



LODI CITY COUNCIL

Carnegie Forum

305 West Pine Street, Lodi

AGENDA – SPECIAL MEETING

Date: June 10, 2015

Time: 7:00 p.m.

For information regarding this Agenda please contact:

Jennifer M. Ferraiolo

City Clerk

Telephone: (209) 333-6702

A. Call to Order / Roll Call

B. Regular Calendar

- Res. B-1 Adopt Resolution Approving the City of Lodi Financial Plan and Budget for the Fiscal Year Beginning July 1, 2015 and Ending June 30, 2016 and Approving the Fiscal Year 2015/16 Appropriation Spending Limit (CM)

C. Adjournment

Pursuant to Section 54956.2(a) of the Government Code of the State of California, this agenda was posted at a place freely accessible to the public 24 hours in advance of the scheduled meeting.

Jennifer M. Ferraiolo
City Clerk

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Jennifer M. Ferraiolo at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Jennifer M. Ferraiolo (209) 333-6702.

****NOTICE:** Pursuant to Government Code §54954.3(a), public comments may be directed to the legislative body concerning any item contained on the agenda for this meeting before (in the case of a Closed Session item) or during consideration of the item. **



CITY OF LODI COUNCIL COMMUNICATION

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AGENDA TITLE: Adopt Resolution Approving the City of Lodi Financial Plan and Budget for the Fiscal Year Beginning July 1, 2015 and Ending June 30, 2016 and Approving the Fiscal Year 2015/16 Appropriation Spending Limit

MEETING DATE: June 10, 2015

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Adopt resolution approving the City of Lodi Financial Plan and Budget for the Fiscal Year (FY) beginning July 1, 2015 and ending June 30, 2016 and approving the Fiscal Year 2015/16 appropriation spending limit.

BACKGROUND INFORMATION: The City Council will continue to receive the budget presentation and the public is invited to comment on the FY 2015/16 budget. Staff presented information to Council regarding this budget at Shirtsleeve meetings on May 5, 12, 19 and on June 9, 2015. Staff published a draft budget document on May 15, 2015.

The General Fund Budget for FY 2015/16 reflects a draw on reserves of \$154,280. This draw is part of a planned reduction in reserves related to a partial return of prior employee concessions. Council approved a General Fund Reserve Policy in June 2010 that sets aside 8 percent of General Fund revenues for a Catastrophic Reserve and 8 percent of General Fund revenues for an Economic Reserve. Total General Fund reserves are projected to be \$10.5 million. This level of reserve will fully fund both the Catastrophic Reserve and the Economic Reserve at about \$3.7 million each, fund additional costs associated with labor agreements through December 2017 in the amount of \$1.4 million and leave about \$1.7 million in uncommitted reserves. Of this amount, approximately \$300,000 is designated for capital expenditures under the Digital Infrastructure and Video Competition Act (DIVCA), leaving about \$1.4 million in uncommitted, undesignated reserves.

General Fund revenues are \$46,708,260, an increase of \$3,117,200 over the 2014/15 initially adopted budget. General Fund expenditures are \$46,862,540, an increase of \$3,271,480 over the prior year initial budget. The All-Funds expense/expenditure budget is \$193,893,070, an increase of \$14.3 million, or about 8 percent over the previous year. The increase is related to increased salary and benefit costs, service and supply costs, and capital project costs.

Most bargaining unit agreements expired during FY 2014/15. Successor agreements have been negotiated with a number of the units, but some units do not yet have a negotiated agreement. The budget has been built on the basis of the new labor agreements for those units with settled agreements and on the basis of the expired agreement for those units without successor agreements. Any changes to agreements will generate mid-year adjustments to the budget.

APPROVED: _____
Stephen Schwabauer, City Manager

The budget proposes 391 full time positions; a net increase of eight over the prior year. The changes are shown in the table below:

Classification	Department	Number
Lineworker Apprentice	Electric	2
Electrician	Electric	2
Administrative Clerk	Public Works	1
Laboratory Supervisor	Public Works	1
Lead Electrician	Public Works	1
Street Maintenance Worker I/II	Public Works	1
Service Writer	Public Works	1
Building Inspector I/II	Community Development	1
Assistant Animal Services Officer	Police	1
Parking Enforcement Assistant	Police	(1)
Parks Supervisor	PRCS	(1)
Heavy Equipment Mechanic	Public Works	(1)
Net positions added		8

Total cost of the additional positions is about \$940,000 and is funded by the enterprise funds. The General Fund positions are cost neutral.

