Special Meeting Agenda

Measure E Residents' Oversight Committee

Date/Time: Monday, March 11, 2013; 5:30 p.m. to 6:30 p.m.

Location: City Hall Conference Room 203, 2nd Floor (elevator is behind stairway)
333 Civic Center Plaza, Tracy, CA 95376

Government Code Section 54954.3 states that every public meeting shall provide an opportunity for the public to address the Measure E Residents' Oversight Committee on any item, before or during consideration of the item, however no action shall be taken on any item not on the agenda.

1. Call to Order

2. Roll Call

3. Items from the Audience – *In accordance with Procedures for Preparation, Posting, and Distribution of Agendas and the Conduct of Public Meetings, adopted by Resolution 2008-140, any item not on the agenda brought up by the public at a meeting, shall be automatically referred to staff. If staff is not able to resolve the matter satisfactorily, the member of the public may request a Measure E Residents' Oversight Committee Member to sponsor the item for discussion at a future meeting.*

4. Approve Minutes: February 25, 2013

5. Introduce newly appointed Committee members and provide briefing on recent Measure E activities

6. Establish Measure E Ad Hoc Annual Report Committee

7. Discuss Annual Report written content

8. Review meeting schedule for 2013-2014

9. Next Meeting Date: March 25, 2013 (Special Meeting)

10. Adjournment

Posting Date: March 5, 2013

The City of Tracy complies with the Americans and Disabilities Act and makes all reasonable accommodations for the disabled to participate in public meetings. Persons requiring assistance or auxiliary aids in order to participate should call City Hall (209-831-6000), at least 24 hours prior to the meeting.

Any materials distributed to the majority of the Measure E Residents' Oversight Committee regarding any item on this agenda will be made available for public inspection in the Finance Department located at 333 Civic Center Plaza, Tracy, CA during normal business hours.

SPECIAL MEETING MINUTES
MEASURE E RESIDENTS' OVERSIGHT COMMITTEE

February 25, 2013, 5:30 p.m.
City Hall Conference Room 109, 333 Civic Center Plaza
City Website: http://www.ci.tracy.ca.us

1. CALL TO ORDER: George Riddle called the meeting to order at 5:30 p.m.

2. ROLL CALL:

Present:	Robert Tanner, George Riddle, David Ciesco
Absent:	Larry Hite, Arch Bakerink
Staff Present:	Jenny Haruyama, Administrative Services Director; Anne Bell, Mgt. Analyst II; Finance Division
Citizens Present:	None
Recorded by:	Anne Bell

Those in attendance were provided with agenda packet.

3. ITEMS FROM THE AUDIENCE: None

4. APPROVAL OF MINUTES:
January 29, 2012: Motion to approve Minutes: Dave Ciesco
Second motion: Robert Tanner
All in favor: Robert Tanner, George Riddle, David Ciesco
All opposed: None

5. UPDATE ON THE TIMING OF THE ANNUAL WRITTEN REPORT TO CITY COUNCIL:
   a. Anne Bell reported that on 2/19/13, Council approved amending Section 7 of the Committee's Bylaws, to change the date of the presentation of the Annual Written Report to Council from February to June.
   b. The Committee voted in favor of presenting the report to Council at the June 18th public meeting, thereby the written report must be ready by May 23, 2013 in order to have the item agendized.

      Motion to present the Annual Written Report to Council on June 18th in lieu of June 4th: Robert Tanner
      Second motion: David Ciesco
      All in favor: Robert Tanner, George Riddle, David Ciesco
      All opposed: None

      c. Anne reported that Michel Bazinet and Veronica Vargas will be

replacing Larry Hite and David Ciesco upon expiration of their terms in March, 2013.

6. ESTABLISH MEASURE E AD HOC ANNUAL REPORT COMMITTEE:

   Motion to delay establishment of Ad Hoc Annual Report Committee until March 11, 2013 to allow Committee members to provide input: Robert Tanner
   Second motion: George Riddle
   All in favor: Robert Tanner, George Riddle, David Ciesco
   All opposed: None

7. DISCUSS ANNUAL REPORT WRITTEN CONTENT:
   a. Anne Bell provided attendees copies of the Bylaws to refer to for scope of report; copies of the approved Annual Written Report presented to Council on June, 19, 2012 for FY 10-11 for reference.
   b. Discussion of Annual Report content is delayed until March 11, 2013.

8. NEXT SPECIAL MEETING DATE: MARCH 11, 2013 AT 5:30 P.M.
   Anne Bell to provide 2013 meeting schedule.
9. ADJOURNMENT
   Motion to adjourn: David Ciesco
   Second: Robert Tanner;
   All in favor: Robert Tanner, George Riddle, David Ciesco
   All opposed: None

The above agenda was posted at the Tracy City Hall in accordance with *In accordance with Procedures for Preparation, Posting, and Distribution of Agendas and the Conduct of Public Meetings, adopted by Resolution 2008-140. These are the summary minutes.*

_____
Jenny Haruyama, Staff Liaison

Attest:

_____
Anne Bell, Staff Liaison

BYLAWS OF THE MEASURE E RESIDENTS' OVERSIGHT COMMITTEE
CITY OF TRACY, CALIFORNIA
(As of January 18, 2011, Amended on February 19, 2013)

WHEREAS, Pursuant to Ordinance 1151, the City Council has established a Measure E Residents' Oversight Committee (the "Oversight Committee") for the purpose of overseeing revenues generated by and expenses related to the one-half cent sales tax measure (Measure E), which was adopted by the voters in November 2010, and

WHEREAS, the Measure E Residents' Oversight Committee By-Laws are consistent with those set forth by the City Council for the operation of the City's Boards, Commissions and Committees; and

NOW, THEREFORE, these By-Laws govern the conduct of the meetings and the transaction of the affairs of the Oversight Committee.

A. PURPOSE

Pursuant to Resolution 2011–019 (adopted on January 18, 2011) the Oversight Committee shall review expenditures and revenues through the annual independent financial audits performed by an independent auditor. The Oversight Committee shall have oversight of revenues generated by and expenses related to Measure E. The Oversight Committee serves in only an advisory role to the City Council. The City Council retains final authority in all decisions.

