



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Minutes
a) January 16, 2008 (Regular Meeting)
b) February 5, 2008 (Shirtsleeve Session)
c) February 6, 2008 (Regular Meeting)
d) February 12, 2008 (Shirtsleeve Session)

MEETING DATE: February 20, 2008

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) January 16, 2008 (Regular Meeting)
b) February 5, 2008 (Shirtsleeve Session)
c) February 6, 2008 (Regular Meeting)
d) February 12, 2008 (Shirtsleeve Session)

BACKGROUND INFORMATION: Attached are copies of the subject minutes, marked Exhibits A through D.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl
City Clerk

RJ/JMP

Attachments

APPROVED: _____
Blair King, City Manager

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JANUARY 16, 2008**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of January 16, 2008, was called to order by Mayor Mounce at 6:00 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

C-2 ANNOUNCEMENT OF CLOSED SESSION

a) Conference with Blair King, City Manager, and Jim Krueger, Deputy City Manager (Acting Labor Negotiators), Regarding Lodi Police Dispatchers Association, International Brotherhood of Electrical Workers, and Association of Lodi City Employees Regarding Maintenance and Operators and General Services Pursuant to Government Code §54957.6

b) Threatened Litigation: Government Code §54956.9(b); One Case; Potential Suit by Part-Time Employees Regarding CalPERS Enrollment Against City of Lodi

C-3 ADJOURN TO CLOSED SESSION

At 6:00 p.m., Mayor Mounce adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 7:01 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:10 p.m., Mayor Mounce reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

Both Items C-2 (a) and C-2 (b) were discussion only.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of January 16, 2008, was called to order by Mayor Mounce at 7:10 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. INVOCATION

The invocation was given by Pastor Chris Chavez, Heartland Community Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Mounce.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 Awards – None

D-2 Proclamations – None

D-3 (a) Mayor Mounce presented a Certificate of Recognition to David Akin for his 2007 Parks and Recreation Commission Chairmanship.

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Johnson, Katzakian second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

- E-1 Claims were approved in the amount of \$6,697,178.55.
- E-2 The minutes of December 18, 2007 (Shirtsleeve Session), December 19, 2007 (Regular Meeting), December 25, 2007 (Shirtsleeve Session), January 1, 2008 (Shirtsleeve Session), January 2, 2008 (Regular Meeting), and January 8, 2008 (Shirtsleeve Session) were approved as written.
- E-3 Approved the request for proposal for acceptance testing and commissioning of the Killelea Substation Rehabilitation project.
- E-4 Adopted the following resolutions:
 - Resolution No. 2008-01 authorizing the City Manager to execute an agreement with Woodbridge Irrigation District for the reimbursement of costs for construction of raw water supply piping for the Lodi Surface Water Treatment Plant and appropriating \$60,000 from the Water Development Impact Fee fund; and
 - Resolution No. 2008-02 authorizing the City Manager to execute Amendment No. 1, in the amount of \$32,000, to the contract with HDR Engineering, Inc., to add raw water pump station design and consultations with California Department of Public Health and appropriating funds from the Water Development Impact Fee fund.
- E-5 Accepted improvements under the "Water and Wastewater Main Replacement Program, Project No. 3, Various Locations" contract.
- E-6 Adopted Resolution No. 2008-03 accepting the improvements in Century Meadows Park, 1833 Lexington Drive.
- E-7 Adopted Resolution No. 2008-04 authorizing the City Manager to approve the Northern California Power Agency Green Power Project Amended 3rd Phase Agreement.
- E-8 "Adopt Resolution Ratifying the Employment Agreement Extension between the City Manager and Electric Utility Director George Morrow" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-9 "Adopt Resolution Amending the Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the Period of October 9, 2007 through October 8, 2011" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-10 "Adopt Resolution Amending the Memorandum of Understanding between the City of Lodi and the Lodi Professional Firefighters for the Period July 1, 2007 through December 31, 2009" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-11 Affirmed the Highway 12 Safety and Harney Lane/Highway 99 Interchange projects as the City of Lodi's nominations for the San Joaquin Council of Governments' One Voice trip.
- E-12 Denied the request from San Joaquin Partnership for \$25,000 to serve as a partial match for a grant for the Stockton Metropolitan Airport.

ACTION ON ITEMS REMOVED FROM THE CONSENT CALENDAR

- E-8 "Adopt Resolution Ratifying the Employment Agreement Extension between the City Manager and Electric Utility Director George Morrow"

This item was pulled by Council Member Hitchcock for further information.

City Manager King provided a brief overview of the proposed extension of the employment agreement with the Electric Utility Director.

In response to Mayor Pro Tempore Hansen, Mr. King stated that there are some salary related dynamics with the City Manager and Electric Utility positions. He stated the Electric Utility Director is a highly valued employee and if there is a need at a later date to amend the 5% for him or other management employees, it will be brought back to the City Council.

Mayor Mounce stated she will not be voting in favor of the recommended action because she does not inherently support the six-month severance clause.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, adopted Resolution No. 2008-05 ratifying the employment agreement extension between the City Manager and Electric Utility Director George Morrow. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Johnson, and Katzakian

Noes: Council Members – Mayor Mounce

Absent: Council Members – None

- E-9 "Adopt Resolution Amending the Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the Period of October 9, 2007 through October 8, 2011"

This item was pulled by Council Member Hitchcock for further information.

Deputy City Manager Krueger provided a brief overview of the contract amendment and the proposed terms.

Council Member Hitchcock stated she will not be voting in favor of the recommended action due to her concerns regarding setting precedent, mandatory arbitration, salary surveys, long-term contracts, 20% differentials, and only a one percent tie in with the General Fund.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, adopted Resolution No. 2008-06 amending the Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the period of October 9, 2007 through October 8, 2011. The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, Katzakian, and Mayor Mounce

Noes: Council Members – Hitchcock

Absent: Council Members – None

- E-10 "Adopt Resolution Amending the Memorandum of Understanding between the City of Lodi and the Lodi Professional Firefighters for the Period July 1, 2007 through December 31, 2009"

This item was pulled by Council Member Hitchcock for further information.

Deputy City Manager Krueger provided a brief overview of the contract amendment and the proposed terms.

Council Member Hitchcock stated she will not be voting in favor of the recommended action due to similar concerns as previously stated on the proposed MOU with the Police Officers Association.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated the total compensation figures are median numbers based on the salary surveys.

Discussion ensued between Council Member Johnson and Mr. Krueger regarding employee retention data, attrition, and retirements.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, adopted Resolution No. 2008-07 amending the Memorandum of Understanding between the City of Lodi and the Lodi Professional Firefighters for the period July 1, 2007 through December 31, 2009. The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, Katzakian, and Mayor Mounce

Noes: Council Members – Hitchcock

Absent: Council Members – None

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Jack Dunn spoke of his concerns regarding credit card charges incurred by the City and Electric Utility for payments made by credit card and requested staff agendize the matter for further review.
- Robert Raingruber spoke of his concerns regarding the erosion at Lodi Lake and submitted a letter regarding the same.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Council Member Johnson commended the various City departments for their efficient and effective response to the storms.
- Mayor Pro Tempore Hansen reported on his attendance at a workshop in Sacramento and discussed the shift from electric issues to water issues. He also commended the departments for their response to the storms.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

- City Manager King stated staff will research and provide an update on the Lodi Lake, credit card, and payment diversity options. He also urged attendance at the January 24 redevelopment open house and briefly discussed the City's receipt of two San Joaquin Council of Governments awards and Federal Emergency Management Agency flood maps.

