

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, FEBRUARY 19, 2020**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of February 19, 2020, was called to order by Mayor Kuehne at 6:03 p.m.

Present: Council Member Chandler, Mayor Pro Tempore Nakanishi, and Mayor Kuehne
Absent: Council Member Johnson, and Council Member Mounce
Also Present: City Manager Schwabauer, City Attorney Magdich, and Assistant City Clerk Farris

C-2 Announcement of Closed Session

- a) Conference with Adele Post, Human Resources Manager, and Andrew Keys, Deputy City Manager (Labor Negotiators), Regarding AFSCME General Services and Maintenance & Operators, Lodi Professional Firefighters, Council Appointees, and Confidential Employees Pursuant to Government Code §54957.6 (CM)
- b) Actual Litigation: Government Code Section 54956.9; Seven Applications; Reba Ridino v. City of Lodi; Worker's Compensation Appeals Board Case No. ADJ1101088 (DOI: 09/01/1994), No. ADJ12456598 (DOI: 08/27/1998) No. Unassigned (DOI: 12/20/2005), No. ADJ3860654 (DOI: 03/26/2006), No. Unassigned (DOI: 12/03/2006), No. ADJ10399541 (DOI: CT-12/03/2006) No. ADJ1766021 (DOI: 05/29/2007) (CA)
- c) Actual Litigation: Government Code Section 54956.9; Three Applications; Todd Wagner v. City of Lodi; Worker's Compensation Appeals Board Case No. ADJ10881078 (DOI: 2/01/2017), No. ADJ10881070 (DOI: CT- 09/11/2016), No. ADJ11220729 (DOI: 02/19/2018) (CA)
- d) Actual Litigation: Government Code Section 54956.9; One Application; Jeremy Quaglia v. City of Lodi; Worker's Compensation Appeals Board Case No. ADJ9144001 (DOI: 12/27/2012)(CA)
- e) Actual Litigation: Government Code Section 54956.9; Three Applications; Roger Butterfield v. City of Lodi; Worker's Compensation Appeals Board Case No. Unassigned (DOI: CT- 11/29/2017), No. ADJ3427103 (DOI: 10/27/1998), No. ADJ8627396 (DOI: 09/23/2010) (CA)

C-3 Adjourn to Closed Session

At 6:03 p.m., Mayor Kuehne adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 6:33 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:01 p.m., Mayor Kuehne reconvened the City Council meeting, and City Attorney Magdich disclosed the following actions.

Item C-2a) was discussion and direction with no reportable action.

Item C-2b) was not discussed.

Item C-2c) was not discussed.

Item C-2d) was discussion and direction with no reportable action.

Item C-2e) was discussion and direction with no reportable action.

A. Call to Order / Roll Call

The Regular City Council meeting of February 19, 2020, was called to order by Mayor Kuehne at 7:01 p.m.

Present: Council Member Chandler, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Absent: Council Member Johnson, and Council Member Mounce

Also Present: City Manager Schwabauer, City Attorney Magdich, and Assistant City Clerk Farris

B. Presentations – None

C. Consent Calendar (Reading; Comments by the Public; Council Action)

Mayor Pro Tempore Nakanishi made a motion, second by Council Member Chandler, to approve the following items hereinafter set forth, **except those otherwise noted**, in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: Council Member Johnson, and Council Member Mounce

C-1 Receive Register of Claims for January 17, 2020 through January 30, 2020 in the Amount of \$6,800,336.74 (FIN)

Claims were approved in the amount of \$6,800,336.74.

C-2 Approve Minutes (CLK)

The minutes of January 28, 2020 (Shirtsleeve Session), January 28, 2020 (Special Meeting), and February 4, 2020 (Shirtsleeve Session) were approved as written.

C-3 Approve Plans and Specifications and Authorize Advertisement for Well 27 Granular Activated Carbon Filter System (PW)

Approved plans and specifications and authorized advertisement for Well 27 Granular Activated Carbon Filter System.

C-4 Adopt Resolution Authorizing Purchase of Ultraviolet Disinfection Parts for White Slough Water Pollution Control Facility from DC Frost Associates, Inc., of Walnut Creek (\$96,114) (PW)

Adopted Resolution No. 2020-30 authorizing the purchase of ultraviolet disinfection parts for White Slough Water Pollution Control Facility from DC Frost Associates, Inc., of Walnut Creek, in

the amount of \$96,114.

