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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Minutes
a) April 18, 2007 (Regular Meeting)
b) May 1, 2007 (Shirtsleeve Session)
c) May 2, 2007 (Regular Meeting)
d) May 8, 2007 (Shirtsleeve Session)
e) May 8, 2007 (Special Meeting)

MEETING DATE: May 16, 2007

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) April 18, 2007 (Regular Meeting)
b) May 1, 2007 (Shirtsleeve Session)
c) May 2, 2007 (Regular Meeting)
d) May 8, 2007 (Shirtsleeve Session)
e) May 8, 2007 (Special Meeting)

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

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, APRIL 18, 2007**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of April 18, 2007, was called to order by Mayor Johnson at 6:00 p.m.

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

Absent: Council Members – None

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

C-2 ANNOUNCEMENT OF CLOSED SESSION

- a) Review of Council Appointees – City Manager and City Attorney – pursuant to Government Code §54957
- b) Threatened Litigation: Government Code §54956.9(b); One Case; Potential Suit by Norma Carson against City of Lodi Based on Personal Injury
- c) Actual Litigation: Government Code §54956.9(a); One Case; City of Lodi v. Stephen Banks and Christine Banks, San Joaquin County Superior Court, Case No. CV 032023
- d) Actual Litigation: Government Code §54956.9(a); Two Consolidated Cases; Ana Perez v. Allen Aadland, City of Lodi, et al. and Allstate Insurance Company v. City of Lodi, Allen B. Aadland, Lodi Electric Utility, et al., San Joaquin County Superior Court Case No. CV 028324
- e) 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
- f) Actual Litigation: Government Code §54956.9(a); One Case; Hartford Accident and Indemnity Company, et al. v. City of Lodi, et al., Superior Court, County of San Francisco, Case No. 323658

C-3 ADJOURN TO CLOSED SESSION

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

The Closed Session adjourned at 6:53 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:00 p.m., Mayor Johnson reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

Items C-2 (a) and C-2 (e) were not discussed.

Items C-2 (b), C-2 (c), and C-2 (f) were discussion only.

In regard to Item C-2 (d), settlement authority and direction was given for \$15,000.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of April 18, 2007, was called to order by Mayor Johnson at 7:00 p.m.

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

Absent: Council Members – None

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

B. INVOCATION

The invocation was given by Pastor Bill Cummins, Bear Creek Community Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Johnson.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 Awards – None

D-2 (a) Mayor Johnson presented a proclamation to Jennifer Busalacchi, Rape Prevention Coordinator with the San Joaquin County Women's Center, proclaiming the month of April 2007 as "Sexual Assault Awareness Month" in the City of Lodi.

D-2 (b) Mayor Johnson presented a proclamation to Nancy Martinez, Library Services Director, proclaiming the week of April 15 – 21, 2007, as "National Library Week" in the City of Lodi.

D-3 Presentations – None

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Mayor Pro Tempore Mounce, Hansen second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

E-1 Claims were approved in the amount of \$6,591,192.66.

E-2 The minutes of April 3, 2007 (Shirtsleeve Session) were approved as written.

E-3 Adopted Resolution No. 2007-68 approving Negative Declaration 06-01 as adequate environmental documentation for the proposed Killelea Substation Rehabilitation Project.

E-4 Approved the specifications and authorized advertisement for bids for wood utility poles, #477MCM bare aluminum conductor, and padmount liquid insulated vacuum switchgear.

E-5 Approved the request for proposals for services to perform inspection, adjustments, and maintenance tests of four power transformers and load tap changers in Henning and Industrial Substations.

E-6 Approved the request for proposals and authorized advertisement for bids for concession operations at Lodi Lake Park and other locations (determined quarterly) for recreational events.

E-7 Adopted Resolution No. 2007-69 authorizing the City Manager to execute contract with Layne Christensen Company, of Woodland, for repairs to City Water Well No. 18 in the amount of \$40,183.

E-8 "Adopt Resolution Authorizing the City Manager to Execute a Master Professional Services Agreement with Ruark and Associates, of San Ramon, for Temporary Engineering Services and to Approve Individual Task Orders" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.

E-9 "Approve Contract to Provide Management Services to Delta College for the Preparation of an Environmental Impact Report for the Delta College Lodi Campus" 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-8 “Adopt Resolution Authorizing the City Manager to Execute a Master Professional Services Agreement with Ruark and Associates, of San Ramon, for Temporary Engineering Services and to Approve Individual Task Orders”

Council Member Hitchcock pulled the item and requested an overview of the contract.

City Manager King explained the contract provided for staff coverage during the recruitment process for the city engineer position in light of Wally Sandelin’s anticipated departure. Public Works Director Prima stated Ruark and Associates is a small firm that specializes in municipal agencies and is currently working primarily for the city of Lathrop. Mr. Prima stated the firm will provide overall staff assistance as needed and will not have set office hours.

In response to Council Member Hitchcock, Mr. Prima stated the agreement is for approximately \$20,000 and any additional amounts over \$20,000 would be brought back to Council for approval.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, unanimously adopted Resolution No. 2007-70 authorizing the City Manager to execute a master professional services agreement with Ruark and Associates, of San Ramon, for temporary engineering services and authorized the City Manager to approve individual Task Orders.

- E-9 “Approve Contract to Provide Management Services to Delta College for the Preparation of an Environmental Impact Report for the Delta College Lodi Campus”

Council Member Hitchcock requested a presentation regarding the item.

City Manager King provided an overview of the proposed project, stating the City is better equipped to manage the day-to-day happenings with the project; although, the majority of the work is being done by Delta College and its consultants.

Planning Manager Peter Pirnejad stated he has worked on the project in limited capacity for some time, made recommendations to the college, worked with the Director on selecting the consultants, and has the ability to oversee the project to ensure it moves forward.

In response to Council Member Hitchcock, Mr. King stated the College may be trying to avoid the mistakes of the Mountain House project and the City is in a better position to manage the process because it has planners and the college does not. Council Member Hitchcock stated she cannot support the matter because she does not believe the City should be involved at the proposed level.

Council Member Hansen stated he would support the contract because it is a partnership with the college to provide and share each agency’s set of expertise.

