs for each Zone shall be raised and collected in installments as part of the annual assessments. The individual Budget pages for each Zone detail the amounts collected and/or expended each year.

The City developed these programs to fund periodic and programmed maintenance, renovation, rehabilitation, replacement and revitalization of District improvements. The City has carefully reviewed each of the associated program costs and the corresponding collection of funds has been proportionately spread to each parcel based on special benefits received from the services to be rendered within their Zone over an extended period.

Tree Maintenance Program

The Tree Maintenance program may include both routine and emergency maintenance for the District trees, whether those trees are along streets or within parks. In the Zones assessed for this program, the following may apply:

1. Parkway street-tree maintenance, targets the trees associated with individual properties within the District installed by the City or developer that are located in the public right- of-way or City easement which the District is responsible for maintaining. This program addresses two specific maintenance issues:
    - Regular trimming and pruning of the street-trees. This program is designed to trim and prune all street-trees within the applicable Zones on a five to seven year rotation or as needed to ensure the health and growth of the trees.
    - Removal and replacement of the street-trees. The program provides for the removal and replacement of damaged or diseased trees as needed, or removal of trees whose growth has, or will potentially cause damage to existing structures such as underground utilities or sidewalks. This program may also include the replacement or repair of surrounding City improvements as needed.
2. Arterial-tree maintenance, targets the trees associated with the parkways and medians on the arterial streets adjacent to or surrounding the Zones. Similar to the parkway street-tree program, this program addresses two specific maintenance issues:
    - Regular trimming and pruning of the arterial-trees, which includes trimming and pruning of the arterial-trees as needed to ensure the health and growth of the trees.
    - Removal and replacement of the arterial-trees, including the removal or replacement of damaged or diseased trees as needed, or removal of trees whose growth has or will potentially cause damage to existing landscape improvements, sidewalks or curbs. This program may include replacement or repair of surrounding City improvements as needed.
3. Park-tree maintenance, targets the trees within the various Parks of the District/Zones. Similar to the parkway and arterial street-tree program, this program addresses two specific maintenance issues:
    - Regular trimming and pruning of the Park-trees, which includes trimming and pruning of the trees as needed to ensure the health and growth of the trees.

- Removal and replacement of the Park-trees, including the removal or replacement of damaged or diseased trees, or removal of trees whose growth has or will potentially cause damage to existing landscape improvements, sidewalks or curbs. This program may include the replacement or repair of surrounding City improvements as needed.

Assessments for the tree maintenance program shall be collected from only those parcels and Zones identified as receiving special benefit from each of the specific services provided. Each parcel within the District that benefits from the various tree maintenance services is assessed on an annual installment basis to meet its proportional share of the cost and expenses associated with the tree maintenance, which is planned every five to seven years, depending upon Zone funding availability.

Streetscape Revitalization and Rehabilitation Program

The Streetscape Revitalization and Rehabilitation program includes, but is not limited to the following and may include routine or emergency maintenance.

1. Removal or replacement of existing dead/dying plant materials within the medians and parkway-landscaped areas.
2. Removal of existing plant materials and replacement with new plant material or non-plant materials within the medians and parkway-landscaped areas.
3. Upgrades or renovation to the irrigation or drainage systems, electrical systems or water meters, hardscape improvements associated with the landscaping such as confirmed City sound walls, walking paths, soil and stamped concrete.

Assessments for the streetscape program shall be collected from only those parcels and Zones identified as receiving special benefit from parkway and median landscaped areas. Each parcel within the District that benefits from the streetscape revitalization and rehabilitation services is assessed on an annual installment basis to meet its proportional share of the cost and expenses associated with the program, which is planned every ten years. This program is designed to ensure the long-term maintenance of all streetscape landscaping within the District.

Park Rehabilitation and Renovation Program

There are specific costs associated the annual and regular maintenance of park improvements and facilities which are included in the annual maintenance expenses of those Zones that benefit from the parks associated with that Zone. However, the cost of periodically repairing, replacing, and upgrading the landscaping and facilities within these parks cannot be reasonably collected in a single annual assessment. Therefore, the City has established a long-term park rehabilitation and renovation program that includes the design repair and reconstruction of parks within the District.

The program anticipates revitalization design in the 13th year of a park's life, with the revitalization occurring in the 15th year. Each parcel within the District that benefits from the park rehabilitation and renovation services is assessed on an annual installment basis to meet its proportional share of the cost and expenses associated with the program. However, with current inflation rates, the majority of Zones are unable to keep up with the accelerating maintenance costs.

The costs of providing for the annual and regular maintenance of the landscape improvements as well as the long-term maintenance programs for the District have been identified as a special benefit to properties within the District. Although the location of the improvements may be visible to properties outside the District or to the public at large, the improvements have been installed and are maintained for the benefit of properties within the District. As such, there is no quantifiable general benefit from the improvements to persons or properties outside the District. The portion of the costs associated with the maintenance of the Channel-ways and the landscaped areas on Eleventh Street, generally between Lammers Road and the Railroad Tracks east of Corral Hollow Road, benefit both properties within the adjacent Zones as well as properties that are not within the District and it has been determined that the City will contribute funds to the District for the maintenance of these areas.

The assessments and Method of Assessment described in this Report utilize commonly accepted assessment engineering practices and have been established pursuant to the 1972 Act and the provisions of Proposition 218. The assessment amount for each Zone is based only on the services and improvements associated with that Zone. All assessments are apportioned based upon the special benefit received by the properties within each Zone and are over and above any general benefit conferred on the public at large. Any new or increased assessments will be subject to the substantive and procedural requirements of Proposition 218. Property owner ballot proceedings are not required if the proposed annual assessment rate is less than or equal to the maximum assessment rate previously approved for each of the Zones.

In any given fiscal year, if the assessment revenue will not allow for full maintenance service in a particular Zone, City staff will determine the scope of work to be performed, and any necessary reductions in the scope of work will likely include, but not be limited to, the reduction or elimination of the long-term renovation and rehabilitation programs and some or all of the following:

Turf Areas

- Reduced frequency of mowing and edging turf areas. Full scope includes mowing and edging turf areas regularly.
- No fertilization. Full scope includes fertilization multiple times a year. Limited/elimination of weed control.
- Limited/elimination of aeration.

Ground Cover/Shrub Areas

- Limited/elimination of emergent weed control. No fertilization.
- Limited/elimination of mowing or removal of dead plants and leaves.
- Limited/elimination of vine trimming.

General Landscaping

- Limited/elimination of removal of tree stakes and ties. Limited/elimination of trash pick-up in landscaping areas.
- Limited/elimination of weed and litter control for gutters, curbs, parking lots and walkways and adjacent to contract areas.
- Administration and operations of the landscaping Zones.

The proposed assessments described in this Report are based on the estimated costs associated with the regular annual maintenance, operation and servicing of landscape improvements within each Zone. The total cost of these improvements are proportionately spread to only the properties within each respective Zone based on a method of apportionment that reflects the direct and proportional special benefits to each property. In addition to the regular annual maintenance of the landscape improvements, various Zone budgets include the collection of funds associated with specific long-term maintenance and rehabilitation programs identified as: Tree Maintenance Programs; Streetscape Revitalization and Rehabilitation Program; and Park Rehabilitation and Renovation Program. The funds collected for these programs are proportionally collected from only those Zones for which these programs are provided.

The word "parcel", for the purposes of this Report, refers to an individual property assigned its own Assessment Parcel Number by the San Joaquin County Assessor's Office. The San Joaquin County Auditor/Controller uses Assessment Parcel Numbers and specific Fund Numbers to identify, on the tax roll, properties assessed for special district benefit assessments.

PART II – ESTIMATE OF COSTS

The estimated costs of maintenance and servicing the improvements for the District as described in Part B, Plans and Specifications, for each Zone are summarized in the Zone budget tables on pages 13-53. A summary table of consolidated costs for all 41 Zones in the District is provided on page 54 of this Report.

The following is a description of the budget items including maintenance, replacement, power costs for supplying electrical energy for the illumination of the decorative lights, irrigation systems, City administrative and personnel services for the annual administration, San Joaquin County costs related to placing assessments onto the tax roll, and any Reserve collections.

Description of Budget Items

Personnel – 5100

- *Field & Supervisory Personnel.* The cost associated to City staff for providing non-scheduled repairs, graffiti removal, operations and maintenance of the improvements, etc. within the Zones.

Contracted Services – 5200

- *Contracted Maintenance Contracts.* Includes all regularly scheduled labor, material, e.g. fertilizer, insecticides, etc., and equipment required to properly maintain and ensure the satisfactory condition of all landscaping, irrigation and drainage systems, and appurtenant facilities.

- *Utilities.* The cost of water, sewer, and electrical utilities necessary to maintain improvements within the Zones.

- *County Collection Fee.* The cost to the Consolidated District for the County to collect the assessments on the property tax bills. Cost is the lesser of $3.00 per parcel or 1% of the total amount placed onto the tax roll.

- *LMD Administration.* The costs of contracting with professionals to provide services specific to the levy administration, including preparation of the Engineer's Report, resolutions, and levy submittal to the County. These fees can also include any additional administrative, legal, or engineering services specific to the District such as the cost to prepare and mail notices of the public meeting and hearing.

Materials – 5300

- *Supplies.* Includes supplies to maintain or repair irrigation system, playgrounds, plant material, etc.

Capital Project – 5600

- *Capital Improvement Projects.* These costs include the long-term replacement costs of improvements that cannot be paid for during a single fiscal year. Funds are collected over several years to pay for replacement costs.

Overhead – 5900

- Business expense not chargeable to a particular part of the District (ex: insurance, etc.)

Internal Service - 5400

Indirect Costs. Incidental costs and expenses of the City associated with the operation and administration of the District and the cost of maintenance, services and incidentals not included above. (ex. vehicle or building maintenance)

Long-Term Cyclical Maintenance. Includes the following and will be reflected in the 5200 or 5300 category for the year the funds will be expensed.

- *Streetscape Revitalization & Rehabilitation.* This represents the zone's annual installment for participation in the Streetscape Revitalization and Rehabilitation program.
- *Arterial Street Tree Maintenance.* This represents the zone's annual installment for participation in the Arterial Street Tree Maintenance program.
- *Street Tree Maintenance.* This represents the zone's annual installment for participation in the Street Tree Maintenance program.
- *Park Tree Maintenance.* This represents the zone's annual installment for participation in the Tree Maintenance program, specific to Parks.
- *Park Rehabilitation & Renovation.* This represents the zone's annual installment for participation in the Park Rehabilitation and Renovation program.

Zone Reserve Adjustments. Each Zone has its own Reserve Fund and monies are used from the Reserve Funds to reduce assessment amounts to individual parcels or to contribute to the Zone Reserve Funds, whether Operating Reserves or Capital Reserves.

County Collection Fee. The cost to the Consolidated District for the County to collect the assessments on the property tax bills. Cost is the lesser of $3.00 per parcel or 1% of the total amount placed onto the tax roll.

G. F. – Capital Improvement Projects. These costs include the long-term replacement costs of improvements that cannot be paid for during a single fiscal year. Funds are collected over several years to pay for those replacement costs. This also includes the City's contribution to the Zones for any general benefit that the improvements within the Zones may have impact on other properties or the public at large.

Zone Reserve Adjustments. Each Zone has its own Reserve Fund and monies are used from the Reserve Funds to reduce assessment amounts to individual parcels or to contribute to the Zone Reserve Funds, whether Operating Reserves or Capital Reserves.

Drainage Fund Support. Represents the City's contribution to the Zones for any channel way that the improvements within the Zones may have impact on other properties or the public at large.

Balance to Levy. This is the total amount to be levied and collected through assessments for the current fiscal year. It represents the sum of Total Expenses and Other Revenues subtracting the General Fund Support and the Drainage Fund Support.

Variance. A variance may be seen between the Levy per EDU and the Maximum Levy per EDU. The variance occurs because the Special Assessments required to meet expenses for the current fiscal year are below the maximum level. The Maximum Levy per EDU is based upon the total expenses for all improvements both existing and those planned for the future.

Total Parcels Levied. The total number of parcels within the Zones that will receive the special benefits during the current fiscal year.

Total EDUs. The total Equivalent Dwelling Units within the Zones applied to the parcels described above.

Proposed Levy per EDU. This amount represents the rate being applied to each parcel's individual EDU. The Levy per EDU is the result of dividing the "Special Assessment to Levy" by the Total EDUs of the Zones for the fiscal year. This rate is rounded to the nearest even pennies.

Maximum Levy per EDU. This is the rate per EDU approved by property owners within the Zone, in accordance with Proposition 218, adjusted for inflation as described in the Method of Apportionment. This rate is rounded to the nearest penny.

Budget Tables

Budget tables for each zone and a summary table for the District are presented on the following pages. The following footnotes apply to all the Budgets:

1. Direct Costs for 2024-25 are equal to the current year's proposed amount plus 3% escalation to account for inflation. This is shown as an estimate only.
2. Administration Costs for 2024-25 are equal to the current year's proposed amount plus 3% escalation to account for inflation, except for the County Collection Fee, which is equal to the lesser of $3 per parcel or 1% of the levy amount.
3. Levy Adjustments for 2024-25 are equal to the current year's proposed amount plus 3% escalation to account for inflation, except for the Zone Reserve Adjustments, which equals the amount necessary to maintain the assessment rate that is at or below the maximum allowable assessment rate for that year.
4. The Maximum Assessment Rate for 2024-25 is equal to the current year's Maximum Assessment Rate, plus 3% escalation for inflation. The actual escalation rate is detailed on page 59 of this Report, Assessment Range Formula.
5. The Beginning Fund Balances shown on each Budget page includes both the Operating and Cyclical Reserve amounts, and are projections of the April 2023 year-to-date estimates.

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 1

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$2,226	$2,293
Contracted Services - 5200	$29,897	$30,794
Materials - 5300	$242	$249
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$32,365**	**$33,336**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$570	$587
Internal Services - 5400	$5,134	$5,288
County Collection Fee	$429	$442
TOTAL ADMINISTRATION	**$6,133**	**$6,317**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$38,498**	**$39,653**
GF - Capital Improvement Projects	($8,273)	$0
Zone Reserves Adjustment	$13,166	$5,024
General Fund - 101	$0	$0
Storm Drain Fund - 101	($522)	($522)
TOTAL ADJUSTMENTS	**$4,371**	**$4,502**
Balance to Levy	**$42,869**	**$44,155**
Total Revenue at Maximum Rate	**$42,869**	**$44,155**
Variance above/(below) Maximum Revenue	$0	$0
DISTRICT STATISTICS		
Total Parcels	294	294
Total Parcels Levied	294	294
Total EDUs	617.00	617.00
Total EDUs Levied	617.00	617.00
Proposed Levy per EDU	**$69.48**	$71.56
Max Levy per EDU [4]	$69.48	$71.56
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$88,740	$101,906
Reserve Fund Adjustment	$13,166	$5,024
Projected Reserve Fund Balance Fiscal Year 2023/24	**$101,906**	**$106,930**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 2

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$2,226	$2,293
Contracted Services - 5200	$15,280	$15,738
Materials - 5300	$242	$249
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$17,748**	**$18,280**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$570	$587
Internal Services - 5400	$2,220	$2,287
County Collection Fee	$130	$134
TOTAL ADMINISTRATION	**$2,920**	**$3,007**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$20,668**	**$21,288**
GF - Capital Improvement Projects	($3,988)	$0
Zone Reserves Adjustment	($3,717)	($7,936)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($7,705)**	**($7,936)**
Balance to Levy	**$12,963**	**$13,351**
Total Revenue at Maximum Rate	**$12,963**	**$13,351**
Variance above/(below) Maximum Revenue	($0)	$0
DISTRICT STATISTICS		
Total Parcels	125	125
Total Parcels Levied	125	125
Total EDUs	125.00	125.00
Total EDUs Levied	125.00	125.00
Proposed Levy per EDU	**$103.70**	$106.81
Max Levy per EDU [4]	$103.70	$106.81
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$18,248	$14,531
Reserve Fund Adjustment	($3,717)	($7,936)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$14,531**	**$6,595**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 3

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$111,280	$114,618
Contracted Services - 5200	$181,477	$186,921
Materials - 5300	$12,081	$12,443
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$304,838**	**$313,983**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$28,480	$29,334
Internal Services - 5400	$150,210	$154,716
County Collection Fee	$4,436	$4,569
TOTAL ADMINISTRATION	**$183,126**	**$188,620**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$487,964**	**$502,603**
GF - Capital Improvement Projects	($68,758)	$0
Zone Reserves Adjustment	$25,881.23	($44,184)
General Fund - 101	$0	$0
Storm Drain Fund - 101	($1,453)	($1,453)
TOTAL ADJUSTMENTS	**($44,330)**	**($45,637)**
Balance to Levy	**$443,634**	**$456,966**
Total Revenue at Maximum Rate	**$443,656**	**$456,966**
Variance above/(below) Maximum Revenue	($23)	$0
DISTRICT STATISTICS		
Total Parcels	2,293	2,293
Total Parcels Levied	2,293	2,293
Total EDUs	2,878.87	2,878.87
Total EDUs Levied	2,878.87	2,878.87
Proposed Levy per EDU	**$154.10**	$158.73
Max Levy per EDU [4]	$154.11	$158.73
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$277,297	$303,178
Reserve Fund Adjustment	25,881	(44,184)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$303,178**	**$258,994**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 4

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$1,669	$1,719
Contracted Services - 5200	$530	$546
Materials - 5300	$181	$186
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$2,380**	**$2,451**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$427	$440
Internal Services - 5400	$637	$656
County Collection Fee	$86	$89
TOTAL ADMINISTRATION	**$1,150**	**$1,185**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$3,530**	**$3,636**
GF - Capital Improvement Projects	($86)	$0
Zone Reserves Adjustment	$5,196	$5,263
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$5,110**	**$5,263**
Balance to Levy	**$8,640**	**$8,899**
Total Revenue at Maximum Rate	**$22,192**	**$22,857**
Variance above/(below) Maximum Revenue	($13,552)	($13,958)
DISTRICT STATISTICS		
Total Parcels	144	144
Total Parcels Levied	144	144
Total EDUs	144.00	144.00
Total EDUs Levied	144.00	144.00
Proposed Levy per EDU	**$60.00**	$61.80
Max Levy per EDU [4]	$154.11	$158.73
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$7,431	$12,627
Reserve Fund Adjustment	$5,196	$5,263
Projected Reserve Fund Balance Fiscal Year 2023/24	**$12,627**	**$17,889**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 5

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$0	$0
Contracted Services - 5200	$227	$234
Materials - 5300	$0	$0
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$227**	**$234**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$0	$0
Internal Services - 5400	$0	$0
County Collection Fee	$0	$0
TOTAL ADMINISTRATION	**$0**	**$0**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$227**	**$234**
GF - Capital Improvement Projects	$0	$0
Zone Reserves Adjustment	($227)	($234)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($227)**	**($234)**
Balance to Levy	**$0**	**$0**
Total Revenue at Maximum Rate	**$10,633**	**$10,952**
Variance above/(below) Maximum Revenue	($10,633)	($10,952)
DISTRICT STATISTICS		
Total Parcels	69	69
Total Parcels Levied	69	69
Total EDUs	69.00	69.00
Total EDUs Levied	69.00	69.00
Proposed Levy per EDU	**$0.00**	$0.00
Max Levy per EDU [4]	$154.11	$158.73
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$21,688	$21,461
Reserve Fund Adjustment	($227)	($234)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$21,461**	**$21,227**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 6

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$0	$0
Contracted Services - 5200	$3,815	$3,929
Materials - 5300	$0	$0
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$3,815**	**$3,929**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$0	$0
Internal Services - 5400	$328	$338
County Collection Fee	$0	$0
TOTAL ADMINISTRATION	**$328**	**$338**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$4,143**	**$4,267**
GF - Capital Improvement Projects	($200)	$0
Zone Reserves Adjustment	$542	($4,267)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$342**	**($4,267)**
Balance to Levy	**$4,485**	**$0**
Total Revenue at Maximum Rate	**$6,912**	**$7,119**
Variance above/(below) Maximum Revenue	($2,427)	($7,119)
DISTRICT STATISTICS		
Total Parcels	2	2
Total Parcels Levied	2	2
Total EDUs	44.85	44.85
Total EDUs Levied	44.85	44.85
Proposed Levy per EDU	**$100.00**	$103.00
Max Levy per EDU [4]	$154.11	$158.73
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$12,611	$13,153
Reserve Fund Adjustment	$542	($4,267)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$13,153**	**$8,886**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 7

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$61,204	$63,040
Contracted Services - 5200	$120,014	$123,614
Materials - 5300	$6,645	$6,844
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$187,863**	**$193,499**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$15,664	$16,134
Internal Services - 5400	$69,581	$71,668
County Collection Fee	$2,443	$2,517
TOTAL ADMINISTRATION	**$87,688**	**$90,319**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$275,551**	**$283,818**
GF - Capital Improvement Projects	($45,663)	$0
Zone Reserves Adjustment	$16,259	($30,325)
General Fund - 101	$0	$0
Storm Drain Fund - 101	($1,807)	($1,807)
TOTAL ADJUSTMENTS	**($31,211)**	**($32,132)**
Balance to Levy	**$244,340**	**$251,686**
Total Revenue at Maximum Rate	**$244,355**	**$251,686**
Variance above/(below) Maximum Revenue	($15)	$0
DISTRICT STATISTICS		
Total Parcels	1,171	1,171
Total Parcels Levied	1,171	1,171
Total EDUs	1,272.34	1,272.34
Total EDUs Levied	1,272.34	1,272.34
Proposed Levy per EDU	**$192.04**	$197.80
Max Levy per EDU [4]	$192.05	$197.81
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$139,885	$156,144
Reserve Fund Adjustment	$16,259	($30,325)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$156,144**	**$125,819**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 8

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$6,120	$6,304
Contracted Services - 5200	$31,012	$31,942
Materials - 5300	$664	$684
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$37,796**	**$38,930**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$1,566	$1,613
Internal Services - 5400	$16,255	$16,743
County Collection Fee	$421	$433
TOTAL ADMINISTRATION	**$18,242**	**$18,789**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$56,038**	**$57,719**
GF - Capital Improvement Projects	($11,477)	$0
Zone Reserves Adjustment	($420)	($12,315)
General Fund - 101	$0	$0
Storm Drain Fund - 101	($2,084)	($2,084)
TOTAL ADJUSTMENTS	**($13,981)**	**($14,398)**
Balance to Levy	**$42,057**	**$43,321**
Total Revenue at Maximum Rate	**$42,059**	**$43,321**
Variance above/(below) Maximum Revenue	($3)	$0
DISTRICT STATISTICS		
Total Parcels	219	219
Total Parcels Levied	219	219
Total EDUs	219.00	219.00
Total EDUs Levied	219.00	219.00
Proposed Levy per EDU	**$192.04**	$197.80
Max Levy per EDU [4]	$192.05	$197.81
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	($181,900)	($182,320)
Reserve Fund Adjustment	($420)	($12,315)
Projected Reserve Fund Balance Fiscal Year 2023/24	**($182,320)**	**($194,635)**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 9

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$77,896	$80,233
Contracted Services - 5200	$301,361	$310,402
Materials - 5300	$8,457	$8,711
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$387,714**	**$399,345**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$19,936	$20,534
Internal Services - 5400	$178,169	$183,514
County Collection Fee	$4,210	$4,336
TOTAL ADMINISTRATION	**$202,315**	**$208,384**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$590,029**	**$607,730**
GF - Capital Improvement Projects	($340,916)	$0
Zone Reserves Adjustment	$175,703	($170,249)
General Fund - 101	$0	$0
Storm Drain Fund - 101	($3,817)	($3,817)
TOTAL ADJUSTMENTS	**($169,030)**	**($174,066)**
Balance to Levy	**$420,999**	**$433,664**
Total Revenue at Maximum Rate	**$421,033**	**$433,664**
Variance above/(below) Maximum Revenue	($34)	$0
DISTRICT STATISTICS		
Total Parcels	2,369	2,369
Total Parcels Levied	2,369	2,369
Total EDUs	2,444.82	2,444.82
Total EDUs Levied	2,444.82	2,444.82
Proposed Levy per EDU	**$172.20**	$177.37
Max Levy per EDU [4]	$172.21	$177.38
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	($400,758)	($225,055)
Reserve Fund Adjustment	$175,703	($170,249)
Projected Reserve Fund Balance Fiscal Year 2023/24	**($225,055)**	**($395,304)**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 10

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$52,858	$54,444
Contracted Services - 5200	$113,049	$116,440
Materials - 5300	$5,739	$5,911
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$171,646**	**$176,795**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$13,528	$13,934
Internal Services - 5400	$35,229	$36,286
County Collection Fee	$2,249	$2,316
TOTAL ADMINISTRATION	**$51,006**	**$52,536**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$222,652**	**$229,331**
GF - Capital Improvement Projects	($50,935)	$0
Zone Reserves Adjustment	$61,082	$10,220
General Fund - 101	$0	$0
Storm Drain Fund - 101	($7,927)	(7,927)
TOTAL ADJUSTMENTS	**$2,220**	**$2,293**
Balance to Levy	**$224,872**	**$231,624**
Total Revenue at Maximum Rate	**$224,878**	**$231,624**
Variance above/(below) Maximum Revenue	($6)	$0
DISTRICT STATISTICS		
Total Parcels	317	317
Total Parcels Levied	317	317
Total EDUs	2,193.45	2,193.45
Total EDUs Levied	2,193.45	2,193.45
Proposed Levy per EDU	**$102.52**	$105.60
Max Levy per EDU [4]	$102.52	$105.60
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$92,007	$153,089
Reserve Fund Adjustment	$61,082	$10,220
Projected Reserve Fund Balance Fiscal Year 2023/24	**$153,089**	**$163,309**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 11

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$556	$573
Contracted Services - 5200	$923	$951
Materials - 5300	$60	$62
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$1,539**	**$1,585**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$142	$146
Internal Services - 5400	$103	$106
County Collection Fee	$19	$19
TOTAL ADMINISTRATION	**$264**	**$272**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$1,803**	**$1,857**
GF - Capital Improvement Projects	($794)	$0
Zone Reserves Adjustment	$852	$60
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$58**	**$60**
Balance to Levy	**$1,861**	**$1,917**
Total Revenue at Maximum Rate	**$1,861**	**$1,917**
Variance above/(below) Maximum Revenue	($0)	$0
DISTRICT STATISTICS		
Total Parcels	1	1
Total Parcels Levied	1	1
Total EDUs	18.15	18.15
Total EDUs Levied	18.15	18.15
Proposed Levy per EDU	**$102.52**	$105.60
Max Levy per EDU [4]	$102.52	$105.60
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	($1,481)	($629)
Reserve Fund Adjustment	$852	$60
Projected Reserve Fund Balance Fiscal Year 2023/24	**($629)**	**($569)**

City of Tracy
Consolidated Landscape Maintenance District
Proposed Budget for Fiscal Year 2023-24

Zone 12

	Proposed Budget FY 2023-24	Forecasted Budget FY 2024-25
DIRECT COSTS [1]		
Personnel - 5100	$30,602	$31,520
Contracted Services - 5200	$45,327	$46,687
Materials - 5300	$3,322	$3,422
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$79,251**	**$81,629**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$7,832	$8,067
Internal Services - 5400	$28,379	$29,230
County Collection Fee	$1,003	$1,033
TOTAL ADMINISTRATION	**$37,214**	**$38,331**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$116,465**	**$119,959**
GF - Capital Improvement Projects	($23,626)	$0
Zone Reserves Adjustment	$7,528	($16,623)
Special Tax Support	$0	$0
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($16,098)**	**($16,623)**
Balance to Levy	**$100,327**	**$103,337**
Total Revenue at Maximum Rate	**$147,142**	**$151,556**
Variance above/(below) Maximum Revenue	($46,815)	($48,220)
DISTRICT STATISTICS		
Total Parcels	103	103
Total Parcels Levied	103	103
Total EDUs	1,003.27	1,003.27
Total EDUs Levied	1,003.27	1,003.27
Proposed Levy per EDU	**$100.00**	$103.00
Max Levy per EDU [4]	$146.66	$151.06
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$211,997	$219,525
Reserve Fund Adjustment	$7,528	($16,623)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$219,525**	**$202,902**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 13		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$52,858	$54,444
Contracted Services - 5200	$36,883	$37,989
Materials - 5300	$7,739	$7,971
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$97,480**	**$100,404**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$13,528	$13,934
Internal Services - 5400	$33,626	$34,635
County Collection Fee	$1,374	$1,415
TOTAL ADMINISTRATION	**$48,528**	**$49,983**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$146,008**	**$150,388**
GF - Capital Improvement Projects	($2,534)	$0
Zone Reserves Adjustment	($6,119)	($8,909)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($8,653)**	**($8,909)**
Balance to Levy	**$137,355**	**$141,478**
Total Revenue at Maximum Rate	**$137,358**	**$141,478**
Variance above/(below) Maximum Revenue	($3)	$0
DISTRICT STATISTICS		
Total Parcels	418	418
Total Parcels Levied	418	418
Total EDUs	418.00	418.00
Total EDUs Levied	418.00	418.00
Proposed Levy per EDU	**$328.60**	$338.47
Max Levy per EDU [4]	$328.61	$338.47
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$495,808	$489,689
Reserve Fund Adjustment	($6,119)	($8,909)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$489,689**	**$480,780**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 14		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$20,587	$21,205
Contracted Services - 5200	$15,829	$16,304
Materials - 5300	$2,235	$2,302
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$38,651**	**$39,811**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$5,269	$5,427
Internal Services - 5400	$24,083	$24,805
County Collection Fee	$669	$689
TOTAL ADMINISTRATION	**$30,021**	**$30,921**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$68,672**	**$70,732**
GF - Capital Improvement Projects	($1,429)	$0
Zone Reserves Adjustment	($359)	($1,840)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($1,788)**	**($1,840)**
Balance to Levy	**$66,884**	**$68,892**
Total Revenue at Maximum Rate	**$66,885**	**$68,892**
Variance above/(below) Maximum Revenue	($1)	$0
DISTRICT STATISTICS		
Total Parcels	369	369
Total Parcels Levied	369	369
Total EDUs	371.00	371.00
Total EDUs Levied	371.00	371.00
Proposed Levy per EDU	**$180.28**	$185.69
Max Levy per EDU [4]	$180.28	$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$32,563	$32,204
Reserve Fund Adjustment	($359)	($1,840)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$32,204**	**$30,364**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 15		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$55,640	$57,309
Contracted Services - 5200	$103,965	$107,084
Materials - 5300	$31,041	$31,972
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$190,646**	**$196,365**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$14,240	$14,667
Internal Services - 5400	$105,739	$108,911
County Collection Fee	$2,543	$2,619
TOTAL ADMINISTRATION	**$122,522**	**$126,198**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$313,168**	**$322,563**
GF - Capital Improvement Projects	($11,797)	$0
Zone Reserves Adjustment	($47,054)	($60,612)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($58,851)**	**($60,612)**
Balance to Levy	**$254,317**	**$261,952**
Total Revenue at Maximum Rate	**$254,322**	**$261,952**
Variance above/(below) Maximum Revenue	($5)	$0
DISTRICT STATISTICS		
Total Parcels	1,209	1,209
Total Parcels Levied	1,209	1,209
Total EDUs	1,410.68	1,410.68
Total EDUs Levied	1,410.68	1,410.68
Proposed Levy per EDU	**$180.28**	$185.69
Max Levy per EDU [4]	$180.28	$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$76,263	$29,209
Reserve Fund Adjustment	($47,054)	($60,612)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$29,209**	**($31,402)**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 16		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$13,910	$14,327
Contracted Services - 5200	$32,517	$33,493
Materials - 5300	$3,510	$3,615
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$49,937**	**$51,435**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$3,560	$3,667
Internal Services - 5400	$15,922	$16,400
County Collection Fee	$559	$576
TOTAL ADMINISTRATION	**$20,041**	**$20,642**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$69,978**	**$72,077**
GF - Capital Improvement Projects	($560)	$0
Zone Reserves Adjustment	($13,531)	($14,513)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($14,091)**	**($14,513)**
Balance to Levy	**$55,887**	**$57,564**
Total Revenue at Maximum Rate	**$55,888**	**$57,564**
Variance above/(below) Maximum Revenue	($1)	$0
DISTRICT STATISTICS		
Total Parcels	310	310
Total Parcels Levied	310	310
Total EDUs	310.00	310.00
Total EDUs Levied	310.00	310.00
Proposed Levy per EDU	**$180.28**	$185.69
Max Levy per EDU [4]	$180.28	$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$125,801	$112,270
Reserve Fund Adjustment	($13,531)	($14,513)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$112,270**	**$97,757**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 17		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$222,559	$229,236
Contracted Services - 5200	$107,784	$111,018
Materials - 5300	$43,162	$44,457
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$373,505**	**$384,710**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$56,959	$58,668
Internal Services - 5400	$87,498	$90,123
County Collection Fee	$3,207	$3,303
TOTAL ADMINISTRATION	**$147,664**	**$152,094**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$521,169**	**$536,804**
GF - Capital Improvement Projects	($50,500)	$0
Zone Reserves Adjustment	($149,950)	($206,462)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($200,450)**	**($206,462)**
Balance to Levy	**$320,720**	**$330,342**
Total Revenue at Maximum Rate	**$320,721**	**$330,342**
Variance above/(below) Maximum Revenue	($1)	$0
DISTRICT STATISTICS		
Total Parcels	1,129	1,129
Total Parcels Levied	1,129	1,129
Total EDUs	1,542.96	1,542.96
Total EDUs Levied	1,542.96	1,542.96
Proposed Levy per EDU	**$207.86**	$214.10
Max Levy per EDU [4]	$207.86	$214.10
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$1,059,493	$859,043
Reserve Fund Adjustment	($200,450)	($206,462)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$859,043**	**$652,581**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 18		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$33,384	$34,386
Contracted Services - 5200	$86,557	$89,154
Materials - 5300	$23,624	$24,333
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$143,565**	**$147,872**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$8,544	$8,800
Internal Services - 5400	$18,437	$18,990
County Collection Fee	$1,255	$1,293
TOTAL ADMINISTRATION	**$28,236**	**$29,083**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$171,801**	**$176,955**
GF - Capital Improvement Projects	($30,487)	$0
Zone Reserves Adjustment	($15,822)	($47,691)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($46,309)**	**($47,691)**
Balance to Levy	**$125,492**	**$129,264**
Total Revenue at Maximum Rate	**$125,500**	**$129,264**
Variance above/(below) Maximum Revenue	($8)	$0
DISTRICT STATISTICS		
Total Parcels	968	968
Total Parcels Levied	968	968
Total EDUs	977.65	977.65
Total EDUs Levied	977.65	977.65
Proposed Levy per EDU	**$128.36**	$132.21
Max Levy per EDU [4]	$128.37	$132.22
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$238,146	$222,324
Reserve Fund Adjustment	($15,822)	($47,691)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$222,324**	**$174,633**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 19		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$44,512	$45,847
Contracted Services - 5200	$81,117	$83,551
Materials - 5300	$14,832	$15,277
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$140,461**	**$144,675**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$11,392	$11,734
Internal Services - 5400	$44,844	$46,189
County Collection Fee	$1,752	$1,805
TOTAL ADMINISTRATION	**$57,988**	**$59,728**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$198,449**	**$204,402**
GF - Capital Improvement Projects	($9,260)	$0
Zone Reserves Adjustment	($13,988)	($23,938)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($23,248)**	**($23,938)**
Balance to Levy	**$175,201**	**$180,464**
Total Revenue at Maximum Rate	**$175,208**	**$180,464**
Variance above/(below) Maximum Revenue	($7)	$0
DISTRICT STATISTICS		
Total Parcels	507	507
Total Parcels Levied	507	507
Total EDUs	743.51	743.51
Total EDUs Levied	743.51	743.51
Proposed Levy per EDU	**$235.64**	$242.72
Max Levy per EDU [4]	$235.65	$242.72
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$649,747	$635,759
Reserve Fund Adjustment	($13,988)	($23,938)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$635,759**	**$611,821**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 20		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$5,564	$5,731
Contracted Services - 5200	$16,071	$16,553
Materials - 5300	$604	$622
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$22,239**	**$22,906**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$1,424	$1,467
Internal Services - 5400	$6,894	$7,101
County Collection Fee	$349	$360
TOTAL ADMINISTRATION	**$8,667**	**$8,927**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$30,906**	**$31,833**
GF - Capital Improvement Projects	($2,135)	$0
Zone Reserves Adjustment	$6,141	$4,709
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$4,006**	**$4,709**
Balance to Levy	**$34,912**	**$35,959**
Total Revenue at Maximum Rate	**$41,135**	**$42,369**
Variance above/(below) Maximum Revenue	($6,223)	($6,410)
DISTRICT STATISTICS		
Total Parcels	168	168
Total Parcels Levied	168	168
Total EDUs	174.56	174.56
Total EDUs Levied	174.56	174.56
Proposed Levy per EDU	**$200.00**	$206.00
Max Levy per EDU [4]	$235.65	$242.72
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$144,751	$150,892
Reserve Fund Adjustment	$6,141	$4,709
Projected Reserve Fund Balance Fiscal Year 2023/24	**$150,892**	**$155,601**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 21		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$5,564	$5,731
Contracted Services - 5200	$54,806	$56,450
Materials - 5300	$604	$622
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$60,974**	**$62,803**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$1,424	$1,467
Internal Services - 5400	$30,218	$31,125
County Collection Fee	$699	$720
TOTAL ADMINISTRATION	**$32,341**	**$33,312**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$93,315**	**$96,115**
GF - Capital Improvement Projects	($860)	$0
Zone Reserves Adjustment	($22,506)	($24,067)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($23,366)**	**($24,067)**
Balance to Levy	**$69,949**	**$72,048**
Total Revenue at Maximum Rate	**$69,950**	**$72,048**
Variance above/(below) Maximum Revenue	($1)	$0
DISTRICT STATISTICS		
Total Parcels	388	388
Total Parcels Levied	388	388
Total EDUs	388.00	388.00
Total EDUs Levied	388.00	388.00
Proposed Levy per EDU	**$180.28**	$185.69
Max Levy per EDU [4]	$180.28	$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$61,750	$39,244
Reserve Fund Adjustment	($22,506)	($24,067)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$39,244**	**$15,178**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 22		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$15,023	$15,474
Contracted Services - 5200	$16,605	$17,103
Materials - 5300	$1,631	$1,680
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$33,259**	**$34,257**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$3,845	$3,960
Internal Services - 5400	$6,223	$6,410
County Collection Fee	$386	$397
TOTAL ADMINISTRATION	**$10,454**	**$10,767**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$43,713**	**$45,024**
GF - Capital Improvement Projects	($2,328)	$0
Zone Reserves Adjustment	($2,805)	($5,286)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($5,133)**	**($5,286)**
Balance to Levy	**$38,580**	**$39,738**
Total Revenue at Maximum Rate	**$38,581**	**$39,738**
Variance above/(below) Maximum Revenue	($1)	$0
DISTRICT STATISTICS		
Total Parcels	214	214
Total Parcels Levied	214	214
Total EDUs	214.00	214.00
Total EDUs Levied	214.00	214.00
Proposed Levy per EDU	**$180.28**	$185.69
Max Levy per EDU [4]	$180.28	$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$77,560	$74,755
Reserve Fund Adjustment	($2,805)	($5,286)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$74,755**	**$69,469**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 23		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$15,023	$15,474
Contracted Services - 5200	$30,143	$31,047
Materials - 5300	$6,631	$6,830
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$51,797**	**$53,351**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$3,845	$3,960
Internal Services - 5400	$8,913	$9,180
County Collection Fee	$654	$674
TOTAL ADMINISTRATION	**$13,412**	**$13,815**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$65,209**	**$67,166**
GF - Capital Improvement Projects	($5,281)	$0
Zone Reserves Adjustment	$5,514	$240
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$233**	**$240**
Balance to Levy	**$65,442**	**$67,406**
Total Revenue at Maximum Rate	**$65,443**	**$67,406**
Variance above/(below) Maximum Revenue	($1)	$0
DISTRICT STATISTICS		
Total Parcels	363	363
Total Parcels Levied	363	363
Total EDUs	363.00	363.00
Total EDUs Levied	363.00	363.00
Proposed Levy per EDU	**$180.28**	$185.69
Max Levy per EDU [4]	$180.28	$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$143,356	$148,870
Reserve Fund Adjustment	$5,514	$240
Projected Reserve Fund Balance Fiscal Year 2023/24	**$148,870**	**$149,111**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 24		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$89,024	$91,695
Contracted Services - 5200	$55,314	$56,973
Materials - 5300	$59,665	$61,455
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$204,003**	**$210,123**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$22,784	$23,468
Internal Services - 5400	$39,953	$41,152
County Collection Fee	$1,081	$1,114
TOTAL ADMINISTRATION	**$63,818**	**$65,733**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$267,821**	**$275,856**
GF - Capital Improvement Projects	$0	$0
Zone Reserves Adjustment	($159,677)	($164,462)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($159,677)**	**($164,462)**
Balance to Levy	**$108,144**	**$111,394**
Total Revenue at Maximum Rate	**$108,149**	**$111,393**
Variance above/(below) Maximum Revenue	($5)	$1
DISTRICT STATISTICS		
Total Parcels	600	600
Total Parcels Levied	600	600
Total EDUs	600.00	600.00
Total EDUs Levied	600.00	600.00
Proposed Levy per EDU	**$180.24**	$185.66
Max Levy per EDU [4]	$180.25	$185.66
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$364,512	$204,835
Reserve Fund Adjustment	($159,677)	($164,462)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$204,835**	**$40,373**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 25		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$0	$0
Contracted Services - 5200	$0	$0
Materials - 5300	$0	$0
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$0**	**$0**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$0	$0
Internal Services - 5400	$0	$0
County Collection Fee	$0	$0
TOTAL ADMINISTRATION	**$0**	**$0**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$0**	**$0**
GF - Capital Improvement Projects	$0	$0
Zone Reserves Adjustment	$0	$0
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$0**	**$0**
Balance to Levy	**$0**	**$0**
Total Revenue at Maximum Rate	**$0**	**$0**
Variance above/(below) Maximum Revenue	$0	$0
DISTRICT STATISTICS		
Total Parcels	438	438
Total Parcels Levied	0	0
Total EDUs	438.00	438.00
Total EDUs Levied	0.00	0.00
Proposed Levy per EDU	**$0.00**	$0.00
Max Levy per EDU [4]	$0.00	$0.00
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$0	$0
Reserve Fund Adjustment	$0	$0
Projected Reserve Fund Balance Fiscal Year 2023/24	**$0**	**$0**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 26		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$55,640	$57,309
Contracted Services - 5200	$137,540	$141,666
Materials - 5300	$26,041	$26,822
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$219,221**	**$225,798**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$14,240	$14,667
Internal Services - 5400	$70,681	$72,801
County Collection Fee	$2,622	$2,700
TOTAL ADMINISTRATION	**$87,543**	**$90,169**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$306,764**	**$315,967**
GF - Capital Improvement Projects	($12,708)	$0
Zone Reserves Adjustment	($29,505)	($43,468)
General Fund - 101	$0	$0
Storm Drain Fund - 101	($2,390)	($2,462)
TOTAL ADJUSTMENTS	**($44,604)**	**($45,930)**
Balance to Levy	**$262,160**	**$270,036**
Total Revenue at Maximum Rate	**$262,171**	**$270,036**
Variance above/(below) Maximum Revenue	($11)	$0
DISTRICT STATISTICS		
Total Parcels	1,130	1,130
Total Parcels Levied	1,130	1,130
Total EDUs	1,130.00	1,130.00
Total EDUs Levied	1,130.00	1,130.00
Proposed Levy per EDU	**$232.00**	$238.97
Max Levy per EDU [4]	$232.01	$238.97
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$378,569	$349,064
Reserve Fund Adjustment	($29,505)	($43,468)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$349,064**	**$305,596**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 27		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$0	$0
Contracted Services - 5200	$9,102	$9,375
Materials - 5300	$2,000	$2,060
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$11,102**	**$11,435**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$0	$0
Internal Services - 5400	$3,316	$3,415
County Collection Fee	$165	$170
TOTAL ADMINISTRATION	**$3,481**	**$3,585**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$14,583**	**$15,020**
GF - Capital Improvement Projects	($500)	$0
Zone Reserves Adjustment	$2,382	$1,939
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$1,882**	**$1,939**
Balance to Levy	**$16,465**	**$16,959**
Total Revenue at Maximum Rate	**$98,947**	**$101,915**
Variance above/(below) Maximum Revenue	($82,482)	($84,956)
DISTRICT STATISTICS		
Total Parcels	116	116
Total Parcels Levied	116	116
Total EDUs	548.84	548.84
Total EDUs Levied	548.84	548.84
Proposed Levy per EDU	**$30.00**	$30.90
Max Levy per EDU [4]	$180.28	$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$71,536	$73,918
Reserve Fund Adjustment	$2,382	$1,939
Projected Reserve Fund Balance Fiscal Year 2023/24	**$73,918**	**$75,857**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 28		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$50,076	$51,578
Contracted Services - 5200	$50,186	$51,692
Materials - 5300	$25,436	$26,199
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$125,698**	**$129,469**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$12,816	$13,200
Internal Services - 5400	$17,519	$18,045
County Collection Fee	$992	$1,021
TOTAL ADMINISTRATION	**$31,327**	**$32,266**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$157,025**	**$161,735**
GF - Capital Improvement Projects	($240)	$0
Zone Reserves Adjustment	($57,631)	($59,605)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($57,871)**	**($59,605)**
Balance to Levy	**$99,154**	**$102,130**
Total Revenue at Maximum Rate	**$99,156**	**$102,130**
Variance above/(below) Maximum Revenue	($2)	$0
DISTRICT STATISTICS		
Total Parcels	550	550
Total Parcels Levied	550	550
Total EDUs	550.00	550.00
Total EDUs Levied	550.00	550.00
Proposed Levy per EDU	**$180.28**	$185.69
Max Levy per EDU [4]	$180.28	$185.69
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$389,091	$331,460
Reserve Fund Adjustment	($57,631)	($59,605)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$331,460**	**$271,856**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 29		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$16,692	$17,193
Contracted Services - 5200	$48,451	$49,905
Materials - 5300	$1,812	$1,866
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$66,955**	**$68,964**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$4,272	$4,400
Internal Services - 5400	$24,228	$24,955
County Collection Fee	$847	$873
TOTAL ADMINISTRATION	**$29,347**	**$30,228**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$96,302**	**$99,191**
GF - Capital Improvement Projects	($10,718)	$0
Zone Reserves Adjustment	($847)	($11,909)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($11,565)**	**($11,909)**
Balance to Levy	**$84,737**	**$87,283**
Total Revenue at Maximum Rate	**$84,740**	**$87,283**
Variance above/(below) Maximum Revenue	($4)	$0
DISTRICT STATISTICS		
Total Parcels	496	496
Total Parcels Levied	496	496
Total EDUs	496.00	496.00
Total EDUs Levied	496.00	496.00
Proposed Levy per EDU	**$170.84**	$175.97
Max Levy per EDU [4]	$170.85	$175.97
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	($8,772)	($9,619)
Reserve Fund Adjustment	($847)	($11,909)
Projected Reserve Fund Balance Fiscal Year 2023/24	**($9,619)**	**($21,528)**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 30		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$11,128	$11,462
Contracted Services - 5200	$24,575	$25,312
Materials - 5300	$6,208	$6,394
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$41,911**	**$43,168**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$2,848	$2,933
Internal Services - 5400	$14,482	$14,916
County Collection Fee	$587	$605
TOTAL ADMINISTRATION	**$17,917**	**$18,455**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$59,828**	**$61,623**
GF - Capital Improvement Projects	($4,449)	$0
Zone Reserves Adjustment	$3,348	($1,132)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($1,101)**	**($1,132)**
Balance to Levy	**$58,727**	**$60,492**
Total Revenue at Maximum Rate	**$58,730**	**$60,492**
Variance above/(below) Maximum Revenue	($2)	$0
DISTRICT STATISTICS		
Total Parcels	166	166
Total Parcels Levied	166	166
Total EDUs	166.00	166.00
Total EDUs Levied	166.00	166.00
Proposed Levy per EDU	**$353.78**	$364.40
Max Levy per EDU [4]	$353.79	$364.41
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$229,251	$232,599
Reserve Fund Adjustment	$3,348	($1,132)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$232,599**	**$231,468**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 31		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$0	$0
Contracted Services - 5200	$0	$0
Materials - 5300	$0	$0
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$0**	**$0**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$0	$0
Internal Services - 5400	$0	$0
County Collection Fee	$0	$0
TOTAL ADMINISTRATION	**$0**	**$0**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$0**	**$0**
GF - Capital Improvement Projects	$0	$0
Zone Reserves Adjustment	$0	$0
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$0**	**$0**
Balance to Levy	**$0**	**$0**
Total Revenue at Maximum Rate	**$6,632**	**$6,831**
Variance above/(below) Maximum Revenue	($6,632)	($6,831)
DISTRICT STATISTICS		
Total Parcels	1	1
Total Parcels Levied	0	0
Total EDUs	27.75	27.75
Total EDUs Levied	0.00	0.00
Proposed Levy per EDU	**$0.00**	$0.00
Max Levy per EDU [4]	$238.98	$246.15
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$606	$606
Reserve Fund Adjustment	$0	$0
Projected Reserve Fund Balance Fiscal Year 2023/24	**$606**	**$606**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 32		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$0	$0
Contracted Services - 5200	$0	$0
Materials - 5300	$0	$0
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$0**	**$0**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$0	$0
Internal Services - 5400	$0	$0
County Collection Fee	$0	$0
TOTAL ADMINISTRATION	**$0**	**$0**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$0**	**$0**
GF - Capital Improvement Projects	$0	$0
Zone Reserves Adjustment	$0	$0
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$0**	**$0**
Balance to Levy	**$0**	**$0**
Total Revenue at Maximum Rate	**$43,582**	**$44,889**
Variance above/(below) Maximum Revenue	($43,582)	($44,889)
DISTRICT STATISTICS		
Total Parcels	2	2
Total Parcels Levied	0	0
Total EDUs	222.68	222.68
Total EDUs Levied	0.00	0.00
Proposed Levy per EDU	**$0.00**	$0.00
Max Levy per EDU [4]	$195.72	$201.59
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$0	$0
Reserve Fund Adjustment	$0	$0
Projected Reserve Fund Balance Fiscal Year 2023/24	**$0**	**$0**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 33		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$11,128	$11,462
Contracted Services - 5200	$7,347	$7,567
Materials - 5300	$1,208	$1,244
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$19,683**	**$20,273**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$2,848	$2,933
Internal Services - 5400	$9,810	$10,104
County Collection Fee	$0	$0
TOTAL ADMINISTRATION	**$12,658**	**$13,038**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$32,341**	**$33,311**
GF - Capital Improvement Projects	($5,309)	$0
Zone Reserves Adjustment	($27,032)	($33,311)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($32,341)**	**($33,311)**
Balance to Levy	**$0**	**$0**
Total Revenue at Maximum Rate	**$645,644**	**$665,013**
Variance above/(below) Maximum Revenue	($645,644)	($665,013)
DISTRICT STATISTICS		
Total Parcels	35	35
Total Parcels Levied	33	33
Total EDUs	2,715.41	2,715.41
Total EDUs Levied	2,715.41	2,715.41
Proposed Levy per EDU	**$0.00**	$0.00
Max Levy per EDU [4]	$237.77	$244.90
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$532,063	$505,031
Reserve Fund Adjustment	($27,032)	($33,311)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$505,031**	**$471,720**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 34		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$5,564	$5,731
Contracted Services - 5200	$13,209	$13,605
Materials - 5300	$604	$622
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$19,377**	**$19,958**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$1,424	$1,467
Internal Services - 5400	$2,411	$2,483
County Collection Fee	$228	$235
TOTAL ADMINISTRATION	**$4,063**	**$4,185**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$23,440**	**$24,143**
GF - Capital Improvement Projects	($6,947)	$0
Zone Reserves Adjustment	$6,328	($637)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($619)**	**($637)**
Balance to Levy	**$22,821**	**$23,507**
Total Revenue at Maximum Rate	**$22,822**	**$23,507**
Variance above/(below) Maximum Revenue	($1)	$0
DISTRICT STATISTICS		
Total Parcels	9	9
Total Parcels Levied	9	9
Total EDUs	84.10	84.10
Total EDUs Levied	84.10	84.10
Proposed Levy per EDU	**$271.36**	$279.50
Max Levy per EDU [4]	$271.37	$279.51
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	($2,531)	$3,797
Reserve Fund Adjustment	$6,328	($637)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$3,797**	**$3,160**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 35		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$27,820	$28,655
Contracted Services - 5200	$16,912	$17,419
Materials - 5300	$13,020	$13,411
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$57,752**	**$59,485**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$7,120	$7,334
Internal Services - 5400	$21,906	$22,563
County Collection Fee	$856	$882
TOTAL ADMINISTRATION	**$29,882**	**$30,779**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$87,634**	**$90,263**
GF - Capital Improvement Projects	($5,714)	$0
Zone Reserves Adjustment	$3,707	($2,067)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($2,007)**	**($2,067)**
Balance to Levy	**$85,627**	**$88,196**
Total Revenue at Maximum Rate	**$85,627**	**$88,196**
Variance above/(below) Maximum Revenue	$0	$0
DISTRICT STATISTICS		
Total Parcels	190	190
Total Parcels Levied	190	190
Total EDUs	313.08	313.08
Total EDUs Levied	313.08	313.08
Proposed Levy per EDU	**$273.50**	$281.70
Max Levy per EDU [4]	$273.50	$281.70
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$39,703	$43,410
Reserve Fund Adjustment	$3,707	($2,067)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$43,410**	**$41,343**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 36		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$0	$0
Contracted Services - 5200	$0	$0
Materials - 5300	$0	$0
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$0**	**$0**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$0	$0
Internal Services - 5400	$0	$0
County Collection Fee	$0	$0
TOTAL ADMINISTRATION	**$0**	**$0**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$0**	**$0**
GF - Capital Improvement Projects	$0	$0
Zone Reserves Adjustment	$0	$0
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$0**	**$0**
Balance to Levy	**$0**	**$0**
Total Revenue at Maximum Rate	**$7,382**	**$7,603**
Variance above/(below) Maximum Revenue	($7,382)	($7,603)
DISTRICT STATISTICS		
Total Parcels	1	1
Total Parcels Levied	0	0
Total EDUs	72.00	72.00
Total EDUs Levied	0.00	0.00
Proposed Levy per EDU	**$0.00**	$0.00
Max Levy per EDU [4]	$102.52	$105.60
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$2,184	$2,184
Reserve Fund Adjustment	$0	$0
Projected Reserve Fund Balance Fiscal Year 2023/24	**$2,184**	**$2,184**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 37		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$0	$0
Contracted Services - 5200	$0	$0
Materials - 5300	$0	$0
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$0**	**$0**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$0	$0
Internal Services - 5400	$0	$0
County Collection Fee	$0	$0
TOTAL ADMINISTRATION	**$0**	**$0**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$0**	**$0**
GF - Capital Improvement Projects	$0	$0
Zone Reserves Adjustment	$0	$0
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$0**	**$0**
Balance to Levy	**$0**	**$0**
Total Revenue at Maximum Rate	**$7,792**	**$8,025**
Variance above/(below) Maximum Revenue	($7,792)	($8,025)
DISTRICT STATISTICS		
Total Parcels	10	10
Total Parcels Levied	0	0
Total EDUs	76.00	76.00
Total EDUs Levied	0.00	0.00
Proposed Levy per EDU	**$0.00**	$0.00
Max Levy per EDU [4]	$102.52	$105.60
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$4,812	$4,812
Reserve Fund Adjustment	$0	$0
Projected Reserve Fund Balance Fiscal Year 2023/24	**$4,812**	**$4,812**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 40		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$1,669	$1,719
Contracted Services - 5200	$2,532	$2,608
Materials - 5300	$181	$186
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$4,382**	**$4,513**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$427	$440
Internal Services - 5400	$1,660	$1,710
County Collection Fee	$47	$49
TOTAL ADMINISTRATION	**$2,134**	**$2,198**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$6,516**	**$6,712**
GF - Capital Improvement Projects	($1,760)	$0
Zone Reserves Adjustment	($46)	($1,860)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($1,806)**	**($1,860)**
Balance to Levy	**$4,710**	**$4,851**
Total Revenue at Maximum Rate	**$4,710**	**$4,851**
Variance above/(below) Maximum Revenue	($0)	$0
DISTRICT STATISTICS		
Total Parcels	1	1
Total Parcels Levied	1	1
Total EDUs	9.00	9.00
Total EDUs Levied	9.00	9.00
Proposed Levy per EDU	**$523.32**	$539.02
Max Levy per EDU [4]	$523.32	$539.02
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	($23,668)	($23,714)
Reserve Fund Adjustment	($46)	($1,860)
Projected Reserve Fund Balance Fiscal Year 2023/24	**($23,714)**	**($25,575)**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 41		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$111	$114
Contracted Services - 5200	$1,054	$1,086
Materials - 5300	$12	$12
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$1,177**	**$1,212**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$28	$29
Internal Services - 5400	$21	$22
County Collection Fee	$19	$19
TOTAL ADMINISTRATION	**$68**	**$70**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$1,245**	**$1,282**
GF - Capital Improvement Projects	($373)	$0
Zone Reserves Adjustment	$1,000	$647
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**$627**	**$647**
Balance to Levy	**$1,872**	**$1,929**
Total Revenue at Maximum Rate	**$1,872**	**$1,929**
Variance above/(below) Maximum Revenue	($0)	$0
DISTRICT STATISTICS		
Total Parcels	1	1
Total Parcels Levied	1	1
Total EDUs	4.15	4.15
Total EDUs Levied	4.15	4.15
Proposed Levy per EDU	**$451.20**	$464.75
Max Levy per EDU [4]	$451.20	$464.74
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$8,612	$9,612
Reserve Fund Adjustment	$1,000	$647
Projected Reserve Fund Balance Fiscal Year 2023/24	**$9,612**	**$10,258**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 42		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$8,346	$8,596
Contracted Services - 5200	$5,552	$5,719
Materials - 5300	$2,906	$2,993
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$16,804**	**$17,308**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$2,136	$2,200
Internal Services - 5400	$3,924	$4,042
County Collection Fee	$198	$204
TOTAL ADMINISTRATION	**$6,258**	**$6,446**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$23,062**	**$23,754**
GF - Capital Improvement Projects	($2,633)	$0
Zone Reserves Adjustment	($584)	($3,314)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($3,217)**	**($3,314)**
Balance to Levy	**$19,845**	**$20,440**
Total Revenue at Maximum Rate	**$30,401**	**$31,313**
Variance above/(below) Maximum Revenue	($10,556)	($10,873)
DISTRICT STATISTICS		
Total Parcels	2	2
Total Parcels Levied	2	2
Total EDUs	441.00	441.00
Total EDUs Levied	441.00	441.00
Proposed Levy per EDU	**$45.00**	$46.35
Max Levy per EDU [4]	$68.94	$71.01
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$56,491	$55,907
Reserve Fund Adjustment	($584)	($3,314)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$55,907**	**$52,593**

City of Tracy Consolidated Landscape Maintenance District Proposed Budget for Fiscal Year 2023-24		
Zone 43		
	Proposed Budget FY 2023-24	**Forecasted Budget FY 2024-25**
DIRECT COSTS [1]		
Personnel - 5100	$4,229	$4,356
Contracted Services - 5200	$4,244	$4,371
Materials - 5300	$459	$473
Capital Projects - 5600	$0	$0
TOTAL DIRECT	**$8,932**	**$9,200**
ADMINISTRATION COSTS [2]		
Overhead - 5900	$1,082	$1,114
Internal Services - 5400	$785	$809
County Collection Fee	$105	$108
TOTAL ADMINISTRATION	**$1,972**	**$2,031**
LEVY ADJUSTMENTS [3]		
TOTAL DIRECT AND ADMIN COSTS	**$10,904**	**$11,231**
GF - Capital Improvement Projects	($460)	$0
Zone Reserves Adjustment	$56	($416)
General Fund - 101	$0	$0
Storm Drain Fund - 101	$0	$0
TOTAL ADJUSTMENTS	**($404)**	**($416)**
Balance to Levy	**$10,500**	**$10,815**
Total Revenue at Maximum Rate	**$24,100**	**$24,823**
Variance above/(below) Maximum Revenue	($13,600)	($14,008)
DISTRICT STATISTICS		
Total Parcels	105	105
Total Parcels Levied	105	105
Total EDUs	105.00	105.00
Total EDUs Levied	105.00	105.00
Proposed Levy per EDU	**$100.00**	$103.00
Max Levy per EDU [4]	$229.52	$236.41
FUND BALANCE INFORMATION		
Reserve Fund		
Beginning Fund Balance Fiscal Year 2022/23	$38,939	$38,995
Reserve Fund Adjustment	$56	($416)
Projected Reserve Fund Balance Fiscal Year 2023/24	**$38,995**	**$38,579**

PART III – QUANTIFICATION OF BENEFIT

The Act allows cities to establish benefit zones for the purpose of providing certain public improvements which provide a special benefit to the parcels. This includes the construction, maintenance, and servicing of street lights, traffic signals, and landscaping facilities. Section 22573 of the Act requires that maintenance assessments be levied according to benefit rather than according to the assessed value of property. This section states:

> **"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.**
>
> — Streets and Highways Code Section 22573

Section 22574 of the Act permits the designation of zones of benefit within any individual assessment district if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements."

In addition, Proposition 218, the "Right to Vote on Taxes Act," which was approved on the November 1996 Statewide ballot and added Article XIIID to the California Constitution, requires that a parcel's assessment not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Proposition 218 provides that only special benefits are assessable and the City must separate the general benefits from the special benefits. In addition, Proposition 218 also requires that publicly owned property which benefits from the improvements be assessed, unless there is clear and definite evidence that those properties receive no special benefit. Exempted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-ways, public greenbelts and public parkways.

The amount to be assessed may be apportioned by any formula or method which fairly distributes the amount among all assessable lots or parcels. Additionally, it's required that the City separate the general benefits from the special benefits, because only special benefits may be assessed. The quantification and separation of general benefit from special benefits follows for each of the Zones and associated benefit areas.

PART IV – METHOD OF ASSESSMENT

General

The Method of Assessment outlines the formula by which property that receives special benefit from the improvements and services provided will be assessed annually. The Method of Assessment for the District follows:

Each parcel within the District is deemed to receive special benefit from the landscaping improvements. Each parcel that has a special benefit conferred upon it as a result of the maintenance and operation of the improvements is identified and the proportionate special benefit derived by each identified parcel is determined in relationship to the entirety of the costs of the maintenance, operation, and servicing of the improvements.

Each parcel is assigned a weighting factor known as an Equivalent Dwelling Unit (EDU) to identify the parcel's proportionate special benefit from the improvements. Each parcel's EDU is calculated based on the parcel's land use, development status and/or size as compared to other parcels that are associated with the improvements. All single-family residential properties are assigned an EDU of 1.00, and all other property types are assigned an EDU proportionate to the special benefits they receive as compared to this single-family residential property. The total EDU's in a Zone is divided into the total amount to be assessed (Balance to Levy) to establish the Levy per EDU (Rate). This Rate is then multiplied by the parcel's individual EDU to establish the parcel's levy amount.

The following formulas are used to calculate each property's assessment:

Total Balance to Levy ÷ Total EDUs = Levy per EDU

Levy per EDU x Parcel EDU = Parcel Levy Amount

The formula used for each Zone reflects the composition of the parcels and properties, and the services provided, to accurately proportion the costs based on estimated special benefit to each parcel. The total Levy per EDU will vary between Zones due to the different costs to maintain the improvements within each Zone and the number of EDU within the Zone.

Land Use Classifications

Every parcel within the District is assigned a land use classification based on available parcel information obtained from the County Assessor's Office and City records. To assess benefits equitably, it is necessary to relate the different type of parcel improvements to each other. The Equivalent Dwelling Unit method of assessment apportionment uses the single-family home site as the basic unit of assessment. A single-family home site equals one Equivalent Dwelling Unit (EDU). Every other land use is converted to EDU's based on an assessment formula that equates the property's specific development status, type of development (land use), and size of the property, as compared to a single-family home site.

The EDU method of apportioning benefit is typically seen as the most appropriate and equitable assessment methodology for districts formed under the 1972 Act, as the benefit to each parcel from the improvements are apportioned as a function of land use type, size and development.

Single-Family Residential Subdivided Lot. This land use is defined as a fully subdivided residential home site with or without a structure. This land use is assessed 1.00 EDU per lot or parcel. This is the base value that all other land use types are compared and weighted against.

Planned-Residential Subdivision. This land use is defined as any property not fully subdivided, but has a specific number of proposed residential lots to be developed on the parcel (approved tract map). This land use type is assessed at 1.00 EDU per planned (proposed) residential lot.

Vacant, Undeveloped Private Property. This land use is defined as vacant property (undeveloped) that is not a fully subdivided residential lot or planned residential subdivision. This land use is assessed at 4.00 EDU per acre. Parcels less than 0.25 acres are assigned a minimum of 1.00 EDU. In Zones 10, 11, 36 and 37 this land use is assessed at 5.00 EDU per acre. Parcels less than 0.20 acres are assigned a minimum of 1.00 EDU.

Developed Non-Residential. This land use is defined as property developed for non-residential use, including, but not limited to, commercial and industrial properties, offices, churches and not-for-profit institutions and private schools. This land use type is assessed at 5.00 EDU per gross acre. Parcels less than 0.20 acres are assigned a minimum of 1.00 EDU.

