



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

AGENDA – REGULAR MEETING

Date: November 7, 2012

Time: Closed Session 6:15 p.m.
Regular Meeting 7:00 p.m.

For information regarding this Agenda please contact:

Randi Johl, City Clerk
Telephone: (209) 333-6702

6:55 p.m. Invocation/Call to Civic Responsibility. Invocations/Calls may be offered by any of the various religious and non-religious organizations within and around the City of Lodi. These are voluntary offerings of private citizens, to and for the benefit of the Council. The views or beliefs expressed by the Speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the beliefs or views of any speaker.

NOTE: 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 24 hours prior to the meeting date.

C-1 Call to Order / Roll Call

C-2 Announcement of Closed Session

- a) Negotiate Modification to Lease Agreement Regarding a Portion of 930 South Beckman Road (APN 049-250-83); Negotiating Parties are Geweke Motors, Inc., a California Corporation, Successor in Interest to GFLIP III Limited Partnership, LP (Tenant) and City of Lodi (Landlord); Government Code §54956.8
- b) Prospective Acquisition of Real Property Located at 16 and 40 South Cherokee Lane, Lodi, California (APN 043-230-13 and 043-230-12, Respectively); the Negotiating Parties are City of Lodi and Geweke Land Development and Marketing, L.P.; Government Code §54956.8

C-3 Adjourn to Closed Session

NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.

C-4 Return to Open Session / Disclosure of Action

A. Call to Order / Roll Call

B. Presentations

- B-1 Presentation by Representative of Assembly Member Berryhill Regarding City's Participation in the HEAL Program (CLK)
- B-2 Homeless Youth Awareness and Runaway Prevention Month Proclamation (CLK)
- B-3 Presentation by Hutchins Street Square Foundation Regarding Plans to Celebrate 100th Anniversary of Hutchins Street Square (PRCS)

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

- C-1 Receive Register of Claims in the Amount of \$10,422,480.47 (FIN)
- C-2 Approve Minutes (CLK)
 - a) October 16, 23, and 30, 2012 (Shirtsleeve Sessions)
 - b) October 16 and 30, 2012 (Special Meetings)
 - c) October 17, 2012 (Regular Meeting)
- C-3 Accept Quarterly Report of Purchases Between \$10,000 and \$20,000 (CM)
- C-4 Accept Quarterly Investment Report as Required by the City of Lodi Investment Policy (CM)

- Res. C-5 Adopt Resolution Approving the City of Lodi Annual Investment Policy and Internal Control Guidelines (CM)
- Res. C-6 Adopt Resolution Authorizing the City Manager to Execute a Professional Services Agreement with the Salvation Army to Verify Eligibility for the Lodi SHARE Rate Discount Program (\$19,000) (EUD)
- Res. C-7 Adopt Resolution Supporting the Stop Theft of Power Act (EUD)
- Res. C-8 Adopt Resolutions Authorizing the Lodi Police Department to Participate in a Selective Traffic Enforcement Program Grant and Traffic Initiative Grant Funded by the Office of Traffic Safety and Appropriating Funds (\$182,750) (PD)

D. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

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

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

G. Public Hearings – None

H. Communications

H-1 Appointment to the Lodi Improvement Committee (CLK)

I. Regular Calendar

- Ord. I-1 Adopt Uncodified Interim Urgency Ordinance to Establish a Moratorium on 1) the Outdoor (Introduce) Cultivation of Medical Marijuana within the City of Lodi and 2) the Indoor Cultivation of Medical Marijuana that Creates a Public Nuisance (CA)
- Res. I-2 Approve Lodi Tourism Business Improvement District 2013 Annual Report, Adopt Resolution of Intention to Levy Annual Assessment, and Set Public Hearing for November 21, 2012, to Consider the Proposed Assessment (CM)
- Res. I-3 Adopt Resolution Approving Debt Management Policy (CM)

J. Ordinances – None

K. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Randi Johl
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Presentation by Representative of Assembly Member Berryhill Regarding City's Participation in the HEAL Program

MEETING DATE: November 7, 2012

PREPARED BY: City Clerk

RECOMMENDED ACTION: On behalf of the City, Mayor Mounce will accept a certificate for the City's participation in the HEAL Program.

BACKGROUND INFORMATION: Shannon Ding, representing Assembly Member Bill Berryhill's office, on behalf the Healthy San Joaquin Collaborative, will present a certificate to the Mayor to recognize the City of Lodi for making contributions towards obesity prevention and the advancement of healthier communities.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None.

Randi Johl
City Clerk

APPROVED: _____
Konradt Bartlam, City Manager



**** MEDIA ADVISORY ****

FOR IMMEDIATE RELEASE September 25, 2012 **CONTACT:** LaCresia Hawkins (209)444-5514

Healthy San Joaquin Collaborative Honors Local Champions at Awards Breakfast

The Healthy San Joaquin Collaborative comprised of local community organizations working collectively to bring about healthful individual, community and environmental changes, hosts its Biennial Awards and Recognition Breakfast on Wednesday, September 26th at the Robert J. Cabral Agricultural Center from 8:30 to 10:30 a.m. The event honors local individuals, groups and organizations for the contributions made to create healthy changes in San Joaquin County through the promotion of nutrition and physical activity. This year's honorees are recognized in the following categories:

The City of Stockton, Healthy Eating, Active Living (HEAL) City Champion that has made a contribution towards obesity prevention and the advancement of healthier communities

The City of Lodi, Healthy Eating, Active Living (HEAL) City Champion that has made a contribution towards obesity prevention and the advancement of healthier communities

Joe Goldeen, The Record, Media Champion who has enhanced the understanding of the role that the environment and policy play in obesity prevention

Central California Regional Obesity Prevention Program-San Joaquin, Built Environment Champion that has incorporated healthy eating and active living into community design to improve the places where people live

Virgie P. Newman, Manteca Seventh day Adventist Church, Faith-Based Champion who has connected, facilitated and demonstrated outstanding skills in helping to organize and promote active living and healthy eating

The Children's Museum of Stockton, Children's Champion that has been a leader in improving access to healthy foods and/or physical activity resources for children 0-5 years of age

Jovanna Gonsalves and Patty Jacquez, First 5, Children's Champions who have been leaders in improving access to healthy foods and/or physical activity resources for children 0-5 years of age

Victor Community Support Services Family Vision Wraparound in conjunction with Vikings Football and Torres Gym, Community Based Organization Champion that has connected, facilitated, and demonstrated outstanding skills in helping to organize and promote active living and/or healthy eating

Tim Viall, Emergency Food Bank and Family Services, Individual Champion who has been at the forefront of working with local leaders to create environmental and policy changes focused on improving access to healthy foods and improving access to physical activity resources

Dr. Ana Revilla, Community Medical Center Channel Site, Physician Champion who has made a remarkable contribution towards obesity prevention and health promotion

M & M Market, Food Environment Champion who has made a significant impact in supporting and promoting the practice of improved access to healthy, affordable foods

Tracy Unified School District Food Service Department, School Champion that has implemented innovative strategies in the food and physical activity environment to improve the health of students and

Joe Serna Charter School Cooking Club, Youth Leader Champion that has demonstrated outstanding skills in organizing and promoting activities that support access to healthy foods and access to safe places to play.

Registration is required to attend this event. For more information on the Healthy San Joaquin Collaborative, please visit www.ucanr.org/sites/healthy_san_joaquin, call (209) 444-5514, or email lhawkins@cpfsj.org.



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Homeless Youth Awareness and Runaway Prevention Month Proclamation

MEETING DATE: November 7, 2012

PREPARED BY: City Clerk

RECOMMENDED ACTION: Mayor Mounce present proclamation proclaiming the month of November 2012 as “Homeless Youth Awareness and Runaway Prevention Month” in the City of Lodi.

BACKGROUND INFORMATION: The Mayor has been requested to present a proclamation proclaiming the month of November 2012 as “Homeless Youth Awareness and Runaway Prevention Month” in the City of Lodi.

Jennifer Jones, Youth Services Program Manager with the San Joaquin County Women's Center, will be at the meeting to accept the proclamation.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None.

Randi Johl
City Clerk

APPROVED: _____
Konradt Bartlam, City Manager



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Presentation By Hutchins Street Square Foundation Regarding Plans to Celebrate 100th Anniversary of Hutchins Street Square

MEETING DATE: November 7, 2012

PREPARED BY: Parks, Recreation and Cultural Services Interim Director

RECOMMENDED ACTION: Receive presentation by Hutchins Street Square Foundation regarding plans to celebrate 100th anniversary of Hutchins Street Square.

BACKGROUND INFORMATION: Hutchins Street Square, the former Lodi Union High School, turns 100 in 2013. To celebrate this milestone, the Hutchins Street Square Foundation is planning a series of public events. John Ledbetter, chairman of the Hutchins Street Square Foundation, will provide the City Council an outline of these events.

FISCAL IMPACT: Nominal impact to Parks, Recreation and Cultural Services budget.

FUNDING AVAILABLE: 347001, 347111, 347112, 347113, 347115 as needed.

Jeff Hood
Parks, Recreation and Cultural Services Interim Director

APPROVED: _____
Konradt Bartlam, City Manager



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Receive Register of Claims through October 18, 2012 in the Total Amount of \$10,422,480.47.

MEETING DATE: November 7, 2012

PREPARED BY: Financial Services Manager

RECOMMENDED ACTION: Receive the attached Register of Claims for \$10,422,480.47.

BACKGROUND INFORMATION: Attached is the Register of Claims in the amount of \$10,422,480.47 through 10/18/12. Also attached is Payroll in the amount of \$2,435,227.19.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: As per attached report.

Ruby R. Paiste, Financial Services Manager

RRP/rp

Attachments

APPROVED: _____
Konradt Bartlam, City Manager

Accounts Payable
Council Report

Page - 1
Date - 10/24/12

As of Thursday	Fund	Name	Amount
10/18/12	00100	General Fund	1,550,772.37
	00120	Vehicle Replacement Fund	26,226.50
	00160	Electric Utility Fund	2,695,180.56
	00161	Utility Outlay Reserve Fund	2,375.89
	00164	Public Benefits Fund	12,784.00
	00166	Solar Surcharge Fund	80,000.00
	00170	Waste Water Utility Fund	2,198,780.17
	00171	Waste Wtr Util-Capital Outlay	60,243.00
	00180	Water Utility Fund	97,263.79
	00181	Water Utility-Capital Outlay	2,067,771.50
	00210	Library Fund	8,558.04
	00234	Local Law Enforce Block Grant	182.10
	00235	LPD-Public Safety Prog AB 1913	61.64
	00236	LPD-OTS Grants	550.05
	00260	Internal Service/Equip Maint	64,952.89
	00270	Employee Benefits	456,552.27
	00300	General Liabilities	8,438.11
	00310	Worker's Comp Insurance	35,157.04
	00321	Gas Tax-2105,2106,2107	54,869.44
	00325	Measure K Funds	469,259.66
	00329	TDA - Streets	4,880.00
	00337	Traffic Congestion Relf-AB2928	96,051.77
	00340	Comm Dev Special Rev Fund	271.92
	00347	Parks, Rec & Cultural Services	78,820.10
	00444	HUD-Federal Sustainable Comm	13,690.12
	00459	H U D	51,445.14
	00502	L&L Dist Z1-Almond Estates	705.60
	00503	L&L Dist Z2-Century Meadows I	618.98
	00505	L&L Dist Z4-Almond North	134.28
	00506	L&L Dist Z5-Legacy I,II,Kirst	1,013.58
	00507	L&L Dist Z6-The Villas	874.96
	00509	L&L Dist Z8-Vintage Oaks	402.84
	00515	L&L Dist Z13	61.94
	00516	L&L Dist Z14-Luca Place	23.25
	00517	L&L Dist Z15-Guild Ave Indust.	59.80
	00518	L&L Dist Z16-W.Kettleman Comm.	5.37
	01211	Capital Outlay/General Fund	35,257.85
	01212	Parks & Rec Capital	5,909.14
	01241	LTF-Pedestrian/Bike	9,347.34
	01250	Dial-a-Ride/Transportation	151,078.30
	01251	Transit Capital	13,502.39
	01410	Expendable Trust	22,628.94
Sum			10,376,762.63
	00184	Water PCE-TCE-Settlements	291.90
	00185	PCE/TCE Rate Abatement Fund	5,996.10
	00190	Central Plume	39,429.84
Sum			45,717.84
Total			

Accounts Payable
Council Report

Page - 2
Date - 10/24/12
Amount

As of Fund
Thursday

Name

Sum

10,422,480.47

Payroll	Pay Per Date	Co	Name	Gross Pay
Regular	09/30/12	00100	General Fund	733,856.33
		00160	Electric Utility Fund	148,424.02
		00161	Utility Outlay Reserve Fund	10,004.90
		00164	Public Benefits Fund	3,405.40
		00170	Waste Water Utility Fund	94,322.39
		00180	Water Utility Fund	9,664.32
		00210	Library Fund	28,415.32
		00235	LPD-Public Safety Prog AB 1913	877.04
		00260	Internal Service/Equip Maint	15,115.74
		00321	Gas Tax-2105,2106,2107	28,562.89
		00340	Comm Dev Special Rev Fund	22,128.21
		00347	Parks, Rec & Cultural Services	124,092.40
		01250	Dial-a-Ride/Transportation	6,794.97
Pay Period Total:				
Sum				1,225,663.93
	10/14/12	00100	General Fund	708,806.42
		00160	Electric Utility Fund	146,249.11
		00161	Utility Outlay Reserve Fund	10,276.57
		00164	Public Benefits Fund	3,783.78
		00170	Waste Water Utility Fund	112,190.22
		00180	Water Utility Fund	11,779.40
		00210	Library Fund	29,758.98
		00235	LPD-Public Safety Prog AB 1913	1,330.47
		00239	CalGRIP	151.20
		00260	Internal Service/Equip Maint	18,570.14
		00321	Gas Tax-2105,2106,2107	39,185.46
		00340	Comm Dev Special Rev Fund	23,369.37
		00347	Parks, Rec & Cultural Services	95,680.35
		01250	Dial-a-Ride/Transportation	8,431.79
Pay Period Total:				
Sum				1,209,563.26



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Minutes
a) October 16, 2012 (Shirtsleeve Session)
b) October 16, 2012 (Special Meeting)
c) October 17, 2012 (Regular Meeting)
d) October 23, 2012 (Shirtsleeve Session)
e) October 30, 2012 (Shirtsleeve Session)
f) October 30, 2012 (Special Meeting)

MEETING DATE: November 7, 2012

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) October 16, 2012 (Shirtsleeve Session)
b) October 16, 2012 (Special Meeting)
c) October 17, 2012 (Regular Meeting)
d) October 23, 2012 (Shirtsleeve Session)
e) October 30, 2012 (Shirtsleeve Session)
f) October 30, 2012 (Special Meeting)

BACKGROUND INFORMATION: Attached are copies of the subject minutes marked Exhibit A through F, respectively.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl
City Clerk

Attachments

APPROVED: _____
Konradt Bartlam, City Manager

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 16, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 16, 2012, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Absent: None

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

B. Topic(s)

B-1 Receive Information and Discuss Options for Regulating the Cultivation of Medical Marijuana in the City of Lodi (CA)

City Manager Rad Bartlam briefly introduced the subject matter of regulating the cultivation of medical marijuana in the City.

Deputy City Attorney Janice Magdich provided a PowerPoint presentation regarding the options for regulating the cultivation of medical marijuana in the City of Lodi. Specific topics of discussion included application of the Lodi Municipal Code, federal law governing marijuana, California's medical marijuana laws, Compassionate Use Act (CUA), limitations of the CUA, purpose of the Medical Marijuana Program Act (MMPA), California Attorney General's guidelines for medical use, qualified patients, primary caregivers, cultivation of medical marijuana under California law, adverse impacts associated with cultivation, survey results, regulatory alternatives, impacts of a ban on cultivation of medical marijuana, and options associated with the same.

In response to Council Member Hansen, Ms. Magdich stated serious illness is defined under the statute and there is a catch-all phrase for almost any medical condition that a doctor believes can be helped by the use of marijuana.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam stated some jurisdictions do have a 24-hour notice requirement for inspections, which is not the case right now for the City of Lodi because there are no inspections occurring currently.

A brief discussion ensued between Mayor Pro Tempore Nakanishi, Mr. Bartlam, Ms. Magdich, and City Attorney Schwabauer regarding the current cultivation in and around the City through caregivers and cooperatives, statutory prohibition against limiting the number of plants that can be cultivated, and the legislative body's ability to use its police power to limit the number of plants in a particular area based on health and safety concerns.

In response to Council Member Johnson, Ms. Magdich stated there is a pending lawsuit from Fresno County on the complete cultivation ban and California NORML is seeking plaintiffs for a variety of medical marijuana restriction cases.

In response to Mayor Pro Tempore Nakanishi, Ms. Magdich stated there are currently two cases in the California Supreme Court pertaining to dispensary bans and one case in the Court of Appeals on a cultivation ban.

In response to Council Member Hansen, Ms. Magdich stated the City Council previously deferred the discussion on cultivation when it was considering the ban on medical marijuana dispensaries. Mr. Schwabauer provided an overview of the Kelly case, stating a criminal case could be prosecuted for overgrowth on a case-by-case basis if an individual were growing more than what was reasonably necessary for medical purposes.

In response to Council Member Johnson, Police Chief Helms stated the department has had hundreds of cases over the last two years involving marijuana in one way or another, dozens of those cases involved medical marijuana, and several of those cases were also tied to other drugs and crimes such as burglary.

In response to Mayor Mounce, Sergeant Sierra Brucia stated from a law enforcement and officer perspective he preferred an outright ban, similar to the City of Tracy, based on the connection to other drug use, related crimes such as burglary, and limited police resources including staff time, which needs to be focused on more pressing concerns such as gangs. Mr. Bartlam stated the concerns apply to commercial and residential areas alike and the primary difference is the working environment instead of the living environment. Police Chief Helms stated he supports a ban from the law enforcement perspective, but understands the legal perspective which may necessitate some cultivation, and therefore would prefer a simple and easy-to-enforce ordinance if that is the direction.

In response to Mayor Mounce, Mr. Schwabauer stated there are some enforcement options through the nuisance abatement process that could apply to the option allowing cultivation without sight, smell, or other detection.

In response to Council Member Johnson, Electric Utility Director Elizabeth Kirkley stated there is an ability to track unusually high energy use. Sergeant Brucia confirmed electric usage monitoring is currently used as a tool to detect cultivation.

In response to Council Member Johnson, Mr. Schwabauer stated the City Attorney's office would prosecute medical marijuana ordinance violations and the penalties would similarly be controlled by the City. Chief Helms confirmed that the District Attorney continues to prosecute illegal marijuana cases.

City Manager Bartlam confirmed with the City Council the general direction to draft an ordinance permitting the cultivation of medical marijuana under a narrow set of circumstances whereby the rights of the qualified patient are balanced with the rights of neighbors. Mayor Pro Tempore Nakanishi stated he would also like to see an ordinance banning cultivation like the City of Tracy.

Wilma Bianchi spoke in support of a ban on cultivation or cultivation under a narrow set of circumstances based on her experience as a neighbor to an individual cultivating medical marijuana and the challenges associated with smell, sight, and crime. In response to Council Member Johnson and Mayor Mounce, Mr. Schwabauer stated he will research options, including a temporary moratorium, in an effort to provide immediate relief pending the final decision of the City Council on a cultivation ordinance.

Ed Miller spoke in support of a complete ban on cultivation based on his son's personal experience with drugs and the quality of life rights of neighbors and non-users.

Christine Albright spoke in support of a ban on cultivation under limited circumstances based on the comments provided by Wilma Bianchi above.

In response to Mayor Mounce, Mr. Bartlam stated a temporary moratorium ban could be considered by the City Council at the next meeting on November 7, 2012.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:45 a.m.

ATTEST:

Randi Johl
City Clerk

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 16, 2012**

The October 16, 2012, Special Meeting of the Lodi City Council was canceled.

ATTEST:

Randi Johl
City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, OCTOBER 17, 2012**

- C-1 Call to Order / Roll Call - N/A
- C-2 Announcement of Closed Session - N/A
- C-3 Adjourn to Closed Session - N/A
- C-4 Return to Open Session / Disclosure of Action - N/A
- A. Call to Order / Roll Call

The Regular City Council meeting of October 17, 2012, was called to order by Mayor Mounce at 7:00 p.m.

Present: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce
Absent: None
Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Presentations

- B-1 Ralph Lea History Day Proclamation (CLK)

Mayor Mounce presented proclamation to Ralph Lea proclaiming Wednesday, October 17, 2012, as "Ralph Lea History Day" in the City of Lodi.

- B-2 Presentation by League of California Cities Representative Stephen Qualls to Mayor Mounce (CLK)

To recognize Mayor Mounce for her service with the League of California Cities as President, Vice President, and State Director for the Central Valley Division, League representative Stephen Qualls presented the Mayor with a plaque.