Mayor Pro Tempore Mounce stated she would not support the action because the map was not available at an earlier time. Mayor Johnson stated the map was previously made available to the public and in the newspaper.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Johnson second, approved the contract to provide management services to Delta College for the preparation of an Environmental Impact Report for the Delta College Lodi Campus. The motion carried by the following vote:

Ayes: Council Members – Hansen, Katakian, and Mayor Johnson
Noes: Council Members – Hitchcock and Mounce
Absent: Council Members – None

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Dale Edwards requested a reconsideration of the previously adopted ordinance pertaining to gambling based on ethical considerations.
- Tom Newton stated the procedures regarding the previously adopted cardroom ordinance were properly followed and adhered to. In response to Council Member Hitchcock, Mr. Newton stated there was not a legal expansion of gambling per statute when the table size was changed from 48 to 90.
- Greg Goehring spoke in opposition to the previously adopted ordinance pertaining to gambling based on his concerns regarding the expansion of tables and people at the tables, the 9% gross revenues paid to the City, Mr. Newton's participation in the drafting of the ordinance, and comparisons to the Stockton ordinance. City Attorney Schwabauer stated the ordinance was drafted prior to and without Mr. Newton's involvement. Mr. Schwabauer stated Mr. Newton did provide comments at a later date by way of a draft proposed ordinance.
- Mark Washburn requested reconsideration of the previously adopted ordinance pertaining to gambling based on his concerns regarding community impact and signage along the highway.
- Ryan Lewis spoke in favor of the previously adopted ordinance pertaining to gambling, stating that additional people are interested in coming to the card room due to changes in the games.
- Linda Salisbury requested reconsideration of the previously adopted cardroom ordinance based on her concerns regarding impacts on families and children.

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

- Council Member Hansen reported on his attendance at the utility directors' retreat as Vice Chair of Northern California Power Agency, Century Meadows Park fencing and reseeding, and efforts regarding the safety of Highway 12.
- Council Member Hitchcock reported on her attendance at the Lodi Arts Commission dinner and dance and encouraged community participation with the Commission's efforts.
- Mayor Johnson reported that the Board of Supervisors committed \$400,000 to the Grape Bowl rehabilitation project. Mr. King stated the Grape Bowl Committee must now raise approximately \$500,000 in a 12-month period. Mayor Johnson also stated he, Council Member Katzakian, City Manager King, and Police Chief Adams will serve on a San Joaquin County task force addressing the expansion of jail facilities.
- Mayor Pro Tempore Mounce stated she had some concerns regarding speeding in neighborhoods and suggested citizens may be able to help by obtaining lawn signs for a minimal fee and placing them in their front yards. She suggested staff may want to look into options regarding the same.

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

- City Manager King stated staff is working on public education through the Police Department regarding citizens observing traffic laws.

I. PUBLIC HEARINGS

Mayor Johnson stated the Council may want to consider a motion regarding time limits for public comments on the first public hearing in light of the crowd. He stated public comments can be limited to a specified time and discouraged repetitive comments. Council Member Hitchcock stated public comments should not be limited by time, but repetitive comments should be discouraged. Council Member Hansen stated he agreed with Council Member Hitchcock.

- I-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Johnson called for the public hearing to consider an appeal of the Planning Commission's approval of a Conditional Use Permit for Wine Country Casino and Restaurant located at 1800 South Cherokee Lane (Wine Country Casino and Restaurant, applicant; Kenneth R. Owen, appellant) *NOTE: This item is a quasi-judicial hearing and requires disclosure of ex parte communications as set forth in Resolution No. 2006-31*

Mayor Pro Tempore Mounce disclosed she visited the old and new facilities, spoke to facility workers, and met with Mr. Owen.

Council Member Hansen disclosed that he spoke with Mr. Newton some time ago, spoke with Mr. Owens several times, and was unable to meet with the facility members.

Council Member Hitchcock disclosed she exchanged emails with Chris Ray but was unable to meet, met with Mr. Owen, received documentation from Mr. Newton, and visited the facility.

Council Member Katzakian disclosed he had spoken with both sides and visited the new facility.

Mayor Johnson disclosed he received a number of communications, has not met with anybody since the previous ordinance was adopted, and has not visited the site.

City Manager King briefly introduced the subject matter.

Planning Manager Pirnejad provided an overview of the history and current status of the appeal. He specifically discussed compliance with the Municipal Code, project site, proposed services, Planning Commission review and recommendations, appeal by Christian Community Concerns, C-2 commercial zoning, Police Department analysis, involvement of the Office of Gambling Control and Department of Alcohol and Beverage Control, review of the proposal, staff recommendations, proposed landscape plan, and the condition of yearly review.

In response to Council Member Hitchcock, Mr. Pirnejad provided an overview of the Planning Commission discussion regarding this item. Mr. Pirnejad specifically discussed the location of the site at the entrance to the City, proximity to residential areas, property values, signage, addictiveness of alcohol and gambling, lighting and landscaping plan, traffic study, and consultation with the traffic engineers regarding the same.

In response to Council Member Hitchcock, Mr. Pirnejad stated the facility is required by the Municipal Code to have 39 parking spaces and it has 84 with potential for additional overflow. He stated the maximum occupancy is less than 300 people.

In response to Council Member Hitchcock, Mr. Pirnejad stated the proposal is to use the signage that is currently in existence with no changes.

In response to Mayor Pro Tempore Mounce, Mr. Pirnejad stated the signage does have the ability to light up.

In response to Council Member Hansen, Mr. Pirnejad stated there is no permit requirement to change the face plate of the signage other than a building permit. Council Member Hansen stated he would not want to see the word "casino" on the sign.

In response to Council Member Hitchcock, Mr. Pirnejad stated, as a condition of the use permit, the owner must keep the sliding door separator between the restaurant and casino closed.

In response to Council Member Hitchcock, Mr. Pirnejad stated there is no outstanding Fire Department correction, but the notation is used to reserve future concerns as a condition of the certificate of occupancy.

In response to Council Member Hitchcock, Mr. Pirnejad stated he is not aware of the ages of the employees in the restaurant.

In response to Council Member Hitchcock, Mr. Pirnejad stated 5.1 references a section of the ordinance that must be complied with.

In response to Council Member Hitchcock, Mr. Pirnejad stated notices were sent out to everyone located within a 300 foot radius as required by law. Discussion ensued between Council Member Hitchcock, City Attorney Schwabauer, and Mr. Pirnejad regarding the need for individual notification to property owners in the condo complex, notice to the homeowners association, and legal compliance with the noticing statutes. Mr. Schwabauer indicated noticing requirements were met pursuant to law.

In response to Council Member Hitchcock, Mr. Pirnejad stated the hours of operation could be changed.

In response to Council Member Hitchcock, Mr. Pirnejad stated the current ordinance was not changed as to the sale of alcohol. Mr. Pirnejad stated the Stockton ordinance does not allow the sale of alcohol in the cardroom, but does allow the sale onsite. He stated the City's ordinance does allow the sale of alcohol in the cardroom, but also limits the dealing of cards to those inebriated.

In response to Mayor Pro Tempore Mounce, Mr. Schwabauer stated the proposed facility could not operate as a casino in the Tahoe sense of the word unless state law and the Municipal Code changed. He stated state law does not prevent a cardroom from utilizing the word casino; although, the operation is limited to a cardroom. He stated the primary difference is the interest in the outcome of the bet placed.

In response to Council Member Hitchcock, Mr. Schwabauer stated he is not aware of any push to change or otherwise expand cardroom operations statewide.

RECESS

At 8:44 p.m., Mayor Johnson called for a recess, and the City Council meeting reconvened at 8:53 p.m.

I. PUBLIC HEARINGS (Continued)

I-1 Comments by Appellant and Applicant (Cont'd.)