Significant capital projects included in the budget are:

- Wastewater System Maintenance/Improvements (\$5.0 million)
 - Influent screening and UV system upgrades, dewatering system upgrades, stormwater system upgrades and pipe realignment
- Street Maintenance (\$2.4 million)
 - Sealing and striping, signal maintenance, sidewalk repairs and pavement maintenance
- Water System Improvements (\$2.1 million)
 - Continuing design and construction of the meter installation program, water well rehabilitation, and PCE/TCE projects
- Electrical System Maintenance (\$3.6 million)
 - Overhead and underground maintenance, streetlight grounding and fusing and transformer replacement
- Boat Launch Upgrades (\$0.7 million)
 - Boat launch facilities at Lodi Lake

A resolution adopting the Financial Plan and Budget is attached. Included in the budget resolution is the adoption of the Appropriation Spending Limit for the 2015/16 fiscal year. This limit represents the maximum spending authority for the City based upon population and inflation changes over the last year. The 2015/16 Appropriation Limit is \$90,095,588, an increase of \$3,617,690 from the prior year. Details of the calculations are attached as Attachment 1 and Exhibits A through G.

FISCAL IMPACT: The 2015/16 budget provides an expenditure plan for all funds. The All-Funds budget is \$193,893,070, an increase of \$14.3 million, or about 8 percent over the previous year initial budget. As noted earlier, this increase is related to cost increases in a number of categories. The General Fund budget reflects a draw on reserves of \$154,280, based upon revenues of \$46,708,260 and expenditures of \$46,862,540.

Jordan Ayers, Deputy City Manager

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL ADOPTING THE CITY
OF LODI FINANCIAL PLAN AND BUDGET FOR THE FISCAL YEAR
BEGINNING JULY 1, 2015 AND ENDING JUNE 30, 2016, AND
APPROVING THE 2015/16 APPROPRIATIONS SPENDING LIMIT

WHEREAS, the City Manager submitted the 2015/16 Financial Plan and Budget to the City Council on May 15, 2015; and

WHEREAS, the 2015/16 Financial Plan and Budget was prepared in accordance with the City Council's goals, budget assumptions, and policies; and

WHEREAS, the City Council conducted public budget meetings on May 5, May 12, May 19, June 9 and June 10, 2015, at the Carnegie Forum; and

WHEREAS, the City Council is required to adopt the Appropriations Spending Limit for 2015/16; and

WHEREAS, the Appropriations Spending Limit and the annual adjustment factors selected to calculate the Limit are part of the Financial Plan and Budget.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi as follows:

1. That the 2015/16 Financial Plan and Budget, as proposed by the City Manager, be approved as follows:

	Budget
General Fund	
Police	\$18,241,970
Fire	\$10,749,150
Public Works	\$2,345,820
City Clerk	\$547,020
City Manager	\$448,100
City Attorney	\$488,650
Internal Services	\$3,606,320
Economic Development	\$507,630
Non-Departmental	\$9,927,880
Total General Fund	\$46,862,540
Other Funds	
Electric Utility	\$78,614,820
Water Utility	\$12,264,400
Wastewater Utility	\$17,518,680
Transit	\$6,026,830
Streets	\$4,733,990
Community Development	\$1,538,410
Parks, Rec & Cultural Services	\$5,822,480
Library	\$1,388,940
Transportation Development Act	\$44,000
Community Dev Block Grant	\$1,008,950
Public Safety Special Revenue	\$314,200
Capital Outlay	\$2,473,270
Equip & Vehicle Replacement	\$1,308,210

Debt Service	\$1,103,950
Benefits	\$8,056,870
Self Insurance	\$2,772,860
Trust and Agency	\$142,500
Fleet Services	\$1,897,170
Total Other Funds	\$147,030,530
Grand Total	\$193,893,070