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

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

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Noes: None

Absent: None

- C-1 Receive Register of Claims in the Amount of \$5,848,480.27 (FIN)

Claims were approved in the amount of \$5,848,480.27.

C-2 Approve Minutes (CLK)

The minutes of October 2, 2012 (Shirtsleeve Session), October 3, 2012 (Regular Meeting), and October 9, 2012 (Shirtsleeve Session) were approved as written.

C-3 Report of Sale of Surplus Equipment (PW)

Received the report of sale of surplus equipment.

C-4 Adopt Resolution Approving the Purchase of Safety Equipment Turnout Gear to Fisher Scientific, of Suwanee, Georgia (\$25,280.56) (FD)

This item was pulled for further discussion by Council Member Johnson.

In response to Council Member Johnson, Battalion Chief Jeff Larson stated turnout gear is repaired, maintained, and tested by a local business in town so that they can ensure maximum usage of the gear.

Council Member Johnson made a motion, second by Council Member Hansen, to adopt Resolution No. 2012-166 approving the purchase of safety equipment turnout gear to Fisher Scientific, of Suwanee, Georgia, in the amount of \$25,280.56.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Noes: None

Absent: None

C-5 Adopt Resolution Authorizing the City Manager to Execute a Contract for the Phase 3 Grape Bowl Improvement Project with Diede Construction, Inc., of Woodbridge (\$1,327,000), and Professional Services Agreement for Grape Bowl Lighting Improvements with Musco Lighting, of Oskaloosa, Iowa (\$42,693), and to Approve an Inter-Fund Loan Agreement (\$675,000) and Appropriating Funds (\$1,364,032) (PW)

This item was pulled for further discussion by Council Member Johnson.

In response to Council Member Johnson, City Manager Bartlam stated there may be a slight possibility of utilizing electric utility funds for the Grape Bowl lighting project based on qualifying criteria and staff is looking into the option.

Council Member Johnson made a motion, second by Council Member Hansen, to adopt Resolution No. 2012-167 authorizing the City Manager to execute a contract for the Phase 3 Grape Bowl Improvement Project with Diede Construction, Inc., of Woodbridge, in the amount of \$1,327,000, and professional services agreement for Grape Bowl Lighting Improvements with Musco Lighting, of Oskaloosa, Iowa, in the amount of \$42,693, and to approve an inter-fund loan agreement in the amount of \$675,000 and appropriating funds in the amount of \$1,364,032.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Noes: None

Absent: None

- C-6 Adopt Resolution Authorizing the City Manager to Execute the Direct Payment Program Agreement with the State of California Department of Community Services and Development for the Term of July 1, 2012 through September 30, 2014 (CM)

Adopted Resolution No. 2012-163 authorizing the City Manager to execute the Direct Payment Program Agreement with the State of California Department of Community Services and Development for the term of July 1, 2012 through September 30, 2014.

- C-7 Accept Improvements Under Contract for City of Lodi Facility Painting Project (PW)

Accepted improvements under contract for City of Lodi Facility Painting Project.

- C-8 Adopt Resolution Approving Impact Mitigation Fee Program Annual Report for Fiscal Year 2011/12 (PW)

Adopted Resolution No. 2012-164 approving Impact Mitigation Fee Program Annual Report for Fiscal Year 2011/12.

- C-9 Adopt Resolution Approving Benefit Modifications for Council Members (CM)

Adopted Resolution No. 2012-165 approving benefit modifications for Council Members.

- C-10 Receive Update Regarding Energy Storage Systems as Defined Under State Law (EUD)

Received update regarding energy storage systems as defined under State law.

- C-11 Adopt Resolution Supporting the San Joaquin Superior Court's Request for Additional Funding from the Judicial Council (CM)

Mayor Pro Tempore Nakanishi pulled this item to request Judicial Council funding information from previous years.

Mayor Pro Tempore Nakanishi made a motion, second by Council Member Katzakian, to adopt Resolution No. 2012-168 supporting the San Joaquin Superior Court's request for additional funding from the Judicial Council.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Noes: None

Absent: None

- C-12 Set Public Hearing for November 7, 2012, to Consider Energy Efficiency Retrofit Project for Electric Utility Department (EUD)

This item was pulled by staff for consideration at a future meeting.

- C-13 Set Public Hearing for November 21, 2012, to Consider Unmet Transit Needs in Lodi (PW)

Set public hearing for November 21, 2012, to consider unmet transit needs in Lodi.

- D. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES. The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted. Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

John Slaughterback spoke in support of Mayor Mounce and Council Member Johnson being reelected to the Lodi City Council.

Tim Oregel spoke in opposition to Proposition 32 on behalf of the Lodi Professional Firefighters and encouraged others to do the same.

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

Mayor Mounce reported on her attendance at the League of California Cities meeting, stating that the League is not taking a position with respect to Propositions 30, 31, and 32.

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

None.

G. Public Hearings

G-1 Public Hearing to Consider Adoption of Resolution Amending the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees for 2013 (CD)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Mounce called for the public hearing to consider adoption of resolution amending the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan development fees for 2013.

City Manager Bartlam provided a brief overview of the proposed resolution amending the 2013 fees for the Multi-Species Habitat Conservation and Open Space Plan as set forth in the Council Communication.

In response to Mayor Pro Tempore Nakanishi, Council Member Hansen briefly reviewed the supporting position of the fee reduction by the San Joaquin Council of Governments.

In response to Council Member Johnson, Mr. Bartlam stated the 11.5% reduction represents the property value, assessment enhancement, and administrative overhead components and the decrease primarily relates to property value decline.

In response to Council Member Katzakian, Mr. Bartlam stated the fees are reviewed annually.

Mayor Mounce opened the public hearing, and receiving no comments, closed the public hearing.

Mayor Pro Tempore Nakanishi made a motion, second by Council Member Hansen, to adopt Resolution No. 2012-169 amending the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan development fees for 2013.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Noes: None

Absent: None

H. Communications

H-1 Post for Expiring Terms on the Lodi Animal Advisory Commission, Lodi Senior Citizens Commission, Recreation Commission, and the San Joaquin Valley Unified Air Pollution Control District Citizens Advisory Committee (CLK)

Council Member Johnson made a motion, second by Council Member Katzakian, to direct the City Clerk to post for the following expiring terms:

Lodi Animal Advisory Commission

Hayim "Hy" Cohen, term to expire December 31, 2012

Phillip N. Laughlin, term to expire December 31, 2012

Lodi Senior Citizens Commission

Mark Sey, term to expire December 31, 2012

Suzanne Schultz, term to expire December 31, 2012

Recreation Commission

David Akin, term to expire December 31, 2012

Larry Long, term to expire December 31, 2012

San Joaquin Valley Unified Air Pollution Control District Citizens Advisory Committee

Randall S. Blank, term to expire January 31, 2013

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Noes: None

Absent: None

I. Regular Calendar - None

J. Ordinances

J-1 Adopt Ordinance No. 1865 Entitled, "An Ordinance of the City Council of the City of Lodi Partially Rescinding and Amending Development Agreement Pertaining to the Development of 220 Acres Located on the South Side of Harney Lane Between State Highway 99 and the Union Pacific Railroad to the West (Reynolds Ranch) (Development Agreement 06-GM-01)" (CLK)

Mayor Mounce made a motion, second by Council Member Hansen, (following reading of the title) to waive reading of the ordinance in full and adopt and order to print Ordinance No. 1865 entitled, "An Ordinance of the City Council of the City of Lodi Partially Rescinding and Amending Development Agreement Pertaining to the Development of 220 Acres Located on the South Side of Harney Lane Between State Highway 99 and the Union Pacific Railroad to the West (Reynolds Ranch) (Development Agreement 06-GM-01)," which was introduced at a regular meeting of the

Lodi City Council held October 3, 2012.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Noes: None

Absent: None

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 7:35 p.m.

ATTEST:

Randi Johl
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 23, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 23, 2012, commencing at 7:05 a.m.

Present: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Absent: None

Also Present: Deputy City Manager Ayers, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Receive Information Regarding the Multi-Family and Non-Residential Water Meter Program (PW)

Deputy City Manager Jordan Ayers provided a brief introduction to the subject matter of the multi-family and non-residential water meter program.

Public Works Director Wally Sandelin provided a PowerPoint presentation regarding the multi-family and non-residential water meter program. Specific topics of discussion included the relevant State law, an overview of the residential meter program, condominium properties and survey, apartment properties and survey, mobile home park properties and survey, non-residential properties, meter charges, and considerations regarding master or individual metering options.

In response to Mayor Mounce, Mr. Sandelin confirmed State law requires that the City bill based on volume usage but it does not dictate how or when the billing occurs. Mr. Sandelin stated that the City Council can direct 70% or 100% billing without a base charge if it prefers.

In response to Council Member Hansen, Mr. Sandelin and City Attorney Schwabauer stated an initial split charge is preferred to avoid rate shock for citizens who will then have time to adjust their usage practices.

In response to Mayor Mounce, Mr. Schwabauer stated that, while the comparative bills should have put ratepayers on notice already, many do not pay attention until they actually have to pay a higher amount on their bill.

In response to Council Member Hansen, Mr. Sandelin stated no matter how the billing occurs it must be revenue neutral to the City.

In response to Mayor Pro Tempore Nakanishi, Mr. Sandelin stated, as requested, he will provide comparative data regarding who will be paying more or less percentage wise based on the comparison billings completed to date.

In response to Mayor Mounce, Mr. Sandelin stated, as requested, he will provide information regarding the number of apartment complexes, condominium buildings, and mobile home parks subject to the joint billing options.

In response to Mayor Pro Tempore Nakanishi, Mr. Sandelin stated some duplex buildings in town

already have two existing services for two separate meters.

Discussion ensued between Mayor Mounce, Mayor Pro Tempore Nakanishi, Council Member Hansen, and Mr. Sandelin regarding the cost of residential water meters, options to pay the full \$300 amount at once or via payments over three years, and cities charging for water meters directly versus through rate increases.

In response to Council Member Hansen, Mr. Sandelin stated currently landlords pass on the charge to their tenants in a variety of ways including based on square footage, number of bedrooms, number of tenants, or other similar dividing mechanisms.

In response to Mayor Pro Tempore Nakanishi, Mr. Schwabauer stated there is a law against landlords overcharging tenants for electric utility services and he will research whether a similar law exists for water/wastewater utilities.

In response to Mayor Mounce, Mr. Schwabauer confirmed that a landlord overcharging a tenant is a private citizen action and the tenant would likely need to provide evidence to show that they were in fact overcharged.

In response to Council Member Hansen, Mr. Sandelin stated new apartment buildings are currently required to put in a master meter, they do have an option to put in additional meters if they would like, vacant units still need to pay a base charge, and unpaid accounts are turned over to collections.

The City Council provided general direction for staff to research options associated with a rate adjustment for vacant properties.

In response to Council Member Katzakian, Mr. Sandelin stated some condominiums are already set up for separate billing because they are plumbed separately.

In response to Council Member Johnson, Mr. Sandelin stated it is difficult to cluster already existing separate services together.

In response to Council Member Hansen, Mr. Sandelin and Mr. Schwabauer stated fire hydrant tracking for residential and apartment building primarily differs because they are cross-plumbed for water and fire hydrant services.

In response to Mayor Pro Tempore Nakanishi and Council Member Katzakian, Mr. Sandelin stated staff will attempt to address any concerns voiced through the public workshop process including fairness, base charge amounts, and what is needed versus what exists.

Nancy Watts spoke in regard to focusing on water conservation through individual control of usage and suggested maintaining a flat-rate billing system through the City. In response to Council Member Hansen, Mr. Ayers confirmed currently the tenant is billed directly based on a flat-bedroom rate.

A brief discussion ensued amongst Mayor Mounce, Mayor Pro Tempore Nakanishi, and Mr. Schwabauer regarding the literal reading of the statute versus the actual intent of the lawmakers.

Harlan Watts spoke in support of implementing a rate adjustment for vacant properties.

Jack Sieglock spoke in favor of maintaining a direct-tenant billing through the City based on a flat-rate system.

Marilyn Hughes spoke in regard to focusing on the intent of the statute to eliminate free riders by considering a per person analysis.

Bruce Davis spoke in favor of maintaining a direct-tenant billing through the City.

Scott Robison spoke in favor of maintaining a direct-tenant billing through the City based on a flat-rate system.

Steve Ineby spoke in favor of maintaining a direct-tenant billing through the City.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:30 a.m.

ATTEST:

Randi Johl
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 30, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 30, 2012, commencing at 7:05 a.m.

Present: Council Member Hansen, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Absent: Council Member Johnson, and Council Member Katzakian

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

B. Topic(s)

B-1 First Quarter Fiscal Year 2012/13 Water, Wastewater, and Electric Utility Department Financial Reports (CM)

City Manager Rad Bartlam provided a brief introduction to the subject matter of the quarterly updates from the water, wastewater, and electric utilities.

Deputy Public Works Director Larry Parlin provided a PowerPoint presentation regarding the first quarter water and wastewater utility department report. Specific topics of discussion included water and wastewater cash flow summary, operating results, cash balances, bad debt write off, and activities.

In response to Mayor Mounce, Deputy City Manager Jordan Ayers confirmed that bad debt write off has decreased due partially to the recent billing collection adjustments.

In response to Council Member Hansen, Mr. Parlin stated there were two instances in which the Lodi Energy Center utilized more than its daily water allowance for testing purposes unbeknownst to the City. Mr. Parlin stated that, while the City will have no problem meeting its current contractual obligations for water, the City and the Lodi Energy Center should look at additional storage options in the event that the Lodi Energy Center has a greater need for water in the future. Mr. Bartlam stated the new plant testing at Lodi Energy Center requiring more than the daily allowance is not anticipated to be a regular occurrence.

In response to Mayor Pro Tempore Nakanishi, Mr. Parlin stated currently after the water is treated one-third is utilized by the farmers, one-third is utilized by the Lodi Energy Center, and the remaining one-third is sent out to the Delta.

In response to Council Member Hansen, Mr. Parlin confirmed it may be prudent to eliminate, if possible, future discharge to the river and the Delta to alleviate the City from regulatory discharge obligations.

In response to Mayor Pro Tempore Nakanishi, Mr. Parlin stated that, while he is not aware of any utility in San Joaquin County that is currently storing wastewater, Modesto in Stanislaus County is storing wastewater.

In response to Council Member Hansen, Mr. Parlin stated there has been only one minor sewage system overflow and overall they are doing very well on spills.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam stated staff is researching the citizen

correspondence received regarding San Mateo utility rates and will respond accordingly. Mayor Mounce suggested releasing comparative utility rate information, as well as an Energy Cost Adjustment (ECA) update, for public awareness purposes.

Electric Utility Director Elizabeth Kirkley provided a PowerPoint presentation regarding the first quarter electric utility department report. Specific topics of discussion included electric fund operating results, cash balances, power supply costs, power sales, ECA revenue, billing statistics, bad debt write off, general operating reserve (GOR), open position, and accomplishments.

In response to Mayor Mounce, Ms. Kirkley and Mr. Ayers stated the decrease in the cash on hand amount is due to a debt service payment and a requirement to keep funds in specific securities.

In response to Mayor Pro Tempore Nakanishi, Mr. Ayers stated the debt service is approximately 12% of the total expenses and does fluctuate slightly.

In response to Mayor Mounce, Ms. Kirkley stated a monthly audit is conducted on the Northern California Power Agency (NCPA) billing to ensure proper charges have been assessed to the City.

In response to Mayor Mounce, Ms. Kirkley and Mr. Bartlam stated there have not been any surprises per se with respect to the new Independent System Operator (ISO) billing as it has gone up as expected. Mayor Mounce requested a comparison of related costs for the City before and after the new ISO billing went into effect.

A brief discussion ensued between Mayor Mounce, Council Member Hansen, and Mr. Bartlam regarding efforts to mitigate tense interactions between upset utility customers and employees at the Finance Department.

In response to Mayor Mounce, Ms. Kirkley confirmed that the Lodi Energy Center cost overrun amount is shared by all project participants.

Mayor Pro Tempore Nakanishi requested information regarding how much money is in the GOR, where NCPA invests the GOR, and at what interest rate.

In response to Mayor Mounce, Ms. Kirkley stated the ISO tariff amount is going up, as a result the utility is having to put more away, and she will provide the total retainer amount as requested.

In response to Mayor Mounce, Mr. Bartlam confirmed that the \$1.8 million in the restricted Market Power Purchase security account for future power purchases is also treated as a reserve amount in the event of a participant payment default.

In response to Council Member Hansen, Ms. Kirkley stated the open position target amount is an educated guess that varies based upon market conditions and the Risk Oversight Committee's policy and the current 15% is a good place to be right now.

In response to Council Member Hansen, Ms. Kirkley stated the updates to the Electric Utility Department's website were done in-house with current staff in an attempt to make the website more user-friendly.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam stated he will research and provide information regarding the personnel costs for the City's utilities as requested.

In response to Ed Miller, Mr. Bartlam stated security-related discussions for storm water are ongoing between the State and local governments and implementation remains a concern.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:00 a.m.

ATTEST:

Randi Johl
City Clerk

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 30, 2012**

A. Call to Order / Roll Call

The Special City Council meeting of October 30, 2012, was called to order by Mayor Mounce at 7:00 a.m.

Present: Council Member Hansen, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Absent: Council Member Johnson, and Council Member Katzakian

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

B. Regular Calendar

B-1 Adopt Resolution of Intention Approving an Amendment to the Contract Between the Board of Administration of the Public Employees' Retirement System (PERS) and the City of Lodi and Introduce Ordinance Amending the Contract Between PERS and the City of Lodi with Regard to Providing Government Code Section 20475 (Different Level of Benefits Provided for New Employees); Section 21363.1 (3% @ 55 Formula); and Section 20037 (Three Year Final Compensation) for Local Safety Members (CM)

Mayor Pro Tempore Nakanishi made a motion, second by Council Member Hansen, to adopt Resolution No. 2012-170 of Intention approving an amendment to the contract between the Board of Administration of the Public Employees' Retirement System (PERS) and the City of Lodi and to introduce Ordinance No. 1866 amending the contract between PERS and the City of Lodi with regard to providing Government Code Section 20475 (Different Level of Benefits Provided for New Employees); Section 21363.1 (3% @ 55 Formula); and Section 20037 (Three Year Final Compensation) for Local Safety members.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Noes: None

Absent: Council Member Johnson, and Council Member Katzakian

B-2 Adopt Resolution Approving Application for Land and Water Conservation Fund Lodi Lake South Shore Improvements Project (PRCS)

Mayor Mounce made a motion, second by Council Member Hansen, to adopt Resolution No. 2012-171 approving application for Land and Water Conservation Fund Lodi Lake South Shore Improvements Project.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Noes: None

Absent: Council Member Johnson, and Council Member Katzakian

C. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 7:05 a.m.

ATTEST:

Randi Johl
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Accept Quarterly Report of Purchases between \$10,000 and \$20,000

MEETING DATE: November 7, 2012

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Accept Quarterly Report of Purchases between \$10,000 and \$20,000.

BACKGROUND INFORMATION: During the third calendar quarter of 2012, the following purchases were awarded. Background information for each purchase is attached as Exhibits A through E.

Exh.	Date	Contractor	Project	Award Amt.
A	7/5/12	Milsoft Utility Solutions	Milsoft Engineering Software	\$14,370.00
B	7/19/12	Bobcat Central Inc.	Surface Water Treatment Plant Utility Vehicle	\$14,819.67
C	7/26/12	Deck Productions	Speaker Installation at HSS	\$11,000.00
D	8/23/12	Adamson Police Products	Duty and Training Ammunition	\$19,882.66
E	9/10/12	Hach Company	Surface Water Treatment Plant Lab Equipment	\$17,788.46

FISCAL IMPACT: Varies by project. All purchases were budgeted in the 2012-2013 Financial Plan.

FUNDING AVAILABLE: Funding as indicated on Exhibits.

Jordan Ayers, Deputy City Manager

Prepared by Sherry Moroz, Purchasing Technician
JA/sm
Attachment

APPROVED: _____
Konradt Bartlam, City Manager

EXHIBIT A

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Milsoft Engineering Software
DEPARTMENT:
CONTRACTOR Milsoft Utility Solutions
AWARD AMOUNT: \$14,370.00
DATE OF RECOMMENDATION: July 5, 2012

BIDS OR PROPOSALS RECEIVED:	
WM, LT, LB Support #U2470	\$5,130.00
WM, LT, LB, CS, WMMAP Support#U3004	\$9,240.00
Total	\$14,370.00

"NO BID" or NO RESPONSE RECEIVED:

BACKGROUND INFORMATION & BASIS FOR AWARD:

All amounts are in annual payments and are for Engineering Soft Ware Support by Milsoft Utility Solutions of Abilene, TX..

FUNDING:

Prepared by: Weldat Haile
Title: Senior Power Engineer
Reviewed by: 

Purchase Order No.