- Ken Owen, appellant and representative of Christian Community Concerns, provided an overview of the organization. Mr. Owen also discussed the City's previous adoption of the ordinance pertaining to gambling, overall growth and expansion in the city, notification requirements for the proposed facility, petitions signed by individuals opposed to the proposed facility, location of the facility near the entrance to the city, Cherokee Lane traffic concerns, Stone Tree condo unit sales and property values, and the overall effect of gambling on families. In response to Council Member Hitchcock, Mr. Owen stated he was advised by the realtor that the property values of the condos would be adversely affected. In response to Mayor Johnson, Mr. Owen stated he was not sure how many of the units were currently leased or rented.
- Diane Rankin, representing Stone Tree condo complex, stated it placed brochures in the sales office for potential buyers who are not aware of the proposed facility. In response to Council Member Hansen, Ms. Rankin stated the complex has 42 owners, 4 of whom are offsite, and 32 unsold units. She stated the last unit sold today.
- Tom Newton, representative of Wine Country Casino and Cardroom, provided a brief presentation regarding the proposed facility. He discussed the recommendations of the Police Department and Planning Commission, previous lawful use, the annual review, new jobs, and location in a commercial zone. In response to Council Member Hansen, Mr. Newton stated they have expended about \$150,000 and are committed to a 15-year

facility lease. In response to Mayor Johnson, Mr. Newton stated, as a condition of the use permit, they will be returning for an annual review to ensure compliance. City Attorney Schwabauer stated there may also be other independent reviews by differing agencies. In response to Council Member Hitchcock, Mr. Newton stated they are not taking anything for granted and are working on a self-policing program through the Department of Gambling.

Hearing Opened to the Public

- David Gutierrez spoke in opposition to the proposed facility based on concerns regarding the effects of gambling on children.
- John Glen spoke in favor of the proposed facility based on the positive impacts it will have on the community.
- Pat Meeks spoke in favor of the proposed facility, stating he played cards for entertainment purposes.
- LaVerne Avila spoke in opposition to the proposed facility based on location concerns.
- Pastor Knowles spoke in opposition to the proposed facility based on the moral effects of gambling.
- Perry Kallis spoke in opposition to the proposed facility based on the negative effects of gambling on communities.
- Tim Pollock spoke in opposition to the proposed facility based on the negative effects of gambling on families.
- Dale Edwards spoke in opposition to the proposed facility based on the negative effects of gambling, revenue relationship with the City, and contingencies in contracts and requested the decision be delayed until more information is received.
- Ryan Lewis spoke in favor of the proposed facility, stating the sliding door was a pre-existing door, Stockton Police Department responses to the cardrooms are fewer in number than those for pizza parlors, the players are good clientele, it is a highly-regulated business, this is not a new business but a move of a pre-existing legal business, they are addressing problem gambling through the self-exclusion program, and they will remove the word "casino" if necessary.
- Kevin Stevens spoke in opposition to the proposed facility based on his concerns regarding the negative effect on tourism revenue and reputation of the city.
- Michael Norman spoke in opposition to the proposed facility based on the negative impacts on the community and notifications to surrounding property owners.
- William Rusher spoke in favor of the proposed facility, stating it is a lawful business and provides entertainment.
- Rene Philastre spoke in favor of the proposed facility, stating he would like the right to play poker in Lodi so that he does not have to go to another city.
- Eunice Friederich spoke in opposition to the proposed facility based on her concerns regarding the city's image and the effects of gambling on families and neighbors.
- Wes Hallmark spoke in opposition to the proposed facility based on his concerns regarding the image of the city.
- Diane Rankin spoke in opposition to the proposed facility based on her concerns regarding the effects on Stone Tree residents and property values.
- David Nielsen spoke in favor of the proposed facility based on his involvement with the local community and restaurant and the location.

- Randy Snider spoke in favor of the proposed facility based on knowledge of the individuals involved with the project and their strong ties to the community.
- Jack Morgan spoke in favor of the proposed facility based on its location and service.

Public Portion of Hearing Closed

Ken Owen provided closing remarks as the appellant, stating the opposition to the proposed facility would still be so regardless of the principals involved as he is against gambling and its effect on people. Mr. Owen stated he also had concerns regarding the location.

Tom Newton provided closing remarks, stating personal choice cannot be regulated and the business should be given an opportunity.

In response to Council Member Hansen, City Attorney Schwabauer stated the ordinance previously adopted must be reauthorized to consider any amendments, including those related to revenue and sales tax.

Discussion ensued between the City Council regarding the proposed motion, changes regarding hours of operation, signage, an accelerated restaurant opening, and property values.

MOTION / VOTE:

The City Council, on motion of Mayor Johnson, Mounce second, adopted Resolution No. 2007-71 denying the appeal from Kenneth R. Owen regarding the Planning Commission's approval of a Conditional Use Permit for Wine Country Casino and Restaurant located at 1800 South Cherokee Lane and further directed that the following two conditions be incorporated into the Conditional Use Permit: 1) limit the hours of operation to 10:00 a.m. to 2:00 a.m., Monday through Sunday; and 2) prohibit the use of the word "casino" in all signage. The motion carried by the following vote:

Ayes: Council Members – Hansen, Katakian, Mounce, and Mayor Johnson
Noes: Council Members – Hitchcock
Absent: Council Members – None

RECESS

At 11:19 p.m., Mayor Johnson called for a recess, and the City Council meeting reconvened at 11:27 p.m.

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Council Member Hitchcock, Mounce second, unanimously voted to continue with the remainder of the meeting following the 11:00 p.m. hour, with the exception of Items I-2, I-3, K-1, K-2, and K-5, all of which will be continued to the regular meeting of May 2, 2007.

I. PUBLIC HEARINGS (Continued)

I-2 "Public Hearing to Consider Adoption of Resolution Establishing Public Works Department Engineering Fees for Various Development-Related Engineering Services; Establishing Standard Unit Price Schedule for Calculation of Engineering Fees and Improvement Security; and Establishing Requirement for Warranty Security for Public Improvements" was ***pulled from the agenda pursuant to the above vote.***

- I-3 "Public Hearing to Consider Adoption of Resolution Setting Storm Drainage Permit Compliance Inspection Fees for Wet Season Construction Inspections" was ***pulled from the agenda pursuant to the above vote.***

J. COMMUNICATIONS

- J-1 Claims Filed Against the City of Lodi – None
- J-2 Appointments – None
- J-3 Miscellaneous – None

K. REGULAR CALENDAR

- K-1 "Consideration of Water Meter Retrofit Policy" was ***pulled from the agenda pursuant to the above vote.***
- K-2 "Receive Progress Report on City of Lodi General Plan Update" was ***pulled from the agenda pursuant to the above vote.***
- K-3 "Consider Adoption of Revised Travel and Expense Reimbursement Policy"

Discussion ensued between Council Member Hitchcock, Council Member Hansen, Mayor Pro Tempore Mounce, Mayor Johnson, City Clerk Johl, and Deputy City Manager Krueger regarding the \$65 per diem amount and the possibilities of combining unused travel funds.