2. That the funds for the 2015/16 Financial Plan and Budget are appropriated as summarized in the document on file in the City Clerk's Office;
3. That position additions and deletions be approved as shown in the table below:

Classification	Department	Number
Lineworker Apprentice	Electric	2
Electrician	Electric	2
Administrative Clerk	Public Works	1
Laboratory Supervisor	Public Works	1
Lead Electrician	Public Works	1
Street Maintenance Worker I/II	Public Works	1
Service Writer	Public Works	1
Building Inspector I/II	Community Development	1
Assistant Animal Services Officer	Police	1
Parking Enforcement Assistant	Police	(1)
Parks Supervisor	PRCS	(1)
Heavy Equipment Mechanic	Public Works	(1)
Net positions added		8

and;

4. That the Appropriations Spending Limit be increased by \$3,617,690 from the 2014/15 level of \$86,477,897 to the 2015/16 level of \$90,095,588 in accordance with the calculations on Attachment 1 and Exhibits A through G.

Dated: June 10, 2015

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I hereby certify that Resolution No. 2015-____ was passed and adopted by the City Council of the City of Lodi in a special meeting held June 10, 2015, by the following votes:

AYES: COUNCIL MEMBERS –
 NOES: COUNCIL MEMBERS –
 ABSENT: COUNCIL MEMBERS –
 ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
 City Clerk

2015-____

APPROPRIATIONS SPENDING LIMIT

2015-16 APPROPRIATIONS SPENDING LIMIT

				AMOUNT
Last Year's Limit				86,477,897
Adjustment Factors				
1	Population %	1.0382		
2	Inflation %	1.0035		
Total Adjustment %				1.04183
Annual Adjustment				3,617,690
Adjustments				None
Total Adjustments				3,617,690
2015-16 APPROPRIATIONS SPENDING LIMIT				90,095,588

2015-16 APPROPRIATIONS SUBJECT TO LIMITATION

		AMOUNT
PROCEEDS OF TAXES		36,831,981
EXCLUSIONS		-
APPROPRIATIONS SUBJECT TO LIMITATION		36,831,981
CURRENT YEAR LIMIT		90,095,588
OVER(UNDER) LIMIT		(53,263,605)

City of Lodi
 Appropriations Spending Limit
 Fiscal Year 2015-16

		Amount	Source
A.	Last Year's Limit	86,477,897	
B.	Adjustments Factors		
	1 Population %	1.0382	(Exhibit B)
	2 Inflation %	1.0035	(State Finance)
	Total Adjustment %	1.04183	(B1*B2)
C.	Annual Adjustment	3,617,690	(B*A)
D.	Other Adjustments	None	
E.	Total Adjustments	3,617,690	(C+D)
F.	This Year's Limit	90,095,588	(A+E)

City of Lodi
 Appropriations Spending Limit
 Growth Factors/Calculations

EXHIBIT B

GROWTH FACTORS:		%Increase	%Increase
Fiscal Year	Per Capita Income	City Population	County Population
87-88	3.47	5.72	3.33
88-89	4.66	4.96	3.32
89-90	5.19	2.52	2.20
90-91	4.21	2.26	2.23
91-92	4.14	1.19	2.64
92-93	-0.64	0.97	2.41
93-94	2.72	0.73	2.13
94-95	0.71	0.51	1.57
95-96	4.72	1.31	1.59
96-97	4.67	1.68	1.85
97-98	4.67	0.70	1.21
98-99	4.15	1.16	1.47
99-00	4.53	1.94	1.44
00-01	4.91	1.29	1.78
01-02	7.82	1.90	2.71
02-03	-1.27	2.14	3.07
03-04	2.31	1.69	2.86
04-05	3.28	0.75	2.54
05-06	5.26	0.96	2.65
06-07	3.96	0.30	2.00
07-08	4.42	0.90	1.73
08-09	4.29	0.68	1.59
09-10	0.62	0.42	1.07
10-11	-2.54	0.61	0.97
11-12	2.51	0.61	0.97
12-13	3.77	0.77	1.05
13-14	5.12	0.57	0.95
14-15	-0.23	0.66	1.10
15-16	3.82	0.35	1.43