Developed Multiple Residential Units. This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the property. This land use is assessed 1.00 EDU per unit for properties that the number of units can be identified. For properties that the number of units cannot be identified the property is assessed as Developed Commercial/Industrial property at 5.00 EDU per gross acre, but a minimum of 1.00 EDU.

Undeveloped, Public Property. This land use identifies properties that are exempt and are assigned 0.00 EDU. This land use classification may include, but is not limited to lots or parcels identified as:

- Public streets and other roadways (typically not assigned an APN by the County);
- Dedicated public easements such as utility right-of-ways, detention basins, channel ways, greenbelts, parkways, parks and open space areas;
- Privately owned property that cannot be developed or is associated with another property such as common areas, sliver parcels and bifurcated lots or properties that have little or no land value;

These types of parcels are considered to receive little or no benefit from the improvements and are therefore exempted from assessment. Government-owned properties commonly identified as non-taxable properties by the County Assessor's Office are not exempt from District assessments unless:

- The property has restricted development or limited land use potential and the improvements clearly provide no benefit to the property; or
- The property provides additional or substantially similar improvements being provided by the District (such is the case with parks, open space areas and common areas).

Developed Public Property. This land use is defined as developed property owned by a public agency such as the City or by utility companies. This land use type is assessed at 0.30 EDU per gross acre.

Developed Regional Commercial. This land use is defined as property that has been designated for regional commercial development (i.e. Shopping mall). This land use type is assessed at 0.36 EDU per gross acre.

Restricted/Special Land Use. This land use classification identifies properties that benefit from the improvements, but cannot be fairly categorized by one of the other land use designations. This land use classification may include, but is not limited to:

- Developed Commercial/Industrial properties that only a small portion of the parcel has been developed;
- Properties identified as planned residential subdivisions, but currently have development restrictions; or
- Vacant properties with development limitations or development plans that identify large portions of the property as open space areas, parklands or similar exempt land uses.

The following table shows the EDU factors assigned to each property type in the District:

Property Type	Factor	Basis
Single Family Residential – Subdivided Lot	1.00	Parcel
Planned Residential Subdivision	1.00	Planned Lot
Vacant, Undeveloped Private Property [(1)]	4.00	Acre
Vacant, Undeveloped Private Property (Zones 10, 11, 36 & 37)[(1)]	5.00	Acre
Developed, Non-Residential Property	5.00	Acre
Developed, Multi-Family Residential	1.00	Unit
Undeveloped, Public Property [(2)]	0.00	Acre
Developed, Public Property [(3)]	0.30	Acre
Developed, Regional Commercial [(4)]	0.36	Acre

Notes

1. The Undeveloped Private property factor for Zones, 10, 11, 36 and 37 (5.00 EDU/Acre) reflects the more intense use of property within these Zones when the properties are developed as compared to property development in other Zones of the District, which are assigned a weighting factor of 4.00 EDU/Acre. It is important to note that the factors shown above are used to apportion the assessment within each specific Zone, not across the entire District and therefore this distinction is an appropriate reflection of these parcels' benefit compared to other property types within the respective Zones.
2. It has been determined that undeveloped public properties generally do not benefit from the improvements and services provided by the District and are not assessed. These types of properties generally include easements, detention basins, parks or properties that have little or no development potential and therefore receive no special benefits from the District improvements.
3. Developed Public properties typically receive comparatively less benefit from the improvements and services provided by the District, since the use and enhancement of these properties has little direct benefit from aesthetics of the local environment. The factor shown was originally established based on typical proportionate cost of service and hours of use for this land use type.

4. Regional Commercial properties have been assigned a reduced benefit because of their size and their more distant proximity to the District improvements. Additionally, due to the nature and hours of use, the benefit received by such properties from the improvements and services is substantially less than other developed properties. The factor shown was originally established based on a calculation of the proportionate cost of service, average floor area ratios, and hours of use.

Assessment Range Formula

The annual landscaping assessment shall be calculated for each parcel annually by multiplying each parcel's number of EDU's by the actual assessment rate for the specific fiscal year. The actual annual assessment rate levied in any fiscal year for the District may not exceed the maximum annual assessment rate for such fiscal year without receiving property owner approval for the increase. The actual assessment rate shall be as approved by the City Council, not to exceed the maximum annual assessment rate for such fiscal year, after a noticed public hearing has been conducted, as required by law.

In each year, starting in the first year after the consolidation of the District (2003-04), the maximum annual assessment rate for each Zone shall be increased in an amount equal to the lesser of: (1) three percent (3.0%), or (2) the annual percentage increase of the Local Consumer Price Index ("CPI") for All Urban Consumers, for the San Francisco-Oakland-Hayward Area.

Each fiscal year, the City shall identify the percentage difference between the CPI for June and the CPI for the previous June (or similar time period). This percentage difference shall then establish the range of increased assessments allowed based on CPI. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living.

The actual annual assessment rate and actual assessments levied in any fiscal year will be as approved by the City Council and may not exceed the maximum annual assessment rate for that fiscal year without property owner approval via a Proposition 218 compliant increase procedure.

The percentage difference for the CPI for the San Francisco-Oakland-Hayward Area June 2021 to June 2022 was 6.79%. The maximum assessment rates allowed for Fiscal Year 2023-24 therefore, have been adjusted by 3.00% over the prior year's maximum assessment rates.

PART V – ASSESSMENT DIAGRAM

The assessment diagrams for each Zone in the District are on file with the City's Office of the City Clerk and available for public inspection.

The lines and dimensions of each lot or parcel within each Zone are those lines and dimensions shown on the maps of the Assessor of the County of San Joaquin for the fiscal year to which this Report applies. The Assessor's maps and records are incorporated by reference herein and made part of this Report.

An overview map of the District showing the locations of each Zone is included herein as Appendix B.

PART VI – ASSESSMENT ROLL

The assessment set forth for each parcel is shown on the Assessment Roll for the District, submitted separately, as "Assessment Roll for the City of Tracy, Consolidated Landscape Maintenance District, Fiscal Year 2023-24", which exhibit is incorporated by reference herein as Appendix C under separate cover, and is on file in the Office of the City Clerk.

APPENDIX A – IMPROVEMENT AREAS BY ZONE

Zone 1 Sycamore subdivision on east side of Tracy Boulevard

Arterial Street Landscaping

Tracy Boulevard – Southeast corner of Tracy Boulevard and Central Avenue, north to 1688 S. Tracy Boulevard

Zone 2 Fairhaven subdivision on west side of Tracy Boulevard

Arterial Street Landscaping

S. Tracy Boulevard – West side, approximately 1,000 feet south of Valpico to Sycamore Parkway (Fairhaven subdivision)

Rockport Way – Median strip and side strips

Zone 3 Northwest section of Tracy, bordered by I-205 to the north, Byron Road to the south and O'Hare Drive to the east

Arterial Street Landscaping

Grant Line Road – North side from Corral Hollow Road to O'Hare Drive; south side from 1820 W. Grant Line Road, east to Lincoln Road; median island from Lincoln Road, west to Orchard Parkway; south side from Corral Hollow Road, west to Henley Parkway

Corral Hollow Road – West side from Grant Line Road, south to Byron Road; east side from Byron Road to approximately 150 feet north of Alegre; median island from Byron Road, north to Grant Line Road; east side from Grant Line Road, north to beginning of the channel way; median island on Corral Hollow Road, north of Grant Line Road to the Mall entrance

Kavanagh Avenue – South side from Corral Hollow Road, east to Golden Springs Drive

Lowell Avenue – Corral Hollow, west to Regency (both sides), north side from Henley Parkway heading west to the end of the sound wall; south side from Henley Parkway, west to Blandford Lane; median island from Corral Hollow Road, east to Lincoln Boulevard; south side from Corral Hollow Road, east to Promenade Circle; north side between the sound wall and curb, from Bridle Creek to Joe Pombo Parkway

Parkway; south side from east end of subdivision to the end of the soundwall/Joe Pombo Parkway; south side from Joe Pombo Parkway to Blandford Lane; south side from Promenade Circle, east to the end of the sound wall; northside from Henley Parkway, west to the end of the sound wall

Orchard Parkway – East side from Lowell Avenue to Grant Line Road; median island from Hillcrest, north to Joseph Damon Drive; west side from Lowell Avenue, north to approximately 500 feet north of Hillcrest, and from Joseph Damon Drive to Grant Line Road (to be weed free between curb and fence line); west side between curb and fence line, approximately 500 feet south of Joseph Damon Drive

Henley Parkway – East side between sound wall and curb, from Lowell Avenue to Bridle Creek Drive; west side from Lowell Avenue, north to the end of the sound wall (north of Giovanni)

Blandford Lane – East side from Lowell Avenue heading south to the end of the sound wall, including traffic circle at Lowell Avenue and Blandford Lane

Subdivision Landscaping

Arnaudo Village – Entryways at Lincoln Boulevard and Grant Line Road

Blossom Valley – Entryways at Travao Lane and Grant Line Road, including median-island

Foothill Ranch Estates – Entryway at Foothill Ranch Drive and Corral Hollow Road, including median-island

Woodfield Estates – Entryway at Fieldview, including north and south side sound wall and median strip along Fieldview; entryway at Promenade Circle, including west side of sound wall and median island

Sterling Estates – Alegre – north side and median-island

Pheasant Run – Entryways at Corral Hollow Road and Fieldview, including median-island; Annie Court adjacent to Fieldview, including south side of sound wall

Bridle Creek – Entryway at Lowell Avenue and Bridle Creek Circle, including median island on Bridle Creek Circle; entryway at Bridle Creek Circle and Joe Pombo Parkway

Entryways at Lowell Avenue and Oxford Way, including median-island on Oxford Way; entryway at Hampshire Lane, including median strip

Laurelbrook – Entryway at Laurelbrook Drive and Southbrook Lane, including median strip

Foothill Vista – Entryway at Hillcrest Drive between Orchard Parkway and Isabel Virginia

Countryside – Giovanni Lane, both sides, including median-island, from Henley Parkway, west to Rochester Street

Park Maintenance

Arnaudo Village – Slater Park on Suellen Drive

Buena Vista Estates – Kelly Park on Tammi Court

Foothill Ranch Estates – New Harmon Park on Hillcrest Drive

Laurelbrook – Dr. Ralph Allen Park at Veranda Court and Dorset Lane

Sterling Estates – Pombo Family Park on Joseph Damon Drive and Mary Alice Court

Park Atherton – Eagan Park on Oxford Lane and Lowell Avenue; Thrasher Park on Lowell Avenue and Joseph Menusa Lane; McCray Park on Fieldview Drive and Vivian Lane

Weed Abatement

Corral Hollow – Byron Road, north to Grant Line Road

Grant Line – North side from Corral Hollow Road heading west 500 feet from curb to 10 feet behind curb

Orchard Parkway – East side from Lowell Avenue to Hillcrest Drive curb to sidewalk; Orchard Parkway median island from Lowell Avenue to Grant Line Road

Pombo Parkway – East side from existing landscape, north to the end of the sound wall

Zone 4 **Located in front of the Summergate Apartments on Grant Line Road**

Weed Abatement

Grant Line Road – In front of apartment complex

Zone 5 **Located south of East Grant Line Road and east of Esther Drive.** No maintenance activity currently being performed

Zone 6 **Located on the southwest corner of Clover Drive and North Tracy Boulevard.** No maintenance activity currently being performed

Zone 7 **Located within the boundaries of 11th Street to the south, Corral Hollow Road, the SPRR tracks to the south and Hickory Avenue on the east**

Arterial Street Landscaping

Lauriana Lane – West side of Cypress Drive, south to Schulte Drive

Cypress Drive – North side from approximately 100 feet west of Hickory Avenue, west to Lauriana Lane; south side and median island from Lauriana Lane to Corral Hollow Road

Corral Hollow Road – East side approximately 300 feet north of Tennis Lane, south to the railroad tracks; east side, south from 11th Street to Cypress Drive (Safeway frontage only to include from face of curb to face of sidewalk); median strip from 11th Street, south to railroad tracks, south of Schulte Road; west side from Krohn Road, south to Cypress curb, to bike path

Schulte Road – From Corral Hollow Road heading east. The south side ends 1,000 feet before the railroad tracks. The north side ends at the railroad tracks and includes the median island

Subdivision Landscaping

Fox Hollow – Entryways at Tennis Lane and Lauriana Lane; entryways at Cypress Drive and Fox Hollow; entryways at Cypress Drive and Hunter's Trail; entryways at Tennis Lane and Corral Hollow Road, including median strip and two cul-de-sacs at Pheasant Run Court and Thomas Dehaven Court

Harvest Country West – Entryways at Raywood Lane, including median strip

Quail Meadows – Entryway at Golden Leaf Lane, including median strip; entryway at Quail Meadows, including median strip

Candlewood Estates – Entryway at Alden Glen Drive and Cypress Drive, including median strip

Corral Hollow Estates – Entryway at Lauriana Lane, both side, including median strip from Schulte Road, south approximately 92 feet

Park Maintenance

Fox Hollow – Kit Fox Park at Foxwood Court and Fox Hollow Way; Rippin Park at Tennis Lane and Firefly

Harvest Country West – Harvest Park at Birchwood Court and Fireside Lane

Candlewood Estates – Patzer Park at Alden Glen Drive and Meadowlark

Quail Meadows – Bailor-Hennan Park on Golden Leaf Lane

Weed Abatement

11th Street – Church frontage west of Alden Glen Drive, from face of curb to chain link fence

Schulte Road – from railroad tracks east of Lauriana Lane, heading west 1,000 feet to start of landscaping, 10 feet from the curb

Zone 8 **Located within the boundaries of Corral Hollow Road on the west and 11th Street on the south**

Arterial Street Landscaping

Belconte Drive – From 11th Street to Byron Road, east and west sides, including median-island

Redington Drive – Median-island, east and west of Belconte Drive

Byron Road – From Corral Hollow Road, west approximately 2,280 feet to the end of the subdivision sound wall

Corral Hollow Road – West side from Byron Road to 11th Street

Park Maintenance

Fabian – Fabian Park on Redington Drive

Zone 9 **Located west of Tracy Boulevard from the UPRR spur line to Corral Hollow Road on the west, and to the south, Edgewood and Brookview West subdivisions**

Arterial Street Landscaping

Tracy Boulevard – Circle B Ranch – west side from 245 feet north of Mt. Diablo Avenue, heading south past Schulte Road, approximately 650 feet to the end of the shopping center

Heritage subdivision – West side starting from approximately 200 feet north of Menay Drive, heading south to West Central Avenue

West side from Central Avenue heading south approximately 970 feet south of Valpico Road, next to the baseball field

West side from Sycamore Parkway heading south approximately 570 feet, to the end of the sound wall

Corral Hollow Road – From the railroad tracks south to Parkside drive, approximately 600 feet

Sycamore Parkway – West side and medians from Amberwood Lane south to Dove Lane; south of Central Avenue to Tracy Boulevard; west side, from Schulte Road, south to Amberwood Lane

Schulte Road – Median strip from Tracy Boulevard to railroad tracks; north side from Tracy Boulevard to Sycamore Parkway; south side from Tracy Boulevard to west end of shopping center; south side, from Sycamore Parkway, west to the end of the sound wall; south side from Sycamore Parkway, east to the shopping center

Valpico Road – Tracy Boulevard, both side, west to the City limits; median islands from Tracy Boulevard, west to the City limits

West Central Avenue – Median from Tracy Boulevard to Sycamore Parkway; north side from Tracy Boulevard, west to the end of Cedrus Drive

Subdivision Landscaping

Circle B Ranch – Entryways at Morris Phelps and Schulte Road; entryways at Mt. Diablo Avenue and Tracy Boulevard

Hearthstone – Entryways at Menay Drive and Tracy Boulevard; entryways at Amberwood Ln. and Sycamore Parkway cul-de-sac at Yorkshire Loop and Hampton Ct.

Regency Square – Entryways at Monument Drive, Tracy Boulevard and Sycamore Parkway; Monument Drive (north and south sides), including

Median islands at Monterey and Vintage Courts; cul-de-sac at southeast corner of Tahoe Court and northwest corner; cul-de-sacs at northeast and southwest corners of Tahoe Circle; court adjacent to Mt. Oso Mini Park on Henderson Court; court adjacent to Mt. Diablo Mini Park on Alpine Court

Muirfield – Entryway at Steinbeck; entryway at Petrig; cul-de-sac at Whitman Court; cul-de-sac at Longfellow Court; entryway at Dove Lane; median island on Chaplin, east and west of Sycamore Parkway; entry at Cagney; cul-de-sac at Shaw Creek; cul-de-sac at Williams Court; cul-de-sac at Bogart Court; cul-de-sac at Mansfield Court; cul-de-sac at Hepburn Court; entryway at Allegheny

Glen Creek – Entryway at Glen Creek Way

Greystone Station – Median-island at Windham; median-island at Sudley Drive

Harvest Glen – Entryway at Ray Harvey Drive; entryway at Meadow Lane; cul-de-sac at Cornucopia

Ironwood – Entryway at Monument Drive; walking path from Whitehaven Court, heading west to Mountain View Road; cul-de-sac at Newcastle Court; cul-de-sac at Clairmont Court; cul-de-sac at Hampton Court

Park Maintenance

Hearthstone – Valley Oak Park at Larkspur and Honeysuckle Court; Evelyn Costa Park at Claremont Drive and Whitehaven Court

Parkside Estates – Evans Park on Parkside Drive

Harvest Glen – Fitzpatrick Park on Savanna Drive; Albert Emhoff Park on Jonathon Place and Moonlight Way

Regency Square – Mt. Oso Park at Henderson Court; Mt. Diablo Park at Alpine Court

Muirfield – Golden Spike Park on Christy Court; Fred Icardi Park on Russell Street at Steinbeck Way; Westside Pioneer Park at Cagney Drive and Hepburn Street

Circle B – Sister Cities Park at Morris Phelps Drive and Saddleback Court

Greystone Station – John Kimball Park at Tom Fowler Drive and Sudley Drive

Sienna Park – Tracy Press Park at Schulte Road and Weeping Willow Lane

Zone 10 Includes the MacArthur Drive area, bounded by I-205 to the north and 11th Street to the south

Arterial Street Landscaping

MacArthur Drive – East side, from Pescadero Avenue south to 2020 MacArthur Drive (curb to sidewalk); west side from Grant Line Road to 11th Street, approximately 35 feet from curb; median strip from I-205 to 11th Street; west side from Pescadero Avenue, south to end of the California Esprit subdivision; east side from Pescadero Avenue, north 165 feet; west side from Pescadero to a private canal; North side of 11th Street at channelway

Pescadero Avenue – North side, from MacArthur Drive, east to the end of the Outlet Center, curb to sidewalk and median strip; adjacent to Yellow Freight, from redwood header to sidewalk; south side adjacent to Market Wholesale, from face of curb approximately 30 feet; south side adjacent to the California Esprit subdivision, from MacArthur Drive west to the end of the sound wall; south side from MacArthur Drive, east to McLane Food Services; north side starting at 3403 Bungalows Drive to MacArthur Drive

Grant Line Road – North side, MacArthur Drive, east to the City limits, including median strip; south side, east of channelway to Skylark (ground cover only)

Zone 11 **Located southwest at the corner of W. Eleventh Street and N. MacArthur Drive.** In front of storage facility

Zone 12 **Located northwest of I-205 including the existing arterial landscaping along the right-of-way on Naglee Road and Grant Line Road**

Arterial Street Landscaping

Naglee Road – From Grant Line Road to Auto Plaza Drive, median and 5 foot strip between curb and sidewalk on the east side; west side from Pavilion Parkway to Robertson Drive, turf and curb strip only; Grant Line Road to Auto Plaza drive sidewalk on west side

Auto Plaza Drive – South side curb face to sidewalk, from Naglee Road, east to dead end

Robertson Drive – Both sides of the street curb face to sidewalk, from Naglee Road, west to Pavilion Parkway

Grant Line Road – South side from 2850 W. Grant Line Road, west to 3292 W. Grant Line Road; north side from west driveway of Chevron at 2615 W. Grant Line Road, west to the western edge of the property at 2785 W. Grant Line Road

Pavilion Parkway – Both sides of the street curb face to sidewalk, from Naglee Road to Power Road; median from Naglee Road, west to Power Road

Corral Hollow – Median from I-205 to Mall entrance; east side from I-205 to Mall entrance

Zone 13 **Located southwest of I-205 with 11th Street bordering on the south, Lammers Road on the west and Byron Road on the north**

Arterial Street Landscaping

Fabian Road – North side from the edge of the sound wall, east to Montgomery Lane, west to Lammers Road; both sides and median on Montgomery Lane from King Loop to Fabian Rd

Lammers Road – East side from Fabian Road, north to Feteira Way

Subdivision Landscaping

Westgate – Entryway at Westgate Drive, both sides, east to Antonio Loop; entryway from Feteira Way to Glazzy Lane, both sides, from Lammers Road, east to Glazzy Lane; median on Souza Way, from Thelma Loop to Antonio Loop

Park Maintenance

Souza Park South – On Antonio Loop between Souza Way and Ann Marie Way

Souza Park North – On Thelma Loop between Milton Jenson Court and Michael Drive

Zone 14 **Bounded on the west by Lammers Road, on the east by Corral Hollow Road and on the south by Schulte Road and the railroad tracks**

Arterial Street Landscaping

Corral Hollow Road – West side, 234 feet north of Tracey Jean Way, including the walking path between Corral Hollow Road and Tracey Jean Court

Subdivision Landscaping

Gabriel Estates – Entryway at Tracey Jean Way, including median strip

Park Maintenance

Joan Sparks Park – On Carol Ann Drive

Chandeayne Kingsley Park – On Robert Gabriel Drive

Zone 15 **Located in the southwest section of the City, bordered by Tracy Boulevard, Linne Road and Corral Hollow Road**

Arterial Street Landscaping

Tracy Boulevard – West side, from approximately 700 feet north of Whispering Wind, south to the end of the sound wall

Whispering Wind – Both sides, including medians from Tracy Boulevard, west to English Oaks Lane

Applebrook Lane – Both sides, including median from Whispering Wind, south to approximately 75 feet

English Oak Lane – East side from Whispering Wind, north to approximately 80 feet

Windsong Drive – Both sides, including median from Tracy Boulevard, west to approximately 370 feet

Corral Hollow Road – East side from 75 feet north of Peony Drive, heading south to railroad tracks

Subdivision Landscaping

Edgewood VI – Entryway at Peony Drive, both sides, including median strip from Corral Hollow Road, east to Maison Court; entryway at Middlefield Drive, both sides, including median strip from Corral Hollow Road, east to Whispering Wind Drive

Park Maintenance

William Adams Park – On Edgewood Terrace Drive

Don Cose Park – On Whirlway Lane

Bill Schwartz Park – On Peony Drive

Zone 16 **Bordered on the north by Byron Road, 11th Street on the south, Palomar Drive on the west and Mamie Anderson on the east**

Subdivision Landscaping

Crossroads Drive – Crossroads Drive, east and west from 11th Street to Solomon Lane; Crossroads Drive from Solomon Drive to fence line of 2506 Spencer Lane

Park Maintenance

Dan Busch Park – On the northeast corner of Crossroads Drive and Tolbert Drive

Zone 17 Includes all areas east of Tracy Boulevard between the SPRR tracks on the north and 100 feet north of Deerwood Lane on the south

Arterial Street Landscaping

Tracy Boulevard – East side from Valpico Road, north to the end of the shopping center (on-site landscape contractor maintains the 5,150 sq. ft. of shrubs and 800 sq. ft. of turf); east side from Valpico Road, south to the end of the shopping center

Central Avenue – West side from Schulte Road, south to Ferdinand Street and the east side from Schulte Road, south to Deerwood Lane; west side from Schulte Road, north to Country Court, including ground cover in front of fence on Mt. Oso

Schulte Road – North side from Tracy Boulevard, east to the cemetery; medians from east of Tracy Boulevard to Gianelli Street; south side from Central Avenue to 300 feet east of Independence Drive

MacArthur Boulevard – West side from Krider Court, south to the north edge of the cemetery

Third Street – North side from Jaeger to Tudor

Leamon Street – South side of California Cameo Parkway from MacArthur Boulevard, west to Third Street and Jaeger Street

Mt. Diablo Avenue – South side (est. 1,000 sq. ft.) and median-island from MacArthur, west to Third Street

Valpico Boulevard – South side from Tracy Boulevard, east to end of landscaping; north side from Tracy Boulevard, east to end of landscaping (on-site landscape contractor maintains the 4,906 sq. ft. of shrubs)

Subdivision Landscaping

Meadow Glen – Entryways at Edenvale and Schulte Road; parkway from Cedar Mountain Drive to San Simeon Way

Victoria Park I – Entryways at Gianelli, including median, south side of Schulte Road; cul-de-sacs at Elizabeth Court, Henry Court and Edward Court

Victoria Park II (American Classics) – Cul-de-sacs at James Court and Mary Court

Victoria Park II (Traditions) – Cul-de-sacs at Elysan, Lavender and Primrose Courts, and entrance at Junior Harrington, north side to 100 feet east

California Collections – Entryways at MacArthur Drive and Wagtail Drive; cul-de-sac at Krider Court

California Renaissance – Entryway median at Third Street; entryway and median at Hotchkiss Street; cul-de-sac at Sir Lancelot

California Cameo – Entryway median at Leamon Street; cul-de-sac at Versailles Court; cul-de-sac at Czerny Street

Park Maintenance

Meadow Glen – Florence Stevens Park at Tassajero Court

Victoria Park – Sullivan Park on Victoria Street

California Collections – Huck Park on Wagtail Drive

Zone 18 Bounded on the north by Valpico Road, on the east by MacArthur Drive and on the south by Linne Road

Arterial Street Landscaping

Valpico Road (Glenbriar Estates) – South side from MacArthur Drive, west to the end of the sound wall; south side from Pebblebrook Drive, west to the end of the sound wall, approximately 600 feet (Pebblebrook Estates)

MacArthur Drive (Glenbriar Estates) – West side from Valpico Road, south to the end of the landscaping, approximately 290 south of Fair Oaks Road; west side from Glenbrook Drive, south 237 feet to end of landscape; north 220 feet to the end of the landscaping

Subdivision Landscaping

Glenbriar Estates – Glenbriar Drive from Valpico Road, south to Glenbriar Circle, both sides and median

Pebblebrook Estates – Entryway at Pebblebrook Drive, including median; cul-de-sac at Pebblebrook Court

Zone 19 Located north of the UPRR tracks, south of Valpico Road, east of Tracy Boulevard and west of Glenbriar Estates

Arterial Street Landscaping

Tracy Boulevard – East side including median from Valpico Road, south to UPRR tracks, Whispering Winds, Regency and Brookview,

Park Maintenance

William Kendal Lowes Park

Subdivision Landscaping

Regis Drive – West side from Whispering Wind Drive, south to Dietrick Avenue; from Regis Drive, east to 418 feet east of Reids Way; from Whispering Wind Drive, north to Arezzo Way, then east on Arezzo Way to Escatta Avenue

Brookview Drive – From Perennial Place, east to Glenhaven Drive, north side; from Regis Drive, east to Glenhaven Drive, south side

Zone 20 (Larkspur Estates) located generally south of Montclair Lane, west of MacArthur Drive, and north of Valpico Road

Arterial Street Landscaping

MacArthur Boulevard – West side from DeBord Drive, north 415 feet to the end of the sound wall, and south from DeBord Drive 213 feet to the end of the sound wall; median on DeBord Drive

Park Maintenance

Stalsberg Drive – Clyde Abbot Park located on the south dead end of Stalsberg Drive

Zone 21 (Huntington Park) located generally between Byron Road, south to Fabian Road and Gentry Lane, east to Jones Lane

Subdivision Landscaping

Huntington Park – Entryway on Montgomery Lane, both sides from Fabian Road, north to King Loop, including median; entryway on Lankershire Drive, both sides from Byron Road, south to Kensington Court, including median; cul-de-sac on Kensington Court; Byron Road south side from Lankershire Drive, west 243 feet to the end of the sound wall, and east from Lankershire Drive 554 feet to the end of the sound wall; entryway at Byron Road, 100 feet to Ogden Sannazor, east and west side of the pathway

Mini-Park Maintenance

Richard Hastie Park – located on Huntington Park Drive

Zone 22 Generally located between Corral Hollow Road, east to Egret Drive, and from Persimmon Way, south to Starflower Drive on the western half and Dove Drive on the eastern half

Arterial Street Landscaping

Corral Hollow Road – East side from Starflower Drive, north to the end of the sound wall of the sound wall

Subdivision Landscaping

Parkview (Muirfield 7) – North side of Persimmon Way along the sound wall from Geranium, west to Corral Hollow Road; west side of Lotus Way, along sound wall from Starflower Drive, north to Petunia; north side of Starflower along sound wall from Corral Hollow Road, east to Lotus Way, including median

Zone 23 Starflower Drive south to canal between Corral Hollow Road, Monroe Street and Gretchen Talley Park

Arterial Street Landscaping

Corral Hollow Road – From Starflower Drive, south to Kagehiro Drive; east side of Corral Hollow, Kagehiro Drive to Lotus Way

Starflower Drive – From Corral Hollow Rd south side to Lotus way

Kagehiro Drive – From Corral Hollow Road, east to Lotus Way

Zone 24 (Eastlake) - Located south of 26102 S. MacArthur Drive, north of Valpico Road and east of MacArthur Drive

Park Maintenance Only

Tiago Park – Located on Eastlake Circle between Crater Place and McKenna Court

Zone 25 Located north of Brichetto Road and Schulte Road, east of Zone 32. No maintenance activity currently being performed

Zone 26 Located generally west of Corral Hollow Road, east of Lammers Road, north of Zone 14 and south of W. 11th Street

Arterial Street Landscaping

Corral Hollow Road – 60 feet north of Cypress Drive to the end of the sound wall, south approximately 240 feet; north side, 31 feet north of Cypress Drive

Sterling Park II – From San Marcos subdivision at Tennis Lane, 290 feet north to the Sterling Park subdivision; Tennis Lane, west of Corral Hollow Road center median and south side

Krohn Road – South side from Corral Hollow Road, west to end of landscaping

Subdivision Landscaping

Sterling Park – Cypress Drive, north and south side, including median; Banff, east and west side, including median

San Marcos – Schulte, north and south side, including median; Babcock entryway and median; Cabana entryway and median; Schulte Road, north 922 feet to Tennis Lane; Schulte Road, south to Golden Leaf Lane; Nabor Court

Park Maintenance

Verner Harrison – Located at Jill Drive and Brittany

Marlow Brothers – Located at Adaire Lane and Golden Leaf Lane

John Erb Park – located Barcelona Drive and Cypress Drive

Zone 27 Located generally west of Zone 26, south of Zone 28, north of Zones 25 and 14, approximately one mile east of Lammers Road

Arterial Street Landscaping

South Gate – Schulte Road, east from Mabel Josephine to the end of the landscaping

South Gate – Mabel Josephine, south from Schulte Road to Patrick McCaffrey Drive

South Gate – Schulte Road median, east from Mabel Josephine to Barcelona

Zone 28 Located generally south of W. 11th Street, west of Zone 26, north of Zone 27 and east of Lammers Road

Subdivision Landscaping

Crossroads Drive – From 11th Street, heading south on west side of the dead end of Crossroads Drive, curb to sound wall (curb to mow strip in front of Sports Complex); from 11th Street, heading south on the east side of the dead end of Crossroads Drive; median from 11th Street, heading south to the end of Crossroads Drive; Cranston Court; Wyman Court; Bennet Court; Marshall Court

Jefferson Parkway – 11th Street, heading south to Safford Lane; median from 11th Street, heading south to Safford Lane; east side from 11th Street to end of Sports Complex

Zone 29 Located generally south of Schulte Road, north of Valpico Road, west of Chrisman Road and east of Zone 24

Arterial Street Landscaping

Valpico Road – North side of Valpico Road from Chrisman Road, heading west 1,018 feet to the end of the sound wall; north side from Elissagaray Drive, heading west 145 feet; north side starting 440 feet west of

Elissagaray Drive at sound wall, heading 238 feet west to the end of the sound wall

Chrisman Road – West side of Valpico Road, heading north 960 feet past Elissagaray Drive

Subdivision Landscaping

Elissagaray Drive – East side from Valpico Road to Rodger Drive; east side from Rodger Drive, heading northeast to Chrisman Road, including Amatchi Drive entrances, east and west; west side from Rodger Drive, heading north to Dominique Drive; north side from Aldacourrou Street, heading east to Chrisman Road

Dominique Drive – South side from Elissagaray Drive, heading west 525 feet past Basque Drive

Mount Pellier Street – West side from 125 feet south of Montauban Street, heading south 225 feet to the end of the fence at 2203 Mt. Pellier Street

Subdivision Court Landscaping

Baigorry Court – East side from 130 feet south of Rodger Drive, starting at the sound wall 210 feet to the end of the sound wall

Park Maintenance

Robert Kellogg Park – Located on Elissagaray Street

Zone 30 Yosemite Vista Housing Development located on S. MacArthur Drive

Arterial Street Landscaping

S. MacArthur Drive – From Yosemite Drive, heading north to the end of the sound wall; from Yosemite Drive, heading south to Jesse J. Martinez Drive; from Jesse J. Martinez Drive, heading south to the end of the landscaping

Yosemite Drive – Median-island from S. MacArthur Drive, east approximately 100 feet

Park Maintenance

Sentinel Drive – Jim Raymond Park

Zone 31 Tracy Mini Storage

Arterial Street Landscaping

Tracy Boulevard – East of Tracy Boulevard, west of Zone 28 and south of Valpico Road

Zone 32 Located north of Schulte Road, east of Lammers Road**.** No maintenance activity currently being performed

Zone 33 Generally located south of I-205, north of the SPRR tracks and east of Chrisman Road

Arterial Street Landscaping

Grant Line Road – From Best Buy warehouse, east to Skylark Way

Zone 34 The triangle area located south of the SPRR tacks, north of W. 11th Street and east of Corral Hollow Road

Arterial Street Landscaping

Corral Hollow Road – East side from 11th Street, north to railroad tracks at Byron Road

11th Street – From railroad tracks east of Alden Glen, heading west to Corral Hollow Road, north side from sidewalk to mow strip

Zone 35 East side of Tracy Boulevard between Centre Court and Tennis Lane

Arterial Street Landscaping

Tracy Boulevard – East side from BSC, heading south 375 feet past Tennis Lane

11th Street – From railroad tracks east of Alden Glen, heading west to Corral Hollow Road, north side from sidewalk to mow strip

Subdivision Landscaping

Ryland Junction – Entryway at Tracy Boulevard and Tennis Lane, including median; entryway at Tracy Boulevard and Centre Court, including median; Rockingham Court cul-de-sacs

Park Maintenance

Fisher Park – Located on Tracy Boulevard between Tennis Lane and Centre Court

Zone 36 El Pescadero at Grant Line Road

Arterial Street Landscaping

El Pescadero Park – South of El Pescadero Park, north of Grant Line Road and east of Buthmann

Zone 37 Forrest Greens

Arterial Street Landscaping

Acacia Street – North side of Acacia Street between East Street and MacArthur Drive

Zone 38 This Zone is split into four different areas within the District (Funded by City's General Fund, and not assessment revenue)

Zone A

Arterial Street Landscaping

11th Street – North side of 11th Street from Belconte Drive, west to Lammers Road; north side of 11th Street from Corral Hollow Road, west to Belconte Drive, from curb to sidewalk; north side of 11th Street from rail road tracks east of Alden Glen Drive, west to Corral Hollow Road, from curb to sidewalk; south side of 11th Street from Corral Hollow Road, west to the end of the landscaping west of Jefferson Drive, curb to sidewalk; south side of 11th Street from railroad tracks east of Alden Glen Drive, west to Corral Hollow Road, curb to sidewalk; median on 11th Street from rail road tracks east of Alden Glen Drive, heading west to Lammers Road; Lammers Road – westside, median and eastside from 11th Street to end of Kimball High School; on eastside from curb to fence.

Grant Line Road – South side of Grant Line Road from 1820 W. Grant Line Road, east to Lincoln Boulevard; Corral Hollow Road, west side from Grant Line Road, north to I-205

Tracy Transit Station – Plaza area in the middle of 6th Street from Central Avenue to D Street; traffic circle at the intersection of 6th Street and Central Avenue; traffic circle at the intersection of 6th Street and D Street; all on-site landscaping around the transit building and parking lot

Zone B

Valpico Town Center – North side of Valipco Road from Glenbriar Drive heading east to MacArthur Drive.

Zone 40 Located at the northwest corner of Valpico Road and MacArthur

Arterial Street Landscaping

Rite-Aid – North side of Valpico Road from MacArthur Drive, heading west 370 feet to second driveway; west side of MacArthur Drive from Valpico Road, heading north 135 feet

Zone 41 Located at east side of Corral Hollow Road, north of Tennis Lane and south of Cypress Drive

Arterial Street Landscaping

Corral Hollow Road – east side of Corral Hollow Road fronting 350 N. Corral Hollow Road, starting from 285 feet north of Cypress Drive, heading north 375 feet to the end of the landscaping

Zone 42 Located at south side of W. Grant Line Road, north of Byron Road and west of S. Lammers Road

Arterial Street Landscaping

Grant Line – Center median and south side from east to west of complex

Zone 43 Located east of MacArthur Drive and north of Valpico Road

Arterial Street Landscaping

Tract 3290 (Ventana) – Ongoing maintenance, servicing and operation of the landscaping improvements within the public right-of-ways, to be installed in connection with this development

Channel Way with Arterial Landscaping

Located in Zone 1

Central Avenue – From Silkwood Lane, west to Tracy Boulevard (channel way in front of the Sycamore Village apartments); Central Avenue channel along the eastern side of the Sycamore Village apartments

Transit Corridor – Bike path to face of curb**;** from Silkwood lane west to Tracy Blvd in front of the Sycamore Apartments

Located in Zone 3

Grant Line Road – East side from Grant Line Road to the I-205 freeway right-of-way, approximately 1,600 linear feet; east side from Grant Line Road, north to I-205 (no mow), weed down as needed

Orchard Parkway – West side of Orchard Parkway from Lowell Avenue to Grant Line Road

Vivian Lane/Rita Way – From south end of Vivian Lane, heading north past Rita Way to Lowell Avenue

Lowell Avenue – North side of Lowell Avenue to Orchard Parkway

Transit Corridor (bike path to face of curb) – East side of Corral Hollow Road from Grant Line Road to I-205; Orchard Parkway shrubs; Orchard Parkway, west side from Lowell Avenue to Grant Line Road; Vivian Lane/Rita Way from rail road tracks, south of Vivian Lane, north to Lowell Avenue; north side of Lowell Avenue, west to Orchard Parkway

Located in Zone 7

From edge of property to bike path – North side of Cypress Drive from Corral Hollow Road to Lauriana lane; east side of Lauriana Lane from Cypress Drive to Schulte Road; north side of Schulte Road from Lauriana Lane, east to the rail road tracks

Transit Corridor (bike path to face of curb) – Starting at the rail road tracks on Schulte Road west of Sycamore Parkway, heading west to Lauriana Lane, then on Lauriana, then west on Cypress Drive to Corral Hollow Road

Located in Zone 9

From edge of property to bike path – North side of Schulte Road channel way from railroad tracks to Sycamore Parkway; east side of Sycamore Parkway from Schulte Road, south to Windham Drive; south side of Central Avenue from Tracy Boulevard to Sycamore Parkway; east side of Windham Drive, south from Sycamore Parkway to Cherry Blossom

Transit Corridor (bike path to face of curb) – From Cherry Blossom, north to Sycamore Parkway on the east side, north to Schulte Road then west to rail road tracks; Central Avenue from Tracy Boulevard, west to Sycamore Parkway; north side of Schulte Road from Sycamore Parkway, west to Lauriana Lane

Located in Zone 10

MacArthur Drive – Landscaped channel way, east side from 11th Street overpass, north to driveway at 2020 MacArthur Drive-edge of property to bike path; non-landscaped channel area, east side from driveway at 2020 MacArthur Drive to Grant Line Road, north to Pescadero Road; I-205, west to rail road tracks west of MacArthur

Pescadero Avenue – Starting from the east driveway of the Outlet Mall, heading east 835 feet to the curve, then heading north 975 feet to the curve, then west 2,080 feet, ending at MacArthur Drive; starting from the south side of Pescadero Avenue from the east driveway of the Outlet Mall, heading south 2,550 feet to Grant Line Road; starting on the eastern edge of the property at 800 Grant Line Road, heading south 485 feet, then picking back up on the south side of the rail road tracks and heading south 950 feet to MacArthur Drive (Channel way is approximately 50 feet wide)

Transit Corridor (bike path to face of curb) – East side of MacArthur Drive from the 11th Street overpass, north to 1820 MacArthur Drive

Located in Zone 12

Naglee Detention Basin – Around fence line to bottom of the berm; entrance on Naglee Road, northwest side of Auto Plaza Drive

Park and Ride Lot – Transit corridor Park & Ride

Located in Zone 26

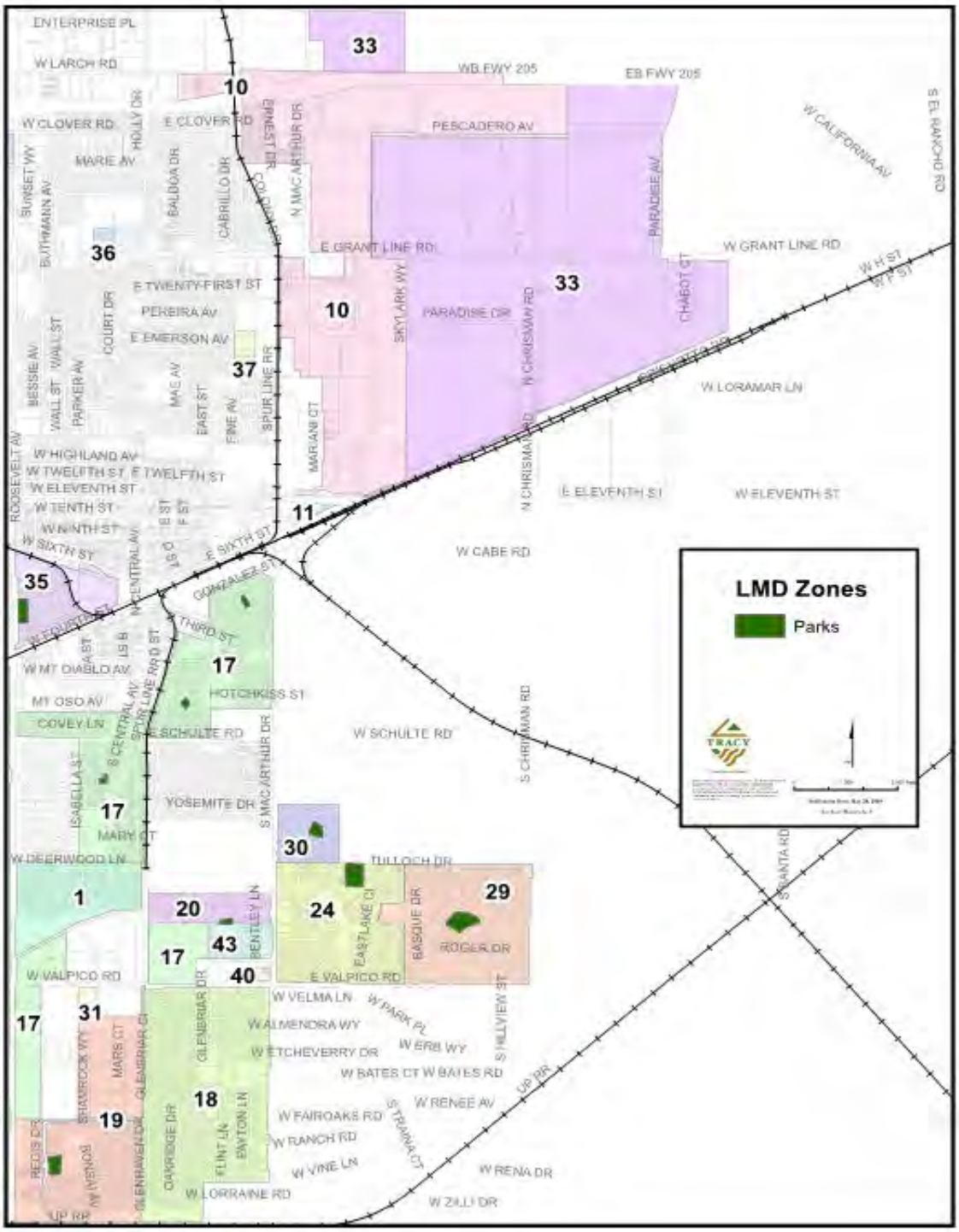
From edge of property to bike path – West side of Corral Hollow Road from Cypress Drive, north to Krohn Road; end of channel way from Krohn Road, 300 feet west to DB-V Detention Basin;

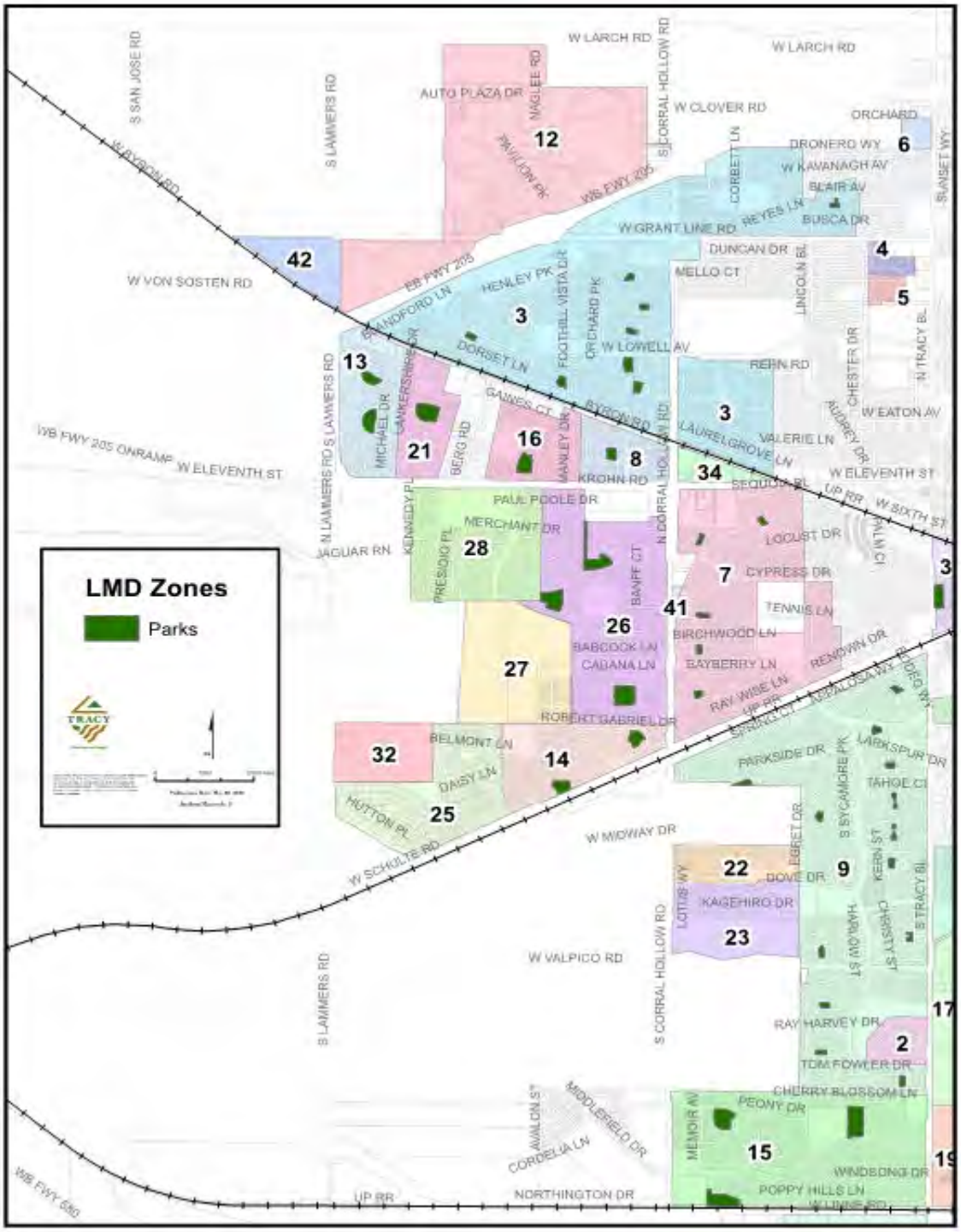
Placentia Fields Channel Way (General Fund Channel Way) – North of Cypress Drive towards 11th Street, then east to the end of the channel way

Transit Corridor (bike path to face of curb) – West side of Corral Hollow Road from Cypress Drive, north to Krohn Road

APPENDIX B – CONSOLIDATED LANDSCAPE MAINTENANCE MAP

A Diagram showing the District and Zone boundaries is on the following page.




LMD Zones
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AUTO PLAZA DR
NAGLEE RD
S CORRAL HOLLOW RD
W CLOVER RD
ORCHARD
DRONERO WY
W KAVANAGH AV
BLAIR AV
SLAUSET WY
CORBETT LN
REYES LN
BUSCA DR
W GRANT LINE RD
DUNCAN DR
MELLO CT
LINCOLN BL
N TRACY BL
CHESTER DR
W VON SOSTEN RD
EB FWY 205
WB FWY 205
HENLEY PK
FOOTHILL VISTA DR
ORCHARD PK
W LOWELL AV
RERN RD
AUDREY DR
W EATON AV
VALERIE LN
LAUREL GROVE LN
SEQUOIA BL
W ELEVENTH ST
W SIXTH ST
UP RR
LOCUST DR
CYPRESS DR
TENNIS LN
BIRCHWOOD LN
BAYBERRY LN
RENOWN DR
RAY WISE LN
SPANGLER WY
LOCUSTA WY
PARKSIDE DR
LARKSPUR DR
TAHOE CT
S SYCAMORE PK
EBBETT DR
KERN ST
S TRACY BL
DOVE DR
KAGEHIRO DR
LOTUS WY
HANSON ST
CHRISTY ST
W MIDWAY DR
W SCHULTE RD
W VALPICO RD
RAY HARVEY DR
TOM FOWLER DR
CHERRY BLOSSOM LN
PEONY DR
MENOR AV
WINDSONG DR
POPPY HILLS LN
W LINNE RD
NORTHINGTON DR
AVALON ST
MIDDLEFIELD DR
CORDELIA LN
WB FWY 580
W ELEVENTH ST
WB FWY 205 ONRAMP
MICHAEL DR
LAWRENCE DR
BERG RD
DORSET LN
GAINES CT
BYRON RD
MANLEY DR
KRONN RD
N CORRAL HOLLOW RD
PAUL POOLE DR
MERCHANT DR
KENNEDY PL
PRESIDIO PL
JAGUAR RN
BANFF CT
BABCOCK LN
CABANA LN
ROBERT GABRIEL DR
BELMONT LN
DAISY LN
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APPENDIX C – ASSESSMENT ROLL

The assessment set forth for each parcel is shown on the Assessment Roll for the District, submitted separately, as "Assessment Roll for the City of Tracy, Consolidated Landscape Maintenance District, Fiscal Year 2023-24", which exhibit is incorporated by reference herein as Appendix C under separate cover, and is on file in the Office of the City Clerk.

The Assessment Roll lists all parcels within the boundaries of the District as shown on the Assessment Diagram, Part D herein, and on the last equalized roll of the Assessor of the County of San Joaquin, which is by reference made part of this report.

A list of names and addresses of the owners of all parcels within this District is shown on the last equalized Property Tax Roll of the Assessor of the County of San Joaquin, which by reference is hereby made a part of this report. This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll on file in the office of the City Clerk of the City of Tracy.

ATTACHMENT B

Tracy Consolidated Landscape Maintenance District

June 20, 2023

Overview

- Landscape and Lighting Act 1972
- Proposition 218
- Background
- Current Layout
- Engineer's Report
- Recommendation
- Questions

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Landscape and Lighting Act 1972

The Streets and Highway Code Section 22500-22509 governs the Landscaping and Lighting Act of 1972 (the "Act").

- A district is a funding mechanism to cover the costs of maintenance that provide a **special benefit** for properties in a defined area.
- The Act allows Districts / Zones to be formed by a majority vote of affected property owners by an assessment balloting measure.
- Annual charges (assessments) are calculated on a benefit formula that calculates the value, or benefit, a property receives from the amenities in the area.

Proposition 218

- In November 1996, California voters passed Prop 218.
- Requires property owner approval for assessment increases exceeding an established, adjusted maximum.
- A majority protest exists if there are more negative votes than positive, weighted in proportion to assessment amount for each property.

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Background

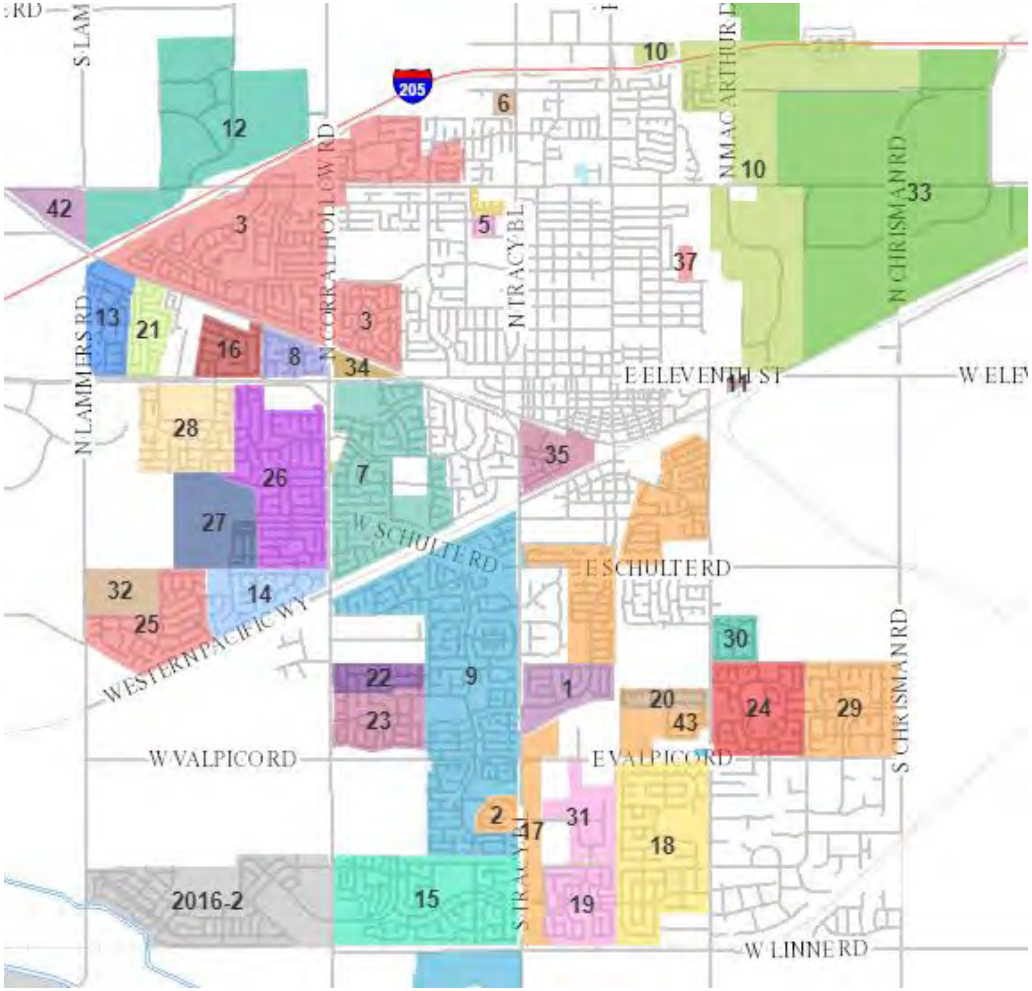
The purpose of LMDs are to provide benefitting property owners in a defined geographic region the opportunity to pay for on-going enhanced maintenance of certain public landscaping.

First properties annexed into the LMD were in 1985.

- 1985 was District 8501
- 1988 was District 8801
- 1998 was District 1998

In Fiscal Year 2004, these were consolidated to one District, Tracy Consolidated Landscape District, and 37 Zones were established.

Current Layout



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Engineer's Report

- General Fund contribution: $730,000
- Storm Drain Contribution: $20,000
- All other revenues are from assessments and reserves:
  - 15 Zones increase their reserve budget to support future asset replacements.
  - 7 Zones not assessed as maintenance is performed by another entity (i.e. HOA) or reserve budget has ample funds to cover any maintenance needs plus future asset replacements.
  - 13 Zones intentionally have higher expenditures than revenues as enhancements are projected to occur to improve overall aesthetics.
  - 1 Zone to eliminate deficit and begin to establish a reserve budget for asset replacements.
  - 2 Zones reducing existing deficit.
  - 3 Zones maintaining existing deficit.

Next Steps

- Educate stakeholders.
- Develop a landing page for LMD.
- Engage property owners to gauge interest in special balloting procedure for re-assessment.

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Enhancements

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Recommendation

1. Approving the Engineer's Report for FY 23/24.

2. Ordering the levy and collection of assessments within the Tracy Consolidated Landscape Maintenance District for Fiscal Year 23/24.

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Questions

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

APPROVING THE ENGINEER'S REPORT REGARDING THE PROPOSED LEVY AND COLLECTION OF ASSESSMENTS FOR THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT PURSUANT TO THE LANDSCAPE AND LIGHTING ACT OF 1972 FOR FISCAL YEAR 2023/2024

WHEREAS, the City Council of the City of Tracy, pursuant to the "Landscaping and Lighting Act of 1972," codified in Division 15, Part 2 of the California Streets and Highways Code ("Act"), approved the preliminary Engineer's Report ("Report") for the Tracy Consolidated Landscape Maintenance District ("District") for Fiscal Year 2023/2024 (see Resolution No. 2023-094); and

WHEREAS, the Report was filed with the City Clerk, and upon review of the Report, the City Council declared, by Resolution No. 2023-095, its intention to levy and collect assessments within the District for Fiscal Year 2023/2024, and fixed June 20, 2023, as the public hearing date to accept public comments and testimony regarding the District and proposed assessments in accordance with the Act; and

WHEREAS, the City Council has examined and reviewed the Report and is satisfied with the description of the District, the Zones and improvements identified therein, each of the budget items and documents as set forth, and is satisfied that the proposed assessments have been spread proportionately in accordance with the special benefit each property receives from the improvements, operation, maintenance, and services to be performed, as set forth in the Report or as modified by Council action and incorporated herein; and

WHEREAS, the City Council has heard and considered the public comments received for this item; and now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby finds and determines that the foregoing recitals are true and correct; and be it,

FURTHER RESOLVED: That the City Council finds that the Engineer's Report, as previously presented or as modified by direction of the City Council, consists of the following:

a. A sufficient description of the territory and properties within the District, the Zones therein and the improvements and services to be provided; and
b. The Annual Budgets associated with the various improvements and services provided by the District (an estimate of the costs and expenses required for the operation and maintenance of the improvements within the various Zones of the District); and
c. An Assessment Rate per benefit unit and description of the Method of Apportionment sufficient to calculate the proportional special benefit assessment

to be applied to each parcel for Fiscal Year 2023/2024, and identification of the maximum assessment rates that may be applied to properties within each Zone of the District, and Assessment Roll identifying the special benefit assessment proposed for each assessed parcel within the District; and be it,

FURTHER RESOLVED: That the City Council hereby approves the Report as presented or as modified by City Council action and orders said Report to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection; and be it,

FURTHER RESOLVED: That the City Council hereby directs the City Clerk to certify as to the passage and adoption of this Resolution and to reflect in the minutes of this meeting the presentation and final approval of the Report.

* * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 20, 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN THE TRACY CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT FOR FISCAL YEAR 2023/2024

WHEREAS, the City Council of the City of Tracy, pursuant to the "Landscaping and Lighting Act of 1972," codified in Division 15, Part 2 of the California Streets and Highways Code ("Act"), initiated proceedings for the levy and collection of assessments against lots and parcels within the Tracy Consolidated Landscape Maintenance District ("District") for Fiscal Year 2023/2024 (see Resolution No. 2023-095); and

WHEREAS, Harris & Associates (the Assessment Engineer for the District) has prepared and filed the District Engineer's Report ("Report") for Fiscal Year 2023/2024 with the City Clerk pursuant to the Act, and said Report has been presented to the City Council, and is incorporated herein by reference; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the District for the fiscal year commencing July 1, 2023, and ending June 30, 2024, to pay the costs and expenses of operating, maintaining, and servicing landscaping and appurtenant facilities located within the District; and

WHEREAS, the City Council has heard and considered the public comments received for this item; and now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby finds and determines that the foregoing recitals are true and correct; and be it

FURTHER RESOLVED: The City Council finds that the following notice duly given, the City Council has held a full and fair Public Hearing regarding a Resolution approving or amending the Report prepared in connection herewith, the levy and collection of assessments, and considered all oral and written statements, protests and communications made or filed by interested persons.

1. Based upon its review (and amendments, as applicable) of the Report, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds, determines, and certifies that:
    a. The land within the District will receive special benefit by the operation, maintenance, and servicing of landscaping and appurtenant facilities within the boundaries of the District; and
    b. The District includes all of the land receiving such benefit; and

c. The net amount to be assessed upon the lands within the District has been apportioned by a formula and method which fairly distributes the net amount among the eligible parcels in proportion to the special benefit to be received by each parcel from the improvements and services for the fiscal year commencing July 1, 2023, and ending June 30, 2024; and
d. The proposed special benefit assessments calculated and apportioned for Fiscal Year 2023/2024 are consistent with the previously adopted Rate and Method approved by the property owners within the District in accordance with the provisions of the California Constitution Articles XIIIC and XIIID, and meet the requirements of Proposition 218; and
e. The assessments are in accordance with Article 4 of Chapter 1 of Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22565, in connection with the proposed levy and collection of assessments related thereto; and
f. The assessments to be levied are without regard to property valuation.

2. The Report and assessments as presented to the City Council and on file with the City Clerk are hereby confirmed as filed.
3. The City Council hereby orders the proposed improvements to be made, which improvements are briefly described as the maintenance, operation, administration, and servicing of the improvements including turf, ground cover, shrubs and trees, irrigation systems, water features, channel way landscape, and all appurtenant facilities related thereto or that may be authorized pursuant to the provisions of the Act.
4. The County Auditor of San Joaquin County shall enter on the County Assessment Roll opposite each parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.
5. The City Treasurer shall deposit all money representing assessments collected by the County for the District to the credit of a fund for the Tracy Consolidated Landscape Maintenance District, and such money shall be expended only for the maintenance, operation and servicing of the landscaping, parks, and appurtenant facilities as described in the Report.
6. The adoption of this resolution constitutes the District levy for the fiscal year commencing July 1, 2023 and ending June 30, 2024.
7. The City Clerk or their designee is hereby authorized and directed to file the levy with the County Auditor upon adoption of this resolution.

* * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 20, 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

June 20, 2023

Agenda Item 3.B

RECOMMENDATION

Staff recommends that the City Council conduct a public hearing, and upon conclusion, adopt a Resolution adopting Wastewater Rates effective August 1, 2023 for Fiscal Years 2023-24 through 2027-28.

EXECUTIVE SUMMARY

In 2019, the City contracted with Raftelis to perform a Wastewater rate study for the purpose of establishing a proposed five-year rate schedule. On April 18, 2023, Council conducted a workshop to review the rate study. During the workshop, two rate scenarios were presented to Council. Based upon feedback received during the workshop, Council motioned to proceed with Scenario 2 (defined below) wastewater rate increase, to sufficiently fund the wastewater operations and maintenance expenses, and address the debt coverage ratio. Staff returned to Council on May 2, 2023 and received approval to mail notices to affected ratepayers informing them of the proposed rate increase in accordance with proposition 218 requirements.

BACKGROUND AND LEGISLATIVE HISTORY

The City of Tracy Operations and Utilities Department provides wastewater service to over 23,000 residential, commercial and industrial customers located within city limits. The City's wastewater system consists of a Wastewater Treatment Plant (WWTP) on 54 acres, treatment ponds on 67 acres, 465 miles of collection pipelines, 26,000 lower sewer laterals, and over 10 booster and lift stations throughout the City.

The City of Tracy maintains a wastewater collection system which collects wastewater from inside buildings, houses, apartments, and other facilities throughout the City and transports it via underground pipes to its WWTP. The WWTP treats an average of 9.8 million gallons of wastewater per day from its customers. The WWTP also receives wastewater from other sources such as septage haulers, RVs from residents, and local business. The City also services one industrial customer that maintains its own collection system and one septage receiving station.

The City's Wastewater rates were last adjusted 10 years ago in 2013, the costs to treat the City's wastewater have increased since 2013 and require the implementation of rate adjustments to sufficiently fund wastewater operations and maintenance expenses, debt service payments, and capital expenditures while adequately funding reserves for capital improvements and achieving debt coverage requirements.

In 2019, the City contracted with Raftelis to perform a Wastewater rate study for the purpose of establishing a proposed five-year rate schedule. The study conducted a cost-of-service analysis that establishes a nexus between the cost to serve Wastewater customers and the rates charged to customers, per Proposition 218.

On April 18, 2023, during a Council Workshop, staff presented the City Council with two separate scenarios of rate increases that would address the Operations and Utilities Department's infrastructure needs and address the debt coverage ratio.