I. PUBLIC HEARINGS

None.

J. COMMUNICATIONS

J-1 Claims Filed Against the City of Lodi – None

J-2 The following postings/appointments were made:

- a) The City Council, on motion of Council Member Hitchcock, Mounce second, unanimously directed the City Clerk to post and re-post for the following vacancies on the Lodi Arts Commission:

Lodi Arts Commission

Post:

Cynthia Inman Term to expire July 1, 2008

Re-Post:

Two Vacancies Terms to expire July 1, 2008

One Vacancy Term to expire July 1, 2010

J-3 Miscellaneous

- a) The City Council, on motion of Council Member Hitchcock, Katzakian second, unanimously accepted the cumulative Monthly Protocol Account Report through December 31, 2007.

K. REGULAR CALENDAR

- K-1 "Consider Request from San Joaquin County Supervisor Ken Vogel Seeking Financial Assistance for the Development of an Armstrong Road Agricultural/Cluster Zoning Classification"

City Manager King provided a brief overview of the subject matter and Supervisor Vogel's request seeking financial assistance for the Armstrong Road zoning. He specifically discussed the recommended action to enter into negotiations with the County CEO Manual Lopez for an amount lesser than \$300,000, the County's consideration of a proposal, the City's role in developing the subject area, and the Council's discretion on the contribution amount.

In response to Council Member Hitchcock, Mr. King stated that, while there may be some duplication of effort with the General Plan amendment process, additional factual data may also be gathered as a result.

In response to Council Member Hitchcock, Mr. King stated the hierarchy of issues includes the comfort level with the current zoning and the level of participation to change that zoning. Mr. King stated it is his opinion that the Board of Supervisors will not proceed with the matter unless the City provides some financial support as well.

In response to Mayor Pro Tempore Hansen, Mr. King stated the 12 votes for the annexation are not necessarily those of the property owners.

Discussion ensued among Council Member Hitchcock, Mayor Mounce, and Mr. King regarding the recommended action, development compromise, citizen desires for the proposed area, Environmental Impact Report application, and the value of negotiations to the City.

In response to Mayor Pro Tempore Hansen, Mr. King confirmed that he believes the only way the matter can go forward with the Board of Supervisors is based on some form of financial contribution from the City.

In response to Council Members Katzakian and Hitchcock, Mr. King confirmed that the recommended action is to negotiate with Manual Lopez a contribution figure of less than \$300,000 to keep the project going forward.

In response to Council Member Johnson, Mr. King clarified that there are 181 property owners and there is a difference between the ability to vote if one is both a landowner and property owner versus just a landowner. Mr. King stated a voter must live in the voting district.

Pat Stockar spoke in support of a financial contribution from the City to the subject area zoning efforts and pursuing negotiations regarding the same. Discussion ensued between Mr. Stockar and Council Member Hitchcock regarding protections with AL-5 zoning, State law prohibition on leap frog development, proposal terms regarding annexation and development, discretion of local municipality to make decision, similar examples of zoning in Morada and Tracy, and the overall needs and desires of the farming community.

In response to Mayor Pro Tempore Hansen, City Attorney Schwabauer stated the sphere of influence does not give zoning authority until land is annexed and it is difficult to zone in perpetuity.

Bruce Fry spoke in support of a City financial contribution to the proposal and AL-5 zoning. A brief discussion ensued between Mr. Fry and Council Member Hitchcock regarding the terms of the proposal as they relate to property rights.

Pat Patrick spoke in support of the staff recommendation to enter into negotiations with the County CEAO to determine a contribution amount.

In response to Council Member Hitchcock, Planning Manager Peter Pirnejad provided a brief report of the Planning Commission's consideration, recommendation, and mixed reaction regarding the subject matter.

Ann Cerney spoke of her concerns regarding jurisdiction and a meaningful ability to participate in the process.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Hansen second, unanimously directed the City Manager to negotiate with County Administrator Manuel Lopez and recommend a level of funding for subsequent Council consideration.

RECESS

At 9:30 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 9:40 p.m.

K. REGULAR CALENDAR (Continued)

K-2 "Adopt Resolution Approving Amendment to Woodbridge Irrigation District Water Purchase Agreement"

City Manager King briefly introduced the subject matter of an amendment to the water purchase agreement with the Woodbridge Irrigation District. Public Works Director Prima provided a brief presentation regarding the same.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated the terms, price, and language of the agreement are similar and equal to the agreement with the city of Stockton.

Discussion ensued between Council Member Hitchcock, Mr. Prima, and Mr. Schwabauer regarding subordinating the first contract position to Stockton, right of first refusal for sale, rights for annexed land for both cities in the future, definitions of various types of water in the agreement, preclusion of the first 6,500 in the additional water term, related contract terms, dry year supply, hierarchy among the cities, and paragraph 3 of the initial and new contract.

In response to Council Member Katzakian, Mr. Prima stated the district runs from North Stockton up and to the west. He stated Stockton has annexed lands in the District. Mr. King stated a question regarding exercising the right to first refusal may still remain.

In response to Council Member Johnson, Mr. Prima stated Stockton will likely use its allocation before Lodi uses its allocation. He stated language and delivery will continue to be worked out.

Discussion ensued between Council Member Hitchcock, Mr. Prima, and Mr. Schwabauer regarding Stockton obtaining water after Lodi has received its allocation, dry year cut backs as defined by measurements from East Bay and not the actual amount of water, environmental based definitions, and banking of water.

In response to Council Member Hitchcock, Mr. Prima stated over time the water table will likely rise.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated the District could stipulate regarding its ability to sell water to differing agencies.

Discussion ensued between Mayor Pro Tempore Hansen and Mr. Christensen regarding the ability of the District to provide future water, two to three year dry period in 21 years where approximately one half of the water was received, the District's future tied to annexations and agriculture, the City's ability to negotiate after 40 years, and additional water supply in the Delta and conservation efforts to meet obligations for both cities.

In response to Mayor Pro Tempore Hansen, Mr. Christensen stated it is difficult to take the water outside of the County for delivery purposes so the primary goal is to keep and use it locally.

In response to Mayor Pro Tempore Hansen, Mr. Prima confirmed that the City retains a right of first refusal.

In response to Council Member Johnson, Mr. Schwabauer stated reasonableness is generally determined by the courts and there is an obligation to negotiate in good faith. He also stated pinning down the 40 years was important.

Ann Cerney spoke of her concerns regarding fast growth, urbanization, and the need for water to remain in the North County.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, adopted Resolution No. 2008-08 approving amendment to Woodbridge Irrigation District Water Purchase Agreement. The motion carried by the following vote:

Ayes: Council Members – Hansen, Katzakian, and Mayor Mounce

Noes: Council Members – Hitchcock and Johnson

Absent: Council Members – None

K-3 “Mid-Year Budget Review and Adopt Resolution Revising 2007-08 Budget Appropriations”

City Manager King provided a brief introduction to the topic of mid-year budget review and related appropriations including training for committee and commission members.

Deputy City Manager Krueger provided a PowerPoint presentation regarding the mid-year budget review. Specific topics of discussion included general fund summary for adjustments and one-time expenses, electric fund summary, water fund summary, wastewater utility fund summary, vehicle replacement fund summary, self-insurance summary, community development fund summary, statements of changes in each fund, and position control for departments.