B. ROLE AND RESPONSIBILITIES

The role of the Oversight Committee is to review the independent financial audit of the City that includes revenue raised by Measure E and other financial reports necessary to advise the City Council of its findings and make recommendations during the term of the Committee. The Committee will present an annual written report documenting its findings to the City Council in June of each year (pursuant to Resolution 2013-023).

The Oversight Committee Member position is a volunteer, non-paid position whose roles and responsibilities **will** include the following:

- To serve in an advisory-only capacity to the City Council;
- To provide oversight of the revenues and expenses pertaining to the portion of the sales tax generated by Measure E;
- To review the annual independent financial audit of the City performed by an independent auditor on sections pertaining to the revenue and expenses related to the portion of the sales tax generated by Measure E;
- To review other City financial reports pertaining to the revenue generated by and expenses related to the portion of the sales tax generated by Measure E revenue and expenses;
- Providing Council with an annual written report;
- Additional reports to Council can be provided to Council at the committee and/or Council's discretion (all reports must be in writing and agendized pursuant to the Brown Act).

The Oversight Committee roles and responsibilities **will not** include the following:

- Oversight on Enterprise and other funds generated independent of Measure E;
- Decision-making on spending priorities;
- Reviewing Enterprise and, except to the extent necessary for the General Fund, other funds generated independently of Measure E.

The Oversight Committee's findings will be presented annually in a written report to the City Council.

The City Council retains final authority in decisions for all aspects of the sales tax revenue.

C. MEMBERSHIP GUIDELINES

1. Membership. The Oversight Committee shall consist of five members who are residents of the City of Tracy and meet the residency requirement as outlined in Resolution 2004-152 – Establishing the Council Selection Process, and Defining Residency Requirements, for Appointee Bodies.

2. Term. The Oversight Committee will commence on March 1, 2011. Of the five members of the Committee first appointed, three shall be appointed for a three year term and two shall be appointed for a two year term. Subsequent appointments to the Oversight Committee shall be until the reporting period for the last one-half cent sales tax collected pursuant to Measure E. No member of the committee shall serve more than two consecutive terms.

3. Attendance. An Oversight Committee member's failure to attend two consecutive meetings in any calendar year shall result in his or her removal from the Committee at the discretion of the City Council. Absences may not be excused; however, an Oversight Committee member may request a leave of absence as outlined in these bylaws. For quorum confirmation, a member who needs to miss a meeting shall inform the staff liaison designated by the City Manager at least 48 hours before the next meeting.

4. Leave of Absence. A member of the Oversight Committee may submit a written request to the City Council, for a leave of absence of up to six-months, which may be approved in its discretion.

D. QUORUM

A quorum of the Oversight Committee shall consist of a minimum of three members. A quorum must be present in order for the Oversight Committee to hold a meeting.

E. OFFICERS AND DUTIES

1. The officers shall be:
   a. The Chairperson and
   b. The Vice-Chairperson.

2. The Chairperson shall:
   a. Preside at all regular and special meetings.

b. Rule on all points of order and procedure during the meetings.
c. Provide recommendations to staff liaison regarding agenda items.

3. The Vice Chairperson shall assume all duties of the Chairperson in his or her absence or disability.

4. In case of the absence of both the Chairperson and Vice Chairperson from any meeting, an Acting Chairperson shall be elected from among the members present.

F. TERMS AND VACANCIES

The officers will be selected by the membership for a one-year term. The election of officers shall take place each year at an annual meeting to be held within the first quarter of the calendar year. The terms of officers shall commence as of the date of that meeting and shall continue until the annual meeting in the following year.

G. MEETINGS

The Oversight Committee will meet a minimum of four times a year, on a quarterly basis on the 3rd Monday in January, 3rd Monday in April, 3rd Monday in July, and 3rd Monday in October at 5:30 p.m. at City Hall Room 109. Additional meetings may be scheduled by the Committee, at its discretion. Oversight Committee members are expected to attend all regular meetings.

1. All meetings are subject to the Brown Act as set forth in Government Code sections 54950 and following. Accordingly, all meetings shall be noticed and agendas for all meetings shall be prepared and posted in accordance with the current City Council meeting procedures. All agendas shall be distributed in accordance with City Council meeting procedures and the Brown Act.

H. FORM 700 FILINGS AND AB 1234 TRAINING

1. The City Clerk's Office will monitor compliance with state and City Form 700 (Statement of Economic Interest) filing requirements, and AB 1234 (Ethics Training) requirements.

2. If a member of the Measure E Resident Oversight Committee fails to file a Form 700, or complete AB 1234 training in a timely manner, the City Clerk's Office will send two written notices at least 10 days apart to the member.

3. If the member does not file a Form 700 or a certificate confirming proof of compliance with AB 1234 training with the City Clerk's Office within 30 days of receiving the second written notice, his or her appointment will automatically terminate.

I. FUNDING

Any funding necessary for operation of the Oversight Committee shall be included in the City of Tracy budget, which shall be approved by the City Council.

J. ADMINISTRATIVE PROCEDURES AND POLICIES

The Oversight Committee shall follow all applicable City fiscal administrative policies and procedures.

K. STAFF LIAISON

The Oversight Committee shall have a staff liaison designated by the City Manager. The staff liaison shall:

1. Receive and record all exhibits, petitions, documents, or other material presented to the Committee in support of, or in opposition to, any question before the Committee.

2. Sign all meeting minutes.

3. Prepare and distribute agendas and agenda packets.

The staff liaison assigned to the Oversight Committee will be responsive to the Committee's request for information. The City staff liaison, or designee, will attend all Oversight Committee meetings.

L. ADOPTION

This document, as adopted by City Council Resolution 2011-019, and amended by City Council Resolution 2013-023 shall serve as the Bylaws for the Measure E Residents' Oversight Committee.