C-5 Adopt Resolution Authorizing City Manager to Execute Amendment No. 1 to Professional Services Agreement with Valley Iron Works, Inc. for Repairs and Replacement of Damaged Metal Railings and Gates at Lodi Lake Park Property (\$19,737) (PRCS)

Adopted Resolution No. 2020-31 authorizing the City Manager to execute Amendment No. 1 to the Professional Services Agreement with Valley Iron Works, Inc., for repairs and replacement of damaged metal railings and gates at Lodi Lake Park property, in the amount of \$19,737.

C-6 Ratification of Employment Agreement Entered into Between City Manager Stephen Schwabauer and Community Development Director John Della Monica (CM)

Approved ratification of Employment Agreement entered into between City Manager Stephen Schwabauer and Community Development Director John Della Monica.

C-7 Re-Post for Vacancies on Personnel Board of Review (CLK)

Directed the City Clerk to re-post for the following vacancies:

Personnel Board of Review

Ernie Bender Term to expire January 1, 2023

John Campbell Term to expire January 1, 2023

Elliott Grauman Term to expire January 1, 2023

C-8 Receive Report Regarding Communication Pertaining to Senate Bill 50 (Wiener) Planning and Zoning, Housing Development Incentives (CLK)

Item No. C-8 was pulled at the request of a member of the public.

Doug Bojack, a member of the public, expressed his disappointment in the City sending a letter of opposition for Senate Bill 50 without the public being able to express an opinion. He stated that he was in favor of SB 50 as he felt the bill would provide many benefits, such as affordable housing, public transportation, reduction of air pollution, improved land use policy, inclusion of lower-income families in higher opportunity neighborhoods, and improved public health, as well as providing for an improved quality of life with citizens spending more time with families rather than commuting.

In response to Mayor Pro Tempore Nakanishi, Mr. Bojack stated he was speaking for himself and not representing a particular organization.

At the request of Mayor Kuehne, City Manager Schwabauer explained that the League of California Cities opposes SB 50 due to its one-size-fits-all solution to the housing crisis and sought support from all of the member cities. While there was some flexibility in the bill, the League did not feel it was adequate. He further stated that while the bill may provide for low-cost housing in higher opportunity neighborhoods, there is the distinct possibility that it will create a concentration of low-cost housing in low-cost areas where developers are most likely to go to seek their lower cost housing and increase their profits; the result would be that the bill would accomplish the opposite of what it states it will do. These concerns are why the Mayor elected to use the process the City has in place to send a letter when there is not enough time to take the matter before Council.

Mayor Kuehne commented that he met with Building Industry Association (BIA) representative

John Beckman, and Mr. Beckman is hopeful that the amendments put forth by the BIA may address the points brought up by the City Manager. He further stated that while the bill may have looked good, there were issues that were concerning, and the City needs to make sure it is heading on the right track.

Council Member Chandler made a motion, second by Mayor Pro Tempore Nakanishi, to receive report regarding communication pertaining to Senate Bill 50 (Wiener) Planning and Zoning, Housing Development Incentives.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: Council Member Johnson, and Council Member Mounce

C-9 Accept Monthly Protocol Account Report Through January 31, 2020 (CLK)

Accepted Monthly Protocol Account Report through January 31, 2020.

C-10 Authorize City Clerk to Grant Request for Leave to Present Late Claim, by Danielle Macellari, Pursuant to Government Code Section 911.6(a) (CA)

Authorized the City Clerk to grant Request for Leave to Present Late Claim, by Danielle Macellari, Pursuant to Government Code Section 911.6(a).

D. Comments by the Public on Non-Agenda Items THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES. Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

None.

E. Comments by the City Council Members on Non-Agenda Items

None.

F. Comments by the City Manager on Non-Agenda Items

None.