Mayor Johnson stated he would like to fund the One Voice trip, but he is not in support of combining the accounts and would rather discuss the matter in the future.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Mounce second, adopted Resolution No. 2007-72 approving the revised Travel and Expense Reimbursement Policy. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mounce
Noes: Council Members – Johnson
Absent: Council Members – None

- K-4 "Review Groundwater Charge for City Wells Proposed by the North San Joaquin Water Conservation District and Direct Staff as Appropriate"

City Manager King provided a brief introduction of the history, status, and cost associated with the North San Joaquin Water Conservation District (NSJWCD).

In response to Council Member Hansen, Mr. King stated it is unclear how the water fund will be impacted. Mr. Prima stated the fund might be affected by the water meter policy, but this by itself would not trigger a rate increase.

In response to Council Member Hitchcock, Mr. Prima stated rates would not be raised for \$67,000 but the fund may be impacted at a later date by the water meters.

Discussion ensued between Mayor Johnson and Ed Stefani, representing NSJWCD, regarding the annual acreage charge per resident, addressing overdraft issues, the water rate permit process, and the County's efforts with groundwater charge.

In response to Council Member Hansen and Mayor Johnson, Mr. Prima stated the matter can still fail under a protest and the State could still take over.

In response to Mayor Pro Tempore Mounce, Mr. Stefani stated \$800,000 is coming from agricultural areas to the east and north.

In response to Council Member Hitchcock, Mr. Stefani stated Lodi is the only city involved, but there are other public agencies that are involved.

In response to Mayor Johnson, Mr. Prima stated the water fund can absorb the cost and there is no sunset clause.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Mounce second, approved supporting the proposed groundwater charge by the NSJWCD on well owners, including City of Lodi wells within the District (approximately \$200,000 per year), with the additional request that reasonable payment terms be implemented that would help with the City's cash flow. The motion carried by the following vote:

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

Noes: Council Members – Mayor Johnson

Absent: Council Members – None

K-5 “Consideration of Adjustments to the City Manager and City Attorney Employment Agreements” was ***pulled from the agenda pursuant to the above vote.***

K-6 “Approve Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation and Various Other Cases Being Handled by Outside Counsel (\$98,008.45)”

In response to Council Member Hitchcock, Mr. Prima replied that the groundwater clean-up amounts are \$1.8 million for the current year and \$2.7 million for the next year.

MOTION / VOTE:

The City Council, on motion of Mayor Johnson, Council Member Hansen second, approved 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 \$98,008.45, as detailed below:

Folger Levin & Kahn – Invoices Distribution

| Matter No. | Invoice No. | Date | Description | Water Acct. Amount |
|------------|-------------|-----------|--|---------------------|
| 8002 | 100826 | 2/28/2007 | People v. M&P Investments | \$ 17,715.15 |
| 8003 | 100827 | 2/28/2007 | Hartford Insurance Coverage Litigation | \$194,989.50 |
| | | | Contingency Fee Amount Savings | -144,989.50 |
| 8008 | 100825 | 2/28/2007 | City of Lodi v. Envision Law Group | \$ 11,220.30 |
| | | | | <u>-281.00</u> |
| | | | Total | \$ 78,654.45 |

Kronick Moskovitz Tiedemann & Girard – Invoices Distribution

| Matter No. | Invoice No. | Date | Description | 100351.7323 |
|------------|-------------|----------|--|---------------------|
| 11233.026 | 231521 | 03/25/07 | Lodi First v. City of Lodi | \$ 9,174.36 |
| 11233.027 | 231521 | 03/25/07 | Citizens for Open Government v. City of Lodi | \$ 414.73 |
| 11233.029 | 231521 | 03/25/07 | AT&T v. City of Lodi | \$ 2,387.46 |
| 11233.032 | 231521 | 03/25/07 | CFD Formation | <u>\$ 5,026.50</u> |
| | | | Total | \$ 17,003.05 |

Kronick Moskovitz Tiedemann & Girard – Invoices Distribution

| Matter No. | Invoice No. | Date | Description | 100351.7323 |
|--------------|-------------|----------|---|--------------------|
| 11233.019 | 228819 | 10/25/06 | Claims by Environmental Consult. | \$ 304.00 |
| 11233.026 | 228819 | 03/25/07 | Lodi First v. City of Lodi | \$ 114.10 |
| 11233.027 | 228819 | 03/25/07 | Citizens for Open Government v. City of Lodi | \$ 551.05 |
| 11233.029 | 228819 | 03/25/07 | AT&T v. City of Lodi | \$ 76.15 |
| Total | | | | \$ 1,045.30 |

MISCELLANEOUS

| Invoice No. | Date | Description | Water Account Amount |
|--------------|-----------|-----------------------|-------------------------|
| 868801 | 3/16/2007 | Harry A. Cannon, Inc. | \$ 576.15 |
| 20062531 | 3/28/2007 | Legalink, Inc. | \$ 729.50 |
| Total | | | \$ 1,305.65 |

L. ORDINANCES

L-1 Following reading of the title of Ordinance No. 1795 entitled, "An Uncodified Ordinance of the Lodi City Council Amending the Official District Map of the City of Lodi and Thereby Rezoning 1325 and 1333 South Central Avenue (APN 047-270-11 and 047-270-12) from RE-1, Single Family Residential Eastside, to C-2, General Commercial, for the Gini Project," having been introduced at a regular meeting of the Lodi City Council held April 4, 2007, the City Council, on motion of Council Member Hansen, Mounce second, waived reading of the ordinance in full and adopted and ordered it to print by the following vote:

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

Noes: Council Members – None

Absent: Council Members – None

Abstain: Council Members – None

L-2 Following reading of the title of Ordinance No. 1796 entitled, "An Uncodified Ordinance of the Lodi City Council Amending the Official District Map of the City of Lodi and Thereby Rezoning 975, 999, and 1031 South Fairmont Street; 1200 West Vine Street; and 1201, 1139, 1133, 1127, 1121, and 1115 West Cardinal Street from RCP, Residential-Commercial-Professional Office, and R-2, Residence District, to PD, Planned Development, for the Lodi Memorial Hospital Project," having been introduced at a regular meeting of the Lodi City Council held April 4, 2007, the City Council, on motion of Council Member Hansen, Mounce second, waived reading of the ordinance in full and adopted and ordered it to print by the following vote:

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

Noes: Council Members – None

Absent: Council Members – None

Abstain: Council Members – Mayor Johnson

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 12:08

ATTEST:

Randi Johl
City Clerk

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 1, 2007**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 1, 2007, commencing at 7:00 a.m.