Annual Report of the Measure E Residents' Oversight Committee

June 19, 2012

Members of the City Council:

Introduction/Definition of purpose

Measure E is a temporary (5 year) half cent sales tax increase approved by voters in the City of Tracy in November 2010 to be added to the City's General Fund to help pay for expenses to maintain city services. Implementation of the additional Measure E sales tax was effective April 2011 and will expire in March 2016. Measure E provided for a Measure E Residence Oversight Committee with five members. The role of the Measure E Advisory Committee is to provide oversight of the revenues and expenses pertaining to the Measure E sales tax, to conduct regular and special meetings to fulfill it's roles and responsibilities, and to submit an annual report to the City Council. This is the first annual report of the Measure E Residents' Oversight Committee covering the City Fiscal Year 2010-2011.

Prior Year Activities

In accordance with the guidelines provided in the Notice of Council-Appointed Committee Vacancy, dated January 19, 2011, and as set forth in the Measure E Residents' Oversight Committee Bylaws adopted by Resolution 2011-019 of the Tracy City Council, the Measure E Oversight Committee has reviewed the following:

- Independent financial audit report of Moss, Levy, and Hartzheim, LLP, Certified Public Accountants.
- City of Tracy sales and use tax forecasts.
- City of Tracy Proposed and Adopted Budgets.
- Miscellaneous reports, worksheets, and analysis related to fiscal issues of the City.

On the basis of the documents presented above, the Measure E Oversight Committee reports the receipt of $896,551 in Measure E revenues. This amount was deposited in the City's General Fund.

Future/Planned Activities

As advisors to the City Council, the Measure E Commissioners have been engaged in lengthy discussions related to the potential/recommended uses of revenues generated by Measure E. While only a limited amount of data is currently available, due to the short period of time since Measure E has been in effect, these discussions have been largely exploratory thus far. However, it is the Committee's understanding that Measure E is expected to provide approximately $5 million in additional revenue per year to the City's General Fund. Over time, in conjunction with other cost-savings initiatives independent of this Committee's oversight, these additional revenues will help the City achieve a balanced budget with prudent reserve balances. Accordingly, since Measure E will end in 2016, the Committee is examining the magnitude and timing of debt accrual with the objective of providing the City Council with recommendations to plan General Fund Expenses beyond Fiscal Year 2016 **without** Measure E additional revenue.

The Committee recognizes that, while Measure E is a General Tax, there are many interpretations related to the intended purpose of Measure E revenues. Our objective is to carefully understand and integrate multiple points-of-view, the creative inputs from Measure E Commissioners/City Staff/other stakeholders, within the Bylaws of the Oversight Committee. The result will be a comprehensive recommendation which will be presented to the City Council at a future date.

We anticipate we will be in a better position to provide a more comprehensive review and analysis of alternatives by our next annual report to the City Council. In the interim, we plan to continue meeting regularly to achieve our objectives.

Conclusions/Opinions

While the Committee reserves specific additional comments about the specific Measure E accounting at this time, the Committee would like to bring to the City Council's attention the need to use Measure E funds to close the structural budget gap instead of supporting ongoing operations.

It is the sense of the Committee that actual Measure E revenues that exceed projected revenues, should not be used for any ongoing budget expenditures because Measure E is a temporary measure that will expire in March 2016. Rather, to the extent that there are any Measure E revenues that exceed projected amounts in any budget period, these funds should be used only for one-time expenditures that help close the structural budget deficit of the City so that the City is operating at a balanced budget by 2016.

The Committee is concerned that the City is not on a path to close the structural budget deficit of $7 million plus dollars, an amount that is actually greater than when Measure E was passed, by 2016. The Committee Strongly Recommends that the City Council document a specific budget reducing plan by the time the next budget is adopted in May/June 2013 so that the public can be assured that the City Council is actually committed to ending Measure E when it expires in March 2016.

Adopted by a unanimous vote of the Measure "E" Oversight Committee on 5/14/2012.

Committee Members

G. Archer Bakerink
George A. Riddle
Robert C. Tanner
David R. Ciesco
Larry L. Hite

Staff Liaison

Zane H. Johnston

Secretary

Linda Dasse

December 18, 2012

AGENDA ITEM 1.C

REQUEST

ACCEPTANCE OF THE CITY OF TRACY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2012

EXECUTIVE SUMMARY

The City's financial statements for the year ended June 30, 2012 have been audited by the City's independent auditing firm. This information has been incorporated into the City's Comprehensive Annual Financial Report (CAFR). This action accepts the CAFR.

DISCUSSION

The financial statements of the City of Tracy for the fiscal year ended June 30, 2012, have been prepared by the Finance and Administrative Services Department and examined by the independent accounting firm of Moss, Levy and Hartzheim. The audit was conducted in accordance with generally accepted auditing standards. It is the opinion of the auditors that the financial statements present fairly the financial position of the City as of June 30, 2012, and that the statements were prepared in conformity with generally accepted accounting principles. This means the financial statements of the City are accurate and that all monies are accounted for. There are no "hidden" funds and all financial matters have been identified within the financial statements.

Finance Staff incorporates the financial statements into a Comprehensive Annual Financial Report (CAFR), the purpose of which is to present an easily readable and organized report of the financial transactions of the City. A CAFR provides the many users of government financial statements with a wide variety of information needed to help them evaluate the financial condition of the City.

Key Figures

The originally adopted General Fund budget for FY 11-12 included $50,581,150 in expenditures. However, from this total expenditure figure, the budget was also adopted with an expected expenditure savings of $2 million (estimated City-wide savings which could not be projected and assigned to specific line items) thereby leaving a net expenditure budget of $48,581,150. With $47,025,920 in expected revenues, the FY 11-12 budget projected a deficit of $1,555,230. This would result in a draw in the same amount from the Economic Uncertainty fund to balance the budget. Actual figures for FY 11-12 indicate that the City had $49,463,604 in General Fund revenue and $49,515,934 in expenditures, thereby resulting in an actual deficit of just $52,330.

Governmental Accounting Standards Board (GASB) Statement 54 requires the designation of fund balance into use categories and clarifies how rainy-day amounts can

separately in subsidiary records. Those subsidiary records indicate that as of 6/30/12 the Reserve for Economic Uncertainty has a balance of $7,949,670 and the General Fund has a balance of $18,985,114. The total reserves of $26,934,784 represent 54% in reserves as compared to the FY 12-13 General Fund Operating Budget.