In response to Council Member Hitchcock, Mr. King stated the \$20,000 figure was arrived at based on history of conference usage and Planning Commission registration budget.

In response to Council Member Johnson, Mr. King stated the number allocated for the web camera appears to be sufficient at the current time.

In response to Mayor Pro Tempore Hansen, Fire Chief Pretz stated that, with respect to the \$190,000 figure for dispatch, \$150,000 is for equipment and \$40,000 is for training, tuition, and overtime.

In response to Council Member Johnson, Mr. Krueger stated position control was updated to include the four police jailers/dispatchers, who are also included in the training.

In response to Council Member Hitchcock, Chief Pretz stated the \$40,000 is both for overtime and training because the dispatchers have not received training since 2001.

In response to Mayor Pro Tempore Hansen, Interim Police Chief Main stated that, while the web cam is designed as a marketing tool, it does have video surveillance and retention capabilities.

Discussion ensued between Council Member Hitchcock and Electric Utility Director Morrow regarding the Roseville CT sale, related numbers, and the need for adjustments in the future.

In response to Mayor Pro Tempore Hansen, Mr. Krueger confirmed that the \$2.3 million was transferred from water to wastewater and reflected in the fund balances as needed.

In response to Council Member Hitchcock, Mr. King stated staff is addressing concerns regarding guidelines for the vehicle replacement policy and will bring the replacement schedule back for consideration.

MOTION #1 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, approved the one-time adjustment of \$190,000 for Fire dispatch and equipment. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Mounce

Noes: Council Members – Johnson

Absent: Council Members – None

MOTION #2 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously approved the one-time adjustment of \$50,000 for the Granicus system for the City Clerk's Office.

MOTION #3 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, unanimously approved the one-time adjustment of \$10,000 for web cam in downtown Lodi.

MOTION #4 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, unanimously approved the transfer of \$11,875 from Parks Donations to the Parks and Recreation budget for various small projects including riverbank repair at Lodi Lake.

MOTION #5 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, unanimously appropriated \$20,000 to non-departmental accounts for the training and development of Board and Commission members through attendance at seminars and/or conferences.

MOTION #6 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously appropriated \$40,000 to the Public Works Department for the graffiti abatement program.

MOTION #7 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously transferred \$89,000 to the Equipment Replacement Fund for failing radio equipment in the Police Department.

MOTION #8 / VOTE:

The City Council, on motion of Council Member Johnson, Hansen second, unanimously revised position titles to Assistant Planner (from Transportation Technician) and Senior Building Inspector (from Plan Check Engineer) and added the position of Code Improvement Officer – Supervisor.

MOTION #9 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously adopted Resolution No. 2008-09 revising the 2007-08 Operating and Capital Improvement Budget for the fiscal year beginning July 1, 2007 and ending June 30, 2008.

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Council Member Johnson, Hansen second, unanimously voted to continue with the remainder of the meeting following the 11:00 p.m. hour.

RECESS

At 11:30 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 11:35 p.m.

K. REGULAR CALENDAR (Continued)

K-4 “Review of City’s Annual Financial Report (Fiscal Year 2006-07) by Macias, Gini & O’Connell, LLP”

City Manager King provided a brief introduction of the subject matter and overview of the state budget.

Scott Brunner of Macias, Gini & O’Connell, LLP provide a brief overview of the Comprehensive Annual Financial Report (CAFR) summaries as provided in the report in the agenda packet.

In response to Council Member Hitchcock, Mr. Krueger stated staff is estimating on a conservative basis as it relates to mandated costs.

In response to Mayor Pro Tempore Hansen, Mr. Krueger and Mr. Brunner confirmed that an unqualified opinion states that nothing needs to be addressed or otherwise fixed.

In response to Mayor Mounce, Mr. Brunner confirmed that the prior years’ findings, including those associated with safety requirements and Community Development Block Grant, have been addressed, resolved, and no matters remain outstanding.

In response to Mayor Pro Tempore Hansen, Mr. King stated there is a phased approach to repairing the safety room needs and the IBM program provides back-up.

In response to Mayor Mounce, Mr. King stated there may be some incongruence between departments as it relates to CalPers, but it has to do generally with timing.

In response to Council Member Hitchcock, Mr. Krueger stated the general fund balance reflects both reserved and unreserved portions. Mr. King stated the minimum target for unrestricted unreserved is about \$6.5 million.

Discussion ensued between John Johnson, Mr. King, Mr. Krueger, and Mr. Brunner regarding the timing of the CAFR and the opportunity to have it completed earlier.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Johnson second, unanimously received the City's Annual Financial Report for fiscal year 2006-07.

- K-5 "Adopt Resolution Authorizing the City Manager to Execute Professional Services Agreement with Mark Thomas & Company and Cooperative Agreement with San Joaquin Council of Governments for Preparation of State Route 99/Harney Lane Interchange Project Study Report and Project Report and Appropriating Funds (\$700,000)"

City Engineer Wally Sandelin provided a brief presentation regarding the Harney Lane Widening Project. Specific topics of discussion included project location, reasoning for widening, timing, key areas, Lower Sacramento Road intersection, west of Lower Sacramento Road, east of Lower Sacramento Road, Hutchins Street intersection, and summary regarding the same.

In response to Council Member Hitchcock, Mr. King stated specifics regarding the funding remains unknown at the current time, but the objective is to start to prepare the plans, new development will be obligated to pay its share of costs, and developers will likely make up the difference from Measure K and grant funding.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously adopted Resolution No. 2008-10 authorizing the City Manager to execute a professional services agreement with Mark Thomas & Company and cooperative agreement with San Joaquin Council of Governments for preparation of State Route 99/Harney Lane Interchange Project Study Report and Project Report and appropriating funds in the amount of \$700,000.

L. ORDINANCES

None.

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 12:16 a.m., Thursday, January 17, 2008.

ATTEST:

Randi Johl
City Clerk

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, FEBRUARY 5, 2008**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, February 5, 2008, commencing at 7:00 a.m.

A. ROLL CALL

Present: Council Members – Hansen, Hitchcock (arrived at 7:01 a.m.), Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Deputy City Clerk Perrin

B. TOPIC(S)

B-1 "Proposed West Side 60kV Transmission Project"

City Manager King briefly introduced the subject matter of the proposed west side 60kV transmission project.

With the aid of a PowerPoint presentation (filed), Electric Utility Director George Morrow explained that Lodi currently imports its power through a single pipe from PG&E's Lockeford Substation to the east. The City's liability is contingent on the Lockeford Substation, and over the years outages at this substation have resulted in power failures in Lodi. The solution is to construct new transmission facilities to the west to diversify source and location of power imports. Additionally, Mr. Morrow explained that Lodi's current import capacity is 130 megawatts (mw), which is not enough capacity on a long-term basis, and the combustion turbine is often utilized to reliably meet electric loads over that amount. PG&E could upgrade its 60kV transmission circuits in the area; however, it has not committed to a specific timetable to address the needed improvements. In lieu of the upgrade, construction of new transmission facilities would increase import capacity.

Council Member Johnson questioned if PG&E is mandated to upgrade its facility, to which Mr. Morrow responded that it has a statutory requirement to provide reliable, firm transmission capacity; however, PG&E must work through the California Independent System Operator (CalISO), which is a very involved process.

Mayor Pro Tempore Hansen questioned what the consequences would be if the capacity issues were not addressed, to which Mr. Morrow stated that the Utility would need to curtail the load, by switching off circuits and implementing rotating blackouts, or import more power.