EXHIBIT B

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME:	Surface Water Treatment Plant Utility Vehicle		
DEPARTMENT:	Public Works		
CONTRACTOR	Bobcat Central Inc.		
AWARD AMOUNT:	\$14,819.67		
DATE OF RECOMMENDATION:	07/19/2012		
BIDS OR PROPOSALS RECEIVED:			
	Bobcat Central Inc.	\$14,819.67	
	Garton Tractor	\$14,930.38	
	Woodland Tractor & Equipment Co Inc.	\$16,867.31	
"NO BID" or NO RESPONSE RECEIVED:			
BACKGROUND INFORMATION & BASIS FOR AWARD:			
	Resolution No. 2010-182, City Council Authorizing the construction and equipment purchase to operate included \$200,000 appropriated for shop of equipment. An identical utility vehicle was purchased in February 2012 and later stolen from the construction site. A yard utility vehicle is necessary for the every day operation of the plant. This vehicle will also be a valuable tool during the plant construction process. Public Works recommends the purchase of this vehicle now to be utilized during the construction using the appropriated funds.		
FUNDING:	181011.1836.2300		

Prepared by: Randy Laney

Title: Fleet Services Supervisor

Reviewed by: _____

Purchase Order No.

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Speaker Installation at Hutchins Street Square
DEPARTMENT: Parks, Rec. & Cultural Services
CONTRACTOR Deck Productions
AWARD AMOUNT: \$11,000.00
DATE OF RECOMMENDATION: July 26, 2012

BIDS OR PROPOSALS RECEIVED:

Deck Productions	\$53,520.11
Leo's Professional Audio, Inc.	\$85,066.00

"NO BID" or NO RESPONSE RECEIVED:
Delicate Sale Inc.

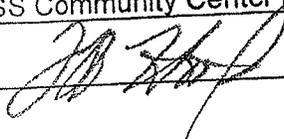
BACKGROUND INFORMATION & BASIS FOR AWARD:

The Hutchins Street Square Foundation purchased new speakers for the CPL Theatre at HSS. They requested the City of Lodi to pay for the installation portion, which was included in the overall price. The city would ordinarily follow its internal bid practices for a speaker purchase. However, the Foundation has already signed a contract for the installation and is exposed to contract liability. Staff will work with the Foundation in future collaborations to ensure City processes are better coordinated. The request for \$11,000 is to cover the final costs of installation.

FUNDING: \$11,000.00

Prepared by: Deanie Bridewell

Title: HSS Community Center Manager

Reviewed by: 

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Duty and Training Ammunition
DEPARTMENT: Police Department
CONTRACTOR Adamson Police Products
AWARD AMOUNT: \$19,882.66
DATE OF RECOMMENDATION: August 23, 2012

BIDS OR PROPOSALS RECEIVED:

Adamson Police Products	\$19,882.66
Dooley Enterprises	\$20,977.00

"NO BID" or NO RESPONSE RECEIVED:
NA - No other suppliers authorized to sell Ammo

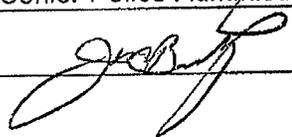
BACKGROUND INFORMATION & BASIS FOR AWARD:

There are only two authorized Winchester ammunition dealers that supply specific law enforcement ammo. Both Adamson Police Products and Dooley Enterprises offer the ammunition at the same price. It is recommended that the purchase be made from Adamson as the ammo can be picked up in Hayward and we do not have to pay over \$500 in shipping.

FUNDING: 101031.7306

Prepared by: Patsy Tucker 

Title: Senior Police Administrative Clerk

Reviewed by: 

RECOMMENDATION FOR CONTRACT AWARD

PROJECT NAME: Surface Water Treatment Plant Lab Equipment
DEPARTMENT: Public Works
CONTRACTOR Hach Company
AWARD AMOUNT: \$17,788.46
DATE OF RECOMMENDATION: 9/10/12

BIDS OR PROPOSALS RECEIVED:
Hach Company \$17,788.46

"NO BID" or NO RESPONSE RECEIVED:

BACKGROUND INFORMATION & BASIS FOR AWARD:

The Surface Water Treatment Plant (SWTF) requires process control lab equipment in order to meet State requirements for online instrument verification. This equipment will allow the SWTF to meet these requirements. Hach Company is the sole source provider for process control lab equipment.

FUNDING: 180461.7352

Prepared by: Andrew Richle

Title: Chief Water Plant Operator

Reviewed by:  9.12.12



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Accept the Quarterly Investment Report as Required by the City of Lodi Investment Policy

MEETING DATE: November 7, 2012

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Accept the quarterly investment report as required by the City of Lodi Investment Policy.

BACKGROUND INFORMATION: Government Code Section 53646 has been amended to no longer mandate this report on investments to the legislative body of the local agency. Nevertheless, it is encouraged, and the report is attached for City Council review.

The total of all invested funds as of the quarter ending September 30, 2012 is \$75,395,564.59. The average annualized return on all invested funds over the quarter has been 0.661 percent.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: As per attached report.

Jordan Ayers
Treasurer

Attachment

APPROVED: _____
Konradt Bartlam, City Manager

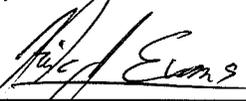


**CITY OF LODI
INTERNAL SERVICES DEPARTMENT
BUDGET DIVISION**

September 30, 2012 INVESTMENT STATEMENT

Local Agency Investment Funds *	53.5% of Portfolio	
Int. earnings for Qtr. ending 09-30-12	0.35%	
LODI	Local Agency Inv Fund (LODI)	40,320,825.93
	Subtotal LAIF	40,320,825.93
CalTRUST	32.0% of Portfolio	
Int. earnings for Qtr. ending 09-30-12	0.68%	
CalTRUST Short-Term Account	Investment Trust of California	8,008,912.29
Int. earnings for Qtr. ending 09-30-12	1.76%	
CalTRUST Medium-Term Account	Investment Trust of California	16,088,427.88
	Subtotal CalTRUST	24,097,340.17
Certificates of Deposit	0.66% of Portfolio	
matures 03/08/2013	Bank of Ag. & Comm. (cost) 0.50% int.	250,000.00
matures 06/18/2013	Central Valley Comm. Bank (cost) 0.40% int.	250,000.00
	Subtotal CD	500,000.00
Passbook/Checking Accounts	13.9% of Portfolio	
Farmers & Merchants	demand account - no interest earnings	1,900,113.83**
Farmers & Merchants - Money Mkt.	0.45% interest earnings	4,612,744.50
Farmers & Merchants - Payroll	demand account - no interest earnings	40,649.52
Farmers & Merchants - Central Plume	demand account - no interest earnings	5,609.22
Farmers & Merchants - CP Money Mkt.	0.45% interest earnings	3,918,281.42
	Subtotal P/C Accts	10,477,398.49
	TOTAL	\$75,395,564.59

Based on the approved budget and to the extent the budget is adhered to, liquidity is available, and the City will be able to meet its expenditure requirements for the next six months. This portfolio is in compliance with the City of Lodi Investment Policy.



Kirk J. Evans
Management Analyst

10/23/2012
Date

* In accordance with the terms of the Local Agency Investment Fund, invested funds may be utilized on the same day if transaction is initiated before 10:00 a.m.

** This amount is a compensating balance required to obtain an earnings credit rate.



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving the City of Lodi Annual Investment Policy and Internal Control Guidelines

MEETING DATE: November 7, 2012

PREPARED BY: Deputy City Manager/Treasurer

RECOMMENDED ACTION: Adopt resolution approving the City of Lodi annual investment policy and internal control guidelines.

BACKGROUND INFORMATION: California Government Code Section 53646 endorses an annual review of the City's investment policy by City Council. Accordingly, the attached policy is presented for Council review and approval.

For this year, staff recommends a few modifications. All changes have been high-lighted throughout the policy:

- On page 1 under "Scope", the following language has been added to clarify the policy with respect to bonds:

Investments of debt proceeds held by bond trustee are governed by the provisions of the debt agreements and to the extent that they are permissible investments of funds of the City. Proceeds of bonds will be invested in accordance with the ordinance, resolution, indenture or other agreement governing the issuance of the bonds.

- On page 3 under "Reporting", reference to Government Code section 53646 requiring a quarterly report has been modified to reflect changes in the code. Notwithstanding, staff will continue to provide quarterly investment reports.
- On page 4 under "Authorized Investments", reference to Government Code section 53601.7 has been removed since this section has been deleted from the code. Reference to bond sale proceeds has also been removed so as not to create the perception the policy is the primary driver behind the investment of bond proceeds.
- On page 9 under "Administration", a new section, "f. Bond Proceeds", has been added to show the City will comply with applicable federal tax law and regulations in connection with the investment of bond proceeds.

APPROVED: _____
Konradt Bartlam, City Manager

The policy is in compliance with state laws governing the investment of local agency funds and provides internal control guidelines to protect City of Lodi funds from misappropriation, speculation and fraud. The objectives of Lodi's investment policy remain, in priority order: safety, liquidity, and return.

As part of the practices of the City's audit firm (Macias Gini & O'Connell LLP) the policy has been reviewed from an audit approach. The auditors did not note anything of concern that will impact our audit.

FISCAL IMPACT: None.

FUNDING AVAILABLE: Not applicable.

Jordan Ayers
Deputy City Manager

Attachment

RESOLUTION NO. 2012-_____

A RESOLUTION OF THE LODI CITY
COUNCIL ADOPTING THE CITY OF LODI
ANNUAL INVESTMENT POLICY AND
INTERNAL CONTROL GUIDELINES

=====

WHEREAS, pursuant to California Government Code §53646, the City Council may annually review and adopt the City of Lodi Investment Policy; and

WHEREAS, the Policy, attached hereto marked Exhibit A, is in compliance with State laws governing the investment of local agency funds and provides internal control guidelines to protect the funds of the City from misappropriation, speculation, and fraud.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi has reviewed and hereby adopts the City of Lodi Annual Investment Policy and Internal Control Guidelines, which shall be effective this date.

Dated: November 7, 2012

=====

I hereby certify that Resolution No. 2012-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 7, 2012, by the following vote:

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

RANDI JOHL
City Clerk

CITY OF LODI
INVESTMENT POLICY
AND
INTERNAL CONTROL GUIDELINES

TABLE OF CONTENTS

SECTION	DESCRIPTION	Page
I	Investment Policies	
	Introduction	1
	Scope	1
	Objectives	1
	Delegation of Authority	2
	Prudence	2
	Ethics and Conflicts of Interest	3
	Monitoring and Adjusting the Portfolio	3
	Internal Controls	3
	Reporting	3
	Authorized Investments	4
	Banks and Security Dealers	6
	Purchase of CD's from Local Institutions	7
	Safekeeping and Collateralization	8
	Administration	8
II	Internal Controls	
	General	11
	Procedures	12
	Treasury Function Responsibilities	13
III	Sample of Investment Forms	
	Investment Bid Sheet	15
	Broker/Dealer Questionnaire	16
IV	Glossary	21

**INVESTMENT
POLICIES**

INVESTMENT POLICY

1. INTRODUCTION

The purpose of this policy is to state the City's policies and procedures to be used for the investment of surplus funds in a prudent and systematic manner conforming to all state and local statutes governing the investment of public funds. Safety of principal is given the highest priority. In addition, this statement is intended to formalize investment-related activities to provide the highest investment return with maximum security while meeting daily cash flow demands.

2. SCOPE

The investment policy applies to all funds under the direct authority of the Deputy City Manager/City Treasurer of the City of Lodi, including but not limited to the General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds and Trust and Agency Funds. All funds are accounted for in the City's Comprehensive Annual Financial Report. ~~This policy is generally applicable to bond proceeds with consideration given to specific provisions of each issuance.~~ Investments of debt proceeds held by bond trustee are governed by the provisions of the debt agreements and to the extent that they are permissible investments of funds of the City. Proceeds of bonds will be invested in accordance with the ordinance, resolution, indenture or other agreement governing the issuance of the bonds.

3. OBJECTIVES

Funds of the City will be invested with the following objectives in priority order:

Safety:

Safety of principal is the foremost objective of the investment program. Investments of the City of Lodi shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The City of Lodi will diversify its investments by security type and institution. Financial institutions and broker/dealers will be prequalified and monitored as well as investment instruments they propose.

Liquidity:

The investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. This will be accomplished through maturity diversification in accordance with California Government Code 53635 and the State Local Agency Investment Fund with immediate withdrawal provision.

INVESTMENT POLICY

Return on Investments:

The City's investment portfolio shall be invested to achieve a "bench marked average" rate of return through economic cycles, that will protect these funds from the effects of inflation and the risks associated with higher returns, as long as it does not diminish the objectives of Safety and Liquidity, while preserving and protecting capital in the overall portfolio.

The "bench marked average" rate of return targeted to achieve this objective is the annual rate of return on the one-year U.S. Treasury Bill. Whenever possible and in a manner consistent with the objectives of safety of principal and liquidity, a yield higher than the "bench marked average" rate of return shall be sought.

4. DELEGATION OF AUTHORITY

The Treasurer is designated by the authority of the legislative body as the investment officer of the City as provided for in Government Code Section 53607 and is responsible for the investment decisions and activities of the City. The Treasurer will develop and maintain written administrative procedures for the operation of the investment program, consistent with this investment policy.

The Treasurer shall hereafter assume full responsibility for such transactions until such time as the delegation of authority is revoked, and shall make a monthly report of such transactions to the legislative body. In order to optimize total return through active portfolio management, daily activity may be delegated to the Supervising Budget Analyst.

5. PRUDENCE

The standard of prudence to be applied by the Treasurer will be the "prudent investor" standard, in accordance with Government Code Section 53600.3 which states "...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

INVESTMENT POLICY

6. ETHICS AND CONFLICTS OF INTEREST

The City Treasurer is governed by The Political Reform Act of 1974 regarding disclosure of material financial interests as well as Government Code Section 87103. The City Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions.

7. MONITORING AND ADJUSTING THE PORTFOLIO

The Treasurer will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio accordingly.

8. INTERNAL CONTROLS

The Treasurer will establish a system of written internal controls, which will be reviewed annually by the City's independent audit firm. The controls will be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes or imprudent actions.

9. REPORTING

The Treasurer will submit a quarterly investment report to the City Council, in accordance with Government Code Section 53646, to disclose the following information:

- A listing of individual securities held at the end of the reporting period by authorized investment category.
- Percentage of the portfolio represented by each investment category.
- Institution
- Average life and final maturity of all investments listed.
- Coupon, discount or earnings rate.
- Par value or cost of the security
- Current market value of securities with maturity in excess of 12 months and the source of this valuation.
- Ability of the city to meet its expenditure requirements for the next six months or provide an explanation of why sufficient funds will not be available as required by Gov. Code 53646 (b)(3).

The quarterly investment report to the Lodi City Council, acting legislative authority, as endorsed by Government Code Section 53646, will be in addition to the Treasurer's monthly report and accounting of all receipts, disbursements and fund balances.

INVESTMENT POLICY

In addition, the investment policy will be submitted to the City Council annually in November. Any changes will be noted and formal adoption in the form of a resolution of the City Council is required.

10. AUTHORIZED INVESTMENTS

The City will invest surplus funds not required to finance the immediate needs of the City as provided in California Government Code Sections 16429.1, 53601, 53601.6, ~~53601.7~~, 53601.8, 53635, 53635.2, 53638 and 53684. In selecting authorized investments consideration must be given to credit ratings and collateralization of applicable instruments. A list of these instruments is provided below. These limitations, diversification and maturity scheduling will depend upon whether the funds being invested are considered short-term or long-term funds. All funds will be considered short-term except those reserved for capital projects and special assessment prepayments being held for debt retirement.

Pooled Accounts

The City of Lodi is authorized by policy, to invest in the Local Agency Investment Fund (LAIF), a voluntary program created by statute, which began in 1977 as an investment alternative for California's local governments and special districts and continues today under the State Treasurer's Administration. The enabling legislation of the LAIF is Section 16429.1,2,3 of the California Government Code.

The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1953 and has oversight provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market and market valuation is conducted monthly.

It has been determined that the State of California cannot declare bankruptcy under Federal regulations, thereby allowing the Government Code Section 16429.3 to stand. This Section states that "money placed with the state treasurer for deposit in the LAIF shall not be subject to either: (a) transfer or loan pursuant to Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency."

The LAIF provides a book entitled "The Local Agency Investment Fund Answer Book" which resides in the City of Lodi Treasurer's office and provides current answers to the following questions, which are required prior to investing in any pooled/fund account.

INVESTMENT POLICY

- A description of eligible investment securities and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listing.
- A fee schedule and when and how it is assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

The City of Lodi is authorized by policy to invest in shares issued by the Investment Trust of California (CalTRUST), a joint powers authority created under the authority of California Government Code Section 6509.7, as an investment alternative for California's local governments and special districts. CalTRUST began in 2005 and has oversight provided by a Board of Trustees, consisting of experienced local treasurers and finance directors.

All securities purchased by CalTRUST are securities which are eligible for direct local agency investment under the authority of California Government Code Section 53601. All securities are purchased at market value, and market valuation of all securities in the CalTRUST portfolios is conducted on a daily basis. The CalTRUST program offers three account options: the CalTRUST Heritage Money Market option, which provides same-day liquidity (access to funds); the CalTRUST Short-Term Fund, which offers next-day liquidity; and the CalTRUST Medium-Term Fund, which provides monthly liquidity.

Short-Term Portfolio Diversification

The City will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities.

Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment will be made in any security which at the time of the investment has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment either specifically or as part of an investment program and approved by the City Council no less than three months prior to the investment.

INVESTMENT POLICY

Maximum Permitted Investments	Percent of Maturity	Portfolio
U.S. Treasury Obligations (Bills, notes and bonds)	5 Years	100%
U.S. Government Agency Securities and Instrumentalities	5 Years	100%
Bankers Acceptances	180 days	40%
Certificates of Deposit	5 Years	100%
Negotiable Certificates of Deposit	5 Years	30%
Commercial Paper	270 days	40%
California State Local Agency Investment Fund	Indefinite	100%
Passbook Deposits	Indefinite	100%
Repurchase Agreements	Not Authorized	N/A
Reverse Repurchase agreements	Not Authorized	N/A
Mutual Funds	Indefinite	20%
Medium Term Notes	5 Years	30%
CalTRUST Pooled Accounts	Indefinite	100%

The City Treasurer will not invest in Repurchase Agreements and Reverse Repurchase agreements. Pooled funds invested for the City by entities such as California State Local Agency Investment Fund, and NCPA may invest in repurchase and reverse repurchase agreements. If repurchase agreements are legal and authorized, by policy, a Master Repurchase Agreement must be signed with the bank or dealer.

Diversification by Financial Institution

Bankers' Acceptances (Bas)

No more than 25% of the total portfolio with any one institution.

Certificates of Deposit (CDs)

No more than 33% of the total portfolio with any one institution.

California State Local Agency Investment Fund

No more than \$50 million in any one account, effective November 16, 2009.

Maturity Scheduling

Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, bond payments) as well as considering sizable blocks of anticipated revenue (taxes, franchise fees). Maturities in this category will be timed to comply with the following guidelines:

Under 30 days	10% minimum
Under 90 days	25% minimum
Under 270 days	50% minimum
Under 1 year	75% minimum
Under 18 months	90% minimum
Under 2 years	95% minimum
Under 5 years	100% minimum

INVESTMENT POLICY

Long-Term Portfolio Diversification

Investments and diversification for the long-term portfolio will be the same as the short-term portfolio. Maturity scheduling will be timed according to anticipated need. For example, investment of capital project funds will be timed to meet contractor payments, usually for a term not to exceed three years. Investment of prepaid assessment funds will be tied to bond payment dates, after cash flow projections are made using a forecasting model which considers prepayment rate, delinquency rate, interest on bonds and income on investments.

11. BANKS AND SECURITY DEALERS

The Treasurer will consider the credit worthiness of institutions in selecting financial institutions for the deposit or investment of City funds. These institutions will be monitored to ensure their continued stability and credit worthiness.

Investment transactions will only be made with pre-approved financial institutions. Banks will provide their most recent Consolidated Report of Condition (“call report”) at the request of the Treasurer.

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will be maintained of approved security brokers/dealers selected for credit worthiness, who maintain an office in the State of California. This includes primary dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with the following:

- Audited financial statements
- Proof of Financial Industry Regulatory Authority registration.
- Trading Resolution
- Proof of State Registration
- Completed broker/dealer questionnaire
- Certification of having read the City of Lodi’s investment policy and depository contracts.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Treasurer. The City will not normally use more than three qualified dealer/brokers to obtain bids.

INVESTMENT POLICY

12. PURCHASE OF CDs FROM LOCAL INSTITUTIONS

To the extent reasonable and within the limits specified above, the Treasurer may purchase a Certificate of Deposit, up to the amount fully insured by the Federal Deposit Insurance Corporation (FDIC), from each bank and savings and loan institution located within the corporate limits of the City to promote economic development and as a statement of support for those institutions maintaining an office in Lodi. These investments are limited to those institutions which offer Certificates of Deposit insured by the Federal Deposit Insurance Act and have a Community Reinvestment Act Rating of satisfactory or above.