A. ROLL CALL

Present: Council Members – Hansen, Hitchcock, Katakian, Mounce, and Mayor Johnson
Absent: Council Members – None
Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. TOPIC(S)

B-1 "Review and Discussion of Proposed Vending Ordinance"

Community Improvement Manager Joseph Wood provided a presentation regarding a proposed ordinance for mobile food vendors. Specific topics of discussion included the Stockton ordinance, previous difficulties and complaints with mobile food vending operations, land use issues regarding vending, specific Municipal Code sections affected by vending operations, discussions between local mobile food vendors and staff, permit to operate, process and specific conditions outlined in proposed ordinance, location, time limitations, operations on private property versus public property, sanitation concerns, health regulations, post and enforce no loitering, penalty standards, and available options.

In response to Council Member Hansen, Mr. Wood stated he is not aware of any lunch truck mobile vendors operating in the residential areas.

Discussion ensued between Council Member Hansen, Mayor Pro Tempore Mounce, and Mr. Wood regarding the impact of a 100 and 300 foot buffer on current lunch truck vendor operations and alternatives to the buffers including hours of operation, electrical hook-ups, traffic safety, and proximity to residential units.

In response to Mayor Pro Tempore Mounce, City Attorney Schwabauer stated the buffers apply to the public right of ways and not to private property.

In response to Mayor Johnson, Mr. Wood stated there are no general limitations as to hours of operation for a vendor truck, but there are some limitations in a commercial area.

In response to Council Member Hansen, Mr. Wood provided an example of an approved permanent table and chair set-up in Modesto, which allows for multiple vendors to operate in the planned area. Mr. Wood stated Stockton does not appear to have any buffer regulations or other restrictions other than operations are not permitted in residential areas.

Discussion ensued between Council Member Hansen, Mayor Pro Tempore Mounce, and City Manager King regarding the need for paved lots, current operations on Lodi Avenue and Main Street, standards of operation for mobile food vending, and a workable solution to address various concerns such as concentration, residential impact, food handling, site access, and design issues.

In response to Council Member Hansen, Mr. Wood stated health regulations require restroom facilities within 200 feet and business owner permission for food handler purposes for any vendor that is parked in one location for an extended period of time.

In response to Mayor Johnson, the only alternative for vendors, who do not have access to restroom facilities with hot water within 200 feet, is to go somewhere else. Community Development Director Hatch stated the idea is to allow operations in a safe and healthy manner so as to meet all regulations imposed upon the vendors and the City. He stated individual review lends itself well to that.

In response to Mayor Pro Tempore Mounce, Mr. Wood stated the language addresses push carts and ice cream trucks with an option to address all vending in residential areas.

In response to Mayor Pro Tempore Mounce, Mr. Hatch stated there are no buffer restrictions currently and the hours of operation restrictions might be a good alternative to buffers.

In response to Mayor Pro Tempore Mounce, City Attorney Schwabauer stated Stockton does not have a specific buffer requirement for commercial operating next to residential. He also stated a conditional use permit may address some of these concerns.

City Manager King stated the matter will likely be reagendaized in June.

PUBLIC COMMENTS:

- David LeBeouf, legal counsel for some of the vendors, spoke in opposition to a buffer and suggested hours of operation restrictions as a good alternative. He specifically discussed the progress of the ordinance, buffer concerns regarding restrictions on doing business on main streets, the effectiveness of the permit process, encroachment permits as overkill, hearing requirements for due process, and the Stockton ordinance. City Attorney Schwabauer explained the due process rights that would be available for permit revocation.

In response to Mayor Pro Tempore Mounce, Mr. LeBeouf agreed that vending is not permitted in residential areas.

Discussion ensued between Council Member Hitchcock and Mr. LeBeouf regarding the differences between indoor and outdoor business operations, trips in and out of the business, loitering and noise concerns, and permanent seating.

- Eileen St. Yves spoke in opposition to buffer restrictions and in favor of mobile food vendors in general based on her previous experience with indoor businesses and her beliefs in free enterprise and competition.

In response to Mayor Pro Tempore Mounce, Senior Traffic Engineer Paula Fernandez stated the distance between the operation on Turner Road and Church Street and the residential across the street is within a 100 foot radius.

Discussion ensued between Maria Lopez and Mayor Pro Tempore Mounce regarding a specific noise incident that occurred at the Cherokee Lane and Locust Street location.

City Manager King stated it is important to avoid a case by case determination and the preference is to treat a class of business similarly to one another.

In response to Mayor Johnson, Mr. Hatch stated the permit to operate will be the equivalent of a conditional use permit and the Council can preclude tables and chairs outright; although, Stockton permitted the tables and chairs in certain areas as more of a land use decision.

In response to Mayor Pro Tempore Mounce, Mr. Wood stated a 100 foot buffer would affect approximately nine vendors and a 400 foot buffer between vendors would affect approximately four to five vendors.

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 8:22 a.m.

ATTEST:

Randi Johl, City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MAY 2, 2007**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of May 2, 2007, was called to order by Mayor Johnson at 5:30 p.m.

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

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 Unrepresented Mid-Management and Executive Management Groups and Police Mid-Management Pursuant to Government Code §54957.6
- b) 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
- c) Actual Litigation: Government Code §54956.9(a); One Case; Hartford Accident and Indemnity Company, et al. v. City of Lodi, et al., Superior Court, County of San Francisco, Case No. 323658

C-3 ADJOURN TO CLOSED SESSION

At 5:30 p.m., Mayor Johnson adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 7:05 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

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

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

In regard to Item C-2 (c), settlement authority was given.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of May 2, 2007, was called to order by Mayor Johnson at 7:10 p.m.

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

Absent: Council Members – None

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

B. INVOCATION

The invocation was given by Pastor Rod Suess, Vinewood Community Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Johnson.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 Awards – None

D-2 (a) Mayor Johnson presented a proclamation to Captain David Main proclaiming the month of May 2007 as “Peace Officer Memorial Month” in the City of Lodi.

D-2 (b) Mayor Johnson presented a proclamation to Bonney Schnabel, Public Works Administrative Clerk, proclaiming the week of May 20 – 26, 2007, as “National Public Works Week” in the City of Lodi.

D-2 (c) Mayor Johnson presented a proclamation to Mark Chandler with the Lodi-Woodbridge Winegrape Commission proclaiming the month of May 2007 as “Zinfandel Month” in the City of Lodi.

D-3 Presentations – None

E. CONSENT CALENDAR

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

E-1 Claims were approved in the amount of \$2,821,330.28.

E-2 The minutes of April 4, 2007 (Regular Meeting), April 10, 2007 (Shirtsleeve Session), April 10, 2007 (Special Meeting), April 17, 2007 (Shirtsleeve Session), April 17, 2007 (Special Joint Meeting w/Arts Commission), and April 24, 2007 (Shirtsleeve Session) were approved as written.

E-3 Approved the specifications and authorized advertisement for bids to procure 15kV class indoor switchgear for the Killelea Substation Rehabilitation Project.

E-4 Approved the request for proposals for services to provide the routing and siting evaluation, alternative and right-of-way analysis, issue identification, cost/benefit studies, and other related recommendations for a potential transmission line interconnection to White Slough Water Pollution Control Facility.