FY 11-12 Budget to Actual Comparison

The City received $49,463,604 in actual revenues while the budget projected $47,025,920. This is fairly typical of municipal budgeting practices as conservative estimates are used. If actual revenue ended up being less than budget this presents significant challenges that subsequently must be addressed. As such, it is always wise to err on the side of caution especially during times of economic uncertainty. In addition even though revenue was up as a whole, there were a number of specific revenue sources that were below the budget projections. In other words, it is very typical that budgeting will result in some revenues being more than projected and some revenues being less than projected.

Revenue items that resulted in the most revenue ABOVE budget estimates were Sales Taxes, Temporary Taxes (Measure E), and current charges. The FY 11-12 budget projected Sales Taxes to be $10,977,000 – a fairly aggressive estimate considering that was 19% more than the previous year's budget. Actual sales tax for the year came in at $12,511,763. This increase was due to significant gains in new auto sales as well as the higher prices of fuel. There is general sales tax charged on gas/diesel as well as transportation/road taxes. As such, when the price of fuel goes up and remains high, there is an increase in sales tax. Service stations are currently accounting for 16.5% of the City's total sales tax. Future fuel prices are extremely difficult to project. New auto sales account for 14.7% of the City's sales tax.

The same trends in Sales Taxes were reflected in Temporary Measure E Taxes totaling $5,910,308 for the year as compared with a budget projection of $4,650,000. When the FY 11-12 budget was prepared in Spring of 2011, the Measure E half cent sales tax had just started (April 1, 2011). As such, there was no data which could be used for this projection other than the consultant's conservative first year estimates for the tax. Keep in mind that the half cent is only applied to new autos registered within the City limits and not to all new autos sold within the City limits. This distinction means that Measure E could not simply be estimated at 50% of the City's general sales tax (1 cent).

Revenue items that resulted in the most revenue BELOW budget estimates were Property Taxes, Fines & Forfeitures, License & Permits, and Use of Money & Property (investment earnings). The budget anticipated a drop in property taxes of about 3% but taxes actually fell about 5%. In dollars this was actual receipts of $14,043,725 as compared to an adopted budget of $14,350,600, resulting in revenues less than budget of $306,875.

Actual Fines & Forfeitures revenue was also less than budget. The budget for this item was $1,709,000 but actual revenues were $1,526,403. License and permit fees were budgeted at $696,130 but actual receipts were $554,716.

With a continued low interest rate environment, (investment earnings are a key component of the category of Use of Money and Property), revenues in this line item were $772,976 compared to a budget of $990,000. During FY 11-12 the average rate on investments fell from 2.28% to 1.72%. Also, the amount in the City Treasurer's pool

fell from $192.8 million to $170.7 million during this period as a variety of capital projects were under construction.

On the expense side of the budget, it is unlikely every penny of every expense line item will be spent during the fiscal year. This results in an historical spending average of about 98% of the budget. On an approximate $50 million budget such a 2% savings would result in about a $1 million savings from actual expenditures compared to budget. The total expenditure budget was $49,408,150 plus $1,173,000 debt service for a total of $50,581,150. Actual expenses totaled just $49,261,525, thereby achieving a budget savings of $1,319,625 which is more than the historical average. The budget however, anticipated that due to a variety of factors, there would be higher than historical average savings and as a result, reflected a total of $2 million in budget savings for the year. One factor that led to a higher budget savings projection involved several anticipated early retirements, many of which were deferred to future periods. The end result was that while there were budget savings of about $1.3 million, this fell short of the target of $2 million. It should be noted that the City has reverted to the historical budget savings of $1 million for the FY 12-13 adopted budget as opposed to the more aggressive budget savings utilized for FY 11-12

One additional expense that the budget did not contemplate was the need for the City to pay an additional $250,000 to the South County Fire Authority on behalf of Tracy Rural Fire Protection District as the District did not have sufficient funds to cover its share of expense for FY 11-12. By the City paying this amount now, the District will be obligated to fund a like amount of Fire expenses in future years from District revenues even when such fire services will be used to service the City.

Budget Assessment and Outlook

As noted, the FY 11-12 budget deficit was anticipated to be approximately $1.5 million and with the books closed and audited, the finally tally was a deficit of just $52,330. As such, the budget was about 97% accurate in predicting the combined result of all revenues and expenses. On the expense side it should be noted that with the exception of Police all labor contracts expired on 6/30/11 and there were no replacement contracts on which to base budget estimates for FY 11-12. On the revenue side, FY 11-12 was a period of great economic uncertainty thereby making revenue projections – especially those associated with sales tax – to be complex and difficult. In light of these challenges, the overall budget accuracy of 97% for FY 11-12 is noteworthy.

While the resulting shrinking of the FY 11-12 deficit to just $52,330 is a welcome improvement, it should be remembered this was only achieved through the receipt of $5.9 million in temporary Measure E sales tax revenue. With Measure E set to expire 3/31/16 the City must remain on a steady course of expense reductions and a continued improving economy in order to achieve a balanced budget in the future without Measure E revenue.

Although this Staff Report has analyzed actual fiscal year data as compared to the FY 11-12 adopted budget, the CAFR remains simply a reporting of actual fiscal transactions during this time period. The CAFR is a fiscal report of what occurred from 7/1/11 to 6/30/12 and it is not a budget document for what is to come. Further analysis of past data, current trends, and projections for the future will be necessary in order to provide an update to the current FY 12-13 budget as well as to provide a 5-year budget forecast. Staff will be providing such information to the City Council in February of 2013.

Third Party Validation of City's Financial Management Practices

There is strong evidence by other organizations that the City's financial management has been conservative, prudent, and accurate for over 20 years. In addition to the Certificate of Achievement for Excellence in Financial Reporting designation from the GFOA, the City has also received the GFOA Budget Presentation award for the last 24 years. This distinction denotes Tracy has presented its budget accurately, with clarity, and insight into governmental performance. Only 5 California cities have won more combined CAFR and budget GFOA awards than Tracy.