CALCULATIONS:			
Fiscal Year	Calculation		Appropriation Spending Limit
87-88	$1.0347 \times 1.0572 = 1.0939$ $1.0939 \times \$22,654,787$	=	\$24,782,072
88-89	$1.0466 \times 1.0496 = 1.0985$ $1.0985 \times \$24,782,072$	=	\$27,223,106
89-90	$1.0519 \times 1.0252 = 1.0784$ $1.0784 \times \$27,223,106$	=	\$29,357,398
90-91	$1.0421 \times 1.0226 = 1.0657$ $1.0657 \times \$29,357,398$	=	\$31,286,179

91-92	1.0414 x 1.0264 = 1.0689 1.0689 x \$31,286,179	=	\$33,441,797
92-93	.9936 x 1.0241 = 1.0175 1.0175 x 33,441,797	=	\$34,027,028
93-94	1.0272 x 1.0213 = 1.0491 1.0491 x 34,027,028	=	\$35,697,755
94-95	1.0071 x 1.0157 = 1.0229 1.0229 x 35,697,755	=	\$36,515,234
95-96	1.0472 x 1.0131 = 1.0609 1.0609 x 36,515,234	=	\$38,739,012
96-97	1.0467 x 1.0168 = 1.0643 1.0643 x 38,739,012	=	\$41,229,332
97-98	1.0467 x 1.0070 = 1.0540 1.0540 x 41,229,332	=	\$43,456,825
98-99	1.0415 x 1.0116 = 1.0536 1.0536 x 43,456,825	=	\$45,785,303
99-00	1.0453 x 1.0194 = 1.0656 1.0656 x 45,785,303	=	\$48,787,849
00-01	1.0491 x 1.0129 = 1.0626 1.0626 x 48,787,849	=	\$51,843,597
01-02	1.0782 x 1.0190 = 1.0987 1.0986858	=	\$56,959,824
02-03	.9873 x 1.0214 = 1.00843 1.00842822	=	\$57,439,894
03-04	1.0231 x 1.0169 = 1.0404 1.04039039	=	\$59,759,913
04-05	1.0328 x 1.0075 = 1.040546 1.040546	=	\$62,182,939
05-06	1.0526 x 1.0096 = 1.06270496 1.06270496	=	\$66,082,118
06-07	1.0396 x 1.0030 = 1.0427188 1.0427188	=	\$68,905,066
07-08	1.0442 x 1.0090 = 1.0535978 1.0535978	=	\$72,598,226
08-09	1.0429 x 1.0068 = 1.0499917 1.0499917	=	\$76,227,535
09-10	1.0062 x 1.0042 = 1.01042604 1.01042604	=	\$77,022,286
10-11	.9746 x 1.0061 = .98054506 0.98054506	=	\$75,523,822
11-12	1.0251 x 1.0061 = 1.03135311 1.03135311	=	\$77,891,729
12-13	1.0377 x 1.0077 = 1.04569029 1.04569029	=	\$81,450,625
13-14	1.0512 x 1.0057 = 1.05719184 1.05719184	=	\$86,108,936
14-15	0.9977 x 1.0066 = 1.00428482 1.00428482	=	\$86,477,897
15-16	1.0382 x 1.0035 = 1.04183370 1.04183370	=	\$90,095,588

15-16 Appropriations Subject to Limit:

\$36,831,981
\$90,095,588

=

40.88%

APPROPRIATIONS SUBJECT TO LIMITATION

City of Lodi
Fiscal Year 2015-16

	AMOUNT	SOURCE
A. PROCEEDS OF TAXES	36,831,981	(Exhibit F)
B. EXCLUSIONS	0	(Exhibit D)
C. APPROPRIATIONS SUBJECT TO LIMITATION	36,831,981	(A-B)
D. CURRENT YEAR LIMIT	90,095,588	(Exhibit A)
E. OVER(UNDER) LIMIT	(53,263,605)	(C-D)

$$\frac{36,831,981}{90,095,588} = 40.88\%$$

EXCLUDED APPROPRIATIONS

City of Lodi
 Fiscal Year 2015-16

CATEGORY	Amount
COURT ORDERS	
Subtotal	None
FEDERAL MANDATES	
Subtotal	None
QUALIFIED CAPITAL OUTLAYS	
Subtotal	None
QUALIFIED DEBT SERVICE	
Subtotal	None
TOTAL EXCLUDABLE	None