E-5 Adopted Resolution No. 2007-73 approving the purchase of 14 Delta Force Level IIIA ballistic helmets from Brandon Enterprises for the Lodi Police Department Special Weapons and Tactics Team in the amount of \$5,810.

E-6 Adopted Resolution No. 2007-74 accepting the award from the Department of Homeland Security for the purchase of radios for the Lodi Police Department’s Special Weapons and Tactics Team and appropriating \$60,000 for purchase of radios.

E-7 Adopted Resolution No. 2007-75 awarding the contract for Elm Street Overlay 2007 to DSS Engineering Company, of Stockton, in the amount of \$374,833.

E-8 Adopted Resolution No. 2007-76 approving the agreement between the City of Lodi and Spare Time, Inc., dba Twin Arbor Athletic Club, for use of pools at Twin Arbor Athletic Club facilities that will serve the Summer Swim League Program, which will run for the period of May 29, 2007 to July 26, 2007.

E-9 “Adopt Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Wenell Mattheis Bowe for Finance Department Relocation (\$82,000)” was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar.**

- E-10 Approved letters to State Water Resources Control Board in support of Mokelumne River water rights applications for North San Joaquin Water Conservation District and San Joaquin County.
- E-11 Set public hearing for May 16, 2007, to consider introduction of an ordinance amending Chapter 13.20, "Electrical Service," by amending §13.20.210, Schedule EM (Mobile Home Park Service) to become effective July 1, 2007.
- E-12 Set public hearing for May 16, 2007, to consider introduction of an ordinance amending Chapter 13.20, "Electrical Service," by replacing §13.20.175, Schedule MCA (Market Cost Adjustment), with Schedule ECA (Energy Cost Adjustment).
- E-13 Set public hearing for June 6, 2007, to consider adopting resolution adjusting Consumer Price Index-based water and wastewater rates.

ACTION ON ITEM REMOVED FROM THE CONSENT CALENDAR

- E-9 "Adopt Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Wenell Mattheis Bowe for Finance Department Relocation (\$82,000)"

This item was pulled by Mayor Johnson.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, adopted Resolution No. 2007-77 authorizing the City Manager to execute a professional services agreement with Wenell Mattheis Bowe for Finance Department relocation in the amount of \$82,000. The motion carried by the following vote:

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

Noes: Council Members – Mayor Johnson

Absent: Council Members – None

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Daniel Arbuckle with Lodi Bicycle spoke in favor of constructing a bicycle track in the city, possibly next to Salas Park. City Manager King stated a staff member from the Parks and Recreation Department will contact the speaker.

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

- Mayor Pro Tempore Mounce reported on her attendance at the San Joaquin Council of Governments One Voice conference in Washington DC and her meetings with Congressman McNerney and Congressman Cardoza.
- Council Member Hansen reported on his attendance at the Northern California Power Agency conference in Washington DC and his meetings with members of the Congress, Senate, Department of Energy, and Federal Energy Regulation Commission. He also mentioned the E-Waste Recycling event on May 19th at the Grape Bowl and congratulated the Lodi Unified School District on renovating the old Aiken School site.
- Mayor Johnson reported on his attendance at the meeting regarding commuter rail service along the Highway 99 corridor.

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

- City Manager King provided an overview of the citizen satisfaction survey and the timeline associated with the same. Mr. King also stated staff has issued the request for proposals for the Guild property site. In response to Council Member Hitchcock, Mr. King stated the open period will last approximately a month and a half and staff will research possibilities of listing with the Multiple Listing Service.

I. PUBLIC HEARINGS

- I-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Johnson called for the continued public hearing to consider adoption of resolution establishing Public Works Department Engineering Fees for various development-related engineering services; establishing standard unit price schedule for calculation of engineering fees and improvement security; and establishing requirement for warranty security for public improvements.

Public Works Director Prima provided an overview of the proposed engineering fees, specifically discussing the fee schedule, plan check fees, percentage cost of improvements, the standard schedule of unit prices to process developments, reimbursement agreements for developers, partial acceptance for developers, and collecting costs of service for new services that are not currently accounted for.

Hearing Opened to the Public

None

Public Portion of Hearing Closed

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Mounce second, unanimously adopted Resolution No. 2007-78 establishing Public Works Department engineering fees for various development-related engineering services; establishing standard unit price schedule for calculation of engineering fees and improvement security; and establishing requirement for warranty security for public improvements.

- I-2 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Johnson called for the continued public hearing to consider adoption of resolution setting Storm Drainage Permit Compliance Inspection fees for wet season construction inspections.

Public Works Director Prima provided an overview of the Storm Drainage Permit Compliance Inspection fees, specifically discussing State mandates for storm drain permits, the inspection component of the program, and the use of consultants for inspections in the wet season.

In response to Council Member Hansen, Mr. Prima stated the fee is recommended by the consultant firm and includes an administration cost.

In response to Council Member Hitchcock, Mr. Prima stated staff will return to Council for the approval of the contract for inspections. He also stated that the 25% is for administrative costs.

In response to Mayor Johnson, Mr. Prima stated the State does not receive a separate portion of the fee, but it does receive approximately \$11,000 for the storm water permit. Mr. Prima stated the fee will be indexed in July.

In response to Council Member Hansen, Mr. Prima stated the inspectors will speak with violators, write a citation, and follow up. He stated they are hopeful that this process will be sufficient to obtain compliance before fees are assessed.

In response to Mayor Pro Tempore Mounce, Mr. Prima stated staff could process a couple of hundred permits when things are busy. He stated the number is also dependent upon the number of building permits issued.

Hearing Opened to the Public

None

Public Portion of Hearing Closed

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Mounce second, unanimously adopted Resolution No. 2007-79 setting Storm Drainage Permit Compliance Inspection fees for wet season construction inspections.

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 Pro Tempore Mounce, Johnson second, unanimously made the following appointments and directed the City Clerk to post for the one remaining vacancy on the Lodi Improvement Committee:

APPOINTMENTS

Lodi Improvement Committee

| | |
|-----------------|------------------------------|
| Joseph Spinelli | Term to expire March 1, 2010 |
| Sunil Yadav | Term to expire March 1, 2010 |
| Stephen Jarrett | Term to expire March 1, 2010 |
| Ron Lesan | Term to expire March 1, 2008 |

POSTING

Lodi Improvement Committee

| | |
|-------------|------------------------------|
| One Vacancy | Term to expire March 1, 2008 |
|-------------|------------------------------|

J-3 Miscellaneous – None

K. REGULAR CALENDAR

K-1 “Consideration of Water Meter Retrofit Policy”

Public Works Director Prima provided a presentation regarding the Water Meter Retrofit Policy. Specific topics of discussion included historical background, Shirtsleeve follow-ups, water use, rate structure, rates and conservation, meter costs, accelerated program, goal of conversion, basic choices, feasibility of choices, policy issues, and staff recommendation for accelerated program.

In response to Council Member Hitchcock, Mr. Prima stated Manteca is metered.