To aid in the diversification of the portfolio, additional Certificates of Deposit in amounts up to fully insured FDIC limits, may be purchased from local institutions provided the investment has the safety, liquidity and a rate of return comparable to that offered from LAIF at the time the original investment is made.

13. SAFEKEEPING AND COLLATERALIZATION

All investment securities purchased by the City will be held in third-party safekeeping by an institution designated as primary agent. The custodian will hold these securities in a manner that establishes the City's right of ownership. The primary agent will issue a safekeeping receipt to the City listing the specific instruments, rate, maturity and other pertinent information. Deposit type securities (i.e., certificates of deposit) will be collateralized.

Collateral for time deposits in savings and loans will be held by the Federal Home Loan Bank or an approved Agent of Depository. If collateral is government securities, 110% of market value to the face amount of the deposit is required. Promissory notes secured by first mortgages and first trust deeds used as collateral require 150% of market value to the face amount of the deposit. An irrevocable letter of credit issued by the Federal Home Loan Bank of San Francisco requires 105% of market value to the face amount of the public deposit.

The collateral for time deposits in banks should be held in the City's name in the bank's Trust Department, or alternately, in the Federal Reserve Bank. The City may waive collateral requirements for deposits which are fully insured up to limits prescribed by the FDIC.

The amount of securities placed with an agent of depository will at all times be maintained in accordance with California Government Code 53652.

INVESTMENT POLICY

14. ADMINISTRATION

The following administrative policies will be strictly observed:

a. Payment

All transactions will be executed on a delivery versus payment basis which should be done by the City's safekeeping agent.

b. Bid

A competitive bid process in which three competitive bids are obtained, when practical, will be used to place all investment purchases. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, bids will be requested for instruments which meet the maturity requirement. If no specific maturity is required, a market trend (yield curve) analysis will be conducted to determine which maturities would be most advantageous.

c. Wire Transfers

All wire transfers will be approved by the Treasurer or Supervising Budget Analyst. The City's bank will verify each transaction with a predetermined City employee other than the individual sending the wire transfer.

Pre-formatted wire transfers will be used to restrict the transfer of funds with preauthorized accounts only.

d. Confirmations

Receipts for confirmation of a purchase of authorized securities should include the following information: trade date; par value; maturity; rate; price; yield; settlement date; description of securities purchased; net amount due; third-party custodial information. Confirmations of all investment transactions are to be received by the Treasurer within three business days.

e. Pooled Cash

The City will consolidate into one bank account and invest on a pooled concept basis. Interest earnings will be allocated monthly based on current cash balances.

f. Bond Proceeds

The City will comply with applicable federal tax law and regulations in connection with the investment of bond proceeds.

**INTERNAL
CONTROLS**

INTERNAL CONTROLS

GENERAL

Through this system of internal control, the City is adopting procedures and establishing safeguards to prevent or limit the loss of funds invested or held for investment due to errors, losses, misjudgments and improper acts. Internal control procedures are not intended to address every possible situation but are intended to provide a reasonable and prudent level of protection for the City's funds.

1. Objectives

These procedures and policies are established to ensure:

- the orderly and efficient conduct of investment practices, including adherence to investment policies
- the safeguarding of surplus cash
- the prevention or detection of errors and fraud
- the accuracy and completeness of investment records
- the timely preparation of reliable investment reports.

2. General Control Policies

The following policies are to be used to safeguard investments:

- **Organization**
A description of responsibilities and procedures for the investment of City funds, lines of authority and reporting requirement will be maintained.
- **Personnel**
Only qualified and assigned personnel will be authorized to approve investment transactions; make and liquidate investments; maintain investment records; and maintain custody of negotiable instruments. Personnel assigned responsibility for the investment of City surplus funds will maintain their professional qualifications by continued education and membership in professional associations.
- **Segregation of functions**
No one having general ledger functions will have responsibility for the investment of City funds.
- **Safekeeping**
All securities are to be held in the name of the City of Lodi. The City will contract with a third party, usually a bank, to provide custodial services and securities safekeeping. Although a cost is involved, the risk of losing physical securities outweighs the fees involved. Preference should be given to custodial services which include reporting services as part of their service, including marking the portfolio to market value, performance evaluation and internal reporting.

INTERNAL CONTROLS

- **Reconciliation of records**
Regular and timely reconciliation will be made of detailed securities records with the general ledger control account.

- **Performance evaluation**
Performance statistics will be maintained and reported monthly as provided in the Investment Policies. The indices to be used is the rate of return for the one-year U.S. Treasury Bill and the annual rate of return for the Local Agency Investment Fund (LAIF) managed by the State Treasurer's Office.

PROCEDURES

1. Assigned Responsibilities

- a. City Council responsibilities:
 - Adoption of City's investment policies by Resolution
 - Review and evaluation of investment performance.

- b. Deputy City Manager/Treasurer duties and responsibilities:
 - Formulating, recommending and implementing the City's investment policies
 - Approves all investment transactions prior to execution of any transaction
 - Approves broker/dealer arrangements.

- c. Supervising Budget Analyst duties and responsibilities:
 - Recommends broker/dealer arrangements
 - Recommends investments
 - Executes investment transactions
 - Maintains records of all investment transactions
 - Prepares monthly investment report for City Council review
 - Prepare fiscal year end investment reports for City's independent audit firm review
 - Review's financial condition of the City's depositories (banks) at least annually for compliance with collateralization requirements under government code and financial condition and reports results to City Treasurer.

- d. Financial Services Manager duties and responsibilities:
 - Maintains general ledger control account and duplicate records of investment transactions
 - Verifies investment records and reconciles detailed securities records with general ledger control accounts.

- e. City's independent audit firm.
 - Will review the City's investment policies and procedures and make appropriate recommendations and findings as to compliance and steps to be taken to improve internal controls.

TREASURY FUNCTION RESPONSIBILITIES

FUNCTION	RESPONSIBILITIES
1. Recommendations:	
<ul style="list-style-type: none">• Recommends broker/dealer arrangements• Recommends investments	Supervising Budget Analyst Supervising Budget Analyst
2. Authorization of Investment Transactions	
<ul style="list-style-type: none">• Formal investment policy prepared by• Formal investment policy approved by• Investment transactions approved by• Broker/deal arrangements approved by	Deputy City Manager/Treasurer City Council Deputy City Manager/Treasurer Deputy City Manager/Treasurer
3. Execution of Investment Transactions	Supervising Budget Analyst
4. Recording of Investment Transactions	
<ul style="list-style-type: none">• Recording of transactions in Treasurer's records• Recording of transactions in Accounting records	Supervising Budget Analyst Financial Services Manager
5. Safeguarding of assets and records	
<ul style="list-style-type: none">• Maintenance of Treasurer's records• Reconciliation of Treasurer's records to accounting records• Review of (a) financial institution's financial condition, (b) safety, liquidity, and potential yields of investment instruments, and (c) reputation and financial condition of investment brokers	Supervising Budget Analyst Financial Services Manager Supervising Budget Analyst
<ul style="list-style-type: none">• Periodic reviews of collateral• Review and evaluation of performance	Supervising Budget Analyst City Council
6. Preparation of reports	Supervising Budget Analyst
7. Periodic review of investment portfolio for conformance to City's investment policy	City's Audit Firm

**SAMPLE
INVESTMENT FORMS**

**CITY OF LODI
INVESTMENT BID SHEET**

Date:

Cycle to:
Management Analyst: ____
Fin. Services Manager: ____

	Transaction #1		Transaction #2		Transaction #3	
	Invest	Withdraw	Invest	Withdraw	Invest	Sell
Recommended Selection						
Primary Dealer						
Quotes						
Firm						
Dealer						
Telephone #						
Security Type						
Price						
Maturity Date						
1st Call Date						
Yield to Maturity						
Purchase Price						
Cusip #						
Principal						
Discount						
Accrued Interest						
Interest Rate						
Interest Period						
Risk Category						
Trade Date						
Settlement Date						
Calculation						
Invstmnt.—Fund #						
Investment Fund #						
Issuer Code						
Cert.Acct. #						
Term of Days						

- ME (Month end in advance)
- AE (Month end in arrears)
- M (Monthly in advance)
- AM (Monthly in arrears)
- QE (Quarter end)
- S (Semi-annual Actual)
- SC (Semi-Annual Equal)
- MA (Maturity)
- MD (Maturity Discount)
- LAIF BALANCE

Approval:
Management Analyst: _____

Fin. Svcs. Manager: _____

Approval Date: _____

Transaction Date: _____

Comments: _____

Conf #: _____

BROKER/DEALER QUESTIONNAIRE
CITY OF LODI TREASURER'S OFFICE
P. O. Box 3006
Lodi, California 95241

1. Name: _____
2. Branch Address: _____
3. Telephone No.: _____
4. Primary Account Representative: _____
Name: _____
Title: _____
Telephone No.: _____
5. Is your firm a primary dealer in US Government Securities? Y/N _____
6. Identify the personnel who will be trading with or quoting securities to our agencies employees:

Name	Title	Telephone No.

7. National Headquarters Address:
Corporate Contract: _____
Telephone No.: _____
Compliance Officer (Name, Address, Telephone): _____
8. What was your firm's total volume in US Government and Agency securities trading last calendar year?
9. Which securities are offered by your firm?

<input type="checkbox"/> US Treasury	<input type="checkbox"/> Commercial Paper
<input type="checkbox"/> US Treasury Notes	<input type="checkbox"/> BAs Domestic
<input type="checkbox"/> US Treasury Bonds	<input type="checkbox"/> BAs Foreign
<input type="checkbox"/> Agencies (specify)	<input type="checkbox"/> Repurchase Agreements
<input type="checkbox"/> Negotiable CD's	<input type="checkbox"/> Reverse Repurchase Agreements
10. List your personnel who have read the City of Lodi Treasurer's Investment Policy.
11. Please identify your public-sector clients in our geographical area who are most comparable to our government with which you currently do business.
12. Have any of your clients ever sustained a loss on a securities transaction arising from misunderstanding or misrepresentation of the risk characteristics of the instrument? If so, please explain.
13. Have any of your public-sector clients ever reported to your firm, is officers or employees, orally or in writing, that they sustained a loss exceeding 10% of the original purchase price in a single year on any individual security purchased thorough your firm? Explain.
14. Has your firm ever been subject to a regulatory or state/federal agency investigation for alleged improper, fraudulent, disreputable or unfair activities related to the sale of securities? Have any of your employees ever been so investigated? Explain.

15. Has a public sector client ever claimed in writing that your firm or members of your firm were responsible for investment losses?
16. Please include samples of research reports that your firm regularly provides to public-sector clients.
17. Please explain your normal delivery process. Who audits these fiduciary systems?
18. Please provide certified financial statements and other indicators regarding your firm's capitalization.
19. Describe the capital line and trading limits that support/limit the office that would conduct business with our government.
20. What training would you provide to our employees and investment officers?
21. Has your firm consistently complied with the Federal Reserve Bank's capital adequacy guidelines? As of this date, does your firm comply with the guidelines? Has your capital position every fallen short? By what factor (1.5x, 2x, etc.). Does your firm presently exceed the capital adequacy guidelines, measure of risk? Include certified documentation of your capital adequacy as measured by the Federal Reserve standards.
22. Do you participate in the Securities Investor Protection Corporation (SIPC) insurance program? If not, why?
23. What portfolio information do you require from your clients?
24. What reports, confirmations and paper trail will we receive?
25. Enclose a complete schedule of fees and charges for various transactions.
26. How many and what percentage of your transactions failed last month? Last year?
27. Describe the precautions taken by your firm to protect the interest of the public when dealing with governmental agencies as investors.
28. Is your firm licensed by the State of California as a broker/dealer? Y/N _____

CERTIFICATION ATTACHED

CERTIFICATION

I hereby certify that I have personally read the latest adopted resolution of investment policies and objectives of the City of Lodi Treasurer and the California Government Codes pertaining to the investments of the City of Lodi, and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out to transaction conducted between our firm and the City of Lodi. All sales personnel will be routinely informed of the City of Lodi's investment objectives, horizon, outlook, strategies and risk constraints whenever we are so advised. We pledge to exercise due diligence in informing the City of Lodi of all foreseeable risks associated with financial transactions conducted with our firm. I attest to the accuracy of our responses to your questionnaire.

SIGNED _____ TITLE _____ DATE _____

COUNTERSIGNED _____ DATE _____

(Person in charge of government securities operations)

NOTE: Completion of Questionnaire is only part of the City of Lodi's Certification process and DOES NOT guarantee that the applicant will be approved to do business with the City of Lodi.

On this _____ day of _____ 20____ before me the undersigned Notary Public personally appeared

() personally known to me

() proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) subscribed to the within instrument and acknowledged that _____ executed it.

State of _____

County of _____

WITNESS my hand and official seal.

Notary's Signature

GLOSSARY

GLOSSARY OF COMMONLY USED FINANCIAL TERMS

AGENT: an agent is a firm or individual which executes orders for others or acts on behalf of others (the principal). The agent is subject to the control of the principal and does not have title to the principal's property. The agent may charge a fee or commission for this service.

AGENCIES: federal agency securities and/or Government-sponsored enterprises.

AGREEMENT: an agreement is an arrangement or understanding between individual traders to honor market quotes within predetermined limits on dollar amount and size.

AMORTIZATION: straight-line reduction of debt by means of periodic payments sufficient to meet current interest charges and to pay off the debt at maturity.

ARBITRAGE: a technique used to take advantage of price differences in separate markets. This is accomplished by purchasing securities, negotiable instruments or currencies in one market for immediate sale in another market at a better price.

ASKED: the price at which securities are offered.

AT THE MARKET: a trading term for the buying or selling of securities at the current market price rather than at a predetermined price.

BANKERS ACCEPTANCE (BA): a bearer time draft for a specified amount payable on a specified date. An individual or business seeking to finance domestic or international trade draws it on a bank. Commodity products collateralize the BA. Sale of goods is usually the source of the borrower's repayment to the bank. The bank finances the borrower's transaction and then often sells the BA on a discount basis to an investor. At maturity, the bank is repaid and the investor holding the BA receives par value from the bank.

BASIS PRICE: price expressed in yield-to-maturity or the annual rate of return on the investment.

BEAR MARKET: a period of generally pessimistic attitudes and declining market prices. (Compare: Bull market)

BELOW THE MARKET: a price below the current market price for a particular security.

BID AND ASKED OR BID AND OFFER: the price at which an owner offers to sell (asked or offer) and the price at which a prospective buyer offers to buy (bid). It is often referred to as a quotation or a quote. The difference between the two is called the spread.

BOND: an interest-bearing security issued by a corporation, government, governmental agency or other body, which can be executed through a bank or trust company. A bond is a form of debt with an interest rate, maturity, and face value, and is usually secured by specific assets. Most bonds have a maturity of greater than one year, and generally pay interest semiannually.

GLOSSARY OF COMMONLY USED FINANCIAL TERMS

BOND ANTICIPATION NOTE (BAN): short-term notes sold by states and municipalities to obtain interim financing for projects which will eventually be financed by the sale of bonds.

BOND DISCOUNT: the difference between a bond's face value and a selling price, when the selling price is lower than the face value.

BOND RATING: the classification of a bond's investment quality. (See: Rating).

BOND RESOLUTION: a legal order or contract by a governmental unit to authorize a bond issue. A bond resolution carefully details the rights of the bondholders and the obligation of the issuer.

BOOK VALUE: the amount at which a security is carried on the books of the holder or issuer. The book value is often the cost, plus or minus amortization, and may differ significantly from the market value.

BROKER: a middleman who brings buyers and sellers together and handles their orders, generally charging a commission for this service. In contrast to a principal or a dealer, the broker does not own or take a position in securities.

BULL MARKET: a period of generally optimistic attitudes and increasing market prices. (Compare: Bear Market).

BUYERS MARKET: a market where supply is greater than demand, giving buyers an advantage in purchase price and terms.

CALL: an option to buy a specific asset at a certain price within a particular period.

CALLABLE: a feature which states a bond or preferred stock may be redeemed by the issuer prior to maturity under terms designated prior to issuance.

CALL DATE: the date on which a bond may be redeemed before maturity at the option of the issuer.

CALLED BONDS: bonds redeemed before maturity.

CALL PREMIUM: the excess paid for a bond or security over its face value.

CALL PRICE: the price paid for a security when it is called. The call price is equal to the face value of the security, plus the call premium.

CALL PROVISION: the call provision describes the details by which a bond may be redeemed by the issuer, in whole or in part, prior to maturity. A Security with such a provision will usually have a higher interest rate than comparable, but noncallable securities.

CAPITAL GAIN OR LOSS: the amount that is made or lost, depending upon the difference between the sale price and the purchase price of any capital asset or security.

GLOSSARY OF COMMONLY USED FINANCIAL TERMS

CAPITAL MARKET: the market in which buyers and sellers, including institutions, banks, governments, corporations and individuals, trade debt and equity securities.

CASH SALE: a transaction calling for the delivery and payment of the securities on the same day that the transaction takes place.

CERTIFICATE OF DEPOSIT (CD): debt instrument issued by a bank that usually pays interest. Institutional CD's are issued in denominations of \$100,000 or more. Maturities range from a few weeks to several years. Competitive forces in the marketplace set interest rates.

COLLATERAL: securities or other property, which a borrower pledges for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COLLATERAL NOTE: a promissory note, which specifically mentions the collateral, pledged by the borrower for the repayment of an obligation.

COMMERCIAL PAPER: short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest-bearing.

COMMISSION: the brokers or agent's fee for purchasing or selling securities for a client.

COUPON: the annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

COVENANT: a pledge in the bond resolution or indenture of the issuing government to perform in a way that may benefit the bondholders, or to refrain from doing something that might be disadvantageous to them.

COVER: the spread between the winning bid (or offer) and the next highest bid (or the next lowest offer). It is useful as a basis for evaluation of the bids.

COVERAGE RATIO: the ratio of income available to pay a specific obligation versus the total amount obligated. This is a measure of financial stability.

CREDIT ANALYSIS: a critical review and appraisal of the economic and financial condition of a government agency or corporation. The credit analysis evaluates the issuing entity's ability to meet its debt obligations, and the suitability of such obligations for underwriting or investment.

CURRENT MATURITY: amount of time left to the maturity of an obligation.

DEBENTURE: a bond secured by the general credit of the issuer rather than being backed by a specific lien on property as in mortgage bonds.

GLOSSARY OF COMMONLY USED FINANCIAL TERMS

DEBT COVERAGE: this term is normally used in connection with revenue and corporate bonds. It indicates the margin of safety for payment of debt, reflecting the number of times by which earnings for a certain period of time exceed debt payable during the same period.

DEBT LIMIT (OR CEILING): the maximum amount of debt that can legally be acquired under the debt-incurring power of a state or municipality.

DEBT SERVICE: interest and principal obligation on an outstanding debt. This is usually for a one-year period.

DEFAULT: failure to pay principal or interest promptly when due.

DELIVERY VERSUS PAYMENT: securities industry procedure, common with institutional accounts, whereby delivery of securities sold is made to the buying customer's bank in exchange for payment, usually in the form of cash. (Institutions are required by law to require "assets of equal value" in exchange for delivery.) Also called Cash on Delivery.

DERIVATIVE: contracts written between a City and a counter party such as a bank, insurance company or brokerage firms. Their value is derived from the value of some underlying assets such as Treasury Bonds or a market index such as LIBOR. Derivatives are used to create financial instruments to meet special market needs. Two contrasting reasons for the use of derivatives are: 1) to limit risk or transfer it to those willing to bear it; and, 2) to speculate about future interest rates and leverage in hope of increasing returns.

DISCOUNT: the difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after a sale also is considered to be at a discount.

DIVERSIFICATION: dividing investment funds among a variety of securities offering independent returns.

DUE DILIGENCE: exercising of due professional care in the performance of duties.

FACE VALUE: the principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

FANNIE MAE: trade name for the Federal National Mortgage Association.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): federal agency established in 1933 that guarantees (within limits) funds on deposit in member banks and performs other functions such as making loans to or buying assets from members banks to facilitate mergers or prevent failures.

FEDERAL FUNDS RATE: the rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

GLOSSARY OF COMMONLY USED FINANCIAL TERMS

FEDERAL HOME LOAN BANKS (FHLB): government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: the central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

FIDUCIARY: an individual or group, such as a bank or trust company, which acts for the benefit of another party or to which certain property is given to hold in trust, according the trust agreement.

FISCAL YEAR: an accounting or tax period comprising any twelve-month period. The City's fiscal year starts July 1.

FREDDIE MAC: trade name for the Federal Home Loan Mortgage Corporation.

FULL FAITH AND CREDIT: the unconditional guarantee of the United States government backing a debt for repayment.