(Copy to Exhibit C & G)

City of Lodi
 Schedule to Match User Fees to Costs
 Fiscal Year 2015-16

EXHIBIT E

	User Fee Collections	Cost Associated With User Fees	Amount in Excess of User fees
Public Safety Fees	371,400	28,991,120	0
Parks and Rec/Cultural Fees	1,752,650	4,902,870	0
Community Development Fees	412,800	1,538,410	0
PW Engineering Fees	839,280	1,342,600	0
Library Fees	27,000	1,388,940	0
Total	<u>3,403,130</u>	<u>38,163,940</u>	<u>0</u>

Calculation - Proceeds of Taxes

City of Lodi
Fiscal Year 2015-16

REVENUE	PROCEEDS OF TAXES	NON-PROCEEDS OF TAXES	TOTAL
TAXES:			
Property Taxes	9,200,030		9,200,030
Sales & Use Tax	11,774,880	374,980	12,149,860
Business License Tax	1,440,000		1,440,000
Franchise Tax	1,822,800		1,822,800
Transient Occupancy Tax	600,000		600,000
Real Property -Documentary Tax	140,000		140,000
In-Lieu Franchise Tax	7,082,070		7,082,070
FROM STATE			
Motor Vehicle In Lieu	4,746,120		4,746,120
State H-way Maintenance		11,400	11,400
Gas Tax		1,348,930	1,348,930
Cigarette tax			0
Transportation Development Act		3,620,000	3,620,000
TDA -Pedestrian/Bike Path		44,100	44,100
SB 300 Transportation Partnership		0	0
Measure K Funds		890,000	890,000
State Reimbursements-POST		40,000	40,000
Public Library grants		10,000	10,000
PERS Rebate		0	0
SB90 Reimbursements		0	0
Asset Seizure Funds/Auto Theft		0	0
Drug Suppression Grant		301,410	301,410
State special grants		1,236,500	1,236,500
Traffic Congestion Relief		0	0
State STIP reimbursement		0	0
LOCALLY RAISED			
Fines, Forfeitures, Penalties		1,479,900	1,479,900
Licenses and permits		851,000	851,000
Rent of City Property		1,919,210	1,919,210
Development Fees		1,156,300	1,156,300
USER FEES			
(from Exhibit E)	0	3,403,130	3,403,130
OTHER MISCELLANEOUS			
Sale of Property		400,000	400,000
Restitution-Damage to Property		1,000	1,000
Other revenue		953,030	953,030
Interfund Transfers			
		4,000,000	4,000,000
SUB-TOTAL			
(for Exhibit G)	36,805,900	22,040,890	58,846,790
INTEREST EARNINGS			
(from Exhibit G)	26,081	15,619	41,700
TOTAL REVENUE			
(use for Exhibit C)	36,831,981	22,056,509	58,888,490
RESERVE WITHDRAWALS			
(Including appropriated Fund Balance)			0
TOTAL OF THESE FUNDS			
			58,888,490
OTHER FUNDS NOT INCLUDED			
			121,507,130
GRAND TOTAL BUDGET			
			180,395,620

Interest Earnings
Produced by Taxes

City of Lodi
Fiscal Year 2015-16

	AMOUNT	SOURCE
A. NON-INTEREST TAX PROCEEDS	36,805,900	^(Exhibit F)
B. MINUS EXCLUSIONS	0	(Exhibit D)
C. NET INVESTED TAXES	36,805,900	(A-B)
D. TOTAL NON-INTEREST BUDGET	58,846,790	^(Exhibit F)
E. TAX PROCEEDS AS PERCENT OF BUDGET	62.55%	(C/D)
F. INTEREST EARNINGS	41,700	
G. AMOUNT OF INTEREST EARNED FROM TAXES	26,081	(E*F)
H. AMOUNT OF INTEREST EARNED ON NON-TAXES	15,619	(F-G)
I. Take the result of steps #G & H Copy on to Exhibit F		