

City Manager's



Weekly Update Friday, October 3, 2008

Delinquent bills: Staff is looking at methods that would reduce the delinquencies in utility payments. Bad debt and other write-offs have increased from \$321,844 in FY 2002-03 to \$784,444 in FY 2007-08. The write-offs penalize the conscientious ratepayers and are hurting the enterprise funds. The City Council has directed staff to manage the system and reduce bad debts. Current ordinances provide the flexibility to deal with those issues, so the City will consider options for reducing the amount of unpaid debts.

Leftover VRDO business: The City received a \$5,500 bill from MBIA for "research" its staff conducted to investigate whether Lodi could uncouple the swap from the variable-rate electric utility bonds. This was the first the City had heard MBIA intended to issue a bill for staff time. It's worth noting that MBIA would not give the City a refund of the insurance premium paid in 2002. Given the state of the financial markets, and the tightening in credit markets (including extending liquidity facilities), the City is fortunate to have refinanced the 2002 bonds when it did. Agencies that have not refinanced variable rate demand obligations are finding more and more of their debt converting to bank bonds because of failed remarketing efforts, resulting in higher interest payments.

Lodi Energy Center: An open house organized by NCPA drew about 10 members of the public to Hutchins Street Square on Thursday to learn more about the Lodi Energy Center. NCPA staff indicated beforehand that its focus was on those people who live in areas near the proposed project site.

Mural almost finished: Except for the addition of a final clear coating, the Cherokee Lane mural has been restored by artist Suzanne Kennedy. The restoration was funded by a \$4,000 grant by PG&E.

Caltrans meeting: City staff met with Caltrans' local district director, Kome Ajise, to thank him for his staff's help with STAA issues and a transit-oriented development planning grant. We also brought up maintenance issues along state highways 12 and 99 and future STAA issues in order to maintain open lines of communication with Caltrans.

Final notes: PG&E raised its electric rates by 6 percent on Oct. 1. A second rate increase could come in January. ... The Street Faire was held Sunday with no reports of concern.

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