Mr. Morrow stated that a new transmission line to the west is an excellent solution to the reliability and capacity issues due to the fact that it would aid in the performance of the electrical network, that strong electrical systems exist in the vicinity of I-5, and there is an opportunity for direct connection to the Northern California Power Agency (NCPA) power projects. This would enable the City to bypass paying transmission costs to other agencies, and the savings could potentially cover the circuit costs. Previous attempts were made in 1988, 1998, and 2001 to build new transmission into Lodi, and, although progress was made, no final actions were taken to complete the effort, due largely to concerns expressed by the agricultural community. Funding to cover the project was allocated from the NCPA bond issue; however, those funds remained unused for quite some time and were eventually utilized for other purposes. City Council recently authorized retaining Auriga Corporation to review the project, and the consultant has identified seven possible routes and more closely reviewed three, taking into consideration the concerns of the agricultural community.

In response to Mayor Pro Tempore Hansen, Mr. Morrow stated that one of the benefits of the western line is "behind the meter" generation (i.e. using Lodi's own circuits), which could save \$5 to \$10 per mw hour. Additionally, the Lodi Energy Center could reduce transmission charges for the project. All of these reductions in cost would be passed onto the rate payers.

Mr. Morrow briefly reviewed the seven alternatives, using a detailed diagram and an aerial view, and explained some of the pros and cons. Some of the concerns on the various options include running the line straight along Highway 12 as previously discussed, lack of frontages on Highway 12, slicing up properties if run diagonally, and interference with the airport that may require costly underground work.

In response to Mayor Pro Tempore Hansen, Mr. Morrow stated that the City would most likely work with PG&E to upgrade the existing utility poles, rather than build new ones on the opposite side of the street. Where the PG&E poles end, the line could veer south, thereby missing the wineries. Mr. Morrow added that the new poles would be higher.

Council Member Johnson questioned what would happen with the existing poles near the proposed substation, to which Mr. Morrow replied that those are stub poles and they would be cleaned up and integrated. Mr. Johnson questioned how much more it would cost if a new substation was built in the vicinity of Davis Road and Harney Lane. Mr. Morrow explained that the substation is proposed to be located on Highway 12 near Chili's restaurant; the other site is not being recommended. The consultant only identified that location on the off chance the substation could not be built on Highway 12.

In response to Council Member Hitchcock, Mr. Morrow stated that, as long as the utilities are built overhead, it is anticipated that the cost of the project would be less than running the line straight down Highway 12 as originally proposed because the cost is based on a linear foot calculation. Furthermore, overhead is more reliable and is easier to maintain and repair. A complete underground project would significantly increase the cost of the project; therefore, the objective is to select a route that does not go underground. The project cost would be in the range of \$8 million to \$10 million, with an annual fixed cost of \$800,000 to \$1 million; however, savings from the behind the meter generation could equal or exceed the costs of the project.

In response to Council Member Johnson, Mr. Morrow stated that the savings and opportunity to offset costs would be pointed out to the rating agencies. It may be possible to bundle the debt service with the Lodi Energy Center or to join the Transmission Agency of Northern California bond that it will be taking out to upgrade and build circuits. It is not anticipated that this project would increase rates.

Mayor Pro Tempore Hansen stated that, because of the volatility in the rate market and issues associated with CalISO, the rates will continue to increase; however, this project could slow down the need for rate increases or, better yet, reduce them.

In response to Council Member Katzakian, Mr. Morrow stated that the new power plant operates 85% to 90% of the time and is down only for regular maintenance purposes.

Mr. Morrow summarized that staff is intending to move forward with this project, will work with area residents and impacted parties to gain support for the preferred route, and will return to Council with a final report. Once the route is identified, the required environmental impact work will take place, with an anticipated operational date no later than 2011 to 2012. Mr. King added that no formal actions would be taken outside of the Council.

PUBLIC COMMENTS:

- Terry Quashnick, representing a local plastics company, expressed support for the project, stating that outages have a serious negative affect on its industry, particularly when the system shuts down in the middle of a production run. He hoped that all involved parties can work together to see this project through.

Mayor Pro Tempore Hansen expressed support for this project as it would address reliability, capacity, and controlling costs, which would have a positive affect on rate payers.

In response to Council Member Hitchcock, Mr. Morrow stated that there is some flexibility in connecting with the western system and staff will monitor how the CallSO marketing strategy affects the City. In further response, Mr. Morrow stated that the cost to install underground lines at the airport doubles the cost of the transmission; however, he believed there may be other alternatives, and staff will continue to look into the matter and work with airport staff. Council Member Hitchcock expressed support for constructing this project as inexpensively as possible and believed that, if it is more costly to build underground due to the airport, other alternatives should be explored.

Council Member Johnson agreed with Ms. Hitchcock and pointed to page 75 of the Transmission Line Study Final Report, stating that the City legally has the right to take whatever steps necessary to accomplish this goal.

In response to Council Member Katzakian, Mr. Morrow stated that the route straight down Highway 12 will not initially be considered, due to the concerns of property owners as well as the higher cost; however, the possibility will not be rejected entirely in case there is no better approach.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 7:47 a.m.

ATTEST:

Jennifer M. Perrin
Deputy City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, FEBRUARY 6, 2008**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of February 6, 2008, was called to order by Mayor Mounce at 6:05 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian [excluding C-2(a) and C-2(b)], and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Deputy City Clerk Perrin

C-2 ANNOUNCEMENT OF CLOSED SESSION

- a) Actual Litigation: Government Code §54956.9(a); One Case; People of the State of California; and the City of Lodi, California v. M & P Investments, et al., United States District Court, Eastern District of California, Case No. CIV-S-00-2441 FCD JFM
- b) Actual Litigation: Government Code §54956.9(a); One Case; City of Lodi v. Michael C. Donovan, an individual; Envision Law Group, LLP, et al., San Francisco Superior Court, Case No. CGC-05-441976
- c) Actual Litigation: Government Code §54956.9(a); One Case; County of San Joaquin v. City of Stockton et al., San Joaquin County Superior Court, Case No. CV029651
- d) Conference with Dean Gualco, Human Resources Manager, and Jim Krueger, Deputy City Manager (Acting Labor Negotiators), Regarding Lodi City Mid-Management Association Pursuant to Government Code §54957.6
- e) Threatened Litigation: Government Code §54956.9(b); One Case; Potential Suit by Cynthia Green against City of Lodi Based on Property Damage

C-3 ADJOURN TO CLOSED SESSION

At 6:05 p.m., Mayor Mounce adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 7:15 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:19 p.m., Mayor Mounce reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

In regard to Item C-2 (a), Council voted to not pursue the case against Mr. Speakerman who recently passed away; therefore, this particular matter is resolved.

