MEASURE E RESIDENTS' OVERSIGHT COMMITTEE SPECIAL MEETING MINUTES

October 10, 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 5:35 p.m.

2. ROLL CALL:
   Present: Arch Bakerink, Robert Tanner, George Riddle, David Ciesco, Larry Hite
   Absent: None
   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 JULY 18, 2011
   Motion: Robert Tanner
   Second: Larry Hite
   Abstain: None
   Vote: Approved

5. REVIEW OF MEASURE E REVENUE – QUARTER ENDED JUNE 30, 2011

   Committee members received handouts, FY 11-12 Adopted Budget, General Fund Summary update for FY 10-11, and ½%Transaction 5-Year Tax Forecast prepared by MuniServices.

   Zane Johnston pointed out an anomaly on the General Fund Summary for Measure E Sales Tax of $896,551 (includes 3 advances from the State). The receipt for the 2nd quarter of calendar year 2011 in the amount of $283,000 was incorrectly posted to FY 11-12. Our auditors will review and this will be corrected, reflecting $1,179,551 as the actual amount for FY 10-11.

   Discussion continued regarding the projected 1½% tax forecast provided by MuniServices. Zane pointed out to the committee that sales tax tracking is higher than budgeted; largely due to the sale of gasoline (gas tax in part includes sales tax).

6. REVIEW OF CITY'S PLANS FOR CONTINUED REDIRECTION IN ANNUAL EXPENDITURES

   The committee spent time looking at the City's reserves (currently $25 million) and revenues projections. Over time a budget surplus will occur and Zane suggested the need for the committee to establish a recommendation for any budget surplus.

   It was moved by Vice-Chairperson George Riddle and seconded by Committee Member Robert Tanner to make a motion stating, "As the City transitions to a fiscal environment without Measure E revenue, the Measure E Residents' Oversight Committee recognizes this will likely result in budget surpluses during the later years of Measure E. The Committee, therefore, recommends that such surpluses NOT BE USED for operating expenditures, but to be used as needed to be determined later". Voice vote found all in favor, passed and so ordered.

Zane led a further discussion of the eight points included in the FY 11-12 Budget Message, which upon their full implementation, will result in the goal for the City to not have to rely Measure E revenue.

7. REVIEW OF FINANCIAL RELATIONSHIPS OF SOUTH COUNTY FIRE AUTHORITY

Zane shared with the committee a staff report that will be presented at the October 18, 2011 City Council Meeting regarding the South County Fire Authority. History and the City's financial relationship within this fire district were presented. Due to the reasons cited in the staff report, the Authority budget must not be any greater than actual Fire Department expenditures in FY 10-11. The District's fiscal information indicates the District will not have sufficient revenues for FY 11-12. At the October 18th City Council meeting it will be recommend that the Board of Directors of the South County Fire Authority adopt a resolution providing for a FY 11-12 Fire Authority budget not to exceed actual operating costs for FY 10-11.

It was moved by Committee Member Robert Tanner and seconded by Committee Member Dave Ciesco to adopt the staff report, recommending that the Board of Directors of the South County Fire Authority adopt a resolution providing for a FY 11-12 Fire Authority budget not to exceed actual operating costs for FY 10-11 and have the consolidated operating budget split remain at 64% City and 36% Tracy Rural Fire District. Voice vote found all in favor, passed and so ordered.

8. REVIEW COMMITTEE MEETINGS FOR 2012

The meeting calendar was handed out and reviewed with two changes agreed upon. Due to Martin Luther King, Jr. Day on January 16, 2012 the committee meeting was rescheduled for Monday, January 23, 2012 and the April 16, 2012 meeting was rescheduled for Monday, April 23, 2012.

Committee Chair Bakerink asked to have an item added to the agenda for the next meeting to schedule an additional meeting before the April 23rd meeting.

9. ADJOURNMENT

Motion: Arch Bakerink
Second: Larry Hite
Vote: Unanimous
Time: 7:24 p.m.

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

Zane H. Johnston, Staff Liaison

Attest:

Secretary