On May 2, 2023, staff returned to Council and received approval to move forward with rate Scenario 2 (defined below).

ANALYSIS

The goals and objectives of the rate study included developing a financial plan for the City's Wastewater enterprise that supports the City's Wastewater operating and capital programs, prudently maintaining an adequate level of fund reserves in future years and maintaining the long-term financial stability of the Wastewater enterprise. The study also develops Wastewater rates that recover the City's costs of providing Wastewater service, are fair and equitable to all customer classes, comply with the legal requirements of Proposition 218, and to the extent possible, minimize the impact on customers.

In preparing the rate study, Raftelis worked closely with City staff to develop a Wastewater financial plan. The plan estimates annual revenues, operations and maintenance expenses, debt service payments, capital expenditures and reserve funding. The overall purpose of the financial plan is to determine annual wastewater rate revenues required to achieve sufficient cash flow, maintain adequate reserves, and meet debt coverage requirements.

The Wastewater Enterprise is required to meet debt service coverage requirements on its outstanding wastewater certificates of participation. The required debt coverage ratio is 1.20, meaning that the Wastewater fund's net operating revenues (total revenues, less operating expenses) must amount to at least 1.20 times the amount of annual debt service. Failure to meet debt service coverage results in a technical default, which without foreseeable action (such as implementing rate increases), could result in a downgrade of credit rating, higher costs for future debt issuance, or even denial of credit. In 2022, after a review of the City's 2004 Wastewater bonds by Moody's Investors Service, the City received a downgrade of the Wastewater Enterprise's credit rating from

A1 to A2. The adoption of rate increases with identification of a multi-year strategy could lead to an upgrade in the credit rating. The City has an operating reserve to provide funds to meet ongoing cash flow requirements related to operating expenses. The current operating reserve target is equal to 30 percent of the annual operating and maintenance expenses and two percent for capital reserve.

On April 18, 2023, Council conducted a workshop to review the wastewater rate study conducted by Raftelis. During the workshop, Council was presented with two rate scenarios that meet debt service coverage requirements. Scenario 1 was the minimum rate increase to meet the required debt coverage ratio. Scenario 2 meets the required debt coverage ratio and allows for funding of Capital projects to begin sooner. Based upon feedback received during the workshop, staff recommended rate Scenario 2.

Proposed Revenue Adjustments - Two Scenarios

	FY 2024	FY 2025	FY 2026	FY2027	FY2028	Total
	August 1	July 1	July 1	July 1	July 1	
Scenario 1	40.5%	16%	9%	9%	8%	82.5%
Scenario 2	45%	11%	9%	9%	8%	82%

On May 2, 2023, staff returned to Council and received approval to move forward with Scenario 2. Additionally, at the same meeting, Council approved a resolution of intention to increase wastewater rates, authorized staff to distribute notices in accordance with Proposition 218 and set a public hearing for June 20, 2023.

The proposed rates for Scenario 2 are shown below.

Wastewater Rates – Scenario 2

- Proposed MFR charge is a **per dwelling** charge.
- Average dwelling units per apartment complex is 7

Customer Class	Current	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Fixed Charges						
Single Family Residential	$34.00	$48.05	$53.34	$58.14	$63.37	$68.44
Multi-Family Residential (per Dwelling Unit)	$28.75	$4.05	$4.50	$4.90	$5.34	$5.77
Commercial I	$28.75	$27.46	$30.48	$33.22	$36.21	$39.11
Commercial II	$28.75	$27.46	$30.48	$33.22	$36.21	$39.11
Commercial III	$28.75	$27.46	$30.48	$33.22	$36.21	$39.11
Volumetric Rate						
Single Family Residential	NA	NA	NA	NA	NA	NA
Multi-Family Residential (per Dwelling Unit)		$4.38	$4.86	$5.29	$5.77	$6.23
Commercial I	$1.98	$3.52	$3.91	$4.26	$4.65	$5.02
Commercial II	$2.91	$6.26	$6.95	$7.57	$8.26	$8.92
Commercial III	$4.89	$10.21	$11.33	$12.35	$13.46	$14.54
Industrial (Leprino)	As shown earlier	$1.29	$1.43	$1.56	$1.70	$1.84
Septage ($ / hcf)		$75.89	$110.05	$122.15	$133.15	$145.13

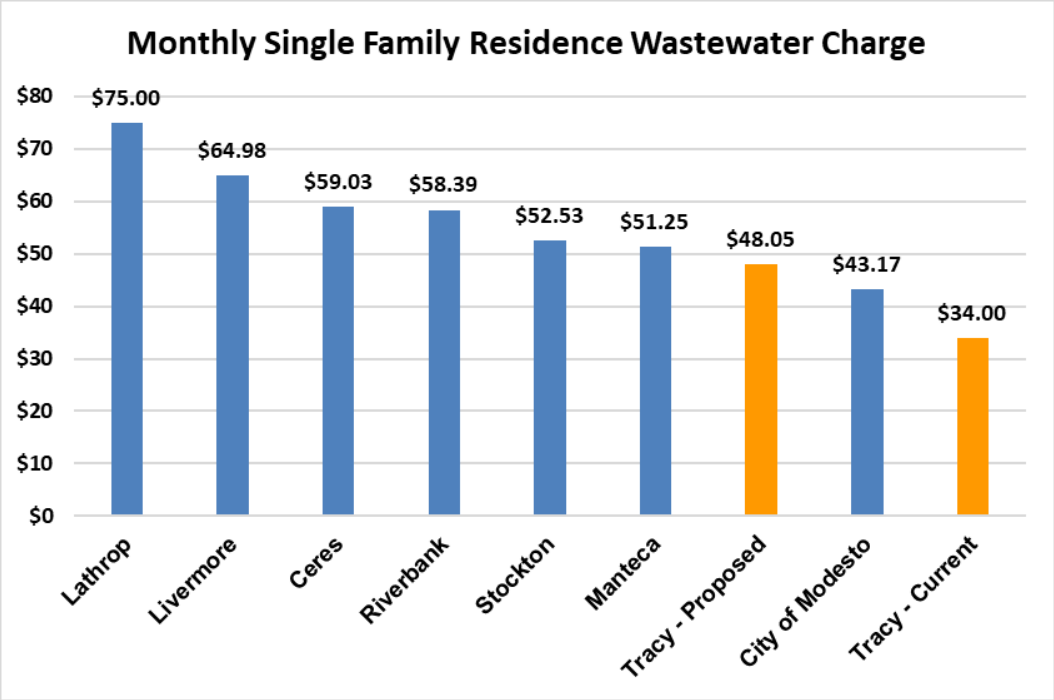
The impact to utility customers in year one of rate Scenario 2 is an increase of $14.05 per month to single family residential customers and a decrease of $9.06 per month to multi-family residential customers. Multi-family residential customers will also see a decrease to their bill in Scenario 2 because the rate is now in proportion to their use and assumed strength. Commercial customers bills are increasing because their wastewater strength (defined as the concentration of biochemical oxygen demand and total suspend solids) have been revised upwards to reflect the latest best practices and known concentrations at the WWTP. The chart below depicts the monthly bill impacts in year one of rate Scenario 2.

Monthly Bill Impacts – Scenario 2

Customer Class	Average Sewer Flow per Account or Dwelling Unit	Average No. of Dwelling Units	Current Monthly Bill	Total Proposed Monthly Bill	Dollar Difference	Percent Difference	No. of Accounts
Single Family Residential	8.5		$34.00	$48.05	$14.05	41.3%	23,970
Multi-Family Residential	5.3	7.0	$201.25	$192.19	-$9.06	-4.5%	610
Commercial I Average Use	57		$141.47	$227.98	$86.51	61.1%	390
Commercial II Average Use	137		$428.13	$886.64	$458.51	107.1%	313
Commercial III Average Use	49		$267.11	$524.99	$257.88	96.5%	63

Comparison of Surrounding Single Family Wastewater Bills

The chart below compares the City's current single family residential Wastewater rate, proposed rates for Scenarios 1 and 2 to the Cities of Modesto, Manteca, Stockton, Riverbank, Ceres, Livermore and Lathrop. The City's current Wastewater rate is the lowest in the surrounding area and in proceeding with rate Scenario 2, the rate would continue to be on the lower range for the surrounding area.



The City provides a Low-Income Rate Assistance (LIRA) program for qualified utility customers. The total amount of the discount is $26.05, with $2.55 of that being directly applicable to the Wastewater rate. The LIRA program is funded

through the City's General fund. Over the last year, the City has partnered with PG&E and is now able to auto-enroll qualified customers into the LIRA program. This partnership has resulted in an increase in the number of households receiving the discount, from 1,275 households to 5,100 households.

Proposition 218 requires notification to the affected ratepayers of any proposed increase in fees or charges for property-related services. Notice to property owners must be sent out a minimum of 45 days prior to conducting a public hearing to increase rates. Pursuant to Proposition 218, the City Council may not impose rate increases if written protests are presented by a majority of the property owners on which the fee is imposed.

Upon approval to begin the Proposition 218 process, notices were mailed to affected ratepayers on May 4, 2023, allowing for the required 45-day requirement.

FISCAL IMPACT

The City's Wastewater utility relies almost entirely on customer revenues to sustain its operations. The proposed rate increases will generate revenue to fund operational and infrastructure needs and continue to provide reliable high-quality Wastewater services. The proposed rates will also allow the City to achieve its required debt coverage ratio minimum of 1.20, which is essential to maintain or improve a strong credit rating and the financial health of the Wastewater fund.

PUBLIC OUTREACH/ INTEREST

Staff has conducted outreach and education related to the Wastewater system and proposed rates. Outreach included informational booths during City events, participation in the Senior breakfast, a dedicated email address for resident questions, and answers to frequently asked questions on the City's website.

COORDINATION

Coordination between the Finance and Operations and Utilities departments in conjunction with Raftelis allowed for the completion of the Wastewater Rate study.

STRATEGIC PLAN

This item supports the Governance strategic priority goal 2.6 by ensuring short and long-term fiscal health through the completion of a Wastewater rate study.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council conduct a public hearing, and upon conclusion, adopt a Resolution adopting Wastewater Rates, effective August 1, 2023, for Fiscal Years 2023-24 through 2027-28.

Prepared by: Sara Cowell, Director of Finance

Reviewed by: Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

Attachments:

A. Wastewater Rate Study
B. Notice of Public Hearing on Proposed Wastewater Rates
C. Public Hearing Presentation

Attachment A

City of Tracy

Wastewater Cost of Service and Rate Design Study

Final Report / May 12, 2023

RAFTELIS

April 18, 2023

Ms. Sara Cowell
Director of Finance
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

Subject: Wastewater Cost of Service and Rate Design Study

Dear Ms. Cowell,

Raftelis is pleased to provide this Wastewater Cost of Service and Rate Design Study Report to the City of Tracy (City). The overall purpose of the study was to develop a proposed five-year wastewater rate schedule for Fiscal Year (FY) 2023-24 through FY 2027-28 that is fair, equitable, and funds the City's wastewater utility.

As part of the rate study Raftelis and Staff:

- Developed a ten-year financial plan for the City's Wastewater Enterprises to ensure financial sufficiency, meet operating costs, fund long-term capital needs, and maintain prudent reserves.
- Conducted a wastewater cost of service analysis to ensure a strong nexus between proposed rates and the cost to provide services to customers.
- Developed five years of wastewater rates that we believe are defensible and equitable.

It has been a pleasure working with you and we thank you and other City staff for the support provided to Raftelis during this study.

Sincerely,

Steve Gagnon, PE (AZ)
Project Manager

Sarah Wingfield
Lead Analyst

445 S Figueroa St, Suite 1925
Los Angeles CA 90071
www.raftelis.com

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List of Abbreviations

ADA: Average Daily Attendance
AF: Acre-feet
AFY: Acre-feet per year
AWWA: American Water Works Association
AWPF: Advance Water Purification Facility
BOD: Biological Oxygen Demand
CIP: Capital Improvement Plan
City: City of Tracy
COS: Cost of Service
CPI: Consumer Price Index
FY: Fiscal year
GPCD: Gallons per capita per day
GPM: Gallons per minute
GW: Groundwater
HCF: One hundred cubic feet
K: Thousand
Lbs: Pounds
M: Million
Manual M1: American Water Works Association's *Principles of Water Rates, Fees, and Charges: Manual of Water Supply Practices - M1 Seventh Edition*
Max Day: Maximum day water demand
Max Hour: Maximum hour water demand
MG: One million gallons
Mg/L: Milligrams per Liter
MGD: One million gallons per day
NPDES Permit: National Pollutant Discharge Elimination System Permit
O&M: Operations and maintenance
PPM: Parts per million
R&R: Repair and replacement
RCLD: Replacement cost less depreciation
SCADA: Supervisory control and data acquisition
SRF Loan: Clean Water State Revolving Fund Loan
SS: Suspended Solids
Study Period: the rate-setting period of this study which extends through fiscal year 2025-26
WWTP: Wastewater treatment plant

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1. Executive Summary

1.1. Study Overview

The City of Tracy last conducted a wastewater study in 2013, and rates have not increased since 2013. The City of Tracy engaged Raftelis to conduct a wastewater cost of service study to establish a proposed five-year rate schedule from FY 2023-24 to FY 2027-28, which is known as the study period. Proposed rates cannot be implemented until formally adopted by the City after a public hearing, absent a majority protest by parcels served by the City. The City as elected to pursue Scenario 2 rates (described in detail below) at the Proposition 218 public hearing for rate adoption. Proposition 218 requires that City of Tracy customers be mailed a public hearing notice detailing proposed rate changes no fewer than 45 days before the public hearing.

The study's major objectives are to:

- Develop a ten-year financial plan that sufficiently funds City of Tracy's wastewater operations and maintenance (O&M) expenses, debt service payments, and capital expenditures while adequately funding reserves and achieving debt coverage requirements. Debt coverage requirements are a major study driver.
- Conduct a cost of service analysis that establishes a clear nexus between the cost to serve wastewater customers and the rates charged to customers, per Proposition 218 and industry standards.
- Develop a five-year schedule of wastewater rates that are fair and equitable.

1.2. Rate Study Process

This study was conducted using industry-standard principles outlined by the Water Environment Federation's *Financing and Charges for Wastewater Systems*. The overall process outlined below describes the process to develop wastewater rates.

1. **Financial Plan:** Develop cash flow projections for the Wastewater Enterprise to determine the amount of revenue required from wastewater rates.
2. **Cost of Service Analysis:** Allocate costs to wastewater functions, then cost components and lastly to s customer classes based on user characteristics.
3. **Rate Design**: Develop rates that generate sufficient revenues based on the results of the financial plan and cost of service analysis and communicate the policy preferences of the agency.
4. **Report Preparation:** Develop a report to document the results of the rate study.
5. **Rate Adoption:** Proposed rates may be adopted by City Council only after holding a public hearing in accordance with Proposition 218 requirements.

1.3. Proposed Wastewater Financial Plan

Raftelis conducted a status quo cash flow analysis (without rate adjustments) to evaluate whether existing wastewater rates will adequately fund the Wastewater Enterprise's various expenses over the rate-setting period. Raftelis projected that, without rate increases during the five-year study period, the Wastewater Enterprise will not meet the debt service coverage requirements as shown in Figure 1-1. In addition, reserves

fall below the target reserve policy by FY 2023-24, and deplete cash reserves by FY 2023-24, as shown below in Figure 1-2. This demonstrates a need for revenue adjustments for the Wastewater Enterprise.

Figure 1-1: Debt Coverage under Status Quo Financial Plan

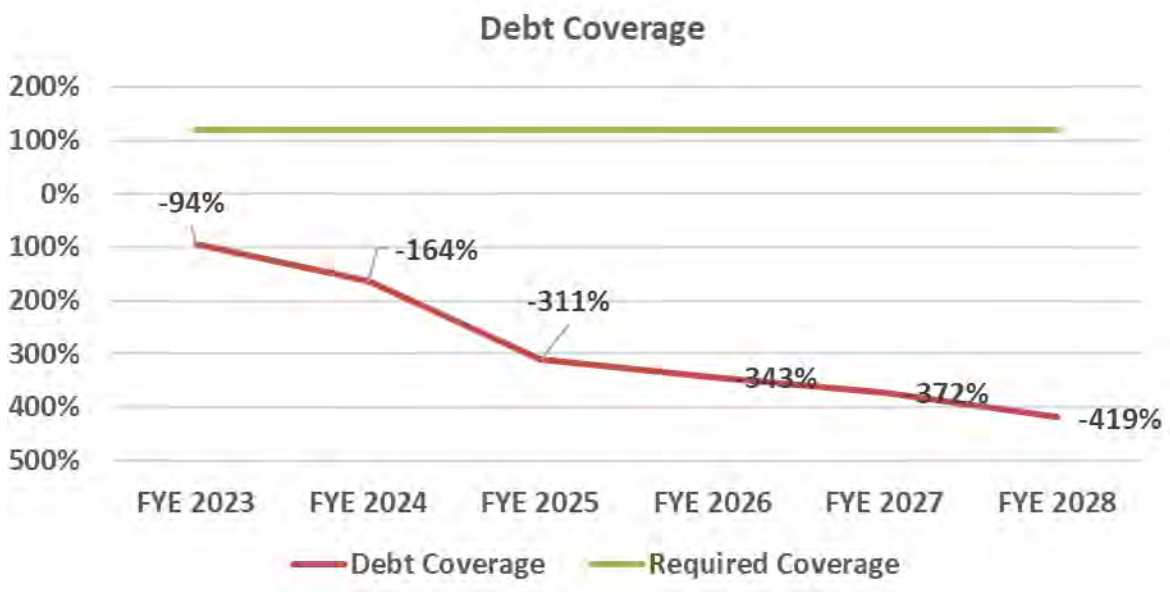
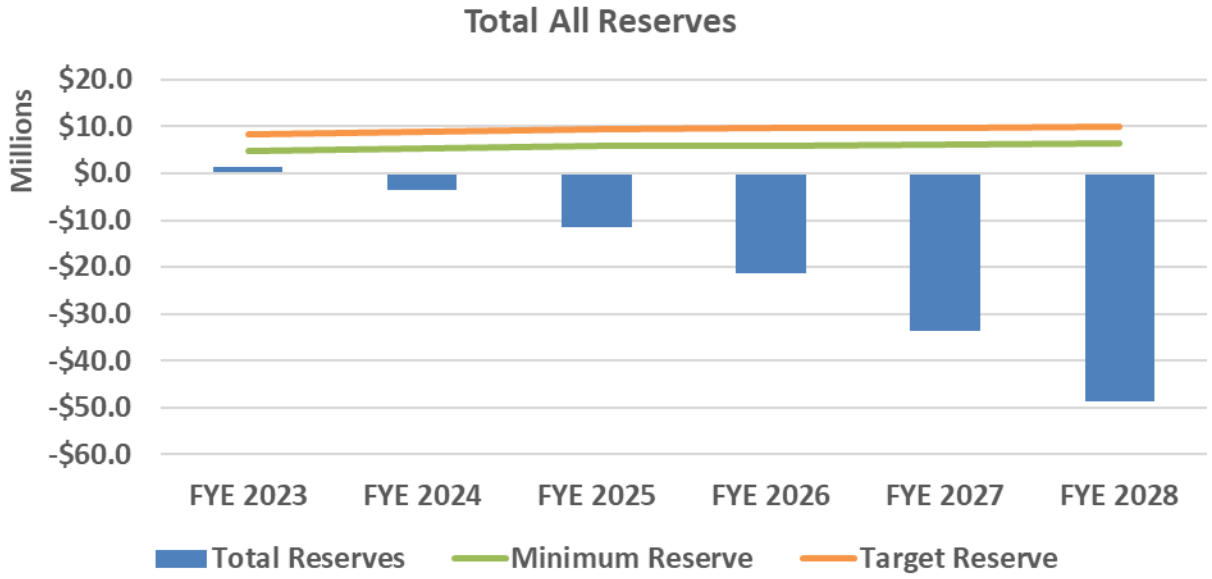


Figure 1-2: Reserve Balances under Status Quo Financial Plan



Raftelis worked closely with City staff to develop two scenarios for revenue adjustments: both governed by the need to meet debt coverage requirements. Table 1-1 shows the revenue adjustments for Scenario 1; Table 1-2 shows the revenue adjustments for Scenario 2. Both scenarios enable similar reserve levels, however Scenario 2 provides more of a buffer above the minimum debt coverage ratio of 1.20. Note that the net (uncompounded) rate increase over the study period is roughly equal: 82.5% in Scenario 1 and 82% in Scenario 2).

Both scenarios were presented to City Council on April 18th, 2023 and the Council selected Scenario 2. Therefore, Scenario 2 is the scenario that will be considered at the public hearing.

Table 1-1: Proposed Wastewater Revenue Adjustments, Scenario 1

Description	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Effective Date	August 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Revenue Adjustment	40.5%	16.0%	9.0%	9.0%	8.0%

Table 1-2: Proposed Wastewater Revenue Adjustments, Scenario 2

Description	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Effective Date	August 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Revenue Adjustment	45.0%	11.0%	9.0%	9.0%	8.0%

Key factors influencing the need for proposed Wastewater Enterprise revenue adjustments include:

- Inflation: Operating costs continue to increase from year to year due to inflationary pressures.
- Additional staff
- A wastewater desalination contract
- Planned capital expenditures: CIP projects through FY 2027-28 are shown in Figure 1-1 and include substantial repair and replacement (R&R) capital projects. Note that capital projects are delayed in the first two years to minimize revenue increases and bill impacts.
- **Most importantly - Cashflow to cover debt service requirements**

Figure 1-3 shows the proposed CIP financing plan over the study period. As proposed, the CIP is funded by cash reserves and rate revenue. Note that CIP expenses are the same in both scenarios.

Figure 1-3: Wastewater Enterprise Capital Improvement Plan

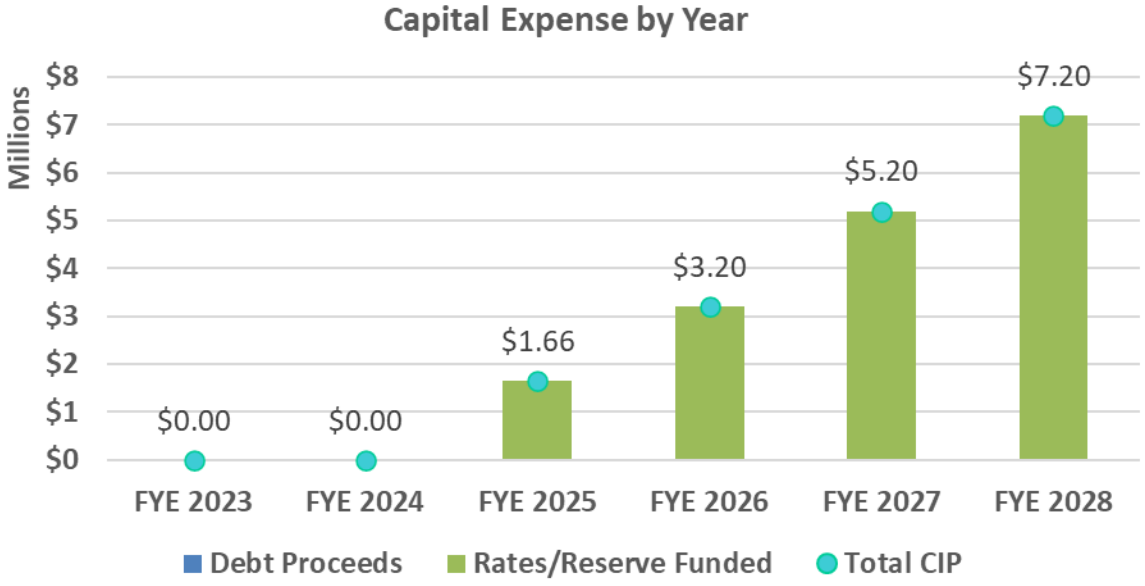


Figure 1-4 and Figure 1-5 show the debt service coverage and ending reserve balances for the Wastewater Enterprise under Scenario 1. Ending balances are determined by applying yearly net cashflow of incoming revenues (including rate revenues, miscellaneous, and revenue from rate adjustments) less expenses (debt service, CIP, and O&M costs). Note that these costs are the same under both scenarios; the revenue from rate adjustments differ under each scenario and therefore changes the outcomes of the ending balances and debt service coverage shown below. As shown, we estimate that the City is in technical default in FY 2023. Under Scenario 1, the revenue adjustment is such that the City just meets its debt coverage requirement and will not meet its minimum reserve requirement, as shown in Figure 1-5, until FY 2027.

Figure 1-4: Wastewater Debt Coverage, Scenario 1

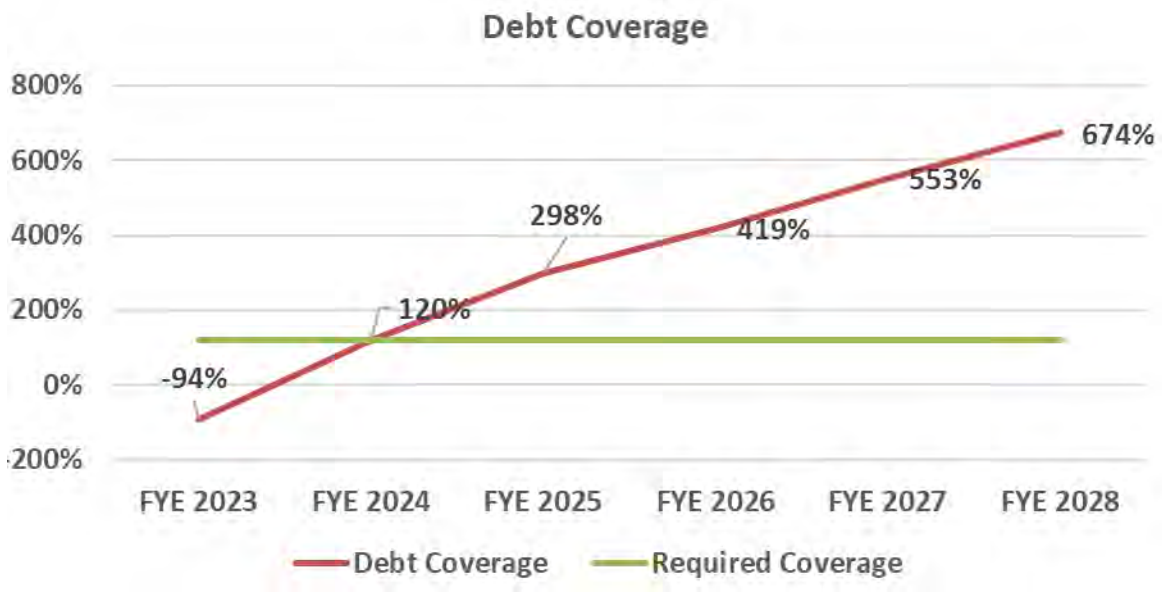


Figure 1-5: Wastewater Reserve Balances, Scenario 1

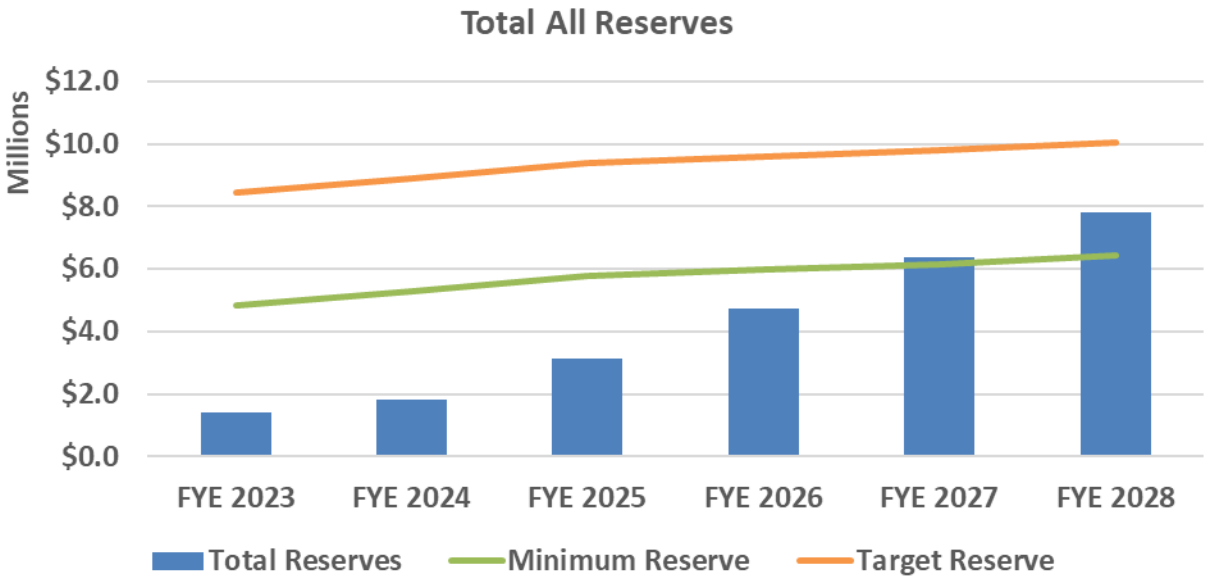


Figure 1-6 and Figure 1-7 and show the debt service coverage and ending reserve balance outcomes for Scenario 2. Scenario 2 provides better debt service coverage by "front loading" the revenue adjustments earlier. As shown the debt coverage exceed the minimum of 1.20 in FY 2024. However, reserve balances still do not meet the City's minimum target until FY 2027 as shown in Figure 1-7.

Figure 1-6: Wastewater Debt Coverage, Scenario 2

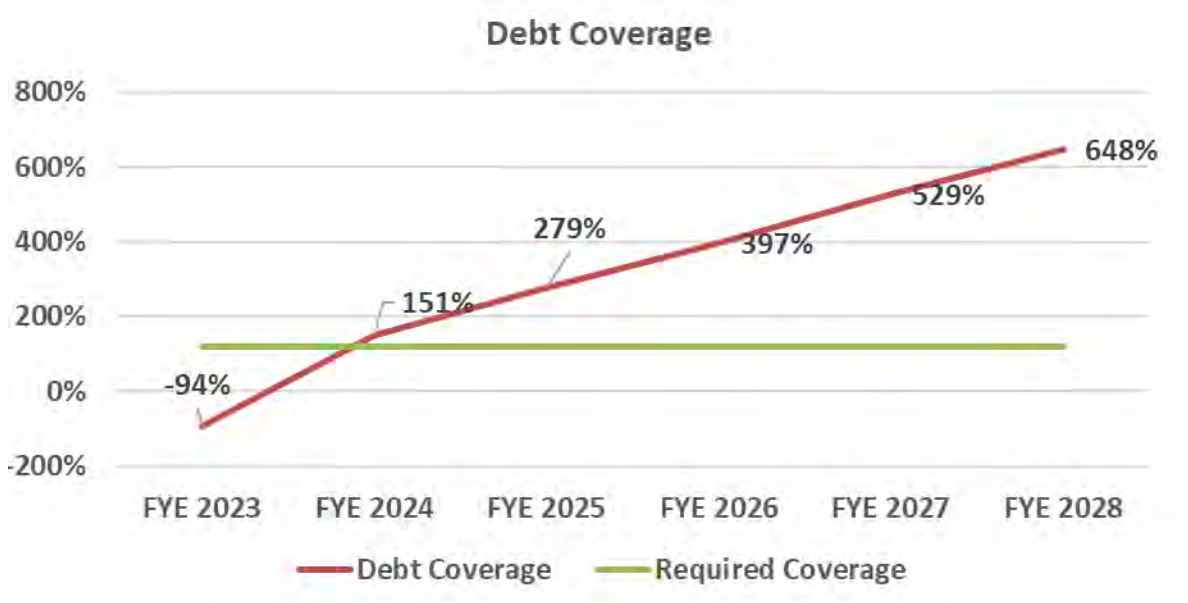
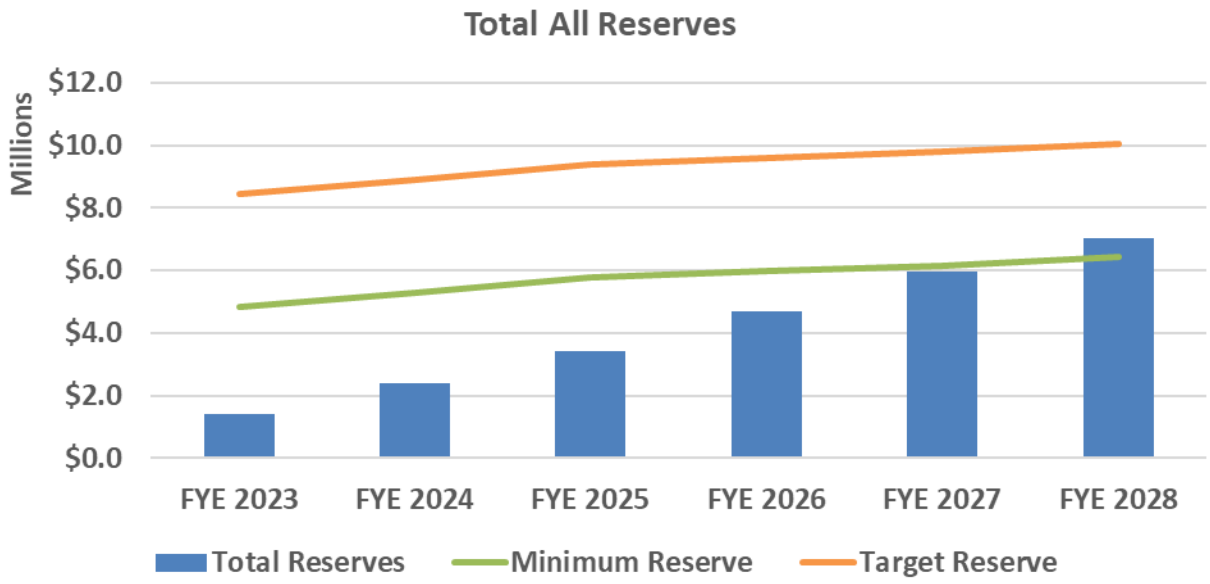


Figure 1-7: Wastewater Reserve Balances, Scenario 2



1.4. Current and Proposed Wastewater Rates

The City of Tracy's current wastewater rate structure consists of a combination of fixed and volumetric charges. Single and Multi-Family customers are charged a flat rate regardless of wastewater discharge. Other

classes have a fixed charge and a volumetric rate per hundred cubic feet (hcf) of wastewater discharge. Raftelis worked closely with City Staff to evaluate potential changes to the existing wastewater rate structure. The City's existing rate structure for all customers except Leprino and Septic Disposal is shown below in Table 1-3.

Table 1-3: Current Rate Structure

Line	Customer Class	Fixed Charge ($ / month)	Volumetric Charge ($ / hcf)
1	**Residential**		
2	Single Family	$34.00	N/A
3	Multi-Family	$28.75	N/A
4			
5	**Non-Residential**		
6	Commercial I	$28.75	$1.98
7	Commercial II	$28.75	$2.91
8	Commercial III	$28.75	$4.89

Table 1-4 shows the current rate structure for the City's Industrial class (Leprino is currently the only industrial customer) and Septic Disposal customers.

Table 1-4: Current Wastewater Industrial Capacity and Use Charges

Industrial Class	Units	Charge
Capacity Charges		
Flow	($/MGD per year)	$258,289
BOD	($/lb)	$28.23
TSS	($/lb)	$43.13
Use Charges		
Flow	($/MG)	$334.00
BOD	($/1,000 lbs)	$489.19
TSS	($/1,000 lbs)	$232.35
Septic Disposal Charge		
Septic Disposal	($/1,000 gal)	$66.90

Table 1-5 shows the proposed rate structure for test year FY 2023-24. The City requested that the Multi-Family class have a combined fixed charge and a volumetric rate as shown. The rate structure shown is a common one, in which Single Family has a flat charge (fixed charge) and the remaining classes have a fixed charge and a volumetric rate. The calculations used to develop these rates are explained in detail in Table 6-1 and Table 6-3.

Table 1-5: Proposed Rate Structure for Test Year FY 2023-24

Line	Customer Class	Fixed Charge ($ / month)	Volumetric Charge ($ / hcf)
1	**Residential**		
2	Single Family	$42.92	N/A
3	Multi-Family	$5.94	$3.45
4			
5	**Non-Residential**		
6	Commercial I	$24.42	$3.55
7	Commercial II	$24.42	$6.00
8	Commercial III	$24.42	$9.50
9	Industrial – Leprino	N/A	$0.97
10	Septic Disposal	N/A	$56.80

Table 1-6 shows proposed wastewater rates through FY 2027-28 for Scenario 1. Table 1-7 shows the proposed rates for Scenario 2. This report establishes rates for FY 2023-24 using a cost of service analysis and escalates rates for future years (FY 2024-25 to FY 2027-28) by the revenue adjustments. The fixed charge shown for Multi-Family customers is per dwelling unit.

Table 1-6: Proposed Five-Year Wastewater Rate Schedule, Scenario 1

Customer Class	Current	Proposed FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028
Fixed Charges ($ / month)						
Single Family Residential	$34.00	$46.55	$54.00	$58.86	$64.16	$69.29
Multi-Family Residential	$28.75	$3.91	$4.54	$4.94	$5.39	$5.82
Commercial I	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Commercial II	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Commercial III	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Volumetric Charges ($ / hcf)						
Single Family Residential	NA	NA	NA	NA	NA	NA
Multi-Family Residential	$0.00	$4.24	$4.92	$5.36	$5.85	$6.31
Commercial I	$1.98	$3.41	$3.96	$4.32	$4.70	$5.08
Commercial II	$2.91	$6.07	$7.04	$7.67	$8.36	$9.03
Commercial III	$4.89	$9.90	$11.48	$12.52	$13.64	$14.73
Septage ($/hcf)	$0.00	$73.57	$103.37	$119.91	$130.70	$142.46

Table 1-7: Proposed Five-Year Wastewater Rate Schedule, Scenario 2

Customer Class	Current	Proposed FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028
Fixed Charges ($ / month)						
Single Family Residential	$34.00	$48.05	$53.34	$58.14	$63.37	$68.44
Multi-Family Residential	$28.75	$4.05	$4.49	$4.90	$5.34	$5.77
Commercial I	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Commercial II	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Commercial III	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Volumetric Charges ($ / hcf)						
Single Family Residential	NA	NA	NA	NA	NA	NA
Multi-Family Residential	$0.00	$4.38	$4.86	$5.29	$5.77	$6.23
Commercial I	$1.98	$3.52	$3.91	$4.26	$4.65	$5.02
Commercial II	$2.91	$6.26	$6.95	$7.57	$8.26	$8.92
Commercial III	$4.89	$10.21	$11.33	$12.35	$13.46	$14.54
Septage ($/hcf)	$0.00	$75.89	$110.05	$122.15	$133.15	$145.13

1.5. Summary of Monthly Bill Impacts

Figure 1-8 and Figure 1-9 show the expected change in the monthly wastewater bill for Single Family residential customers for each scenario.

Figure 1-8: Single Family Residential Monthly Wastewater Bill Impacts (FY 2023-24), Scenario 1

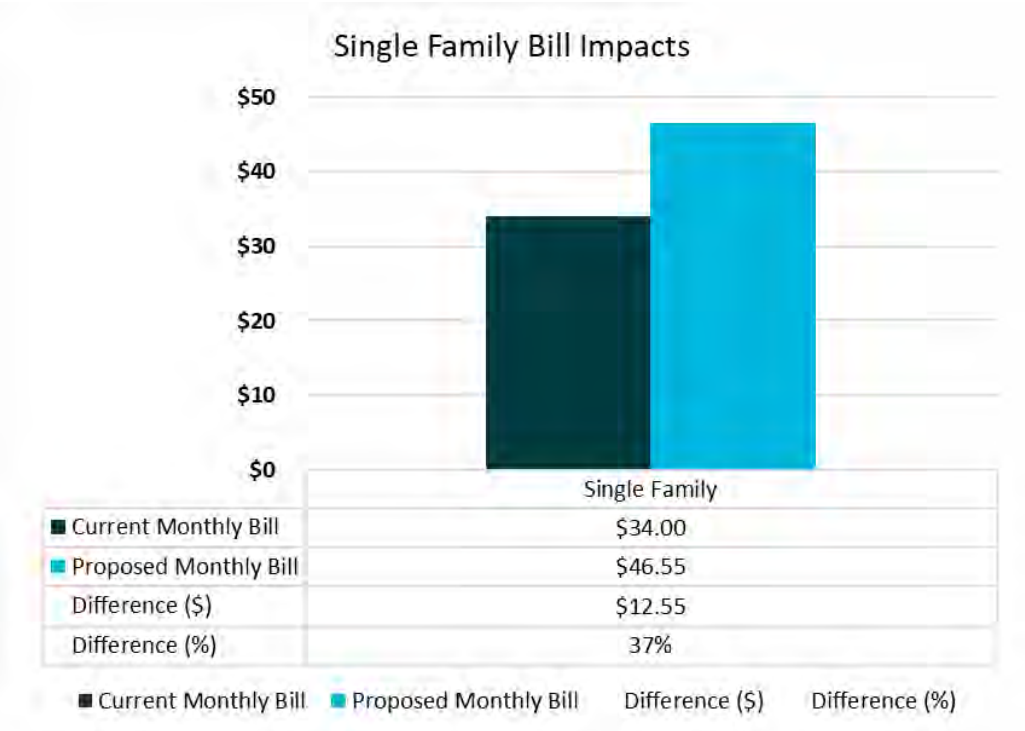


Figure 1-9: Single Family Residential Monthly Wastewater Bill Impacts (FY 2023-24), Scenario 2

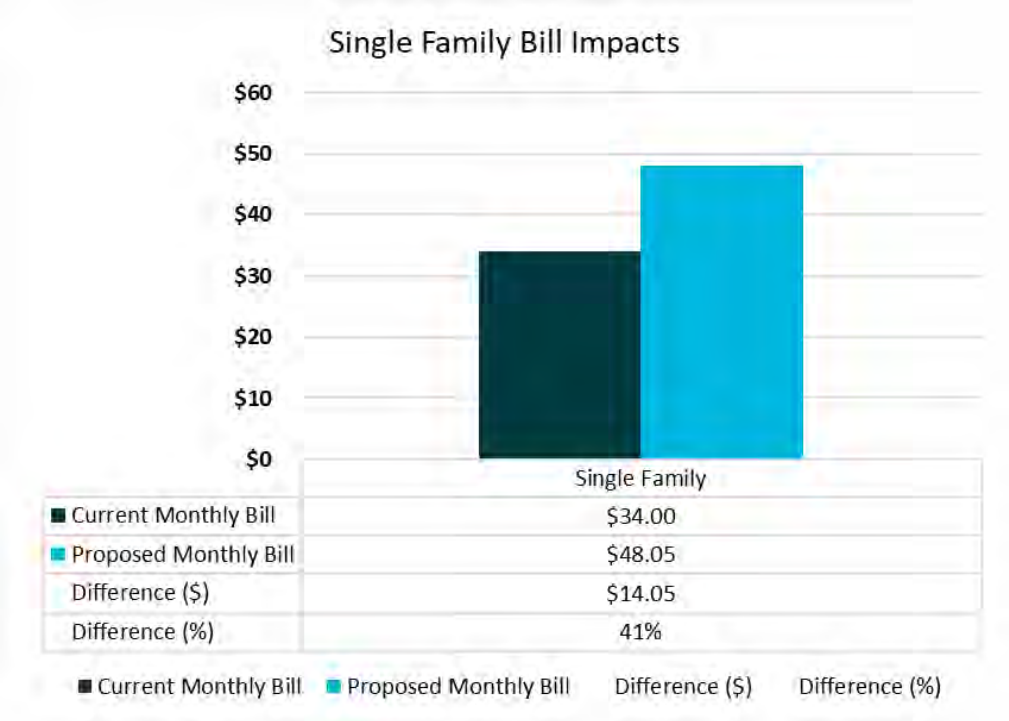


Figure 1-10 and Figure 1-11 show the monthly wastewater bill impacts for a Multi-Family customer that has an average of **7 dwelling units** and discharges approximately 5 hcf of sewage per dwelling unit, per month. For test year 2023-24, the average monthly bill for Multi-Family customers will decrease. This is due to the proposed changes to the rate structure, which will shift charges from a per dwelling unit cost ($28.75) to a smaller fixed charge and volumetric rate which aligns Multi-Family bills with actual discharge to the wastewater treatment plant. Note again that this decrease is reflected in both Scenario 1 and Scenario 2; the magnitude of the change is merely different depending on each scenario.

Figure 1-10: Multi-Family Monthly per Dwelling Unit Wastewater Bill Impacts, Scenario 1

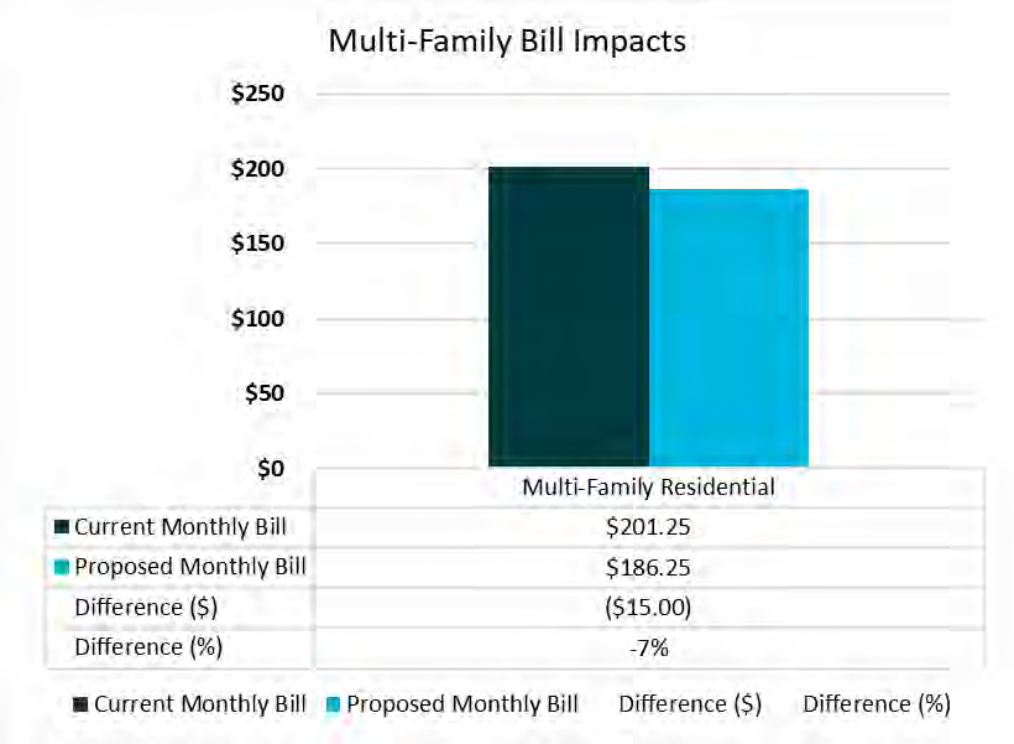


Figure 1-11: Multi-Family Monthly per Dwelling Unit Wastewater Bill Impacts, Scenario 2

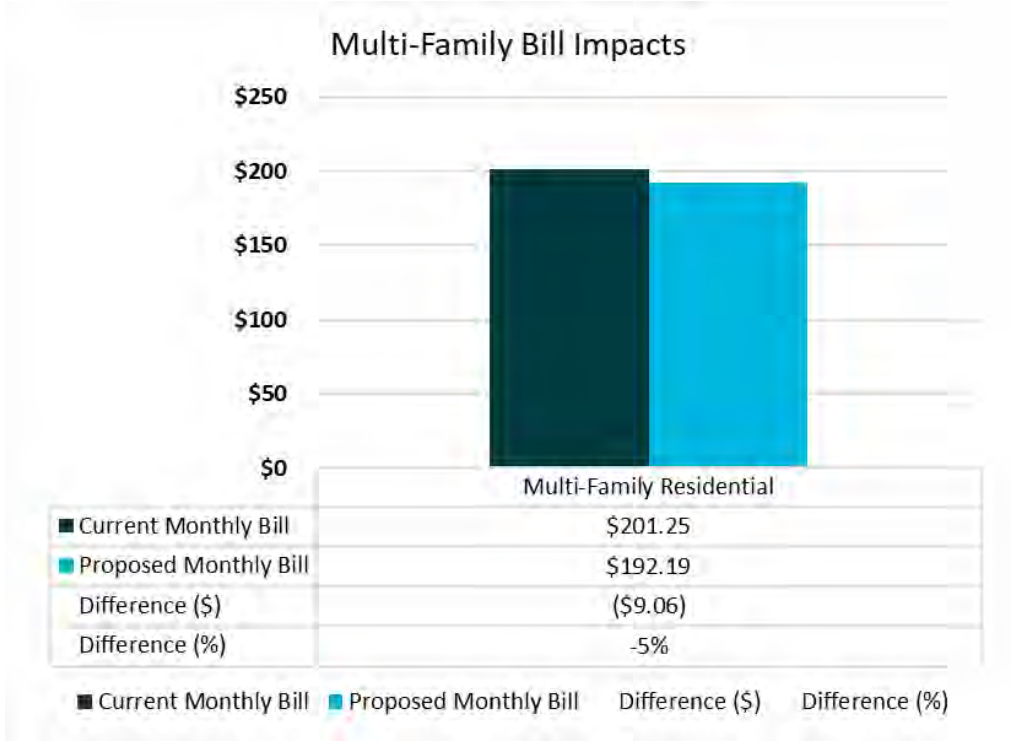
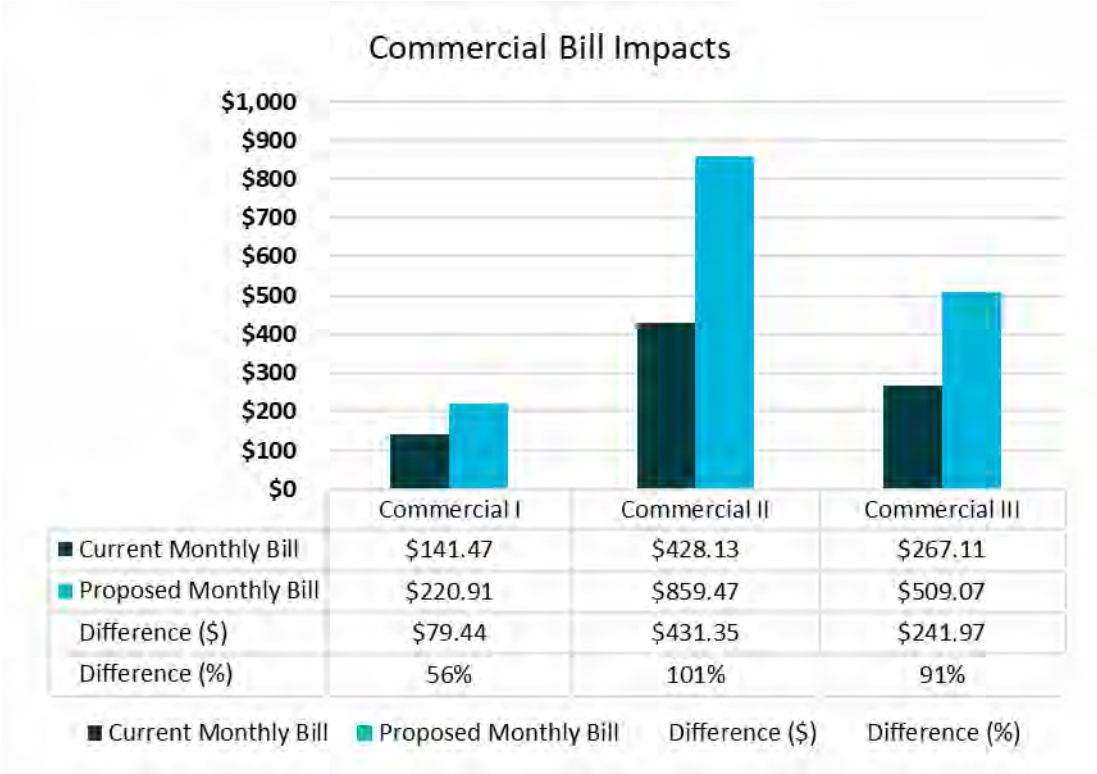


Figure 1-12 and Figure 1-13 show the monthly wastewater bill impacts for commercial customers assuming average wastewater discharge for each class under each scenario. The average wastewater discharge for each

class shown is 683, 1,647, and 585 hcf, respectively. Therefore, the average commercial business discharges a large volume of wastewater. Their bills increase as the assumed wastewater strength[1] has been revised upwards[2] and trued to the actual strength discharged to the plant.[3] Commercial I has the lowest strength; Commercial III has the highest strength. Higher strength customers discharge more BOD and TSS to the plant, which is more costly to treat than lower strength sewage.

Figure 1-12: Non-Residential Monthly Wastewater Bill Impacts, Scenario 1

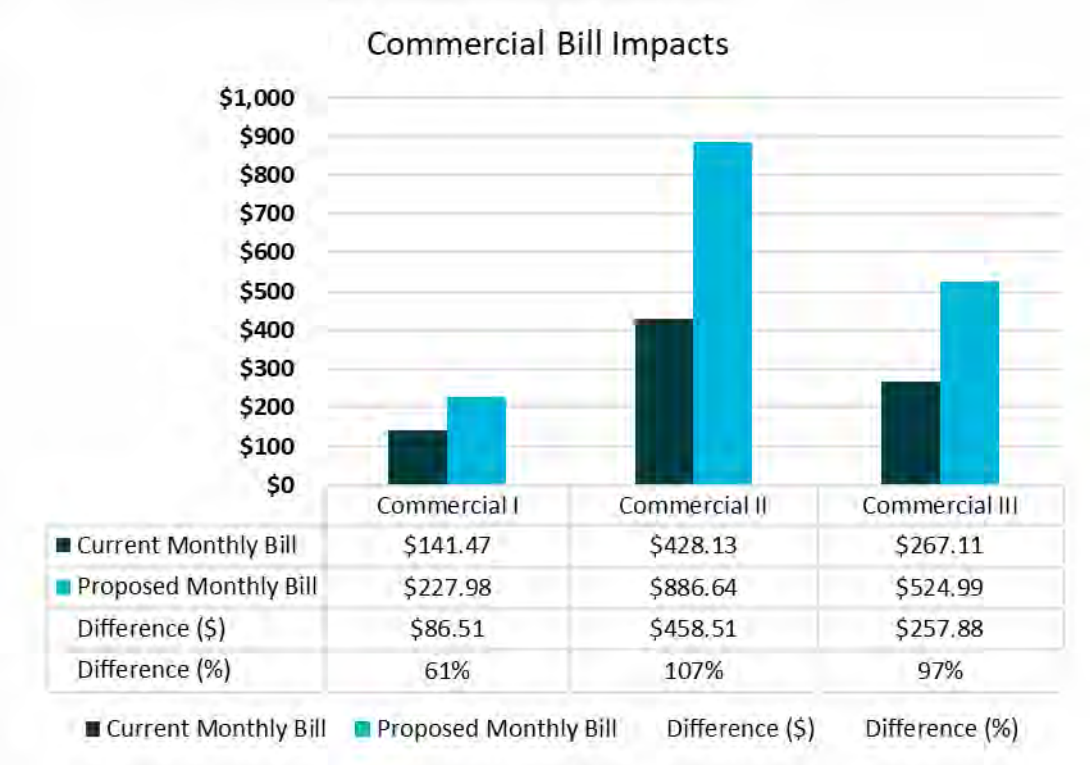


[1] Strength is defined as the concentration of biochemical oxygen demand (BOD) and total suspended solids (TSS).

[2] The latest data from large sewage treatment agencies, such as Los Angeles County Sanitation Districts, shows the sewage strength has increased due to the installation of low flow water fixtures.

3 It appears that trueing up strength concentrations and actual flows to what is observed at the wastewater treatment plant was not performed in the prior study.

Figure 1-13: Non-Residential Monthly Wastewater Bill Impacts, Scenario 2



2. Introduction

2.1. City of Tracy Wastewater System

The City of Tracy wastewater department provides wastewater service to over 23,000 residential, commercial, and industrial customers. Most City customers are located within city limits. The City's wastewater system consists of a wastewater treatment plant, 290 miles of collection pipelines, 10 miles of sewer mains, and over 10 lift stations.

The City of Tracy maintains a wastewater collection system which transports wastewater discharged from customers to its Wastewater Treatment Plant, which provides tertiary wastewater treatment to treat and dispose of the sewage collected within the City. The City also services one industrial customer and receives septic discharges (trucked in). The industrial customer (Leprino) transports wastewater to the City treatment plant through its own pipeline and therefore does not use the City's wastewater collection system. This affects the costs attributed to this industrial customer as described in Section 6 – Cost of Service.

2.2. Study Overview

The City of Tracy last conducted a water and wastewater cost of service study in 2013 and has not raised rates since 2013. Nevertheless, the City's costs to treat wastewater have increased since 2013 and require the implementation of wastewater rate adjustments.

The City of Tracy engaged Raftelis in 2020 to conduct a wastewater cost of service study to establish a proposed five-year wastewater rate schedule from FY 2023-24 to FY 2027-28. Note that proposed rates cannot be implemented until formally adopted by City Council after a public hearing. Proposition 218 requires that the City of Tracy customers must be mailed a public hearing notice detailing any proposed rate changes no fewer than 45 days before the public hearing. The notice explains a customer's right to protest the rate proposal.

Study Objectives

The study's major objectives are to:

- Develop a five-year financial plan that sufficiently funds the City of Tracy's wastewater operations and maintenance (O&M) expenses, debt service payments, and capital expenditures while adequately funding reserves and achieving debt coverage requirements.
- Conduct a cost of service analysis that establishes a clear nexus between the cost to serve wastewater customers and the rates charged to customers, per Proposition 218 and industry standards.
- Review the City of Tracy's existing wastewater rate structure to ensure that proposed rates are cost based and achieve policy objectives.
- Develop a five-year schedule of wastewater rates that are fair, equitable, and compliant with Proposition 218 requirements.

3. Key Inputs and Assumptions

Raftelis developed a wastewater rate model in Microsoft Excel to project financial calculations over the next ten fiscal years with projections shown in this section through the five-year rate-setting period from FY 2023-24 to FY 2027-28 (i.e., the "study period"). The City's fiscal year spans from July 1 through June 30. Projections in future years were made based on estimated FY 2021-22 data using key assumptions outlined below. Assumptions were discussed with and reviewed by City staff. Note that there may be small differences between a reader performing calculations with a calculator and the values shown in tables because Excel does not round to the hundredths place.

3.1. Current Wastewater Rates

The City of Tracy's current wastewater rate structure consists of a combination of fixed and volumetric charges for its customer classes. Single and Multi-Family customers are charged a flat rate regardless of wastewater discharge. Other classes have a fixed charge and a volumetric rate per hundred cubic feet (hcf) of wastewater discharge. Raftelis worked closely with City Staff to evaluate potential changes to the existing wastewater rate structure. The City's existing rate structure for all customers except Leprino and Septic Disposal is shown below in Table 3-1:

Table 3-1: Current Rate Structure

Line	Customer Class	Fixed Charge ($ / month)	Volumetric Charge ($ / hcf)
1	**Residential**		
2	Single Family	$34.00	N/A
3	Multi-Family	$28.75	N/A
4			
5	**Non-Residential**		
6	Commercial I	$28.75	$1.98
7	Commercial II	$28.75	$2.91
8	Commercial III	$28.75	$4.89

The City also services a small number of septage and industrial customers. The City's septage customers pay a dollar per hcf volumetric charge, shown in Table 3-2 below. The City of Tracy also has industrial capacity and use charges for industrial customers. Currently, Leprino Inc. is the only industrial customer. The rate structure for Leprino is shown in Table 3-3 below.

Table 3-2: Current Wastewater Volumetric Rates for Septage Customers

Non-Residential Class	Volumetric Charge ($/hcf)
Septage ($/hcf)	$56.21

Table 3-3: Current Wastewater Industrial Capacity and Use Charges (Leprino Only)

Industrial Class	Units	Charge
Capacity Charges		
Flow	($/MGD per year)	$258,289
BOD	($/lb)	$28.23
TSS	($/lb)	$43.13
Use Charges		
Flow	($/MG)	$334.00
BOD	($/1,000 lbs)	$489.19
TSS	($/1,000 lbs)	$232.35
Septic Disposal Charge		
Septic Disposal	($/1,000 gal)	$66.90

3.2. Projected Billed Wastewater Use

City staff provided Raftelis with total annual wastewater use data by customer class for FY 2018-19. Raftelis worked closely with City staff to develop wastewater billed consumption projections over the study period. Table 3-4 shows projected billed consumption for FY 2024 and the study assumes a constant flow over the study period. Total water use is shown in hundred cubic feet (hcf).

Table 3-4: Projected Billed Consumption Under Existing Rate Structure

Customer Class	FY 2024
Billed Flow (hcf)	
Single Family Residential	2,437,994
Multi-Family Residential	292,421
Commercial I - Low Strength	239,787
Commercial II - Medium Strength	463,934
Commercial III - High Strength	33,165
Industrial (Leprino, hcf)	307,420
Septic Disposal (hcf)	4,438
Total Billed Flow	**3,779,159**

3.3. Wastewater Enterprise Financial Assumptions

Raftelis and City Staff developed inflationary assumptions as shown in Table 3-5 which are used to escalate operations and maintenance (O&M) expenses) beyond FY 2023-24. Salary and benefit inflationary increases were discussed with City staff, as wastewater utility personnel cost increases are typically agency-specific. The capital inflation factor is used to adjust uninflated capital project cost to reflect future year costs.

Table 3-5: Wastewater Enterprise Inflationary Assumptions

Escalation Factor	FY 2023[4]	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
General	Budget	6.0%	5.0%	3.0%	3.0%	3.0%
Salary	Budget	3.0%	3.0%	3.0%	3.0%	3.0%
Benefits	Budget	5.0%	5.0%	5.0%	5.0%	5.0%
Power	Budget	5.0%	5.0%	5.0%	5.0%	5.0%
Capital	Budget	6.0%	5.0%	3.2%	3.2%	3.2%

Raftelis also projects non-rate revenue which include interest earnings. We assumed the interest rate shown in Table 3-6.

Table 3-6: Additional Wastewater Enterprise Financial Assumptions

Interest Earnings	Value
Annual Reserve Interest Rate	0.5%

3.4. Projected Wastewater Number of Accounts and Dwelling Units

Table 4-7 shows the projected number of wastewater accounts and dwelling units. Wastewater account growth projections are needed to estimate wastewater rate revenues over the study period. City staff provided Raftelis with the number of accounts/dwelling units by customer class for FY 2018-19. Raftelis then applied the annual account growth rates shown below to each class to project accounts over the study period.

Table 3-7: Projected Wastewater Accounts and Dwelling Units

Customer Class	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Account Growth Factors						
Single-Family Residential	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Multi-Family Residential	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Commercial	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of Accounts						
Single Family Residential	22,069	22,415	22,767	23,124	23,487	23,856
Single Family Residential - LR	1,531	1,555	1,579	1,604	1,629	1,655
Multi-Family Sewer - per dwelling unit	582	587	592	598	603	608
Multi-Family Sewer LIRA	22	23	23	23	23	23
Commercial I - Low Strength	390	390	390	390	390	390
Commercial II - Medium Strength	313	313	313	313	313	313
Commercial III - High Strength	63	63	63	63	63	63
Industrial - Leprino	1	1	1	1	1	1
Subtotal - Accounts	**24,971**	**25,347**	**25,728**	**26,116**	**26,509**	**26,909**

[4] City Staff provided its FY 2023 budget for use in Raftelis' financial planning models. For this reason, budget values were used without inflation factors for FY 2023.

4. Wastewater Financial Plan

Section 4 details the proposed Wastewater Enterprise financial plan. The following subsections estimate annual revenues, O&M expenses, debt service payments, capital expenditures, and reserve funding through FY 2027-28. The overall purpose of the financial plan is to determine annual wastewater rate revenues required to achieve sufficient cash flow, maintain adequate reserves, and meet debt coverage requirements.

4.1. Wastewater Enterprise Revenue at Existing Rates

The Wastewater Enterprise's revenue sources consist of wastewater rates, connection fees, interest earnings on cash reserves, and other non-rate revenues. The rate revenue projections shown in this section assume that current FY 2021-22 wastewater rates are effective throughout the study period, and therefore represent estimated revenues in the absence of any wastewater rate increases. This status quo scenario provides a baseline from which Raftelis evaluated the need for revenue adjustments (i.e. gross rate revenue increases).