Items C-2 (b), C-2 (c), C-2 (d), and C-2 (e) were all discussion and direction only.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of February 6, 2008, was called to order by Mayor Mounce at 7:19 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Deputy City Clerk Perrin

B. INVOCATION

The invocation was given by Senior Associate Pastor Glen Barnes, First Baptist Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Mounce.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

- D-1 Awards – None
 - D-2 Proclamations – None
 - D-3 Presentations – None
-

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Johnson, Katzakian second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

- E-1 Claims were approved in the amount of \$5,135,028.80.
 - E-2 The minutes of January 15, 2008 (Shirtsleeve Session), January 22, 2008 (Shirtsleeve Session), January 24, 2008 (Special Meeting / Workshop), and January 29, 2008 (Shirtsleeve Session) were approved as written.
 - E-3 Accepted the quarterly report of the City of Lodi pooled money investments as required by Senate Bill 564 and the City of Lodi Investment Policy.
 - E-4 Approved the City of Lodi Annual Investment Policy and Internal Control Guidelines.
 - E-5 “Approve Request for Proposals and Authorize Advertisement for Architect Services to Prepare the Grape Bowl Phase I Renovation Design” was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
 - E-6 “Approve Request for Proposals and Authorize Advertisement for Engineering Services to Prepare a Specific Plan Report for the Harney Lane Widening Project, ½-Mile West of Lower Sacramento Road to 540 Feet West of Stockton Street” was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
 - E-7 Adopted Resolution No. 2008-11 rejecting the low bid and awarding the contract to the next lowest responsible bidder to replace and upgrade the existing Utility Supervisory Control and Data Acquisition System to Survalent Technology, of Mississauga, Ontario Canada, and appropriating funds in the amount of \$199,600.
 - E-8 Adopted Resolution No. 2008-12 accepting improvements at 1125 East Pine Street.
 - E-9 Adopted Resolution No. 2008-13 approving contract with Pyro Spectaculars, Inc. for 2008 Fourth of July.
 - E-10 “Adopt Resolution Authorizing the City Manager to Execute the Revised Exclusive Feasibility Study Period Agreement with PAM Development, Inc., for the Railroad Avenue Senior Housing Project” was **pulled from the agenda**.
 - E-11 Adopted Resolution No. 2008-14 approving the Hazard Mitigation Plan.
 - E-12 “Adopt Resolution to Approve the Forgiving of the Remaining Loan Balance of \$359,950 from the Lodi Veteran’s Monument Foundation, a Non-Profit Corporation of California” was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
-

ACTION ON ITEMS REMOVED FROM THE CONSENT CALENDAR

- E-5 "Approve Request for Proposals and Authorize Advertisement for Architect Services to Prepare the Grape Bowl Phase I Renovation Design"

City Manager King explained that the Phase 1 design, which is conceptual at this time, would address the entrance plaza and the Americans with Disabilities Act (ADA) ramps on the west side of the facility.

In response to Council Member Hitchcock, Public Works Director Prima stated that the estimate for the Phase I plan is \$120,000 and \$1.1 million was the original estimate for the west end entry work. Phase I does not address all of the issues at the Grape Bowl; only the immediate ADA concerns. Council Member Hitchcock expressed concern that the Council has not had an opportunity to weigh in on whether the City should spend \$1.1 million on this project and she felt this action was premature.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated that Community Development Block Grant (CDBG) funding and donations would be put toward the Phase I plans. Mr. King added that the ADA Transition Plan states the City will move forward on the handicap issues around this timeframe, but the City does not have the funding to implement the maximum renovations to make it a more user-friendly, multi-purpose facility.

Mayor Pro Tempore Hansen expressed support for addressing the handicap issues now so that the facility can continue to be utilized and that the City is in compliance with the ADA Transition Plan.

Council Member Johnson stated this has been an ongoing problem for years and steps have been taken to allocate and raise money. Phase I will not fix all of the issues; however, it is the beginning step to saving the Grape Bowl. Mr. Johnson urged staff to negotiate with opponents during the plan phase to look at every opportunity possible for addressing the ADA requirements.

Mayor Mounce expressed concern that the Grape Bowl plans would ultimately be shelved, similar to the plans for the indoor sports center, aquatic center, animal shelter, and library. She added that Lodi Unified School District is the only entity currently using the Grape Bowl, yet it is not willing to help pay for the improvements.

In response to Council Member Hitchcock, Mr. Prima stated that the ramp issues are not solely ADA requirements; they are also Building Code conditions relating to the exiting of large numbers of people. This phase will bring the City closer to meeting the major compliance issues; however, he anticipated there would be future requests for capital maintenance (e.g. inadequate concession stands, field repairs, drainage, etc.).

Council Member Katzakian questioned how much longer the facility can be used if the ADA requirements are not addressed, to which City Attorney Schwabauer responded that the ADA Transition Plan does not have an exact date; however, the City must comply with the plan it created, or it could be sued.

Mayor Mounce stated she had been supportive of this request until learning the cost for the architectural design services, which would address only the minimum requirements. Mr. Prima reminded Council that there is a step in the process to return with the design costs, as this request is only for the request for proposals.

Jack Fiori, member of the Grape Bowl Ad Hoc Committee, stated that the private fund-raising committee has contacted individuals, developers, and private citizens and to date has raised over \$100,000. The committee initially received great commitments until the economy fell.

In response to Mayor Mounce, Mr. Fiori stated that the Grape Bowl needs to be marketed out to the general public and he believed that providing adequate entrances and restrooms would generate more interest in the facility.

Council Member Johnson stated that the Council needs to have the political will to market the facility despite objections by local residents. He further added that redevelopment funding may be a viable option down the road.

Mr. King reminded Council that in 2007 CDBG funds were appropriated for the project and that the San Joaquin County Board of Supervisors contributed \$250,000 from its 2007 discretionary fund and another \$200,000 in 2008. The County gave the City two years to comply in moving this project forward, and the CDBG funds are only available for a limited time.

Community Improvement Manager Joseph Wood reported that the City is currently within the guidelines to hold the CDBG funds for another year, but no longer than that.

In response to Mayor Mounce, Mr. Prima stated that the general rule for estimating the request for proposal cost is to calculate 10% of the estimated construction cost.

Mayor Pro Tempore Hansen pointed out that the City also uses the Grape Bowl facility for adult and youth sports.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, approved the request for proposals and authorized advertisement for architect services to prepare the Grape Bowl Phase I Renovation design. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Johnson, and Katzakian

Noes: Council Members – Mayor Mounce

Absent: Council Members – None

- E-6 “Approve Request for Proposals and Authorize Advertisement for Engineering Services to Prepare a Specific Plan Report for the Harney Lane Widening Project, ½-Mile West of Lower Sacramento Road to 540 Feet West of Stockton Street”

Public Works Director Prima briefly introduced the subject matter, stating that certain issues pertaining to access still need to be formalized and that public participation will be emphasized in this project.

Greg Costa, representing a cherry packing/shipping business on Harney Lane, expressed concerns regarding potential business interruptions during the widening project, which is estimated to take up to two years. From the middle of April to June, there are refrigerated tractor trailers continuously moving in and out of the business, and any interruptions during that time period would affect their ability to operate. He pointed out that he heard about the Council meetings by accident and requested that the City communicate with the stakeholders, preferably via phone or fax. In regard to the stakeholder meetings, he requested that they be scheduled either before or after the cherry season. The request for proposals is currently worded to preclude a left-turn lane onto the northern part of his property, and he requested it be re-worded to not entirely rule out the possibility. Various studies indicate that non-residential is the best use for the property, which would require a left-turn lane, and he further hoped the request for proposals would take into account the upcoming General Plan update.

Mike Carouba stated that the plan is preliminary at this time; however, he hoped there would be a market based adjustment with access to the intersection for non-residential opportunities. No potential for left-turn access would limit the area to residential only.

Council Member Johnson urged staff to properly notify residents and business owners on Harney Lane throughout this process.

In response to Council Member Hitchcock, Mr. Prima stated that left-turn lanes on major intersections depend on the traffic volume as well as needs of the businesses. He stressed that this is a preliminary plan and that it will be compatible with the General Plan in regard to land use.