Discussion ensued between Council Member Katzakian and Mr. Prima regarding costs based on readings in 2010, the 1980's time period for collecting fees for meters, and the determination of a metered home based on the State's assessment.

In response to Council Member Hitchcock, Mr. Prima provided an explanation of a tiered rate structure, specifically discussing peak demands, demand on wells, usage in the early and late portions of the day, capacity to meet demands, capital costs for facilities, the need for a cost study, residential usage, and the options available with various programs.

In response to Council Member Hansen, Mr. Prima stated there is an opportunity to control usage with meters.

Discussion ensued between Mayor Pro Tempore Mounce and Mr. Prima regarding the line item for water infrastructure on the electrical bill, the cost of installing water meters, previous cost studies for water, upgrades to facilities, potential for rate reduction, rate studies, and infrastructure fees paying pipelines, wells, and line replacements.

In response to Council Member Hitchcock, City Manager King stated each owner would pay for their own meter. He stated the City would provide an opportunity for self install via a cut sheet and waive the installation fee. Mr. King stated an additional option could be a lump sum payment to the contractor.

In response to Council Member Hansen, Mr. Prima stated legally they can use Community Development Block Grant (CDBG) funding as set aside money to help low-income homeowners install water meters, but they would need to work out the specific details. Mr. Prima stated they may also have the option to spread out the costs over three years; although, they will have to be cautious about cash flow and the timeline associated with a two-rate structure.

In response to Mayor Pro Tempore Mounce, Mr. Prima stated they probably have one to two thousand people on the SHARE program from water and electric. City Manager King stated the CDBG component may be reserved for hardship cases only and they will look into other safety relief programs for hardship cases.

In response to Mayor Johnson, Mr. Prima stated the \$1.1 million figure can be absorbed by the current budget funds.

In response to Council Member Hitchcock, Mr. Prima stated he was not sure about utilizing the home funds component of the CDBG monies. Discussion ensued between Council Member Hitchcock, Mayor Johnson, and City Manager King regarding funding options.

City Manager King provided an overview regarding the option for everyone to pay for their own meter and the option of everyone paying a fee and sharing services from the collective pot. Mr. King stated the City can take until 2025, in which case rates may go up over time; although, this would prolong the time for a divided rate structure.

PUBLIC COMMENTS:

- Alicia Irvine spoke in favor of the recommended accelerated water meter installation program based on a proposal where everyone pays for their own meter.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Hitchcock second, approved staff's recommendation and timeline for the accelerated Water Meter Retrofit Policy by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson
Noes: Council Members – Mounce
Absent: Council Members – None

RECESS

At 9:20 p.m., Mayor Johnson called for a recess, and the City Council meeting reconvened at 9:31 p.m.

K. REGULAR CALENDAR (Continued)

NOTE: Item K-7 was heard out of order.

K-7 "Approve Lodi Tourism Business Improvement District (LTBID) 2007 Annual Report, as submitted by the LTBID Board of Directors"

City Manager King provided a brief introduction of the subject matter.

Nancy Beckman, Executive Director of the Lodi Visitors and Conference Bureau, provided an overview the previous and upcoming year plans for the Lodi Conference and Visitors Bureau. Specific topics of discussion included proposed programmatic changes, marketing and promotion activities in the leisure and group markets, public relations, customer service and hospitality, communications, and the annual budget.

In response to Mayor Johnson, Mrs. Beckman stated approximately 30 to 35 wineries out of 65 are doing some sort of wine tasting and contributing to approximately 200,000 visitors per year.

In response to Council Member Hansen, Mrs. Beckman stated she will need to speak with the Lodi Tourism Business Improvement District (LTBID) attorney regarding any amendments to the boundaries to include Flag City hotels and the process associated with the same.

Discussion ensued between Mayor Johnson, City Manager King, and Mrs. Beckman regarding increasing the Transient Occupancy Tax (TOT), the 6% amount which goes to the General Fund, the 3% fee which generates revenue for the LTBID, other city and county averages regarding the same, business model based on number of beds, and public funding as the standard in industry.

In response to Mayor Pro Tempore Mounce, Mrs. Beckman stated last year's funding was a bit more because the organization reduced its budget for the upcoming year as requested by Council previously.

In response to Council Member Hansen, City Manager King stated the permit had been pulled for the Hampton Inn.

PUBLIC COMMENTS:

- Sunil Yadav, LTBID Board Member, spoke in opposition to any proposed TOT increase, stating it would be a burden to middle-class customers and hotel operators.

MOTION / VOTE:

The City Council, on motion of Mayor Johnson, Mounce second, unanimously approved the LTBID 2007 Annual Report, as submitted by the LTBID Board of Directors.

K-2 "Receive Progress Report on City of Lodi General Plan Update"

Planning Manager Peter Pirnejad provided a progress report regarding the City's General Plan update. Mr. Pirnejad specifically discussed the two-year timeline for completion, draft working papers, preparing a newsletter and survey, stakeholder report and process, community organization involvement, data collection for analysis, and the potential for delays due to the need for additional public participation.

In response to Council Member Hansen, Mr. Pirnejad stated that, while Mr. Bhatia is proactive, the only amendment he has seen to date is for actual cost only due to a widening of the scope of services.

In response to Council Member Hitchcock, Mr. Pirnejad stated the public workshop will be held sometime in mid to late June.

MOTION / VOTE:

There was no Council action necessary on this matter.

- K-3 "Consideration of Adjustments to the City Manager and City Attorney Employment Agreements"

Mayor Johnson provided a brief history of the item as agendaized previously. Discussion ensued between the City Council regarding proposed adjustments to the City Manager and City Attorney salaries. Specific topics of discussion included standardized cost of living adjustments, previously declined increases, base salary averages, Public Employees Retirement System amounts, differential and spreads in comparison to department head positions, comparisons with neighboring cities, and the potential for future salary increases.

MOTION #1 / VOTE:

The City Council, on motion of Mayor Johnson, Hansen second, adopted Resolution No. 2007-80 approving a salary increase for the City Manager of \$160,000 per year. The motion carried by the following vote:

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

Noes: Council Members – Mounce

Absent: Council Members – None

MOTION #2 / VOTE:

The City Council, on motion of Mayor Johnson, Mounce second, unanimously adopted Resolution No. 2007-81 approving a salary increase for the City Attorney of \$140,000 per year.

- K-4 "Adopt Resolution Certifying the Canvass of Election Results and Determining Results of the Election for Community Facilities District 2007-1 (Public Services) and Introduce Ordinance Levying and Apportioning the Special Tax in Community Facilities District No. 2007-1 (Public Services)"

MOTION #1 / VOTE:

The City Council, on motion of Mayor Pro Tempore Mounce, Hansen second, unanimously adopted Resolution No. 2007-82 declaring the results of the special election held on April 11, 2007, in Community Facilities District No. 2007-1 (Public Services).

MOTION #2 / VOTE:

The City Council, on motion of Mayor Pro Tempore Mounce, Hansen second, unanimously introduced Ordinance No. 1797 levying and apportioning the special tax in Community Facilities District No. 2007-1 (Public Services).