In November 2011 Standard and Poors (S&P) completed a review of the City's financial condition in light of the City's current A+ bond rating. S&P affirmed the City's A+ bond rating noting the City's good financial management practices and moderate debt levels. In August 2012, Moody's Investor Services placed several dozen California cities on fiscal watch for possible downgrade or their ratings. Tracy was not among these cities.

The CAFR is available for review on the City's website at www.ci.tracy.ca.us or at the City Clerk's office located in City Hall at 333 Civic Center Plaza.

STRATEGIC PLAN

Adoption of this item is a routine item and does not pertain to one of the City's seven strategic plans. However, strong financial management is critical as part of the Healthy Organization goal of the City.

FISCAL IMPACT

Complete financial information as of June 30, 2012 is contained in the CAFR.

RECOMMENDATION

It is recommended the City Council by resolution accept the June 30, 2012 Comprehensive Annual Financial Report as audited by Moss, Levy and Hartzheim.

Prepared by: Zane Johnston, Finance Director
Reviewed by: Maria Hurtado, Assistant City Manager
Approved by: Leon Churchill, Jr., City Manager

RESOLUTION 2012-248

ACCEPTANCE OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

WHEREAS, The financial statements of the City of Tracy for the fiscal year ended June 30, 2012, have been prepared by the City's Finance and Administrative Services Department, and

WHEREAS, The annual financial statements were examined by the independent public accounting firm of Moss, Levy and Hartzheim, and

WHEREAS, The City prepared the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012 and the auditor's opinion is included therein, and

WHEREAS, It is the opinion of the auditors that the financial statements present fairly the financial position of the City as of June 30, 2012, and that the statements were prepared in conformity with generally accepted accounting principles;

NOW, THEREFORE, BE IT RESOLVED, That the City Council does hereby accept the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012.

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

The foregoing Resolution 2012-248 was passed and adopted by the Tracy City Council on the 18th day of December, 2012 by the following vote:

AYES: COUNCIL MEMBERS: MACIEL, RICKMAN, YOUNG, IVES

NOES: COUNCIL MEMBERS: NONE

ABSENT: COUNCIL MEMBERS: NONE

ABSTAIN: COUNCIL MEMBERS: NONE

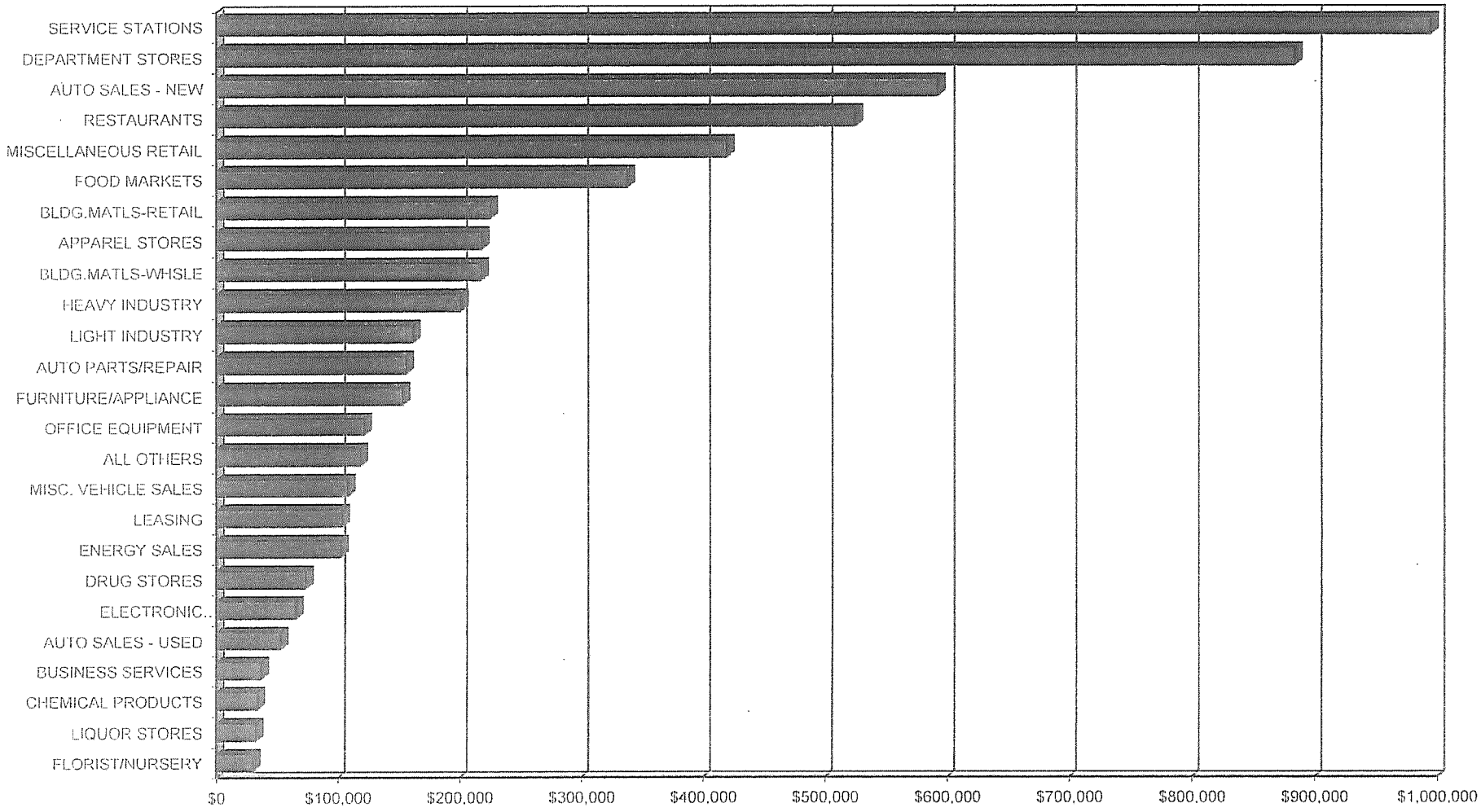
MAYOR

ATTEST:

CITY CLERK

TRACY ST

LOCAL SALES TAX REVENUE BY ECONOMIC SEGMENT

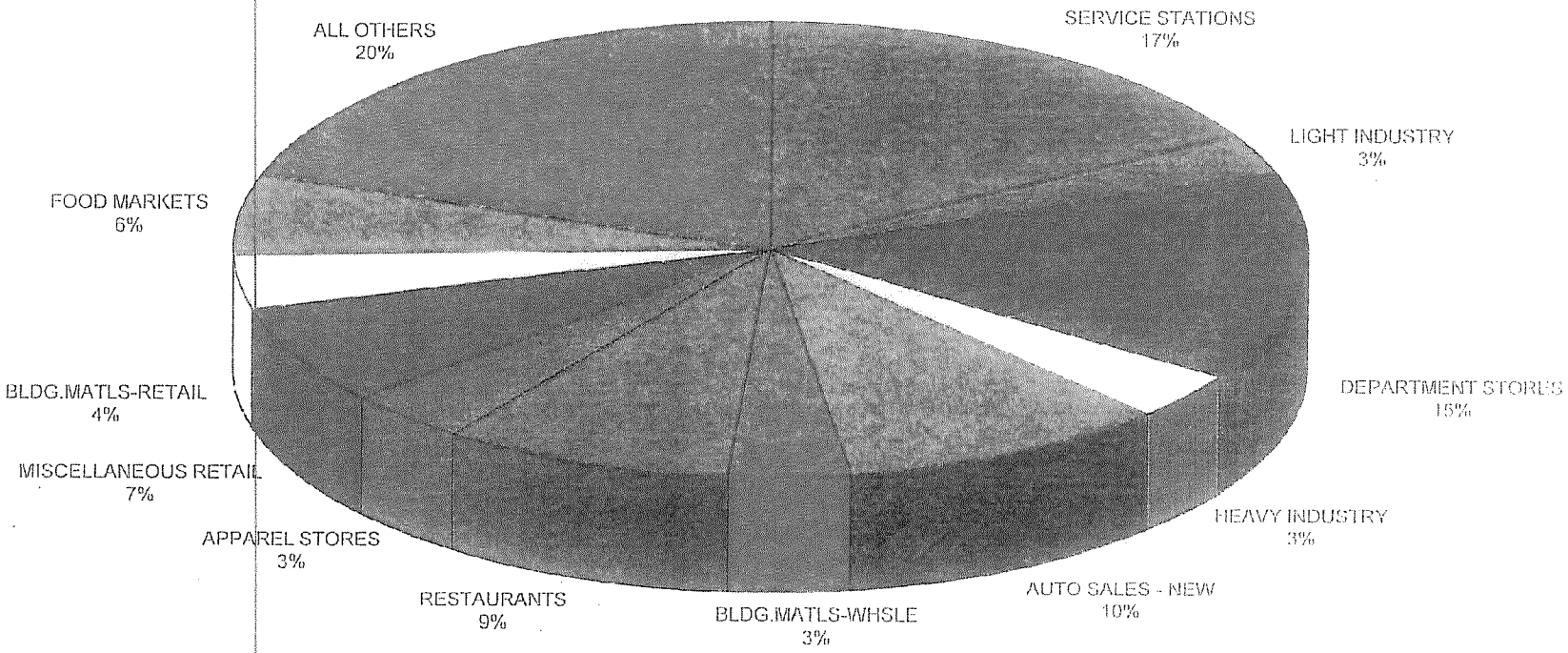


BENCHMARK YEAR ENDING THIRD QUARTER 2012

3-11-13 Agenda Item 5.f.