Calculated Wastewater Rate Revenues

Raftelis projected annual wastewater rate revenues over the study period based on current FY 2022-23 wastewater rates (from Table 1-6) and projected number of accounts (or dwelling units for MFR) (from Table 3-7). Table 4-1 shows projected wastewater rate revenues under current rates, calculated as follows:

Fixed Charge Revenue = [FY 2022-23 monthly charge] × [Number of accounts or dwelling units] × [12 Bills per year]

Variable Rate Revenue = [FY 2022-23 volumetric unit rate] × [wastewater discharge]

Table 4-1: Projected Rate Revenues at Existing Rates

Revenue	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Single Family Residential	$9,004,079	$9,145,418	$9,288,975	$9,434,786	$9,582,886	$9,733,311
Single Family Residential - LR	$577,654	$586,722	$595,932	$605,286	$614,787	$624,438
Multi-Family Sewer & MFR LIRA	$1,571,475	$1,571,475	$1,571,475	$1,571,475	$1,571,475	$1,571,475
Commercial I - Low Strength	$134,550	$134,550	$134,550	$134,550	$134,550	$134,550
Commercial II - Medium Strength	$107,985	$107,985	$107,985	$107,985	$107,985	$107,985
Commercial III - High Strength	$21,735	$21,735	$21,735	$21,735	$21,735	$21,735
Total Fixed Charge Revenues	**$11,417,478**	**$11,567,884**	**$11,720,652**	**$11,875,817**	**$12,033,419**	**$12,193,494**
Commercial I - Low Strength						
Commercial II - Medium Strength	$527,531	$527,531	$527,531	$527,531	$527,531	$527,531
Commercial III - High Strength	$1,500,053	$1,500,053	$1,500,053	$1,500,053	$1,500,053	$1,500,053
Total Volumetric Rate Revenues	**$180,197**	**$180,197**	**$180,197**	**$180,197**	**$180,197**	**$180,197**
Industrial Revenues	$381,357	$381,357	$381,357	$381,357	$381,357	$381,357
Septic Disposal Revenues	$222,091	$222,091	$222,091	$222,091	$222,091	$222,091
Total Rate Revenue	**$14,228,706**	**$14,379,113**	**$14,531,881**	**$14,687,046**	**$14,844,647**	**$15,004,722**

4.2. Wastewater Enterprise Operations & Maintenance Expenses

Table 4-2 shows a summary of Wastewater Enterprise O&M expenses over the study period. O&M expenditures include the cost of operating and maintaining wastewater collection, treatment, and disposal facilities. O&M expenses also include laboratory services and other administrative costs. The projected increases in O&M expenses are shown in Table 4-2 below. O&M expenses were provided by City staff for FY 2022-2023 in current dollars and then adjusted for inflation (based on inflationary assumptions shown in Table 3-5).

Table 4-2: Projected O&M Expenses

Expense	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
O&M Costs						
Administration	$1,823,953	$1,901,935	$1,983,412	$2,068,538	$2,157,499	$2,250,470
Collection	$3,228,106	$3,671,595	$4,322,234	$4,475,266	$4,612,491	$4,741,110
Treatment	$9,752,918	$10,252,158	$11,215,264	$11,567,250	$11,931,323	$12,272,701
Indirect Costs	$935,855	$992,006	$1,041,607	$1,072,855	$1,105,040	$1,132,666
Wastewater Desalination Contract	$375,000	$750,000	$750,000	$750,000	$750,000	$1,000,000
Total Operating Expenses	**$16,115,832**	**$17,567,694**	**$19,312,517**	**$19,933,909**	**$20,556,354**	**$21,396,947**

4.3. Wastewater Enterprise Debt

Table 4-3 shows the Wastewater Enterprise's projected debt service obligations. Existing debt service consists of the City's 2004 Wastewater Treatment Plant COPS Bonds and 2021 Wastewater COP Refunding Bonds.

Table 4-3: Projected Debt Service

Expense	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Existing Debt Service						
2004 WW Treatment Plant COPS	$1,852,530	$1,852,530	$0	$0	$0	$0
2021 WW COP Refunding	$0	$0	$1,504,650	$1,508,400	$1,502,200	$1,509,800
Total Existing Debt	$1,852,530	$1,852,530	$1,504,650	$1,508,400	$1,502,200	$1,509,800

4.4. Wastewater Enterprise Capital Improvement Plan

Table 4-4 shows the proposed capital improvement plan. The City expects to spend over $17 million on capital projects over the study period, highlighting the need to maintain adequate reserves and preserve its wastewater collection and treatment system through regular repairs. The City plans to defer or reduce capital projects in FY 2022-23 and FY 2023-2024 to minimize the need for rate increases.

Table 4-4: Detailed Capital Improvement Plan

Capital Improvement Project	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Cash-Funded Capital	$0	$0	$1,660,000	$3,200,000	$5,200,000	$7,200,000
Debt-Funded Capital	$0	$0	$0	$0	$0	$0
Total CIP	**$0**	**$0**	**$1,660,000**	**$3,200,000**	**$5,200,000**	**$7,200,000**

4.5. Wastewater Enterprise Financial Policies

Required Debt Coverage

The Wastewater Enterprise has debt covenants for debt service coverage on its outstanding wastewater certificates of participation. The required debt coverage ratio is **1.20**, meaning that the Wastewater Enterprise's net operating revenues (i.e., total revenues less operating expenses) must amount to at least 1.20 times the amount of annual debt service. Failure to meet debt service coverage results in a technical default, which, without foreseeable remedial action (such as implementing rate increases), could result in a downgrade of credit rating, higher costs in future debt issuance, or even denial of credit.

Reserve Targets

The City has an **operating** reserve to provide funds to meet ongoing cash flow requirements related to operating expenses. The current operating reserve target is equal to 30 percent of annual O&M expenses. It is also common to have capital reserves to provide available funds for CIP projects. The City of Tracy currently does not have a formal **capital** reserve policy, however Raftelis modeled an industry norm equal to 2% of net capital assets for the Wastewater Enterprise. Table 4-5 shows projected operating and capital reserve targets.

Table 4-5: Projected Reserve Targets

Reserve Target	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Operating Reserve	$4,834,750	$5,270,308	$5,793,755	$5,980,173	$6,166,906	$6,419,084
Capital Reserve	$3,608,496	$3,608,496	$3,608,496	$3,608,496	$3,608,496	$3,608,496
Total	**$8,443,245**	**$8,878,804**	**$9,402,251**	**$9,588,668**	**$9,775,402**	**$10,027,580**

4.6. Proposed Wastewater Financial Plan

The wastewater enterprise must increase its revenues from wastewater rates over the study period to adequately fund its operating and capital expenditures, meet required debt coverage, and maintain sufficient reserve funding. Raftelis worked closely with City staff to identify financial plan options for the City's consideration. Raftelis proposed two annual revenue adjustment scenarios as shown in Table 4-6 and Table 4-7. Revenue adjustments represent annual percent increases in total rate revenue relative to rate revenue generated by the prior year's wastewater rates.

Both scenarios were presented to City Council on April 18th, 2023 and the Council selected Scenario 2. Therefore, Scenario 2 is the scenario that will be considered at the public hearing.

Table 4-6: Proposed Wastewater Revenue Adjustments, Scenario 1

Description	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Effective Date	August 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Revenue Adjustment	40.5%	16.0%	9.0%	9.0%	8.0%

Table 4-7: Proposed Wastewater Revenue Adjustments, Scenario 2

Description	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Effective Date	August 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027
Revenue Adjustment	45.0%	11.0%	9.0%	9.0%	8.0%

Table 4-8 and Table 4-9 show projected net cashflow under the proposed financial plans. The net cashflow for each year in the study is calculated by subtracting total expenses (Line 18) from total revenues (Line 5). The resulting net cashflows are shown in Line 20. Lines 21 and 22 of Table 4-8 and Table 4-9 show the starting and ending cash balances for the Wastewater Enterprise's combined capital and operating reserves.

Table 4-8: Proposed Wastewater Financial Plan, Scenario 1

Line	Line Item	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
1	**Revenue**						
2	Rate Revenue	$14,228,706	$14,379,113	$14,531,881	$14,687,046	$14,844,647	$15,004,722
3	Revenue Increases (Adjustments)	$0	$5,338,246	$9,152,178	$11,404,227	$13,900,014	$16,374,273
4	Other Revenue	$104,345	$112,161	$125,458	$138,771	$153,355	$167,376
5	**Total Revenue**	**$14,333,051**	**$19,829,520**	**$23,809,517**	**$26,230,044**	**$28,898,016**	**$31,546,371**
6							
7	Expenses						
8	O&M Expenses						
9	Administration	$1,823,953	$1,901,935	$1,983,412	$2,068,538	$2,157,499	$2,250,470
10	Collection	$3,228,106	$3,671,595	$4,322,234	$4,475,266	$4,612,491	$4,741,110
11	Treatment	$9,752,918	$10,252,158	$11,215,264	$11,567,250	$11,931,323	$12,272,701
12	Indirect Costs	$935,855	$992,006	$1,041,607	$1,072,855	$1,105,040	$1,132,666
13	Wastewater Desalination Contract	$375,000	$750,000	$750,000	$750,000	$750,000	$1,000,000
14	Subtotal – O&M Expenses	$16,115,832	$17,567,694	$19,312,517	$19,933,909	$20,556,354	$21,396,947
15							
16	Debt	$1,887,865	$1,887,900	$1,508,400	$1,502,200	$1,509,800	$1,505,600
17	Capital	$0	$0	$1,660,000	$3,200,000	$5,200,000	$7,200,000
18	**Total Expenses**	**$18,003,697**	**$19,455,594**	**$22,480,917**	**$24,636,109**	**$27,266,154**	**$30,102,547**
19							
20	**Net Cashflow**	**($3,670,646)**	**$373,926**	**$1,328,600**	**$1,593,935**	**$1,631,862**	**$1,443,824**
21	Starting Cash Balance	$5,100,000	$1,429,354	$1,803,279	$3,131,880	$4,725,814	$6,357,677
22	**Ending Cash Balance**	**$1,429,354**	**$1,803,279**	**$3,131,880**	**$4,725,814**	**$6,357,677**	**$7,801,501**

Table 4-9: Proposed Wastewater Financial Plan, Scenario 2

Line	Line Item	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
1	**Revenue**						
2	Rate Revenue	$14,228,706	$14,379,113	$14,531,881	$14,687,046	$14,844,647	$15,004,722
3	Revenue Increases (Adjustments)	$0	$5,931,384	$8,857,181	$11,079,247	$13,541,984	$15,983,431
4	Other Revenue	$104,345	$115,394	$126,913	$138,612	$151,411	$163,474
5	**Total Revenue**	**$14,333,051**	**$20,425,891**	**$23,515,975**	**$25,904,905**	**$28,538,042**	**$31,151,628**
6							
7	Expenses						
8	O&M Expenses						
9	Administration	$1,823,953	$1,901,935	$1,983,412	$2,068,538	$2,157,499	$2,250,470
10	Collection	$3,228,106	$3,671,595	$4,322,234	$4,475,266	$4,612,491	$4,741,110
11	Treatment	$9,752,918	$10,252,158	$11,215,264	$11,567,250	$11,931,323	$12,272,701
12	Indirect Costs	$935,855	$992,006	$1,041,607	$1,072,855	$1,105,040	$1,132,666
13	Wastewater Desalination Contract	$375,000	$750,000	$750,000	$750,000	$750,000	$1,000,000
14	Subtotal – O&M Expenses	$16,115,832	$17,567,694	$19,312,517	$19,933,909	$20,556,354	$21,396,947
15							
16	Debt	$1,887,865	$1,887,900	$1,508,400	$1,502,200	$1,509,800	$1,505,600
17	Capital	$0	$0	$1,660,000	$3,200,000	$5,200,000	$7,200,000
18	**Total Expenses**	**$18,003,697**	**$19,455,594**	**$22,480,917**	**$24,636,109**	**$27,266,154**	**$30,102,547**
19							
20	**Net Cashflow**	**($3,670,646)**	**$970,297**	**$1,035,058**	**$1,268,796**	**$1,271,888**	**$1,049,081**
21	Starting Cash Balance	$5,100,000	$1,429,354	$2,399,651	$3,434,709	$4,703,504	$5,975,393
22	**Ending Cash Balance**	**$1,429,354**	**$2,399,651**	**$3,434,709**	**$4,703,504**	**$5,975,393**	**$7,024,473**

Figure 4-1 and Figure 4-2 show projected debt coverage (red line) relative to the debt coverage requirement (green line) under each scenario. As shown, the City does not meet debt coverage in FY 2023. However, the revenue adjustments will ultimately meet future debt service coverage requirements in both Scenario 1 and Scenario 2. Scenario 2, as shown in Figure 4-2, provides more of a buffer in FY 2023-2024.

Figure 4-1: Projected Debt Coverage, Scenario 1

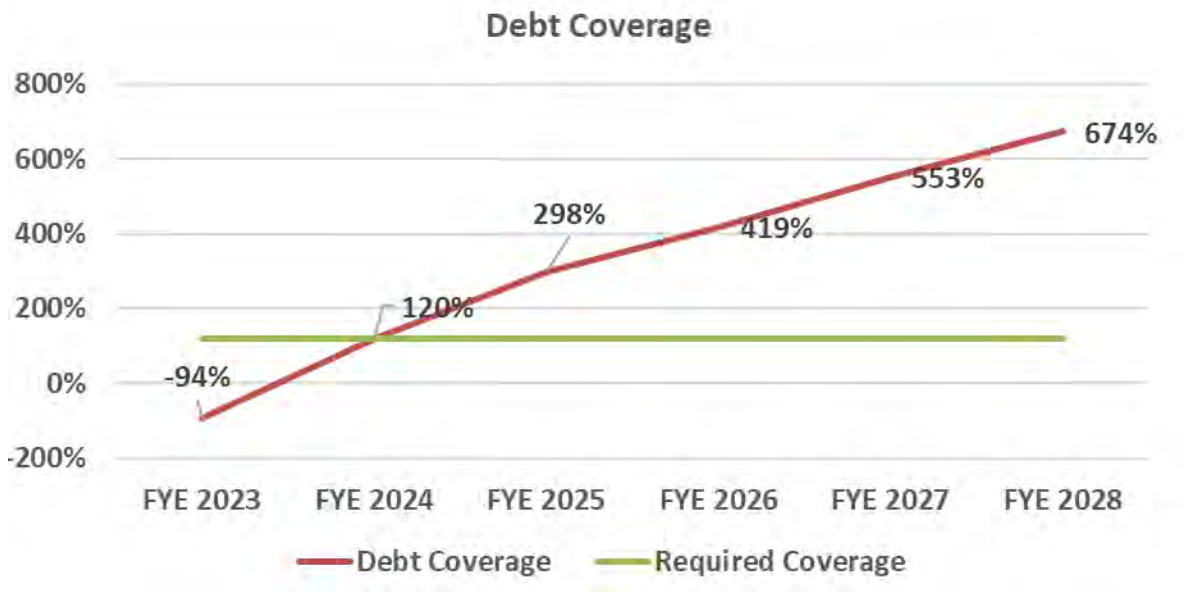


Figure 4-2: Projected Debt Coverage, Scenario 2

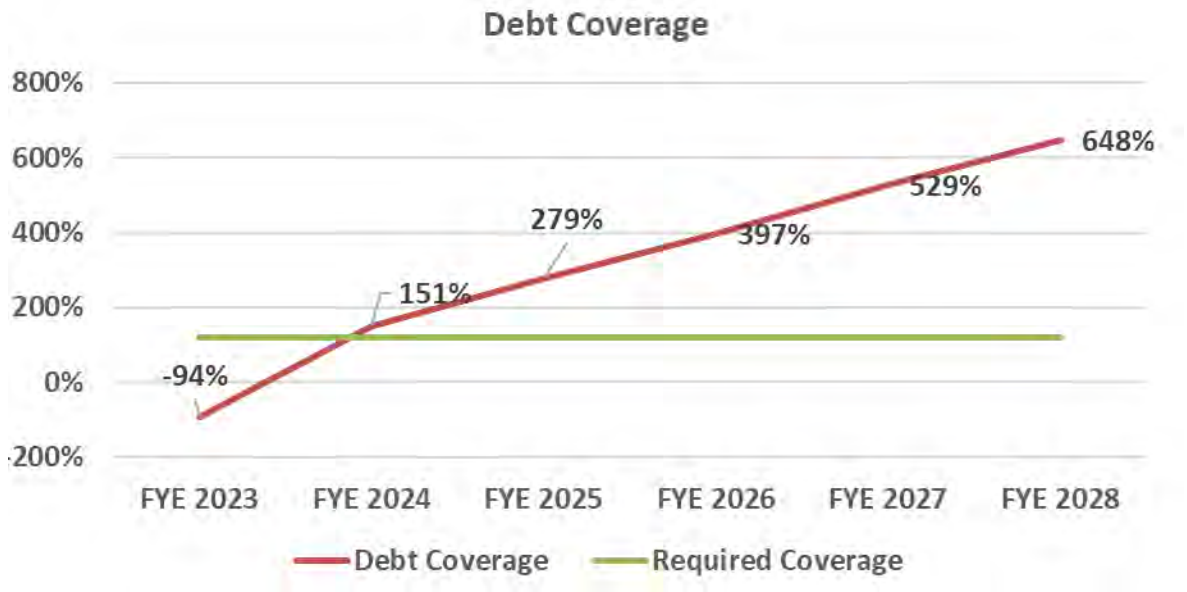


Figure 4-3 and Figure 4-4 show the Wastewater Enterprise's projected ending balance under each of the proposed financial plans. The blue bars indicate the ending balance. The total reserve target is represented by the orange line; the minimum (operating) reserve target is represented by the green line. As shown, the reserve balances are similar for each scenario.

Figure 4-3: Projected Ending Balances, Scenario 1

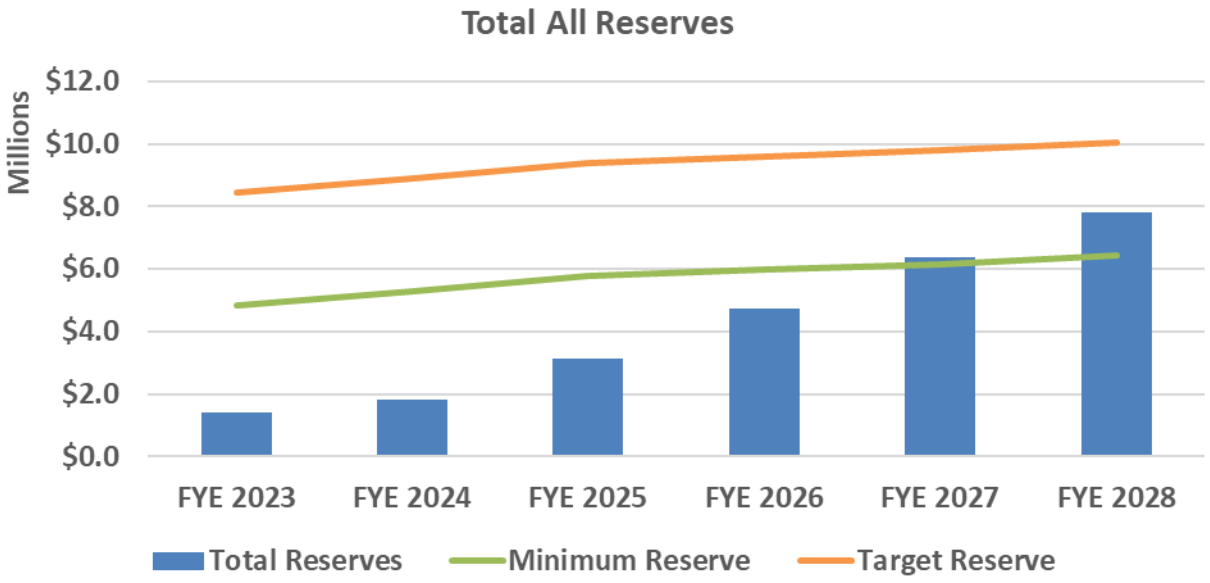


Figure 4-4: Projected Ending Balances, Scenario 2

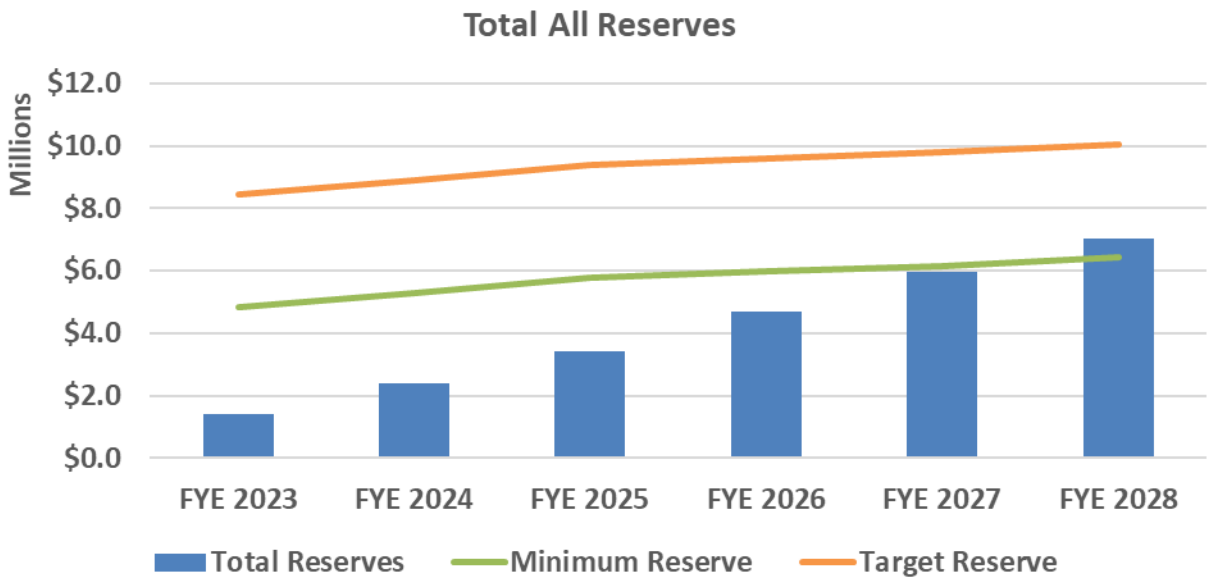


Figure 4-5 and Figure 4-6 show the financial plans for each of the two proposed scenarios in this study. Revenues under the proposed financial plan and status quo financial plan are represented by the purple and orange lines, respectively. Revenue requirements including O&M expenses, debt service, and reserve funding for CIP/other purposes are represented by the various stacked bars. Revenue adjustments are required to generate sufficient revenue to recover O&M expenses and debt service payments over the study period.

Figure 4-5: Operating Wastewater Financial Plan, Scenario 1

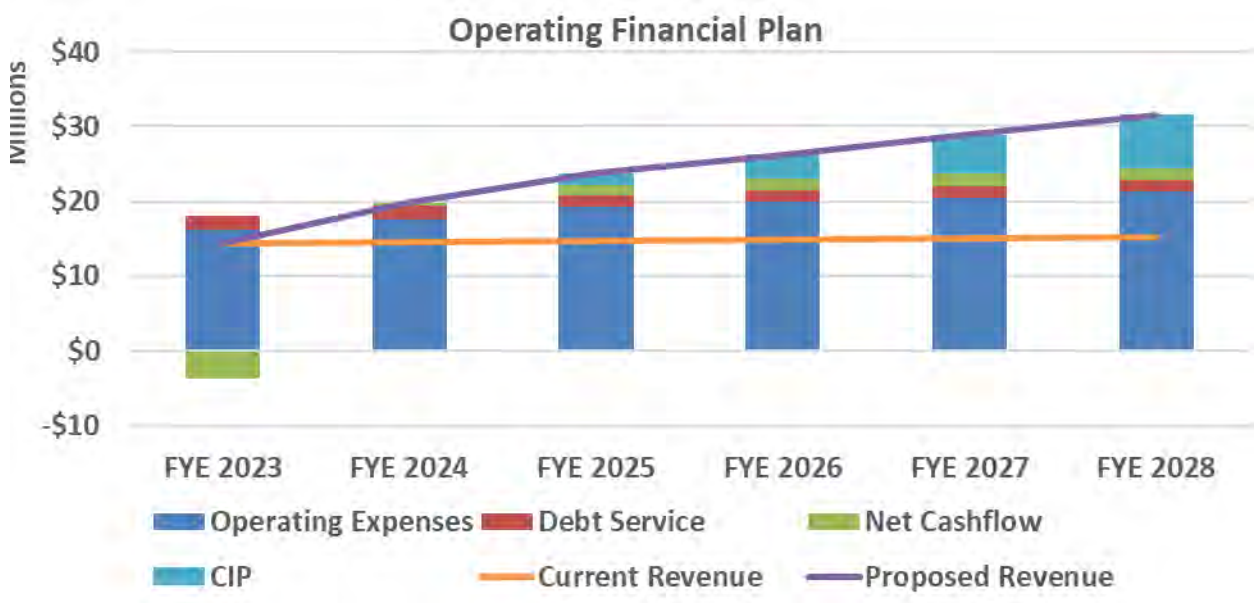
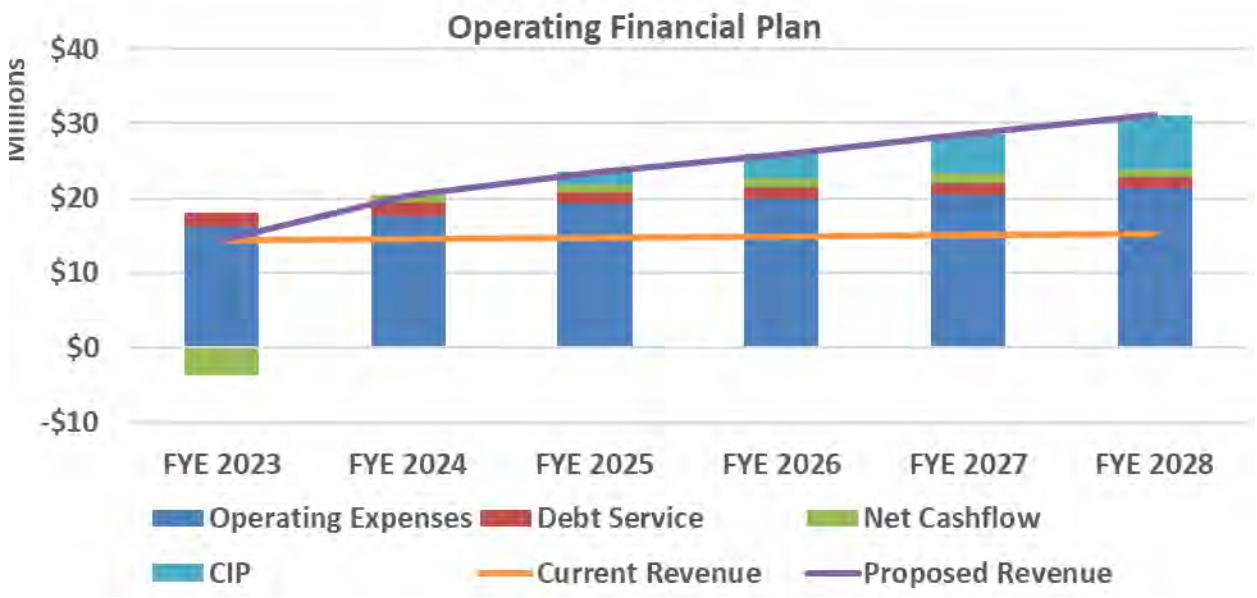


Figure 4-6: Operating Wastewater Financial Plan, Scenario 2



5. Wastewater Cost of Service Analysis

The Cost of Service (COS) analysis allocates the overall rate revenue requirement to customer classes based on their use of and cost causation to the wastewater system. The COS provides the basis for the proposed wastewater rates through FY 2027-28.

5.1. Methodology

The methodology used to develop the COS analysis and to apportion the revenue requirement to user classes is informed by the WEF's Manual of Practice (MOP) No. 27 *Financing and Charges for Wastewater Systems*. COS analyses are specific to each wastewater system. However, there are four distinct steps in every COS analysis to recover costs from customers in an accurate, equitable, and defensible manner:

1. **Cost functionalization:** O&M expenses and capital assets are categorized by their function in the wastewater system. Sample functions may include collection, treatment, and customer service, among others.
1. **Cost causation component allocation:** Functionalized costs are then allocated to cost causation components based on their burden on the wastewater system. The cost causation components include flow, biological oxygen demand (BOD), and suspended solids (SS), among other specific cost components. The revenue requirement is allocated accordingly to the cost causation components and results in the total share of the revenue requirement attributable to each cost component.
2. **Mass balance analysis:** The flow and strength (BOD and SS) of wastewater treatment plant (WWTP) influent is attributed to each customer class based on water use data and wastewater generation and strength assumptions that vary by customer classification. This analysis estimates the burden each customer class places on the wastewater system.
3. **Revenue requirement distribution:** The mass balance analysis is utilized to distribute the revenue requirement for each cost causation component unit cost to customer classes based on each customer class's individual burden on the wastewater system.

5.2. Wastewater Rate Revenue Requirement

The first step in a COS analysis is to determine the revenue required from wastewater rates. The total revenue requirement results from the wastewater financial plan outlined in Section 5, and is shown in Table 5-2 below. Table 5-2 shows the wastewater rate revenue requirement for FY 2023-24 (also referred to as the test year). The revenue requirement is split into operating and capital categories (Columns C-D), which are later allocated based on O&M expenses and capital assets. The revenue requirements (Lines 2-4) include projected FY 2022-23 O&M expenses, debt service, and rate-funded CIP expenditures. The revenue offsets (Line 8) include all non-rate revenues. These revenues are applied as offsets to the final rate revenue requirement. The adjustment for cash balance (Line 12) is equal to FY 2022-23 negative net operating cash flow under the proposed financial plan, and accounts for the drawdown of operating reserves in FY 2022-23. All values are from the proposed wastewater financial plan operating cash flow (Table 4-8). The final rate revenue requirement (Line 15) is calculated as follows:

Total revenue required from rates (Line 16) = Revenue requirements (Line 5) - Revenue offsets (Line 10) - Adjustments (Line 14)

Table 5-1: FY 2023-24 Wastewater Revenue Requirement, Scenario 1

[A] Line	[B] Cost	[C] Operating	[D] Capital	[E] Total
1	Revenue Requirement			
2	O&M Expenses	$17,567,694	$0	$15,737,944
3	Total Debt Service Expenses	$0	$0	$1,887,900
4	Rate Funded Capital Projects	$0	$0	$0
5	**Total Revenue Requirement**	**$17,567,694**	**$0**	**$19,455,594**
6				
7	Revenue Offsets			
8	Miscellaneous/Non-Rate Revenues	$87,679		$87,679
9	Interest Income	$8,020		$8,020
10	**Total Revenue Offsets**	**$112,161**	**$0**	**$112,161**
11				
12	Less: Adjustments			
13	Adjustment for Cash Balance	($373,926)		($373,926)
	Adjustment for Mid-Year Increase	($485,295)		($485,295)
14	**Total Adjustments**	**($859,221)**	**$0**	**($859,221)**
15				
16	**Revenue Required from Rates**	**$18,314,754**	**$1,887,900**	**$20,202,654**

Table 5-2: FY 2023-24 Wastewater Revenue Requirement, Scenario 2

[A] Line	[B] Cost	[C] Operating	[D] Capital	[E] Total
1	Revenue Requirement			
2	O&M Expenses	$17,567,694	$0	$15,737,944
3	Total Debt Service Expenses	$0	$1,887,900	$1,887,900
4	Rate Funded Capital Projects	$0	$0	$0
5	**Total Revenue Requirement**	**$17,567,694**	**$1,887,900**	**$21,042,474**
6				
7	Revenue Offsets			
8	Miscellaneous/Non-Rate Revenues	$89,424		$89,424
9	Interest Income	$9,508		$9,508
10	**Total Revenue Offsets**	**$115,394**	**$0**	**$115,394**
11				
12	Less: Adjustments			
13	Adjustment for Cash Balance	($970,297)		($970,297)
	Adjustment for Mid-Year Increase	($539,217)		($539,217)
14	**Total Adjustments**	**($1,509,514)**	**$0**	**($1,509,514)**
15				
16	**Revenue Required from Rates**	**$18,961,814**	**$1,887,900**	**$20,849,714**

As shown in Table 5-2 above, the **operating** revenue requirement consists of all O&M expenses less all revenue offsets. The **capital** revenue requirement consists of total debt service costs and rate funded capital projects.

5.3. Functionalization and Allocation of Expenses to Cost Components

After determining the revenue requirement, the next step of the wastewater COS analysis is to allocate O&M expenses and capital assets to the following functions:

- **Collection**: costs related to the system of collection and transport of wastewater discharges from customers to the wastewater treatment plant
- **Treatment**: costs associated with the wastewater treatment facilities to treat wastewater to tertiary standards and disposal
- **Customer**: costs of billing, revenue collections, and other customer services functions
- **General:** costs for general administration and operational expenses or any other costs that do not clearly relate to another functional category (i.e., indirect costs)

The functionalization helps allocate costs to each of the cost causation components. Some cost causation components correspond directly to the functions listed above. The **cost causation** components include:

- **Flow**: costs that vary based on the quantity of wastewater generated
- **Biochemical Oxygen Demand (BOD)**: costs that vary based on the BOD strength parameter of wastewater; Biochemical oxygen demand is a measure of the oxygen needed by microorganisms to utilize the wastewater in terms of milligrams per liter (mg/L)
- **Suspended Solids (SS)**: costs that vary based on the SS strength parameter of wastewater; Suspended Solids are a measure of wastewater strength based on the amount of solid particles in suspension in wastewater prior to treatment also generally expressed in milligrams per liter (mg/L).
- **Customer**: directly associated with the Customer functional category
- **General**: directly associated with the General functional category

5.3.1.FUNCTIONALIZATION AND ALLOCATION OF O&M COSTS

As stated above, the first step is to functionalize O&M expenses. Raftelis worked with City staff to assign wastewater O&M expenses by line item to each function. Table 5-3 summarizes FY 2023-24 wastewater O&M expenses by function. As stated above, this intermediate step is necessary to allocate wastewater O&M expenses to individual cost causation components. O&M costs are the same for both scenarios in the study.

Table 5-3: Summary of Wastewater Enterprise O&M Expenses by Function

[A]	[B]	[C]	[D]
Line	Functional Category	FY 2023-24 O&M Expenses	Percent of Total
1	Wastewater Collection	$1,443,386	9%
2	Grit Removal/Primary Settling/Treatment (TSS)	$2,171,733	13%
3	Aeration (BOD)	$1,503,501	9%
4	Secondary Settling/Treatment (BOD)	$3,190,029	19%
5	Residuals Proc. and Disp. (BOD & TSS)	$3,386,894	20%
6	Billing & Customer Service	$985,320	6%
7	Admin & General	$4,136,830	25%
8	**Total O&M Expenses**	**$16,817,694**	**100.0%**

Table 5-4 shows the allocation of functionalized costs to the various cost causation components. The percentages shown in Table 5-4 are used to allocate the functionalized expenses to each cost component as shown in Table 5-5. The Wastewater Collection function is allocated entirely to the collection cost causation component because these are collection-related costs. The remaining lines show how each function is allocated to each cost component. For example, 100% of grit removal and primary settling costs are allocated to flow because these facilities are sized based on flow.

Table 5-4: Allocation of Functions to Wastewater Cost Causation Components

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Line	Functional Category	Sewage Collection	Flow	BOD	TSS	Customer	General	Total
1	Wastewater Collection	100%						**100.0%**
2	Grit Removal/Primary Settling/Treatment (TSS)		100%					**100.0%**
3	Aeration (BOD)			100%				**100.0%**
4	Secondary Settling/Treatment (BOD)			100%				**100.0%**
5	Residuals Proc. and Disp. (BOD & TSS)			51%	49%			**100.0%**
6	Billing & Customer Service					100%		**100.0%**
7	Admin & General					5%	95%	**100.0%**

Using the percentages from Table 5-4, Table 5-5 shows the allocation of FY 2023-24 O&M expenses by function to each cost causation component. Total O&M expenses associated with each function (shown in Column I in Table 5-5 below) were determined in Table 5-3. The total dollar amount allocated to each cost causation component is determined by multiplying the total expense (Column I) by the corresponding percentage allocation for each cost component in Table 5-4 above. Line 8 sums the total cost by cost component.

For example, $1,443,386 (Column C, Line 1) is calculated by multiplying the total dollar amount of O&M costs allocated to wastewater collection from Column I, Line 1 (see Table 5-3 for derivation) by the corresponding cost causation factor allocation (developed in Table 5-4). The same calculation is performed for the remaining functions (i.e., Column C × Column I in Lines 2-7). Lines 1-7 are summed to determine the total dollar amount allocated to the flow cost causation component (Column C, Line 8).

The same calculations are repeated for the remaining cost causation components (Columns D-H) to determine the allocation of O&M expenses to each cost causation component (Line 8). The O&M allocation percentages (Line 9) are the proportion of O&M expenses allocated to each cost causation component, excluding general costs. Because general costs underlie each of the remaining five cost components, the total value for general costs (Line 8, Column H) is redistributed evenly among the other cost components in Line 9 of Table 5-5. This results in the final O&M allocation percentages shown in Columns C-H of Line 11.

Table 5-5: Allocation of O&M Expenses by Functional Category and Cost Causation Component

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Line	Functional Category	Sewage Collection	Flow	BOD	TSS	Customer	General	Total
1	Wastewater Collection	$1,443,386						$1,443,386
2	Grit Removal/Primary Settling/Treatment (TSS)		$2,171,733					$2,171,733
3	Aeration (BOD)			$1,503,501				$1,503,501
4	Secondary Settling/Treatment (BOD)			$3,190,029				$3,190,029
5	Residuals Proc. and Disp. (BOD&TSS)			$1,725,106	$1,661,788			$3,386,894
6	Billing & Customer Service					$985,320		$985,320
7	Admin & General					$206,841	$3,929,988	$4,136,830
8	**Total O&M Expenses**	**$1,443,386**	**$2,171,733**	**$6,418,637**	**$1,661,788**	**$1,192,162**	**$3,929,988**	**$16,817,694**
9	O&M Allocation w/o General	11.2%	16.9%	49.8%	12.9%	9.3%		100.0%
10	Reallocation of General Costs	$1,883,533	$2,833,983	$8,375,942	$2,168,535	$1,555,700		$16,817,694
11	**O&M Allocation**	**11.2%**	**16.9%**	**49.8%**	**12.9%**	**9.3%**		**100%**

5.3.2. FUNCTIONALIZATION AND ALLOCATION OF CAPITAL COSTS

Capital assets are utilized in COS analyses to allocate the **capital** revenue requirement to the cost causation components. The distribution of short-term CIP project costs can be heavily weighted to specific cost causation components based on the type of projects. Use of short-term plans to allocate capital costs may cause rates to fluctuate and result in customer confusion. The overall wastewater asset base however is considerably stable in the long-term, and therefore is more representative of long-term capital investment in the City of Tracy's wastewater system. Thus, functionalized capital assets are used to allocate capital costs (the capital revenue requirement).

Table 5-6 summarizes FY 2018-19 capital assets by function. This intermediate step is necessary to allocate capital assets to individual cost causation components.

Table 5-6: Summary of Capital Assets by Functional Category

[A]	[B]	[C]	[D]
Line	Functional Category	FY 2018-19 Capital Assets	Percent of Total
1	Collection	$94,486,707	52%
2	Primary Trmt	$9,701,493	5%
3	Aeration	$24,289,195	13%
4	Secondary Trmt	$14,776,081	8%
5	Residuals	$8,647,200	5%
6	General WWTP	$20,848,003	12%
7	General	$7,676,103	4%
8	**Total Capital Assets**	**$180,424,781**	**100%**

Table 5-7 shows the allocation of capital assets by function to each cost causation component. The percentage allocation of each function (Columns C-H) to the various cost causation components was determined in Table 5-6. The total dollar amount allocated to each cost causation component (Line 8) is determined by multiplying the total asset value (column I) associated with each function by the corresponding percentage allocation. This is consistent with the methodology used to determine the allocation of O&M expenses to cost causation components in Table 5-5.

In Table 5-7, lines 10 and 12 reallocate general assets to the other cost causation components. Because general WWTP assets apply only to treatment related cost components, which are Flow, BOD, and TSS cost causation components, total General WWTP values are reallocated between these three components in Lines 9-10. The percentages applied in line 9 represent the percent share of total asset value for these three cost causation components. Following this step, general assets are reallocated across the remaining cost components according to the percentages shown in Line 12 (which represent the percent share of total assets for each cost component). The final capital asset allocation to cost components is shown in Line 14. These percentages are used to allocate the capital revenue requirement to the cost components.

Table 5-7: Allocation of Capital Assets by Function and Cost Causation Component

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Line	Functional Category	Sewage Collection	Flow	BOD	TSS	General WWTP	General	Total
1	Collection	$94,486,707						$94,486,707
2	Primary Trmt		$9,701,493					$9,701,493
3	Aeration			$24,289,195				$24,289,195
4	Secondary Trmt			$14,776,081				$14,776,081
5	Residuals			$4,404,430	$4,242,770			$8,647,200
6	General WWTP					$20,848,003		$20,848,003
7	General						$7,676,103	$7,676,103
8	**Total Capital Assets**	**$94,486,707**	**$9,701,493**	**$43,469,705**	**$4,242,770**	**$20,848,003**	**$7,676,103**	**$180,424,781**
9	% of WWTP Assets		17%	76%	7%			100%
10	Reallocation of General WWTP Assets		$3,522,779	$15,784,601	$1,540,623			$20,848,003
11	Subtotal	$94,486,707	$13,224,272	$59,254,306	$5,783,394		$7,676,103	$180,424,781
12	Allocation w/o General	62%	6%	29%	3%			100%
13	Reallocation of General Assets	$99,261,470	$13,714,524	$61,450,991	$5,997,796			$180,424,781
14	**Final Capital Asset Allocation to Cost Components**	**55%**	**8%**	**34%**	**3%**			**100%**

5.4.Plant Mass Balance Analysis

The next step of the wastewater COS analysis is to attribute flow and strength loadings entering the City's wastewater treatment plant to the customer classes. We need to know the flow and strength loadings from each class entering the plant because the end goal is to multiply these flow and strength loadings by the unit cost for each cost component to allocate costs to the customer classes.

Table 5-8 shows Raftelis' mass balance analysis of the wastewater treatment plant based on City provided influent data for FY 2018-19. City staff provided:

- Total FY 2018-19 wastewater flows entering the wastewater treatment plant
- FY 2019-20 BOD and TSS concentrations entering the plant
- FY 2018-19 water use associated with non-residential wastewater customers

With the above known, Raftelis estimated *residential* flow into the WWTP by subtracting commercial and industrial flows from the net plant flow shown in Line 3, Column F. A reasonable estimate of residential indoor water use (which is the total amount of water flow discharged to the sewer system) is around 50 to 65 gallons per person per day (gpcd). Table 5-8 shows the mass balance calculations for the City of Tracy, which estimate an indoor water use of 61 gpcd (Line 14 -2,437,000 hcf divided by the estimated single family residential population of 82,200 and converted to gallons) - which is a reasonable wastewater flow estimate for single family residential customers.

Table 5-8: Plant Balance Calculation

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
Line	FY 2023	FY 2019 Flow (MG)	BOD (mg/L)	TSS (mg/L)	Flow (hcf/year)	BOD (lbs/year)	TSS (lbs/year)
1	**Total Plant Influent**	3,027	303	292	4,046,521	7,654,242	7,376,366
2	Less: I&I	200	50	50	267,362	83,454	83,454
3	**Net Plant Influent**	**2,827**			**3,779,159**	**7,570,788**	**7,292,912**
4							
5	**Non-Residential**						
6	Commercial I	179.37	250	250	239,787	374,234	374,234
7	Commercial II	347.05	500	500	463,934	1,448,118	1,448,118
8	Commercial III	24.81	1,000	600	33,165	207,042	124,225
9	Industrial - Leprino	229.95	27	54	307,420	51,814	103,627
10	Septic Disposal	3.32	5,400	12,000	4,438	149,615	332,478
11	**Subtotal Non-Residential Flow**	**784**	**7,177**	**13,404**	**1,048,744**	**2,230,822**	**2,382,682**
12							
13	**Net Residential Flow**	2,043	313	288	2,730,415	5,339,966	4,910,230
14	Single Family Residential	1,824			2,437,994	4,768,199	4,384,476
15	Multi-Family Residential	219			292,421	571,767	525,754

5.5. Wastewater Units of Service

Table 5-9 shows the units of service by cost component and class. Note that the units of service for the sewage collection system are different than the flow into the WWTP because Leprino and Septic customers do not use the collection system. The units of service are used to allocate costs to each customer class, as explained in Section 5.7.

Table 5-9: FY 2023-24 Units of Service

Line	Customer Class	Sewage Collection (hcf)	WWTP Flow (hcf)	BOD (lbs/year)	TSS (lbs/year)	Customer Accounts
1	Residential					
2	Single Family Residential	2,437,994	2,437,994	4,835,032	4,451,309	23,970
3	Multi-Family Residential	292,421	292,421	579,781	533,768	610
4	Subtotal Residential	2,730,415	2,730,415	5,414,813	4,985,077	24,580
5						
6	Non-Residential					
7	Commercial I	239,787	239,787	299,387	299,387	390
8	Commercial II	463,934	463,934	1,448,118	1,448,118	313
9	Commercial III	33,165	33,165	207,042	124,225	63
10	Industrial (Leprino)	NA	307,420	51,814	103,627	1
11	Septic Disposal	0	4,438	149,615	332,478	0
12	Subtotal Non-Residential	736,886	1,048,744	2,155,975	2,307,835	767
13	**Total**	**3,467,301**	**3,779,159**	**7,570,788**	**7,292,912**	**25,347**

5.6. Wastewater Unit Costs

Table 5-10 and Table 5-11 show the derivation of the unit costs by cost component under each scenario. Each table derives two sets of unit costs in Line 8 and Line 18. This is because Leprino and Septic customers do not use the collection system and there is therefore one set of unit costs for Leprino and Septic and unit rates for all other customers. Line 1 shows the allocation of the operating revenue requirement to the cost components. The revenue requirement (shown in Table 5-2) is allocated to the cost components using the O&M allocation percentages shown in Table 5-4. Line 2 shows the allocation of debt service, which applies the capital asset allocation percentages shown in Table 5-7. The capital asset allocation percentages from Table 5-7 are also used to allocate the capital revenue requirement to the cost components. The unit costs for Leprino and Septic are derived by dividing the total costs in Line 4 by the units of service in Line 6 (see Table 5-9 for the development of units of service). To derive rates for the remaining customer classes, the functionalized costs of capital projects that do **NOT** benefit Leprino customers are added to the total cost of service in Lines 11 and 12. The resulting total cost of service is then divided by the service units in Line 15 (which do not include Leprino or Septic). This yields the additional costs required for all other customers, listed in Line 16. These are then added to the Leprino & Septic unit costs, generating the final unit cost for all other customers (shown in Line 18). As shown, it is only the collection cost component that differs between lines 8 and 17.

Table 5-10: Derivation of Wastewater Unit Costs by Cost Component, Scenario 1

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Line	FY 2024	Sewage Collection	WWTP Flow (hcf)	BOD	TSS	Customer	Total	Allocation Basis
1	Operating Cost	$2,051,200	$3,086,255	$9,121,543	$2,361,572	$1,694,184	$18,314,754	O&M Allocation
2	Existing Debt Service (2004 Debt Issue was for WWTP)	$0	$319,007	$1,429,381	$139,512	$0	$1,887,900	% of WWTP Assets
3	Capital Projects that benefit all customers	$0	$0	$0	$0	$0	$0	Capital Asset Allocation
4	**Total Cost by Cost Component**	**$2,051,200**	**$3,405,262**	**$10,550,924**	**$2,501,084**	**$1,694,184**	**$20,202,654**	
5								
6	Service Units	3,467,301	3,779,159	7,570,788	7,292,912	304,160		
7	Units	hcf	hcf	lbs/yr	lbs/yr	bills/yr		
8	**Unit Costs for Leprino & Septic (Only)**	**$0.00**	**$0.90**	**$1.39**	**$0.34**	**$5.57**		
9	Units	$/hcf	$/hcf	$/lb	$/lb	per monthly bill		
10								
11	Capital Projects that do no benefit Leprino	$0	$0	$0	$0	$0	$0	Capital Asset Allocation
12	Total Cost of Service (w/ non-Lep Capital)	$2,051,200	$3,405,262	$10,550,924	$2,501,084	$1,694,184	$20,202,654	
13								
14	Service Units	3,467,301	3,467,301	7,369,360	6,856,807			
15		hcf	hcf	lbs/yr	lbs/yr			
16	Additional Unit Cost	$0.59	$0.00	$0.00	$0.00			
17	**Total Unit Rate for All Customers Except Leprino**	**$0.59**	**$0.90**	**$1.39**	**$0.34**	**$5.57**		

Table 5-11: Derivation of Wastewater Unit Costs by Cost Component, Scenario 2

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
Line	FY 2024	Sewage Collection	WWTP Flow (hcf)	BOD	TSS	Customer	Total	Allocation Basis
1	Operating Cost	$2,123,668	$3,195,293	$9,443,807	$2,445,006	$1,754,040	$18,961,814	O&M Allocation
2	Existing Debt Service (2004 Debt Issue was for WWTP)	$0	$319,007	$1,429,381	$139,512	$0	$1,887,900	% of WWTP Assets
3	Capital Projects that benefit all customers	$0	$0	$0	$0	$0	$0	Capital Asset Allocation
4	**Total Cost by Cost Component**	**$2,123,668**	**$3,514,300**	**$10,873,188**	**$2,584,518**	**$1,754,040**	**$20,849,714**	
5								
6	Service Units	3,467,301	3,779,159	7,570,788	7,292,912	304,160		
7	Units	hcf	hcf	lbs/yr	lbs/yr	bills/yr		
8	**Unit Costs for Leprino & Septic (Only)**	**$0.00**	**$0.93**	**$1.44**	**$0.35**	**$5.77**		
9	Units	$/hcf	$/hcf	$/lb	$/lb	per monthly bill		
10								
11	Capital Projects that do no benefit Leprino	$0	$0	$0	$0	$0	$0	Capital Asset Allocation
12	Total Cost of Service (w/ non-Lep Capital)	$2,123,668	$3,514,300	$10,873,188	$2,584,518	$1,754,040	$20,849,714	
13								
14	Service Units	3,467,301	3,467,301	7,369,360	6,856,807			
15		hcf	hcf	lbs/yr	lbs/yr			
16	Additional Unit Cost	$0.61	$0.00	$0.00	$0.00			
17	**Total Unit Rate for All Customers Except Leprino**	**$0.61**	**$0.93**	**$1.44**	**$0.35**	**$5.77**		

The unit costs for all customers but Leprino and Septic customers in each scenario are restated below in Table 5-12 and Table 5-13.

Table 5-12: Wastewater Unit Costs (Test Year FY 2023-24), Scenario 1

[A]	[B]	[C]	[D]	[E]	[F]
Line	Cost Causation Component	COS Allocation	Units of Service	General Unit Cost	Unit Costs for Leprino & Septic
1	Sewage Collection	$2,051,200	3,467,301	$0.59	$0.00
2	WWTP Flow (hcf)	$3,405,262	3,779,159	$0.90	$0.90
3	BOD	$10,550,924	7,570,788	$1.39	$1.39
4	TSS	$2,501,084	7,292,912	$0.34	$0.34
5	Customer	$1,694,184	304,160	$5.57	$5.57
6	Total	$20,202,654			

Table 5-13: Wastewater Unit Costs (Test Year FY 2023-24), Scenario 2

[A]	[B]	[C]	[D]	[E]	[F]
Line	Cost Causation Component	COS Allocation	Units of Service	General Unit Cost	Unit Costs for Leprino & Septic
1	Sewage Collection	$2,123,668	3,467,301	$0.61	$0.00
2	WWTP Flow (hcf)	$3,514,300	3,779,159	$0.93	$0.93
3	BOD	$10,873,188	7,570,788	$1.44	$1.44
4	TSS	$2,584,518	7,292,912	$0.35	$0.35
5	Customer	$1,754,040	304,160	$5.77	$5.77
6	Total	$20,849,714			

5.7. Wastewater Cost Allocation to Customer Classes

Using the units of service from Table 5-9 and the unit costs from Table 5-10, Table 5-14 and Table 5-15 show the allocation of the rate revenue requirement by cost causation component to each customer class for each scenario. This is known as the cost to serve each class. Each value is calculated by taking the units of service for each customer class and multiplying it by the corresponding unit cost. For example, the cost allocation for Single Family Residential sewage collection for scenario 1 is calculated by multiplying the units of service for Single Family sewage collection from Table 5-9 (2,437,994 hcf) by the unit rate for Single Family sewage collection ($0.59/hcf) shown in Line 17 of Table 5-10. Note that, because Microsoft Excel does not round the unit rate ($0.59/hcf) when calculating, and due to the scale and size of the hcf multipliers (2.5 million hcf), the outcome shown in Table 5-14 will be marginally greater than a hand-calculated value.

Table 5-14: Wastewater Cost Allocation to Customer Classes (Test Year FY 2023-24), Scenario 1

[A] Line	[B] Customer Class	[C] Sewage Collection (hcf)	[D] WWTP Flow (hcf)	[E] BOD (lbs/year)	[F] TSS (lbs/year)	[G] Customer	[H] Total
1	**Residential**						
2	Single Family	$1,442,278	$2,196,788	$6,645,135	$1,503,644	$1,602,159	$13,390,004
3	Multi-Family	$172,992	$263,490	$796,835	$180,306	$40,758	$1,454,381
4	Subtotal Residential	$1,615,270	$2,460,278	$7,441,970	$1,683,950	$1,642,917	$14,844,385
5							
6	**Non-Residential**						
7	Commercial I	$141,854	$216,063	$521,546	$128,343	$26,068	$1,033,874
8	Commercial II	$274,456	$418,034	$2,018,149	$496,628	$20,921	$3,228,187
9	Commercial II	$19,620	$29,884	$288,541	$42,603	$4,211	$384,858
10	Industrial (Leprino)	NA	$277,005	$72,209	$35,539	$67	$384,820
11	Septic Disposal	$0	$3,999	$208,509	$114,022	$0	$326,530
12	Subtotal Non-Residential	$435,930	$944,985	$3,108,954	$817,134	$51,267	$5,358,269
13							
14	**Total**	**$2,051,200**	**$3,405,262**	**$10,550,924**	**$2,501,084**	**$1,694,184**	**$20,202,654**

Table 5-15: Wastewater Cost Allocation to Customer Classes (Test Year FY 2023-24), Scenario 2

[A] Line	[B] Customer Class	[C] Sewage Collection (hcf)	[D] WWTP Flow (hcf)	[E] BOD (lbs/year)	[F] TSS (lbs/year)	[G] Customer	[H] Total
1	**Residential**						
2	Single Family	$1,493,234	$2,267,129	$6,848,102	$1,553,804	$1,658,763	$13,821,033
3	Multi-Family	$179,103	$271,927	$821,173	$186,321	$42,198	$1,500,723
4	Subtotal Residential	$1,672,337	$2,539,056	$7,669,275	$1,740,125	$1,700,962	$15,321,756
5							
6	**Non-Residential**						
7	Commercial I	$146,866	$222,982	$537,476	$132,624	$26,989	$1,066,936
8	Commercial II	$284,152	$431,419	$2,079,791	$513,195	$21,660	$3,330,217
9	Commercial II	$20,313	$30,841	$297,354	$44,024	$4,360	$396,891
10	Industrial (Leprino)	NA	$285,875	$74,415	$36,724	$69	$397,083
11	Septic Disposal	$0	$4,127	$214,877	$117,826	$0	$336,830
12	Subtotal Non-Residential	$451,331	$975,243	$3,203,913	$844,393	$53,078	$5,527,958
13							
14	**Total**	**$2,123,668**	**$3,514,300**	**$10,873,188**	**$2,584,518**	**$1,754,040**	**$20,849,714**

6. Proposed Wastewater Rates

Section 6 presents detailed calculations of proposed wastewater rates through FY 2027-28. All proposed rates are calculated directly from the results of the COS analysis (in Section 5) for FY 2023-24 (i.e. the "test year"). Note that, absent majority protest at the Proposition 218 hearing for rate adoption, the City will implement Scenario 2 rates in the upcoming fiscal year.

6.1. Proposed Fixed Charges FY 2023-24

Table 6-1 shows the calculation of monthly wastewater rates for implementation in August, 2024 (FY 2023-24). The revenue requirement associated with each class (cost to serve each class) is listed in Column C, and was determined from the customer class cost allocations in Table 5-14. The City would like to maintain the fixed charge for Single Family Customers. For Single Family customers, the fixed charge is calculated by dividing the total revenue requirement by the number of bills. For Multi-family customers, the fixed charge is the total sewage collection and customer costs divided by the total number of dwelling units (as opposed to accounts). This provides a per dwelling unit fixed charge for Multi-Family. For all other customer classes, the fixed charge is set at the cost to serve a Multi-Family unit, which, based on flow, is 57% of a single family dwelling. In other words, the minimum fixed charge for commercial classes is 57% of an equivalent (single family) dwelling unit. Table 6-1 shows the rate derivation for Scenario 1; Table 6-2 shows the same calculation for Scenario 2.

Table 6-1: Proposed Monthly Fixed Rate Calculation for Test Year FY 2023-24, Scenario 1

[A]	[B]	[C]	[D]	[E]	[G]	[H]	[I]
Line	Customer Class	Total Revenue Requirement	Number of Dwelling Units or Accounts	Proposed Monthly Fixed Charge (per EDU)	Current Monthly Fixed Charge	Difference ($)	Difference (%)
1	Residential						
2	Single Family	$13,390,004	23,970	$46.55	$34.00	$12.55	37%
3	Multi-Family	$1,454,381	4,555	$3.91	$28.75	-$24.84	-86%
4	Subtotal Residential	$14,844,385	28,525				
5							
6	Non-Residential						
7	Commercial I	$1,033,874	390	$26.61	$28.75	-$2.14	-7%
8	Commercial II	$3,228,187	313	$26.61	$28.75	-$2.14	-7%
9	Commercial II	$384,858	63	$26.61	$28.75	-$2.14	-7%
10	Subtotal Non-Residential	$4,646,919	766				
11							
12	Total	$19,491,304	29,291				

Table 6-2: Proposed Monthly Fixed Rate Calculation for Test Year FY 2023-24, Scenario 2

[A]	[B]	[C]	[D]	[E]	[G]	[H]	[I]
Line	Customer Class	Total Revenue Requirement	Number of Dwelling Units or Accounts	Proposed Monthly Fixed Charge (per EDU)	Current Monthly Fixed Charge	Difference ($)	Difference (%)
1	Residential						
2	Single Family	$13,821,033	23,970	$48.05	$34.00	$14.05	41%
3	Multi-Family	$1,500,723	4,555	$4.05	$28.75	-$24.70	-86%
4	Subtotal Residential	$15,321,756	28,525				
5							
6	Non-Residential						
7	Commercial I	$1,066,936	390	$27.46	$28.75	-$1.29	-5%
8	Commercial II	$3,330,217	313	$27.46	$28.75	-$1.29	-5%
9	Commercial II	$396,891	63	$27.46	$28.75	-$1.29	-5%
10	Subtotal Non-Residential	$4,794,045	766				
11							
12	**Total**	**$20,115,801**	**29,291**				

6.2. Proposed Volumetric Rates (Test Year FY 2023-24)

Table 6-3 and Table 6-4 show the calculation of volumetric wastewater rates for FY 2023-24 in each proposed scenario. The volumetric revenue requirement associated with each rate listed in Column C was determined from the customer class cost allocations in Table 5-14 by subtracting fixed revenue from the total revenue requirement. Because single family customers pay only a monthly fixed charge, their volumetric revenue requirement is zero. Note that Single family customers are paying their fair share; however, it is currently being collected solely through a fixed charge. Thus, the volumetric revenue requirement is zero. Proposed volumetric rates (Column E) are calculated by dividing the volumetric revenue requirement (Column C) by wastewater flow (Column D). Proposed rates are compared to current charges in Columns F-H. Since the commercial fixed charge is lower than the current fixed charge, the volumetric rate for commercial customers must increase to maintain recovery of the full cost to serve each commercial customer.

For commercial customers there are two things impacting their rates. First, the strength of commercial customers is revised upward to reflect the latest industry assumptions for these classes as determined by the Los Angeles County Sanitation Districts (and other large sewerage treatment agencies). Second, based on water use records provided by the City, commercial customers share of plant flows are increasing. Both assumptions increase commercial's share of wastewater system costs.

Table 6-3: Proposed Volumetric Rate Calculation for Test Year FY 2023-24, Scenario 1

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
Line	Customer Class	Total Volumetric Revenue Requirement	Wastewater Flow (hcf)	Proposed Volumetric Rate ($/hcf)	Current Volumetric Rate	Difference ($)	Difference (%)
1	Residential						
2	Single Family	$0	2,437,994	NA	NA	NA	NA
3	Multi-Family	$1,240,631	292,421	$4.24	NA	$4.24	NA
4	Subtotal Residential	$1,240,631	2,730,415				
5							
6	Non-Residential						
7	Commercial I	$909,350	266,430	$3.41	$1.98	$1.43	72%
8	Commercial II	$3,128,249	515,482	$6.07	$2.91	$3.16	109%
9	Commercial II	$364,743	36,850	$9.90	$4.89	$5.01	102%
10	Industrial (Leprino)	$384,820	307,420	$1.25	NA	$1.25	NA
11	Septic Disposal	$326,530	4,438	$73.57	$89.44	($15.87)	-18%
12	Subtotal Non-Residential	$5,113,690	1,130,620				
13							
14	**Total**	**$6,354,321**	**3,861,035**				

Table 6-4: Proposed Volumetric Rate Calculation for Test Year FY 2023-24, Scenario 2

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
Line	Customer Class	Total Volumetric Revenue Requirement	Wastewater Flow (hcf)	Proposed Volumetric Rate ($/hcf)	Current Volumetric Rate	Difference ($)	Difference (%)
1	Residential						
2	Single Family	$0	2,437,994	NA	NA	NA	NA
3	Multi-Family	$1,279,421	292,421	$4.38	NA	$4.38	NA
4	Subtotal Residential	$1,279,421	2,730,415				
5							
6	Non-Residential						
7	Commercial I	$938,444	266,430	$3.52	$1.98	$1.54	78%
8	Commercial II	$3,227,094	515,482	$6.26	$2.91	$3.35	115%
9	Commercial II	$376,135	36,850	$10.21	$4.89	$5.32	109%
10	Industrial (Leprino)	$397,083	307,420	$1.29	NA	$1.29	NA
11	Septic Disposal	$336,830	4,438	$75.89	$89.44	($13.54)	-15%
12	Subtotal Non-Residential	$5,275,586	1,130,620				
13							
14	**Total**	**$6,555,007**	**3,861,035**				

6.3.Proposed Five-Year Wastewater Rate Schedule

Table 6-5 and Table 6-6 show the proposed five-year wastewater rate schedules for FY 2023-24 to FY 2027-28 for each of the two scenarios. The rates for FY 2023-24 were derived in Table 6-1 and Table 6-3. All other proposed rates in subsequent years are increased by the revenue adjustments shown in Table 4-6 and Table 4-7, respectively. All proposed rates are rounded to the nearest cent.

Table 6-5: Proposed Five-Year Wastewater Rate Schedule, Scenario 1

Customer Class	Current	Proposed FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028
Fixed Charges ($ / month)						
Single Family Residential	$34.00	$46.55	$54.00	$58.86	$64.16	$69.29
Multi-Family Residential	$28.75	$3.91	$4.54	$4.94	$5.39	$5.82
Commercial I	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Commercial II	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Commercial III	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Volumetric Charges ($ / hcf)						
Single Family Residential	NA	NA	NA	NA	NA	NA
Multi-Family Residential	$0.00	$4.24	$4.92	$5.36	$5.85	$6.31
Commercial I	$1.98	$3.41	$3.96	$4.32	$4.70	$5.08
Commercial II	$2.91	$6.07	$7.04	$7.67	$8.36	$9.03
Commercial III	$4.89	$9.90	$11.48	$12.52	$13.64	$14.73
Septage ($/hcf)	$0.00	$73.57	$103.37	$119.91	$130.70	$142.46

Table 6-6: Proposed Five-Year Wastewater Rate Schedule, Scenario 2

Description	Current Rates	FY 2024	FY 2025	FY2026	FY 2027	FY 2028
Fixed Rates						
Single Family Residential	$34.00	$46.55	$54.00	$58.86	$64.16	$69.29
Multi-Family Residential	$28.75	$3.91	$4.54	$4.94	$5.39	$5.82
Commercial I	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Commercial II	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Commercial III	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Volumetric Rates						
Single Family Residential	$0.00	NA	NA	NA	NA	NA
Multi-Family Residential	$0.00	$4.24	$4.92	$5.36	$5.85	$6.31
Commercial I	$1.98	$3.41	$3.96	$4.32	$4.70	$5.08
Commercial II	$2.91	$6.07	$7.04	$7.67	$8.36	$9.03
Commercial III	$4.89	$9.90	$11.48	$12.52	$13.64	$14.73
Industrial (Leprino)	See Table 1-4	$1.25	$1.45	$1.58	$1.73	$1.86
Septage	NA	$75.89	$110.05	$122.15	$133.15	$145.13

7. Customer Bill Impacts

7.1. Monthly Wastewater Bill Impacts

Figure 7-1 and Figure 7-2 show the bill impact to single family customers under each scenario.

Figure 7-1 and Figure 7-2 show sample monthly wastewater bills for single family residential customers at current and proposed FY 2023-24 rates for each scenario. The proposed rates are based on updated strength and flow assumptions which impact the cost allocations to each class.

