

TRACY FINANCE COMMITTEE

SPECIAL MEETING MINUTES

April 29, 2025, 5:00 p.m.

City Hall, 333 Civic Center Plaza, Tracy

Web Site: www.cityoftracy.org

CALL TO ORDER – Chairperson Evans called the meeting to order at 5:00 p.m.

ROLL CALL – Roll call found Chairperson Evans and Co-Chairperson Abercrombie present.

1. CONSENT CALENDAR – Motion was made by Co-Chairperson Abercrombie and seconded by Chairperson Evans to adopt the Consent Calendar. Roll call found all in favor; passed and so ordered.

- 1.A. Approval of March 10, 2025 meeting minutes. – **Minutes were approved.**

2. ITEMS FROM THE AUDIENCE

Community member Tim Silva suggested that a Finance Commission be established, should have five people and should be held monthly. He stated that the members should be appointed by the City Council and that the public would know and understand what is done on a monthly basis – short term and long term. Mr. Silva stated that there are several other commissions – transportation, parks and rec and there should be a finance commission.

Committee asked clarifying questions.

3. REGULAR AGENDA

- 3.A. Staff recommends that the Tracy Finance Committee recommend that (1) the City Council conduct a Public Hearing for City Council to receive and consider comments on the proposed Citywide Master Fee Schedule, and upon conclusion, (2) adopt a resolution (A) approving and adopting, effective as July 1, 2025, the proposed Citywide Master Fee Schedule with the proposed inflationary increase of 2.4%; and (B) rescinding, effective July 1, 2025, Resolution 2024-077 that approved the current Citywide Master Fee Schedule.

Sara Remonda, Financial Analyst, provided the staff report and sought committee feedback.

Committee asked clarifying questions.

There was no public comment.

ACTION: Motion was made by Co-Chairperson Abercrombie and seconded by Chairperson Evans, that the Tracy Finance Committee recommend that (1) the City Council conduct a Public Hearing for City Council to receive and consider comments on the proposed Citywide Master Fee Schedule, and upon conclusion, (2) adopt a resolution (A) approving and adopting, effective as July 1, 2025, the proposed Citywide Master Fee Schedule with the proposed inflationary increase of 2.4%; and (B) rescinding, effective July 1, 2025, Resolution 2024-077 that approved the current Citywide

Master Fee Schedule. Roll call found all in favor; passed and so ordered.

- 3.B. Staff recommends that the Tracy Finance Committee make a recommendation that the City Council adopt a resolution (1) authorizing the appropriation of \$8,000,000 from the Tracy Infrastructure Master Plan (TIMP) Fund (F363) to the Interstate 580/Patterson Pass Road/International Parkway Diverging Diamond Interchange Improvements Project CIP 73147, and (2) authorizing a interfund loan to the Tracy Infrastructure Master Plan Traffic (TIMP) Fund (F363) from the General Fund Reserves (F101) in the amount of \$6,000,000 for the term of twenty years with interest at the current Local Agency Investment Fund (LAIF) Rate.

Felicia Galindo, Budget Officer, provided the staff report and sought committee feedback.

Committee asked clarifying questions.

There was no public comment.

ACTION: Motion was made by Co-Chairperson Abercrombie and seconded by Chairperson Evans that the Tracy Finance Committee make a recommendation that the City Council adopt a resolution (1) authorizing the appropriation of \$8,000,000 from the Tracy Infrastructure Master Plan (TIMP) Fund (F363) to the Interstate 580/Patterson Pass Road/International Parkway Diverging Diamond Interchange Improvements Project CIP 73147, and (2) authorizing a interfund loan to the Tracy Infrastructure Master Plan Traffic (TIMP) Fund (F363) from the General Fund Reserves (F101) in the amount of \$6,000,000 for the term of twenty years with interest at the current Local Agency Investment Fund (LAIF) Rate. Roll call found all in favor; passed and so ordered.

- 3.C. Staff recommends that the Tracy Finance Committee make a recommendation that the City Council adopt a Resolution:1) Amending the City's Operating and Capital Budget for the Fiscal Year (FY) ending June 30, 2025, to reflect actual expenses and revenues and requested augmentations to fund various departmental needs;2) Authorizing the Budget Officer to amend the city's position control roster for FY2024-25.

Felicia Galindo, Budget Officer, provided the staff report and sought committee feedback.

Committee asked clarifying questions.

Alice English asked where the amount is for the request adding staff.

Felicia Galindo clarified that the question was regarding non-budgetary personnel amendments and that it is a cost neutral item--it will reduce current budget to allocate budget to that position and stated that it will be under Land Development. The projected impact is \$202,000 annually and for this year it will be \$18,000 for the remainder of the year.

Sara Castro, Finance Director, clarified that in the past the City had difficulty staffing the engineering department and had to utilize contract services to ensure the work was completed. The last recruitment has been successful in securing engineering staff. The city will gain an employee instead of the contract with an outside company, which

removes it from a contract service and adds it to personnel, which makes it cost neutral.

Alice English had some questions regarding the amounts that were presented and stated that she'd do some research and return with her questions at the next City Council meeting and that she may reach out to Ms. Castro.

Midori Lichtwardt, City Manager, clarified that there were several on-call lists approved for engineering needs with a not-to-exceed amount which does not mean that the full amount will be used. She reiterated that the City recently had a very successful engineering recruitment.