TRACY ST

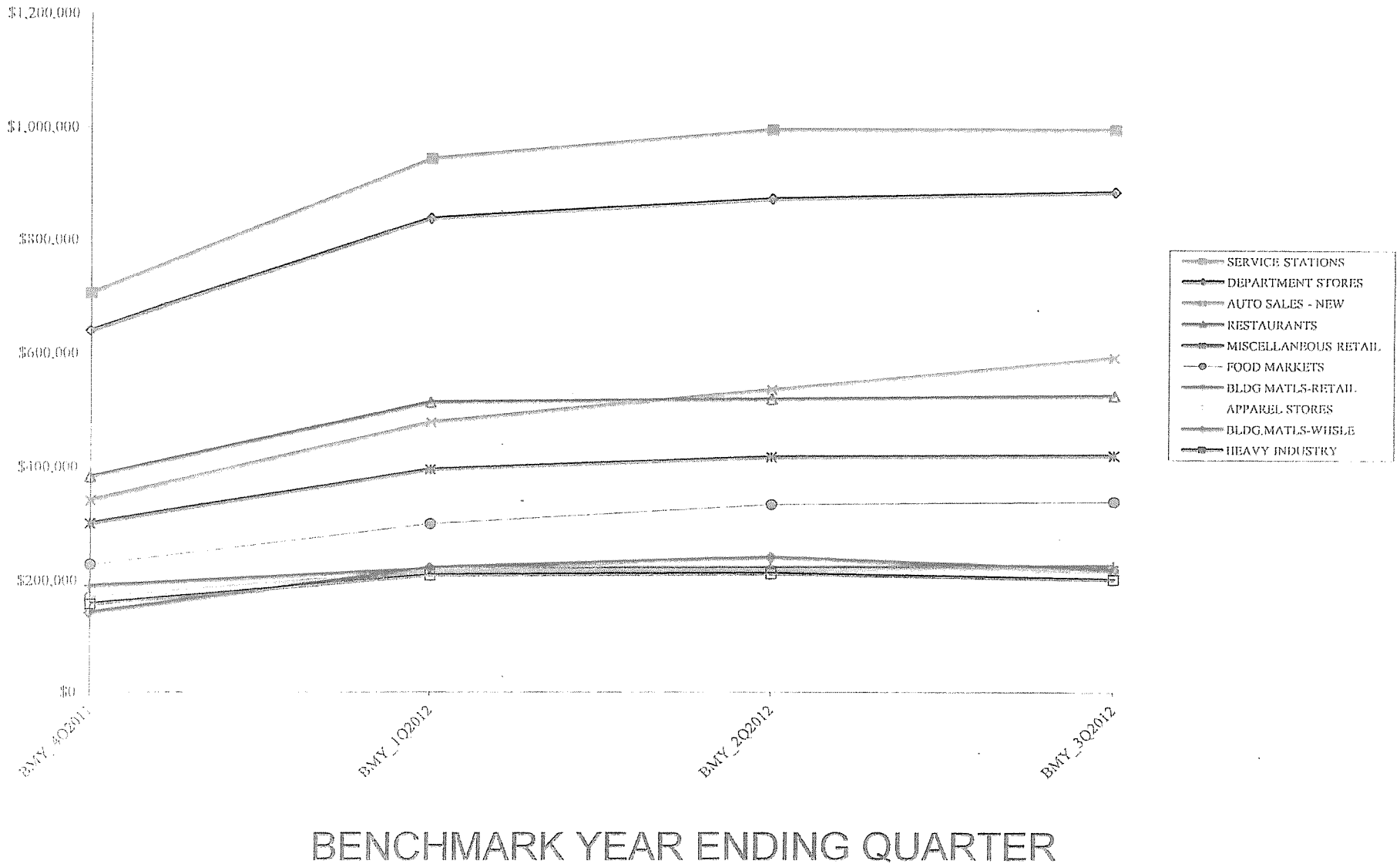
TOTAL CITY $5,957,272



BENCHMARK YEAR ENDING THIRD QUARTER 2012

TRACY ST

SALES TAX FROM TEN LARGEST BUSINESS SEGMENTS



BENCHMARK YEAR ENDING QUARTER

3-11-13, Agenda Item 5h

TRACY S&UT: FY 2013 Transactions Tax Forecast

Based on transactions thru Sep 2012 (CYQ3) and Cash thru Dec 2012

January 22, 2013

1 - Projected Base	$ 5,977,519

2 - Business Level Adj.	%Δ	$Δ
General Retail		31,400
Food Products		12,259
Transportation		17,182
Construction		(45,882)
Business to Business		259
Miscellaneous		(5,181)

3 - Prior Period Payments	Expected Date	$

4 - Coming Soon or Threats	Expected Date	$

Total Adjustments	10,037

Cash Flow	Allocations	Cash Payments
1st Adv: Jun 2012	335,300	
2nd Adv: Jul 2012	334,800	334,800
3rd Adv: Aug 2012	446,400	446,400
Balance: Sep 2012	416,408	868,008
Total	1,532,908	1,649,208
1st Adv: Sep 2012	451,600	
2nd Adv: Oct 2012	451,600	451,600
3rd Adv: Nov 2012	602,100	602,100
Balance: Dec 2012	(251,235)	168,065
Total	1,254,065	1,221,765
1st Adv: Dec 2012	419,300	
2nd Adv: Jan 2013	661,124	661,124
3rd Adv: Feb 2013	829,028	829,028
Balance: Mar 2013	422,554	670,741
Total	2,332,007	2,160,893
1st Adv: Mar 2013	248,187	
2nd Adv: Apr 2013	269,582	269,582
3rd Adv: May 2013	338,047	338,047
Balance: Jun 2013	95,091	497,378
Total	950,906	1,105,007
Total	**6,069,885**	**6,136,873**

Shaded area indicates forecasted dollars.

5 - Forecast Scenarios	Inflation Adj.	Allocations	Cash Payments
Pessimistic: 1.8%	0.9%	6,039,948	6,102,982
Most Likely: 2.8%	**1.4%**	**6,069,885**	**6,136,873**
Optimistic: 3.8%	1.9%	6,099,823	6,171,753

6 - Most Likely Accruals	Allocations
2nd Adv: Jul 2013	6,239,041
3rd Adv: Aug 2013	6,340,584
Balance: Sep 2013	6,078,310

7 - Notes

The Most Likely Scenario's effective allocation growth rate is 2.4%

The Most Likely Scenario's effective cash payment growth rate is 2.4%.

TRACY S&UT: FY 2014 Transactions Tax Forecast

Date: January 22, 2013

1 - Projected Base	$ 6,069,885

2 - Business Level Adj.	%Δ	$Δ
General Retail	0.8%	14,775
Food Products	-1.6%	(14,814)
Transportation	0.9%	16,512
Construction	1.4%	5,540
Business to Business	-1.0%	(8,348)
Miscellaneous	0.1%	75

3 - Prior Period Payments	Expected Date	$

4 - Coming Soon or Threats

Total Adjustments	13,740

Cash Flow	Allocations	Cash Payments
1st Adv: Jun 2013	402,288	
2nd Adv: Jul 2013	436,968	436,968
3rd Adv: Aug 2013	547,944	547,944
Balance: Sep 2013	154,133	559,652
Total	1,541,332	1,544,563
1st Adv: Sep 2013	405,519	
2nd Adv: Oct 2013	440,477	440,477
3rd Adv: Nov 2013	552,345	552,345
Balance: Dec 2013	155,371	570,584
Total	1,553,712	1,563,406
1st Adv: Dec 2013	415,213	
2nd Adv: Jan 2014	451,007	451,007
3rd Adv: Feb 2014	565,548	565,548
Balance: Mar 2014	159,085	551,679
Total	1,590,853	1,568,234
1st Adv: Mar 2014	392,594	
2nd Adv: Apr 2014	426,438	426,438
3rd Adv: May 2014	534,740	534,740
Balance: Jun 2014	150,419	560,790
Total	1,504,192	1,521,968
Total	**6,190,089**	**6,198,171**

5 - Forecast Scenarios	Inflation Adj.	Allocations	Cash Payments
Pessimistic	0.8%	6,129,252	6,137,256
Most Likely	**1.8%**	**6,190,089**	**6,198,171**
Optimistic	3.0%	6,266,134	6,274,316

6 - Most Likely Accruals	Allocations
2nd Adv: Jul 2014	6,206,951
3rd Adv: Aug 2014	6,217,960
Balance: Sep 2014	6,221,057

7 - Notes

The Most Likely Scenario's effective allocation growth rate is 2.0%

The Most Likely Scenario's effective cash payment growth rate is 1.0%.