Before we show the customer impacts for each class, there are a few comparisons that can be made to check for reasonableness. The proposed rates charge customers in proportion to their flow and strength as verified by plant flows and discussed in the plant mass balance section (Section 6.4). Table 7-1 shows the percentage of contributed flow versus the percentage of the revenue requirement associated with each class. For example, we note that SFR customers contribute 65% of the flow to the plant and are charged 66% of the total costs for the wastewater system. Multi-family customers contribute 8% (7.7%) of the flow and are charged 7% of total costs. This is reasonable because SFR customers are each mailed a bill and therefore are allocated more customer costs then Multi-Family customers for which the landlord receives the bill. Commercial I customers (low strength) contribute 6% of the flow, but are allocated 5% of total costs. This makes sense because their low strength sewage is less costly to treat. Commercial II customers (medium strength) contribute 12% of flow and are allocated 16% of costs. This is reasonable because commercial II customer discharge higher strength sewage. Lastly Commercial III customers (highest strength) contribute 1% of the flow and are allocated 2% of costs. Note that Septage customers contribute a greater percentage of the revenue requirement as compared flow. This is because, though Septage customers contribute a small percentage of the overall flow to the treatment plant, their strength loading is higher and thus more costly to treat than other classes. Conversely, Industrial customers (e.g., Leprino) pay a smaller percentage of the revenue requirement as compared to their overall flow contribution. This is because Leprino has their own pipe to convey sewage to the plan and does not use the City's collection system and Leprino pretreats its sewage before it is discharged to the City making it low strength sewage. Therefore, the cost to treat Leprino sewage is lower than other classes. These two factors are reflected in their proportion of flow and costs (revenue requirement).

Table 7-1: Percentage Contributed Flow vs. Revenue by Customer Class

Customer Class	% of Total Flow	% of Revenue Requirement
Single Family Residential	64.5%	66.3%
Multi-Family Residential	7.7%	7.2%
Commercial I	6.3%	5.1%
Commercial II	12.3%	16.0%
Commercial III	0.9%	1.9%
Industrial (Leprino)	8.1%	1.9%
Septage	0.1%	1.6%

Figure 7-1 and Figure 7-2 show the bill impact to single family customers under each scenario.

Figure 7-1: Single Family Residential Monthly Wastewater Bill Impacts (FY 2023-24), Scenario 1

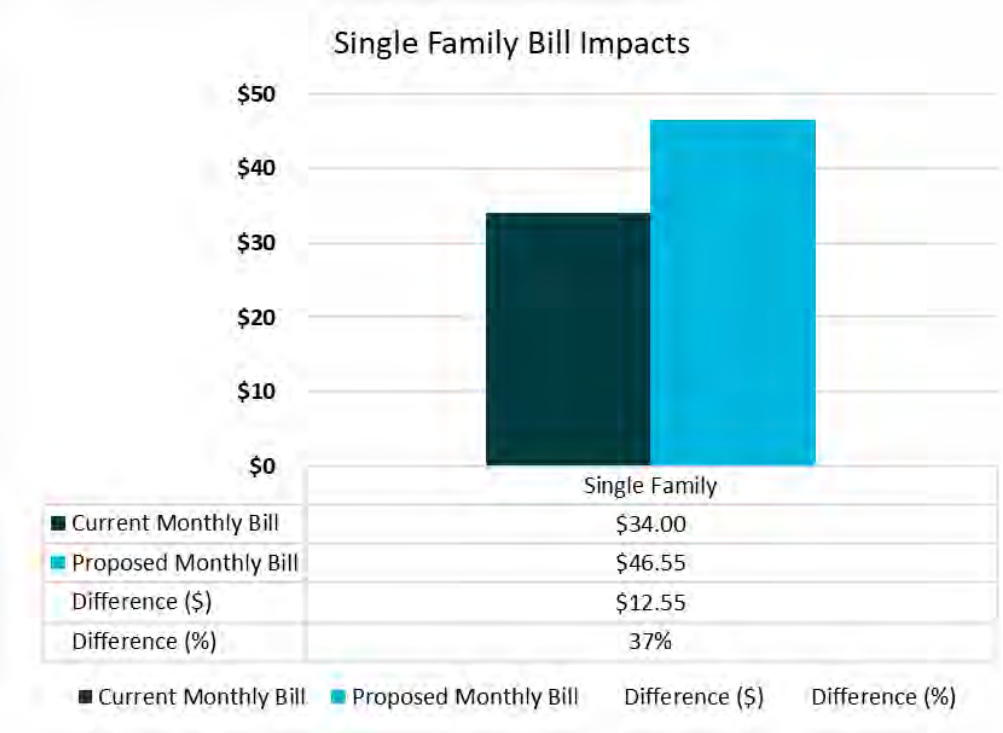


Figure 7-2: Single Family Residential Monthly Wastewater Bill Impacts (FY 2023-24), Scenario 2

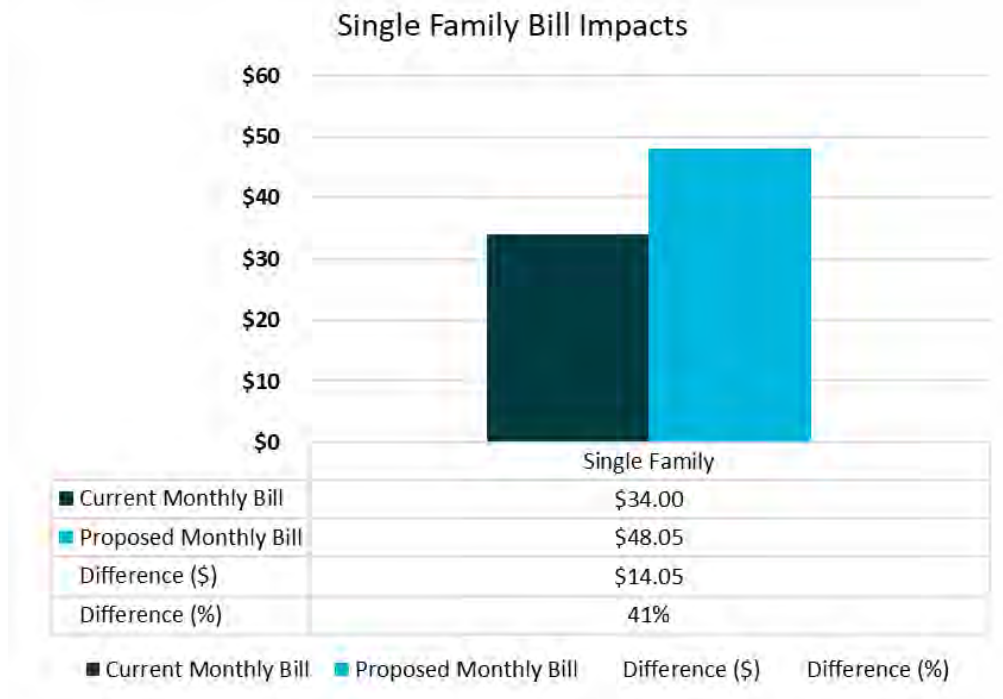


Figure 7-3 and Figure 7-4 show monthly wastewater bill impact for an average Multi-Family customer under each scenario. The bill impact assumes a Multi-Family customer with an average of 7 dwelling units and approximately 5.3 hcf of sewage discharge per dwelling unit each month. For test year 2022-23, the average monthly bill for Multi-Family customers will decrease. The City plans to shift from a per dwelling unit cost ($28.75) to a smaller fixed charge and volumetric rate that will allow Multi-Family bills to better align with actual discharges to the wastewater treatment plant.

Figure 7-3: Multi-Family Monthly per Dwelling Unit Wastewater Bill Impacts, Scenario 1

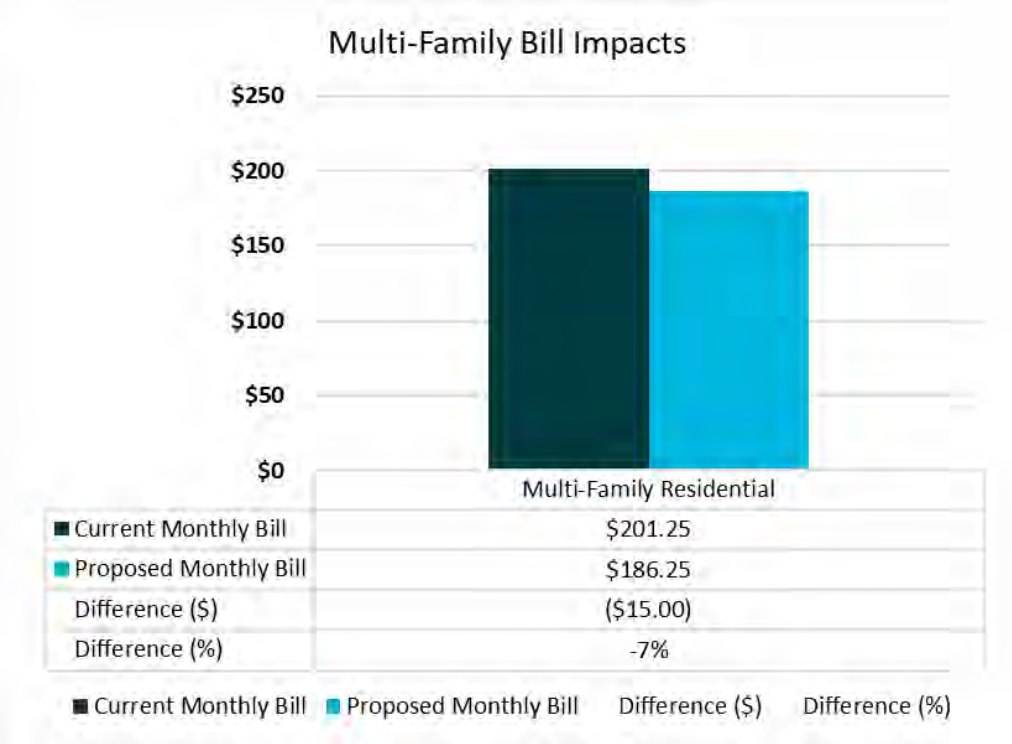


Figure 7-4: Multi-Family Monthly per Dwelling Unit Wastewater Bill Impacts, Scenario 2

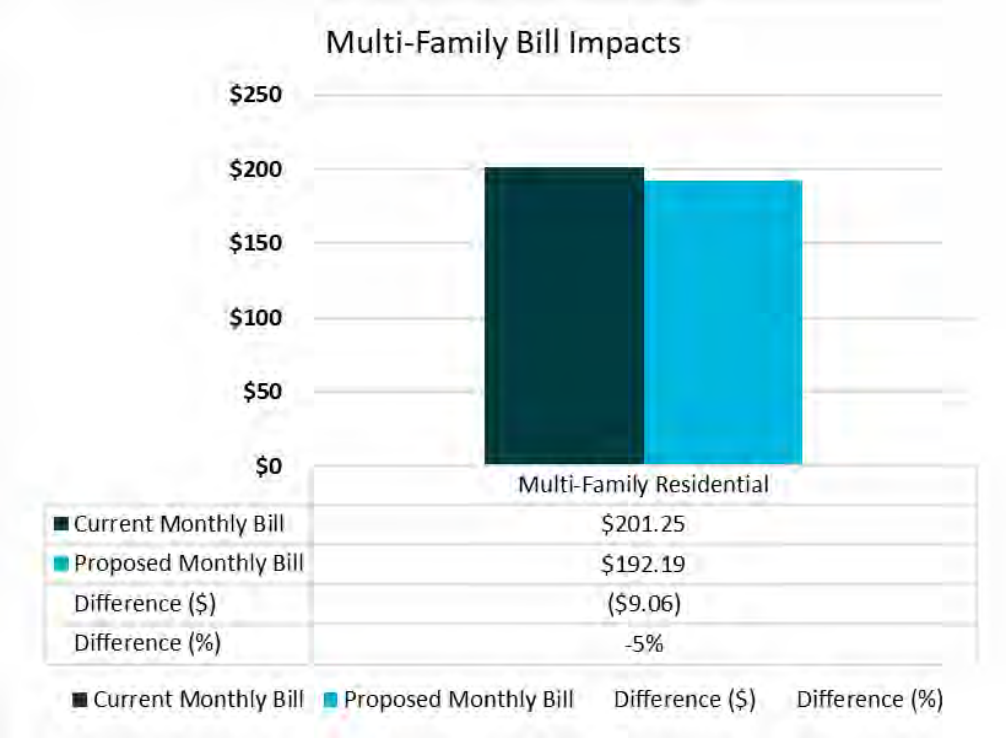
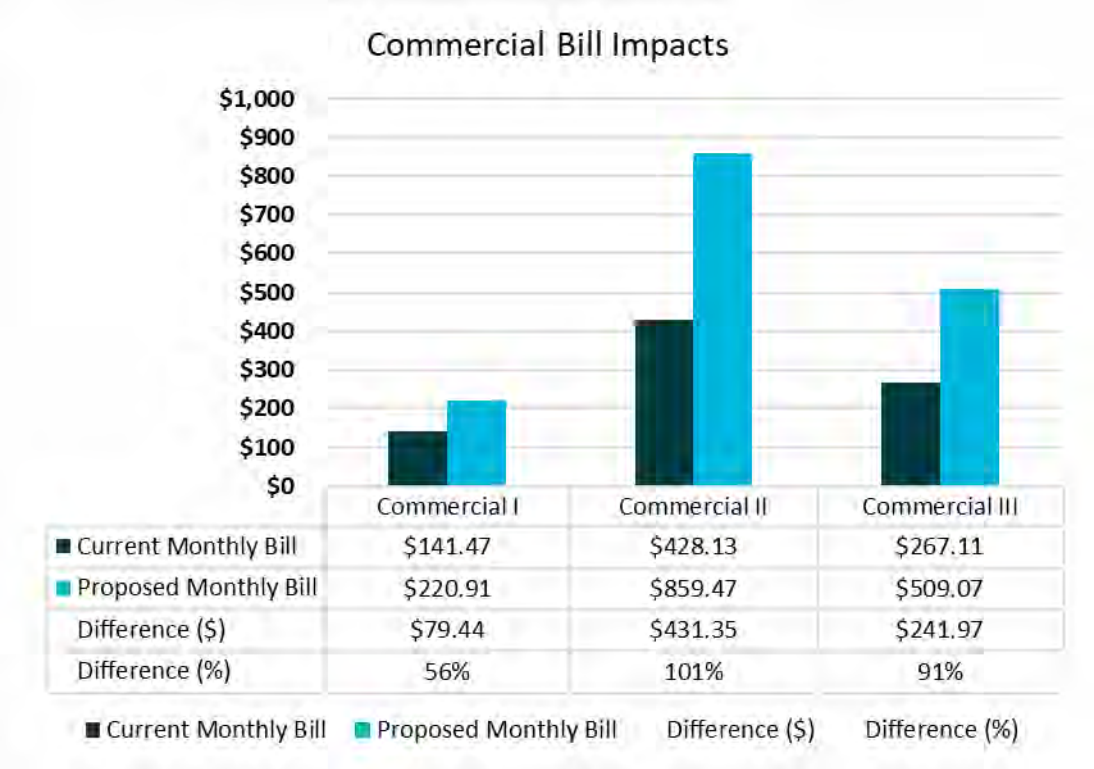


Figure 7-5 and Figure 7-6 show monthly wastewater bill impacts under each scenario for commercial customers assuming average wastewater discharge for each class. The average wastewater discharge for each class shown is 683, 1,647, and 585 hcf, respectively. These constitute large commercial businesses. Their bills must therefore increase, as the assumed wastewater strength[5] has been revised upwards[6] and trued to the actual strength discharged to the plant.[7] Commercial I has the lowest strength; Commercial III has the highest strength. Higher strength customers discharge more BOD and TSS to the plant, which is more costly to treat than lower strength sewage.

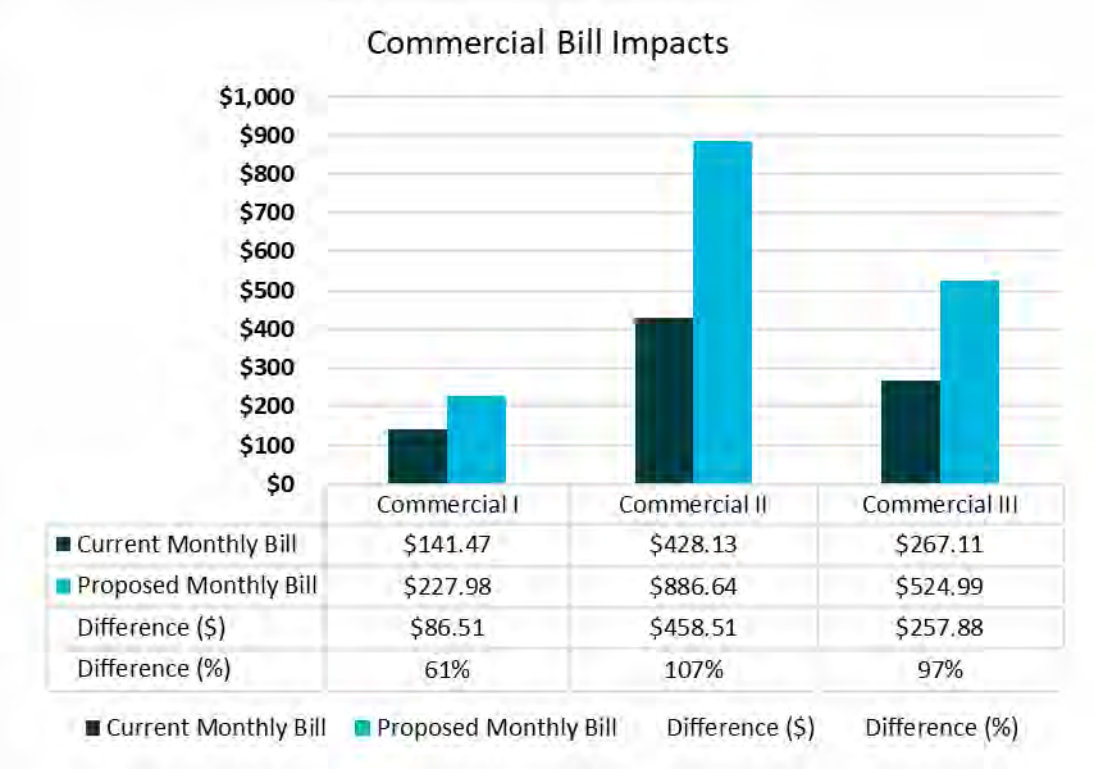
[5] Strength is defined as the concentration of biochemical oxygen demand (BOD) and total suspended solids (TSS).
[6] The latest data from large sewage treatment agencies, such as Los Angeles County Sanitation Districts, shows the sewage strength has increased due to the installation of low flow water fixtures.
[7] It appears that trueing up strength concentrations and actual flows to what is observed at the wastewater treatment plant was not performed in the prior study.

Figure 7-5: Non-Residential Monthly Wastewater Bill Impacts, Scenario 1



	Commercial I	Commercial II	Commercial III
Current Monthly Bill	$141.47	$428.13	$267.11
Proposed Monthly Bill	$220.91	$859.47	$509.07
Difference ($)	$79.44	$431.35	$241.97
Difference (%)	56%	101%	91%

Figure 7-6: Non-Residential Monthly Wastewater Bill Impacts, Scenario 2



	Commercial I	Commercial II	Commercial III
Current Monthly Bill	$141.47	$428.13	$267.11
Proposed Monthly Bill	$227.98	$886.64	$524.99
Difference ($)	$86.51	$458.51	$257.88
Difference (%)	61%	107%	97%

May 3, 2023

Attachment B

City of Tracy

Notice of Public Hearing

Aviso de Audiencia Pública

Proposed Wastewater (Sewer) Rate Increases

Propuesta de Aumento de las Tarifas de Aguas Residuales (Alcantarillado)

7 p.m. Tuesday, June 20, 2023 | *7 p.m. martes, 20 de junio de 2023*
City of Tracy Council Chambers | *Cámaras del Consejo de la Ciudad de Tracy*
333 Civic Center Plaza, Tracy, CA 95376

Scan or click HERE for City Council Meetings
Reuniones del Ayuntamiento

Para leer este aviso en español, visite el sitio web www.cityoftracy.org ("2023 Wastewater Rate Study.")

Please Take Notice That

The Tracy City Council will conduct a Public Hearing to consider proposed rates for wastewater (sewer) services. Sewer rates were last increased 10 years ago. If adopted, the proposed rate adjustments would become effective on August 1, 2023, with annual rate increases through 2028.

All those interested are invited to appear at the time and place of the Public Hearing (7 p.m. June 20, 2023, in the Tracy Council Chambers at 333 Civic Center Plaza, Tracy, CA 95376), to give oral or written testimony or to submit written protests regarding the proposed rate adjustments. The City Council will hear and consider oral testimony and written materials submitted regarding the proposed rate increases at the Public Hearing. The City Council has the authority to adjust the proposed rate increases in response to oral testimony and written materials submitted for consideration, provided that any adjustments cannot increase rates beyond those listed in this Notice.

Overview of the City's Wastewater (Sewer) Services:

The City's Utilities Department maintains, repairs, and operates Tracy's water, wastewater, and stormwater infrastructure in an efficient and cost-effective manner while preserving the environment and ensuring the health, safety, and economic vitality of our community.

What is Wastewater? Wastewater, sometimes referred to as sewage, is water that has been impacted from ordinary living processes, including household, commercial, and industrial uses. It is essentially "used" water, containing materials and particles that would negatively impact people and the environment if left untreated. Wastewater entering a treatment plant is also called "influent," and treated wastewater is called "effluent."

As with most municipalities in California, the City's collection and storm drain systems are separate. Wastewater flows from the drains and toilets of homes and businesses to the wastewater treatment plant via the collection system, and stormwater flows directly to local waterways, untreated.

The Wastewater Collection System: The City's wastewater collection system serves a population of about 97,000 people in Tracy's 26-square-mile service area. The system serves 25,800 single-family and multi-family residential connections and 766 commercial, industrial, and institutional customers.

Components of the Wastewater Collection System:

- 465 miles of gravity sewers (approximately 1,500 line segments) ranging in size from 4 to 42 inches in diameter to transport the wastewater to the pump stations
- 3,100 manholes
- 9 pump stations
- 10 miles of force mains ranging in size from 4 inches to transport the wastewater from the pump stations
- 26,150 wastewater (sewer) laterals, which are the pipes that carry water and waste from homes and businesses to the public wastewater main line

Wastewater Treatment Plant: The City's Wastewater Treatment Plant (WWTP) treats collected wastewater (sewage) to federal and state standards so it may be discharged safely to surface waters, like Old River. The WWTP removes solids and pollutants, breaks down organic matter, and restores the oxygen content of the treated wastewater. The City meets or exceeds stringent state and federal standards for treating and recycling wastewater to be used as nonpotable water for landscape irrigation and dust control at construction sites.

Why is a Wastewater (Sewer) Rate Increase Needed?

The Tracy City Council will consider rate changes that will affect the sewer rate on your utility bill. The last wastewater (sewer) service rate increase was 10 years ago in 2013. The City charges these rates to its wastewater (sewer) customers in order to fund the cost of safe and reliable wastewater operations. The costs include operating and maintaining the wastewater (sewer) system, reinvesting in system infrastructure, and paying off debt used to rehabilitate the system.

The City is considering wastewater (sewer) rate adjustments in 2023 for Fiscal Years 2024-2028 due to inflation and rising costs of operations, maintenance, and environmental and regulatory compliance. Per State law, revenues generated from sewer rate increases must only be used to fund the actual costs to operate and maintain the system including infrastructure projects and the cost of debt to finance capital improvement projects.

With help from an independent consultant, a rate study was performed to assess the revenue needs. The proposed rates are determined based on the projected revenue needed to fund:

- Operations and maintenance expenses: labor, supplies, chemicals, electricity, etc.
- Capital: large projects to repair/replace pipes and treatment plant processing equipment
- Debt service to pay back loans
- Reserve funding

The enclosed rate recommendations were presented to the Tracy City Council on April 18, 2023. A video of the meeting is available on the City's website. The Cost of Service Study also is available on our website at www.cityoftracy.org under "2023 Wastewater Rate Study." Scan this code to be taken directly to the web page.

You are receiving this Notice in compliance with Proposition 218, which requires the City to inform property owners and wastewater customers that proposed rate increases are being considered.

What Happens if We Do Not Raise Rates? If rates are not raised, the City would need to review the pressing needs of our aging systems and prioritize those that are most critical to ensure public and environmental health. These investments are needed now. Deferring until later will only guarantee higher costs and possible increased regulatory oversight by permitting agencies. We would be forced to defer major infrastructure projects, which would, in turn, leave our existing systems vulnerable in the following ways:

- More frequent service disruptions caused by failed facilities
- Infrequent maintenance of pipelines potentially impacting service
- Critical capital projects go unfunded
- City won't meet its debt coverage requirements
- Emergency Reserves are depleted
- Increased costs for emergency construction
- City's ability to secure grants and other funding sources may be limited

Proposed Wastewater (Sewer) Rates

Customer Class | *Clase de cliente*	**Current** *Actual*	**FYE 2024** *Año fiscal 2024*	**FYE 2025** *Año fiscal 2025*	**FYE 2026** *Año fiscal 2026*	**FYE 2027** *Año fiscal 2027*	**FYE 2028** *Año fiscal 2028*
Fixed Charges | *Cargos Fijos*						
Single Family Residential *Residencia unifamiliar*	$34.00	$48.05	$53.34	$58.14	$63.37	$68.44
Multi-Family Residential *Residencia multifamiliar*	$28.75	$4.05	$4.49	$4.90	$5.34	$5.77
Commercial I *Comercial I*	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Commercial II *Comercial II*	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Commercial III *Comercial III*	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Volumetric Rate | *Tarifa Volumétrica*						
Single Family Residential *Residencia unifamiliar*	NA	NA	NA	NA	NA	NA
Multi-Family Residential *Residencia multifamiliar*		$4.38	$4.86	$5.29	$5.77	$6.23
Commercial I *Comercial I*	$1.98	$3.52	$3.91	$4.26	$4.65	$5.02
Commercial II *Comercial II*	$2.91	$6.26	$6.95	$7.57	$8.26	$8.92
Commercial III *Comercial III*	$4.89	$10.21	$11.33	$12.35	$13.46	$14.54
Septage ($ / hcf)		$75.89	$110.05	$122.15	$133.15	$145.13

*Proposed Multi-Family Residential charge is per dwelling unit
*Average dwelling units per apartment complex is 7z
*hcf = hundred cubic feet

**La tasa residencial multifamiliar propuesta es por unidad de vivienda.*
**La media de unidades de vivienda por complejo de apartamentos es de 7*
**hcf significa = cien pies cúbicos*

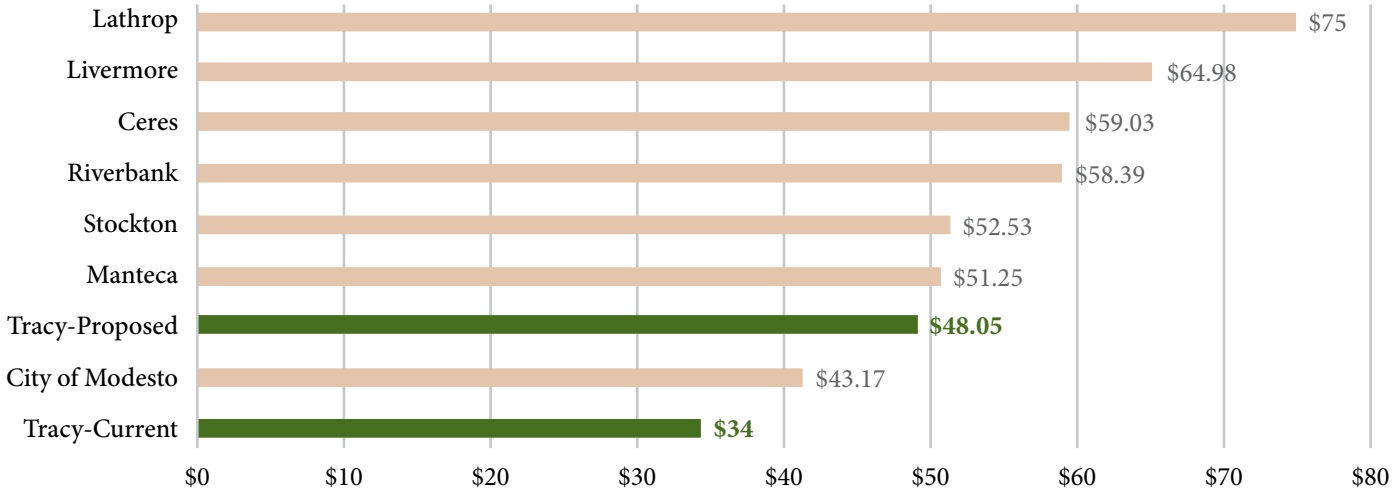
Sample Bill

The following table provides the estimated Utility bill for wastewater (sewer) on average, per customer class, for the first year of the proposed rate change effective August 1, 2023.

Customer Class *Clase de cliente*	**Current Monthly Bill** *Factura mensual actual*	**Total Proposed Monthly Bill** *Total de la propuesta factura mensual*	**$ Difference** *$ Diferencia*
Single Family Residential *Residencia unifamiliar*	$34.00	$48.05	$14.05
Multi-Family Residential *Residencia multifamiliar*	$201.25	$192.19	-$9.06
Commercial I Average Use *Comercial I Uso medio*	$141.47	$227.98	$86.51
Commercial II Average Use *Commrcial II Uso medio*	$428.13	$886.64	$458.51
Commercial III Average Use *Comercial III Uso medio*	$267.11	$524.99	$257.88

Tracy Wastewater (Sewer) Rates Compared to Neighboring Cities

Monthly Single Family Residential (SFR) Wastewater Charge



How Do I Protest the Proposed Wastewater (Sewer) Rate Increase?

You have the right to protest the proposed rate increases.

The protest must be in writing, and it must be submitted by either the property owner or a current ratepaying tenant. It must include the property service address, assessor's parcel number, and the eligible individual's (property owner or tenant's) name and original signature. Written protests may be submitted by mail or in person to the Tracy City Clerk at the City Clerk's Office, 333 Civic Center Plaza, Tracy, CA 95376, or during the Public Hearing on Tuesday, June 20, 2023. All protests must be received (not mailed) before the conclusion of this Public Hearing.

Only one written protest per affected property will be counted. Telephone, e-mail, and fax protests will not be accepted. For your convenience, you may opt to use the protest form below. Written protests must be received by the City Clerk prior to the conclusion of the Public Hearing. The Clerk will not accept or consider any protest received after the conclusion of the Public Hearing.

At the Public Hearing on June 20, the City Council will accept and consider all written protests and hear all oral comments on the proposed changes. Oral comments will not be counted as protests unless accompanied by a written protest. At the conclusion of the Public Hearing, the City Council will consider adoption of the proposed changes as follows:

1. If fewer than a majority of property owners or ratepayers file a protest, the City Council will consider increasing wastewater (sewer) rates, effective August 1, 2023.
2. If a majority of affected property owners or ratepayers protest the increase before the conclusion of a required Public Hearing, the City is prohibited by law from increasing sewer rates.

If adopted, the proposed wastewater (sewer) rates will take effect beginning August 1, 2023. The reasons for the rate adjustments, the basis upon which they were calculated, and the amount of the proposed wastewater (sewer) rates are described in more detail in the Wastewater Rate Study, which is on file with the City Clerk and available on the City's website at "2023 Wastewater Rate Study."

If you have questions regarding this Notice or how it may impact your bill, call **(209) 831-6300** Monday through Friday between 8 a.m. and 6 p.m. or refer to the Frequently Asked Questions (FAQs) on the City's Wastewater Rate Study website.

Optional protest form. ***Formulario de protesta opcional.***

If you wish to use this form as your protest, please fill out and mail in a stamped envelope to:
Si desea utilizar este formulario como su protesta, por favor, complételo y envíelo por correo o preséntelo en persona a:

Tracy City Clerk, City Clerk's Office, 333 Civic Center Plaza, Tracy, CA 95376. All protests must be received prior to the conclusion of the Public Hearing on June 20, 2023. *Si desea utilizar este formulario como protesta, complételo y envíelo por correo o preséntelo en persona a: Tracy City Clerk, City Clerk's Office, 333 Civic Center Plaza, Tracy, CA 95376. Todas las protestas deben ser recibidas antes de la conclusión de la audiencia pública en 20 junio 2023.*

(Print your full name / *Escriba su nombre completo*)

I, _____, protest the proposed water rate increase.
Yo, protesto contra la propuesta de aumento de tarifas de aguas.

I am the: ☐ Property Owner ☐ Ratepayer (Customer)
Soy el: Dueño de la propiedad Contribuyente (Cliente)

Property Address: _____
Dirección de la propiedad:

Assessor's Parcel Number (APN): _____ Signature: _____
Número de Parcela del Tasador (APN, por sus siglas en inglés): Firma

City of Tracy

Wastewater Rate Study

Public Hearing Presentation

June 20, 2023

RAFTELIS

TRACY

Terms You May Hear Tonight

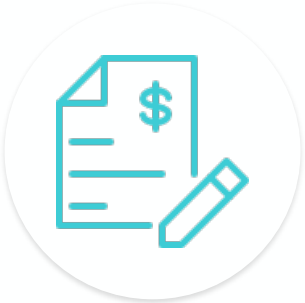
- **Rate Study** – The process of determining proposed utility rates
- **Financial Plan –** Part of a rate study that projects revenue and expenses to see if revenue is enough to cover expenses
- **hcf** – The unit used to charge for water. One hcf = 100 cubic feet = 748 gallons. This is a commonly used billing unit in California.
- **Capital –** refers to large infrastructure assets/costs such as pipelines, treatment plants, pumps, etc.
- **Rate** – The amount charged per unit of wastewater
- **Cost of Service** – The utility's cost to provide water service to each customer class based on the demands they place on the utility
- **Customer Class** – Single Family Residential, Multifamily, Commercial and Irrigation
- **Volumetric rate** – The amount charged per unit of water used
- **Fixed charge** – The amount charged by meter size, it does not vary by water use

What is a Rate Study?

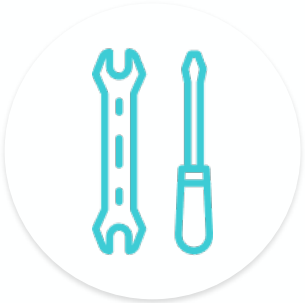
A financial planning process to set rates that considers:

Fairness & Equity

Community Values



Promotes Utility Financial Viability



Cover Ops and Maintenance

Cover Infrastructure Investment

Legally Defensible

RAFTELIS

Why would the City do a wastewater rate study?

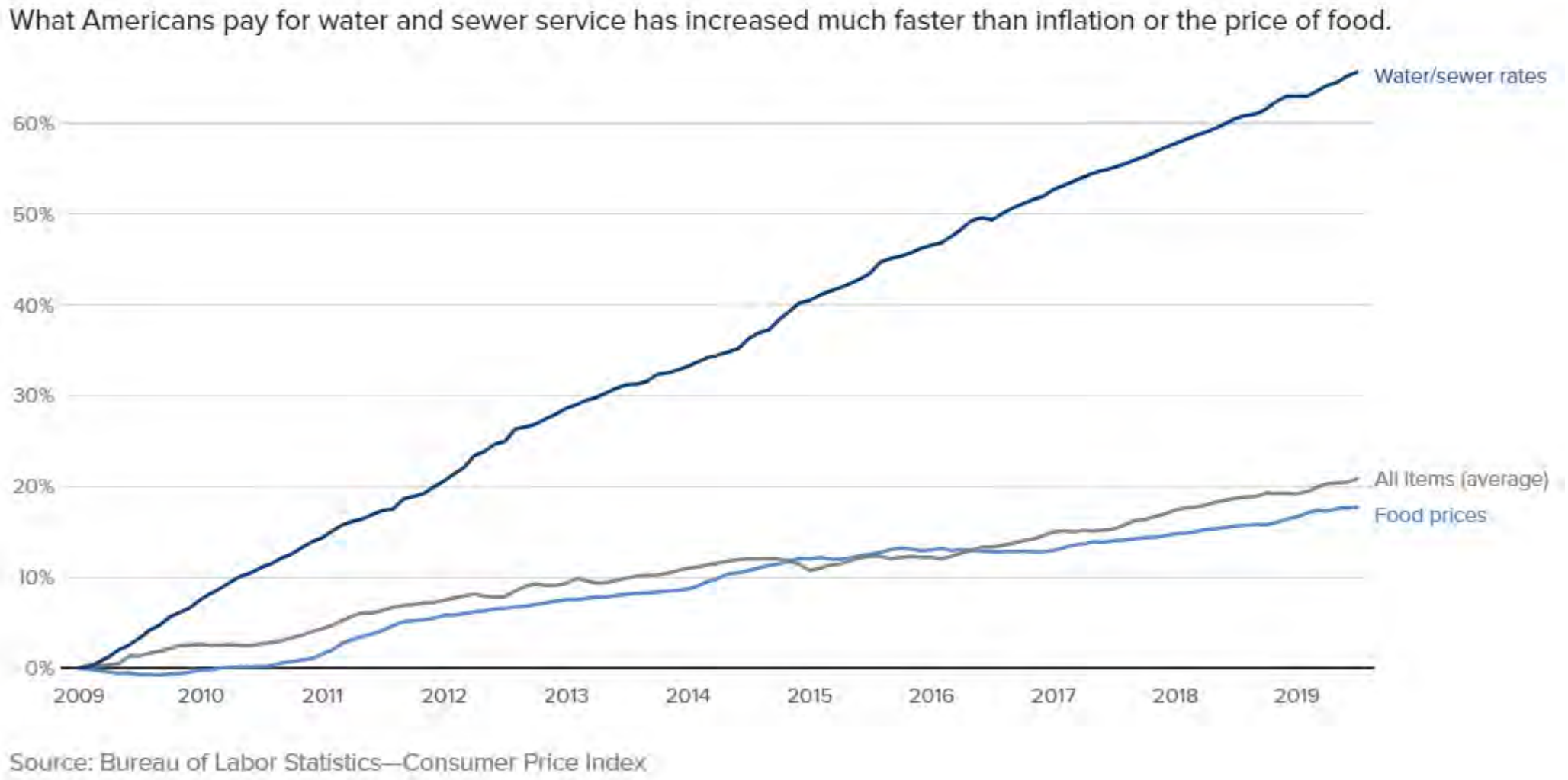
- **Rates must keep up with costs to operate the City's wastewater system**
- The City's wastewater utility (Enterprise Fund) is a self-funding, enterprise - is not like other government services (Police, Fire, Parks) that are funded by tax dollars from the General Fund
- The wastewater enterprise is funded by customer rate revenue
  - It's a non-profit business
- Rate revenue pays for:
  - O&M expenses (labor, supplies, chemicals, electricity)
  - Capital: large projects to rehabilitate pipes and the treatment plant
  - Debt service to pay back loans
  - Reserve funding
- By law (Proposition 218), rates must be based on the cost to operate and maintain the wastewater system

Why Do Rates Need to be Adjusted?

- **City has not raised wastewater rates since 2013!**
- **City must meet bond covenants - debt coverage requirement (1.20)**
- Inflation since then: about 32%
- Lots of capital projects planned that need to be funded
- New staff
- Wastewater desalination project
- City has some of the lowest wastewater charges around

Year	Inflation	Compound Inflation
2013	2.0%	100.0%
2014	2.0%	102.0%
2015	2.0%	104.0%
2016	2.0%	106.1%
2017	2.0%	108.2%
2018	2.0%	110.4%
2019	2.0%	112.6%
2020	2.0%	114.9%
2021	6.7%	122.6%
2022	7.5%	131.8%

Utility Rates vs Other Goods



CBS News article: “Water costs are rising across the US – here is why”, August 27, 2019

Critical Capital Needs – not currently funded

CRITICAL NEEDS – not currently funded

- Emergency Storage Basin – vegetation
  - Capacity has been reduced – needs cleaning
- Pipe Gallery - erosion
  - Need to repair/replace
- Pond 1 – full and compacted
  - Need to allow it to dry out and then remove.
- PLC and Control Systems – out of date/no longer supported by manufacturer.
  - Need to replace
- Disinfection unit – outdated, made to fit for the Recycled Water Project.
  - Needs to be upgraded
- New Contact Basin – modifications needed.
  - May require Ultraviolet instead of chlorine
- Old Concrete Tanks and Structures – need demolition
- CMMS – improved efficiencies

Financial Plan

Financial Plan

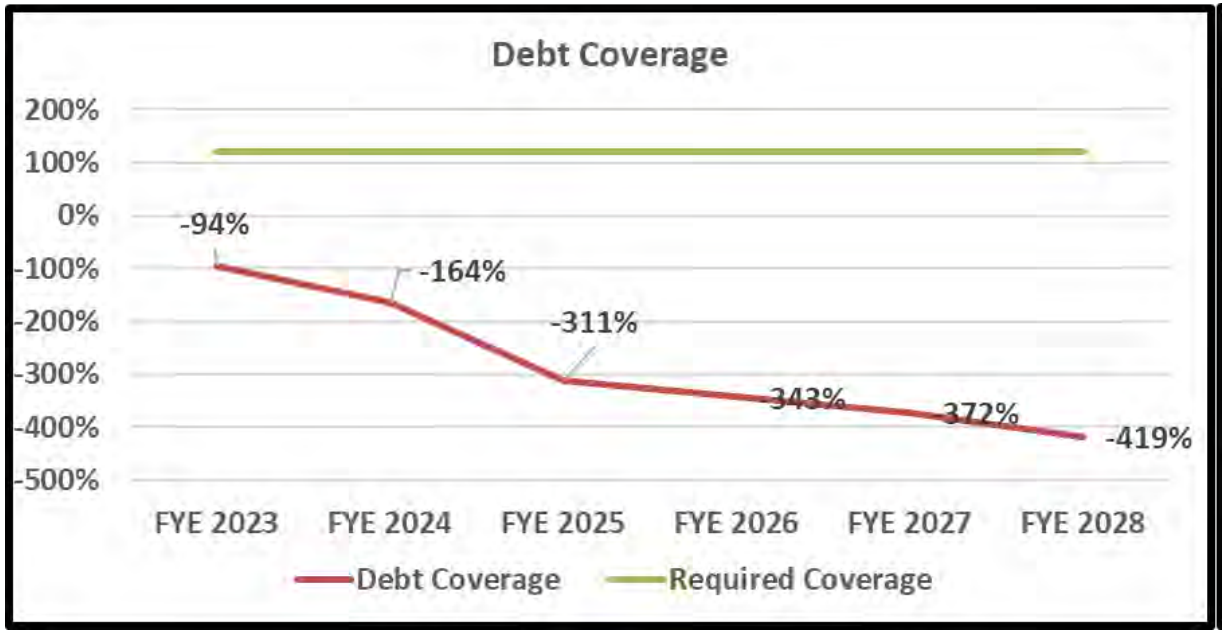
- Projects revenue and expenses to assess if revenue is sufficient to fund operations (expenses)
- If not, we increase revenue to fund anticipated wastewater collection and treatment costs:
  - O&M – chemicals, labor, parts, supplies
  - Capital – large projects
  - Reserves – O&M and capital reserves

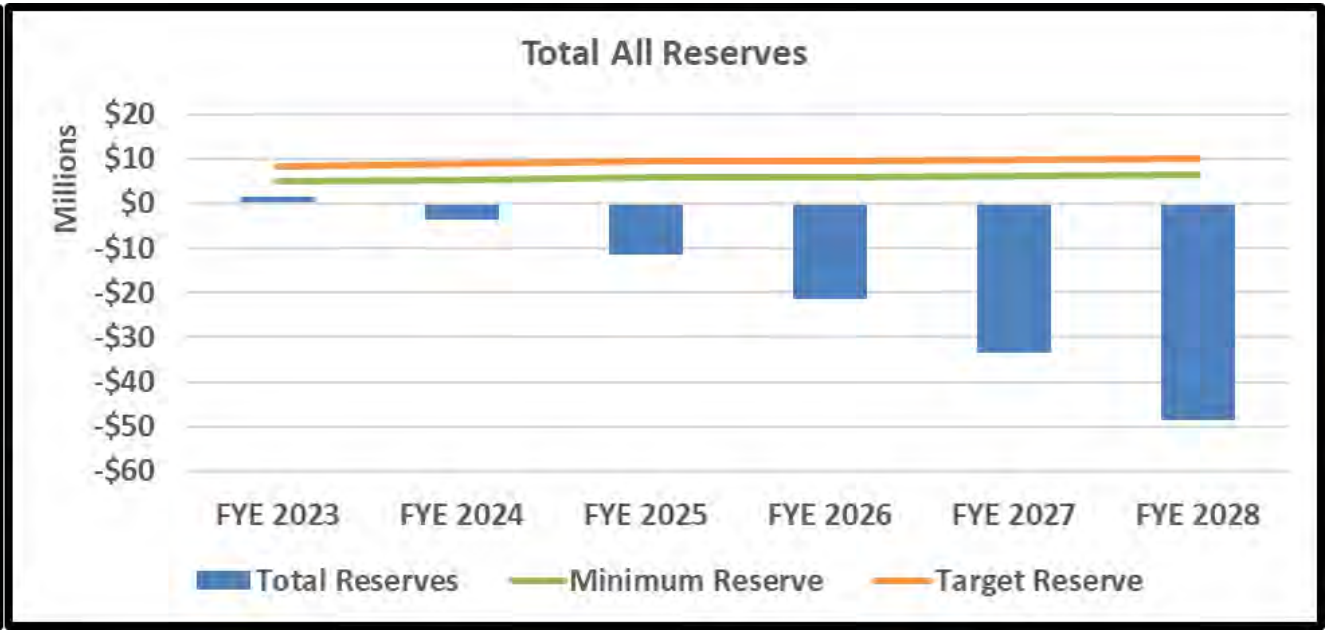
Reserves and Debt Coverage

Need to financially plan for:

- Operating reserve = 30% (110 days) of yearly operating expenses
- Capital reserve = no official policy but we have modeled 2% of your wastewater asset value which is a common reserve target
- **Debt coverage ratio = 1.20 for Certificates of Participation**
- **Debt coverage is a major driver for needed rate increases**

What if You Do Not Increase Rates?



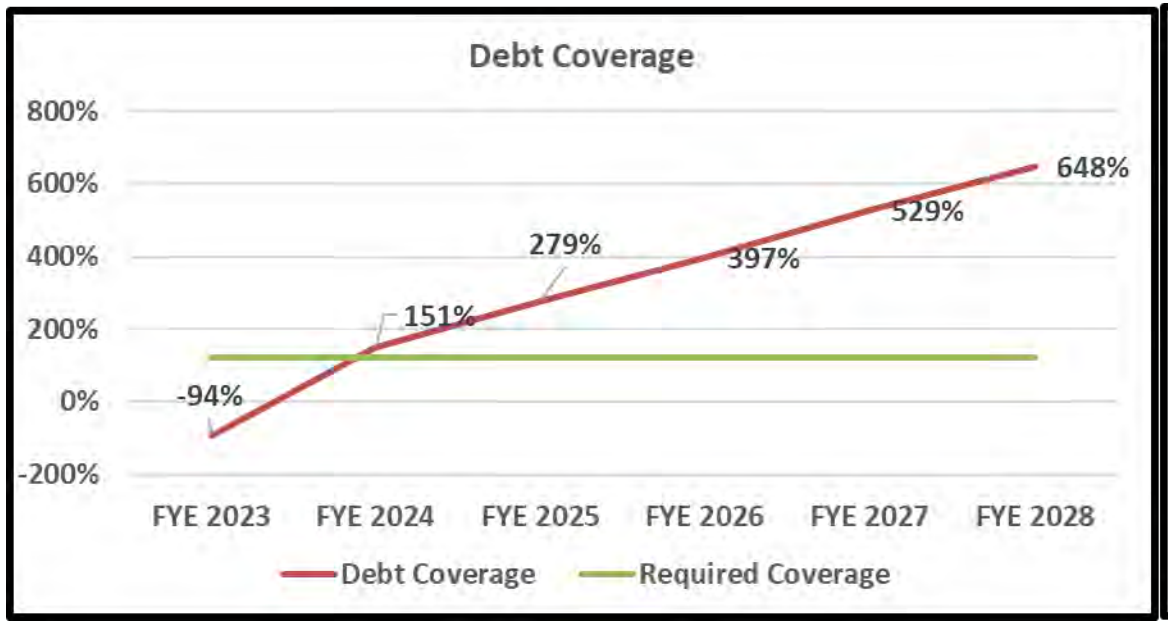


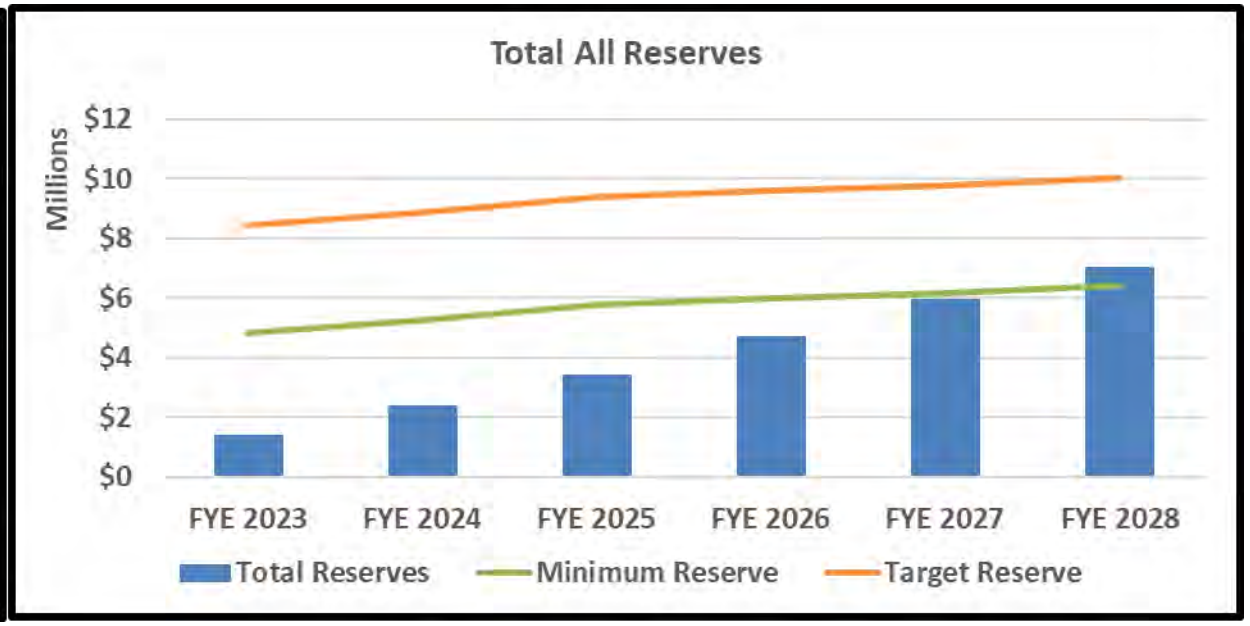
Proposed Revenue Adjustments

	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
	August 2023	July 2024	July 2025	July 2026	July 2027
Revenue Increase	45%	11%	9%	9%	8%

Financial Health with Revenue Adjustments

	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
	August 1	July 1	July 1	July 1	July 1
Scenario 2	45%	11%	9%	9%	8%





Cost of Service & Rates

What Affects the Cost to Serve a Customer Class?

- Wastewater flow
- Strength of wastewater
  - BOD – Biochemical Oxygen Demand
  - TSS – Total Suspended Solids
- Wastewater strengths are increasing due to low flow devices

	Prior Study Strength		Current Study		% Increase	
Residential	**BOD (mg/L)**	**TSS (mg/L)**	**BOD (mg/L)**	**TSS (mg/L)**	**BOD % Increase**	**TSS % Increase**
SFR	210	250	313	288	49%	15%
MFR	210	250	313	288	49%	15%
Septage	5,400	12,000	5,400	12,000	0%	0%
Commerical						
I	150	150	250	250	67%	67%
II	300	300	500	500	67%	67%
III	600	600	1,000	600	67%	0%
Leprino	80	95	27	54	-66%	-43%

Current Rates

Customer Class		Current	
		Fixed	Volumetric
Residential		Charge	Rate
SFR		$34.00	NA
MFR		$28.75	NA
Commerical			
I		$28.75	$1.98
II		$28.75	$2.91
III		$28.75	$4.89
Septage	$ / 1,000 gal		$66.90
Leprino			
Capacity Charges			
Flow	$ per mgd per year	$258,289	
BOD	$ per lb	$28.23	
TSS	$ per lb	$43.13	
Use Charges			
Flow	$ per mg	$334.00	
BOD	$ per 1,000 lbs	$489.19	
TSS	$ per 1,000 lbs	$232.35	

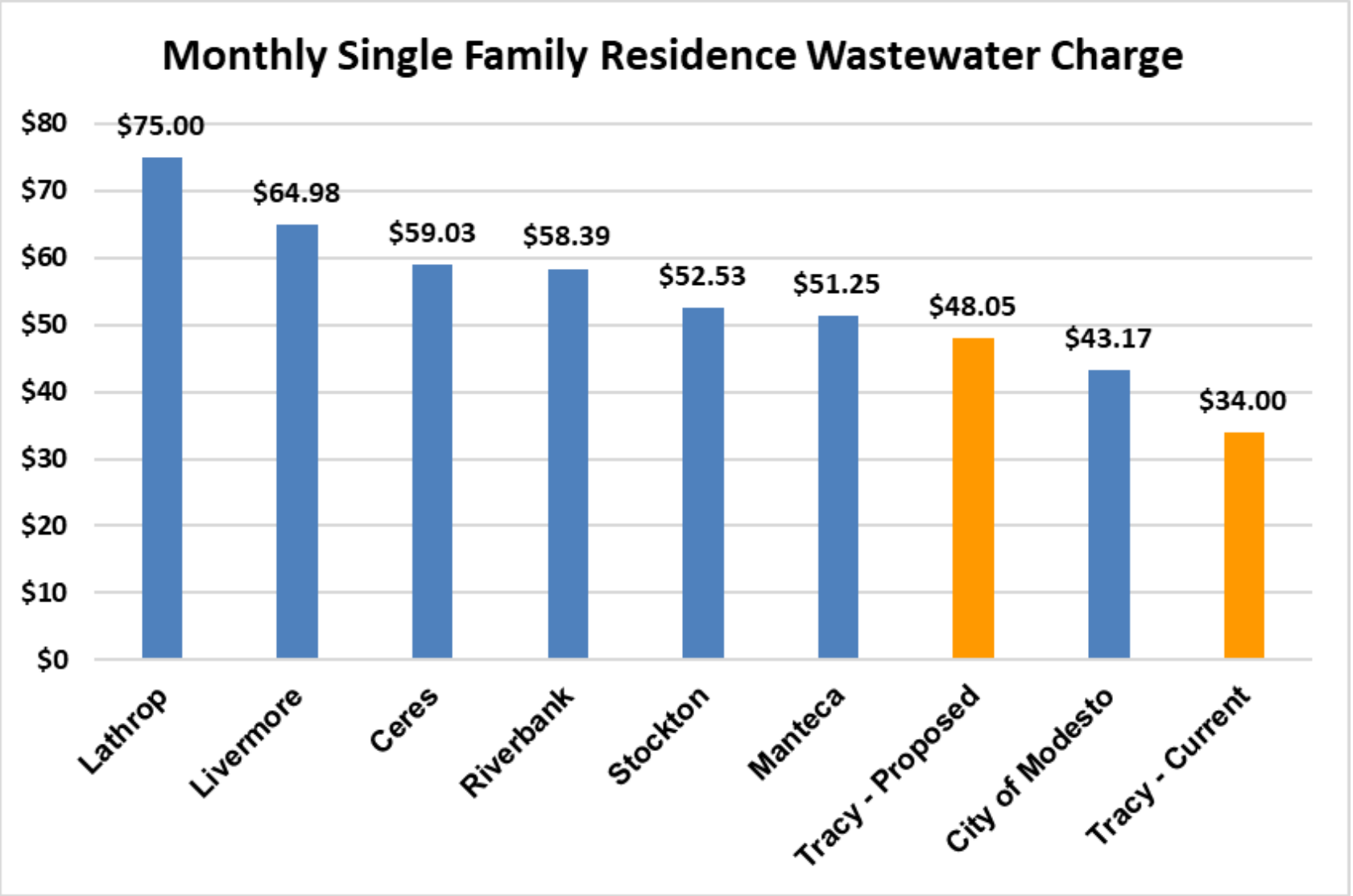
Proposed Wastewater Rates

- Proposed MFR charge is a **per dwelling** charge.
- Average dwelling units per apartment complex is 7

Customer Class	Current	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Fixed Charges						
Single Family Residential	$34.00	$48.05	$53.34	$58.14	$63.37	$68.44
Multi-Family Residential	$28.75	$4.05	$4.49	$4.90	$5.34	$5.77
Commercial I	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Commercial II	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Commercial III	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Volumetric Rate						
Single Family Residential	NA	NA	NA	NA	NA	NA
Multi-Family Residential		$4.38	$4.86	$5.29	$5.77	$6.23
Commercial I	$1.98	$3.52	$3.91	$4.26	$4.65	$5.02
Commercial II	$2.91	$6.26	$6.95	$7.57	$8.26	$8.92
Commercial III	$4.89	$10.21	$11.33	$12.35	$13.46	$14.54
Industrial (Leprino)	As shown earlier	$1.29	$1.43	$1.56	$1.70	$1.84
Septage ($ / hcf)		$75.89	$110.05	$122.15	$133.15	$145.13

Customer Bill Impacts

Wastewater Bill Survey



Monthly Bill Impacts

Customer Class	Average Sewer Flow per Account or Dwelling Unit	Average No. of Dwelling Units	Current Monthly Bill	Total Proposed Monthly Bill	Dollar Difference	Percent Difference	No. of Accounts
Single Family Residential	8.5		**$34.00**	**$48.05**	$14.05	41.3%	23,970
Multi-Family Residential	5.3	7.0	**$201.25**	**$192.19**	-$9.06	-4.5%	610
Commercial I Average Use	57		**$141.47**	**$227.98**	$86.51	61.1%	390
Commercial II Average Use	137		**$428.13**	**$886.64**	$458.51	107.1%	313
Commercial III Average Use	49		**$267.11**	**$524.99**	$257.88	96.5%	63

Likely Questions

1. Why are commercial bills going up?
   - Commercial strengths (BOD, TSS) have been revised upward to industry best practices
   - Commercial flows and strengths were trued to actual plant flows

2. Why are multi-family bills going down?
   - Multi-family bills are now in proportion to use and assumed strength
   - Cannot trace their prior derivation
   - We assumed 100% of water returns to sewer

3. Flows are tied back to the total flow at the plant

Residential	Total Costs	% of Total Costs	% of Flow	BOD (mg/L)
Single Family Residential	$13,390,004	66.3%	64.5%	313
Multi-Family Residential	$1,454,381	7.2%	7.7%	313
Subtotal Residential	$14,844,385			
Non-Residential				
Commercial I	$1,033,874	5.1%	6.3%	250
Commercial II	$3,228,187	16.0%	12.3%	500
Commercial III	$384,858	1.9%	0.9%	1,000
Industrial (Leprino)*	$384,820	1.9%	8.1%	27
Septic Disposal	$326,530	1.6%	0.1%	5,400
Subtotal Non-Residential	$5,358,269			
Total	**$20,202,654**	100.0%	100.0%	

* Leprino does not use the City wastewater collection system

Low Income Rate Assistance (LIRA)

- The City offers a Low-Income Rate Assistance (LIRA) program that provides a discounted rate for qualified customers.
- The total amount of the discount is $26.05, with $2.55 of that being directly applicable to the Wastewater rate. The LIRA program is funded through the City's General Fund.
- Over the last year, the City has partnered with PG&E and is now able to auto enroll customers into the LIRA program. This partnership has resulted in a 400% increase in the number of households receiving the discount, from 1,275 to 5,100.

Summary

- City has not raised wastewater rates in **10 years**
- **Debt covenants are stressed**
- City Single Family Residential wastewater bills will still be lower than most surrounding agencies

RAFTELIS

Thank you!