GENERAL OBLIGATION BONDS (GO's): bonds secured by the pledge of the municipal issuer's full faith and credit, usually including unlimited taxing power.

GINNIE MAE: trade name for the Government National Mortgage Association.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-through" is often used to describe Ginnie Maes.

GLOSSARY OF COMMONLY USED FINANCIAL TERMS

HOLDER: the person or entity which is in possession of a negotiable instrument.

INDEBTEDNESS: the obligation assumed by a borrower, guarantor, endorser, etc. to repay funds which have been or will be paid out on the borrower's behalf.

INDENTURE: a written agreement used in connection with a security issue. The document sets the maturity date, interest rate, security and other terms for both the issue holder, issuer and, when appropriate, the trustee.

INTEREST RATE: the interest payable each year on borrowed funds expressed as a percentage of the principal.

INVESTMENT: use of capital to create more money, either through income-producing vehicles or through more risk-oriented ventures designed to result in capital gains.

INVESTMENT PORTFOLIO: a collection of securities held by a bank, individual, institution, or government agency for investment purposes.

IRREVOCABLE LETTER OF CREDIT: instrument or document issued by a bank guaranteeing the payment of a customer's drafts up to a stated amount for a specified period. It substitutes the bank's credit for the buyer's and eliminates the seller's risk. This arrangement cannot be changed or terminated by the one who created it without the agreement of the beneficiary.

ISSUE PRICE: the price at which a new issue of securities is put on the market.

ISSUER: any corporation or governmental unit, which borrows money through the sale of securities.

JOINT AND SEVERAL OBLIGATION: a guarantee to the holder in which the liability for a bond or note issue may be enforced against all parties jointly or any one of them individually so that one, several or all may be held responsible for its payment.

LAIF: trade name for California State Local Agency Investment Fund.

LEGAL INVESTMENT: a list of securities in which certain institutions and fiduciaries may invest as determined by regulatory agencies.

LEGAL OPINION: an opinion concerning the legality of a bond issue, usually written by a recognized law firm specializing in the approval of public borrowings.

LIQUIDITY: a liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

GLOSSARY OF COMMONLY USED FINANCIAL TERMS

MARKETABILITY: the measure of ease with which a security can be sold in the secondary market.

MARKET ORDER: an order to buy or sell securities at the prevailing bid or ask price on the market.

MARKET VALUE: the price at which a security is trading and could presumably be purchased or sold.

MARKET VS. QUOTE: quote designates the current bid and ask on a security, as opposed to the price at which the last security order was sold.

MASTER REPURCHASE AGREEMENT: a written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: the date that the principal or stated value of debt instrument becomes due and payable. It is also used as the length of time between the issue date and the due date.

MONEY MARKET the market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MORTGAGE BOND: a bond secured by a mortgage on property. The value of the property used as collateral usually exceeds that of the mortgage bond issued against it.

NEGOTIABLE: a term used to designate a security, the title to which is transferable by delivery. Also used to refer to the ability to exchange securities for cash or near-cash instruments.

NO PAR VALUE: a security issued with no face or par value.

NON-NEGOTIABLE: a security whose title or ownership is not transferable through a simple delivery or endorsement. (See: Negotiable.)

OBLIGATION: a responsibility for paying back a debt.

OFFER: the price of a security at which a person is willing to sell.

OFFERING: placing securities for sale to buyers. The offering usually states the price and terms.

OPEN MARKET OPERATIONS: purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

GLOSSARY OF COMMONLY USED FINANCIAL TERMS

PAR VALUE: the stated or face value of a security expressed as a specific dollar amount marked on the face of the security; the amount of money due at maturity. Par value should not be confused with market value.

PAYING AGENT: the agency, usually a commercial bank, which dispenses the principal and interest payable on a maturing issue.

PORTFOLIO: the collection of securities held by an individual or institution.

PREMIUM: the amount by which the price paid for a security exceeds the par value. Also, the amount that must be paid over the par value to call an issue before maturity.

PRIMARY DEALER: a group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRINCIPAL: the face or par value of an instrument. It does not include accrued interest.

PRUDENT INVESTOR RULE: an investment standard adopted by the State of California in 1995. It states that a trustee shall consider the entire investment portfolio when determining the prudence of an individual investment; diversification is explicitly required within a portfolio; suitability of an investment is a primary determinant; and delegation of investment management is acceptable.

PRUDENT MAN RULE: an investment standard established in 1630. It states that a trustee who is investing for another should behave in the same way as a prudent individual of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUOTATION (QUOTE): the highest bid to buy or the lowest offer to sell a security in any market at a particular time.

RATE OF RETURN: 1) the yield which attainable on a security based on its purchase price or its current market price. 2) This may be the amortized yield to maturity on a bond the current income returns.

RATING: the designation used by investors' services to rate the quality of a security's creditworthiness. Moody's ratings range from the highest Aaa, down through Aa, A, Baa, Ba, B, etc., while Standard and Poor's ratings range from the highest AAA, down through AA, A, BBB, BB, B, etc.

REFINANCING: rolling over the principal on securities that have reached maturity or replacing them with the sale of new issues. The object may be to save interest costs or to extend the maturity of the loan.

REGISTERED BOND: a bond whose principal and/or interest is payable only to that person or organization which is registered with the issuer. This form is not negotiable and it can be transferred only when endorsed by the registered owner.

GLOSSARY OF COMMONLY USED FINANCIAL TERMS

REPURCHASE AGREEMENT (REPO): agreement between a seller and a buyer, usually of U.S. Government securities, whereby the seller agrees to repurchase the securities at an agreed upon price and, usually, at a stated time. The attraction of repos is the flexibility of maturities that makes them an ideal place to “park” funds on a very temporary basis. Dealers also arrange *reverse repurchase agreements*, whereby they agree to buy the securities and the investor agrees to repurchase them at a later date.

REVENUE ANTICIPATION NOTES (RAN): short-term notes sold in anticipation of receiving future revenues. The notes are to be paid from the proceeds of those revenues.

REVENUE BOND: a state or local bond secured by revenues derived from the operations of specific public enterprises, such as utilities. Such bonds are not generally backed by the taxation power of the issuer unless otherwise specified in the bond indenture.

SAFEKEEPING: a service banks offer to customers for a fee, where securities are held in the bank’s vaults for protection.

SECURED DEPOSIT: bank deposits of state or local government funds which, under the laws of certain jurisdictions, must be secured by the pledge of acceptable securities.

SECONDARY MARKET: a market made for the purchase and sale of outstanding issues following the initial distribution.

SECURED DEPOSIT: bank deposits of state or local government funds which, under the laws of certain jurisdictions, must be secured by the pledge of acceptable securities.

SECURITIES: investment instruments such as bonds, stocks and other instruments of indebtedness or equity.

SECURITIES & EXCHANGE COMMISSION: agency created by Congress to protect investors in securities transactions by administering securities legislation.

SERIAL BOND: bonds of the same issue, which have different maturities, coming due over a number of years rather than all at once. This allows the issuer to retire the issue in small amounts over a long period of time.

SETTLEMENT DATE: date by which an executed order must be settled, either by buyer paying for the securities with cash or by a seller delivering the securities and receiving the proceeds of the sale for them.

SINKING FUND: a reserve fund set aside over a period of time for the purpose of liquidating or retiring an obligation, such as a bond issue, at maturity.

SPECIAL ASSESSMENT BONDS: bonds that are paid back from taxes on the property that is benefiting from the improvement being financed. The issuing governmental entity agrees to make the assessments and earmark the tax proceeds to repay the debt on these bonds.

SPREAD: the difference between two figures or percentages. For example, it may be the difference between the bid and asked prices of a quote, or between the amount paid when bought and the amount received when sold.

GLOSSARY OF COMMONLY USED FINANCIAL TERMS

TAX ANTICIPATION NOTES (TAN): short-term notes issued by states or municipalities to finance current operations in anticipation of future tax collections which would be used to repay the debt.

TAX-EXEMPT BONDS: interest paid on municipal bonds issued by state and local governments or agencies is usually exempt from federal taxes, and in some cases, the state and/or local taxes. The interest rate paid on these bonds is generally lower than rates on non-exempt securities.

TERMS: the conditions of the sale or purchase of a security.

TREASURY BILL (T-BILL): a non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS AND NOTES: obligations of the U. S. government which bear interest. Notes have maturities of one to seven years, while bonds have longer maturities.

TREASURY BONDS: long-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

TRUSTEE: a bank designated as the custodian of funds and the official representative for bondholders.

UNDERWRITER: a dealer bank or other financial institution, which arranges for the sale and distribution of a large batch of securities and assumes the responsibility for paying the net purchase price.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one-reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: the annual rate of return on an investment, expressed as a percentage of the investment.

YIELD CURVE: graph showing the term structure of interest rates by plotting the yields of all bonds of the same quality with maturities ranging from the shortest to the longest available. The resulting curve shows if short-term interest rates are higher or lower than long-term rates. For the most part, the yield curve is positive (short-term rates are lower), since investors who are willing to tie up their money for a longer period of time usually are compensated for the extra risk they are taking by receiving a higher yield.



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Execute a Professional Services Agreement with the Salvation Army to Verify Eligibility for the Lodi SHARE Rate Discount Program (\$19,000)

MEETING DATE: November 7, 2012

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute a professional services agreement with the Salvation Army to verify eligibility for the Lodi SHARE Rate Discount Program in an amount not to exceed \$19,000.

BACKGROUND INFORMATION: The City of Lodi offers a 30-percent electric utility rate discount for eligible customers called the Lodi SHARE Rate Discount Program (Program). From time to time the City verifies eligibility for this discount. Lodi Electric Utility (LEU) staff recommends enlisting the services of the Salvation Army to verify Program eligibility. The Salvation Army will randomly select 750 current Program customers, and then verify and confirm that all 750 customers are still eligible to receive the aforementioned rate discount. The Salvation Army will notify LEU of their findings so that LEU staff can ensure customers receiving the rate discount are compliant with the requirements of the Program. The Salvation Army will charge LEU \$25 per customer for this service.

The Salvation Army was selected to serve as the screening agent for this program for three reasons: 1) its experience and expertise in providing services of a similar nature for other entities (PG & E, San Joaquin County); 2) it has conducted three previous SHARE verification program efforts for LEU; and 3) it has served successfully as the administrator of the "Lodi C.A.R.E. Package Program" since 2005 – a utility grant payment program also funded through Lodi's Public Benefits Program.

As of September 15, 2012, 2,582 residential customers receive a discount for participating in the Lodi SHARE Electric Rate. This 30-percent discount is applied to the standard EA (residential) electric rate schedule. The actual utility rate discount is partially funded through Lodi's Public Benefits Program, and is considered a qualifying expenditure of Public Benefit funds. Verifying customer eligibility for this Program ensures that those customers most in need of rate relief are receiving the assistance.

In order to qualify for the SHARE Rate Discount, the customer is required to certify income eligibility. The income levels for 1 to 4 persons in a household range from \$24,867 to \$47,822, and customers must show all proof of income for all members (when applicable) of the household. In addition, the customer must sign a statement upon application indicating that the City of Lodi may verify the customer's eligibility at any time. If it is determined during the verification process that a customer is not eligible to receive the discount, the customer will be removed from the program and the City of Lodi may render corrective billing.

APPROVED: _____
Konradt Bartlam, City Manager

FISCAL IMPACT: Based upon past verification efforts, it is conceivable that the City of Lodi will save in excess of \$50,000 as a result of ineligible customers being removed from this electric utility rate discount.

FUNDING: Included in FY 2012/13 Budget Account No 164606.

Jordan Ayers
Deputy City Manager/Internal Services Director

Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Rob Lechner, Customer Service & Programs Manager

EAK/RSL/lst

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1 PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on _____, 2012, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and The Salvation Army, a California corporation (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for SHARE Verification Program (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2 SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be

counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on _____, 2012 and terminates upon the completion of the Scope of Services or on June 30, 2013, whichever occurs first.

ARTICLE 3 **COMPENSATION**

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence of the City of Lodi or its officers or agents.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
 221 West Pine Street
 P.O. Box 3006
 Lodi, CA 95241-1910
 Attn: Rob Lechner

To CONTRACTOR: The Salvation Army
 525 W Lockeford Street
 PO Box 1388
 Lodi CA 95241-1338

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase.

Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as “Confidential” or “Proprietary”, except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney’s Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney’s fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit apply to this contract. In the event of a conflict between the terms of this contract or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:

RANDI JOHL
City Clerk

KONRADT BARTLAM, City Manager

APPROVED AS TO FORM:
D. STEPHEN SCHWABAUER, City Attorney
JANICE D. MAGDICH, Deputy City Attorney

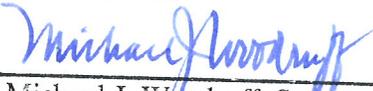
CONTRACTOR:
The Salvation Army, a California corporation

By: _____


By: _____

Name: VICTOR R. DOUGHTY
Title: Treasurer

Attachments:
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements

Attest: _____

Michael J. Woodruff, Secretary

Funding Source: 164606.7323
(Business Unit & Account No.)

Doc ID:

CA:rev.01.2012

EXHIBIT "A" – Scope of Services for Lodi SHARE Verification Program

The Salvation Army will administer the Lodi SHARE Verification Program, which includes the following:

- Maintain and monitor a budget of \$19,000, which concludes when this total dollar amount is exhausted, or by June 30, 2013, whichever comes first;
- Provide all customer interface, which includes screening for customer eligibility*;
- Notify the City of Lodi Electric Utility Department, through an existing and agreed upon procedure, of any/all customers approved for and/or removed from participation in this utility rate discount.

***Customer Eligibility Requirements:**

- must meet income guidelines as provided by the City of Lodi Electric Utility Department;
- customer must present (in person) appropriate documentation of the following in order to remain on the electric SHARE rate discount:
 - current City of Lodi utility statement;
 - ID/Social Security Cards for ALL members of the household, and driver's license or California ID card of the person listed on the utility account;
 - proof of current income (i.e.: pay stub, grant letter, etc.)- handwritten notes are *not* acceptable;

**EXHIBIT "B" – Fee Proposal for the Lodi SHARE
Verification Program**

The Salvation Army will invoice for all administrative work performed at a rate of \$25 per customer verification/certification, with a cap of \$19,000 for administration of the program. Invoices will be submitted to Lodi the first of each month, payable within thirty (30) days of the invoice date.



Insurance Requirements for Contractor The Contractor shall take out and maintain during the life of this contract, insurance coverage as listed below. These insurance policies shall protect the Contractor and any subcontractor performing work covered by this contract from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this contract, whether such operations be by Contractor or by any subcontractor or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. COMPREHENSIVE GENERAL LIABILITY

\$1,000,000 Ea. Occurrence
\$2,000,000 Aggregate

NOTE: Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

NOTE: (1) The street address of the CITY OF LODI must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95241-1910; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

A copy of the certificate of insurance with the following endorsements shall be furnished to the City:

- (a) Additional Named Insured Endorsement
Such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed Boards, Commissions, Officers, Agents, Employees, and Volunteers as additional named insureds.
(This endorsement shall be on a form furnished to the City and shall be included with Contractor's policies.)
- (b) Primary Insurance Endorsement
Such insurance as is afforded by the endorsement for the Additional Insureds shall apply as primary insurance. Any other insurance maintained by the City of Lodi or its officers and employees shall be excess only and not contributing with the insurance afforded by this endorsement.
- (c) Completed Operations Endorsement
For three years after completion of project, a certificate of insurance with a Completed Operations Endorsement, CG 20 37 07 04, will be provided to the City of Lodi.
- (d) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.
- (e) Notice of Cancellation or Change in Coverage Endorsement
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 W. Pine St., Lodi, CA 95240.

NOTE: No contract agreement will be signed nor will any work begin on a project until the proper insurance certificate is received by the City.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/26/2012

Page 1 of 2

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis Insurance Services of California, Inc. c/o 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191	CONTACT NAME:		
	PHONE (A/C, NO, EXT):	877-945-7378	FAX (A/C, NO): 888-467-2378
INSURED The Salvation Army - Division #4 180 East Ocean Blvd. Long Beach, CA 90802	E-MAIL ADDRESS:	certificates@willis.com	
	INSURER(S) AFFORDING COVERAGE	NAIC#	
	INSURER A:	Lexington Insurance Company	19437-000
	INSURER B:	Greenwich Insurance Company	22322-076
	INSURER C:	Greenwich Insurance Company	22322-000
	INSURER D:		
	INSURER E:		
	INSURER F:		

APPROVED
Risk Management

OCT 16 2012

By: *[Signature]*

COVERAGES CERTIFICATE NUMBER: 18618609 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L INSRD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	Y		027712409	10/1/2012	10/1/2013	EACH OCCURRENCE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$ 2,000,000
							GENERAL AGGREGATE \$ 4,000,000
							PRODUCTS - COM/OP AGG \$ 4,000,000
B	AUTOMOBILE LIABILITY			AOS RAD500021902	10/1/2012	10/1/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000
	<input checked="" type="checkbox"/> ANY AUTO			CA RAE500021802	10/1/2012	10/1/2013	BODILY INJURY (Par person) \$
C	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR					EACH OCCURRENCE \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$
	DED	RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	<input type="checkbox"/> Y/N	N/A				WC STATUTORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) (Yes, describe under DESCRIPTION OF OPERATIONS below)						E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach Acord 101, Additional Remarks Schedule, if more space is required)
Division #04-120 - Lodi Share Program.CA - Auto is fully Self Insured per the attached State Certificate.
Contract #5B55E3

Where required by written contract City of Lodi, its Elected and Appointed Boards, Commissions, Officers, Agents, Employees and Volunteers are named as Additional Insureds as respects the

CITY OF LODI, its elected & appointed Board, Commissioners, Officers, Agents, Employees & Volunteers 221 West Pine Street Lodi, CA 95240	CANCELLATION
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>[Signature]</i>



ADDITIONAL REMARKS SCHEDULE

AGENCY Willis Insurance Services of California, Inc.		NAMED INSURED The Salvation Army - Division 4 180 East Ocean Blvd. Long Beach, CA 90802	
POLICY NUMBER See First Page		EFFECTIVE DATE: See First Page	
CARRIER See First Page	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

operations of the Named Insured indicated herein.

Subject policy is Primary to any insurance available to Additional Insureds with respect to claims arising out of the named insured s operations.



July 13, 2012

S.I. # 202

The Salvation Army
180 E. Ocean Blvd.
Long Beach, CA 90802
Attention: William Harfoot

Dear Mr. Harfoot,

Your annual report/financial statements have been reviewed and the requirements for renewal of your self-insurance certificate have been met. Your self-insurance status is valid from August 19, 2012, through August 18, 2013.

Vehicle Code Section 16020 requires that every driver and every owner shall at all times be able to establish financial responsibility and shall at all times carry in the vehicle evidence of the form of financial responsibility in effect for the vehicle. A copy of your Certificate of Self-Insurance or a copy of this letter constitutes written evidence of financial responsibility and should be placed in each of your affected vehicles.

If you have any questions or need further information, please call the administrative staff at (916) 657-6520.

Sincerely,

A handwritten signature in black ink, appearing to read "Nadine Pizzimenti".

**NADINE PIZZIMENTI, Support Manager
Financial Responsibility Unit**



CERTIFICATE OF SELF-INSURANCE

This is to certify that:

The Salvation Army
NAME OF SELF-INSURER

180 East Ocean Boulevard, Long Beach, California 90802
ADDRESS, CITY, STATE, ZIP

has been approved as a Self-Insurer under the California Compulsory Financial Responsibility Law and assigned Self-Insurance # 202 pursuant to Section 16053 of the California Vehicle Code for the period August 19, 2012 through August 18, 2013.

MANAGER
Financial Responsibility Unit
Department of Motor Vehicles

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

City of Lodi, Its Elected and Appointed Boards, Commissions, Officers, Agents, Employees and Volunteers

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule an insured but only with respect to liability arising out of your operations or premises owned by or rented to you.

ENDORSEMENT # 012

This endorsement, effective 12:01 AM 10/01/2012

Forms a part of policy no.: 027712409

Issued to: THE SALVATION ARMY

By: LEXINGTON INSURANCE COMPANY

PRIMARY/NON CONTRIBUTORY ENDORSEMENT

This endorsement modifies insurance provided by the policy:

Notwithstanding any other provision of the policy to the contrary, the insurance afforded by this policy for the benefit of the Additional Insured shall be primary insurance, but only with respect to any claim, loss or liability arising out of the Named Insured's operations; and any insurance maintained by the Additional Insured shall be non-contributing.

All other terms and conditions of the policy remain the same.