In response to Mayor Mounce, Mr. Prima explained that notification is sent to property and business owners based on Assessors records, which will be handled by the consultant. In further response, Mr. Prima pointed out there is a grade separation near the railroad on Harney Lane that is close to Mr. Costa's property, which will not have access.

In response to Council Member Hitchcock, Mr. Prima stated the General Plan will determine the land use and the road will follow the General Plan.

In response to Mayor Pro Tempore Hansen, Mr. Prima confirmed that the concerns brought up at this meeting by Mr. Costa would be passed along to the consultant.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Johnson second, unanimously approved the request for proposals and authorized advertisement for engineering services to prepare a Specific Plan Report for the Harney Lane Widening Project, ½-mile west of Lower Sacramento Road to 540 feet west of Stockton Street.

- E-12 "Adopt Resolution to Approve the Forgiving of the Remaining Loan Balance of \$359,950 from the Lodi Veteran's Monument Foundation, a Non-Profit Corporation of California"

City Manager King provided a brief introduction of the subject matter, stating that the Lodi Veteran's Monument Foundation has disbanded and the organization disbursed its last remaining funds of \$10,000. It is necessary to write off the balance owing so that it no longer shows as an asset.

Deputy City Manager Jim Krueger added that, from an accounting standpoint, it is not possible to collect on a debt from an organization that no longer exists; therefore, it should be written off that the receivable has no value.

Mayor Pro Tempore Hansen stated that the organization made an admirable effort in raising funds, believed the group's intention to repay the debt was genuine, and felt the City had a responsibility too in honoring its veterans. For those reasons, he believed the request was reasonable.

Council Member Hitchcock believed this action would set a precedent of canceling out debts and she wondered if Council would have approved this project knowing the debt would not be repaid as promised. She preferred the account remain active in order to encourage future donations.

Council Member Johnson pointed out that donations can still be made to this and other projects through the Lodi Community Foundation and he believed the project was approved with only the best intentions; however, there are no guarantees on the success of this or any other project.

Mayor Mounce agreed that, from an accounting standpoint, accounts on the books will be audited and there is an expectation that, if an organization no longer exists, it should not remain on the ledger.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Johnson second, adopted Resolution No. 2008-15 forgiving the remaining loan balance of \$359,950 from the Lodi Veteran's Monument Foundation, a non-profit corporation of California. The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, Katakian, and Mayor Mounce

Noes: Council Members – Hitchcock

Absent: Council Members – None

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Beth Kim, owner of the Comfort Suites on Kettleman Lane and past president of the Lodi Conference and Visitors Bureau (LCVB), updated Council on the recent accomplishments of LCVB, including Huell Howser's visit to Lodi in October; the televised broadcast of his Lodi show on Thursday, February 7 at 8 p.m. on KVIE Channel 6; the Salmonid Restoration Conference in Lodi from March 5 – 8, which will bring an estimated 400 to 500 attendees and an economic impact of \$20,000 to \$30,000; and the completion of the 2008 Lodi Community & Visitors Guide, which was produced in conjunction with the Chamber of Commerce.
- Ann Cerney expressed her concern that redevelopment is being portrayed by City staff with only positives and not enough information is being presented regarding the down side of debt. Redevelopment agencies require that 20% of funding be used for affordable housing; however, that has not occurred in California. To date, she has not heard a definitive dollar amount presented to the public, only a conceptual amount, and she stated that she looks forward to more realistic discussions in the future.
- Dave Hinchman agreed with the comments concerning redevelopment and hoped the public would soon be provided with a more accurate picture. Mr. Hinchman requested the City assume the \$1,000 cost to print the list of important phone numbers for senior citizens, which would be mailed out with the City utility bills. This is a helpful resource for seniors and to date very little money has been spent toward Senior Citizens Commission activities. He further believed the City should look closely at its spending.
- Pastor Glen Barnes with First Baptist Church invited the Council and public to attend the presentation of "Step into Africa World Vision Experience: AIDS." Lodi was chosen as one of 70 cities in the United States to host the interactive experience that will give attendees a first-hand journey into the life of a child impacted by the HIV/AIDS crisis. The event will be open to the public February 28 through March 3, and a special breakfast and exhibit walk through specifically for community leaders from the government, education, business, and medical fields will be held on March 3 from 7 to 9 a.m.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Council Member Johnson asked staff to look into the required landscaping that was to be done at the Archer Daniels Midland facility on the corner of Victor Road and Cluff Avenue. The purpose of the greenery was to screen the facility from the highway; however, the landscaping has yet to be completed.
- Mayor Pro Tempore Hansen reported on the San Joaquin Valley Regional Transportation Planning conference he attended in Stockton, which focused on transportation, financing, San Joaquin Council of Governments (SJCOG) One Voice Trip, Route 99, and high-speed rail. He also attended the Northern California Power Agency annual strategic planning workshop January 23 – 25, at which plans for the upcoming year were reviewed and legislative updates were addressed, and the SJCOG meeting, at which the strategic plan for Measure K renewal was approved. Mr. Hansen reported that the timeline for Highway 12 improvements has moved up from 2011 to 2010. In regard to the upcoming difficult budget year, Mr. Hansen requested Council be informed throughout the entire process, particularly if there are potential layoffs as is happening in other cities. He further questioned if Council will be invited to participate in the recruitment process for Police Chief and Public Works Director.
- Council Member Johnson pointed out that high-speed rail is not the same issue as the commuter rail project that is still moving forward.
- Mayor Mounce reported that she recently attended a League of California Cities event in Sacramento and participated in sessions dealing with educating new council members on how to effectively conduct a meeting, land use planning, ethics training, dealing with the media, financial responsibilities, and audit training. She also attended a Lodi Improvement Committee meeting, at which street sweeping was discussed, and she requested that the results of street sweeping on the various test streets (discussed at a past Shirtsleeve Session) be provided to Council. Ms. Mounce expressed gratitude to the Animal Shelter staff and volunteers for their enduring and heart felt efforts at the outdated facility and requested a Council on-site tour of the shelter. Mayor Mounce wished her mother a happy birthday.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

- City Manager King thanked Ms. Cerney and Mr. Hinchman for their comments and he welcomed the opportunity to meet with them to discuss their concerns regarding redevelopment. He was unaware of the \$1,000 request for printing and mailing the senior brochure and stated he would look into the matter. Mr. King responded that he anticipates 2008-09 to be a difficult fiscal year and staff will be looking closely at revenue projections and layoffs through attrition. Further, Council will be asked to select a representative(s) to work with staff on the various high-profile recruitments.

In response to Mr. King, Mr. Hinchman stated he believed that City staff needs to get more people interested in redevelopment and meet with groups on an individual basis to talk about the issue and answer questions.

I. PUBLIC HEARINGS

None.

J. COMMUNICATIONS

J-1 Claims Filed Against the City of Lodi – None

J-2 The following postings/appointments were made:

- a) The City Council, on motion of Mayor Mounce, Johnson second, unanimously directed the City Clerk to post for the following expiring terms and vacancies:

Senior Citizens Commission

David Hinchman Term to expire December 31, 2008

Lodi Budget/Finance Committee

Frank Alegre Term to expire June 30, 2009

Lodi Improvement Committee

Ron Lesan Term to expire March 1, 2008

Mikki Simpson Term to expire March 1, 2008

Rosie Ortiz Term to expire March 1, 2008

J-3 Miscellaneous – None

RECESS

At 9:13 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 9:25 p.m.