Contact:
Steve Gagnon
213.262.9308 / sgagnon@raftelis.com

Sarah Wingfield
213.262.9311 / swingfield@raftelis.com

End of Presentation

Steps in Conducting a Rate Study

1

Rate Setting Framework

- Financial goals and policies
- Pricing objectives

2

Financial Plan ($)

- How much $ do you need (total bill)
- Compare revenue vs expenses
- Evaluate CIP financing options

3

Cost of Service & Rate Design

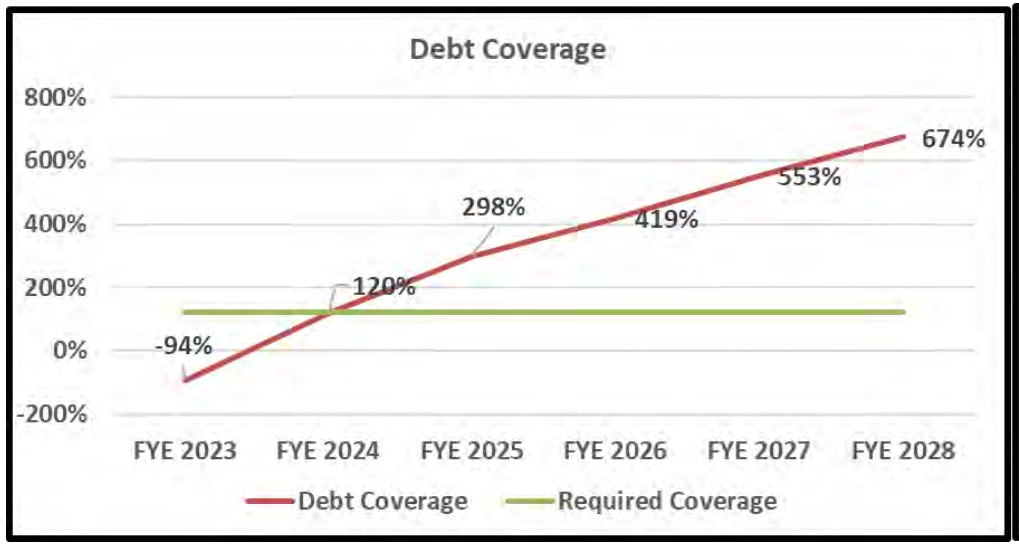
- Splits the bill amongst customer classes
- Rate calculation
- Customer impact analyses

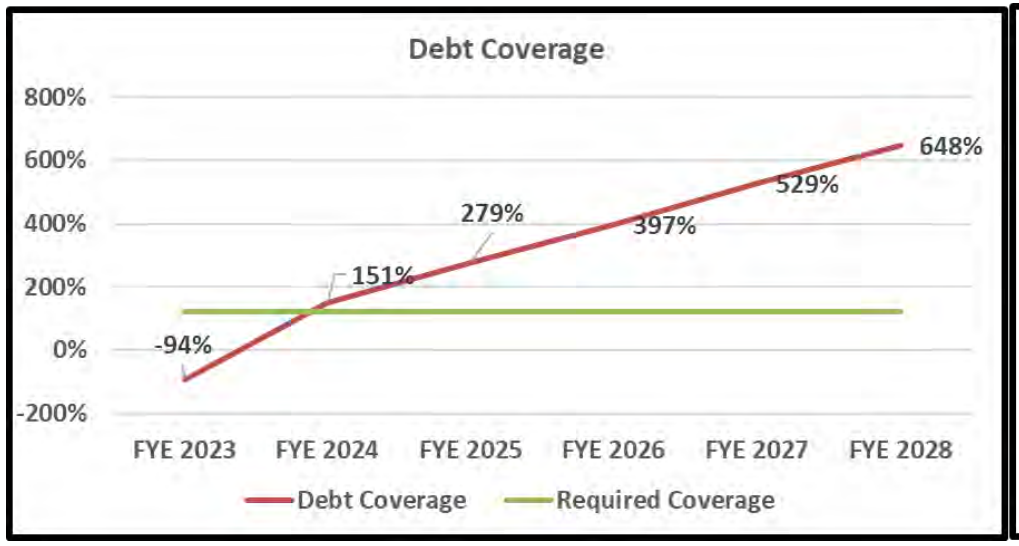
4

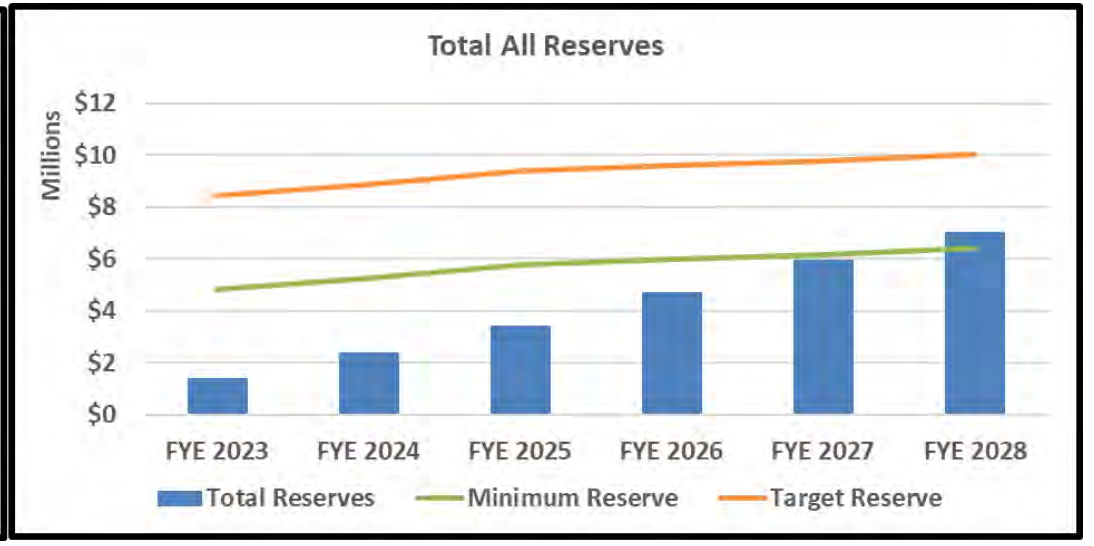
Final Rate Adoption

- Public Outreach
- Report
- Prop 218 Notice
- Public Hearing

Comparing Scenario 1 (top) & 2 (bottom)

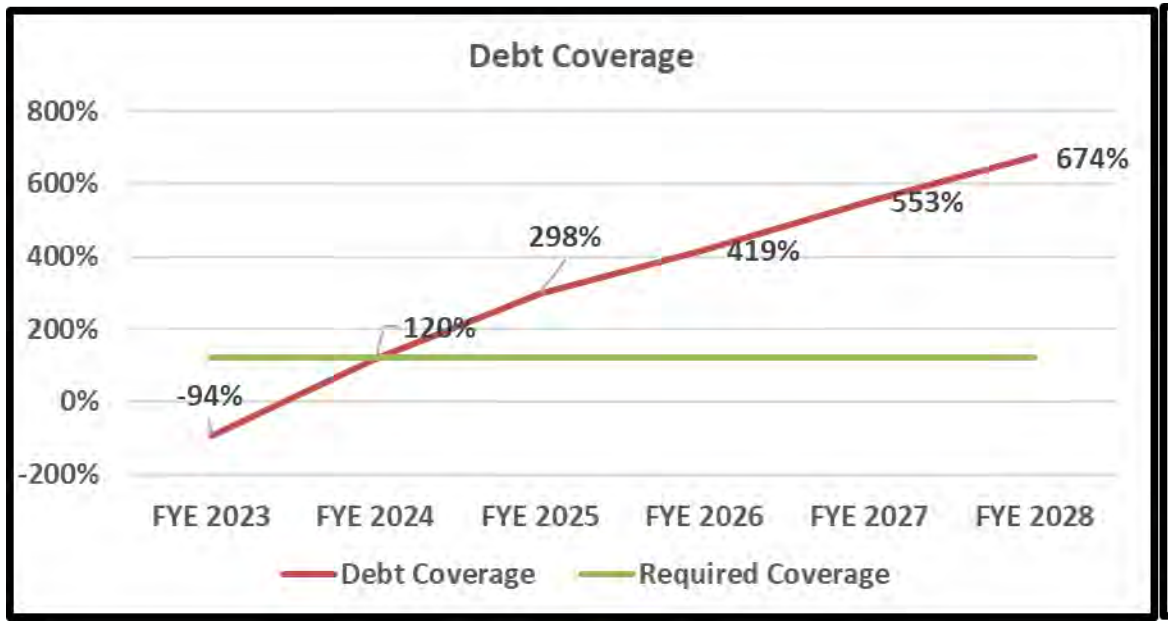


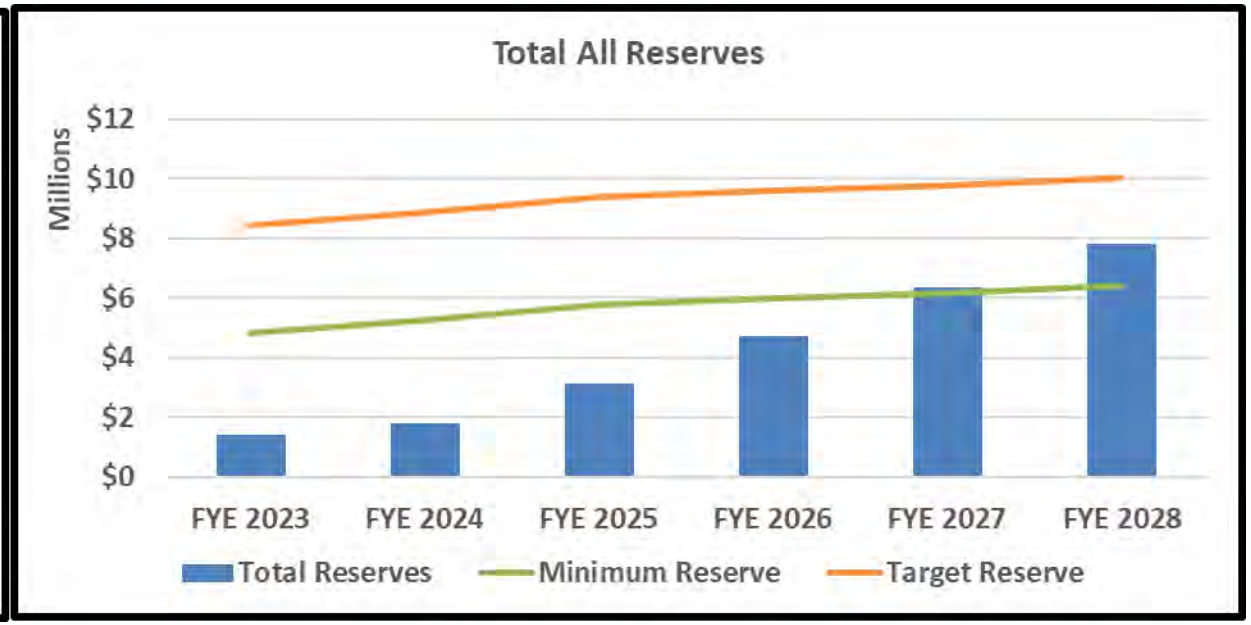




Scenario 1 – Financial Health

	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
	August 1	July 1	July 1	July 1	July 1
Scenario 1	40.5%	16%	9%	9%	8%





Wastewater Rates – Scenario 1

- Proposed MFR charge is a **per dwelling** charge.
- Average dwelling units per apartment complex is 7

Customer Class	Current	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Fixed Charges						
Single Family Residential	$34.00	$46.55	$54.00	$58.86	$64.16	$69.29
Multi-Family Residential	$28.75	$3.91	$4.54	$4.94	$5.39	$5.82
Commercial I	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Commercial II	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Commercial III	$28.75	$26.61	$30.87	$33.64	$36.67	$39.60
Volumetric Rate						
Single Family Residential	NA	NA	NA	NA	NA	NA
Multi-Family Residential		$4.24	$4.92	$5.36	$5.85	$6.31
Commercial I	$1.98	$3.41	$3.96	$4.32	$4.70	$5.08
Commercial II	$2.91	$6.07	$7.04	$7.67	$8.36	$9.03
Commercial III	$4.89	$9.90	$11.48	$12.52	$13.64	$14.73
Industrial (Leprino)	As shown earlier	$1.25	$1.45	$1.58	$1.73	$1.86
Septage ($ / hcf)		$73.57	$103.37	$119.91	$130.70	$142.46

Monthly Bill Impact – Scenario 1

Customer Class	Average Sewer Flow per Account or Dwelling Unit	Average No. of Dwelling Units	Current Monthly Bill	Total Proposed Monthly Bill	Dollar Difference	Percent Difference	No. of Accounts
Single Family Residential	8.5		**$34.00**	**$46.55**	$12.55	36.9%	23,970
Multi-Family Residential	5.3	7.0	**$201.25**	**$186.25**	-$15.00	-7.5%	610
Commercial I Average Use	57		**$141.47**	**$220.91**	$79.44	56.2%	390
Commercial II Average Use	137		**$428.13**	**$859.47**	$431.35	100.8%	313
Commercial III Average Use	49		**$267.11**	**$509.07**	$241.97	90.6%	63

Project Team

City Staff

Steve Gagnon, PE (AZ)
Project Manager

25 years experience

15 years rate setting

Extensive CA water and wastewater rate setting experience

E: sgagnon@raftelis.com

P: 714.351.2013

Sarah Wingfield
Financial Analyst

Water and wastewater financial and cost of service analysis experience

E: swingfield@raftelis.com

P: 213.262.9311

Q&A

Low Income Rate Assistance

- The Low-Income Rate Assistance program will continue to discount the sewer charge by 7.5%, which is currently a $2.55 discount

Cost of Service & Rate Design

- Cost of Service - splits up the “total bill” among customer classes
- Calculates rates to recover the bill amount for each class

Capital in Need of Rehabilitation

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION 2023-_____

ADOPTING WASTEWATER RATES EFFECTIVE AUGUST 1, 2023 FOR FISCAL YEARS 2023-24 THROUGH 2027-28

WHEREAS, the City of Tracy's Operations and Utilities Department provides wastewater service to over 23,000 residential, commercial and industrial customers; and

WHEREAS, the City's wastewater rates were last adjusted in 2013. Since then, the costs to treat the City's wastewater have increased substantially and require the implementation of rate adjustments to sufficiently fund the wastewater operations and maintenance expenses, and to address the debt coverage ratio; and

WHEREAS, the City contracted with Raftelis Financial Consultants, Inc., to perform a wastewater rate study for the purpose of establishing a proposed five-year rate schedule ("Study"). The Study conducted a cost-of-service analysis that establishes the nexus between the cost of serving wastewater customers and rates charged to customers, as required by Proposition 218. (Cal. Const., art. XIII D, § 6.) The final Study is available on the City's website under "2023 Wastewater Rate Increase." ; and

WHEREAS, on May 2, 2023, the City Council directed staff to proceed toward adoption of one of the alternative rate schedules presented in the Study. That rate schedule is attached hereto as Exhibit A. It further set a public hearing for June 20, 2023, to consider any protests regarding the proposed rate adjustment; and

WHEREAS, in accordance with Proposition 218, staff mailed notice of the June 20, 2023 hearing to all affected ratepayers on May 4, 2023; and

WHEREAS, at the June 20, 2023 hearing, the City Council received, accepted, and considered all public protests, both written and oral, to the proposed rate increase. Written protests did not represent a majority of affected properties. (Cal. Const., art. XIII D, § 6, subd. (a)(2).)

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

1. The foregoing recitals are true and correct.

2. The City Council hereby accepts, approves, and adopts the Study.

3. Effective August 1, 2023, the rates for the City's wastewater service are hereby adjusted to the amounts set forth in Exhibit A, which is attached hereto and incorporated by this reference.

4. The City Council finds the rate adjustment will help ensure the health and safety of the community while protecting the City's financial health.

5. The City Council further finds that the rates set forth in Exhibit A meet all of the following criteria.

a. Revenue from these rates will not exceed the funds the City requires to provide wastewater service.

b. Revenue from these rates will not be used for any purpose other than that for which the rates are imposed.

c. The rate imposed on a given customer of the City's wastewater program will not exceed the proportional cost of the service attributable to that customer.

d. All of these rates will be imposed for a service actually used by, or immediately available to, affected property owners.

e. None of these rates will be imposed for general government services available to the public at large in substantially the same manner as they are to affected property owners.

6. Any previous rates the City imposed for wastewater service, and which are inconsistent or otherwise conflict with the rates set forth in Exhibit A, are hereby rescinded and replaced with the rates set forth in Exhibit A. All other City rates, fees, and charges are unaffected by this Resolution.

7. If any portion of this Resolution, including but not limited to any particular wastewater rate adopted hereby, is held to be unconstitutional, invalid, or otherwise unenforceable by a court of competent jurisdiction, that holding shall not negate any other portion of this Resolution.

8. This Resolution shall become effective immediately upon its approval.

* * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on 20th day of June 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Attachment: Exhibit A

EXHIBIT A

Proposed Wastewater (Sewer) Rates

Customer Class | *Clase de cliente*	Current *Actual*	FYE 2024 *Año fiscal 2024*	FYE 2025 *Año fiscal 2025*	FYE 2026 *Año fiscal 2026*	FYE 2027 *Año fiscal 2027*	FYE 2028 *Año fiscal 2028*
Fixed Charges | *Cargos Fijos*						
Single Family Residential *Residencia unifamiliar*	$34.00	$48.05	$53.34	$58.14	$63.37	$68.44
Multi-Family Residential *Residencia multifamiliar*	$28.75	$4.05	$4.49	$4.90	$5.34	$5.77
Commercial I *Comercial I*	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Commercial II *Comercial II*	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Commercial III *Comercial III*	$28.75	$27.46	$30.48	$33.22	$36.21	$39.10
Volumetric Rate | *Tarifa Volumétrica*						
Single Family Residential *Residencia unifamiliar*	NA	NA	NA	NA	NA	NA
Multi-Family Residential *Residencia multifamiliar*		$4.38	$4.86	$5.29	$5.77	$6.23
Commercial I *Comercial I*	$1.98	$3.52	$3.91	$4.26	$4.65	$5.02
Commercial II *Comercial II*	$2.91	$6.26	$6.95	$7.57	$8.26	$8.92
Commercial III *Comercial III*	$4.89	$10.21	$11.33	$12.35	$13.46	$14.54
Septage ($ / hcf)		$75.89	$110.05	$122.15	$133.15	$145.13

*Proposed Multi-Family Residential charge is per dwelling unit
*Average dwelling units per apartment complex is 7z
*hcf = hundred cubic feet

**La tasa residencial multifamiliar propuesta es por unidad de vivienda.*
**La media de unidades de vivienda por complejo de apartamentos es de 7*
**hcf significa = cien pies cúbicos*

Sample Bill

The following table provides the estimated Utility bill for wastewater (sewer) on average, per customer class, for the first year of the proposed rate change effective August 1, 2023.

Customer Class *Clase de cliente*	Current Monthly Bill *Factura mensual actual*	Total Proposed Monthly Bill *Total de la propuesta factura mensual*	$ Difference *$ Diferencia*
Single Family Residential *Residencia unifamiliar*	$34.00	$48.05	$14.05
Multi-Family Residential *Residencia multifamiliar*	$201.25	$192.19	-$9.06
Commercial I Average Use *Comercial I Uso medio*	$141.47	$227.98	$86.51
Commercial II Average Use *Commrcial II Uso medio*	$428.13	$886.64	$458.51
Commercial III Average Use *Comercial III Uso medio*	$267.11	$524.99	$257.88

June 20, 2023

Agenda Item 3.C

RECOMMENDATION

Staff recommends that the City Council conduct a public hearing and adopt a resolution approving service revisions to the Tracer bus service effective August 1, 2023.

EXECUTIVE SUMMARY

The Tracer bus service provides three main public transit services to the residents of Tracy: Tracer Fixed Route bus service, Tracer Paratransit bus service for ADA and senior passengers, and TracerPlus on-demand service for the general public.

Periodically, the transit service needs of the community are evaluated based on several factors including, but not limited to current development, use of existing services, and requests from the public. The public requests are evaluated through the Unmet Transit Needs (UTN) process established by the San Joaquin Council of Governments (SJCOG). After evaluating comment from the public and available data on current system use, staff recommends some changes to the current service. This effort will provide improved service as well as meet current needs within the City of Tracy.

BACKGROUND AND LEGISLATIVE HISTORY

In August of 2019, the City's Short Range Transit Plan (SRTP) was adopted. The SRTP is a guide for the development of the City's public transit service to allow for continued growth as well as a plan for capital purchases, such as buses, to support the service. The SRTP outlines various service changes to be implemented to the Tracer bus service over a period of five to ten years. In March of 2020, the COVID-19 pandemic disrupted transit use throughout the nation. The pandemic changed the way transit was used and effectively nullified most of the assumptions that were used to develop the SRTP. While some elements of the SRTP were implemented over the past few years, such as the TracerPlus on-demand service, there is still a need to re-evaluate the SRTP and provide an update.

Staff plans to begin working on an updated SRTP beginning in FY2023-2024. However, there is an immediate need to provide some modifications to the service now, in order to better serve and meet the needs of the Tracy residents.

Substantial residential growth has occurred in Tracy over the past few years, in particular in both the Tracy Hills and Ellis subdivisions. Requests for service to those areas have increased and the City has received a significant number of comments regarding service to those areas through SJCOG UNT Process.

As a result, staff has conducted additional due diligence on current use of its various services and proposed some modifications to provide a more cost-effective service.

ANALYSIS

The following is an analysis of the proposed changes to be implemented effective August 1, 2023.

PROPOSED TRACER REVISIONS:

- **Eliminate the last loop of Monday through Friday service on Routes A, B, C, and D**
    - These last loops are historically low in ridership. Current data shows that there is an average of approximately 1.47 passengers per route riding during the last loops of all four routes.
    - This will result in the fixed route ending at approximately 7pm for routes A and B, and at approximately 6:15pm for routes C and D.
    - This service will be replaced by starting the TracerPlus service earlier in an effort to still allow those riding at this time to get to their destinations.
    - This will result in a reduction of approximately 1,100 fixed route revenue hours.

- **Reduce Paratransit hours to coincide with Tracer Fixed Route reduction**
    - Tracer is required to provide complimentary paratransit service during the hours that fixed route service is in operation. With the reduction in fixed route hours, it is recommended to reduce the paratransit hours as well.
    - Ridership during this time frame is generally low, with an average of .27 passengers per day riding at this time, or approximately one rider every 4 days.
    - This will result in paratransit service ending at 6:30pm Monday through Saturday instead of 8pm on weekdays and 7pm on Saturdays.
    - By increasing the TracerPlus service hours, these passengers will still be able to have transportation options during this time of day.
    - This will result in a reduction of approximately 830 paratransit revenue hours.

- **Increase TracerPlus service hours to cover the reduction in fixed route and paratransit**
    - It is recommended that TracerPlus hours be increased by 1.5 hours during the weekday, with service starting at 6:30pm instead of 8pm, in order to accommodate the reduction in fixed route and paratransit service.
    - This will result in an increase of approximately 780 TracerPlus revenue hours if operating using the existing service levels of 2 available vehicles during these service hours.
    - Should demand increase, an additional vehicle can be added to provide service.

- **Create a new commuter route (Route H) to service the Tracy Hills and Ellis developments**
    - Development in these areas continues to occur at a rapid pace. There has been a steady increase in requests for service to these

developments. Staff recommends providing commuter route service in these areas to allow students to use the bus in the morning and afternoon. TracerPlus is available in the mornings and evenings currently, as well as Paratransit service throughout the day.
    - Providing two loops per day, Monday through Friday (three on Wednesdays), will result in an increase of approximately 610 fixed route hours.

- **Continue the pilot program of service to the Temporary Housing Shelter on Arbor Road and rename as "Arbor Shuttle"**
    - With the opening of the Temporary Housing Shelter in November, Tracer was asked to provide service to that area. As a result, a pilot route (currently called Route H) was created to service the site. As this route has only been running for a few months, it is suggested that the route be continued as a pilot program and to further assess its effectiveness after it has been in operation for a longer period of time.
    - This current service provides 4 trips between the shelter and the Tracy Transit Station and has an average daily ridership of 1.5 passengers.
    - It is also recommended that given the short duration of the route, it be renamed from the existing Route H to be called the Arbor Shuttle.

- **Implementation of pilot ACE Shuttle Service to Ellis and Tracy Hills Subdivisions**
    - Staff has received information from the San Joaquin Council of Governments (SJCOG) that during the Unmet Transit Needs Process, there were a significant number of comments regarding a shuttle service to the ACE station from the Ellis subdivision. As a result, it is recommended that a pilot shuttle service be implemented to serve the Ellis and Tracy Hills subdivisions.
    - Based on current information, we will anticipate meeting the latter three trains in the morning and the first three trains in the evening. TracerPlus can be used to service passengers who require meeting the other trains in the morning and evening.
    - It is estimated that by running three loops in the morning and three loops in the afternoon that it will require an additional 930 revenue hours.

- **Implement a pilot South Tracy Shuttle to service Ellis and Tracy Hills Subdivisions**
    - As a result of comments from the Commission to try and provide additional service to the developments in the southwestern part of Tracy, staff have recommended a pilot shuttle service that would run three times throughout the day.

  - This shuttle service would allow residents in the southern part of the city to connect to the Transit Station which would then allow them to get to other locations within Tracy.
  - Running three loops of service per day Monday through Saturday would require an additional 1,014 revenue hours.

- **Create a monthly fixed route pass and eliminate the weekly pass**
  - In an effort to encourage additional usage of the fixed route, it is proposed to eliminate the weekly pass and instead create a monthly pass. The monthly pass would be offered at a discounted rate compared to buying two single ride tickets every day for the month. A 10-ride pass will still be available for those who don't need to use the service for a full month.
  - A comparison of fares and monthly pass costs of similar transit agencies in our area was conducted to ensure that the cost was reasonable compared to other agencies and also allowed ease of purchase, especially by those with low incomes.
  - It is recommended that the monthly pass be a 31-day pass (valid for the day of purchase +30 days) and be sold at a cost of $35. This was recommended based on public comment received at a Transportation Advisory Commission meeting. A low price will encourage its purchase and thereby encourage additional use of the bus system. This price will be evaluated as part of the SRTP update and adjusted in the future as necessary.
  - Additional fares will need to be created for both student riders and ADA/Senior/Medicare riders. A student fare is 80% of a full fare and an ADA/Senior/Medicare fare is 50% of a full fare. It is recommended that a student 31-day pass be sold at a cost of $28 and an ADA/Senior/Medicare 31-day pass be sold at $17.50.
  - As there is no Sunday fixed route service, there are a potential 27 days of use available during the 31-day period, resulting in a potential average cost of $1.30 per day for full fare, which is a potential discount of approximately 48% off the value of two single ride tickets per day.

In addition, new bus stops will need to be added throughout various parts of the City to allow for the new service to be activated and to provide more effective service in certain areas by establishing bus stops at closer intervals. Staff will be able to install bus stop signs at the needed locations by the time service revisions begin. A bus stop is required to have a sign indicating that a bus stops at that location. Other amenities, such as a bench, trash can, or shelter are not required. With all new stops, a period of evaluation will be done to determine the stop's use before providing any upgraded amenities.

FISCAL IMPACT

The Tracer bus service is funded through the Transit Fund, which receives allocations through a combination of Federal and State grant funding. The operation of the service is provided through a contractor, MTM Transit. The current contract with MTM is in a not to exceed amount of $4,059,000 with 42,500 revenue service hours for FY2023-2024.

The current operation levels require 37,662 revenue hours and the proposed revisions will

increase to 39,052 revenue hours, resulting in an increase of 1,390 revenue service hours. The increase in revenue service hours will be absorbed under the existing FY2023-2024 MTM contract budget. No additional funds will be needed to provide the proposed service modifications.

PUBLIC OUTREACH/ INTEREST

The following public outreach efforts were completed to gather feedback and in compiling the recommendations for service changes:

- Unmet Transit Needs surveys were posted on all buses, City website, social media, and presented at the Transportation Advisory Commission meeting.
- Information soliciting feedback on potential changes was posted in all buses, advertised in the Tracy Press on March 31, 2023, and presented at two Transportation Advisory Commission meetings.
- Information soliciting feedback on potential changes for the Tracy Hills subdivision was presented at a Tracy Hills Homeowners Association meeting on April 3, 2023.
- Information soliciting feedback on potential changes for the Ellis subdivision was presented at an Ellis Property Owners Association meeting on May 10, 2023

As a result of the public outreach, comments were received requesting for service to the ACE Station from the Tracy Hills and Ellis subdivisions, additional service throughout the day to the Tracy Hills and Ellis subdivisions, and a lower cost for the proposed monthly pass.

All proposed changes were presented to the Transportation Advisory Commission, who also provided comments. A revision of the proposed changes incorporating all the received comments was presented to the Transportation Advisory Commission on March 23, 2023. As a result, it was recommended by the Commission that City Council approve the Tracer service revisions.

STRATEGIC PLAN

This item supports the overall purpose of the Quality of Life Strategic Priority 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.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council conduct a public hearing and adopt a resolution approving service revisions to the Tracer bus service effective August 1, 2023

Prepared by: Ed Lovell, Transit Manager

Reviewed by: Adriana Castañeda, Mobility and Housing Director
Sara Cowell, Director of Finance
Riana Daniel, Deputy City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – Tracer Service Revisions PowerPoint Presentation

Attachment A

Tracer Service Revisions

Tracy City Council

June 20, 2023

Types of Transit Service Available

- **FIXED ROUTE:**
  - Runs a set route with designated bus stops
- **PARATRANSIT:**
  - Available during hours that fixed route is operating
  - Only available to ADA passengers and Seniors (65+)
  - Door to door service, reservations made in advance
- **TRACER PLUS:**
  - On-demand curb to curb service
  - Available when fixed route is not in service

TRACY

Think Inside the Triangle™

Overview of Revisions

- **FIXED ROUTE:**
  - Eliminate last loop of routes A, B, C, D
  - Continue Route H pilot (rename to Arbor Shuttle)
  - Create additional commuter route
  - Create Pilot ACE Shuttle
  - Create Pilot South Tracy Shuttle
  - Implement monthly pass
- **PARATRANSIT:**
  - Reduce weekday hours to match reduced Fixed Route hours
- **TRACER PLUS:**
  - Increase weekday hours to replace reduced Paratransit and Fixed Route hours

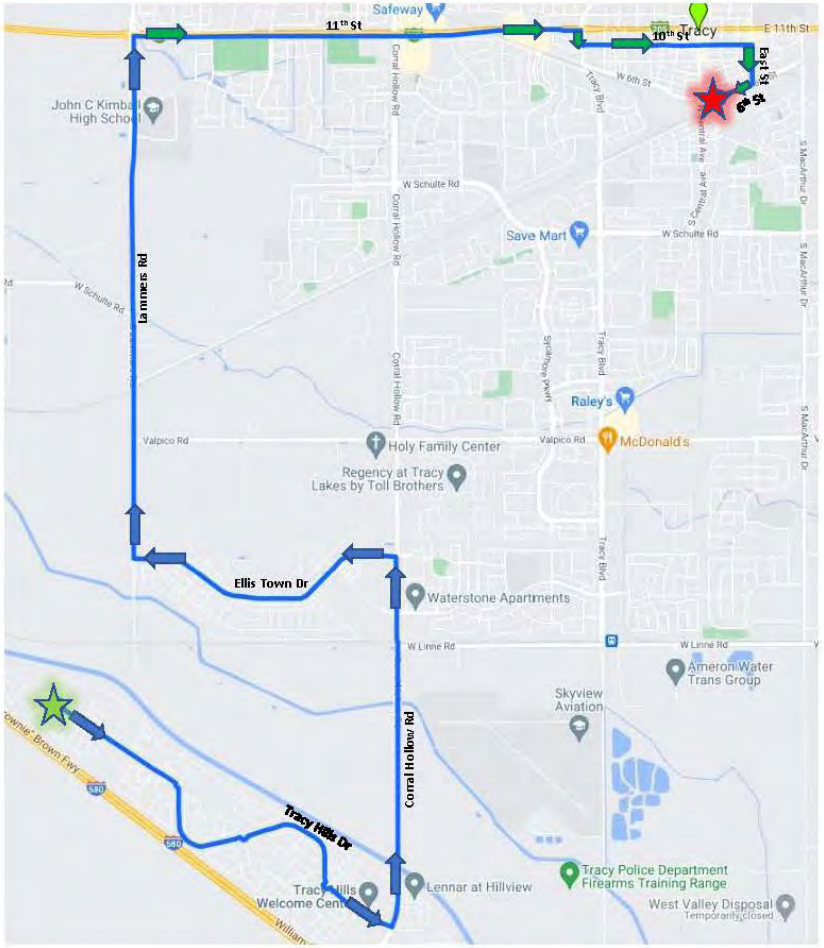
TRACY

Think Inside the Triangle™

Tracer Revisions

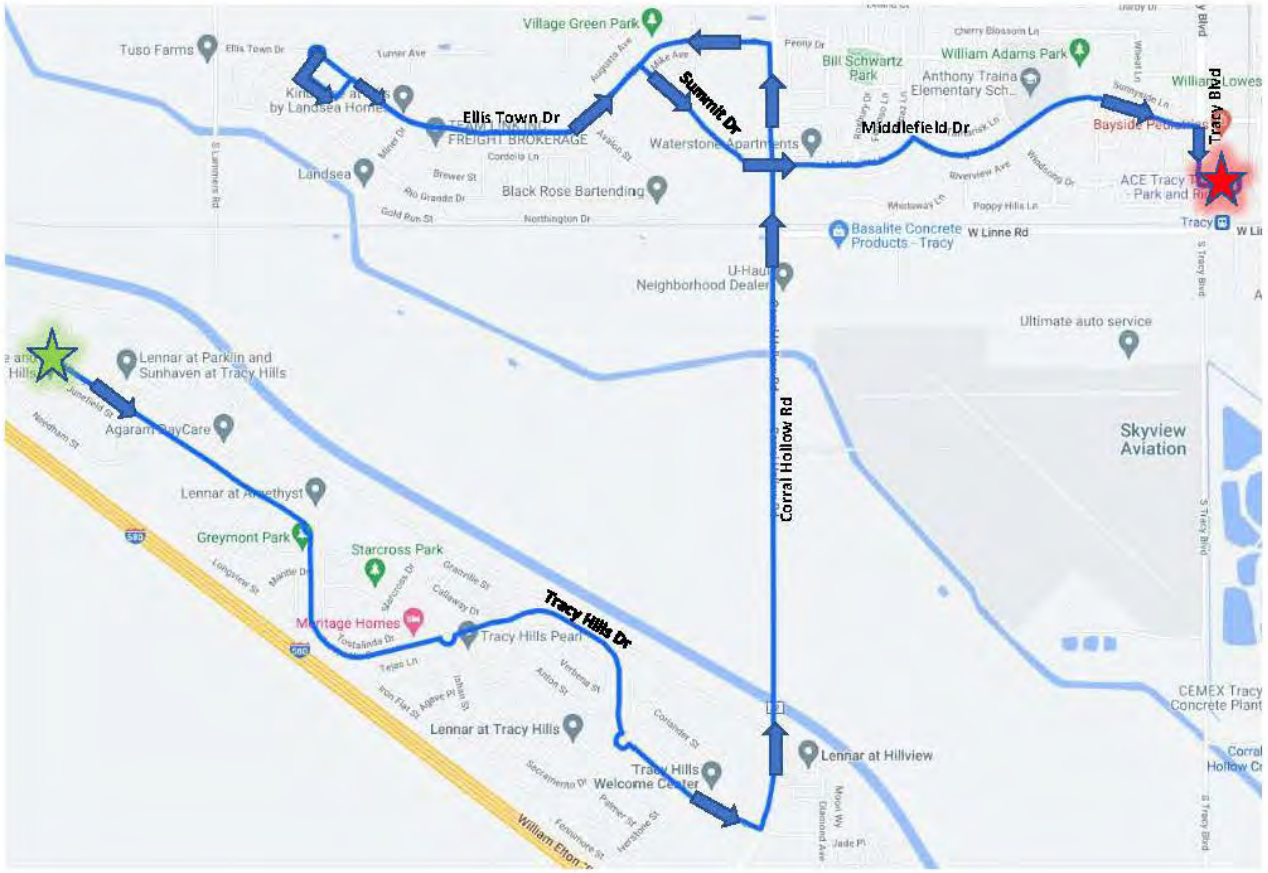
Think Inside the Triangle™

Proposed Commuter Route H to Kimball HS



Tracer Revisions

Pilot Shuttle Route



Revenue Hour Impacts

- Current service operates using approximately 37,600 revenue service hours
- All changes combined will result in approximately 39,000 revenue service hours
- Net increase of approximately 1,400 hours
- Changes can be made within current operating contract limits

Community Outreach

- Presented to Transportation Advisory Commission on 3/23/23
- Presented to Tracy Hills HOA on 4/3/23
- Presented to Ellis POA on 5/10/23

QUESTIONS

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

APPROVING SERVICE REVISIONS TO THE TRACER BUS SYSTEM EFFECTIVE AUGUST 1, 2023

WHEREAS, the City of Tracy operates the Tracer bus system, which provides public transit options for the residents of Tracy; and

WHEREAS, periodic revisions to the Tracer services provided are needed to respond to the demands of the public and to maintain efficiencies in the system; and

WHEREAS, the proposed changes are based on input from the community as well as data of current transit use; and

WHEREAS, the proposed changes have been presented to the Transportation Advisory Commission and they recommended that the City Council approve the changes; and

WHEREAS, the City Council conducted a public hearing on June 20, 2023 to consider the changes; and

WHEREAS, the cost for the proposed changes can be absorbed within the current operations contract with MTM Transit, Inc., and the funding is available within the Transit Fund budget; now, therefore, be it

RESOLVED: That the City Council of the City of Tracy approves the following service revisions to the Tracer bus system effective July 1, 2023: (1) Eliminate the last loop of Monday through Friday service on Routes A, B, C, and D; (2) Reduce Paratransit hours to coincide with Tracer Fixed Route reduction; (3) Increase TracerPlus service hours to cover the reduction in fixed route and paratransit; (4) Create a new commuter route (Route H) to service the Tracy Hills and Ellis developments; (5) Continue the pilot program of service to the Temporary Housing Shelter on Arbor Road and rename as "Arbor Shuttle"; (6) Implementation of pilot ACE Shuttle Service to Ellis and Tracy Hills Subdivisions; (7) Implement a pilot South Tracy Shuttle to service Ellis and Tracy Hills Subdivisions; (8) Create a monthly fixed route pass at a cost of $35 regular fare, $28 student fare, $17.50 ADA/Senior/Medicare fare, and eliminate the weekly pass; and (9) Installation of new bus stops throughout the service area as needed

* * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on June 20, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

June 20, 2023

Agenda Item 3.D

RECOMMENDATION

Adopt a Resolution Accepting the Irrevocable Offer of Dedication of Fee Interest for 16 Acres of Community Park Land for an Aquatic Park (Aquatic Center), generally located at the Intersection of Corral Hollow Road and Summit Drive (Property), from Ellis Village, LLC to the City of Tracy, a Municipal Corporation (City), and directing the City Manager to take Requisite Actions to Effectuate the Acceptance of the Property.

EXECUTIVE SUMMARY

Through this item, staff recommends the City Council accept the irrevocable offer of dedication for 16 acres of land (**IOD**) made by Ellis Village, LLC to the City of Tracy (**City**) for the purpose of building an Aquatic Center. The IOD was recorded on January 28, 2021, by the San Joaquin County Recorder's Office, pursuant to Section 7050 of the California Government Code. In accordance with this State law, the City may assume legal title to the dedicated acres only upon formal acceptance of the IOD by the City Council. By the terms of the IOD, the City has no deadline by which it must accept the land dedication. However, acceptance of the land is an important first step in the City's delivery process for the long-desired Capital Improvement Project (CIP 78054) (Aquatic Center). Not accepting this land will delay this capital project, as land needs to be secured in order to move the project forward. In the event the land is not accepted, staff will return to Council with other land options for an Aquatic Center.

BACKGROUND AND LEGISLATIVE HISTORY

Ellis Village, LLC is a controlled entity of Surland Communities, LLC (**Surland**). The City and Surland have been parties to a longstanding development agreement, dating as far back as 2009, with respect to Surland's development of real property located within the Ellis Specific Plan. The original development agreement was invalidated during a court proceeding, and in 2013, the City Council adopted an ordinance approving an Amended and Restated Development Agreement with Surland Communities, LLC (**2013 Development Agreement**).

Among other things, the 2013 Development Agreement required Surland to dedicate 16 acres of land within the Ellis Specific Plan (**Land**) to the City for the future home of a public aquatics park (**Aquatic Center**) through the grant to the City of the IOD by a certain date. In addition to the IOD, the 2013 Development Agreement required Surland to pay the City $10 million towards the development, construction, operation, and maintenance of the facility. Of the $10 million owed, Surland made an initial payment of $2 million to the City on September 5, 2014. On August 15, 2017, City Council confirmed, by minute motion, that the site for the Aquatic Facility shall be the Land. Of note, the City reserved the right, in the 2013 Development Agreement, to locate the Aquatic Center elsewhere in the City.

Through various tolling agreements, the parties negotiated a different location for the land dedication from the originally agreed upon location and also extended the dates by which Surland had to grant the IOD and pay the remaining $8 million owed. The last extended dates are reflected in that certain Fourth Agreement To Toll And Extend The Dedication Acceptance Period And The 60-Day Cure Period For The Second Swim Center Payment Under The

Amended And Restated Development Agreement By And Between The City of Tracy And Surland Communities, LLC, dated April 3, 2018 (**Fourth Tolling Agreement**).

In addition to the tolling agreements, the parties also amended the 2013 Development Agreement twice. The most recent amendment occurred in 2018, pursuant to that certain Second Amendment to the Amended and Restated Development Agreement By and Between the City of Tracy and Surland Communities, LLC, effectuated by the adoption of Ordinance 1253 by the City Council (**2018 Second Amendment to Development Agreement**). The 2018 Second Amendment to Development Agreement provided a process by which Surland could ask the City Council to exercise its legislative discretion to approve a further amendment to the 2013 Development Agreement to add additional property, which properties could be eligible for residential growth allotments under the 2013 Development Agreement. In addition, the 2018 Second Amendment to the Development Agreement revised the City's and Surland's respective responsibilities, rights, and obligations regarding the development of the Aquatic Center. A key revision the 2018 Second Amendment made was to allow Surland to assume, from the City, responsibility for the design and construction management of the Aquatic Center. This request to shift responsibilities for the Aquatic Facility was made by Surland, and the City was required to reimburse Surland for such services, from the initial $2 million that had been paid to the City by Surland.

Mary Mitracos filed a lawsuit against the City and Surland challenging the legality of the 2018 Second Amendment to Development Agreement and the ordinance effectuating its approval by the City Council. In 2020, the San Joaquin County Superior Court entered Judgment in Ms. Mitracos' favor and issued a Peremptory Writ of Mandate (**Writ**) ordering the City (i) to rescind and set aside Ordinance 1253 and the 2018 Second Amendment to Development Agreement, (ii) not to take any action to implement the Second Amendment, and (iii) to rescind any actions that were taken to implement Ordinance 1253 and the Second Amendment. The City and Surland appealed. In May 2022, the Court of Appeal denied the appeal and affirmed the Superior Court, and in July 2022, remitted the case back to the Superior Court. In recent months, the City Council has taken various actions to implement the Writ and Judgment, as required by the court.

ANALYSIS

The City continues to analyze and unwind actions taken under the 2018 Second Amendment, as required by the Court. As part of this process, an important action the City Council has taken, at its September 20, 2022, meeting, is rescinding the conceptual plans for the Aquatic Facility (Resolution 2022-134). As noted above, Surland created and paid for these plans directly, based on the terms of the 2018 Second Amendment, as prior to that amendment, the City had the responsibility of designing the facility.

While the conceptual plans created by Surland have been rescinded, the ideas and guiding principles behind these plans were the result of extensive public input. In fact, an extensive public outreach campaign was conducted in 2016, subsequent to which, community consensus was reached on the elements that were incorporated into the now rescinded conceptual plans designed by Surland. This community input also served as the basis for the City Council's previously adopted program priorities for the Aquatic Center. Those program priorities will serve as the basis of design as the City moves the project forward unless otherwise directed by the City Council.

This item is specifically for the City to accept the 16 acres of land dedication for purposes of building an aquatic center. The IOD was recorded on January 28, 2021, by the San Joaquin County Recorder's Office, pursuant to Section 7050 of the California Government Code. In accordance with this State law, the City may assume legal title to the dedicated acres only upon formal acceptance of the IOD by the City Council. By the terms of the IOD, the City has no deadline by which it must accept the land dedication. However, acceptance of the land is an important first step in the City's delivery process for the Aquatic Center, as it provides certainty to the location of this facility.

Importantly, Surland has alleged that the City committed fraud in the recordation of the IOD and may challenge the City's acceptance of the land if this action is approved by the City Council. Surland has also asserted that its obligations to deliver the IOD to the City rest solely within the 2018 Second Amendment to the Development Agreement, and as such, the IOD must be rescinded by the City Council as a part of the Court-mandated unwinding process. Staff and the City Attorney, including Burke, Williams, & Sorensen, LLP, who has been engaged to represent the City in this litigation matter, have evaluated Surland's documentation related to the allegations and disagree with Surland.

Another area of dispute between the parties relates to the $10 million owed by Surland under the 2013 Development Agreement. As noted above, Surland paid the City $2 million of the total $10 million due under the agreement. However, pursuant to the 2018 Second Amendment, the City has reimbursed Surland $1,318,287 from the original $2 million payment. With the recission of the 2018 Second Amendment, the City believes that Surland owes the City, pursuant to the terms of the 2013 Development Agreement, the Fourth Tolling Agreement, and other related documents, $9,318,287. On March 27, 2023, the City sent Surland a written notice of its failure to perform its obligations under the 2013 Development Agreement and other actions needed to comply with the Writ. Surland, thus far, has failed to cure these defaults.

Staff Recommendation

It is staff's recommendation that City Council accept the 16 acres immediately so that the Aquatic Center can move forward as quick as possible. In addition, staff is in the process of encumbering a project management firm to move this project forward expeditiously and will return to City Council for further action on this procurement, depending on the action taken tonight. The site has also gone through the initial environmental work, which can take several months to complete and has most of the offsite infrastructure needed to support it. Staff has also received a tremendous amount of public input on the site and the size of the site provides for flexibility in the design of the facility. This site is a good fit, operationally, as it is located in south Tracy and can complement the demand for aquatics programming at Joe Wilson Pool in the north part of Tracy. It is also located off of a major arterial that can accommodate all types of transportation, including auto, bus, bike, and pedestrian access.

Next Steps if Council does NOT accept the 16 acres

In the event Council does not accept the 16 acres this evening, staff will return to the City Council with options for other sites (i.e., Legacy Fields or other City-owned property) for this City CIP. As this project has been delayed for many years, the public need for another aquatics facility in Tracy has grown tremendously. In the event staff is tasked with finding another location, the project will continue to be delayed due to the work required to conduct another site analysis (traffic, environmental, public input, etc.). Finding another compatible site will be a lengthy process that will require more public input and additional engineering analysis.

FISCAL IMPACT

There is no new funding impact in accepting the 16 acres land for the Aquatic Center as routine maintenance for this land will be absorbed by the City through its existing staff. Management of the Aquatic Center project will be funded within the existing Capital Improvement Project budget (CIP #78054).

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The Ellis Specific Plan Environmental Impact Report (**ESP EIR**) was prepared in accordance with the California Environmental Quality Act and related Guidelines (**CEQA**), and the City Council, on January 22, 2013, certified the ESP EIR. The ESP EIR adequately analyzed key elements of the future Aquatic Center and identified no mitigation measures directly related to the Aquatic Center. This action is for an acceptance of land only and not implementation of the Aquatic Center itself. Additional discretionary actions are necessary to effectuate design and construction of the Aquatic Center. As such, any additional environmental review required under CEQA will be conducted upon completion of final design of the Aquatic Center, prior to the commencement of any construction activity.

STRATEGIC PLAN

This agenda item is consistent with the City Council's adopted Quality of Life Strategy and meets the goal of enhancing the City's amenities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution 1) accepting the irrevocable offer of dedication of fee interest for 16 acres of community park land for an aquatics park (Aquatic Center), generally located at the intersection of Corral Hollow Road and Summit Drive, from Ellis Village, LLC to the City of Tracy, a municipal corporation, and 2) directing the City Manager to take requisite actions to effectuate the acceptance of the property.

Prepared by: Richard Joaquin, Parks Planning & Development Manager

Reviewed by: Brian MacDonald, Director of Parks & Recreation
Sara Cowell, Director of Finance
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

Attachments:

- Attachment A – Irrevocable Offer of Dedication of Fee Interest – Ellis Village, LLC.
- Attachment B – Resolution 2022-134

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01/28/2021 02:52:22 PM
Page: 1 of 8 Fee: $0
Steve J. Bestolarides
San Joaquin County Recorders
Paid By: SHOWN ON DOCUMENT

Recording Requested by:
City of Tracy

Return to:
Adrianne Richardson, City Clerk
333 Civic Center Plaza
Tracy, CA 95376

Recording Fee: Exempt
(Government Code Section 6103 and 27383)

Space above this line for Recorder's use
APN: 240-140-43

Documentary Transfer Tax: Exempt
(Revenue and Taxation Code Section 11922)

IRREVOCABLE OFFER OF DEDICATION OF FEE INTEREST

For A Valuable Consideration, receipt of which is hereby acknowledged, Ellis Village, LLC represents that, as the owner(s) of the herein-described real property (in the case of multiple owners, collectively referred to as "Grantor"), Grantor hereby makes an Irrevocable Offer of Dedication of fee interest to THE CITY OF TRACY, A MUNICIPAL CORPORATION, the hereinafter described real property for the following public purpose:

[Community Park Land for an Aquatic Park]

The real property referred to above is situated in the City of Tracy, County of San Joaquin, State of California and is more particularly described as follows:

SEE ATTACHED:

EXHIBIT A FOR LEGAL DESCRIPTION

EXHIBIT B FOR PLAT

This Offer of Dedication is made pursuant to Section 7050 of the Government Code of the State of California and may be accepted at any time by the City of Tracy.

This Offer of Dedication of fee interest shall be irrevocable and shall be binding on the Grantor, its heirs, executors, administrators, successors and assigns. The City and its successors or assigns shall incur no liability with respect to this offer of dedication, and shall not assume any responsibility for the Property or any improvements thereon, until this offer has been accepted by the City of Tracy.

SIGNATURE PAGE

Signed this 30 day of October, 2020

Corporation/Business Name: Ellis Village, LLC

Grantor Signatures: _____
Signature

Les Serpa, Managing Member
Print Name and Title

_____
Signature

_____
Print Name and Title

** Corporations - signature of two (2) officers required or one (1) officer plus corporate seal.*
Partnership - signature of a partner required
Sole Proprietorship - signature of proprietor required
LLC – signature of proprietor or partner required

(Notary Acknowledgment Required for Each signatory)

CERTIFICATION

This is to certify that the interest in real property offered herein to the City of Tracy is hereby accepted pursuant to the authority conferred by Tracy City Council Resolution No. 1670, dated August, 6, 1968 and the grantee consents to the recordation thereof.

DATED: _____

_____
By: _____
Adrianne Richardson
City Clerk and Clerk of the City Council
City of Tracy

See next page for Certification

CERTIFICATION

This is to certify that the interest in real property conveyed by this Irrevocable Offer of Dedication (IOD) is hereby not accepted at this time by the undersigned City Clerk of the City of Tracy, pursuant to authority conferred by Resolution No. 1670 of the Tracy City Council, adopted on August 6, 1968, and recorded with the San Joaquin County Recorder on August 14, 1968, Book 3231, pages 581 through 583, and the grantee consents to recordation thereof by its duly authorized officer, and the grantee reserves the right to accept the offer of dedication in fee title by separate document.

By: _____ Date: January 28, 2021
Adrianne Richardson
City Clerk of Clerk of the City Council
City of Tracy

Pursuant to Section 66477.5 of the California Government Code, the local agency shall reconvey the property to the subdivider if the local agency makes a finding that the same purpose for which the property was dedicated does not exists or any portion thereof is not needed for public utilities, as specified in Subdivision C of the Section.

ACKNOWLEDGMENT

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

State of California
County of San Joaquin)

On November 5th, 2020 before me, Kirstie L. McKenzie, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

KIRSTIE L. MCKENZIE
Notary Public - California
San Joaquin County
Commission # 2302416
My Comm. Expires Sep 8, 2023

Signature _____ (Seal)

OCTOBER 30, 2020
JOB NO.: 1725-000

LEGAL DESCRIPTION
SWIM CENTER
PORTION OF RESULTANT PARCEL A (DN 2016-129622)
AND A PORTION OF SUMMIT DRIVE (42 M&P 43)
TRACY, CALIFORNIA

REAL PROPERTY, SITUATE IN THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF RESULTANT PARCEL A, AS SAID PARCEL A IS DESCRIBED IN THAT CERTAIN DOCUMENT RECORDED OCTOBER 21, 2016, IN DOCUMENT NO, 2016-129622 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY, AND A PORTION OF THAT PORTION OF SUMMIT DRIVE (FORMERLY MIDDLEFIELD ROAD) THAT WAS REJECTED ON THE FINAL MAP FOR TRACT NO. 3764, RECORDED SEPTEMBER 28, 2015, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 43, IN SAID OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY AND AS SAID FINAL MAP WAS CORRECTED PER CERTIFICATE OF CORRECTION RECORDED JANUARY 29, 2016, IN DOCUMENT NO. 2016-011616 OF OFFICIAL RECORDS IN SAID OFFICE OF THE RECORDER OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERN CORNER OF SAID RESULTANT PARCEL A;

THENCE, FROM SAID POINT OF BEGINNING, ALONG THE EAST LINE OF SAID SUMMIT DRIVE, SOUTH 00°23'03" WEST 45.50 FEET TO A POINT ON THE CENTERLINE OF SAID SUMMIT DRIVE, AS SAID CENTERLINE IS SHOWN AS SO DESIGNATED ON SAID FINAL MAP (42 M&P 43);

THENCE, LEAVING SAID EAST LINE OF SUMMIT DRIVE, ALONG SAID CENTERLINE, THE FOLLOWING NINE (9) COURSES:

1) NORTH 89°36'57" WEST 85.81 FEET,

2) ALONG THE ARC OF A TANGENT 400.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 17°32'03", AN ARC DISTANCE OF 121.41 FEET,

3) NORTH 72°04'54" WEST 73.11 FEET,

4) ALONG THE ARC OF A TANGENT 575.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 19°17'08", AN ARC DISTANCE OF 193.55 FEET,

5) NORTH 52°47'46" WEST 93.42 FEET,

6) ALONG THE ARC OF A TANGENT 2,200.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 14°10'55", AN ARC DISTANCE OF 544.55 FEET,

7) NORTH 38°36'51" WEST 124.65 FEET,

8) ALONG THE ARC OF A TANGENT 600.00 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 09°16'47", AN ARC DISTANCE OF 97.18 FEET, AND

LEGAL DESCRIPTION
PAGE 2 OF 2

OCTOBER 30, 2020
JOB NO. 1725-000

9) NORTH 47°53'38" WEST 28.79 FEET TO A POINT ON THE NORTHWESTERN LIMIT OF SAID PORTION OF SUMMIT DRIVE (FORMERLY MIDDLEFIELD ROAD) THAT WAS REJECTED, WHICH IS ALSO THE SOUTHWESTERLY PROLONGATION OF THE WESTERN LINE OF SAID RESULTANT PARCEL A;

THENCE, LEAVING SAID CENTERLINE, ALONG SAID NORTHWESTERN LIMIT, AND ALONG THE WESTERN LINE OF SAID RESULTANT PARCEL A, THE FOLLOWING THREE (3) COURSES:

1) NORTH 42°06'22" EAST 100.00 FEET,

2) SOUTH 89°50'36" EAST 222.58 FEET, AND

3) NORTH 00°23'03" EAST 111.39 FEET;

THENCE, LEAVING SAID WESTERN LINE OF RESULTANT PARCEL A, SOUTH 89°36'57" EAST 791.27 FEET TO A POINT ON SAID EASTERN LINE OF RESULTANT PARCEL A;

THENCE, ALONG SAID EASTERN LINE OF RESULTANT PARCEL A, SOUTH 00°23'03" WEST 888.98 FEET TO SAID POINT OF BEGINNING.

CONTAINING 16.00 ACRES OF LAND, MORE OR LESS.

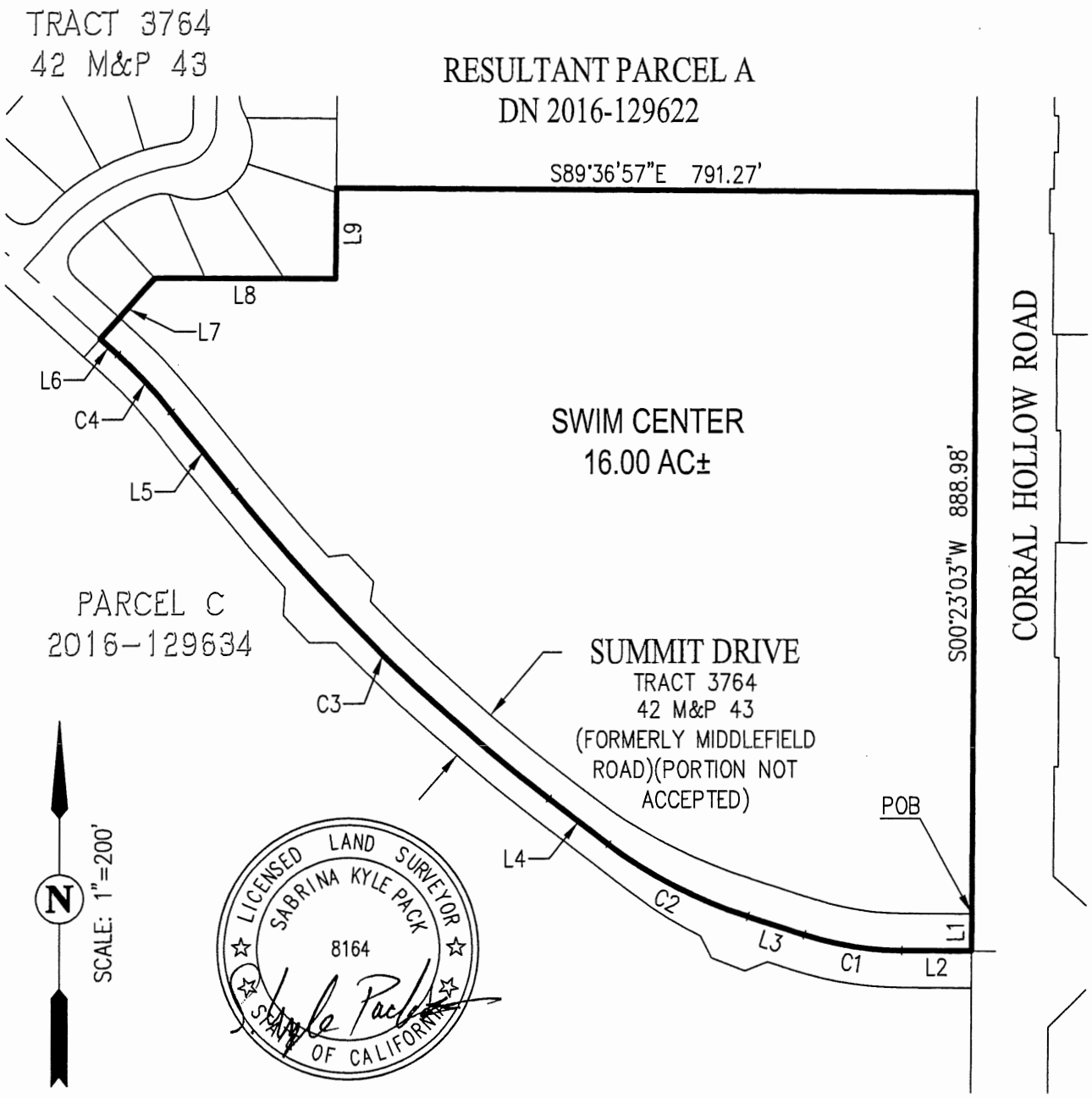
ATTACHED HERETO IS A PLAT TO ACCOMPANY LEGAL DESCRIPTION AND, BY THIS REFERENCE, IS MADE A PART HEREOF.

END OF DESCRIPTION

S. Kyle Pack

SABRINA KYLE PACK, P.L.S.
L.S. NO. 8164

EXHIBIT " B "
Page 1 of 2



SEE SHEET 2 FOR COURSE TABLES.

PLAT TO ACCOMPANY LEGAL DESCRIPTION

SWIM CENTER
PORTION OF RESULTANT PARCEL A (DN 2016-129622) AND PORTION OF SUMMIT DRIVE (42 M&P 43)
TRACY, CALIFORNIA

OCTOBER 30, 2020

SHEET 1 OF 2

Carlson, Barbee & Gibson, Inc.
CIVIL ENGINEERS • SURVEYORS • PLANNERS
2633 CAMINO RAMON, SUITE 350
SAN RAMON, CALIFORNIA, (925) 866-0322

10/30/2020 1:17 PM

JOB NO. 1725-000

G:\1725\ACAD\PLATS\PLAT-011 - AQUATIC CENTER V5.DWG

LINE TABLE		
NO	BEARING	LENGTH
L1	S00°23'03"W	45.50'
L2	N89°36'57"W	85.81'
L3	N72°04'54"W	73.11'
L4	N52°47'46"W	93.42'
L5	N38°36'51"W	124.65'
L6	N47°53'38"W	28.79'
L7	N42°06'22"E	100.00'
L8	S89°50'36"E	222.58'
L9	N00°23'03"E	111.39'

CURVE TABLE			
NO	RADIUS	DELTA	LENGTH
C1	400.00'	17°32'03"	122.41'
C2	575.00'	19°17'08"	193.55'
C3	2200.00'	14°10'55"	544.55'
C4	600.00'	9°16'47"	97.18'

PLAT TO ACCOMPANY LEGAL DESCRIPTION

SWIM CENTER

PORTION OF RESULTANT PARCEL A (DN 2016-129622) AND PORTION OF SUMMIT DRIVE (42 M&P 43)

TRACY, CALIFORNIA

OCTOBER 30, 2020

SHEET 2 OF 2

Carlson, Barbee & Gibson, Inc.

CIVIL ENGINEERS • SURVEYORS • PLANNERS

2633 CAMINO RAMON, SUITE 350

SAN RAMON, CALIFORNIA, (925) 866-0322

10/30/2020 1:16 PM

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. 2022-134

RESOLUTION RESCINDING RESOLUTION NO. 2020-154 APPROVING FINAL AQUATIC CENTER CONCEPTUAL PLAN WITH A NOT-TO-EXCEED AMOUNT OF $65 MILLION INCLUDING CONTINGENCY AND SOFT COSTS

WHEREAS, on March 19, 2013, the City Council adopted Ordinance 1182 (Ordinance 1182), an Ordinance of the City of Tracy Approving an Amended and Restated Development Agreement with Surland Communities, LLC, with respect to the development of real property in the Ellis Specific Plan area; and

WHEREAS, pursuant to Ordinance 1182, the City of Tracy (City) and Surland Communities, LLC (Surland) executed and entered into the Amended and Restated Development Agreement By and Between the City of Tracy and Surland Communities, LLC, dated April 18, 2013 ("2013 Development Agreement"); and

WHEREAS, the 2013 Development Agreement provided that, among other things: Surland would pay the City $10 Million—by an initial first installment of $2 Million followed by a second installment of $8 Million—to fund the design and construction of the Aquatic Center and offer to dedicate 16 acres of land for the Aquatic Center; and

WHEREAS, Surland has paid the first installment of $2 Million and provided an Irrevocable Land Dedication Offer, which the City recorded; and

WHEREAS, on June 3, 2014, the City Council adopted Ordinance 1194 (Ordinance 1194), an Ordinance of the City of Tracy Approving First Amendment to Amended and Restated Development Agreement with the Surland Communities, LLC; and

WHEREAS, pursuant to Ordinance 1194, the City and Surland executed and entered into the First Amendment to Amended and Restated Development Agreement By and Between the City of Tracy and Surland Communities, LLC, dated July 3, 2014; and

WHEREAS, on April 3, 2018, the City Council adopted Ordinance 1253 (Ordinance 1253), an Ordinance of the City of Tracy Approving the Second Amendment to the Amended and Restated Development Agreement By and Between the City of Tracy and Surland Communities, LLC, which became effective 30 days later, on May 3, 2018; and

WHEREAS, pursuant to Ordinance 1253, the City and Surland executed and entered into the Second Amendment to Amended and Restated Development Agreement By and Between the City of Tracy and Surland Communities, LLC, dated May 3, 2018 (2018 Second Amendment to Development Agreement or 2018 DA); and

WHEREAS, the Second Amendment to the 2013 Development Agreement revised the City's and Surland's respective responsibilities, rights, and obligations with respect to the Aquatic Center, including by providing that in lieu of paying the City $8 Million of the $10 Million owed under the 2013 Development Agreement, Surland would facilitate design and construction services for the Aquatic Center; and

WHEREAS, as to design and construction, the 2018 Second Amendment to the Development Agreement added a new section 1.01(j) which provided, among other things, that Surland would "retain and compensate consultants to design the Swim Center with input from the community and City staff and with direction from the City Council," and that before Surland prepared construction improvement plans the City Council would approve a final conceptual plan; and

WHEREAS, on May 11, 2018, Mary Mitracos, as Petitioner and Plaintiff, filed a lawsuit against the City, as Respondent and Defendant, and Surland, as Real Party in Interest, challenging the legality of Ordinance 1253 and the 2018 Second Amendment to the Development Agreement, *Mitracos v. City of Tracy, et al.*, San Joaquin County Superior Court Case No. STK-CV-UWM-2018-5531; and

WHEREAS, on September 30, 2020, the San Joaquin County Superior Court entered Judgment (Judgment) for Plaintiff Mitracos and against the City and Surland, and issued a Peremptory Writ of Mandate (Writ), each of which was served on the City on October 8, 2020; and

WHEREAS, the Judgment served on October 8, 2020 includes the following rulings (the Judgment refers to the 2018 Second Amendment to the Development Agreement as the "2018 DA"):

> IT IS SO ORDERED, DECREED AND ADJUDGED that:
>
> 1. Judgment granting a Peremptory Writ of Mandate is entered in favor of Petitioner Mitracos in this proceeding. Judgment is entered because the Court finds that Respondent committed a prejudicial abuse of discretion in taking the following actions:
>
> (a) Adopting, approving and entering into the Second Amendment to Amended and Restated Development Agreement by and between the City of Tracy and Surland Communities, LLC" ("2018 DA").
>
> (b) Adopting Ordinance 1253[.]
>
> 2. The Court finds the 2018 DA does not comply with Government Code Sections 65865(b) and 65865.2 and is therefore void ab initio.
>
> 3. A Preemptory Writ of Mandate direct[ed] to Respondents shall issue under seal of this Court, ordering Respondents to vacate and set aside, within (30) days from service of the Writ of Mandate, all approvals and adoptions of the 2008 DA and Ordinance 1253, as described in paragraph 2 above in their entirety and all other actions taken by Respondents to approve or implement the Development Agreement. Respondent City is

ordered to:

(a) Set aside, rescind, and vacate the "Second Amendment to Amended and Restated Development Agreement by and between The City of Tracy and Surland Communities, LLC" ("2018 DA").

(b) Set aside, rescind, and vacate Ordinance 1253.

(c) Set aside, rescind, and vacate any actions taken pursuant to the "Second Amendment to Amended and Restated Development Agreement by and Between the City of Tracy and Surland Communities, LLC" ("2018 DA") and Ordinance 1253.

4. Respondent City shall file a return to the Peremptory Writ of Mandate within 10 days of completion of the actions mandated by this judgment. This Court shall retain jurisdiction over Respondents' proceedings by way of the return to the Peremptory Writ of Mandate until the Court has determined that Respondent has complied with the directives of this Court.

5. Petitioner shall be awarded its costs of suit. Petitioner is the successful party pursuant to Code of Civil Procedure § 1021.5. The Court reserves jurisdiction to determine entitlement to attorneys' fees and litigation expenses, pursuant to any properly and timely filed motion which Petitioner Mitracos may make.

6. Injunctive relief is granted consistent with this ruling. Respondents, Real Parties in Interest, and their respective agents, employees, and persons acting in concert with them are permanently enjoined from any and all actions to further implement the 2018 Development Agreement as described in paragraph 1(a) above.

and

WHEREAS, the Writ served on October 8, 2022 includes the following commands:

YOU ARE HEREBY COMMANDED to comply with the following:

1. Within thirty (30) days from service of this Writ, set aside, rescind, and vacate the "Second Amendment to Amended and Restated Development Agreement by and between the City of Tracy and Surland Communities, LLC" ("2018 DA");

2. Within thirty (30) days from service of this Writ, set aside, rescind, and vacate Ordinance 1253;

3. Within thirty (30) days from service of this Writ, set aside, rescind, and vacate any actions taken pursuant to the "Second Amendment to Amended and Restated Development Agreement By and Between The City of Tracy and Surland Communities, LLC" ("2018 DA") and Ordinance 1253.

4. Respondent City shall file a return to the Peremptory Writ of Mandate within 10 days of completion of the actions mandated by this Writ. This Court shall retain jurisdiction over Respondent's proceedings by way of the return to the Peremptory Writ of Mandate until the Court has determined that Respondents have

complied with the directives of this Court.

and

WHEREAS, on November 6, 2020 (which was within 30 days of service of the Judgment and Writ), the Superior Court extended the compliance deadline to November 12, 2020, and then on November 12, 2020, extended the compliance deadline to January 22, 2021; and

WHEREAS, on October 23, 2020, the City and Surland filed a joint motion for a new trial, or in the alternative, to set aside and vacate the judgment and enter a new judgment, which was denied by operation of law on or about December 22, 2020; and

WHEREAS, on January 15, 2021, the City and Surland appealed to the California Court of Appeal, Third District, which stayed any obligation to comply with the Judgment and Writ unless and until the Judgment was affirmed by a final decision on appeal; and

WHEREAS, on May 16, 2022, the Third District Court of Appeal issued an unpublished opinion denying the appeal and affirming the Judgment, which decision became final 30 days thereafter; and

WHEREAS, on July 18, 2022, the Court of Appeal issued a Remittitur, returning the lawsuit to the Superior Court; and

WHEREAS, Surland is responsible to cover all City costs and expenses associated with the Mitracos lawsuit pursuant to a hold harmless and indemnity provision of the 2013 Development Agreement; and

WHEREAS, the City is obligated to comply with the Judgment and Writ, and is doing so; and

WHEREAS, on August 16 and September 6, 2022, the City Council introduced and adopted, respectively, Ordinances rescinding Ordinance 1253 and the 2018 Second Amendment to Development Agreement; and

WHEREAS, the City has not taken any action to implement the 2018 Second Amendment to Development Agreement since well before the Court of Appeal issued its May 16, 2022 opinion denying the appeal and affirming the Judgment; and

WHEREAS, the City understands that it may not take any action to implement the 2018 Second Amendment; and

WHEREAS, the City remains obligated to rescind and unwind actions previously taken to implement Ordinance 1253 and the Second Amendment; and

WHEREAS, on August 18, 2020, the City Council adopted, pursuant to the Second Amendment, Resolution 2020-154 Approving Final Aquatic Center Conceptual Plan with a Not-to-Exceed Amount of $65 Million Including Contingency and Soft Costs; and

WHEREAS, City staff is evaluating what additional actions need to be taken to set aside, rescind and vacate any actions previously taken to implement Ordinance 1253 and the Second Amendment; now, therefore, be it

RESOLVED: the City Council hereby rescinds, in its entirety, Resolution 2020-154 Approving Final Aquatic Center Conceptual Plan with a Not-to-Exceed Amount of $65 Million Including Contingency and Soft Costs; and be it

FURTHER RESOLVED: City staff shall further evaluate additional actions that may need to be taken to fully unwind the 2018 Second Amendment to Development Agreement and Ordinance 1253; and be it

FURTHER RESOLVED: City staff shall pursue development of the Aquatic Center, as originally intended under the 2013 Development Agreement, as modified by the First Amendment and the Tolling Agreements; and be it

FURTHER RESOLVED: the City Council finds and determines that the adoption of this Resolution is not a project within the meaning of the California Environmental Quality Act ("CEQA"), including as the term "project" is defined by section 15378 of the CEQA Guidelines, including without limitation because the adoption of this Resolution is a ministerial action not subject to and exempt from CEQA (see section 15268 of the CEQA Guidelines), and that even if it were a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment.