Authorized Representative OR
Countersignature (In states where applicable)

RESOLUTION NO. 2012-_____

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE A
PROFESSIONAL SERVICES AGREEMENT WITH THE
SALVATION ARMY TO VERIFY ELIGIBILITY FOR THE
LODI SHARE RATE DISCOUNT PROGRAM

=====

WHEREAS, the City of Lodi offers a thirty percent electric utility rate discount for eligible customers called the Lodi SHARE Rate Discount Program (Program); and

WHEREAS, from time to time the City verifies eligibility for this discount; and

WHEREAS, Lodi Electric Utility staff recommends enlisting the services of the Salvation Army to verify Program eligibility; and

WHEREAS, the Salvation Army will randomly select 750 current Program customers, verify and confirm that all 750 customers are still eligible to receive the aforementioned rate discount, and notify Lodi Electric Utility of their findings so that Lodi Electric Utility staff can ensure customers receiving the rate discount are compliant with the requirements of the Program; and

WHEREAS, the Salvation Army will charge LEU \$25 per customer for this service.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Professional Services Agreement with the Salvation Army to verify eligibility for the Lodi SHARE Rate Discount Program.

Dated: November 7, 2012

=====

I hereby certify that Resolution No. 2012-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 7, 2012, by the following vote:

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

RANDI JOHL
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Supporting the Stop Theft of Power Act

MEETING DATE: November 7, 2012

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution supporting the Stop Theft of Power Act.

BACKGROUND INFORMATION: The diversion of electricity is a misdemeanor under Penal Code Section 498. Electric Utility staff, in conjunction with the City Manager and the City Attorney, is advocating tougher penalties for the theft of electricity, specifically by enhancing the civil penalty associated with this crime to three times the estimated value of the diverted utility services. The intent of this legislative proposal is to increase the penalties significantly, thus serving as a more serious deterrent to this crime.

The theft or diversion of electricity is both illegal and potentially fatal. According to federal crime statistics, the theft of electricity and other “utilities” (such as cable, telecommunications and natural gas) is a multi-billion crime in America annually, ranking third to credit card and auto theft. Since July of 2011, the total identified energy theft in Lodi was \$44,271.50. This figure does not include energy stolen as part of another crime committed in our community.

Staff is seeking support from the Lodi City Council to pursue a legislative proposal that will strengthen penalties associated with energy theft diversion. City of Lodi staff will then coordinate and further develop this proposal with staff from the California Municipal Utilities Association and the Northern California Power Agency, for introduction as state legislation in 2013.

FISCAL IMPACT: By strengthening California law, the financial losses incurred by the City of Lodi from energy theft could decrease, as tougher penalties would serve as a deterrent to persons either stealing power today, or considering it in the future.

FUNDING: Not applicable.

Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Rob Lechner, Customer Service & Programs Manager
EK/RSL/lst

APPROVED: _____
Konradt Bartlam, City Manager

RESOLUTION NO. 2012-_____

A RESOLUTION OF THE LODI CITY COUNCIL IN
SUPPORT OF THE STOP THEFT OF POWER ACT A
LEGISLATIVE PROPOSAL DEVELOPED BY THE CITY
OF LODI ELECTRIC UTILITY DEPARTMENT AND THE
CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION

=====

WHEREAS, the theft of electricity is unsafe, illegal, and constitutes a multi-billion dollar crime in America today; and

WHEREAS, energy theft in Lodi, California is also a significant challenge, with losses exceeding \$44,000 since July 2011; and

WHEREAS, under current California statute, the theft of electricity is a misdemeanor; and

WHEREAS, City of Lodi staff is proposing to enhance the civil penalties associated with this crime to three times the estimated value of the diverted utility services.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby adopt a Resolution supporting the "Stop Theft of Power (STOP) Act," a legislative proposal that would enhance penalties associated with the theft of electricity in the Lodi community and statewide if eventually adopted by the California State Legislature and the Governor of the State of California.

Dated: November 7, 2012

=====

I hereby certify that Resolution No. 2012-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 7, 2012, by the following vote:

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

RANDI JOHL
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolutions Authorizing the Lodi Police Department to Participate in a Selective Traffic Enforcement Program Grant and Traffic Initiative Grant Funded by the Office of Traffic Safety and Appropriating Funds (\$182,750)

MEETING DATE: November 7, 2012

PREPARED BY: Chief of Police

RECOMMENDED ACTION: Adopt resolutions authorizing the Lodi Police Department to participate in a Selective Traffic Enforcement Program Grant and Traffic Initiative Grant funded by the Office of Traffic Safety and appropriating funds (\$182,750).

BACKGROUND INFORMATION: Lodi has a significant problem with alcohol and speed-related fatal and injury collisions, including those involving pedestrians, bicyclists, hit-and-run drivers, and motorcyclists. Statistics from the State Office of Traffic Safety (OTS) bear this out.

By adopting these resolutions, the Police Department will be eligible to receive \$182,750 in grant funding from the OTS to develop and implement a comprehensive traffic safety enforcement program to reduce fatal and injury collisions where the primary collision factor is driving under the influence (DUI) or speed. The project will also work to reduce motorcycle involved fatal and injury collisions as well as bicycle/pedestrian involved collisions.

The OTS develops rankings based on the Statewide Integrated Traffic Records System data for collisions reported by agencies other than the California Highway Patrol. The most recent available rankings are for 2010. Lodi is one of 103 California municipalities in the 50,000-to-100,000 population category.

According to the 2010 OTS rankings, with one representing the highest number of victims/collisions and 103 the lowest, Lodi ranked 37th in total fatal and injury collisions. In addition, the City was 38th in alcohol-involved collisions, 74th in drivers ages 21 to 34 who had been drinking, 58th in motorcycle collisions, 23rd in nighttime collisions (9 p.m. to 3 a.m.), 14th in hit-and-runs, 22nd in collisions involving pedestrians, 10th in collisions involving pedestrians under 15 years of age, and 33rd in collisions involving bicyclists. Lodi Police Officers made 244 DUI arrests in 2010, ranking 66th out of 103 municipalities. Only 21 municipalities in our category had more arrests.

These figures represent an improvement over the previous year, when Lodi ranked 35th in total fatal and injury collisions, and 11th in collisions involving driver's ages 21 to 34 that had been drinking. In addition, our officers made 270 driving-under-the-influence arrests between January 1, 2011 and September 29, 2011, compared to 239 in the same period in 2010.

APPROVED: _____
Konradt Bartlam, City Manager

Adopt Resolution Authorizing the Lodi Police Department to Participate in a Selective Traffic Enforcement Program Grant Funded by the Office of Traffic Safety and Appropriating Funds (\$90,000)

November 7, 2012

Page Two

To address DUI, the Police Department will deploy existing officers on weekend and holiday evenings for DUI saturation enforcement and will conduct 12 DUI checkpoints during the grant period. The grant includes motorcycle saturation enforcement, bicycle/pedestrian enforcement as well general traffic safety enforcement. To address hit-and-run collisions, the Police Department will conduct driver's license checkpoints at all DUI checkpoints.

With Council approval, the City of Lodi and State of California OTS will enter into an agreement that provides \$182,750 to the City to fund enhanced enforcement, grant required training, and the purchase of related materials and equipment. .

FISCAL IMPACT: This grant will allow the City to conduct needed education and enforcement without using General Fund dollars.

FUNDING AVAILABLE: 2012/2013 DUI Selective Traffic Enforcement Program Grant (236018)
2012/2013 DUI Enforcement and Awareness Grant (236018)

Jordan Ayers
Deputy City Manager/Internal Services Director

Mark Helms
Chief of Police

MH/CJ/pjt

Prepared by: Sergeant David Griffin

cc: City Attorney

COPY

1. GRANT TITLE
 Selective Traffic Enforcement Program

2. NAME OF APPLICANT AGENCY City of Lodi	4. GRANT PERIOD
3. AGENCY UNIT TO HANDLE GRANT Police Department	From: 10/1/2012 To: 9/30/2013

5. GRANT DESCRIPTION

Time tested and best practice strategies will be used on an overtime basis to reduce the number of persons killed and injured in crashes involving alcohol, speed, red light running, and other primary collision factors. The funded strategies may include: DUI saturation patrols to apprehend impaired drivers; warrant service operations targeting repeat DUI violators who failed to appear in court or violate probation; stakeout operations for repeat DUI offenders; and the use of 'HOT Sheets' to help law enforcement identify and apprehend the 'worst of the worst' DUI offenders. Court sting operations may also be used to arrest offenders who drive from court after having their license suspended or revoked. Law enforcement personnel will receive specialized training to detect and apprehend drivers under the influence of drugs (legal and illegal). Also, special patrols will be used to enforce CA's hand held and texting while driving laws. The program may also concentrate on speed, aggressive driving, seat belt enforcement, intersection operations with disproportionate numbers of traffic crashes and special enforcement operations encouraging motorcycle safety. The grant funded strategies are designed to earn media attention, thus enhancing the overall deterrent effect.

6. FEDERAL FUNDS ALLOCATED UNDER THIS AGREEMENT SHALL NOT EXCEED: \$ 90,000.00

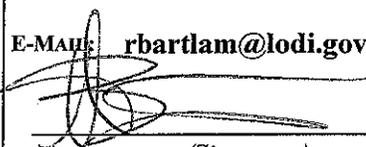
The parties agree to comply with the terms and conditions of the following which are by this reference made a part of the Agreement:

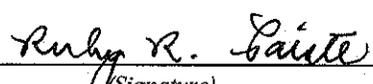
- Page 2 (OTS-38a)
- Schedule A (OTS-38b) – Problem Statement, Goals and Objectives and Method of Procedure
- Schedule B (OTS-38d) – Detailed Budget Estimate and Sub-Budget Estimate (if applicable)
- Schedule B-1 (OTS-38f) – Budget Narrative and Sub-Budget Narrative (if applicable)
- Schedule C (OTS-38g) – Quarterly Evaluation Data Form (if applicable)
- Exhibit A – Federal Certifications and Assurances
- Exhibit B* - OTS Grant Program Manual

Items shown with an asterisk (), are hereby incorporated by reference and made a part of this agreement as if attached hereto. These documents can be viewed at: www.ots.ca.gov/Grants/Grant_Administration/Program_Manual.asp.

We, the officials named below, hereby swear under penalty of perjury under the laws of the State of California that we are duly authorized to legally bind the Grant recipient to the above described Grant terms and conditions.

7. APPROVAL SIGNATURES

<p>A. GRANT DIRECTOR</p> <p>NAME: Chris Jacobson PHONE: 209-333-5517 TITLE: Police Lieutenant FAX: 209-333-6792 ADDRESS: 215 W. Elm Street Lodi, CA 95240 E-MAIL: cjacobson@pd.lodi.gov</p> <p>_____ (SIGNATURE) (Date)</p>	<p>B. AUTHORIZING OFFICIAL OF APPLICANT AGENCY</p> <p>NAME: Konradt Bartlam PHONE: 209-333-6700 TITLE: City Manager FAX: 209-333-6807 ADDRESS: 221 W. Pine Street Lodi, CA 95240 E-MAIL: rbartlam@lodi.gov</p> <p> _____ (Signature) 10-3-12 (Date)</p>
--	--

<p>C. FISCAL OR ACCOUNTING OFFICIAL</p> <p>NAME: Ruby Paiste PHONE: 209-333-2591 TITLE: Finance Manager FAX: 209-333-6795 ADDRESS: 310 W. Elm Street Lodi, CA 95240 E-MAIL: rpaiste@lodi.gov</p> <p> _____ (Signature) 10-3-12 (Date)</p>	<p>D. OFFICE AUTHORIZED TO RECEIVE PAYMENTS</p> <p>NAME: Finance Department ADDRESS: 310 W. Elm Street Lodi, CA 95240</p>
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GRANTS MADE EASY – STEP
(Overtime)

SCHEDULE A
Grant No. PT1357
Page 1

GRANT DESCRIPTION

PROBLEM STATEMENT

In 2010, California's traffic fatalities decreased 11.9 percent (3,081 vs. 2,715) – reaching their lowest level since the federal government began recording traffic fatalities in 1975. California 2009 Mileage Death Rate (MDR) – fatalities per 100 million miles traveled is 0.95, and marks the first time California has been below 1.0. California is much better than the national 1.14 MDR. Although the fatality rates have dropped for four consecutive years (2007-2010), total fatalities are projected to be up 3.5% in 2011.

Alcohol-impaired driving fatalities (fatalities in crashes involving a driver or motorcycle rider (operator) with a blood alcohol concentration (BAC) of 0.08 grams per deciliter (g/dL) or greater) dropped by 14.4 percent from 924 in 2009 to 791 in 2010. The 2010 figure is the lowest DUI death total ever. As a percent of total fatalities, alcohol-impaired fatalities decreased from 30 percent in 2009 to 29 percent in 2010. Unfortunately, this number has remained virtually unchanged in the past five years and DUI arrests have dropped in 2010 to 195,879 as compared to 208,531 in 2009. The 2010 DUI arrest figure represents more DUI arrests than any year between 1997-2005.

For the second year in row, OTS commissioned an observational survey of cell phone use by drivers within the state, looking for hand-held and hands-free talking as well as texting and other use of mobile devices while driving. The overall rate was 10.8 percent of drivers on the road using cell phones at any given daylight time, up from 7.3 percent in 2012. Although observed cell phone use increases were seen across all age groups, 16 to 25 year olds showed a dramatic rise, doubling from 9 percent to 18 percent.

The problem of drugged driving continues to rise. Based on data from the National Highway Traffic Safety Administration, 30 percent of all drivers who were killed in motor vehicle crashes in California in 2010 tested positive for legal and/or illegal drugs, a percentage that has been increasing since 2006.

Motorcycle fatalities decreased 10.7 percent from 394 in 2009 to 352 in 2010, but projections indicated over 400 motorcyclists were killed in 2011.

**GRANTS MADE EASY – STEP
(Overtime)**

**SCHEDULE A
Grant No. PT1357
Page 2**

GRANT DESCRIPTION

Primary Collision Factor: Over the years, approximately 60 to 75 percent of fatal and injury-combined collisions involved various Primary Collision Factors (PCF) such as, DUI, speed, right-of-way, traffic signals and signs, pedestrian violations, and improper turning.

Statewide Primary Collision Factors	2010	
	Fatal	Injury
1. Improper Turning	512	21,764
2. Driving Under the Influence	470	12,477
3. Speed	394	48,999
4. Traffic Signals & Signs	362	5,460
5. Right of Way	167	24,897
Total	1,905	113,597
Total Fatal and Injury Collisions		162,569

Using local data (not OTS Rankings or SWITRS), complete the table below.

Collision Type	2009				2010				2011			
	Collisions		Victims		Collisions		Victims		Collisions		Victims	
Fatal	1		1		2		2		1		1	
Injury	156		202		193		253		241		320	
	Fatal	Injury	Killed	Injured	Fatal	Injury	Killed	Injured	Fatal	Injury	Killed	Injured
Alcohol Involved	0	18	0	25	1	23	1	26	0	24	0	30
Hit & Run	0	14	0	21	0	29	0	33	0	18	0	34
Nighttime (2100-0259 hours)	1	20	1	30	0	26	0	29	1	22	1	34
Top 3 Primary Collision Factors									Fatal	Injury	Killed	Injured
# 1	22350 CVC-Speed								1	39	1	67
#2	22107 CVC-Unsafe Turning Movement								0	8	0	9
#3	21801(a) CVC-Left Turn or U-turn								0	14	0	19

**GRANTS MADE EASY – STEP
(Overtime)**

**SCHEDULE A
Grant No. PT1357
Page 3**

GRANT DESCRIPTION

OFFICE OF TRAFFIC SAFETY - 2010 RANKINGS

The OTS Rankings provide individual cities a way to compare their city's traffic safety statistics to those of other cities with similar-sized populations. Cities can use these comparisons to see what traffic safety areas they may have problems in and which they were doing well in. Identifying emerging or on-going traffic safety problem areas help cities plan how to combat the problems. It should be noted that OTS rankings are only indicators of potential problems; there are many factors that may either understate or overstate a city/county ranking that must be evaluated based on local circumstances.

The OTS Rankings are determined by the following: (1) Victim and collision data for the rankings is taken from the latest available California Highway Patrol (CHP) Statewide Integrated Traffic Records System (SWITRS) data; (2) Victim and collision rankings are based on rates of victims killed and injured or fatal and injury collisions per "1,000 daily-vehicle-miles-of-travel" (Caltrans data) and per "1,000 average population" (Department of Finance data) figures. This more accurately ensures proper weighting and comparisons when populations and daily vehicle miles traveled vary; (3) DUI arrest totals and rankings are calculated for cities only and are based on rates of non-CHP DUI arrests (Department of Justice data). This is so that local jurisdictions can see how their own efforts are working; and (4) Counties are assigned statewide rankings, while cities are assigned population group rankings.

NOTE: City rankings are for incorporated cities only. County Rankings include all roads – state, county and local – and all jurisdictions – CHP, Sheriff, and Police.

AGENCY	NCIC	COUNTY	GROUP	POPULATION (AVG)	DVMT
Lodi	3902	SAN JOAQUIN COUNTY	C	62,284	524,033
TYPE OF COLLISION	VICTIMS KILLED AND INJURED		RANKING BY DAILY VEHICLE MILES TRAVELED	RANKING BY AVERAGE POPULATION	
Total Fatal and Alcohol	255		31/103	37/103	
HBD Driver	27		31/103	38/103	
HBD Driver 21-	3		32/103	38/103	
Motorcyclists	4		66/103	74/103	
Pedestrians.....	7		48/103	58/103	
Pedestrians	24		20/103	22/103	
Pedestrians	8		9/103	10/103	
Pedestrians	2		36/103	43/103	
Bicyclists.....	24		26/103	33/103	
Bicyclists	2		63/103	70/103	
Composite			27/103	32/103	
COLLISIONS					
Speed	34		46/103	55/103	
Nighttime.....	26		17/103	23/103	
Hit and	29		9/103	7/103	
DUI ARRESTS	244	0.65 %		66/103	

**GRANTS MADE EASY – STEP
(Overtime)**

**SCHEDULE A
Grant No. PT1357
Page 4**

GRANT DESCRIPTION

PERFORMANCE MEASURES

GRANT GOALS

1. To reduce the number of persons killed in traffic collisions.
2. To reduce the number of persons injured in traffic collisions.
3. To reduce the number of persons killed in alcohol-involved collisions.
4. To reduce the number of persons injured in alcohol-involved collisions.
5. To reduce the number of persons killed in drug-involved collisions.
6. To reduce the number of persons injured in drug-involved collisions.
7. To reduce the number of motorcyclists killed in traffic collisions.
8. To reduce the number of motorcyclists injured in traffic collisions.
9. To reduce the number of motorcyclists killed in alcohol-involved collisions.
10. To reduce the number of motorcyclists injured in alcohol-involved collisions.
11. To reduce hit & run fatal collisions.
12. To reduce hit & run injury collisions.
13. To reduce nighttime (2100 – 0259 hours) fatal collisions.
14. To reduce nighttime (2100 – 0259 hours) injury collisions.

GRANT OBJECTIVES

1. To issue a press release announcing the kick-off of the grant by November 15 of the first grant year. The press releases and media advisories, alerts, and materials should be emailed to the OTS Public Information Officer at pio@ots.ca.gov, and copied to your OTS Coordinator, for approval 14 days prior to the issuance date of the release.
2. To include, when appropriate, that an at fault driver was suspected of or was in fact drug impaired (if possible not the drug involved, e.g., marijuana, prescription drugs, etc.) when reporting to the media the details from a crash or crash investigation.
3. To send all grant-related activity press releases, media advisories, alerts and general public materials to the OTS Public Information Officer (PIO) at pio@ots.ca.gov, with a copy to your OTS Coordinator. If an OTS template-based press release is used, the OTS PIO and Coordinator should be copied when the release is distributed to the press. If an OTS template is not used, or is substantially changed a draft press release should first be sent to the OTS PIO for approval. Drafts should be sent for approval as early as possible to ensure adequate turn-around time. Optimum lead time would be 10-20 days prior to the operation. Media communications reporting the results of grant activities such as enforcement operations are exempt from the recommended advance approval process, but still should be copied to the OTS PIO and Coordinator when

GRANTS MADE EASY – STEP
(Overtime)

SCHEDULE A
Grant No. PT1357
Page 5

GRANT DESCRIPTION

the release is distributed to the press. Activities such as warrant or probation sweeps and court stings that could be compromised by advanced publicity are exempt from pre-publicity, but are encouraged to offer embargoed media coverage and to report the results.

