

May 18, 2011, 5:30 p.m.

City Hall Conference Room 109, 333 Civic Center Plaza

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

1. CALL TO ORDER: George Riddle called the meeting to order at 5:36 p.m.
2. ROLL CALL:
Present: Arch Bakerink, Robert Tanner, George Riddle
Absent: David Ciesco, Larry Hite
Staff Present: Zane Johnston, Finance & Administrative Services Director
Recorded by: Linda Dasse, Executive Assistant
3. ITEMS FROM THE AUDIENCE: None
4. APPROVAL OF THE QUARTERLY MEETING MINUTES FOR APRIL 18, 2011
Motion: George Riddle
Second: Robert Tanner
Abstain: None
Vote: Approved
5. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON
Committee Member Riddle nominated Arch Bakerink for Chairperson. Nomination was seconded by Committee Member Tanner. Mr. Bakerink accepted. Committee Member Bakerink nominated George Riddle for Vice-Chairperson and the nomination was seconded by Robert Tanner. Mr. Riddle accepted. The Chair and Vice-Chair were elected by a 3-0 vote.
6. BUDGET BRIEFING: PRESENTED BY ZANE JOHNSON
Handout: FY 11-12 Operating Budget Workshop PowerPoint Presentation
A City Council Workshop to review the Proposed FY 11-12 Budget was held on May 12, 2011. No action was taken at this meeting, the FY 11-12 Budget is scheduled for adoption on June 7, 2011. The only addition to the budget was for \$15,000 to provide employee training. This training was presented by the City Manager's Workforce Readiness Initiative at the May 17, 2011 Council meeting.

Measure E began April 1, 2011 and will end March 31, 2016. City Council recently implemented an 8-point plan for a balanced budget in 2016 without Measure E. For FY 11-12 it is estimated the tax will bring in \$4.6 million in revenue. This revenue will be used proportionally on all General Fund tax supported services (handout provided to those in attendance).

Chairperson Bakerink, has reviewed the Management Partners Report. Finding this report very valuable he requested that this report be made available to all committee members. The report will be distributed at our next meeting along with the cost of the study and what has been implemented. The conclusion of this report was that there would be a \$5 million gap in revenue and a new revenue source was needed to be implemented. Resulting from this report the voters were asked to approve a one-half of

one percent sales tax increase (Measure E). This was approved by the voters in November of 2010 and became effective April 1, 2011.

Zane also responded to questions from the committee regarding how the sales tax is estimated for the budget and how and when the reserves are used. Zane commented that we are in our 5th year of using the City's reserve funds and the community should be very proud of the City's efforts to be more efficient while maintaining the same level of services. The FY 11-12 budget is on track to save \$1.3 million dollars (page C7 of the Proposed Budget for FY 11-12).

FY 11-12 budget expenditures of increased PERS employer rate, impact of labor contract negotiations, continuation of employee furloughs, and plans for Wave # 1 retirement were presented. The committee participated in a question and answer session at the conclusion of this report.

Chairperson Bakerink lead a discussion on the topic of membership attendance as cited in the bylaws of the Measure E Resident Oversight Committee.

All materials handed out at the meeting will be made available to the absent committee members.

7. ADJOURNMENT

Motion: Committee Member Riddle
Second: Committee Member Tanner
Vote: Unanimous
Time: 7:21 p.m.

The above agenda was posted at the Tracy City Hall on May 11, 2011. These are the summary minutes.

Attest:



Secretary



Zane H. Johnston, Staff Liaison