* * * * * * * * * * * * * *

The foregoing Resolution 2022-134 was adopted by the Tracy City Council on the 20th day of September, 2022, by the following vote:

AYES:	COUNCIL MEMBERS: ARRIOLA, BEDOLLA, VARGAS, YOUNG
NOES:	COUNCIL MEMBERS: NONE
ABSENT:	COUNCIL MEMBERS: NONE
ABSTENTION:	COUNCIL MEMBERS: DAVIS

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of
the City of Tracy, California

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

ACCEPTING THE IRREVOCABLE OFFER OF DEDICATION OF FEE INTEREST FOR 16 ACRES OF COMMUNITY PARK LAND FOR AN AQUATICS PARK (AQUATIC CENTER), GENERALLY LOCATED AT THE INTERSECTION OF CORRAL HOLLOW ROAD AND SUMMIT DRIVE (PROPERTY), FROM ELLIS VILLAGE, LLC TO THE CITY OF TRACY, A MUNICIPAL CORPORATION (CITY), AND DIRECTING THE CITY MANAGER TO TAKE REQUISITE ACTIONS TO EFFECTUATE THE ACCEPTANCE OF THE PROPERTY

WHEREAS, Ellis Village, LLC is a controlled entity of Surland Communities, LLC (**Surland**); and

WHEREAS, The City of Tracy (**City**) and Surland have been parties to a longstanding development agreement, dating as far back as 2009, with respect to Surland's development of real property located within the Ellis Specific Plan; and

WHEREAS, The Ellis Specific Plan (**ESP**) and ESP Environmental Impact Report (**ESP EIR**), in accordance with the California Environmental Quality Act and related Guidelines (**CEQA**), were approved by the City Council on January 22, 2013; and

WHEREAS, The original development agreement was invalidated during a court proceeding, and in 2013, the City Council adopted an ordinance approving an Amended and Restated Development Agreement with Surland Communities, LLC (**2013 Development Agreement**); and

WHEREAS, Among other things, the 2013 Development Agreement required Surland to dedicate to the City 16 acres of land within the ESP for the future home of a public aquatics park (**Aquatic Center**), through the grant to the City of an irrevocable offer of dedication (**IOD**), by a certain date; and

WHEREAS, In addition to the IOD, the 2013 Development Agreement required Surland to pay the City $10 million towards the development, construction, operation and maintenance of the facility; and

WHEREAS, Through various tolling agreements, the parties negotiated a different location for the land dedication and extended the dates by which Surland had to grant the IOD and pay the amount due; and

WHEREAS, The last extended dates are reflected in that certain Fourth Agreement To Toll And Extend The Dedication Acceptance Period And The 60-Day Cure Period For The Second Swim Center Payment Under The Amended And Restated Development Agreement By

And Between The City Of Tracy And Surland Communities, LLC, dated April 3, 2018 (**Fourth Tolling Agreement**); and

WHEREAS, On August 15, 2017, City Council confirmed, by minute motion, that the site for the Aquatic Center shall be the Land. Of note, the City reserved the right, in the 2013 Development Agreement, to locate the Aquatic Center elsewhere in the City; and

WHEREAS, The parties also amended the 2013 Development Agreement twice, the most recent of which was pursuant to that certain Second Amendment to the Amended and Restated Development Agreement By and Between the City of Tracy and Surland Communities, LLC (**2018 Second Amendment**); and

WHEREAS, Among other things, the 2018 Second Amendment revised, from the City to Surland, the responsibilities, rights, and obligations with respect to the development of the Aquatic Center; and

WHEREAS, Surland prepared conceptual plans for the Aquatic Center, and per the terms of the 2018 Second Amendment, the City has reimbursed Surland $1,318,287 for such services, from an initial $2 million that Surland had paid to the City pursuant to the 2013 Development Agreement; and

WHEREAS, Mary Mitracos filed a lawsuit against the City and Surland challenging the legality of the 2018 Second Amendment to Development Agreement and the ordinance effectuating its approval by the City Council; and

WHEREAS, In 2020, the San Joaquin County Superior Court entered Judgment in Ms. Mitracos' favor and issued a Peremptory Writ of Mandate ordering the City to rescind the 2018 Second Amendment and all actions taken pursuant to that amendment; and

WHEREAS, The Court's ruling was affirmed on appeal and the City is complying with the Court's mandate; and

WHEREAS, On September 20, 2022, in compliance with the Court order, the City Council rescinded through Resolution 2022-134 various actions that had been taken pursuant to the 2018 Second Amendment, including the City's prior approval of the conceptual plans that had been developed by Surland; and

WHEREAS, The City now holds control of the Aquatic Center project per the rescission of the 2018 Second Amendment; and

WHEREAS, On January 28, 2021, the San Joaquin County Recorder's Office recorded the IOD that had been granted to the City, in accordance with Section 7050 of the California Government Code; and

WHEREAS, By the terms of the IOD, the City has no deadline by which it must accept the land dedication, but acceptance of the 16 acres is a critical first step in the City's delivery process for the Aquatic Center; and

WHEREAS, Surland has also asserted that its obligations to deliver the IOD to the City rest solely within the 2018 Second Amendment to the Development Agreement, and as such, the IOD must be rescinded by the City Council as a part of the Court-mandated unwinding

process. Staff and the City Attorney, including Burke, Williams, & Sorensen, LLP, who has been engaged to represent the City in this litigation matter, have evaluated Surland's documentation related to the allegations and disagree with Surland; and

WHEREAS, On March 27, 2023, the City sent Surland a written notice of its failure to perform its obligations under the 2013 Development Agreement and other actions needed to comply with the Writ. Surland, thus far, has failed to cure these defaults; and

WHEREAS, The ESP EIR analyzed key elements of the future Aquatic Center and identified no mitigation measures directly related to the Aquatic Center; now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby accepts the Irrevocable Offer of Dedication of Fee Interest for 16 acres of community park land for an aquatics park **(Aquatic Center)**, generally located at the intersection of Corral Hollow Road and Summit Drive, granted by Ellis Village, LLC to the City of Tracy, a municipal corporation, and recorded by the San Joaquin County Recorder's Office on January 28, 2021, as instrument number 2021-016679; and be it

FURTHER RESOLVED: That the City Council hereby directs the City Manager to take all requisite actions necessary to effectuate the acceptance of the dedicated land; and be it

FURTHER RESOLVED: That the City Council hereby finds and determines, based upon its own independent analysis and judgment, that the Ellis Specific Plan Environmental Impact Report (**ESP EIR**) was prepared in accordance with the California Environmental Quality Act and related Guidelines (**CEQA**); that the City Council, on January 22, 2013, certified the ESP EIR; that the ESP EIR adequately analyzed key elements of the future Aquatic Center and identified no mitigation measures directly related to the Aquatic Center; that this action is for an acceptance of land only and not implementation of the Aquatic Center; that additional discretionary actions are necessary to effectuate the design and construction of the Aquatic Center project; and that any additional environmental review required under CEQA will be conducted upon completion of the final design of the Aquatic Center, prior to the commencement of any construction activity.

* * * * * * * * * * * * * *

The foregoing Resolution 2023-_____ was adopted by the Tracy City Council on the 20th day of June 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

June 20, 2023

Agenda Item 3.E

REQUEST:

ADOPT A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TRACY, CALIFORNIA: A) CENSURING MAYOR NANCY YOUNG FOR VIOLATIONS OF THE CITY OF TRACY'S CODE OF CONDUCT, MEETING PROTOCOLS AND RULES OF PROCEDURE AND OTHER LAWS AND B) IMPOSING A SANCTION FOR SUCH VIOLATIONS

EXECUTIVE SUMMARY:

This agenda item addresses the urgent issue of Mayor Young's conduct and the need for action.

Mayor Young has repeatedly demonstrated a willful disregard for the Code of Conduct and Meeting Protocols and failed to understand and abide by the Council-Manager form of government. Furthermore, Mayor Young has verbally, during public meetings, on social media, and on major television platforms, made baseless and defamatory accusations of racism against a majority of the City Council, the city operations as a whole, and individual staff members. Despite our attempts to address these issues, no improvement has been observed. The Mayor's actions reflect a gross disregard for relevant rules and procedures and the law and has created a hostile and toxic work environment for the Council body and certain City staff.

Therefore, we recommend that the City adopt this Resolution censuring the Mayor for her repeated violations and impose a sanction.

DISCUSSION:

Mayor Young's actions have shown contempt and disrespect towards the community and individuals she was elected to serve, damaging public trust in the governance of our City. Her unfounded claims of racism directed at a majority of the Council, City operations, and individual staff members further exacerbate the toxic divisiveness within our community. Such baseless, reckless and irresponsible accusations undermine the unity and progress we strive for as a City. The public, community leaders, and residents have rightfully expressed outrage, some even calling for the Mayor's resignation.

While State Law does not grant the Council the authority to remove a member, the laws of this nation as well as our own Code of Conduct empower the Council to adopt a resolution of censure for gross failures to meet the highest standards of personal and professional conduct. Censure serves as an official reprimand; and the Code of Conduct further empowers the Council to impose sanctions.

For these reasons, we recommend that the City Council resolve to censure Mayor Nancy Young for her conduct and statements as detailed in the attached resolution. We also recommend that the City Council sanction the Mayor by revoking her appointment to the City's Finance Committee through the end of the calendar year 2023 .

STRATEGIC PLAN:

This agenda item supports the City Council's Strategic Priority of Governance, Goal #1 Model Good Governance, Teamwork and Transparency.

LEGAL REVIEW:

The City Attorney’s Office has reviewed the attached Resolution of Censure.

Prepared by:
Councilmember Mateo Bedolla
Mayor Pro Tem Eleassia Davis

ATTACHMENTS:
Attachment A – Resolution of Censure

APPROVED AS TO FORM AND LEGALITY

_____

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

INTRODUCED BY COUNCILMEMBER BEDOLLA AND MAYOR PRO TEM DAVIS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TRACY, CALIFORNIA: A) CENSURING MAYOR NANCY YOUNG FOR VIOLATIONS OF THE CITY OF TRACY'S CODE OF CONDUCT, MEETING PROTOCOLS AND RULES OF PROCEDURE AND OTHER LAWS; AND B) IMPOSING A SANCTION FOR SUCH VIOLATIONS

WHEREAS, The City of Tracy (City) is a general law city and operates under the authorities set forth in the Government Code by the California legislature; and

WHEREAS, The electorate of the City established a Council -Manager form of government in 1954, which is codified in Chapter 2.08 of the Tracy Municipal Code; and

WHEREAS, It is best practice for legislative bodies to develop governance policies regarding roles and responsibilities as well as expected norms and behaviors amongst members of the respective bodies and their appointed officials; and

WHEREAS, On October 15, 2019, by Resolution No. 2019-203, the City Council adopted a Code of Conduct, setting forth the legal, ethical and professional obligations of each member of the City Council; and

WHEREAS, Government Code 36813 authorizes legislative bodies to establish rules of the conduct of their proceedings; and

WHEREAS, On November 5, 2019, by Resolution No. 2019-240, the City Council adopted Meeting Protocols and Rules of Procedure (Meeting Protocols), establishing the parliamentary procedures and processes for setting the City Council's agenda and conducting its meetings; and

WHEREAS, The City Council has revised the Code of Conduct and Meeting Protocols on several occasions, most recently on June 6, 2023; and

WHEREAS, As reflected in the Code of Conduct and Meeting Protocols, the City Council reiterates that it is the duty of all Council Members to act in the public's interest; respect good governance processes; and perform their duties professionally, ethically, and legally; and

WHEREAS, The Supreme Court has recognized, in *Houston Community College System v. Wilson*, *No.20-804 (2022)*, that the right to censure is an inherent right of public assemblies; and

WHEREAS, The Code of Conduct reaffirms the power recognized by the Supreme Court of the City Council to censure and also grants the City Council the authority to impose sanctions on fellow Councilmembers, including the Mayor; and

WHEREAS, The Mayor repeatedly violates parliamentary procedures as well as ethical and professional standards adopted by the City Council, as illustrated by the following:

1) On August 21, 2021, on Item 3E, the Mayor made an approximately 7 minute statement before the Item was presented by staff and has, similarly, made personal statements on agendized items outside of established rules of order for conducting meetings; and

2) On December 13, 2022, at which time new Councilmembers were installed and a new Mayor Pro Tem was selected by the body, the Mayor: (A) argued with certain Councilmembers regarding the rules of procedure; (B) stated, "It's very important as Team Tracy that we're not willing to sink the ship if we can't be the captain," when her proposed Councilmember was not selected to be the Mayor Pro Tem; and (C) refused to allow some members of the public to speak during public comment and/or agendized items, behavior she has exhibited at numerous other City Council meetings; and

3) On May 16, 2023, as related to Item 3E, the Mayor (A) refused to allow a properly seconded motion to be voted upon, (B) refused to let the City Clerk take the vote on the properly made motion, (C) refused to acknowledge and address proper points of order made on the floor; and (D) argued incessantly with fellow Councilmembers and berated the City Attorney about her legal opinion regarding parliamentary rules; and

WHEREAS, The Mayor repeatedly attempts to interfere with administrative operations, influence the actions of staff, and humiliate staff as illustrated by the following:

1) On August 4, 2021, the Mayor, along with former Mayor Pro Tem Vargas, attempted to meet with the City Manager and all Department Heads, as a group, for them to explain "how they are carrying out the directives of the Council"; and

2) At various City Council meetings, the Mayor has made insinuations regarding motives, berated various staff members, including but not limited to staff from the City Clerk's Office, City Manager's Office and other Departments; and

WHEREAS, The Mayor has taken subversive actions to remove the appointed City Attorney, instead of following established procedures for dismissing such an appointee of the Council body, as illustrated by the following:

1) Mayor discussed with the California League of Cities General Counsel's Office her displeasure with the City Attorney and solicited advice from this third party on how to remove the City Attorney; and

2) Mayor mandated the City Attorney, without proper procedural authority nor giving the City Attorney adequate advanced notice or briefing, to attend a panel meeting, on January 23, 2023, of several developers, at which meeting the developers failed to bring their respective legal counsel, articulated their "grievances" against the City Attorney, and discussed pending litigation items and/or disputes; and

3) Mayor repeatedly bullies and berates the City Attorney, by making unsubstantiated accusations and attacking her integrity, including but not limited to implying and stating publicly in meetings, social media, print and television media that she is participating in efforts of collusion and corruption with a majority of the City Council and executive staff, has racially discriminatory intentions, and desires to "grab" power; and

WHEREAS, On March 21, 2023, at which meeting a majority of the City Council voted to reject the Mayor's request to attend the Annual African American Mayor's Association Conference in Washington D.C., the Mayor violated rules of order by speaking numerous times on her agenda request and attacked the majority's vote, disrespectfully characterizing their vote as "a personal vendetta" against her; and

WHEREAS, The Mayor has disclosed confidential information, including sending, on May 31, 2023, to the Fair Political Practices Commission confidential legal advice provided by the City Attorney to the City Council, without the required vote of the majority of the City Council to waive attorney-client privilege; and

WHEREAS, The Mayor repeatedly belittles Councilmembers for diverging opinions, personally attacks Councilmembers for following parliamentary procedures, and has taken positions contrary to the City's official position, as illustrated by the following:

1) After two members of the City Council properly requested, on May 16, 2023, that the City Attorney return on May 23, 2023, with an ordinance to change the voting requirements for the dismissal of a City Manager, the Mayor was accusatory and attacked the character, motivations and intentions of the majority of the City Council, by alleging that they were a "coup" and "corrupt", were being racially discriminatory, had "an anti-black agenda," and seeking a "power grab" ; these allegations were made on social media, on major television news sources, and during her active participation in a rally at City Hall before the Council's scheduled vote on May 23, 2023; and

2) At the May 23, 2023 meeting, the Mayor pretended not to know about a relevant claim letter that all Councilmembers had received that morning, and she aggressively asked, on the public record, questions about the potential for litigation regarding the same matter reflected in the claim letter, increasing liability exposure for the City; and

3) After a majority of the City Council voted to introduce the above-referenced ordinance on May 23, 2023, the Mayor continued to advance her slanderous and disparaging public campaign against both the Council majority and the City Council's official position, as reflected by the majority vote of the Council body; and

4) Despite the facts that: (A) the City Council agenda for June 20, 2023 has the acceptance of 16 acres within the Ellis Specific Plan area for the Council's consideration, based on a properly made motion; (B) on March 23, 2021, the City Council, on Item 4, unanimously voted to adopt "Option 3", which included, among other things, advancing completion of the Aquatic Center (CIP 78054); and (C) the City Council rescinded, on September 20, 2022 (Resolution 2022-134), the Final

Conceptual Plan for the Aquatic Center (CIP 78054) proposed to be located on such 16 acres, so as to comply with a Court mandate, the Mayor has endorsed a petition that assumes the City is delaying this City capital project and asks the City, among other things, to use the rescinded Final Conceptual Plan that have been prohibited by the Court action;

NOW, THEREFORE, be it resolved as follows:

SECTION 1. Incorporation of Recitals/Findings. The City Council of the City of Tracy finds and determines the foregoing recitals are true and correct and are hereby incorporated herein as findings and determinations of the City.

SECTION 2 Additional Findings. The City Council further finds that the Mayor has violated numerous sections of the (A) Code of Conduct, including, without limitation, Sections 3.3.1 [abusive conduct], 3.4.1 [influence], 3.4.4 and 4.3 [confidential information], 3.4.5 [personal gain], 3.4.8 and 4.4 [official positions], 3.4.11 [common law conflicts], 4.1 [staff communications], and the Norms and Values Statement; and (B) Meeting Protocols, including without limitation, Sections 6.1 [public comment], 6.2 [agendized items], 6.3 [rules of decorum], and Rosenberg's Rules of Parliamentary Procedures.

SECTION 3 Additional Findings. The City Council further finds that the Mayor willfully and repeatedly disregards the Ralph P. Brown Act and other laws, notwithstanding advice from the City Attorney or pleas from fellow Council Members to refrain from such behavior.

SECTION 4. Censure. Based on the foregoing facts and findings, the City Council hereby formally censures the Mayor.

SECTION 5. Sanctions. Due to the egregious and persistent misbehavior of the Mayor, in addition to formally censuring the Mayor, the City Council hereby sanctions the Mayor by revoking her appointment to the City's Finance Committee through the end of calendar year 2023, which revocation shall become effective immediately upon the adoption of this Resolution. The City Council reserves the right to impose further sanctions on the Mayor should her conduct not change immediately, so as to fully conform with the Code of Conduct, Meeting Protocols and applicable laws.

SECTION 6. Performance of Ministerial Duties. The Mayor, when in attendance at the relevant meeting, procedurally signs adopted legislation of the City Council. Such a ministerial duty is not expressly required by the Government Code, but to conform to the City's practice, the Mayor is required to perform her ministerial duty to sign this Resolution should she attend the meeting at which this Resolution is adopted.

SECTION 7. Rescission of Prior Resolutions. Any resolutions previously adopted by the City Council that are inconsistent with the terms and intent of this Resolution shall be hereby rescinded, in part or in whole, as necessary to fully effectuate the terms of this Resolution.

SECTION 8. Effective Date. This Resolution shall be in full force and become effective immediately upon its adoption.

* * * * * * * * * * * * *

The foregoing Resolution _____ was adopted at a regular meeting of the Tracy City Council on the 20th day of June 2023, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTENTION: COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Date of Attestation: _____

June 20, 2023

Agenda Item 3.F

RECOMMENDATION

Staff recommends that City Council 1) adopt an Urgency Ordinance, pursuant to Government Code, § 36937(d), revising Section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories to take effect immediately upon adoption and 2) introduce an Ordinance revising Section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories.

EXECUTIVE SUMMARY

On November 8, 2022, the residents of the City of Tracy approved a ballot initiative to repeal and replace Chapter 6.04 (Business Taxes) of the Tracy Municipal Code and adopt a "gross receipt" based business tax structure. As part of the ballot initiative, City Council adopted an ordinance (Resolution No. 2022-106 - Attached) outlining the new Business Tax structure. After the voters approved Measure B, City staff discovered typographical errors in the measure's language that leave the categorizations described above ambiguous. The City recommends revisions to Section 6.04.310 to correct these errors in order to give clear effect to what the voters intended when they passed Measure B.

BACKGROUND

Chapter 6.04 of the Tracy Municipal Code contains the City of Tracy's (City) Business Taxes structure (Business Taxes Structure), which applies to all persons engaged in the business activities in the City. The Business Tax Structure has not been critically re-examined in decades, which precipitated the City initiating a ballot initiative to the residents of Tracy to revamp the Business Taxes Structure.

On March 22, 2022, at the Special Council meeting, the City Council directed staff to bring forth actions related to submitting a measure to the voters to adopt an ordinance to revise Chapter 6.04 Business Taxes.

On the July 12, 2022, City Council Meeting, Council approved Resolution 2022-106 ordering the City Clerk to submit a measure to the City of Tracy voters for the November 8, 2022 General Municipal Election, an ordinance repealing and replacing, in its entirety, Chapter 6.04 Business Taxes. The ballot measure would allow business owners in the City to pay a flat fee of $50 for the first $500,000 in gross receipts and then add a progressive business tax for specific business sectors. Measure B applies four different tax rates to businesses within the City, according to four different categories of business operations.

The City's voters approved Measure B in the November 2022 general election. The City Council declared the results of the November 2022 general election on December 13, 2022, and Measure B therefore went into effect ten days later (Elec. Code, § 9217).

Per the impartial analysis submitted by the City Attorney:

The maximum tax rates proposed by Measure B are:

- $50 base tax for the first $500,000 in gross receipts;
- Gross Receipts over $500,000 will have the following tax rates applied
  - 0.1% of gross receipts for General Business;
  - 0.15% of gross receipts for Manufacturing/Warehousing/Wholesaling;
  - 0.2% of gross receipts for Contractor/Services; and
  - 0.3% of gross receipts for Professional and Rental.

ANALYSIS

After the voters approved Measure B, City staff discovered typographical errors in the measure's language that leave the categorizations described above ambiguous. The City wishes to correct these errors in order to give clear effect to what the voters intended when they passed Measure B.

- The first correction includes removing "wholesale" to Category 1 of 6.04.310 (Determination of tax due based on gross receipts plus annual registration tax), subsection (d). As evident, "wholesaling" belongs in Category 2.

- The second correction is within the title of Category 2 of 6.04.310, subsection (d). The title of Category 2 has been amending to including "warehousing" in the title. As evident by all the marketing material and the City Attorney's Impartial Analysis (Attachment B), the intention of the City has always been to include Manufacturing, Warehousing and Wholesaling in Category 2. Additionally, in this section the definitions of "warehousing" and "wholesaling" have been added.

- The third correction is in Category 3, 6.04.310, subsection (d), subsection (3), subsection (B), under the definition of "Service," staff recommends, for clarifying purposes, to delete parts of definition that contradicts with Category 4 "Professional Service."

The revisions provided above are declaratory of the voters' expressed intent by passing Measure B in the November 2022 general election, as those revisions are consistent with what the City represented to voters about what this City-Council-proposed initiative would do. This Ordinance is not intended to, and does not, amend Measure B so as to change its scope and effect in any way the voters did not intend.

BUSINESS RATE CATEGORIES	MINIMUM FEE	TAX RATE (IF >$500k) x GROSS RECEIPTS
General Business	**$50 Annual Flat Rate for First $500k of Gross Receipts**	0.1%
Manufacturing, Warehousing, Wholesaling		0.15%
Contractor/Service		0.2%
Professionals/Rental		0.3%

This Urgency Ordinance relates to taxes for the usual and current expenses of the City. (Gov. Code, § 36937, subd. (d).) Further, the City finds that, unless it adopts this Urgency Ordinance to take immediate action, the City will lack the clarity it requires to responsibly administer its

Business Tax at the beginning of Fiscal Year 2023-2024. This Urgency Ordinance is necessary to ensure certainty in administration of the City's taxes. A super-majority of the City Council is needed to approve the urgency ordinance and shall be in full force and effect immediately after its adoption.

CEQA

The City Council finds that this Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3), pertaining to actions that do not have the potential for causing a significant effect on the environment. This Ordinance is also not a "project" under CEQA Guidelines Section 15378, as it has no potential to result in either a direct or indirect physical change in the environment.

FISCAL IMPACT

The City currently collects approximately $900,000 annually in Business Taxes. It is estimated that the proposed revision to the Business Taxes structure will generate approximately $5M in annual tax review for the City's General Fund. The Business Tax is renewed annually in July.

STRATEGIC PLAN

The agenda item supports Governance Strategic Goal 2: ensuring short- and long-term fiscal health.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that City Council 1) adopt an Urgency Ordinance, pursuant to Government Code, § 36937(d), revising the Tracy Municipal Code to correct typographical errors regarding business tax categories to take efect immediately upon adoption and 2) introduce an Ordinance revising Section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories.

Prepared by: Karin Schnaider, Assistant City Manager

Reviewed by: Sara Cowell, Finance Director
Bijal M. Patel, City Attorney

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

A. Resolution 2022-106
B. An Urgency Ordinance to pursuant to Government Code gov. code, § 36937(d) revising section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories
C. An Ordinance to revising section 6.04.310 of the Tracy Municipal Code to correct typographical errors regarding business tax categories

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. 2022-106

ORDERING THE CITY CLERK TO SUBMIT TO THE CITY OF TRACY VOTERS AT THE NOVEMBER 8, 2022, GENERAL MUNICIPAL ELECTION, A BALLOT MEASURE REPEALING AND REPLACING, IN ITS ENTIRETY, CHAPTER 6.04 (BUSINESS TAXES) OF THE TRACY MUNICIPAL CODE, AND 2) AUTHORIZING THE SUBMISSION OF AN ARGUMENT ON BEHALF OF THE CITY COUNCIL WITH DESIGNATED AUTHOR(S), AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS, OF THE BALLOT MEASURE ON THE NOVEMBER 8, 2022 GENERAL ELECTION BALLOT

WHEREAS, Chapter 6.04 of the Tracy Municipal Code contains the City of Tracy's (City) Business Taxes structure (Business Taxes Structure), which applies to all persons engaged in business activities in the City of Tracy (City); and

WHEREAS, The City's Business Taxes Structure has not been critically re-examined in decades; and

WHEREAS, The City's current Business Taxes Structure imposes a disproportionate burden on small businesses, as it is based on the total employee count instead of gross receipts generated by the businesses; and

WHEREAS, Due to this flat tax structure and reliance on the total employee count, large employers in the City, such as warehouse businesses and big corporations, are currently not paying their proportionate share of tax relative to their gross receipts; and

WHEREAS, Small, locally owned businesses in the City are currently paying a higher effective rate compared to larger businesses who are currently paying far less than their respective "fair share" relative to the gross receipts generated by such businesses; and

WHEREAS, An alternative to the flat tax is a progressive gross receipts tax, in which larger businesses with higher gross receipts pay more than smaller businesses with less gross receipts; and

WHEREAS, A progressive tax structure would create a better business environment for small businesses and provide additional funding for City services; and

WHEREAS, In a progressive system, every business pays their fair and proportional share into the City's General Fund and is aligned with the nation's progressive income tax structure; and

WHEREAS, Neighboring cities, including Stockton, Modesto, Walnut Creek, San Jose and and San Francisco, have adopted a progressive business tax structure that imposes higher rates on businesses that earn more gross receipts; and

WHEREAS, The City seeks to maintain quality of life while not taxing homeowners living in the City or burdening small businesses; and

WHEREAS, The proposed amended Business Taxes measure is not a license to operate within the City, and each business must obtain a "Business Tax" Certificate; and

WHEREAS, The changes suggested to the Business Taxes Structure do not entitle the holder of the Business Tax Certificate to conduct business before complying with all requirements of the Tracy Municipal code and other applicable laws, nor to conduct business in a zone where such a business violates the law; and

WHEREAS, In March 2020, the City Council formed an Ad-Hoc Committee of the City Council to develop policies and actions to ensure the City's long-term fiscal sustainability; and

WHEREAS, On March 9, 2021, the City Council held a fiscal sustainability workshop where they adopted the City's Guiding Budget Principles and several fiscal strategies; and

WHEREAS, The City Council directed the Ad-Hoc Committee to continue working through these strategies and to return to the City Council with further actions for consideration; and

WHEREAS, One of these strategies was to revise the City's existing Business Taxes scheme, which has not been updated for the last four decades; and

WHEREAS, During the March 22, 2022, City Council workshop, staff presented the General Fund's ten-year forecast that discussed the impacts of the potential loss of Sales Tax revenues and what an increase from a revision to the Business Taxes revenue would look like for the City; and

WHEREAS, On March 22, 2022, with the recommendation of the Ad-Hoc Committee, the City Council directed staff to proceed with the documents required to place a general tax measure on the ballot for the General Municipal Election on November 8, 2022, and

WHEREAS, Over the past four months, the City has met with the Chamber of Commerce, the Tracy City Center Association (TCCA), and hosted four separate meetings for the City's business community to discuss how to make the City's Business Taxes Structure more equitable by switching to a gross receipts tax; and

WHEREAS, The Ad-Hoc Committee initially explored options for the gross receipts tax to begin after the first $100,000 in gross revenue with a flat fee of $100; and

WHEREAS, The small business community's feedback influenced the final recommendation, which reflects a base fee of $50 for the first $500,000 in gross receipts; and

WHEREAS, Based on the recommendations of the business community and the Ad-Hoc Committee, staff has prepared a proposed ballot measure) asking the voters to repeal and replace, in its entirety, Chapter 6.04 (Business Taxes) of the Tracy Municipal Code in the form

attached hereto as **Exhibit A** and incorporated herein by reference (Ballot Measure) for the City Council's consideration; and

WHEREAS, if approved by the voters, the Ballot Measure would impose a general tax on businesses engaged in commercial activity in the City (General Tax); and

WHEREAS, If the proposed Ballot Measure is approved by the voters, the amended Business Taxes Structure of the City would add resources to the general-purpose fund while also supporting small businesses by having a tax break on the first $500,000 in gross receipts; and

WHEREAS, Revenues collected from the Ballot Measure would be for general revenue purposes and would go into the City's General Fund and be used for any government purpose; and

WHEREAS, It is estimated that the proposed revisions to the Business Taxes Structure will generate approximately $4.2 million in annual tax revenue for the City's General Fund; and

WHEREAS, Updating the City's Business Taxes Structure would ensure that larger businesses relative to gross receipts pay their proportionate share of taxes while reducing the impact on small businesses; and

WHEREAS, If approved, the Ballot Measure would generate additional revenue that also would allow the City to: maintain and even improve City streets, roads, parks, community facilities, and economic development; maintain and expand after-school programs, anti-gang activities, and recreation programs that keep young people off the streets, out of trouble and away from drugs and gangs; and help maintain rapid emergency and medical response times for police and fire by ensuring adequately staffed and trained police officers and firefighters; and

WHEREAS, Pursuant to Section 9222 of the California Elections Code, the City Council is authorized to place measures on the ballot to be considered at a general municipal election; and

WHEREAS, Article XIII C, section 2(b) of the California Constitution requires that any General Tax for unrestricted general revenue purposes must be submitted to and approved by a majority vote of the voters voting on the issue of imposing any general tax; and

WHEREAS, At its June 24, 2022 meeting, the City Council adopted a Resolution (Resolution No 2022-083) calling for and giving notice of a General Municipal Election to be held on November 8, 2022, and requesting that the Board of Supervisors of the County of San Joaquin consolidate said election with the Statewide General Election to be held that day along with other requisite actions; and

WHEREAS, the Calfiornia Elections Code requires ballot measures to pose a specific question for the voters' consideration; and

WHEREAS, Based upon analysis and voter polling, staff proposes that the ballot question be, "To ensure large businesses pay a proportionate share and provide funding for City services such as: repairing potholes/streets; keeping public areas healthy/safe/clean; maintaining neighborhood police patrols/9-1-1 emergency response/fire protection; supporting our economy/ general government use, shall the ordinance to update the City of Tracy business taxes be

adopted with typical rates between 0.1% and 0.3% of gross receipts, as described in the ordinance, providing an additional $3,200,000 annually, until ended by voters?"; and

WHEREAS, The Calfornia Elections Code allows legislative bodies to provide for the submission of arguments for and against ballot measures and to direct their respective counsel to prepare an impartial analysis of such measures; and

WHEREAS, The City Council desires to submit the General Tax, pursuant to the Ballot Measure ,to the qualified voters of the City at the next General Municipal Election to be held on Tuesday, November 8, 2022; and

WHEREAS, In accordance with the California Environmental Quality Act (CEQA) Guidelines Sections 15378 (b)(3) and (b)(4), the City finds that this action does not constitute a project under CEQA; and now, therefore, be it

RESOLVED:

Section 1. Recitals. The City Council hereby finds and determines that the foregoing recitals are true and correct and incorporates them fully herein.

Section 2. Ballot Meaure. The City Council hereby orders the City Clerk to submit to the City of Tracy Voters, at the November 8, 2022, General Municipal Election, the Ballot Measure repealing and replacing, in its entirety, Chapter 6.04 (Business Taxes) of the Tracy Municipal Code.

Section 3. Argument. The City Council hereby authorizes the submission of an argument for the Ballot Measure, on behalf of the City Council with designated author(s), which argument, in accordance with California Elections Code sections 9282 and 9283:

(a) shall not exceed 300 words in length, and shall be printed upon the same sheet of paper and mailed to each voter with the sample ballot for the election and may be signed by the authors designated by the City Council as part of the adoption of this Resolution;

(b) include, preceding the argument itself, the heading "Argument For Measure __ _____" and precede, which shall not be counted in the 300 word maximum (the blank spaces being filled only with the letter or number, if any, designating the measure); and

(c) be filed with the City Clerk, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, due in the office of the City Clerk by the date established by the County Registrar of Voters

Section 4. Impartial Analysis. The City Council hereby directs the City Attorney to prepare an impartial analysis of the Ballot Measure and to timely submit such analysis to the City Clerk

Section 5. Rate and Method. The type, rate, and method of collection of the General Tax are set forth in the Ballot Measure.

Section 6. Ballot Label. The City Council hereby approves the following ballot label for the proposed General Tax, to be submitted for a "Yes" or "No" vote:

To ensure large businesses pay a proportionate share and provide funding for City services such as: repairing potholes/streets; keeping public areas healthy/safe/clean; maintaining neighborhood police patrols/9-1-1 emergency response/fire protection; supporting our economy/ general government use, shall the measure to update the City of Tracy business taxes be adopted with typical rates between 0.1% and 0.3% of gross receipts, as described in the measure, providing an additional $3,200,000 annually, until ended by voters?	YES	
	NO	

Section 7. Full Text. The full text of the Ballot Measure, which is attached as **Exhibit A**, shall be printed in the sample ballot/voter information pamphlet for the November 8, 2022 General Municipal Election.

Section 8. Approval. Pursuant to Section 2(b) of Article XIII C of the California Constitution, this measure requires approval by a majority vote (50% plus 1) of those casting ballots on the measure.

Section 9. Filing with County. The City Clerk shall file a certified copy of this Resolution, along with the argument and analysis authorized herein, with the Board of Supervisors and County Elections Department of the County of San Joaquin and to take such actions needed to comply with the California Elections Code.

Section 10. CEQA. In accordance with CEQA Guidelines Sections 15378 (b)(3) and (b)(4), the City finds that this action does not constitute a project under CEQA.

Section 11. Effective Date. This Resolution shall be effective immediately upon adoption by a majority vote of the City Council.

The foregoing Resolution was adopted by the Tracy City Council on the 12th day of July, 2022, by the following vote:

AYES: COUNCIL MEMBERS: ARRIOLA, BEDOLLA, DAVIS, VARGAS, YOUNG

NOES: COUNCIL MEMBERS: NONE

ABSENT: COUNCIL MEMBERS: NONE

ABSTAIN: COUNCIL MEMBERS: NONE

MAYOR PRO TEM

ATTEST:

CITY CLERK

EXHIBIT A

BALLOT MEASURE

Chapter 6.04 BUSINESS TAXES

Sections:

6.04.010 Definitions.

6.04.020 Revenue measure.

6.04.030 Effect on other laws.

6.04.040 Business tax payments required.

6.04.050 Evidence of doing business.

6.04.060 Constitutional apportionment.

6.04.070 Exemptions.

6.04.080 Posting and keeping tax certificates.

6.04.090 Confidentiality and examination.

6.04.100 Failure to file statements or corrected statements.

6.04.110 Amount of business tax debt to city.

6.04.120 Effect of convictions.

6.04.130 Duty of City to issue tax certificates.

6.04.140 Business taxes payable at City offices.

6.04.150 Separate taxesrequired—Warehouses excepted.

6.04.160 Tax certificate period.

6.04.170 Business taxes—Payment, delinquencies, and penalties.

6.04.180 Taxpayer information required.

6.04.190 Subsequent tax payments.

6.04.200 Extensions of filing dates—Interest charges.

6.04.210 Refunds.

6.04.220 Determinations of business classifications an administrative function.

6.04.230 Applications for changes of business classifications.

6.04.240 Appeals on decisions of business classifications.

6.04.250 Rules and regulations.

6.04.260 Referrals to other agencies—Prepayment of taxes.

6.04.270 Enforcement.

6.04.280 Remedies cumulative.

6.04.290 Severability.

6.04.300 Violations—Penalties.

6.04.310 Determination of tax due based on gross receipt plus annual registration.

Article 1. General Provisions

6.04.010 Definitions.

For the purposes of this chapter, unless otherwise apparent from the context, certain words and phrases used in this chapter are defined as follows:

"Base Gross Receipt" means the first $500,000 of Gross Receipt

"Business" means and includes full-time or part-time professional services and retail, wholesale, manufacturing, or other occupations, trades, or callings of any kind, whether or not carried on for profit or livelihood.

"Business tax" means the Business activity tax.

"City" means the City of Tracy, a municipal corporation of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged, or reincorporated form.

"Code" means the Tracy Municipal Code, as amended from time to time.

"Collector" means the Finance Director of the City or other designees charged by the Finance Director or City Manager of the City, as the case may be, with the administration of the provisions of this chapter.

"County" means the County of San Joaquin.

"Constitution" means the United States Constitution or the California Constitution, as the case may be.

"Employee" means all persons engaged in the operation or conduct of any Business, whether as a member of the owner's family, agent, manager, solicitor, and all other persons employed or working in said Business including, without limitations of the foregoing, all individuals who derive all or part of their income from commissioned sales. For purposes of computing tax based on employees, the average number of employees per year, as defined in this section, will be used.

"Fixed place of business" means premises in the City where a Business is conducted from day to day and regularly kept open for the purposes of such Business, also referred to as "regular place of business."

"Gross Receipts" means the total amount of the sale price of all sales, and/or the total amount charged or received for the performance of any act or service or employment, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act, service or employment is done as a part of or in connection with the sale of materials, goods, wares or merchandise, and when such act, service or employment occurs as a result of any activity within the City. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, except as excluded in this subsection, without any deduction therefrom on account of the cost of the property sold, the cost of the materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever as shown by either the Federal or State income tax return required to be filed by such person.

Where the Gross Receipts, as defined above, are less than the cost of operations of the Business, then the Business shall be deemed to produce Gross Receipts in an amount at least equal to the cost of maintaining such operations. Such cost of operations shall include, but not be limited to, rent and/or depreciation, salaries and wages, fixed charges and other expenses.

Excluded from "gross receipts" shall be:

(a) Cash discounts allowed and taken on sales;

(b) Credit allowed on property accepted as part of the purchase price and which property may later be sold;

(c) Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

(d) Such part of the sale price of property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit;

(e) Amounts collected for others where the Business is acting as an agent or trustee to the extent that such amounts are paid to those whom collected;

(f) The amount of each single sale to a single customer in excess of fifty thousand dollars ($50,000.00) where the gross profits derived therefrom does not exceed one percent (1%) of the sale price; and

The amount of gross receipts which has been the measure of a license tax paid to any other City. "Hearing officer" means an impartial person designated by the City Manager, as defined in Chapter 1.12 of the Tracy Municipal Code.

"Manufacturing" means making materials, raw or partly finished, into wares suitable for use by persons other than the manufacturer, including, but not limited to, fabrication, processing, packing, bottling, assembling, canning, compounding, and forging.

"Not-for-profit entities" means any organization that qualifies under Section 501, subsection (c) (3) of the United States Internal Revenue Code or equivalent federal statute.

"Peddler" means any person who goes from house to house or from place to place or in or along the streets of the City selling and making an immediate delivery, or offering for sale and immediate delivery, anything of value in his possession to persons other than dealers in such commodities.

"Person" means any individual, firm, company, partnership, limited liability partnership, joint venture, association, proprietorship, social club, fraternal organization, joint stock company, domestic or foreign corporation, limited liability corporation, estate, trust, business trust, receiver, trustee, trustee in bankruptcy, administrator, executor, assignee, syndicate, or any other group or combination acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise, excepting: the United States of America, the State of California, and any political subdivision of either thereof upon which the City is without power to impose the tax herein provided.

"Solicitor" means a person engaged in soliciting, canvassing, or taking orders from house to house, or from place to place, or by telephone, or by any other means of communication for any goods, wares, or merchandise or any article to be delivered in the future, or for services to be performed in the future, or for making, manufacturing, or repairing any article whatsoever for future delivery, or for subscriptions to periodicals or tickets of admission to entertainments or memberships in any clubs.

"State" means the State of California.

"Sworn statement" means an affidavit sworn to before a person authorized to take oaths or a declaration or certification made under penalty of perjury.

"Tax Certificate" means the Business tax certificate and any other identifying decal or marker as may be required by the Collector for purposes of this Chapter 6.04.

"Tax Certificate Holder" means the Person to whom a Tax Certificate has been issued.

"Transient business" means every Business not conducted at a "fixed place of business" or at a regular place of Business, whether the person conducting such transient business is or is not a resident of the City.

"Warehousing business" means every Business conducted solely for the purpose of maintaining or renting space for the storage of any kind of property.

"Wholesale business" means every Business conducted solely for the purpose of selling goods, wares, or merchandise in wholesale lots for resale.

6.04.020 Revenue measure.

This chapter is enacted for the sole purpose of raising revenue for municipal purposes and is not intended for regulation. The issuance of any Tax certificate shall not be construed as authorizing any Business to operate without first complying with all other applicable laws and regulations.

6.04.030 Effect on other laws.

(a) Persons required to pay a Business Tax for transacting and carrying on any Business under this chapter shall not be relieved from the payment of any similar tax for the privilege of doing such Business required by any other law of the City, the County or the State and shall remain subject to the regulatory provisions of those other laws.

(b) Any Person required to pay a Business Tax for transacting and carrying on any Business under this chapter shall not be relieved from the payment of such Business Tax, notwithstanding that such Business is not in compliance with zoning, health, safety, or other regulatory provisions of the Code or other State or federal law. Compliance with the provisions of this chapter shall not constitute evidence that such Business is in compliance with any other such regulations or provisions of law.

6.04.040 Required business tax payment.

(a) It shall be unlawful for any person to transact and carry on any Business, trade, profession, calling, or occupation in the City without first having paid the Business Tax, as prescribed in this chapter or without complying with any and all applicable requirements of this chapter.

(b) This section shall not be construed to require any Person to pay a Business Tax or to comply with any other requirement of this chapter prior to doing Business within the City if such requirements conflict with applicable statutes of the United States or of the State.

6.04.050 Evidence of doing business.

When any Person, by the use of signs, circulars, cards, telephone books, or newspapers, shall advertise, hold out, or represent that the Person is in Business in the City, or when any Person holds an active license or permit issued by a governmental agency indicating that the Person is in Business in the City, or when any Person makes a sale, takes an order, renders a commercial service, or performs any other similar act within the City, and such Person fails to deny by a sworn statement given to the Collector that the Person is not conducting a Business in the City after being requested to do so by the Collector, then such facts shall be considered prima facie evidence that the Person is conducting a Business in the City.

6.04.060 Constitutional apportionment.

(a) None of the Business Taxes provided for by this chapter shall be so applied as to occasion an undue burden upon interstate commerce or be violative of the Equal Protection and Due Process Clauses of the Constitution

(b) In any case where a Business Tax is believed by a Person transacting or carrying on any Business in the City to place an undue burden upon interstate commerce or be violative of such constitutional clauses, such Person may apply to the Collector for an adjustment of the tax. Such application may be made before or at the time the tax is required to be paid or within six (6) months after the payment of the prescribed Business Tax. The applicant, by sworn statement and supporting testimony, shall show the applicant's method of Business, the gross volume or estimated gross volume of such Business, and such other information as the Collector may deem necessary in order to determine the extent, if any, of such undue burden or violation. The Collector shall then conduct an investigation and, after having first obtained the written approval of the City Attorney, shall fix as the Business Tax for the applicant an amount that is reasonable and nondiscriminatory or, if the Business Tax has already been paid, shall order a refund of the amount over and above the Business Tax so fixed. Such investigation, fixing of the Business Tax, and order

of refund shall be accomplished within a reasonable time upon receiving the requisite information by the City. In fixing the Business Tax, the Collector shall have the power to fix the Business Tax on any basis which will assure that the Business Tax assessed shall be uniform with that assessed on Businesses of like nature, so long as the amount assessed does not exceed the Business Tax prescribed by this chapter. If it is determined that no Business Tax is due, the applicant exempt from the Business Tax shall obtain, and the Collector shall issue, a Tax Certificate indicating such exemption from the tax.

6.04.070 Exemptions

(a) Nothing contained in this chapter shall be deemed or construed as applying to any person transacting, engaging in, and carrying on any Business exempt by virtue of the Constitution or applicable statutes of the United States or of the State from payment of taxes prescribed herein.

(b) Exemptions Requiring tax-exempt Tax Certificates. The following Persons shall be exempted from the provisions of this chapter, except that any such Person shall be required to obtain a tax-exempt Tax Certificate:

(1) Not-for-profit entities, as defined in this Code;

(2) Banks, including national banking associations as provided by subsection 1(a) of Section 16 of Article XIII of the State Constitution; and

(2) Insurance companies and associations as provided by Section 14 of Article XIII of the State Constitution provided however that insurance brokers shall not be excluded under this section.

(c) Exemptions Not Requiring tax-exempt Tax Certificates. The following Persons shall be exempted from the provisions of this chapter, and shall not be required to obtain a tax-exempt Tax Certificate:

(1) Any delivery by a firm lacking a fixed place of Business in the City, which delivery is occasional and incidental to a Business carried on outside the City provided, however, that four (4) or more deliveries within any twelve (12) month period shall be considered proof that any further delivery is not occasional and incidental to such Business;

(2) Any public utility or other organization which is wholly owned and operated by a political subdivision of the State and any public district organized under the laws of the State; and

(3) Any vehicle which is subject to the Motor Carriers of Property Permit Fee Act (California Revenue and Taxation Code section 7231 et. al); provided, however, this exemption shall only apply to the transportation Business.

(d) Claims for exemption. Any Person desiring to claim an exemption from the payment of a Business Tax and to have a free tax-exempt Tax Certificate issued shall make an application therefor upon a form prescribed by the City and shall furnish such information and make such affidavits as may be required, on an annual basis. Upon the determination

being made that the applicant is entitled to an exemption from the payment of the Business Tax for any reason set forth in this chapter, the City, upon the applicant complying with the provisions of this chapter or any other law of the City which may require a permit for the doing of the particular act proposed to be done, shall issue a free tax-exempt Tax Certificate to such Person, which certificate shall show upon its face that the Business is exempt from the Business Tax.

(e) Revocation of exemptions. The City may revoke any tax-exempt Tax Certificate granted pursuant to the provisions of this chapter upon information that the Business is not entitled to the exemption as provided therein. In such revocation, the procedure to be followed and the right of appeal shall be as provided in this chapter for the determination of a disputed tax.

(f) Sworn statements. The City may require the filing of a sworn statement from any person claiming to be excluded by the provisions of the section, which statement shall set forth all the facts upon which the exclusion is claimed.

6.04.080 Posting and keeping Tax Certificates – Record keeping.

(a) Any Person carrying on Business at a fixed place of Business in the City shall keep the Tax Certificate posted in a conspicuous place on the premises where such Business is carried on.

(b) Every Tax Certificate holder not having a fixed place of Business in the City shall keep the Tax Certificate upon his or her person, or if required by the Collector affixed in plain view upon any cart, vehicle, van, or other movable structure or device, at all times while transacting or carrying on the Business for which it is issued.

(c) All Persons subject to the provisions of this chapter shall keep complete records of Business transactions, including sales, receipts, purchases, and other expenditures, and shall retain all such records for examination by the Collector. Such records shall be maintained for a period of at least three years. No Person required to keep records under this section shall refuse to allow authorized representatives of the Collector to examine said records at reasonable times and places.

6.04.090 Information confidentiality.

No statement shall be conclusive as to the matters set forth in any application filed under the provisions of this chapter and neither the filing thereof, the assessment or payment of any tax, nor the issuance of any Tax Certificate shall preclude the City from collecting by appropriate action such sum as is actually due and payable. Such statement, and each of the several items therein contained, shall be subject to audit and verification by the Finance Director, who is hereby authorized to examine, audit, and inspect such books and records of any Tax Certificate Holder or applicant for a Tax Certificate as may be necessary for the judgment of the Collector to verify or ascertain the amount of Business Tax due.

(a) It is unlawful for the Collector or any person having an administrative duty under the provisions of this chapter to make known in any manner whatever the Business affairs,

operations, or information obtained by an investigation of records and equipment of any Person required to have a Tax Certificate, or pay a Business Tax, or any other person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth in any statement or application, or copy of either, or any book containing any abstract particulars thereof to be seen or examined by any person. Provided that nothing in this section shall be construed to prevent:

(1) The disclosure to, or the examination of records and equipment by, another City official, employee, or agent for collection of taxes for the sole purpose of administering or enforcing any provisions of this chapter, or collecting taxes imposed hereunder;

(2) The disclosure of information to, or the examination of records by Federal or State officials, or the tax officials of another city or county, or city and county, if a reciprocal arrangement exists, or to a grand jury or court of law, upon subpoena;

(3) The disclosure of information and results of the examination of records of particular taxpayers, or relating to particular payers, to a court of law in a proceeding brought to determine the existence or amount of any Business Tax liability of the particular taxpayers to the City;

(4) The disclosure after the filing of a written request to that effect, to the taxpayer himself, or to his successors, receivers, trustees, executors, administrators, assignees, and guarantors, if directly interested, of information as to the items included to the measure of any paid tax, any unpaid tax or amounts of tax required to be collected, interest and penalties; further provided, however, that the City Attorney approves each such disclosure and that the Collector may refuse to make any disclosure referred to in this paragraph when in his opinion the public interest would suffer thereby;

(5) The disclosure of the names and addresses of persons to whom Business Tax receipts have been issued, and the general type or nature of their Business;

(6) The disclosure by way of public meeting or otherwise of such information as may be necessary to the City Council in order to permit it to be fully advised as the facts when a taxpayer files a claim for refund of Business Taxes or submits an offer of compromise with regard to a claim asserted against him by the City for Business Taxes, or when acting upon any other matter;

(7) The disclosure of general statistics regarding taxes collected or Business done in the City.

6.04.100 Failure to file statements or corrected statements.

(a) If any Person fails to file any required statement within the time prescribed, or if, after demand therefor made by the Collector, such Person fails to file a corrected statement, or if any Person subject to the tax imposed by this chapter fails to submit the information required by the Collector necessary to determine the Business Tax due and payable, or if

the Collector is not satisfied with the information supplied and the statement filed, the Collector may determine the amount of the Business Tax due from such Person by means of such information as he may be able to obtain.

(b) If such a determination is made, the Collector shall give notice of the amount so assessed by serving such notice electronically, personally, or by depositing it in the United States Post Office, postage prepaid, addressed to the Person so assessed at his last known address.

(c) Assessments so established shall be paid within fifteen (15) days after the mailing of such notice, subject to the provisions of section 6.04.180 of this chapter.

6.04.110 Amount of business tax debt to the city.

The amount of any Business Tax imposed by this chapter shall be deemed a debt to the City, and any Person carrying on any trade, calling, profession or occupation mentioned in this chapter without having a Tax Certificate from the City shall be liable to an action in the name of the City in any court of competent jurisdiction for the amount of the Business Tax by this chapter imposed on such trade, calling, profession, or occupation.

6.04.120 Effect of convictions.

The conviction and punishment of any Person for transacting any trade, calling, profession, or occupation without a tax shall not excuse or exempt such person from the payment of any Business Tax due or unpaid at the time of such conviction, and nothing in this chapter shall prevent a criminal prosecution for any violation of the provisions of this chapter.

6.04.130 Duty of City to issue business tax certificates.

(a) It shall be the duty of the City to prepare and issue a Tax Certificate pursuant to the provisions of this chapter for every person liable to pay a Business Tax and to state in each Tax Certificate the period of time covered thereby; the name of the person or Business to whom issued; the Business classification to which the Tax Certificate is issued; the trade, calling, profession, or occupation to which the license certificate is issued and the location or place of Business where such trade, calling, profession, or occupation is to be carried(b) No Tax Certificate granted or issued under any provision of this chapter shall be in any manner transferred or assigned, nor shall such Tax Certificate authorize any Person, other than is therein mentioned or named, to not pay a Business Tax.

(c) The City may make a charge of Ten ($10.00) Dollars for each duplicate Tax Certificate issued to replace any Tax Certificate issued under the provisions of this chapter that has been lost or destroyed. In no case shall any mistake made by the City in stating the amount of a Business Tax prevent or prejudice the collection by the City of what shall be due from any Person carrying on a trade, calling, profession, or occupation subject to Business Tax under this chapter.

6.04.140 Business taxes payable at City offices.

All Business Taxes shall be paid in advance in lawful money of the United States to the City of Tracy, in a manner prescribed by the Collector.

6.04.150 Separate business tax certificate required—Warehouses excepted.

A separate Tax Certificate shall be obtained for each branch establishment or location. Warehouses and distributing establishments used in connection with and incidental to a Business Taxed under the provisions of this chapter shall not be deemed to be separate places of Business or branch establishments.

6.04.160 Business tax certificate period.

No Tax Certificate shall be issued for a period of more than twelve (12) months of the City's fiscal year beginning July 1 and ending June 30. Any application for a Tax Certificate received by the City mid-fiscal year will use a prospective estimate of how much the applicant would pay had they applied at the beginning of the Tax Certificate period.

6.04.170 Business taxes—Payment, delinquencies, and penalties.

(a) All Business Taxes shall be due on the first day of July and delinquent at 5:00 p.m. on the last day of July.

(b) For failure to pay a Business Tax when due, the Collector shall add a penalty of ten (10%) percent of such Business Tax on the first day of delinquency and shall add a further penalty of ten (10%) percent of such Business Tax on the first day of every subsequent calendar month following such first day of delinquency provided the amount of such penalties to be added shall in no event exceed fifty (50%) percent of the Business Tax due. The penalties provided in this subsection shall be assessed from the date when such deficiency was required to be paid pursuant to the provisions of this chapter.

6.04.180 Application - Initial.

(a) Upon a Person making an application for the first Business Tax Certificate for a newly established or acquired Business, such Person shall furnish to the Collector a statement, upon a form provided by the Collector; setting forth the following information:

(1) The exact nature or kind of Business;

(2) The place where such Business is to be carried on, and if the same is not to be carried on at any permanent place of Business, the places of residence of the owners of same;

(3) In all cases where the amount of tax to be paid is measured by gross receipts, the application shall set forth such information as may be therein required and as may be necessary to determine the amount of the tax to be paid by the applicant;

(4) Any further information which the Collector may require.

(b) If the amount of the tax to be paid by the applicant is measured by gross receipts, he or she shall estimate the gross receipts for the period covered. Such estimate, if accepted by

the Collector as reasonable, shall be used in determining the amount of tax to be paid by the applicant; provided, however, the amount of the tax so determined shall be tentative only, and such person shall, within 60 days after the expiration of the period covered, furnish the Collector with a statement, upon a form prescribed by the Collector, showing the applicant's actual gross receipts during the period covered, and the tax for such period shall be finally ascertained and paid in the manner provided by this chapter for the ascertaining and paying of such taxes, after deducting from the payment found to be due the amounts initially paid.

(c) In all cases, the applicant shall, upon filing his or her application, pay no less than the prescribed minimum tax in advance, without being prorated, to cover the remaining portion of the current reporting period.

(d) The Collector shall not issue to any such person another Business Tax Certificate for the same or any other Business until such Person shall have furnished to him or her a statement and paid the tax as herein required.

6.04.190 Application - Renewal.

In all cases, the applicant for the renewal of a Business Tax Certificate shall submit to the Collector for his or her guidance in ascertaining the amount of the tax to be paid by the applicant, a statement, upon a form prescribed by the Collector, setting forth such information concerning the applicant's Business during the preceding year as may be required by the Collector to enable him or her to ascertain the amount of the tax to be paid by said applicant pursuant to the provisions of this chapter.

6.04.200 Extensions of filing dates—Interest charges.

The Collector shall have the power, for good cause, to extend the time for filing any required sworn statement for a period not exceeding sixty (60) days and in such case to waive any penalty that would have otherwise accrued, except that twelve (12%) percent simple interest shall be added to any tax determined to be payable.

6.04.210 Refunds.

No refund of an overpayment of a Business Tax imposed by this chapter shall be allowed in whole or in part unless a claim for a refund is filed with the Collector within a period of one (1) years after the last day of the calendar month following the period for which the overpayment was made, and all such claims for refunds shall be filed with the Collector on forms the Collector furnishes in the manner prescribed by the Collector. Upon the filing of such a claim and when the Collector determines, in a reasonable time, that an overpayment has been made, the Collector may refund the amount overpaid.

6.04.220 Determinations of business classifications an administrative function.

The final determination of which Business or class of Business a Tax Certificate Holder or applicant for a Tax Certificate is engaged in, or about to engage in, shall be an administrative function of the City.

6.04.230 Applications for changes of business classifications.

(a) In any case, where a Tax Certificate Holder or an applicant for a Tax Certificate believes that his or her Business is not assigned to the proper classification under this chapter because of circumstances peculiar to it, as distinguished from other Businesses of the same kind, he or she may apply to the Collector for reclassification. Such application shall contain such information as the Collector may deem necessary and require in order to determine whether the applicant's individual Business is properly classified. The Collector shall then conduct an investigation following which he or she shall assign the applicant's individual Business to the classification shown to be proper on the basis of such investigation. The proper classification is that classification which, in the opinion of the Collector, most nearly fits the applicant's Business. The reclassification shall not be retroactive but shall apply at the time of the next regularly ensuing calculation of the applicant's tax. No Business shall be classified more than once a year.

(b) The Collector shall notify the applicant of the action taken on the application for reclassification. Such notice shall be given by serving it personally or by depositing it in the United States Post Office postage prepaid, addressed to the applicant at his or her last known address. Such applicant may, within 10 working days after the mailing or serving of such notices, make a written request to the Collector for a appeal hearing on the application's reclassification. If such a request is made within the time prescribed, the Collector shall cause the matter to be set for hearing before the City Council within 15 days. The Collector shall give the applicant at least 10 days' notice of the time and place of the hearing in the manner prescribed under section 1.12.020 for serving notice of the action taken on the application for reclassification. The City Council shall consider all evidence adduced and shall adopt a resolution reflecting its decision. The decision of the City Council shall be final.

6.04.240 Appeals on decisions of business classifications.

Any applicant or Tax Certificate Holder aggrieved by the Business classification decision of the City shall have the right of appeal to an impartial Hearing Officer as outlined by section 1.12.030 of the Code. Such appeal shall be taken by filing with the City Clerk, within fifteen (15) days after the notice of the decision of the City, a written statement setting forth the grounds for the appeal. The City Clerk shall set a time and place for a hearing on such appeal within thirty (30) days after the receipt of the appeal. Notwithstanding chapter 1.12 of the Code, the decisions and orders of the Hearing Officer shall be final and conclusive.

6.04.250 Rules and regulations.

The City Manager may promulgate such rules and regulations, not inconsistent with the provisions of this chapter, as may be necessary or desirable to aid in the enforcement of the provisions of this chapter.

6.04.260 Referrals to other agencies—Prepayment of taxes.

(a) Referrals to other agencies. The Collector may refer to any governmental agency any statement and all other information submitted by persons subject to the provisions of this chapter in connection with the conduct of a Business regulated or supervised or otherwise the concern of any such agency, including agencies concerned with health regulations, zoning conformance, fire safety, police considerations, or any other safeguard of the public interest. (b) Prepayment of taxes. The Collector may advise any person filing a statement in connection with the payment of a Business Tax for a new or other Business not actually in operation that such person may desire to defer the payment of the Business Tax until the person has obtained whatever approval may be required in order to transact and carry on the Business until such Business is actually in operation. If any person does, however, pay the Business Tax in advance of the commencement of the operation of the Business, but does not operate the Business because City or other governmental agency did not grant an approval which is required by regulation or law in order for such Business to be transacted and carried on, then the Business Tax shall be refunded in full, after the person has informed Collector in a timely manner, to the person having paid such tax minus the application fee as set by resolution of the City Council and revised from time to time.

6.04.270 Enforcement.

(a) It shall be the duty of the Collector to enforce each and all of the provisions of this chapter, and the various City departments shall render such assistance in the enforcement as may from time to time be required by the Collector, City Manager, or City Council.

(b) The Collector, in the exercise of the duties imposed upon the Collector shall examine, or cause to be examined, all places of Business in the City to ascertain whether the provisions of this chapter have been complied with.

(c) The Collector, and each designee, and any police officer or duly authorized inspector, shall have the power and authority to enter free of charge at any reasonable time any place of Business or to question any person, which Business or person is, or there is reasonable cause to believe such Business or person may be, subject to the provision of this chapter, and demand an exhibition of proof of Business Tax payment.

(d) The Collector's designees who have satisfactorily completed a certified course in "Powers of Arrest" may thereafter exercise the powers of arrest as specified in Section 836.5 of the California Penal Code on any person who has committed a misdemeanor or infraction in their presence which is a violation of the provisions of this chapter.

6.04.280 Remedies cumulative.

All remedies prescribed in this chapter shall be cumulative, and the use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

6.04.290 Severability.

If any section, subsection, sentence, clause, phrase, or portion of this chapter is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The City Council hereby declares that it would have adopted this chapter, and each section, subsection, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases, or portions be declared invalid or unconstitutional.

6.04.300 Violations—Penalties.

Any person violating any of the provisions of this chapter or knowingly or intentionally misrepresenting to any officer or employee of the City any material fact in procuring, or attempting to procure, the Business Tax certificate provided for in this chapter shall be deemed guilty of an infraction.

Article 2. Taxes

6.04.310 Determination of tax due based on gross receipts plus annual registration tax.

(a) Every person who engages in Business within the City shall pay a Business Tax based upon Gross Receipts at the specified category rates listed in this section.

(b) A flat rate of $50 will be applied to the Base Gross Receipts, as defined by section 6.04.010, regardless of which category the Business falls under. If the Business makes less than the Base Gross Receipts but more than $1, the Business will only pay $50 in Business Tax. Any dollar amount in excess of the Base Gross Receipt, will be calculated by the rates below.

For example, if a Business has a Gross Receipt of $700,000 and is a Category 1 Business, the total amount of tax the Business would pay would be a $50 (for the first $500,000 [Base Gross Receipt]) + $200 ([$700,000-$500,000] x .001) for a total of $250 in Business Tax.

(c) If a Business has no Gross Receipts, as defined in section 6.04.010, then the Business shall be deemed to produce Gross Receipts in an amount at least equal to the cost of maintaining such operations for such Business. The cost of operations shall include, but not be limited to, rent and/or depreciation, salaries and wages, fixed charges, and other expenses.

(d) Categories of Businesses:

(1) CATEGORY 1: General retail, restaurants, hotels, and tour operators and any

Business not otherwise classified (0.001 X Gross Receipts in excess of the Base Gross Receipts)

For example, if a Business has a Gross Receipt of $700,000 and is a Category 1 Business, the total amount of tax the Business would pay would be a $50 (for the first $500,000 [Base Gross Receipt]) + $200 ([$700,000-$500,000] x .001) for a total of $250 in Business Tax.