TRACY S&UT: FY 2015 Transactions Tax Forecast

Date: January 22, 2013

1 - Projected Base	$ 6,190,089

2 - Business Level Adj.	%Δ	$Δ
General Retail	0.8%	14,914
Food Products	-1.5%	(13,492)
Transportation	0.9%	16,767
Construction	1.4%	5,632
Business to Business	-1.0%	(8,129)
Miscellaneous	0.1%	75

3 - Coming Soon or Threats	Expected Date	$
Total Adjustments		15,768

Cash Flow	Allocations	Cash Payments
1st Adv: Jun 2014	410,370	
2nd Adv: Jul 2014	445,747	445,747
3rd Adv: Aug 2014	558,953	558,953
Balance: Sep 2014	157,230	570,897
Total	1,572,300	1,575,596
1st Adv: Sep 2014	413,667	
2nd Adv: Oct 2014	449,327	449,327
3rd Adv: Nov 2014	563,442	563,442
Balance: Dec 2014	158,493	582,048
Total	1,584,929	1,594,818
1st Adv: Dec 2014	423,555	
2nd Adv: Jan 2015	460,068	460,068
3rd Adv: Feb 2015	576,911	576,911
Balance: Mar 2015	162,282	562,763
Total	1,622,816	1,599,743
1st Adv: Mar 2015	400,482	
2nd Adv: Apr 2015	435,006	435,006
3rd Adv: May 2015	545,484	545,484
Balance: Jun 2015	153,441	571,563
Total	1,534,413	1,552,053
Total	**6,314,459**	**6,322,210**

4 - Forecast Scenarios	Inflation Adj.	Allocations	Cash Payments
Pessimistic	0.8%	6,252,400	6,260,075
Most Likely	**1.8%**	**6,314,459**	**6,322,210**
Optimistic	3.0%	6,392,032	6,399,879

5 - Most Likely Accruals	Allocations
2nd Adv: Jul 2015	6,330,630
3rd Adv: Aug 2015	6,341,188
Balance: Sep 2015	6,344,158

6 - Notes

The Most Likely Scenario's effective allocation growth rate is 2.0%

The Most Likely Scenario's effective cash payment growth rate is 2.0%.

TRACY S&UT: FY 2016 Transactions Tax Forecast

Date: January 22, 2013

1 - Projected Base	$ 6,314,459

2 - Business Level Adj.	%Δ	$Δ
General Retail	0.4%	7,509
Food Products	-0.7%	(6,273)
Transportation	0.4%	8,480
Construction	0.7%	2,851
Business to Business	-0.5%	(3,983)
Miscellaneous	0.1%	38

3 - Coming Soon or Threats	Expected Date	$

Total Adjustments	8,621

Cash Flow	Allocations	Cash Payments
1st Adv: Jun 2015	418,122	
2nd Adv: Jul 2015	454,167	454,167
3rd Adv: Aug 2015	569,511	569,511
Balance: Sep 2015	160,200	581,680
Total	1,602,000	1,605,358
1st Adv: Sep 2015	421,480	
2nd Adv: Oct 2015	457,815	457,815
3rd Adv: Nov 2015	574,085	574,085
Balance: Dec 2015	161,487	593,042
Total	1,614,867	1,624,942
1st Adv: Dec 2015	431,556	
2nd Adv: Jan 2016	468,759	468,759
3rd Adv: Feb 2016	587,808	587,808
Balance: Mar 2016	165,347	573,394
Total	1,653,470	1,629,961
1st Adv: Mar 2016	408,047	
2nd Adv: Apr 2016	443,223	443,223
3rd Adv: May 2016	555,788	555,788
Balance: Jun 2016	156,340	263,097
Total	1,563,397	1,262,108
Total	**6,433,734**	**6,122,369**

4 - Forecast Scenarios	Inflation Adj.	Allocations	Cash Payments
Pessimistic	0.8%	6,370,503	6,062,198
Most Likely	**1.8%**	**6,433,734**	**6,122,369**
Optimistic	3.0%	6,512,772	6,197,583

5 - Most Likely Accruals	Allocations
2nd Adv: Jul 2016	5,784,163
3rd Adv: Aug 2016	5,360,063
Balance: Sep 2016	5,240,766

6 - Notes

The Most Likely Scenario's effective allocation growth rate is 1.9%

The Most Likely Scenario's effective cash payment growth rate is -3.2%.

3-11-13 AGENDA ITEM 5i
MEASURE E RESIDENTS' OVERSIGHT COMMITTEE
APPOINTEES AS OF MARCH 1, 2013

TRACY

Appointed to 3-year Terms – Expiring March 1, 2014

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3-11-13 AGENDA, ITEM 8
CITY OF TRACY
MEASURE E RESIDENTS' OVERSIGHT COMMITTEE
MEETING CALENDAR
(As of March 1, 2013)

Meeting Location: City of Tracy, City Hall, Room 109, 1st Floor, 333 Civic Center Plaza, Tracy, CA 95376
Council Meetings are held in the City Hall Council Chamber

Regular Scheduled Meetings: The 3rd Monday in January, April, July, and October

DATE	PURPOSE	TIME
March 11, 2013 Special Meeting (Room 203, 2nd Floor)		5:30 P.M.
March 25, 2013	Special Meeting	5:30 P.M.
April 15, 2013	Regular Meeting	5:30 P.M.
June 18, 2013 (Tues)	City Council Meeting	**7:00** P.M.
July 15, 2013	Regular Meeting	5:30 P.M.
October 21, 2013	Regular Meeting	5:30 P.M.
January 20, 2014	Regular Meeting	5:30 P.M.
April 21, 2014	Regular Meeting	5:30 P.M.
June, 17, 2014 (Tues)	City Council Meeting	**7:00** P.M
July, 21, 2014	Regular Meeting	5:30 P.M
October 20, 2014	Regular Meeting	5:30 P.M
January 19, 2015	Regular Meeting	5:30 P.M
April 20, 2015	Regular Meeting	5:30 P.M
June 16, 2015 (Tues)	City Council Meeting	**7:00** P.M
July 20, 2015	Regular Meeting	5:30 P.M
October 19, 2015	Regular Meeting	5:30 P.M
January 18, 2016	Regular Meeting	5:30 P.M
March 21, 2016	Regular Meeting	5:30 P.M