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Mayor Pro Tempore Mounce, Hansen second, unanimously voted to not continue with the remainder of the meeting following the 11:00 p.m. hour.

K. REGULAR CALENDAR (Continued)

- K-5 "Overview of 2007-08 Operating and Capital Outlay Budget and Set Public Hearing for May 30, 2007, to Review and Receive Comments Regarding City of Lodi 2007-08 Operating and Capital Outlay Budget" was **pulled from the agenda pursuant to the above vote.**

- K-6 "Consideration of the Status of the Animal Shelter Task Force" was **pulled from the agenda pursuant to the above vote.**

- K-8 "Adopt Resolution Approving Reclassification and Salary Adjustment for City Engineer and Equity Pay Adjustment for Public Works Director" was **pulled from the agenda pursuant to the above vote.**

Continued May 2, 2007

K-9 "Adopt Resolution Approving Control Point Adjustments for Executive Management and Cost of Living Adjustments for Unrepresented Mid-Managers" was ***pulled from the agenda pursuant to the above vote.***

L. ORDINANCES

None

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 11:10 p.m.

ATTEST:

Randi Johl
City Clerk

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 8, 2007**

The May 8, 2007, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Randi Johl
City Clerk

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 8, 2007**

A. CALL TO ORDER / ROLL CALL

The Special City Council meeting of May 8, 2007, was called to order by Mayor Johnson at 7:00 a.m.

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

Absent: Council Members – None

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

B. REGULAR CALENDAR

- B-1 “Overview of 2007-08 Operating and Capital Outlay Budget and Set Public Hearing for May 30, 2007, to Review and Receive Comments Regarding City of Lodi 2007-08 Operating and Capital Outlay Budget”

City Manager King provided a brief introduction regarding the subject matter. Mr. King outlined the proposed timelines for adoption of the budget and reviewed the five major points of the proposed budget including the balanced budget, automatic energy cost adjustment, the need to continue working on deferred maintenance including vehicle replacement, monitoring traditional revenues while incorporating non-traditional revenues, and considering policies and operational matters.

Mr. King provided an overview of the 2007-08 Operating and Capital Outlay Budget. Specific topics of discussion included highlights of the general fund, the soft number of \$44,873,000, continuing to build the reserve fund, sales and property tax revenues, court rental fees, increased reserves, new community facilities district (CFD), entrepreneurial revenues, budget pressures, public safety expenditures, debt payoff, electric utility transfers, and policy issues.

Discussion ensued between Council Member Hitchcock and Mr. King regarding the impact of declining car sales tax, geographical shopping areas, per capita sales tax, comparisons with other cities, and the general decline in car sales.

In response to Mayor Johnson, Mr. King stated examples of other businesses capturing sales tax leakage are Costco and a large bookstore.

In response to Council Member Hitchcock, Mr. King stated the General Plan will include an analysis of retail concentration. Community Development Director Hatch stated the Wal-Mart shopping center Environmental Impact Report will look at the community's capacity for various businesses.

In response to Mayor Johnson, Mr. King stated the \$1.2 million figure is an academic estimate based on complete build out of the CFD area and Reynolds Ranch. He stated the actual number will not be available until the houses are built.

In response to Council Member Hitchcock, Mr. King stated the CFD is considered a revenue source; although, they do not anticipate an expansion of the current level of service.

In response to Council Member Hansen's suggestion to utilize the \$250,000 Flag City amount or the 9% card room amount to assist with water meter installations, Mr. King stated that the \$250,000 one-time revenue source may be appropriate for the one-time water meter installation cost. Mayor Pro Tempore Mounce stated she may be able to support a redevelopment piece if infrastructure concerns were addressed.

In response to Council Member Hitchcock, Mr. King stated the goal is to address deferred maintenance for fleet vehicles and facilities, which may cost approximately \$1.5 million in addition to the current expenditures. Mr. King stated an outside consultant may be able to assist in formulating a plan to address our exposure and maintenance needs at a cost of approximately \$50,000.

In response to Mayor Johnson, Mr. King stated the heightened expectations are both internal and external.

In response to Council Member Hitchcock, Public Works Director Prima stated the transit costs are pretty typical of the needs usually met by earmarked funds. He stated the standards for maintenance are higher because the buses are specialized vehicles.

In response to Mayor Johnson, Mr. Prima stated he does not anticipate a fully funded transit program, for which the City will not need grants.

In response to Council Member Hitchcock, Mr. King stated the 52.1% accounting for public safety expenditures might be pretty close to other cities; although, comparisons are difficult because they would have to be with other full service cities.

In response to Mayor Johnson, Mr. King stated an analysis of the public safety budget would be somewhat difficult because success for public safety is not obtained by the traditional performance measures and various factors would need to be considered, including citizen satisfaction.

In response to Mayor Johnson, Mr. King stated the cost adjustment presentation will be available at the next Shirtsleeve Session or at the May 16th meeting. Mayor Johnson requested a recap of the electric utility public benefit monies to evaluate project needs and eligibility. Council Member Hansen stated he does not want to lose the flexibility for Community Development Block Grant funds.

In response to Mayor Pro Tempore Mounce, Deputy City Manager Krueger stated the Budget Committee is being provided budget documentation and recommendations on the Community Center and Hutchins Street Square should be coming in the next few weeks. He also stated the Committee was gathering data for the recommendation regarding replacement matters.

In response to Mayor Pro Tempore Mounce, Mr. King stated the cable franchise contract will be coming to Council in a year. He stated nothing prevents a city from accepting the 5%, but the tradeoff is less flexibility on the side agreements. City Attorney Schwabauer stated the legislation requires interconnectivity but not on-site services and the cable ordinance will eventually have to come back to Council.

In response to Mayor Johnson, Mr. King stated they cannot continue as they have been for another year or so because of the strain on administration and personnel. He stated they will continue to reserve by utilizing best management practices.

In response to Mayor Johnson, Mr. King stated there is some cushion in the proposed budget for anticipated salary increases, but capital replacement is the wild card.

In response to Council Member Hitchcock, Mr. King stated staff is recommending Council fill both mandated vacancies in the Police Department, one vacancy at Hutchins Street Square, one vacancy in Human Resources, and one vacancy in Finance. He stated the vacancies in Electric Utility are being treated differently and with some flexibility so that the positions can be filled as needed so long as the overall department budget is not exceeded. Council Member Hitchcock requested a copy of the talking points used for the presentation. Mr. King indicated the actual budget documentation should be provided to the Council on Friday.

Continued May 8, 2007

In response to Mayor Johnson, Deputy City Manager Krueger stated he was not sure when the 15% target for reserves would be met and provided an overview of the previous and current year fund balances.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Mounce second, unanimously set public hearing for May 30, 2007, to review and receive comments regarding City of Lodi 2007-08 Operating and Capital Outlay Budget.

C. ADJOURNMENT

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

ATTEST:

Randi Johl
City Clerk