(A) Any establishment or Business that conducts retail (the sale of goods to ultimate consumers, usually in small quantities), or wholesale (the sale of goods in quantity, as to retailers or jobbers, for resale), or restaurant (an establishment where meals, prepared food, and/or beverages are served to customers).

(B) "Tour operator" means a Business that provides tours in the City for Compensation.

(2) CATEGORY 2: Wholesale and Manufacturing (0.0015 X Gross Receipt in excess of the Base Gross Receipts):

For example, if a Business has a Gross Receipt of $700,000 and is a Category 2 Business, the total amount of tax the Business would pay would be a $50 (for the first $500,000 [Base Gross Receipt]) + $300 ([$700,000-$500,000] x .0015) for a total of $350 in Business Tax.

(A) "Manufacturing" includes every person conducting or carrying on a Business consisting of manufacturing, packing, or processing any goods, wares, merchandise, or commodities at a fixed place of Business within the City or conducting or carrying on a Business of cold storage or refrigeration.

(3) CATEGORY 3: Contractors and Services (0.002 X Gross Receipt in excess of the Base Gross Receipt):

For example, if a Business has a Gross Receipt of $700,000 and is a Category 3 Business, the total amount of tax the Business would pay would be a $50 (for the first $500,000 [Base Gross Receipt]) + $400 ([$700,000-$500,000] x .002) for a total of $450 in Business Tax.

(A) Contractors: every person, firm, or corporation conducting, managing, or carrying on the Business of contractor, subcontractor, or builder; or engaging in the construction or repair of any buildings; or engaged in any engineering, construction, operating, or advertising as such, or representing himself as such, and regularly employing help for building construction, sewer construction, plumbing construction or general construction.

(B) "Services" means any professional services, as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the Business of offering to the public professional or semiprofessional services for compensation, and not specifically covered under any other part,

chapter, or section of this chapter, and shall include those professions that may require governmental certification or licensure, but not be limited to the services rendered by a person engaged in the practice or profession such as hairstylist, beautician or cosmetologist, aesthetician, or art instructor.

(4) CATEGORY 4: Professionals and Rental Units (Commercial and Residential) (0.003 X Gross Receipts in excess of the Base Gross Receipt):

For example, if a Business has a Gross Receipt of $700,000 and is a Category 4 Business, the total amount of tax the Business would pay would be a $50 (for the first $500,000 [Base Gross Receipt]) + $600 ([$700,000-$500,000] x .003) for a total of $650 in Business Tax.

(A) "Professional services" means any professional services, as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the Business of offering to the public professional or semiprofessional services for compensation, and not specifically covered under any other part, chapter or section of this chapter, and shall include those professions generally requiring governmental certification or a professional degree, but not be limited to the services rendered by a person engaged in the practice or profession of law, medicine, surgery, dentistry, ophthalmologist, optometry, chiropractic, osteopathy, chiropody, dental technician, laboratory technician, physical therapist, mortician, undertaker, psychologist, psychotherapy, radiologist, speech therapist, veterinary, licensed financial planner, licensed investment counselor, real estate agent, real estate broker, stock/bond or security agent or broker, civil, mechanical, electrical, industrial, or other class of engineer, surveyor, geologist, appraiser, architect, accountant, real estate management, property management, income tax preparers, bookkeepers, income tax consultants, developer, or marriage counselors.

(B) Any Business, individual, or entity that leases, rents, or otherwise provides property to another individual or entity for compensation.

ATTACHMENT B

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

URGENCY ORDINANCE NO. _____
PURSUANT TO GOVERNMENT CODE GOV. CODE, § 36937(D)

REVISING SECTION 6.04.310 OF THE TRACY MUNICIPAL CODE TO CORRECT TYPOGRAPHICAL ERRORS REGARDING BUSINESS TAX CATEGORIES

WHEREAS, on July 12, 2022, City Council passed a resolution to submit an initiative to the voters to amend Chapter 6 of the Tracy Municipal Code, which concerns the City's business tax; and

WHEREAS, the San Joaquin County elections official designated this initiative as Measure B; and

WHEREAS, Measure B applies four different tax rates to businesses within the City, according to four different categories of business operations; and

WHEREAS, whenever the City described Measure B to voters, including in staff reports, the City Attorney's Impartial Analysis, and other informational material, the City consistently represented that (i) wholesale businesses would be included in Measure B's Category 2, (ii) warehousing operations would also be included in Category 2, and (iii) general "Services" would be distinguished from "Professional" activities and taxed in different categories; and

WHEREAS, the City's voters approved Measure B in the November 2022 general election; and

WHEREAS, the City Council declared the results of the November 2022 general election on December 13, 2022, and Measure B therefore went into effect ten days later (Elec. Code, § 9217); and

WHEREAS, after the voters approved Measure B, City staff discovered typographical errors in the measure's language that leave the categorizations described above ambiguous; and

WHEREAS, the City Council wishes to correct these errors in order to give clear effect to what the voters intended when they passed Measure B.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Recitals/Findings. The City Council finds and determines the foregoing recitals are true and correct and are hereby incorporated herein as findings and determinations of the City.

SECTION 2. Revisions to Measure B. Section 6.04.310, subdivision (d) of the Tracy Municipal Code is revised to read as follows (with additions underlined, and deletions in ~~strikethrough~~):

(d) Categories of Businesses:

(1) CATEGORY 1: General retail, restaurants, hotels, and tour operators and any Business not otherwise classified (0.001 x Gross Receipts in excess of the Base Gross Receipts):

For example, if a Business has a Gross Receipt of $700,000 and is a Category 1 Business, the total amount of tax the Business would pay would be a $50 (for the first $500,000 [Base Gross Receipt]) + $200 ([$700,000 - $500,000] x .001) for a total of $250 in Business Tax.

(A) Any establishment or Business that conducts retail (the sale of goods to ultimate consumers, usually in small quantities), ~~or wholesale (the sale of goods in quantity, as to retailers or jobbers, for resale),~~ or restaurant (an establishment where meals, prepared food, and / or beverages are served to customers).

(B) "Tour operator" means a Business that provides tours in the City for Compensation.

(2) CATEGORY 2: Manufacturing, Warehousing and Wholesaling ~~Wholesale and Manufacturing~~ (0.0015 x Gross Receipt in excess of the Base Gross Receipts):

For example, if a Business has a Gross Receipt of $700,000 and is a Category 2 Business, the total amount of tax the Business would pay would be a $50 (for the first $500,000 [Base Gross Receipt]) + $300 ([$700,000 - $500,000] x .0015) for a total of $350 in Business Tax.

(A) "Manufacturing" includes every person conducting or carrying on a Business consisting of manufacturing, packing, or processing any goods, wares, merchandise, or commodities at a fixed place of Business within the City or conducting or carrying on a Business of cold storage or refrigeration.

(B) "Warehousing means every Business conducted solely for the purpose of maintaining or renting space for the storage of any kind of property.

(C) "Wholesaling" means every Business conducted solely for the purpose of selling goods, wares, or merchandise in wholesale lots for resale.

(3) CATEGORY 3: Contractors and Services (0.002 x Gross Receipt in excess of the Base Gross Receipt):

For example, if a Business has a Gross Receipt of $700,000 and is a Category 3 Business, the total amount of tax the Business would pay would

be a $50 (for the first $500,000 [Base Gross Receipt]) + $400 ([$700,000 - $500,000] x .002) for a total of $450 in Business Tax.

(A) Contractors: every person, firm, or corporation conducting, managing, or carrying on the Business of a contractor, subcontractor, or builder; or engaging in the construction or repair of any buildings; or engaged in any engineering, construction, operating, or advertising as such, or representing himself as such, and regularly employing help for building construction, sewer construction, plumbing construction or general construction.

(B) “Services” means any professional services, as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the Business of offering ~~to the public professional or semiprofessional~~ services for compensation, and not specifically covered under any other part, chapter, or section of this chapter, and shall include those professions that may require a ~~government certification or~~ licensure, but not be limited to the services rendered by a person engaged in the practice or profession such as hairstylist, beautician or cosmetologist, aesthetician, or art instructor.

(4) CATEGORY 4: Professionals and Rental Units (Commercial and Residential) (0.003 x Gross Receipts in excess of the Base Gross Receipt):

For example, if a Business has a Gross Receipt of $700,000 and is a Category 4 Business, the total amount of tax the Business would pay would be a $50 (for the first $500,000 [Base Gross Receipt]) + $600 ([$700,000 - $500,000] x .003) for a total of $650 in Business Tax.

(A) “Professional services” means any professional services, as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the Business of offering to the public professional or semiprofessional services for compensation, and not specifically covered under any other part, chapter or section of this chapter, and shall include those professions generally requiring governmental certification or a professional degree, but not be limited to the serves rendered by a person engaged in the practice or profession of law, medicine, surgery, dentistry, ophthalmologist, optometry, chiropractic, osteopathy, chiropody, dental technician, laboratory technician, physical therapist, mortician, undertaker, psychologist, psychotherapy, radiologist, speech therapist, veterinary, licensed financial planner, licensed investment counselor, real estate agent, real estate broker, stock / bond or security agent or broker, civil, mechanical, electrical, industrial, or other class of engineer, surveyor, geologist, appraiser, architect, accountant, real estate management, property management, income tax preparers, bookkeepers, income tax consultants, developer, or marriage counselors.

(B) Any Business, individual, or entity that leases, rents, or otherwise provides property to another individual or entity for compensation.

SECTION 3. Revisions Declaratory of Existing Law. The revisions provided in Section 2 above are declaratory of the voters' expressed intent by passing Measure B in the November 2022 general election, as those revisions are consistent with what the City represented to voters about what this City-Council-proposed initiative would do. This Ordinance is not intended to, and does not, amend Measure B so as to change its scope and effect in any way the voters did not intend.

SECTION 4. Urgency Findings. This Urgency Ordinance relates to taxes for the usual and current expenses of the City. (Gov. Code, § 36937, subd. (d).) Further, the City Council finds that, unless it adopts this Urgency Ordinance to take immediate action, the City will lack the clarity it requires to responsibly administer its Business Tax at the beginning of Fiscal Year 2023–2024. This Urgency Ordinance is therefore necessary to ensure certainty in administration of the City's taxes.

SECTION 5. CEQA Determination. The City Council finds that this Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3), pertaining to actions that do not have the potential for causing a significant effect on the environment. This Ordinance is also not a "project" under CEQA Guidelines Section 15378, as it has no potential to result in either a direct or indirect physical change in the environment.

SECTION 6. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

SECTION 7. Effective Date. This Urgency Ordinance is adopted by 4/5th vote of the City Council and shall be in full force and effect immediately after its adoption.

SECTION 8. Publication. The City Clerk is directed to publish this ordinance in a manner required by law.

SECTION 9. Codification. This Ordinance shall be codified in the Tracy Municipal Code.

The foregoing Urgency Ordinance _____ was introduced and adopted at a regular meeting of the Tracy City Council on the 20th day of June 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Date of Attestation: _____

NOTICE AND DIGEST

AN ORDINANCE TO REVISE SECTION 6.04.310 OF THE TRACY MUNICIPAL CODE TO CORRECT TYPOGRAPHICAL ERRORS REGARDING BUSINESS TAX CATEGORIES

The Tracy City Council submitted an initiative to the voters in the November 2022 election (Measure B) to amend the City's business tax ordinance. Among other things, Measure B applies four different tax rates to businesses within the City, according to four different categories of business operations. Whenever the City described Measure B to voters leading up to the election, including in staff reports, the City Attorney's Impartial Analysis, and other informational material, the City consistently represented that (i) wholesale businesses would be included in Measure B's Category 2, (ii) warehousing operations would also be included in Category 2, and (iii) general "Services" would be distinguished from "Professional" activities and taxed in different categories. After voters approved Measure B, however, City staff discovered typographical errors in the measure's language that leave the categorizations described above ambiguous. This Ordinance corrects those errors in order to give clear effect to what the voters intended when they passed Measure B.

ATTACHMENT C

APPROVED AS TO FORM AND LEGALITY

_____
CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

ORDINANCE NO. _____

REVISING SECTION 6.04.310 OF THE TRACY MUNICIPAL CODE TO CORRECT TYPOGRAPHICAL ERRORS REGARDING BUSINESS TAX CATEGORIES

WHEREAS, on July 12, 2022, City Council passed a resolution to submit an initiative to the voters to amend Chapter 6 of the Tracy Municipal Code, which concerns the City's business tax; and

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NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Recitals/Findings. The City Council finds and determines the foregoing recitals are true and correct and are hereby incorporated herein as findings and determinations of the City.

SECTION 2. Revisions to Measure B. Section 6.04.310, subdivision (d) of the Tracy Municipal Code is revised to read as follows (with additions underlined, and deletions in ~~strikethrough~~):

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(B) Any Business, individual, or entity that leases, rents, or otherwise provides property to another individual or entity for compensation.

SECTION 3. Revisions Declaratory of Existing Law. The revisions provided in Section 2 above are declaratory of the voters' expressed intent by passing Measure B in the November 2022 general election, as those revisions are consistent with what the City represented to voters about what this City-Council-proposed initiative would do. This Ordinance is not intended to, and does not, amend Measure B so as to change its scope and effect in any way the voters did not intend.

SECTION 4. Repeal. Urgency Ordinance No. _____ is hereby repealed.

SECTION 5. CEQA Determination. The City Council finds that this Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3), pertaining to actions that do not have the potential for causing a significant effect on the environment. This Ordinance is also not a "project" under CEQA Guidelines Section 15378, as it has no potential to result in either a direct or indirect physical change in the environment.

SECTION 6. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

SECTION 7. Effective Date. This ordinance shall become effective upon the thirtieth (30^{th}) day after final adoption.

SECTION 8. Publication. The City Clerk is directed to publish this ordinance in a manner required by law.

SECTION 9. Codification. This Ordinance shall be codified in the Tracy Municipal Code.

****

The foregoing Ordinance _____ was introduced at a regular meeting of the Tracy City Council on the 20th day of June 2023, and finally adopted on the ____ day of _____, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

_____
NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST:_____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Date of Attestation: _____

NOTICE AND DIGEST

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June 20, 2023

Agenda Item 3.G

RECOMMENDATION

Staff recommends that the City Council (1) receive an informational report regarding the Fiscal Year 2023-2024 and 2024-2025 City Council Strategic Priorities, (2) provide feedback on strategic priority goals and objectives, and (3) by motion, accept the City Council Workshop Report as the February 4 and 5, 2023 Special Meeting Minutes.

EXECUTIVE SUMMARY

The item for consideration requests that the City Council review and discuss the draft Fiscal Year (FY) 2023-24 and 2024-25 City Council Strategic Priorities, provide feedback to staff, and by motion, accept the February 2023 City Council Workshop Report (Attachment A hereto) as Special Meeting Minutes. The City of Tracy held a two-day Council workshop on February 4 and 5, 2023 at the Home2 Suites by Hilton in Tracy. A summary of the workshop, topics of discussion during the workshop, and outcomes is attached to this staff report as Attachment A (Workshop Report).

BACKGROUND AND LEGISLATIVE HISTORY

The Tracy City Council held a two-day workshop on February 4 and 5, 2023 to discuss the principles of good governance, the City Council's Code of Conduct and Meeting Protocols and Rules of Procedure, and strategic priorities. The workshop was facilitated by Dr. Mike Mowery of SGR, a management consulting firm. The workshop was attended by each member of the City Council, the City Manager, City Attorney, and Assistant City Managers. Department Heads participated in strategic priority discussions on the second day of the workshop. Attachment A, the Workshop Report, included with this staff report summarizes the workshop's discussion topics and outcomes. Attachments B – E included with this staff report represent the draft FY 2023-24 and 2024-25 City Council Strategic Priorities. The strategic priorities also incorporate items requested by the City Council during public meetings, as noted in Attachment F (Council Follow-Up Requests).

Strategic Priority Setting Framework

On the second day of the workshop, the Council spent time sharing in open dialogue their visions for the future of Tracy and the important initiatives and services needed to meet that vision. There was consensus amongst the Council about what they envisioned for a prosperous Tracy.

The Council agreed to prioritize the same four strategic priority categories used previously and incorporated a combination of existing and new goals and objectives generated from the Council and staff. The four strategic priority areas include:

- Economic Development
  - To enhance the competitiveness of the City while further developing a strong and diverse economic base.

- Governance
  - To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance transparency for the betterment of the Tracy community.
- Public Safety
  - To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.
- Quality of Life
  - 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.

Attachments B – E present the multi-year goals expressed by the City Council together with short-term priorities that will receive time and attention over the next 12 to 24 months. The short-term priorities, or objectives, are a combination of new and continuing priorities discussed during the workshop, as well as other key projects and initiatives identified by staff. The strategic priorities also incorporate follow-up requests from the City Council and estimated completion timeframes.

Short-term priorities are defined as:

- Initiatives that are expected to be completed within the next 12-24 months and have been identified as a top priority.

Multi-year priorities are defined as:

- Major initiatives that will require ongoing attention and action but that are not likely to be completed within the next 12-24 months.

Following Council's review and discussion of the draft FY 2024-2025 Strategic Priorities, staff will return to Council at a later date for formal adoption.

FISCAL IMPACT

There is no fiscal impact associated with the approval of this item.

STRATEGIC PLAN

This agenda item supports the development of the City Council's FY 2023-24 and 2024-25 Strategic Priorities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council (1) receive an informational report regarding the Fiscal Year 2023-2024 and 2024-2025 City Council Strategic Priorities, (2) provide feedback on strategic priority goals and objectives, and (3) by motion, accept the City Council Workshop Report as the February 4 and 5, 2023 Special Meeting Minutes.

Prepared by: Vanessa Carrera, Assistant to the City Manager

Reviewed by: Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager
Sara Cowell, Finance Director

Approved by: Midori Lichtwardt, Interim City Manager

Attachments:

A – Council Workshop Report prepared by SGR (February 2023)

B – Draft FY 24-25 Governance Council Strategic Priority

C – Draft FY 24-25 Public Safety Council Strategic Priority

D – Draft FY 24-25 Economic Development Council Strategic Priority

E – Draft FY 24-25 Quality of Life Council Strategic Priority

F – Council Follow Up Report dated May 2, 2023

Tracy, CA Council Retreat Report

February 13, 2023

The City Council of Tracy, California, held a retreat on Saturday, February 4, and Sunday, February 5, 2023. The purpose of the retreat was to review the Council's strategic vision for the future. The retreat was attended by each member of the Council and the Mayor, the City Attorney, and the CMO. The Department Heads joined the retreat for Day 2. The retreat was facilitated by Dr. Mike Mowery, of SGR. Below is a summary of the main discussion of the retreat.

Day 1

Day 1 was focused on the principles of governance and some of the specific policies and procedures of the Council as well as how some of the California State Laws apply to the work of the City Council.

Day 2

Day 2 was focused on strategic visioning. The Council discussed some of their dreams and aspirations for the future. The Department Heads gave some updates on the progress that has been made on the current set of strategic priorities. Below is a summary of their discussion.

Reputational Drivers

The Council had open discussion about what kind of reputation they wanted the City to have. This was not a discussion about what kind of reputation the City

currently has nor about whether or not it is accurate. Instead, this was an aspirational discussion focused on what they would like for the City to be known for as it moves into the future. Below is a list of some of the main things the Council identified as reputational drivers.

- Public safety
- Good hospital
- Higher education
- Amenity-rich city
- Good roads
- Place where you can achieve success
- Customer service and business friendly
- Good stewards of money
- Good quality of life
- Live, work, play
- Career jobs
- Inclusive for everyone
- Trusted government
- Leaders put community first
- Prepared for the future
- Connected community
- Informed community
- Innovation
- Clean city
- Arts/culture
- Care about needs of everyone
- Provides resources
- Environmentally sustainable
- Housing that is affordable
- Balanced

Pressing City Needs

The Council was asked to identify what they believed to be some of the most pressing needs of the city as they considered the future. Below are some of the main things that the Council identified.

- Reducing traffic

- Workforce development-as a city
- Homelessness
- Mental health resources
- Affordability of housing
- Reduce violent crime
- Trauma ready hospital
- Celebrating diversity of community
- Landscaping and roads
- Stop the commute problems
    - Transitioning to more jobs in the community
- Amenities
- Reduce retail leakage
- Recreational opportunities
- Infrastructure investments
    - Mobility
    - Connectivity
- ADA compliance
- Ease of access to services
    - Finding info easily
- Public safety
- Be prepared for the future

Dreaming about Tracy 2040

The Council spent some time sharing in open dialogue about their dreams for the future as it related to some of the important components of city services. There was a lot of agreement within the Council about the things they wanted to characterize the City of Tracy as they move toward the future. Below is a summary of some of the key things that they discussed.

- **Fiscal Health**
    - Continued balanced Budget
    - Wealthiest City in the valley
    - Healthy reserves
    - Multiple/Div. streams of income
    - Diversified economic industry
    - Strategic investment portfolio

- **Public Safety**
  - Low crime
  - Tech-rich
  - Fully staffed-all over the community
  - Trust in public safety
- **Infrastructure**
  - 100% grade A roads
  - ADA crosswalks
  - Rail and airport connectivity
  - Transit development-mixed use development
  - Electric charge stations in city everywhere
  - Accessible to pedestrians and bicycles
  - Broadband
  - Sustainable water programs
  - Renewable energy
  - Alternative mobility choices
    - Micro-mobility
  - Balanced zoning
  - Municipal airport developed and leverage it for increased economic growth
    - Connect to jobs/careers
- **Economic**
  - Diverse economy
  - No empty community buildings
  - Innovative manufacturing
  - New innovative sectors
  - Career jobs here
    - Companies relocate
    - More retail-strengthened
    - Robust downtown
  - Reputation for streamlined business development
  - Educated workforce-trained for job needs
  - Partnerships to connect job training and private sector
- **Community Engagement**
  - Informed
  - Keeping on with outreach efforts such as workshops, etc.

  - Citizen workshops
  - Ease of technology for senior adults
  - Everyone has accessibility
- **Environmental Sustainability**
  - Community that is educated
    - Long-term planning
  - Long-term environmental resilience
  - Update climate action plan
  - Renewable infrastructure and jobs
  - Carbon footprint significantly reduced
  - Zoning walkable community
  - Minimal waste
  - Recycle/exchange center
- **Arts**
  - Representative of community
  - More diverse use of Grand Theatre
  - Expand venue options
  - Expressions-throughout city
  - Art at gateways
  - Emphasis on local artists
  - Celebration of arts
  - Integrated into parks and public buildings

- **Governance**
  - Accessible
  - Diverse representative
  - Transparent
  - Civil
  - Efficient
  - Forward thinking
  - Responsive
  - Fiscal balanced
  - Effective
  - Meets needs of community

- **Innovation**
    - Attracting industry that fits Tracy's workforce
    - Repurposed land for retail and recreation
    - Activated alleys
    - Underground tunnels
    - What does post covid workforce look like?
    - Railroad and agricultural opportunities
    - Man made lake and other activities around it

Strategic Priorities Update

The Council reviewed its 4 Strategic Priorities and the Objectives under each one of them. After hearing reports from the staff and discussing the progress that has been made they decided that all 4 Strategic Priorities would continue as the top priorities for their strategic vision. The Objectives for each Strategic Priority are listed below.

Strategic Priority One: Governance

1. Investing in Tech & Staffing to equip the team to provide full services.
2. Complete districting process under initiatives.
3. Focus on public awareness and engagement.

Strategic Priority Two: Economic Development

1. Business retention.
2. Seek to get a Valley Link Stop in Tracy.
3. Improve focus and clarify Transit Oriented Development (TOD) opportunities.
4. Increase the availability of a wide variety of jobs, including career jobs.

Strategic Priority Three: Quality of Life

1. Review & continue to implement homelessness strategic plan.
2. Review Diversity, Equity, and Inclusion (DEI) strategies and initiatives.
3. Roadway infrastructure implementation plan.
4. Support environment sustainability projects & connectivity.
5. Create a comprehensive Deferred Maintenance Plan for city services.
6. Facilitate the completion of Measure V amenities.

7. Provide Parks & Rec programing and community events to bolster quality of life.
8. Implement affordable housing initiatives.

Strategic Priority Four: Public Safety

1. Continue to support Public Health Needs.
2. Continue to strengthen citywide emergency operations, preparedness, management response, and recovery.
3. Continue to strengthen community safety through crime prevention, intervention, and enforcement.

TRACY	**GOVERNANCE**			
	FY 2023-2024 & FY 2024-2025 COUNCIL STRATEGIC PRIORITIES			
	PURPOSE: To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance engagement and transparency for the betterment of the Tracy community.			
Multi-Year Priorities (Goals)	**Short-Term Priorities (Objectives)**	**Lead Department**	**Council Follow Up Item**	**Est. Completion of Short-Term Priorities**
1. Model good governance, teamwork, and transparency.	1.a. Update City Council Code of Conduct and Meeting Protocols and Procedures.	City Attorney's Office	#538 - revisit regular City Council meeting start time, frequency, and virtual participation.	Q4 2023
	1.b. Conduct City Council advisory body Code of Conduct training.	City Attorney's Office		Q4 2024
	1.c. Discuss the formation of Council districts.	City Attorney's Office	#556 - assess viability of Council districts and term limits.	Q4 2023
2. Ensure short and long-term fiscal health.	2.a. Conduct workshops on the five-year Fiscal Forecast and Capital Improvement Plan (CIP) for FY 23-24 and FY 24-25.	Finance Department		Q1 of each Fiscal Year
	2.b. Adopt a balanced Operating and Capital Improvement Plan budget for FY 23-24 and FY 24-25.	Finance Department		Q2 of each Fiscal Year
	2.c. Continue the implementation of the City's Financial Sustainability Plan to address long-term fiscal challenges and opportunities.	Finance Department		Ongoing
	2.d. Advocate at the State level to support local control of e-commerce sales tax revenue.	Finance Department		Ongoing
	2.e. Update the City's Purchasing Ordinance.	Finance Department		Q4 2023

	2.f. Complete Water and Wastewater rate and fee studies.	Finance Department Operations & Utilities Department		Q2 2024 (Water), Q2 2023 (Wastewater)
	2.g. Complete Cost Allocation Study to assess how indirect/ central costs can be shared equitably across the organization.	Finance Department		Q4 2024
3. Enhance community outreach and engagement to all Tracy residents.	3.a. Ensure Citywide communication is inclusive and accessible through traditional and digital channels.	City Manager's Office		Ongoing
	3.b. Provide closed-captioning services for Channel 26.	Innovation & Technology Department	#460 - Request to make closed captioning possible for Channel 26.	Q4 2023
	3.c. Produce public service announcements and promotional videos within available budget.	City Manager's Office		Ongoing
4. Foster a culture of innovation and efficiency to improve service delivery to the public.	4.a. Explore new technologies and customer service applications to better serve and communicate with residents.	Innovation & Technology Department		Q4 2023
	4.b. Leverage technology to measure service delivery and Council Strategic Plan goals, and to capture important data analytics that track progress, anticipate future trends, and help the City make informed decisions.	Innovation & Technology Department	#500 - explore online tools for residents to see what work is being done on their road and surrounding areas. #520 - look into making GoRequest application more accessible on the City's digital platforms.	Q1 2024

	4.c. Actively inform residents of innovation and efficiency efforts through the City's communication channels and media.	City Manager's Office		Ongoing
	4.d. Convert City processes to enable the use of e-signatures and electronic documentation management to improve workflow efficiency and service delivery.	Innovation & Technology Department		Q1 2024
	4.e. Complete an IT Strategic Plan.	Innovation & Technology Department		Q4 2023
5. Recruit, develop, and retain a high performing and inclusive workforce.	5.a. Invest in employee development programs that support leadership growth and succession planning efforts.	Human Resources Department		Q4 2023
	5.b. Successfully negotiate Memorandum of Understandings (MOUs) with City bargaining units in FY 2023-2024.	Human Resources Department		Q3 2023
	5.c. Create programs that provide opportunities for local youth to learn about and participate in local government.	Human Resources Department		Q1 2024
	5.d. Present update to City Council on Tracy Equity and Empowerment Initiative history and implementation status.	Human Resources Department and City Manager's Office	#23-06 - Discuss Diversity, Equity, and Inclusion (DEI) and Tracy Equity and Empowerment Initiative.	Q2 2024
	5.e. Provide Diversity, Equity, and Inclusion (DEI) and unconscious bias training to staff.	Human Resources Department		Q1 2024

	PUBLIC SAFETY			
	FY 2023-2024 & FY 2024-2025 COUNCIL STRATEGIC PRIORITIES			
	PURPOSE: To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.			
Multi-Year Priorities (Goals)	**Short-Term Priorities (Objectives)**	**Lead Department**	**Council Follow Up Item**	**Est. Completion of Short-Term Priorities**
1. Support emergency operations preparedness, response, and recovery.	1.a. Implement the Citywide Emergency Operations Plan and provide training to the City Council and staff.	Police Department		Q4 2025
	1.b. Continue to provide disaster response support in coordination with local and county agencies.	Police Department		Ongoing
	1.c. Develop a plan to update the City's Emergency Operations Center (EOC) with contemporary resources and equipment.	Police Department		Q4 2024
	1.d. Complete South San Joaquin County Fire Authority (SSJCFA) Training Tower project.	SSJCFA and Development Services Department		Q3 2024
	1.e. Secure funding to update the Tracy Police Department's Mobile Command Vehicle to enhance emergency response efforts.	Police Department		Q4 2024
2. Strengthen community safety through crime prevention, intervention, and enforcement activities.	2.a. Stand up a Real Time Information Center (RTIC) to reduce crime and provide timely services to better manage resources and response.	Police Department		Q2 2025

	2.b. Perform an annual evaluation of police staffing to meet the growing needs of the community.	Police Department	#553 - re-evaluate law enforcement staffing based on population size.	Q1 2024
	2.c. Reduce fatal injury collisions through enforcement, education, roadway engineering, and use of technology.	Police Department and Development Services Department	#23-17 - explore illuminated crosswalks and other pedestrian safety measures.	Q4 2024
	2.d. Draft and implement a Sideshow Ordinance.	Police Department		Q4 2023
	2.e. Provide best practices officer training related to de-escalation, force response, and unmanned aircraft systems.	Police Department		Q2 2024
3. Implement initiatives to reduce blight and nuisances in the community.	3.a. Amend and implement Fireworks Ordinance to establish fines for discharge of dangerous fireworks and increase the fines for administrative citations.	Police Department		Q3 2023
	3.b. Address public blight through partnerships with Code Enforcement, Familiar Faces Program, and the Homeless Services Division.	Police Department		Ongoing
	3.c. Hire parking enforcement staff to address vehicle abatement issues.	Police Department		Q1 2024
4. Expand public safety facilities to reflect population growth and community demand.	4.a. Adopt and implement the Public Safety Master Plan.	Police Department	#23-12 - develop a new CIP for a Police Substation.	Q1 2024
	4.b. Award contract for the Tracy Multipurpose Training Facility.	Police Department		Q3 2023
	4.c. Complete construction of the Police Shooting Range project.	Police Department		Q4 2024

	4.d. Include a satellite office of the Tracy Police Department in the Multi-Generational Recreation Center.	Police Department and Parks and Recreation Department		Q4 2025
	4.e. Develop plan for the construction of Fire Stations 94, 97 and 98.	SSJCFA, Finance Department, and Development Services Department		Q1 2024
5. Continue to build relationships with community members to enhance communication, collaboration, and trust.	5.a. Provide accurate and timely information to the public on TPD activities, response, and crime prevention strategies.	Police Department		Ongoing
	5.b. Host at least five (5) annual public safety community outreach events.	Police Department and SSJCFA		Q2 2025
	5.c. Complete TPD website and announce to the public.	Police Department		Q3 2023
	5.d. Host TPD Citizen's Academy in 2023 and 2024.	Police Department		Q4 2024
	5.e. Engage local youth through the Police Activities League (PAL) Program.	Police Department		Ongoing

	ECONOMIC DEVELOPMENT			
	FY 2023-2024 & FY 2024-2025 COUNCIL STRATEGIC PRIORITIES			
	PURPOSE: To enhance the competitiveness of the City while further developing a strong and diverse economic base.			
Multi-Year Priorities (Goals)	**Short-Term Priorities (Objectives)**	**Lead Department**	**Council Follow Up Item**	**Est. Completion of Short-Term Priorities**
1. Support business attraction and retention activities.	1.a. Support local businesses by streamlining the process for new businesses to successfully open and communicate improvements to the public.	Development Services Department		Q1 2024
	1.b. Implement the San Joaquin County Tourism Grant in collaboration with the Tracy Chamber of Commerce and Tracy City Center Association (TCCA)	Mobility & Housing Department		Q4 2023
	1.c. Coordinate roundtable discussions with the Tracy Chamber of Commerce in response to industry needs.	Mobility & Housing Department		Q4 2023
	1.d. Research and evaluate policies to address vacant commercial and industrial buildings.	Development Services Department and Mobility & Housing Department	#504 and #541 - research policies and approaches to address vacant commercial and industrial buildings.	Q1 2024
	1.e. Explore opportunities to reinvigorate the mall property to increase customer traffic, retail options, and entertainment experiences.	Mobility & Housing Department		Q2 2024
	1.f. Revisit the City's Mobile Food Vendors Ordinance to expand dining options in the community.	Development Services Department	#542 - revisit Mobile Food Vendors Ordinance.	Q1 2024
	1.g. Facilitate the development of parklets in Downtown Tracy.	Mobility & Housing Department	#23-05 - revisit downtown parklets.	Q3 2023; ongoing

	1.h. Attend industry trade shows to seek out and attract highly sought-after businesses to Tracy.	Mobility & Housing Department		Annually
	1.i. Conduct four business retention visits per year in partnership with the Tracy Chamber of Commerce.	Mobility & Housing Department		Q4 2024
2. Support policies and funding to enhance and expedite the development of multimodal transportation systems, including rail, transit, and airport projects.	2.a. Continue lobbying efforts at the state and federal level in support of Valley Link.	Mobility & Housing Department		Annually
	2.b. Draft the proposal for approval by the Federal Aviation Administration for the funding of a Master Plan for New Jerusalem Airport.	Mobility & Housing Department		Q2 2025
	2.c. Update the Short-Range Transit Plan to maximize access and ridership.	Mobility & Housing Department		Q1 2025
	2.d. Promote TRACER On-Demand Bus Service to increase awareness and ridership.	Mobility & Housing Department		Q3 2024
3. Advance Downtown Specific Plan including provisions for a Transit Oriented Development (TOD) Plan.	3.a. Complete the TOD market and fiscal analysis.	Development Services Department		Q2 2023
	3.b. Conduct Downtown Specific Plan stakeholder and community outreach.	Development Services Department		Q3 2023
	3.c. Draft the Downtown Specific Plan and Environmental Impact Report (EIR).	Development Services Department		Q1 2024
4. Attract businesses and jobs that meet the needs and desires of the community.	4.a. Complete the Economic Development Strategic Plan and present the results to the City Council.	Mobility & Housing Department		Q3 2023
	4.b. Implement new Customer Relationship Management software to update the City's retail and industrial business attraction list.	Mobility & Housing Department		Q4 2023

	4.c. Develop and implement a marketing campaign to attract specific businesses and industries to Tracy.	Mobility & Housing Department		Q1 2024
	4.d. Revisit and update the City's Business Incentive Program.	Mobility & Housing Department		Q4 2024
	4.e. Partner with regional agencies and local industry to provide workforce training opportunities.	Mobility & Housing Department		Q4 2024
	4.f. Explore opportunities to prepare vacant sites for medical and healthcare facility development.	Development Services Department and Mobility & Housing Department	#465 - consider developing a strategic plan for critical resources and infrastructure. #555 and #23-02 - explore how the City can bring a trauma hospital to Tracy.	Q2 2025
5. Develop policies to target new jobs in innovation industries (e.g. - cannabis, high-tech manufacturing, green energy).	5.a. Address barriers to cannabis businesses and facilitate the issuance of business permits.	Development Services Department	#23-07 - address or eliminate any barriers to cannabis businesses opening.	Q3 2023
	5.b. Revisit zoning and locational requirements on commercial cannabis activity in Tracy.	Development Services Department	#534 - explore incentives for cannabis businesses to move to other locations.	Q3 2023
	5.c. Support pilot programs in innovation and technology.	Mobility & Housing Department	#498 - conduct conversation on what P3 could mean for our City.	Q1 2024
	5.d. Rezone and complete environmental review for the Chrisman Road property to attract innovation and industry tenants.	Development Services Department		Q1 2024

6. Pursue smart growth strategies for balanced growth in the City of Tracy.	6.a. Conduct City Council workshop on residential Growth Management Ordinance.	Development Services Department	#291, #413, and #424 - discussion on residential Growth Management Ordinance.	Q1 2024
	6.b. Conduct City Council workshop on General Plan Land Use and Circulation Elements.	Development Services Department	#548 - General Plan update.	Q4 2023
	6.c. Pursue zoning ordinance amendments to increase residential densities.	Development Services Department		Q2 2024
	6.d. Streamline multi-family permitting process by removing requirements for Conditional Use Permits and implement Council directed affordable housing tools.	Development Services Department		Q4 2024
	6.e. Amend Accessory Dwelling Unit (ADU) ordinance and develop "off the shelf" ADU design examples.	Development Services Department		Q4 2023
	6.f. Amend parking requirements for multi-family developments.	Development Services Department		Q4 2023
	6.g. Identify vacant City owned property and propose for reuse, restoration, or surplus.	Mobility & Housing Department		Q2 2024

	QUALITY OF LIFE			
	FY 2023-2024 & FY 2024-2025 COUNCIL STRATEGIC PRIORITIES			
	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.			
Multi-Year Priorities (Goals)	**Short-Term Priorities (Objectives)**	**Lead Department**	**Council Follow Up Item**	**Est. Completion of Short-Term Priorities**
1. Advance green and roadway infrastructure projects that improve connectivity, reduce climate impacts, and improve the appearance of the City.	1.a. Conduct a Pavement Management Plan (PMP) workshop with the City Council.	Development Services Department and Operations & Utilities Department	#531 - present results of pavement study and timeline for improvements.	Q2 2023
	1.b. Secure funding to address local transportation and roadway needs including street, sidewalk, bicycle, and pedestrian walkway improvements.	Development Services Department, Operations & Utilities Department, Mobility & Housing Department		Q4 2024
	1.c. Complete the Valpico Road and Corral Hollow Road intersection project.	Development Services Department	#549 - accelerate the expansion of Valpico Road.	Q4 2024
	1.d. Update the 2020 Urban Water Management Plan to align with the Water System Master Plan updates.	Operations & Utilities Department		Q2 2025
	1.e. Update the City's Urban Forest Management Plan	Parks & Recreation Department	#550 - update the Urban Forest Management plan and return to Council.	Q3 2023

	1.f. Revisit Engineering Design Standards to ensure design consistencies and enhance aesthetics with new development.	Development Services Department and Operations & Utilities Department	#529 - review Engineering Design Standards	Q4 2024
	1.g. Complete Citywide Infrastructure Master Plans: Sewer, Storm, Water, Transportation, Parks, Public Safety, and Public Facilities.	Development Services Department and Operations & Utilities Department	#394, #395, #421, #440 - update various master plans.	Q2 2024
	1.h. Explore the inclusion of green technologies in infrastructure solutions (e.g. - roundabouts, traffic calming, storm drains, traffic signal coordination).	Development Services Department	#546 - explore what Smart Cities are doing to improve traffic flow.	Q1 2025
	1.i. Ensure parks, streets, channel ways, and medians are regularly cleaned and maintained.	Operations & Utilities Department	#516 and #545 - actively maintain streets, sidewalks, landscaping, and storm drains.	Ongoing
	1.j. Provide timely and regular updates on the Corral Hollow Road Widening Project.	Development Services Department	#562 - provide updates on Corral Hollow Road Widening Project.	Ongoing
	1.k. Analyze conditions of sidewalks and make ADA improvements within available budget.	Development Services Department	#551 - improve conditions of sidewalks to align with ADA requirements.	Q1 2025
	1.l. Continue to seek grant funding for I-580 Interchange Project and provide status updates on the project to the public.	Development Services Department		Ongoing

2. Facilitate the completion of Measure V amenities.	2.a. Complete design and construction bid for the Multi-Generational Recreation Center.	Parks & Recreation Department		Q2 2024
	2.b. Complete construction of Legacy Fields Phase 1E.	Parks & Recreation Department		Q3 2023
	2.c. Begin design of Aquatics Center.	Parks & Recreation Department	#23-08, #23-13, #23-14 - completion of future of the Aquatics Center.	Q4 2023
	2.d. Begin Design of Tracy Nature Park.	Parks & Recreation Department		Q3 2023
	2.e. Incorporate opportunities to improve park amenities in an innovative and inclusion way to align with the Parks, Recreation, and Trails Master Plan.	Parks & Recreation Department		Ongoing
3. Provide Recreation and Cultural Arts programming and events that bolster quality of life.	3.a. Update and adopt the City's Civic Arts Plan.	City Manager's Office	#501 - update public arts policy.	Q4 2023
	3.b. Explore opportunities to diversify the use of the Grand Theatre.	City Manager's Office		Q3 2024
	3.c. Explore opportunities to construct an outdoor amphitheater or pavilion based on available funding.	Parks & Recreation Department		Q4 2025
	3.d. Continually promote City sponsored and co-sponsored events on the City website and social media channels.	City Manager's Office	#547 - share information on City sponsored and co-sponsored special events.	Ongoing
	3.e. Implement the poet laureate program within the Cultural Arts Division.	City Manager's Office		Q4 2023
4. Increase local affordable housing supply.	4.a. Facilitate the development of affordable housing via affordable housing-focused policies, fees, and initiatives to support Regional Housing Needs Assessment (RHNA) requirements.	Development Services Department	#380, #420, #423, #468 - support the development of affordable housing in Tracy.	Q4 2024

	4.b. Pursue, encourage, and incentivize nonprofit affordable housing developers to build in Tracy.	Development Services Department and Mobility & Housing Department	#413 and #423 - discussion on RHNA and RGA allocation, explore incentives for affordable housing development.	Q4 2024
	4.c. Council discussion on policy to establish affordable housing component for all future development.	Development Services Department	#380 - discussion regarding a citywide policy to have an affordable housing component for any future developments.	Q3 2024
	4.d. Evaluate potential amendments to the Growth Management Ordinance (GMO) to accommodate affordable housing development.	Development Services Department	#424 - discussion on amending GMO to support infrastructure expansion.	Q3 2024
5. Continue to implement the Council adopted Homelessness Strategic Plan.	5.a. Explore opportunities to create permanent supportive housing through public-private partnerships.	Mobility & Housing Department	#468 - seek proposals from property owners and operators who are interested in selling a property to the City or a development partner to develop permanent supportive housing.	Q2 2024
	5.b. Connect unsheltered individuals at local encampments with local and regional emergency and supportive housing opportunities.	Mobility & Housing Department		Ongoing
	5.c. Complete final site design improvements for Phase III and Phase IV of the Interim Shelter site.	Mobility & Housing Department	#496 - consider tiny homes at interim shelter site. #23-04 - open additional rooms at Interim Shelter site.	Q3 2023

6. Support climate initiatives to reduce Tracy's carbon footprint and preserve its natural resources.	6.a. Form an Environmental Sustainability Committee and adopt bylaws.	Operations & Utilities Department		Q3 2023
	6.b. Update the City's Climate Action plan in collaboration with residents and the Environmental Sustainability Committee.	Operations & Utilities Department		Q1 2025
	6.c. Develop an ordinance to address environmental impacts on warehouse expansion.	Development Services Department	#23-11 - develop ordinance to address environmental impacts on warehouse expansion.	Q2 2024
	6.d. Offer and promote sustainability programs and events such as recycling, water conservation, and composting.	Operations & Utilities Department		Ongoing
	6.e. Assess opportunities to reduce the City's carbon footprint in partnership with the City's residential power supply provider - East Bay Community Energy.	Operations & Utilities Department	#492 - discuss option to switch to East Bay Community Energy's Brilliant 100 program to reduce carbon emissions.	Q1 2024
	6.f. Support efforts to provide refueling/ recharging infrastructure for alternative fuel or zero emissions vehicles.	Development Services		Q1 2025
	6.g. Ensure surface, groundwater, and recycled water sources can be maximized for long-term sustainability to reduce drought vulnerability.	Operations & Utilities Department		Q1 2024
	6.h. Update the City's short-range transit plan to promote the use of public transportation options.	Mobility & Housing Department		Q1 2025
	6.i. Pursue grant opportunities to continue free TRACER bus rides for students.	Mobility & Housing Department		Q3 2024

COUNCIL FOLLOW-UP REQUESTS
(Updated 05-02-2023)

	Requestor	Council Meeting Date	Item Requested Under	Action Requested	Assigned To	Due Date	Status
291	Council Direction	04/3/18	Regular	Staff to explore and bring back the following: GMO, Fees and zoning.	CM/DS	April 2023	Part of Council Strategic Priorities
380	Vargas/ Arriola	7/28/20	Council Items	Agendize discussion regarding a citywide policy to have an affordable housing component for any future developments to apply to have a percentage of affordable housing.(Inclusionary Housing) To include recommendations from 2/14/20 Workforce and Affordable Housing Agenda Item. Such as GMO, Impact Fees, and Zoning	Bill Dean	April 2023	Consultant scope of work approved on June 7, 2022. Consultant working with staff to bring item to Council to discuss parameters of inclusionary zoning.
413	Vargas/ Arriola	2/2/21	Workshop	Bring back discussion about priority areas of development and see the opportunities of changing or amending those areas, add the TOD to the list of priority projects for RHNA and RGA allocation, see about starting allocation or creating a bank to develop the TOD area on leftover RGA's or do an amendment to our GMO.	Bill Dean	April 2023	RHNA priority discussion to be brought back to Council with discussion of RHNA sites inventory. Items below will be included in discussion. 1. Streamline Multi-Family Permit Process by Removing Requirements for Conditional Use Permits 2. Amend Accessory Dwelling Unit (ADU) Ordinance and Develop "Off-the Shelf" ADU Example Designs **3.** Amend Parking Requirements for Multi-Family Developments
	Arriola/ Vargas/ Davis	2/2/21	Workshop	Include incentives for affordable housing.			
	Bedolla/ Vargas	2/2/21	Workshop	When staff brings up opportunities to change the City system or guidelines, include options to modify the proportion of reserved RGA's for allocation			
420	Davis/ Arriola	5/4/21	Council Items	Agenda item regarding creating and implementing inclusionary housing in City of Tracy.			
423	Bedolla/ Vargas	5/18/21	Council Items	Next affordable housing discussion to include options for adjustments to city residential development fees. Including to adjust fees on affordable projects and below market rate projects; to set charges on the square footage of a project;			

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				and to develop or refine best practices overall and if a project changes during the development process.			**4.** Amend Zoning Ordinance Development Standards
424	Bedolla/ Young	5/18/21	Council Items	Next affordable housing or growth management discussion to include amending a portion of the growth management ordinance to reflect when Council has a discretionary item before them and there is a request to move into the secondary residential area that a community benefit or community benefit funds be considered to help with expansion of roadways, water and sewer infrastructure, fire stations, parks and schools.	DS	June 2023	
509	Young/ Vargas	4/19/22	Council Items	Discussion on the Structured Fees for affordable housing projects.	Memo	June 2023	
309	Ransom / Vargas	02/05/19	Council Items	Provide details of all Memorandum of Understandings with non-employee related organizations (not developer) the City has and what is entailed. What is financial commitment, staff time, what are we giving to all various organizations.	Brian	Feb 1	Memo sent to Council in April 2020. Staff Report
493	Vargas/ Young	02/01/22	Closed Session	Requesting discussion on setting policies to have equitable representation with how MOU's and JPA are being negotiated to make sure that the governance of how the terms and conditions as we move forward. This item was brought forward by Council Member Ransom in Feb 2019 who originally expressed the agency would like better service to make sure we have equitable representation. Typically the Council authorizes the Mayor or City Manager to sign an agreement but there is no bringing it back to Council to say this is what we understand.		Jan 2023	
389	Vargas/ Arriola	11/10/20	Council Items	Civil Search Program – Community Emergency Response Team. Item to create an adhoc committee to educate people about disasters.	Fire JPA	2022 Summer	Staff Report – Chris Martin will provide status update
394	Vargas/ Arriola	12/01/20	Council Items	Create policy to adopt open spaces when it comes to storm drains and parks	DS	Spring 2023	Staff Report – Will be analyzed as part of Storm Drain Master

							Plan update currently underway. Pending CEQA Review. Storm Drain Master Plan tentatively scheduled for Fall 2022 Council meeting.
395	Vargas/ Arriola	12/01/20	Council Items	Policy to adopt water tanks and water towers to have uniformity on how they are built and consistency throughout the entire City.	DS	Spring 2023	Staff Report – Will be analyzed and reviewed as part of the Water Master Plan update currently underway. Included in Draft Water Master Plan (MP). Engineering working on CEQA now. MP EPA March 2022. Water Master Plan Fall 2022 Council meeting. Awaiting Nexus Study.
529	Young/ Vargas	7/5/22	Council Items	Review of Engineering Design Standards	DS	January	Staff Report (Memo?)
421	Vargas/ Bedolla	5/18/21	Council Items	Discussion with the Master Plan update on bike and trails regarding waiving any permit fees, insurance for the bike group.	DS	Fall 2022	Memo sent to Council on June 10, 2021. (Will come with Transportation Master Plan discussion)
440	Vargas/ Bedolla	8/31/21	Council Items	Would like to have discussion regarding park maintenance, budget, overall upkeep and how that works. Would like this to be a separate request from master plan and would like taken care of as soon as possible.	FIN	Dec 2022	Staff Report Related to Master Plan

460	Arriola/ Bedolla	10/5/21	Council Items	Requested to have closed captioning for Channel 26 in the future.	IT	March	Memo FY 22-23 Budget augmentation was submitted for funding.
464	Vargas/ Arriola	10/19/21	Council Items	See if land uses around industrial areas are being designated for truck staging, truck fueling and a discussion about assigning areas for the development of truck stops and truck uses.	DS/ED	Spring 2022	Staff Report Was pulled from 6/7 Agenda. Can take to CC as info item or go to PC as info item and discussion first. 11/17/2022 – Item went before Planning Commission (PC) on 8/24/22. PC Commission requested additional info which will be brought before the PC in March 2023 after a consultant has assisted with analysis.
465	Davis/ Arriola	10/19/21	Council Items	A discussion to consider creating and implementing a critical resources and infrastructural strategic plan to look at prioritizing support for public safety, hospitals, libraries and things of that nature. Developers are our community partners but not necessarily the saving grace for every single infrastructural need we have, and the City should be able to do some of those things without relying on the development of housing.	M&H	Spring 2022	Consider during Council Goal Setting
468	Bedolla/ Young Bedolla/ Young	11/2/21 2/1/22	Special Meeting – Council Items Council Item	Requested information to seek proposals from property owners and operators who are interested in selling a property to the City or a development partner to develop permanent supportive housing. City Attorney clarified the request was seeking an agenda item to talk about issuing a request for interest to see who is interested. Regarding Council item #468 about a proposal for permanent support of housing to see if there are property	M&H	TBD	Staff Report Include with updates on affordable housing.

496	Bedolla/ Vargas	2/22/22		owners who are interested in selling to the City or to a development partner. If it gets approved by Council, could one of the respondents to that be the City (city owned land). From what he read the answer is yes, could tiny homes count as permanent supportive housing. Is that Council item wide enough to include the City responding if there is opportunities and if it could be tiny homes. City to work with those interested in providing aluminum framed tiny homes at the shelter site in time for Fall 2022 opening.			Memo to Advisory Committee and update to Council regarding tiny homes.
485	Vargas/ Arriola	1/18/22	Council Items	Regarding impact fees, discussion about deferred programs for disasters or hardships.	DS	Fall 2022	Tied to Master Plan Memo
489	Vargas/ Young	2/1/22	Council Items	Agendize a review of options to regulate groups attempting to influence legislation in the City of Tracy. This covers our employee and how they could be affected by statements made on social media that are not true and an influence on how people can do their work.	CAO		Staff Report
492	Bedolla/ Arriola	2/1/22	Council Items	Agendize a discussion for the City's residential power supplier to the City of Tracy switched to Brilliant 100 program with a grace period for businesses. Council Member Arriola clarified there are multiple options the City can do for public properties. Right now we are set at the lowest one that has more renewable energy than PG&E. There is a higher option that costs a few dollars more and it provides all carbon free energy. It is an option for cities, commercial and residential and confirmed with Council Member Bedolla that was what he wanted	UT/OPS		
498	Davis/ Vargas	3/22/22	Council Items	Conversation about what P3 could mean for our City.	Vanessa & CAO		On hold until vetted with vendors Memo
500	Bedolla/ Arriola	3/22/22	Council Items	Online tool for residents to see what work is being done on their road and surrounding areas.	IT		Developing a GIS portal – Ongoing Memo
501	Davis/ Vargas/	3/22/22	Agenda Item 5.B	Public Arts Policy	Cultural Arts/DS	Sept. 2023	In progress

	Arriola						
504	Davis/ Arriola	3/29/22	Council Items	Look into what other cities are doing regarding vacant commercial buildings specifically what kind of ordinances and policies they have in place. Concerned about Save Mart, Osh and Rite Aid buildings.	M&H	Sept. 2023	Part of ED Strategic Plan
541	Davis/ Arriola	10/4/22	Council Items	Memo regarding what policies are being used by neighboring cities regarding empty industrial buildings.			
512	Young/ Vargas?	5/17/22	Item 3.A	Memo with dates and times Council agreed on background check regulations and allowable locations/zoning for cannabis businesses.	DS	April 18 2023	Memo sent to Council on 2/22/2022
520	Bedolla/ Arriola	6/24/22	Council Items	Requested staff look into making the Go Request App more accessible via website/text/email not just the mobile app and also transparent on the City's website with a search feature.	Karin/ Carissa		Memo Connected to Item 500
516	Davis/ Arriola	6/7/22	Council Items	Discussion regarding decline and appearance of the city and approaching cleanliness. (Comment made by a member of the public regarding trash on sidewalks, dead grass etc.). Not only trash but benches and sidewalks.	PW/Parks		
529	Young/ Vargas	7/5/22	Council Items	Review of Engineering Design Standards	DS	January	Staff Report (Memo?)
531	Bedolla/ Vargas	8/2/22	Council Items	When Street Re-pavement Study is completed have a townhall meeting to present results and timeline of repairs to residents outside of a formal Council meeting.	DS	May 2 2023	Public Town Hall meeting
534	Arriola/ Vargas	9/6/22		Take a second look at incentives for cannabis applicants to move to another location.	M&H		Memo
536	Arriola/ Vargas	9/20/22	Council Items	Private memo on a legal assessment of some of the allegations, we heard related to any alleged impropriety about the issuance of cannabis permits by the Planning Commission.	CAO		Memo
538	Bedolla/ Davis	10/4/22	Council Items	Look at Council policy to start regular meetings at 6 p.m. and the possibly have a third regular meeting date added in the month.	CCO/ CMO		May go on strategic priorities retreat agenda.

542	Davis/ Bedolla	10/18/22	Council Items	Revisit Ordinance (TMC 10.08.3193 – Mobile Food Vendors) and work with Gabriela Machuca to modify that ordinance so we can be more business friendly with our mobile food truck businesses. Item also supported by Vargas and Young under Items from the Audience.	DS	June 2023	Staff Report
543 561 562 23-03	Davis/ Arriola Davis/ Bedolla Davis/ Bedolla Davis/ Bedolla	11/01/22 12/21/22 1/17/23 2/21/23	Council items	Update by memo on the timeline for infrastructural improvements for widening of Lammers and the freeway overpass. Requested a memo about Prologis' responsibility to do the roadway and overpass repairs. Asked again about Prologis road improvements and when they are going to be done and also Corral Hollow widening. Have asked four times and would like an updated sooner than later. Asked repeatedly for memo regarding when the Corral Hollow Road widening in South Tracy from aqueduct to 580 will be completed. Still have not received that information and also have not received the information regarding Prologis's responsibility to construct a roadway. Council Member Bedolla asked to include south of Linne.	DS	April 2023	Memo
545	Davis/ Bedolla	11/01/22	Council Items	Still getting complaints regarding storm drains being trashy, and overgrown, trees and brushes have been cut down but has not been properly. City to look into properly maintaining the storm drains especially in a residential area.	OPS/PW	July 2023	Memo
546	Bedolla/ Arriola	11/01/22	Council Items	Comprehensive explanation on street signal timing, what we can do currently and what smart cities are doing to improve traffic flow.	DS	June 2023	Memo
548	Davis/ Vargas	11/15/22	Council Items	Update regarding when the General Plan will be coming back to Council.	DS		Memo

549	Davis/ Arriola	11/15/22	Council Items	Staff to look at how to accelerate the expansion of Valpico Road.	DS		
550	Davis/ Vargas	11/15/22	Council Items	When will Tracy Urban Forestry Management Plan will be coming back before Council.	OPS	June 2023	Staff Report
551	Davis/ Vargas/ Bedolla	11/15/22	Council Items	Requested staff to look at a way of taking a proactive approach on analyzing the conditions of our sidewalks in an effort to be more ADA compliant and friendly.	DS	Dec	Memo
553	Davis/ Arriola	12/6/22	Council Items	Re-evaluate what the City considers fully staffed sworn-in Police officers. There has been a lot of crimes and we need to re-evaluate if we have enough officers on the streets, was told there are only six Police Officers at night and need more. Need to increase Police Force.	CMO		Staff Report (Discussed as part of budget process)
554	Davis/ Arriola	12/6/22	Council Items	A caller mentioned the community prioritized a Library in the past and asked where we are with the Library and an update from the County on what is being done on existing library.	Brian		Memo
555	Davis/ Vargas	12/6/22	Council Items	Where are we with a future hospital, is interested in what that looks like, if we are still doing that, who are we talking to about it and if not, can we start the conversation about bringing a trauma ready hospital to the City of Tracy.	H&M	May 16	Part of ED Strategic Plan Update Workshop
23-02	Davis/ Bedolla	2/21/23	Council Items	City is growing and needs a trauma ready hospital. Staff to look into how to get a hospital in Tracy.			
23-10	Davis/ Arriola	3/7/23	Council Items	Requested staff provide a memo regarding Sutter's plans with their obligation to build a hospital			
556	Arriola/ Vargas	12/6/22	Council Items	Bring back an item to assess the viability of the restructuring of Council and essentially looking at Council districts and the viability of a two versus four-year term for mayoral term and viability of a full time Mayor.	CAO	Jan/Feb	Staff Report (RFP in process)
558	Bedolla/ Davis	12/6/22	Council Items	Memo informing Council of the impacts to the City should Valley Link decide to start implementing the results from the supplemental EIR. Understanding is a stop at Mountain House and Tracy would get solely get an operation facility.	DS		Schedule Workshop

559	Bedolla/ Davis	12/21/22	Council Items	Request that staff bring a resolution on or before the February 7th meeting to accept the irrevocable offer of dedication of fee interest for 16-acres of community park land for an aquatics park from Ellis Village LLC. To City of Tracy so that the land can be accepted.	DS	June 2023	Staff Report
	Bedolla/ Evans	01/30/23	Council Items	Amended previous motion and requested item to be moved to the first meeting before the Case Management Conference on April 12, 2023.		April 4	
	Bedolla/ Arriola	03/21/23	Council Items	Amended his prior motion in regard to scheduling of the acceptance of the irrevocable offer of dedication from Surland Communities for 16 acres of land. Prior motion asked for the proposed acceptance be scheduled for April 4, 2023. Propose the proposed acceptance be moved to a meeting on or before June 20, 2023.			
23-05	Young/ Davis	2/21/23	Council Items	Update on downtown parklets.	H&M	June 2023	
23-06	Young/ Arriola	2/21/23	Council Items	Discussion on Diversity, Equity and Inclusion. Look at Implementation Plan and where we go from there so Council is all on the same page.	CMO/HR Vanessa/ Kimberly	Summer 2023	Staff Report
23-07	Arriola/ Young	3/2/23	Council Items	Action item to address or eliminate any barriers to cannabis opening	DS		
23-08	Davis/ Evans	3/2/23	Council Items	Staff to start researching alternative sites on city owned land to locate a community aquatics center and research the use of the P3 model	Parks	June 20 2023	
23-14	Bedolla/ Evans/ Davis	4/4/23	Item 3.B	Include Legacy Fields as a potential site for the Aquatics Center			
23-09	Davis/ Evans	3/2/23	Council Items	Rescind the resolution authorizing the City Manager to take any directly related and immediate action required by the shelter emergency without giving notice for bids to let contracts pursuant to PCC Section 22050 and TMC section 2.20.270 because there is no longer an emergency regarding interim housing.	CMO/ H&M	April 18 2023	

23-11	Davis/ Arriola	3/2/23	Council Items	Requests an ordinance to address environmental sustainability policy to address warehouse expansion, would like a conversation to address particulates.	DS		
23-12	Arriola/ Young	4/4/23	Item 3.B	A new CIP for a Police substation and increased funding for the Nature Park.			
23-13	Young/ Arriola	4/4/23	Item 3.B	Specific discussion of the complete future of the Aquatics Center.			
23-15	Bedolla/ Young	4/4/23	Council Items	Bring back to Council as soon as possible an informational item about a joint use agreement with Tracy Unified School District for the construction and maintenance and use of sports facilities including but not limited to gyms, fields, tracks and outdoor courts.	Parks		
23-16	Young/ Evans/ Davis	4/4/23	Council Items	Get our census tracking updated and current because right now to show we do not have any disadvantaged communities is bad for our community because we are not taking advantage of the different opportunities to show we have a need in our community.	Karin/ Carissa		Memo
23-17	Bedolla/ Davis/ Arriola	5/2/23	Council Items	Concerning crosswalks safety, that staff look into illuminated crosswalks or work that staff can do to implement those best practices into our crosswalks.			

Receive an informational report regarding the Fiscal Year 2023-2024 and 2024-2025 City Council Strategic Priorities, provide feedback on strategic priority goals and objectives, and by motion accept the City Council Workshop Report as the February 4 and 5, 2023 Special Meeting Minutes.

June 20, 2023

OVERVIEW

- Recap of City Council Workshops
  - February 4-5, 2023
- Review and discuss FY 2024-2025 Multi-Year and Short-Term Priorities and Workplan
  - Confirm feedback and consensus of the City Council
- Return to Council to adopt FY 2024-2025 Strategic Priorities

FEBRUARY 2023 WORKSHOPS

- **Team Building and Governance** – *February 4, 2023*
  - ✓Discussed principles of good governance
  - ✓Clarified roles and responsibilities
  - ✓Discussed City Council Code of Conduct and Meeting Protocols

- **Strategic Priorities** – *February 5, 2023*
  - ✓Reviewed prior year accomplishments
  - ✓Reviewed prior year strategic priorities
  - ✓Established short and long-term priorities for Fiscal Year 2024-2025

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COUNCIL STRATEGIC PRIORITY AREAS

- Economic Development
  - ✓ To enhance the competitiveness of the City while further developing a strong and diverse economic base.
- Governance
  - ✓ To enhance fiscal stability, retain and attract new talent, improve the use of technology, and enhance transparency for the betterment of the Tracy community.
- Public Safety
  - ✓ To enhance community safety by promoting a responsive public safety system that includes civic engagement and partnerships, community involvement, public education, and prevention, intervention, and suppression services that meet the needs of Tracy residents.
- Quality of Life
  - ✓ 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.

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PRIORITY SETTING FRAMEWORK

Short-term priorities are defined as:

- Initiatives that are expected to be completed within the next 12-24 months and have been identified as a top priority.

Multi-year priorities are defined as:

- Major initiatives that will require ongoing attention and action but that are not likely to be complete with 12-24 months.

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TIMEFRAMES

QUARTER 1 (Q1)	January, February, March
QUARTER 2 (Q2)	April, May, June
QUARTER 3 (Q3)	July, August, September
QUARTER 4 (Q4)	October, November, December

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GOVERNANCE

Multi-Year Priorities

- Model good governance, teamwork, and transparency.
- Ensure short and long-term fiscal health.
- Enhance community outreach and engagement to all Tracy residents.
- Foster a culture of innovation and efficiency to improve service delivery to the public.
- Recruit, develop, and retain a high performing and inclusive workforce.

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PUBLIC SAFETY

Multi-Year Priorities

- Support emergency operations, preparedness, response, and recovery.
- Strengthen community safety through crime prevention, intervention, and enforcement activities.
- Implement initiatives to reduce blight and nuisances in the community.
- Expand public safety facilities to reflect population growth and community demand.
- Continue to build relationships with community members to enhance communication, collaboration, and trust.

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ECONOMIC DEVELOPMENT

Multi-Year Priorities

- Support business attraction and retention activities.
- Support policies and funding to enhance and expedite the development of multimodal transportation systems.
- Advance Downtown Specific Plan including provisions for TOD.
- Attract businesses and jobs that meet the needs and desires of the community.
- Develop policies to target new jobs in innovation industries.
- Pursue smart growth strategies for balanced growth in Tracy.

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QUALITY OF LIFE

Multi-Year Priorities

- Advance green and roadway infrastructure projects.
- Facilitate the completion of Measure V amenities.
- Provide Recreation and Cultural Arts programs that bolster quality of life.
- Increase local affordable housing supply.
- Continue to implement the Council adopted Homelessness Strategic Plan.
- Support climate initiatives to reduce Tracy's carbon footprint.

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Q&A

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