G. Public Hearings – None

H. Regular Calendar

H-1 Receive and File City's Comprehensive Annual Financial Report (Fiscal Year 2018/19) by The Pun Group (CM)

Vanessa Burke, Engagement Partner, and Paul Phangureh, Engagement Manager, of The Pun Group, provided a PowerPoint presentation regarding the City's Comprehensive Annual Financial

Report. Specific topics of discussion included scope of work - Financial Statement audit, compliance audit, and agreed upon procedures; AU-C260 required communications; audit responsibilities; management responsibilities; auditors' responsibilities; approach to City of Lodi audit; The Pun Group's audit approach; overview of Financial Statements; Comprehensive Annual Financial Report; Government-Wide Financial Statements; General Fund; key financial indicators; pension & OPEB information; sales tax; net cost of services to tax revenues; General Fund reserves; GASB 68 - Pension Standard; GASB 75 - OPEB Standard; Single Audit Report; Summary Schedule of Expenditures of Federal Awards; audit result; summary of findings and recommendations; and summary of unposted audit adjustments - governmental activities, business type activities, and Enterprise Funds (Electric Utility, Water/Wastewater, Transit, and aggregate non-major).

In response to Mayor Pro Tempore Nakanishi, City Manager Schwabauer confirmed that 30.58% of the City's overall federal expenditures program are audited, not all federal expenditures.

City Manager Schwabauer stated that sick leave conversion ended in 1994 and 1995, depending upon the bargaining unit, so that is not a benefit that is offered anymore.

In response to Council Member Chandler, Deputy City Manager Keys stated that there is a need for documentation, policies, and procedures for how timecards and cash receipts are processed; Finance is working on this and some new procedures are already in place; a full policy and procedure is in place now for bank reconciliation; now that all the contracts are nearly in place, the City will be implementing an employee self-service module that will put payroll time approval into a work flow which will require supervisor approval any time a change is made.

In response to Mayor Pro Tempore Nakanishi, Ms. Burke responded that deficiencies with internal controls is common to communities; all communities experience some type of internal control deficiency; and often is it related to employee turnover and shifting of duties.

Mayor Pro Tempore Nakanishi asked that staff focus on this area going forward to avoid embezzlement.

In response to Mayor Pro Tempore Nakanishi, Ms. Burke responded that there is no benchmark opinion to compare to other communities, but the City is in conformance with General Accepted Accounting Principles (GAAP).

In response to Mayor Kuehne, Deputy City Manager Keys stated that the errant methodology for underground lines has been used for as far back as they could find; unit cost and quantities were not updated; Electric Utility is already taking significant steps on the monitoring of newly-deployed lines; and staff is reviewing a software program to manage inventory and capital assets.

In response to Council Member Chandler, Ms. Burke clarified that the recent problems with PG&E's lines is an external risk factor which was considered when the audit was planned, since the City manages a large utility.

In response to Mayor Pro Tempore Nakanishi, Ms. Burke stated that while every city's business model is different, Lodi is in a stronger position than many cities as Lodi is less dependent on charges for services and grants due to the availability of property tax and sales tax.

Council Member Chandler made a motion, second by Mayor Pro Tempore Nakanishi, to receive and file the City's Comprehensive Annual Financial Report (Fiscal Year 2018/19) by The Pun Group.

(NOTE: The motion and vote on this item was overlooked until the completion of Item H-2.)

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: Council Member Johnson, and Council Member Mounce

H-2 Adopt Resolution Approving Revisions to Compensation for Confidential General Services Employees for the Period January 1, 2020 through December 31, 2022

Deputy City Manager Andrew Keys provided a presentation regarding revisions to compensation for Confidential General Services employees. Specific topics of discussion included three-year term; 5% increase each year with 1% PERS pickup; timing will be 4% retroactive to January; 1% in July with 1% PERS pickup; 5% with 1% PERS pickup in January 2021 and January 2022; currently negotiating with AFSCME and staff recommends returning to Council for similar treatment of benefits; and the total cost is \$121,000 for the three years, with \$72,000 in General Fund.

Council Member Chandler made a motion, second by Mayor Pro Tempore Nakanishi, to adopt Resolution No. 2020-32 approving revisions to compensation for Confidential General Services employees for the period January 1, 2020 through December 31, 2022.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: Council Member Johnson, and Council Member Mounce

I. Ordinances – None

J. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:13 p.m.

ATTEST:

Pamela M. Farris
Assistant City Clerk