K. REGULAR CALENDAR

K-1 “Adopt Resolutions Approving Paratransit Service Policy and Implementing Proposed Changes to Existing Dial-A-Ride Services”

Public Works Director Prima reported that the first resolution is to adopt policies for providing Americans with Disabilities Act (ADA) paratransit service as part of the Dial-A-Ride system; the second is to make changes to Dial-A-Ride to deal with the impact of this adjustment in service. The City spends more money on Dial-A-Ride versus the fixed-route system, yet one of the biggest complaints is that Dial-A-Ride cannot meet the demand. With the priority ADA service being added, there will need to be adjustments to the system in order to make it run more efficiently. The main concern regarding the proposed paratransit service policy that was brought up at previous meetings was the too cumbersome certification process, and staff has met with representatives of the Senior Citizens Commission, Lodi Memorial Hospital Adult Day Care Center, Loel Center, and Senior Center to fine tune the process. Further outreach with similar organizations will take

place following approval of the policy. The most significant change from the last time this was brought before Council is that certifications will be accepted from a variety of medical professionals with staff verifying the information. Reservations will be highly encouraged on Dial-A-Ride; therefore, those who do not reserve a ride in advance will be charged a substantial surcharge (i.e. double the fare). With these changes and the software implementation to track rides, the system will run more efficiently and will help keep costs to a minimum, thereby allowing more money to go toward improving the fixed-route system.

Mayor Pro Tempore Hansen suggested that staff contact the kidney dialysis company in Lodi as part of its outreach program and stated he was pleased to see progress made to address the concerns brought up at the previous meetings.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated that staff reviewed the proposed form with interested parties, many of whom were familiar with it from the San Joaquin Regional Transit District (SJRTD). The City's form is less complicated than the SJRTD form, and the City will accept completed forms from those who went through the SJRTD process. In regard to the fare surcharge, staff intends to implement a 30-day warning period in order to get riders accustomed to the change.

In response to Council Member Hitchcock, Transportation Manager Tiffani Fink stated that medical professionals would include registered nurses, licensed vocational nurses, and case workers from outreach facilities, in addition to physicians. Some cities have more stringent requirements that include an assessment to determine one's physical capabilities, whereas other cities have less strict requirements that involve a self certification process. Ms. Fink stated that the trend is based on size, and many of the smaller urban areas are still in the realm of certifications due to smaller number of clientele and less funding.

In response to Mayor Mounce, Tracy Williams with the Loel Center stated that staff has appropriately addressed the concerns brought up previously and she supported the proposal.

In response to Council Member Hitchcock, Mr. Prima stated this is a three-year certification.

MOTION/ VOTE:

The City Council, on motion of Council Member Hitchcock, Mounce second, unanimously adopted the following resolutions:

- Resolution No. 2008-16 approving the Paratransit Service Policy; and
- Resolution No. 2008-17 approving implementation of changes to existing Dial-A-Ride services.

K-2 "Review Action Plan for Enhancing Utility Billing and Collection Services in the Financial Services Division"

City Manager King briefly introduced the subject matter, stating that this item is being brought before Council in response to concerns raised regarding customer service in the Financial Services Division.

With the aid of a PowerPoint presentation (filed), Deputy City Manager Krueger outlined the concerns, which include long lines, long waits on the telephone, non-traditional payment options, billing errors, and courteous customer service. Immediate actions that were taken include staffing changes, temporary customer service boost, and assistance from Information Systems staff.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated that the statistic of 65,000 calls per year was tracked manually and is not the most current data. One solution to dealing with the heavy calls was to have a staff member serve as a receptionist to queue the phone calls and provide the option of leaving a voice mail message. Unfortunately, the phone system is antiquated and cannot handle the high volume of calls.

In response to Council Member Hitchcock, Mr. Krueger stated there are 13 employees assigned to the customer service area and their time is split among the counter, phone, and office duties. The employees are cross trained; however, it is a cumbersome system to learn and the training takes concentrated time and effort. Employees have been moved on a temporary basis from the back accounting offices to the counter and from the Purchasing Division to assist with customer service.

Mayor Mounce stated that there have been staff cut backs in this division over the last two to three years and moving resources from department to department is not the answer.

Discussion ensued among Mayor Mounce, Council Members Johnson and Katzakian, Mr. Krueger, and Mr. King as to the types of over the counter service, why some people prefer to pay their bills in person, how Lodi compares to other cities in cash payments, and possible incentives to those who pay by check or money order.

Mr. Krueger reviewed other potential solutions including repositioning staff to better serve, audio visual equipment, name badges, outside experts to better train staff, task force to tackle billing issues, and alternatives to traditional payment modes such as advance payments, drop box and lock box payments with self service stubs, on-line payments, quick payments, and pay stations.

In response to Mayor Mounce, Mr. Krueger stated that staff from Electric Utility and Financial Services would sit on the task force.

Mr. Krueger reviewed the long-term issues including replacing the outdated billing and collection software, working toward a plan for excellent customer service, developing standards, and measuring performance against those standards. As part of the customer service action plan, the staffing needs will be analyzed for efficiencies and effectiveness against all Internal Services Department divisions.

Council Member Hitchcock suggested surveying other cities' statistical data on how they handle heavy traffic.

Greg Ramirez, Vice President of the Lodi Chapter of the American Federation of State County & Municipal Employees (AFSCME) Local 146, speaking on behalf of the 184 members of the General Services and Maintenance & Operators units, read a prepared statement (filed) regarding alleged rude customer service, long waits, staffing levels, re-assignment of Purchasing Division staff, Field Service Division meter mis-reads, purchase of new utility billing software, alternative payment options, and the proposed task force. Mr. Ramirez submitted the following requests: 1) The re-assignment of the Purchasing Technician be reviewed and returned to the Purchasing Division; 2) The need for additional staff be reviewed and recruitments begin for customer service representatives to man the front windows and telephones, Field Service workers for late and weekend work, and full-time meter readers versus part-time; 3) Modern, efficient utility billing software and equipment be purchased with input from line staff; and 4) line staff be included in the task force.

Felix Huerta, business agent for AFSCME, reminded Council that many of these proposals affect conditions of employment, such as changes in job duties, transferring, requiring name badges, etc., and are subject to meet and confer. He expressed concern that the employees were not made aware of these proposed changes before today. Mr. Huerta suggested that Spanish speaking employees be hired to better assist the public, the plan to improve service be communicated to the Hispanic community, and that a Spanish language survey be conducted. He further believed that it was unnecessary to hire outside experts to train the customer service representatives.

Council Member Hitchcock questioned if the requirement to wear name badges was truly a meet and confer matter, to which Mr. Huerta responded in the affirmative, stating that it would be a change in employment conditions from the past. Council Member Hitchcock expressed concern that this type of position did not encourage openness and reasonableness.

Mr. Ramirez clarified that employees are concerned about what the name badges will say (e.g. first name only or first and last names) and employees have not been given an opportunity to voice their thoughts on the matter.

Council Member Johnson was not in support of offering incentives or discounts for people paying in advance or by any means other than cash; instead, he suggested charging a premium to those who pay over the counter.

Mayor Mounce suggested charging a premium for on-line credit card payments similar to what other companies do.