4. To use the following standard language in all press, media, and printed materials: Funding for this program was provided by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
5. To issue a press release prior to each motorcycle safety enforcement operation to raise awareness about motorcycle safety in general and to draw attention to the motorcycle safety enforcement operations. If you (grantee) choose not to use the OTS template, the press releases and media advisories, alerts, and materials should be emailed to the OTS Public Information Officer at pio@ots.ca.gov, and copied to your OTS Coordinator, for approval 14 days prior to the issuance date of the release.
6. To email the OTS Public Information Officer at pio@ots.ca.gov, and copy your OTS Coordinator, at least 30 days in advance a short description of any significant grant related traffic safety event or program so that OTS has enough notice to arrange for attendance and/or participation in the event.
7. To submit a draft or rough-cut of all printed or recorded material (brochures, posters, scripts, artwork, trailer graphics, etc.), which is meant for general public use, to the OTS Public Information Officer at pio@ots.ca.gov, and copied to your OTS Coordinator, for approval 14 days prior to the production or duplication.
8. To include the OTS logo, space permitting, on grant funded print materials; consult your OTS Coordinator for specifics relating to this grant.
9. To develop and maintain a "Hot Sheet" program to notify patrol and traffic officers to be on the lookout for identified repeat DUI offenders with a suspended or revoked license as a result of DUI convictions by December 31 of the first grant year. Updated Hot Sheets should be distributed to patrol and traffic officers every three to four weeks.
10. To conduct Standardized Field Sobriety Testing (SFST) training for 2 officers by January 31.
11. To send 2 law enforcement personnel to the NHTSA "Advanced Roadside Impaired Driving Enforcement" (ARIDE) 16 hour POST-Certified training by January 31.
12. To send 1 law enforcement personnel to the IACP-certified Drug Recognition Expert (DRE) training program by March 31.
13. To submit (not required but encouraged by OTS) a California Law Enforcement Challenge application to CHP according to instructions on the CHP website <http://www.chp.ca.gov/features/clec.html> and submit a copy of the application to CHP and the Office of Traffic Safety by the last Friday of March.
14. To conduct 32 DUI Saturation Patrols.
15. To conduct 5 highly publicized Motorcycle Safety enforcement operation(s) in areas or during events with a high number of motorcycle incidents or collisions resulting from unsafe speed, DUI, following too closely, unsafe lane changes, improper turning and other primary collision factor violations by motorcyclists and other drivers.

**GRANTS MADE EASY – STEP
(Overtime)**

**SCHEDULE A
Grant No. PT1357
Page 6**

GRANT DESCRIPTION

16. To conduct 2 Bicycle/Pedestrian Safety Operations.
17. To participate in the National Distracted Driving Awareness Month in April.
18. To participate in the statewide Click It or Ticket mobilization period in May.
19. To conduct 12 Traffic Enforcement operation(s), including but not limited to, primary collision factor violations.
20. To collaborate with the county's "Avoid DUI Coalition" by: participating in all planning and scheduling meetings and MADD/Avoid DUI Seminars; providing your county Avoid Coordinator (Host) with your agency's schedule of operations that occur during any Avoid operational campaign period; and reporting daily, during holiday Avoid efforts, to the county Avoid Coordinator your agency's DUI arrests & DUI fatality information for the Avoid media campaign.

NOTE: Nothing in this "agreement" shall be interpreted as a requirement, formal or informal, that a particular police officer issue a specified or predetermined number of citations in pursuance of the goals and objectives hereunder.

METHOD OF PROCEDURE

Phase 1 – Program Preparation, Training and Implementation (1st Quarter of the Grant Year)

- The police department will develop operational plans to implement the "best practice" strategies outlined in the objectives section.
- A draft news release will be submitted to OTS to announce the grant program.
- All training needed to implement the program should be conducted this quarter.
- All grant related purchases needed to implement the program should be made this quarter.
- In order to develop the "Hot Sheets", research will be conducted to identify the "worst of the worst" repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. The Hot Sheets may include the driver's name, last known address, DOB, description, current license status, and the number of times suspended or revoked for DUI. Hot Sheets should be updated and distributed to traffic and patrol officers at least monthly.
- Implementation of the STEP program will be accomplished by deploying personnel at high collision locations.

Phase 2 – Community Awareness (Throughout Grant Period)

- The police department will work to create media opportunities throughout the grant period to call attention to the innovative program strategies and outcomes.

**GRANTS MADE EASY – STEP
(Overtime)**

**SCHEDULE A
Grant No. PT1357
Page 7**

GRANT DESCRIPTION

Phase 3 – Data Collection & Reporting (Throughout Grant Period)

- The police department will submit a Quarterly Performance Report (QPR) and a separate quarterly Schedule C within 30 days following each calendar quarter.
- The final QPR, Schedule C, Claim and Executive Summary are due to OTS 30 days following the end of the grant period.
- Reports shall be completed and submitted in accordance with OTS requirements specified in the Grant Program Manual.

METHOD OF EVALUATION

Using the data compiled during the grant, the Grant Director will prepare the Executive Summary to accompany the final QPR. The Executive Summary will: (1) briefly state the original problem; (2) specify the most significant goals and objectives; (3) highlight the most significant activities that contributed to the success of the program and the strategies used to accomplish the goals; and (4) describe the program's accomplishments as they relate to the goals and objectives.

ADMINISTRATIVE SUPPORT

This program has full support of the City of Lodi. Every effort will be made to continue the activities after the grant conclusion.

SCHEDULE B
 DETAILED BUDGET ESTIMATE
 GRANT NO. PT1357

FUND NUMBER	CATALOG NUMBER (CFDA)	FUND DESCRIPTION
164AL	20.608	MINIMUM PENALTIES FOR REPEAT OFFENDERS FOR DRIVING WHILE INTOXICATED
402PT	20.600	STATE/COMMUNITY HIGHWAY SAFETY

COST CATEGORY	FISCAL YEAR ESTIMATES			TOTAL COST TO GRANT
	CFDA	FY-1 10/1/12 thru 9/30/12		
A. PERSONNEL COSTS				
Positions and Salaries				
Overtime				
DUI Saturations	20.608	\$ 18,944.00		\$ 18,944.00
Benefits @5.45%	20.608	\$ 1,032.00		\$ 1,032.00
Traffic Enforcement Operations	20.600	\$ 18,000.00		\$ 18,000.00
Motorcycle Operations	20.600	\$ 3,000.00		\$ 3,000.00
Bicycle/Pedestrian Enforcement Operations	20.600	\$ 5,488.00		\$ 5,488.00
Benefits @5.45%	20.600	\$ 1,444.00		\$ 1,444.00
Category Sub-Total		\$ 47,908.00		\$ 47,908.00
B. TRAVEL EXPENSE				
In-State	20.600	\$ 3,192.00		\$ 3,192.00
Out-of-State				\$ -
Category Sub-Total		\$ 3,192.00		\$ 3,192.00
C. CONTRACTUAL SERVICES				
Category Sub-Total		\$ -		\$ -
D. EQUIPMENT				
Changeable Message Sign Trailer	20.600	\$ 16,000.00		\$ 16,000.00
Category Sub-Total		\$ 16,000.00		\$ 16,000.00
E. OTHER DIRECT COSTS				
Lidar Devices	20.600	\$ 14,600.00		\$ 14,600.00
Motorcycle Radar Devices	20.600	\$ 8,300.00		\$ 8,300.00
				\$ -
Category Sub-Total		\$ 22,900.00		\$ 22,900.00
F. INDIRECT COSTS				
Category Sub-Total		\$ -		\$ -
GRANT TOTAL				
		\$ 90,000.00		\$ 90,000.00

SCHEDULE B-1
GRANT NO. PT1357

BUDGET NARRATIVE

Page 1

PERSONNEL COSTS

Overtime

Overtime for grant funded law enforcement operations may be conducted by personnel such as a Lieutenant, Sergeant, Corporal, Deputy, Officer, Community Services Officer, Dispatcher, etc., depending on the titles used by the agency and the grantees overtime policy. Personnel will be deployed as needed to accomplish the grant goals and objectives.

Costs are estimated based on an overtime hourly rate range of \$30.70/hour to \$80.21/hour.

Overtime reimbursement (OT hourly rate and benefit) will reflect actual costs of the personnel conducting the appropriate operation up to the maximum range specified.

Maximum Overtime Benefit Rate

Workers Compensation	4.00%
Medicare	1.45%
Total Benefit Rate	5.45%

TRAVEL EXPENSE

Costs are included for appropriate staff to attend conferences and training events supporting the grant goals and objectives and/or traffic safety. Local mileage for grant activities and meetings is included. Anticipated travel may include the Governors Highway Safety Association annual meeting. *All conferences, seminars or training not specifically identified in the SCH B1 budget, must be approved by OTS. All travel claimed must be at the agency approved rate. Per Diem may not be claimed for meals provided at conferences when registration fees are paid with OTS grant funds.*

CONTRACTUAL SERVICES

None

EQUIPMENT

1 Changeable Message Sign Trailer with Radar- fully equipped changeable message sign trailer(s) with a radar device and digital display is portable and fully programmable and will determine and display the speed of vehicles or post traffic safety information and messages during OTS funded operations.

OTHER DIRECT COSTS

4 Lidar Devices – light detection and ranging device used to measure the speed of motor vehicles. This device will be used for speed enforcement.

2 Motorcycle Mounted Radar Devices – Mounted radar device with digital display that measures the speed of motor vehicles for speed enforcement.

SCHEDULE B-1
GRANT NO. PT1357

BUDGET NARRATIVE

Page 2

INDIRECT COSTS

None

PROGRAM INCOME

There will be no program income generated from this grant.

EXHIBIT A
CERTIFICATIONS AND ASSURANCES

Failure to comply with applicable Federal statutes, regulations, and directives may subject Grantee Agency officials to civil or criminal penalties and/or place the State in a high risk grantee status in accordance with 49 CFR §18.12.

The officials named on the Grant Agreement, certify by way of signature on the Grant Agreement signature page, that the Grantee Agency complies with all applicable Federal statutes, regulations, and directives and State rules, guidelines, policies and laws in effect with respect to the periods for which it receives grant funding. Applicable provisions include, but are not limited to, the following:

- 23 U.S.C. Chapter 4 - Highway Safety Act of 1966, as amended
- 49 CFR Part 18 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
- 23 CFR Chapter II - (§§1200, 1205, 1206, 1250, 1251, & 1252) Regulations governing highway safety programs
- NHTSA Order 462-6C - Matching Rates for State and Community Highway Safety Programs
- Highway Safety Grant Funding Policy for Field-Administered Grants

Certifications and Assurances

The Grantee Agency will implement activities in support of national highway safety goals to reduce motor vehicle related fatalities that also reflect the primary data-related crash factors within the State as identified by the State highway safety planning process, including:

- National law enforcement mobilizations,
- Sustained enforcement of statutes addressing impaired driving, occupant protection, and driving in excess of posted speed limits,
- An annual statewide safety belt use survey in accordance with criteria established by the Secretary for the measurement of State safety belt use rates to ensure that the measurements are accurate and representative,
- Development of statewide data systems to provide timely and effective data analysis to support allocation of highway safety resources.

The Grantee Agency shall actively encourage all relevant law enforcement personnel in the State to follow the guidelines established for vehicular pursuits issued by the International Association of Chiefs of Police that are currently in effect. (23 USC 402 (b) (1) (E))

Other Federal Requirements

Cash disbursements and balances will be reported in a timely manner as required by NHTSA. (49 CFR 18.21)

The same standards of timing and amount, including the reporting of cash disbursement and balances, apply to grantees as they do the State. (49 CFR 18.41)

Failure to adhere to these provisions may result in the termination of State drawdown privileges.

Equipment acquired under this Grant Agreement for use in highway safety program areas shall be used and kept in operation for highway safety purposes by the Grantee Agency; or the State, by formal agreement with appropriate

EXHIBIT A
CERTIFICATIONS AND ASSURANCES

officials of a political subdivision or State agency, shall cause such equipment to be used and kept in operation for highway safety purposes (23 CFR 1200.21);

The Grantee Agency will comply with all applicable State procurement procedures and will maintain a financial management system that complies with the minimum requirements of 49 CFR 18.20;

Federal Funding Accountability and Transparency Act

The State will comply with FFATA guidance, OMB Guidance on FFATA Subaward and Executive Compensation Reporting, August 27, 2010, (https://www.fsrs.gov/documents/OMB_Guidance_on_FFATA_Subaward_and_Executive_Compensation_Reporting_08272010.pdf) by reporting to FSRS.gov for each sub-grant awarded:

- Name of the entity receiving the award;
- Amount of the award;
- Information on the award including transaction type, funding agency, the North American Industry Classification System code or Catalog of Federal Domestic Assistance number (where applicable), program source;
- Location of the entity receiving the award and the primary location of performance under the award, including the city, State, congressional district, and country; , and an award title descriptive of the purpose of each funding action;
- A unique identifier (DUNS);
- The names and total compensation of the five most highly compensated officers of the entity if-- of the entity receiving the award and of the parent entity of the recipient, should the entity be owned by another entity;

(i) the entity in the preceding fiscal year received—

(I) 80 percent or more of its annual gross revenues in Federal awards; and (II) \$25,000,000 or more in annual gross revenues from Federal awards; and (ii) the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986;

- Other relevant information specified by OMB guidance.

The Grantee Agency will comply with all Federal statutes and implementing regulations relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin (and 49 CFR Part 21); (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794) and the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq. PL 101-336), which prohibits discrimination on the basis of disabilities (and 49 CFR Part 27); (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse and alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§ 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights

EXHIBIT A
CERTIFICATIONS AND ASSURANCES

Act of 1968 (42 U.S.C. §§ 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; The Civil Rights Restoration Act of 1987, which provides that any portion of a state or local entity receiving federal funds will obligate all programs or activities of that entity to comply with these civil rights laws; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

The Drug-free Workplace Act of 1988 (41 U.S.C. 702):

The Grantee Agency will provide a drug-free workplace by:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- b. Establishing a drug-free awareness program to inform employees about:
 1. The dangers of drug abuse in the workplace.
 2. The grantee's policy of maintaining a drug-free workplace.
 3. Any available drug counseling, rehabilitation, and employee assistance programs.
 4. The penalties that may be imposed upon employees for drug violations occurring in the workplace.
- c. Making it a requirement that each employee engaged in the performance of the grant be given a copy of the statement required by paragraph (a).
- d. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:
 1. Abide by the terms of the statement.
 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction.
- e. Notifying the agency within ten days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction.
- f. Taking one of the following actions, within 30 days of receiving notice under subparagraph (d) (2), with respect to any employee who is so convicted:
 1. Taking appropriate personnel action against such an employee, up to and including termination.
 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by Federal, State, or local health, law enforcement, or other appropriate agency.
- g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f) above.

EXHIBIT A
CERTIFICATIONS AND ASSURANCES

Buy America Act

The Grantee Agency will comply with the provisions of the Buy America Act (49 U.S.C. 5323(j)) which contains the following requirements:

Only steel, iron and manufactured products produced in the United States may be purchased with Federal funds unless the Secretary of Transportation determines that such domestic purchases would be inconsistent with the public interest; that such materials are not reasonably available and of a satisfactory quality; or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. Clear justification for the purchase of non-domestic items must be in the form of a waiver request submitted to and approved by the Secretary of Transportation.

Political Activity (Hatch Act)

The Grantee Agency will comply, as applicable, with the provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

Certification Regarding Federal Lobbying

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The Grantee Agency official certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The Grantee Agency official shall require that the language of this certification be included in the award documents for all sub-award at all tiers (including sub-contracts, sub-grants, and contracts under grant, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

EXHIBIT A
CERTIFICATIONS AND ASSURANCES

Restriction on State Lobbying

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

Certification Regarding Debarment And Suspension

Instructions for Primary Certification

1. By signing and submitting this Grant Agreement, the Grantee Agency official is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The Grantee Agency official shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the Grantee Agency official to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the Grantee Agency official knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The Grantee Agency official shall provide immediate written notice to the department or agency to which this Grant Agreement is submitted if at any time the Grantee Agency official learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and coverage sections of 49 CFR Part 29. You may contact the department or agency to which this Grant Agreement is being submitted for assistance in obtaining a copy of those regulations.
6. The Grantee Agency official agrees by submitting this Grant Agreement that, should the covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR Part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The Grantee Agency official further agrees by submitting this Grant Agreement that it will include the clause

EXHIBIT A
CERTIFICATIONS AND ASSURANCES

titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR Part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the list of Parties Excluded from Federal Procurement and Non-procurement Programs.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR Part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

**Certification Regarding Debarment, Suspension, and Other Responsibility Matters –
Primary Covered Transactions:**

1. The Grantee Agency official certifies to the best of its knowledge and belief, that its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - b. Have not within a three-year period preceding this Grant Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of record, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
2. Where the Grantee Agency official is unable to certify to any of the Statements in this certification, such Grantee Agency official shall attach an explanation to this Grant Agreement.

Instructions for Lower Tier Certification

EXHIBIT A
CERTIFICATIONS AND ASSURANCES

1. By signing and submitting this Grant Agreement, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this Grant Agreement is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definition and Coverage sections of 49 CFR Part 29. You may contact the person to whom this Grant Agreement is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this Grant Agreement that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR Part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions. (See below)
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR Part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR Part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency

EXHIBIT A
CERTIFICATIONS AND ASSURANCES

with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion –
Lower Tier Covered Transactions:**

1. The prospective lower tier participant certifies, by submission of this Grant Agreement, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this Grant Agreement.

Policy to Ban Text Messaging While Driving

In accordance with Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, and DOT Order 3902.10, Text Messaging While Driving, Grantee Agencies are encouraged to:

1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted driving including policies to ban text messaging while driving-
 - a. Company-owned or –rented vehicles, or Government-owned, leased or rented vehicles; or
 - b. Privately-owned when on official Government business or when performing any work on or on behalf of the Government.
2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as-
 - a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

Environmental Impact

The Grantee Agency official has reviewed the Grant Agreement and hereby declares that no significant environmental impact will result from implementing this traffic safety program. If, under a future revision, this program will be modified in such a manner that a program would be instituted that could affect environmental quality to the extent that a review and statement would be necessary, this office is prepared to take the action necessary to comply with the National Environmental Policy Act of 1969 (42 USC 4321 et seq.) and the implementing regulations of the Council on Environmental Quality (40 CFR Parts 1500-1517).

1. AA# _____
 2. JV# _____

**CITY OF LODI
 APPROPRIATION ADJUSTMENT REQUEST**

TO: Internal Services Dept. - Budget Division
 3. FROM: Chief Mark Helms 5. DATE: _____
 4. DEPARTMENT/DIVISION: Police

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	236	236017	5604	Office of Traffic Safety Special Enforcement Grant	\$ 90,000.00
B. USE OF FINANCING	236	236017	7102	Overtime and staff expenses	\$ 47,908.00
	236	236017	7718	Supplies and Equipment	\$ 38,900.00
	236	236017	7358	Training	\$ 3,192.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

Designated funds will cover staff overtime to conduct DUI saturations, traffic enforcement operations, motorcycle operations and bicycle/pedestrian enforcement. and special enforcement operations. Grant funds are also allocated to cover the cost of grant mandated training for staff, new radar devices for the special enforcement, and will fund a changable message sign trailer.

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: _____ Res No: _____ Attach copy of resolution to this form.
 Department Head Signature: Mark Helms

8. APPROVAL SIGNATURES

 Deputy City Manager/Internal Services Manager Date

Submit completed form to the Budget Division with any required documentation.
 Final approval will be provided in electronic copy format.

RESOLUTION NO. 2012-_____

ADOPT RESOLUTION AUTHORIZING THE LODI POLICE DEPARTMENT TO PARTICIPATE IN A SELECTIVE TRAFFIC ENFORCEMENT PROGRAM GRANT FUNDED BY THE OFFICE OF TRAFFIC SAFETY AND APPROPRIATING FUNDS

=====

WHEREAS, the State of California Office of Traffic Safety statistics show the City of Lodi has a significant problem with alcohol and speed related fatal and injury collisions, including those involving pedestrians, bicyclists, hit-and-run drivers and motorcyclists; and

WHEREAS, the Lodi Police Department is eligible to receive a \$90,000 grant from the Office of Traffic Safety to develop and implement a comprehensive traffic safety enforcement program to reduce fatal and injury collisions where the primary collision factor is driving under the influence or speed; and

WHEREAS, this comprehensive traffic safety enforcement program will also work to develop and implement a comprehensive traffic safety enforcement program to reduce fatal and injury collisions where the primary collision factor is driving under the influence (DUI) or speed. The project will also work to reduce motorcycle involved fatal and injury collisions as well as bicycle/pedestrian involved collisions.

WHEREAS, the Lodi Police Department will deploy existing officers on weekend and holiday evenings for motorcycle and DUI saturation enforcement and will conduct twelve DUI checkpoints during the grant period, as well as conducting driver's license checks at all DUI checkpoints to address hit-and-run collisions.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize City of Lodi participation in a Traffic Initiative Grant Agreement between the State of California Office of Traffic Safety and the Lodi Police Department, thereby accepting and appropriating awarded funding in the amount of \$90,000 to the City to enhance traffic enforcement and education, and purchase related materials; and

BE IT FURTHER RESOLVED, that the City Manager is authorized to execute the grant Agreement on behalf of the City of Lodi.