Tim Silva stated that the City needs to live with their needs and not their wants. He's heard that the City cannot hire enough city engineers and can't retain City engineers. He asked why it takes the City years for developers' plans to be approved and why it is that the City isn't able to retain engineers.

Vice Chairperson Abercrombie asked City Manager Lichtwardt to confirm that the City hired two civil engineers, and she confirmed that there is a recruitment for a City engineer and a Public Works Director. The City is scheduled to be fully staffed for the first time in a number of years.

Maurice Francis stated that he is grateful to be receiving the agendas for the Finance Committee meetings. He stated that he would like to work hand-in-hand with an ad hoc committee, would like to see more transparency, how funds are being spent and is in support of it. He previously asked that when the list of projects is completed that the following be included: better description of water works operation, why funds are required, assessments to justify why it was done, evaluations and a best effort made to come up with a comprehensive report of a cost breakdown.

Sara Castro, Finance Director stated that the Capital Improvement plan will go to City Council on June 3, 2025. It will also go to the Finance Committee Meeting in May and will include details on each project.

ACTION: Motion was made by Co-Chairperson Abercrombie and seconded by Chairperson Evans that the Tracy Finance Committee make a recommendation that the City Council adopt a Resolution: 1) Amending the City's Operating and Capital Budget for the Fiscal Year (FY) ending June 30, 2025, to reflect actual expenses and revenues and requested augmentations to fund various departmental needs; 2) Authorizing the Budget Officer to amend the city's position control roster for FY2024-25. Roll call found all in favor; passed and so ordered.

3.D. Staff recommends that the Tracy Finance Committee discuss possible options for future amendments to the City's Fiscal Sustainability Strategies.

Sara Castro, Finance Director, provided the staff report and sought committee feedback.

Committee asked clarifying questions.

Vice Chair Abercrombie requested: 1) that staff look at ways to possibly reduce some of the existing categories, 2) add in a category for safety public facilities and, 3) and a category for deferred building maintenance. Also, to see what these requests would be like for the upcoming year.

Fire Chief Bradley with the SSJFA stated there are two fire stations that need work: Station 97 is desperate need of replacement and there is a need for an additional fire station. The building of a new fire station, Station 98, would cover the Ellis community and also Tracy Hills. The current fire station in Tracy Hills, staffed at three firefighters, is not sufficient to fight a structural fire. He also stated that the sustainability funds are 12% of the budget and he hopes that the committee is not limiting decisions based on that. Revenues this year were underestimated by 20 million. If there is an additional 20 million for next year it could provide an additional 40 million and all of the public safety issues could be resolved without touching the sustainable funds.

City Manager Lichtwardt stated that station 97 falls under the responsibility of the City to replace.

Justin Lagassa, Firefighter in Tracy and President of Tracy Firefighters Association, stated that Station 97 no longer meets their needs, ADA non-compliant, isn't seismically safe and also doesn't meet the NFPA 1500 which is a standard to protect against the exposure of cancer. He stated that the station is not located in a good position based on all of the growth of the City. He stated that the two new stations would cover the areas of town with station 97 to the east and station 98 to the west. Another benefit is that the staffing of the firefighters would be covered by the Tracy Rural Fire District and not by the City.

Tim Silva stated that the City is fortunate to have a Fire Chief of Chief Bradley's caliber. He stated that the reconstruction job on Bessie Avenue was an amazing job and that it came in \$400,000 under budget and thanked City staff including the Engineering Department and City Council. He stated that he supports the BMX park. He stated that of the 11 million to spend only 3.6 million has been spent due to loss of engineering staff.

Maurice Francis asked what has changed in the prioritization of the City's projects from 2020 and he asked how many projects are still on the list to be completed from the past five years.

City Manager Lichtwardt clarified in response to Commissioner Silva's comment regarding 17 million dollars. She stated that that money is pulled aside, that these funds are additional funds above and beyond what was already being paid. There is gas tax and SB1 money going to streets and different monies allocated to parks maintenance. The 17 million was to be used for the lean years as needed.

Committee asked clarifying questions.

ACTION: Roll Call was done accepting the report.

- 3.E. Staff recommends that the Tracy Finance Committee, as a part of the Fiscal Year (FY) 2025-26 budget development process, provide direction regarding anticipated departmental requests and funding objectives for the FY 2025-26 Budget.

Felicia Galindo, Budget Officer, provided the staff report and sought committee feedback.

Committee asked clarifying questions.

There was no public comment.

ACTION: Roll Call was done accepting the report.

4. STAFF ITEMS – None

5. COMMITTEE ITEMS – Chairperson Evans asked for support from Co-Chairperson Abercrombie to bring forth the topic of possibly adding a public oversight Finance Commission. Co-Chairperson Abercrombie stated that he isn't fully in favor of it but seconded the item to move forward for further discussion at the next Finance Committee meeting.

6. ADJOURNMENT – Time: 6:58 p.m.

ACTION: Motion was made by Co-Chairperson Abercrombie and seconded by Chairperson Evans to adjourn. Motion found all in favor; passed and so ordered.

The agenda was posted at City Hall on April 25, 2025. The above are action minutes. A recording of this meeting is available on the City of Tracy's website.

Chairperson

ATTEST:

Clerk