Mayor Pro Tempore Hansen expressed concern regarding moving Information Systems staff as they are the backbone in operating the computer system, to which Mr. Krueger responded that the individual who is moving to Finance already spends approximately 80% of his time working on issues related to financial services. This employee will need support from another Information Systems staff member who is an expert in the customer service software, but this would be a temporary assignment.

Mayor Pro Tempore Hansen expressed support for the pay stations. In regard to name badges, he believed that people have the right to know who is serving them.

Rob Lechner, Manager of Customer Services and Programs, reported that there are currently two pay stations in town and staff is working with the companies who run those stations. Both stores combined take in 1,000 payments per week and receive approximately 150 inquiries a week as to when Lodi utility payments will be offered. If additional pay stations are desired, the vendor information would need to be supplied to the store owner in order to get the station up and running.

In response to Council Member Hitchcock, Mr. Lechner explained that the store charges the customer a service fee to process the payment; there is no exchange of funds with the City.

In response to Council Member Hitchcock, Mr. Krueger stated that the current billing software program is difficult and manually-intensive to operate and it would be prudent to replace it with comprehensive software to deal with all of financial services; however, the City is facing a challenging budget year ahead. Mr. Krueger confirmed that the financial services staff would be involved with the decision making process on the software.

MOTION / VOTE:

There was no Council action taken on this matter.

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Council Member Hitchcock, Johnson second, unanimously voted to hear only Items K-7 and K-8 following the 11:00 p.m. hour.

K. REGULAR CALENDAR (Continued)

K-3 "Presentation of Electric, Water, and Wastewater Utility First and Second Quarter (Fiscal Year 2007-08) Financial Reports" was ***pulled from the agenda pursuant to the above vote.***

K-4 "Adopt Resolution Amending Memorandum of Understanding between the City of Lodi and the International Brotherhood of Electric Workers for the Period January 1, 2008 through December 31, 2011" was ***pulled from the agenda pursuant to the above vote.***

K-5 “Adopt Resolution Amending Memorandum of Understanding between the City of Lodi and the Lodi Police Dispatchers Association for the Period November 6, 2007 through April 30, 2011” was **pulled from the agenda pursuant to the above vote.**

K-6 “Receive Report Regarding Status of Mokelumne River Bank in the General Vicinity of Pigs Lake within Lodi Lake Park Nature Area” was **pulled from the agenda pursuant to the above vote.**

K-7 “Approve Six-Month Budgets for PCE/TCE Related Litigation Cases”

City Attorney Schwabauer reported that the proposed budgets are \$1.068 million for the Envision case and \$300,000 for M & P Investments. He further updated Council that the City was successful in removing \$4 million from the \$14 million suit that Mr. Donovan filed, in which he claims he is owed a percentage of the City's settlement.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Mounce second, approved the six-month budgets for the following PCE/TCE related cases: M & P Investments (\$300,000) and Envision (\$1.068 million). The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, Katzakian, and Mayor Mounce

Noes: Council Members – Hitchcock

Absent: Council Members – None

K-8 “Approve Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation and Various Other Cases being Handled by Outside Counsel (\$136,051.84)”

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hitchcock second, unanimously approved the expenses incurred by outside counsel/consultants relative to the Environmental Abatement Program litigation and various other cases being handled by outside counsel in the amount of \$136,039.84, as amended in the Blue Sheet and detailed below:

Folger Levin & Kahn - Invoices Distribution

Matter No.	Invoice No.	Date	Description	Water Acct. Amount
8008	106312	12/01/07	City of Lodi v. Envision	\$134,843.69
			Less Deduction by CA	(12.00)
			Total	\$134,831.69

Kronick Moskovitz Tiedemann & Girard - Invoices Distribution

Matter No.	Invoice No.	Date	Description	Water Acct. Amount
	100351.7323			
11233.026	236342	12/25/07	Lodi First v. City of Lodi	\$ 285.00
11233.027	236342	12/25/07	Citizens for Open Government v. City of Lodi	\$ 98.10
11233.028	236342	12/25/07	Personnel and Employment	\$ 55.00
11233.029	236342	12/25/07	AT&T v. City of Lodi	\$ 234.80
11233.030	236342	12/25/07	Water Supply Issues	\$ 329.00
			Total	\$ 1,001.90

JAMS Mediation Services

Matter No.	Invoice No.	Date	Description	Water Acct. Amount
0001385927-110		12/28/2007	State of CA v. M&P Investments	\$ 206.25
			Total	\$ 206.25

Continued February 6, 2008

L. ORDINANCES

None.

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 11:09 p.m.

ATTEST:

Jennifer M. Perrin
Deputy City Clerk

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, FEBRUARY 12, 2008**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, February 12, 2008, commencing at 7:00 a.m.

A. ROLL CALL

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. TOPIC(S)

B-1 "Review of 2008-09 Community Development Block Grant Funding Requests and New Grading/Rating Matrix"

City Manager King briefly introduced the subject matter of the Community Development Block Grant (CDBG) funding requests and new grading/rating matrix.

Community Improvement Manager Joseph Wood provided a PowerPoint presentation and specifically discussed the annual CDBG allocation process, community-based organizations (CBO), application grading and scoring matrix, scoring categories, application review and scoring, CBO funding requests, current status, annual HOME allocation process, housing assistance programs, and staff recommendation.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated that, in understanding the difference between the 6 and 14 figures, each jurisdiction takes their program allocation from what is given to them from the County.

In response to Mayor Pro Tempore Hansen, Mr. King stated a portion of the funding does pay for a partial position to administer the program.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the points can be adjusted to ensure higher compliance by applicants as the Council deems appropriate because the scoring elements are still being finalized.

In response to Council Member Hitchcock, Program Administrator Sara Bontrager stated the organizational and project delivery criteria focuses in on what specific experience the group has with the particular kind of activity and not necessarily with the grant itself.

In response to Council Member Johnson, Mr. Wood stated some organizations do receive funding from other cities and the County. He stated the City attempts to provide the amount of funding that is directly tied to the level of service provided to the citizens of Lodi.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated fair housing services are mandated by Department of Housing and Urban Development and the alternative would be to bring the service in-house; although, there are several complicated landlord-tenant issues that are referred out by the City to agencies with expertise in the area.

In response to Mayor Mounce, Mr. Wood stated that he does not have the exact address for the Hope Avenue Apartments, but they are in close proximity to the facility.

In response to Mayor Mounce, Mr. Wood stated the HOME program is advertised through local realtors and lenders and public meetings are held regarding the same.

In response to Council Member Johnson, Mr. Wood stated he is not aware of realtors charging an additional point or some similar practice for the HOME program service.

In response to Council Member Hitchcock, Mr. King stated the Council could focus in on brick and mortar types of projects rather than projects with ongoing operational costs. He stated the requests for brick and mortar types of projects will likely be larger in amount and the criteria could be adjusted as desired.

Discussion ensued between Mayor Pro Tempore Hansen, Council Member Johnson, and Mr. King regarding making funding available to brick and mortar types of projects as a priority and the City's criteria to do the same with the exception of graffiti removal programs. Mr. King provided a brief overview of the process, timeliness of schedule, and recommendations regarding allocations, which will be brought to Council at the regularly scheduled City Council meeting.

In response to Council Member Johnson, Mr. Wood stated the staff recommendation will be made known to the applicants prior to the hearing.

Mayor Mounce and Council Member Hitchcock requested rankings and a clear understanding of the criteria be provided to the Council before the Council considers the matter at a Council meeting.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 7:51 a.m.

ATTEST:

Randi Johl
City Clerk