Dated: November 7, 2012

=====

I hereby certify that Resolution No. 2012- _____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 7, 2012, by the following vote:

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

RANDI JOHL
City Clerk

COPY



The Regents of the University of California
School of Public Health, Berkeley,
with Primary Funding from the
California Office of Traffic Safety

GRANT NUMBER
SC13230

GRANT

1. Title of Program

SOBRIETY CHECKPOINT GRANT PROGRAM FOR 2012-2013

2. Name of Applicant Agency

LODI, CITY OF

4. Period of Grant

Month - Day - Year

From: 10/01/12

To: 09/30/13

3. University of California Berkeley, Safe Transportation Research and Education Center
DAVID RAGLAND, PRINCIPAL INVESTIGATOR, UC BERKELEY SAFE TRANSPORTATION
RESEARCH AND EDUCATION CENTER

5. Description of Program

The goal of the Sobriety Checkpoint Grant Program for 2012-2013 is to reduce the number of victims killed and injured in alcohol-involved crashes in participating cities. The period of this grant contract ("contract"), October 01, 2012 to September 30, 2013, encompasses two national mobilization periods: the Winter Holiday Mobilization period, December 14, 2012 - January 01, 2013, and the Labor Day Mobilization period, August 16, 2013 - September 02, 2013. The **Lodi Police Department** will conduct sobriety checkpoints in **Lodi** in accordance with this contract. The contract includes the attached Schedule A - Descriptions, Schedule B - Detailed Budget Estimate, Schedule B-1 - Budget Narrative, and Schedule C - Terms and Conditions.

6. Federal Funds Allocated Under This Grant Shall Not Exceed: **\$92,750.00**

7. Approval Signatures (By signing this page, Agency agrees to the terms and conditions which follow and are attached)

A. The Regents of the University of California Authorized Signature

Name: **Jyl Baldwin** Phone: 510-642-8110

Title: Associate Director, SPO Fax: 510-642-8236

Address: UC Berkeley Sponsored Projects Office
2150 Shattuck Avenue, Suite 300
Berkeley, CA 94704-5940

Email: jlbaldwin@berkeley.edu

(Signature)

(Date)

B. Authorizing Official For Applicant Agency

Name: **Konradt Bartlam** Phone: (209) 333-6700

Title: City Manager Fax: (209) 333-6807

Address: 221 W. Pine Street
Lodi, CA 95240

Email: rbartlam@lodi.gov

(Signature)

10-3-12
(Date)

C. Agency Office Authorized to Receive Payments

Agency: **Lodi, City of** Phone: 209-333-6800
ex. 2620

Office: Finance Department

Address: 310 W. Elm Street
Lodi, CA 95240

Tax ID #: 94-6000361

Contact Person: Wendy Corder-Dowhower

Email: wdowhower@lodi.gov

D. Optional: Individuals Authorized to Sign Claims (in addition to the Authorizing Official For Applicant Agency)

Name: Title:

Ruby R. Faite
(Signature)

10-3-12
(Date)

Name: Title:

(Signature)

(Date)

**Schedule A - Description
Sobriety Checkpoint Grant Program for 2012-2013**

GOALS

1. To reduce the number of victims killed in alcohol-involved crashes.
2. To reduce the number of victims injured in alcohol-involved crashes.
3. To reduce nighttime (2100 hours to 0259 hours) fatal crashes.
4. To reduce nighttime (2100 hours to 0259 hours) injury crashes.
5. To reduce hit and run fatal crashes.
6. To reduce hit and run injury crashes.

AGENCY OBJECTIVES

1. To conduct a total of 12 sobriety checkpoints by September 30, 2013 (should be a minimum of one checkpoint per mobilization).

NOTE: If a department elects to combine a Driver License (DL) checkpoint with a sobriety checkpoint, the department should: 1) inform the public (via the press release) that driver licenses will be checked and 2) conduct DUI/DL checkpoint operations with signs reading, "DUI/Driver License Checkpoint Ahead".

To better identify and apprehend drug-impaired drivers in addition to alcohol-impaired drivers, it is highly recommended that all personnel assigned to staff the greeting lane of the checkpoint be Drug Recognition Experts (DRE's) and/or Advanced Roadside Impaired Driving Enforcement (ARIDE) trained sworn officers. At the very minimum, all officers contacting drivers in the greeting lane should be National Highway Traffic Safety Administration (NHTSA) Standardized Field Sobriety Test (SFST) trained and certified.

To maximize effectiveness, checkpoint operations may be conducted at more than one location on any evening. Each checkpoint should be highly publicized and visible. **The Office of Traffic Safety (OTS) does not fund or support independent DL checkpoints.**

Only on an exception basis and with OTS pre-approval will OTS fund checkpoint operations that begin prior to 1800 hours. When practicable it is recommended that checkpoint operations run until 0300 hours.

2. If appropriate, a supervisor(s) should attend OTS-sponsored "DUI Checkpoints - Planning and Management" eight-hour, POST-certified training by December 31, 2012. Officers are encouraged to attend this training as well.
3. To collect and report checkpoint statistics on-line for checkpoints conducted during the Winter and Labor Day mobilization periods and submit the data by the deadlines established by the Safe Transportation Research and Education Center (SafeTREC).
4. To collect and report checkpoint statistics on-line for checkpoints conducted outside the mobilization periods and to submit the data by the end of the applicable quarter(s).

Schedule A - Description (continued)
Sobriety Checkpoint Grant Program for 2012-2013

MEDIA OBJECTIVES

1. After the statewide kick-off press event, issue a press release announcing the kick-off of this grant, using the OTS kick-off press release template provided by SafeTREC.
2. During the mobilization periods (December 14 - January 1 and August 16 - September 2), if an AVOID media campaign is active in the county, grantee should notify the AVOID Coordinator of checkpoint locations, dates and times at least fourteen (14) days in advance of all planned checkpoints. The AVOID Coordinator should issue press releases including checkpoints conducted during the mobilization periods to all major media outlets in the region.
3. For each checkpoint operation, grantee should distribute a separate press release using the OTS template provided by SafeTREC unless multiple checkpoints are to be conducted within a seven (7) day period, in which case one press release covering the seven (7) day period that covers all operations will suffice. When using the OTS press release template provided by SafeTREC, grantee should forward press releases, media advisories, alerts and other press materials to SafeTREC concurrently with distribution to the media. If any other press release format or copy is used, grantee should submit the press release to the OTS Public Information Officer at pio@ots.ca.gov for his review. Optimum lead-time would be 10 – 20 days prior to the operation. The approved press release should also be sent to the SafeTREC. For post-operational media communications that report the results of checkpoints, grantee does not need to have the release approved by OTS.
4. Grantee should use OTS's Tagline "Report Drunk Drivers. Call 911" on all news releases and checkpoint publication materials.
5. To use the following standard language in all press, media, and printed materials: Funding for this program was provided by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
6. Grantee should issue to the media a post-operational news release reporting the results of the checkpoint (do not submit to OTS media communications reporting the results of checkpoints). Any drug-impaired driving arrests (23152(a)) and other drug arrests (possession, transportation, for sale) made as the result of the checkpoint operation should be incorporated into the post-operational media release.

METHOD OF PROCEDURE**Phase I: Program Preparation (October 1, 2012 – December 13, 2012)**

1. Review the contract to ensure compliance with contract provisions.
2. Notify the SafeTREC of any changes in contact information. The contract, purchase order number and Fact Blasts are emailed to the contact person listed in the agency application.
3. Attend OTS-sponsored "DUI Checkpoints – Planning and Management" eight-hour, POST-certified training by December 31, 2012.
4. Plan checkpoint staffing, e.g., supervisors, officers, clerical staff, or community service officers as needed to staff each sobriety checkpoint on an overtime basis.
5. Send a written request to the SafeTREC to seek approval of any changes to grant funded work or deliverables.
6. Order grant approved checkpoint supplies, if applicable.

Schedule A - Description (continued)
Sobriety Checkpoint Grant Program for 2012-2013

Phase II: Mobilization (December 14, 2012 – January 1, 2013 and August 16, 2013 – September 2, 2013)

7. After the statewide kick-off press event in December, grantee should issue a press release announcing the kick-off of this grant using the OTS kick-off press release template provided by SafeTREC.

8. If an AVOID media campaign is active in the county, grantee should notify the AVOID Coordinator of checkpoint locations, dates and times at least fourteen (14) days in advance of all planned checkpoints. The AVOID Coordinator should issue press releases including checkpoints conducted during the mobilization periods to all major media outlets in the region.

9. For each checkpoint operation, grantee should distribute a separate press release using the OTS template provided by SafeTREC unless multiple checkpoints are to be conducted within a seven (7) day period, in which case one press release covering the seven (7) day period that covers all operations will suffice. When using the OTS press release template provided by SafeTREC, grantee should forward press releases, media advisories, alerts, and other press materials to SafeTREC concurrently with distribution to the media. If any other press release format or copy is used, grantee should submit the press release to the OTS Public Information Officer at pio@ots.ca.gov for his review. Optimum lead-time would be 10 – 20 days prior to the operation. The approved press release should also be sent to the SafeTREC. For post-operational media communications that report the results of checkpoints, grantee does not need to have the release approved by OTS.

10. Use OTS's tagline, "Report Drunk Drivers. Call 911" on all news releases and checkpoint publication materials.

11. Conduct roll call training. Roll call training costs are not reimbursable.

12. To better identify and apprehend drug-impaired drivers in addition to alcohol-impaired drivers, it is highly recommended that all personnel assigned to staff the greeting lane of the checkpoint be Drug Recognition Experts (DRE's) and/or Advanced Roadside Impaired Driving Enforcement (ARIDE) trained sworn officers. At the very minimum, all officers contacting drivers in the greeting lane should be NHTSA Standardized Field Sobriety Test (SFST) trained and certified.

13. Begin the checkpoint no earlier than 1800 hours and if possible and practicable, operate the checkpoint until 0300 hours.

14. Conduct the last checkpoint no later than September 30, 2013.

Phase III: Post Operational Data Reporting (at the end of each mobilization period and each applicable calendar quarter)

15. Submit post-operational data on-line for checkpoints conducted during the Winter Holiday and Labor Day mobilizations. Submit data by the SafeTREC deadlines.

16. Submit post-operational data on-line for checkpoints conducted outside the mobilization periods. Submit the data by the end of the applicable quarter. If multiple checkpoints are conducted during the quarter, summarize(total) the checkpoint statistics.

17. Issue to the media a post-operational news release reporting the results of the checkpoint. Any drug-impaired driving arrests (23152(a)) and other drug arrests (possession, transportation, for sale) made as the result of the checkpoint operation should be incorporated into the post-operational media release.

Phase IV: Claim Submission (at the end of the applicable calendar quarter)

18. Compile actual overtime and checkpoint supply costs incurred for operating the grant-funded checkpoints.

19. Download the claim form from the SafeTREC web site at:
http://www.safetrec.berkeley.edu/checkpointgrants/2012_2013checkpoint.html

20. Complete the claim form for the applicable quarter in accordance with Schedule B – Detailed Budget Estimate and Schedule B-1 – Budget Narrative.

21. Mail the claim forms for the quarter, with the required supporting documentation (specified in Schedule B-1) to the SafeTREC following the end of the applicable calendar quarter.

**Schedule B - Detailed Budget Estimate
Sobriety Checkpoint Grant Program for 2012-2013**

The Lodi, City of will conduct a total of 12 sobriety checkpoints in Lodi as described in Table B below.

Table B

	Number of Checkpoints	Cost Per Checkpoint	Total Cost
Winter Holiday Mobilization, December 14, 2012 – January 01, 2013 (should be a minimum of one checkpoint)	1	\$7,100.00	\$7,100.00
Labor Day Holiday Mobilization, August 16, 2013 – September 02, 2013 (should be a minimum of one checkpoint)	1	\$7,100.00	\$7,100.00
Number of checkpoints outside the mobilization periods	10	\$7,100.00	\$71,000.00
Total Number of Checkpoints	12	Maximum Reimbursable Amount for Checkpoints	\$85,200.00

The cost per checkpoint includes overtime benefits. Only actual benefits accrued from overtime hours will be covered (e.g., retirement, medical/dental/vision insurance, uniform allowances will not be covered). Allowable benefits include: Social Security (OASDI), Workers Compensation, Medicare, State-run disability, and unemployment insurance.

Maximum Reimbursable Amount for Checkpoint Supplies	\$7,550.00
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Only OTS-approved supplies will be reimbursed. The prices of supplies will be reimbursed in accordance with policies established by the OTS.

Grant Total Amount (Maximum Reimbursable Amount for Checkpoints + Maximum Reimbursable Amount for Checkpoint Supplies)	\$92,750.00
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Schedule B-1 - Budget Narrative
Sobriety Checkpoint Grant Program for 2012-2013

Lodi, City of will be reimbursed for overtime personnel costs and checkpoint supplies to conduct the checkpoints.

Overtime reimbursement will reflect actual costs (overtime hourly rate and overtime benefit rates) of the personnel conducting the appropriate operation(s) up to the amount of the approved cost per check point and the grant total stated in Schedule B- Detailed Budget Estimate. Only actual benefits accrued from overtime hours will be covered (e.g., retirement, medical/dental/vision insurance, uniform allowances will not be covered). Allowable benefits include: Social Security (OASDI), Workers Compensation, Medicare, State-run disability, and unemployment insurance.

Budgeted grant activities will be conducted by personnel on an overtime basis. The grant covers only the costs of police department personnel. Grants do not cover contractual services (with the exception of contract cities). Grant-funded operations may be conducted by personnel such as an officer, sergeant, corporal, deputy, community service officer, dispatcher clerical/administrative, etc. depending on the titles used by the agency. Personnel will be deployed as needed to accomplish the grant goals and objectives. Administrative/clerical personnel are allowable only if they worked on the checkpoint operation, e.g., to process the larger than normal volume of citations, towing records, and arrest/incident reports. These reports must be a result of the operation and required to be processed quickly for distribution to the courts and the District Attorney's Office, or to meet statutory time limits. Clerical overtime incurred before the checkpoint or more than one business day after the last day of the checkpoint is not allowable. Costs for preparing claims are not reimbursable.

OTS-approved checkpoint supplies (cones, signage, vests, PAS devices/supplies and lighting equipment) are reimbursable provided that the total cost of supplies, including tax and shipping, does not exceed the awarded amount specified in Schedule B. The prices of supplies will be reimbursed at unit costs not to exceed OTS-established unit costs. Other direct costs are not reimbursable, except for OTS-approved checkpoint supplies.

Indirect costs are not reimbursable.

Reimbursements are contingent upon the following (exceptions must be approved by the SafeTREC):

- i. The applicable post-operational data have been submitted using the SafeTREC's on-line reporting system.
- ii. The claim form is correctly filled out, using the SafeTREC Excel-based form.
- iii. The claim amounts do not exceed the limits set forth in *Schedule B -Detailed Budget Estimate*.
- iv. The information in the overtime slips and the ledger report are consistent and fully support the claim.
- v. A ledger report(s) supporting the claim amount is attached to the claim. Only source documents are accepted to support the claim amount. Explanatory documentation such as spreadsheets may be submitted to provide additional information but cannot be accepted in lieu of a ledger report(s).
- vi. *Contract cities only*: A contract city must also provide the sheriff's department's invoice to the contract city for the checkpoint overtime costs described in the contract city's claim. The invoice (or an attachment to the invoice) must contain the contract rates that are the basis for the sheriff's department's invoiced amount. The contract city must provide a ledger report showing payment of the invoice amount. If a sheriff's department or police department is administering the grant for a contract city, then that administering agency must provide the ledger report only.
- vii. An invoice(s) for the amount of checkpoint supplies is attached to the claim. The invoice must contain a sufficient description of the purchased item(s), quantity, and unit cost.
- viii. The claim is signed by the Authorizing Official (Box B of the grant cover page) or Individuals Authorized to Sign Claims (Box D) as designated in the grant cover page.
- ix. Changes in the Authorizing Official For the Applicant Agency or the designation of any other additional individual(s) to sign claims are documented in accordance with SafeTREC documentation requirements.
- x. The final claim is submitted no later than October 31, 2013.

**Schedule C - Terms and Conditions
Sobriety Checkpoint Grant Program for 2012-2013**

A. INDEMNIFICATION

Applicant Agency agrees to indemnify, defend, and save harmless the State of California, its officers, agents, and employees, the Regents of the University of California, its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Applicant Agency in the performance of this contract.

B. GOVERNING LAW

This Contract shall be governed by and construed in accordance with the laws of the State of California.

C. NON-ASSIGNABILITY

The obligations of the applicant agency under this Contract are not assignable to any third party.

D. USE OF UNIVERSITY NAME/TRADEMARKS

Applicant Agency shall not use the name of the University of California, or any abbreviation thereof, or any name of which "University of California" is a part, or any trademarks of the University, in any commercial context, such as may appear on products, in media (including web sites) and print advertisements in cases when such use may imply an endorsement or sponsorship of the Applicant Agency, its products, or services. All uses of the University's name and trademarks, therefore, must first receive prior written consent of The Regents of the University of California through the Office of Marketing & Business Outreach. This policy is in compliance with the State of California Education Code Section 92000.

E. TERMINATION

Each party has the right to suspend, terminate or abandon the execution of any work by the Applicant Agency without cause at any time upon giving prior written notice. In the event that this contract is suspended, terminated, or abandoned, the Regents of the University of California shall pay the Applicant Agency for services provided hereunder prior to the effective date of said suspension, termination, or abandonment. Said payment shall be computed in accordance with Schedules B and B-1, provided that the maximum amount payable to the Applicant Agency for its services shall not exceed the Grant Total Amount on Schedule B for services provided hereunder prior to the effective date of suspension, termination, or abandonment.

F. STATE OF CALIFORNIA TERMS, CONDITIONS, AND CERTIFICATIONS

Applicant Agency agrees to abide by the General Terms, Conditions, and Certifications contained in OTS Grant Program Manual, Chapter 8, Exhibit D, Federal Certifications and Assurances.

1. AA# _____
 2. JV# _____

**CITY OF LODI
 APPROPRIATION ADJUSTMENT REQUEST**

TO: Internal Services Dept. - Budget Division
 3. FROM: Chief Mark Helms 5. DATE: _____
 4. DEPARTMENT/DIVISION: Police

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	236	236018	5604	Sobriety Check Grant-Berkeley	\$ 92,750.00
B. USE OF FINANCING	236	236018	7102	Staffing for checkpoints	\$ 85,200.00
	236	236018	7718	Supplies and Equipment	\$ 7,550.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

Conduct 12 sobriety checkpoints from December 2012 through September 2013 as outlined in the grant.

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: _____ Res No: _____ Attach copy of resolution to this form.
 Department Head Signature: Mark Helms

8. APPROVAL SIGNATURES

 Deputy City Manager/Internal Services Manager Date

Submit completed form to the Budget Division with any required documentation.
 Final approval will be provided in electronic copy format.

RESOLUTION NO. 2012- _____

ADOPT RESOLUTION AUTHORIZING THE LODI POLICE DEPARTMENT TO PARTICIPATE IN A SELECTIVE TRAFFIC ENFORCEMENT PROGRAM GRANT FUNDED BY THE OFFICE OF TRAFFIC SAFETY AND APPROPRIATING FUNDS

WHEREAS, the State of California Office of Traffic Safety statistics show the City of Lodi has a significant problem with alcohol and speed related fatal and injury collisions, including those involving hit-and-run drivers and motorcyclists; and

WHEREAS, the Lodi Police Department is eligible to receive a \$92,750 from the Office of Traffic Safety to develop and implement a "Sobriety Checkpoint Grant Program" to reduce fatal and injury collisions where the primary collision factor is driving under the influence; and

WHEREAS, this "Sobriety Checkpoint Grant Program" will also work to develop and implement a comprehensive traffic safety enforcement program to reduce fatal and injury collisions where the primary collision factor is driving under the influence (DUI). The project will also work to reduce motorcycle involved fatal and injury collisions as well.

WHEREAS, the Lodi Police Department will deploy existing officers on weekend and holiday evenings to conduct twelve DUI checkpoints, as well as drivers license checks, during the grant period.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize City of Lodi participation in a Traffic Initiative Grant Agreement between the State of California Office of Traffic Safety and the Lodi Police Department, thereby accepting and appropriating awarded funding in the amount of \$92,750 to the City to enhance traffic enforcement and education, and purchase related materials; and

BE IT FURTHER RESOLVED, that the City Manager is authorized to execute the grant Agreement on behalf of the City of Lodi.

Dated: November 7, 2012

I hereby certify that Resolution No. 2012-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 7, 2012, by the following vote:

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

RANDI JOHL
City Clerk

Comments by the public on non-agenda items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

Comments by the City Council Members on non-agenda items



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Appointment to the Lodi Improvement Committee

MEETING DATE: November 7, 2012

PREPARED BY: City Clerk

RECOMMENDED ACTION: Concur with the Mayor's appointment to the Lodi Improvement Committee.

BACKGROUND INFORMATION: On August 15, 2012, the City Council directed the City Clerk to post for the vacancy on the Lodi Improvement Committee. The Mayor reviewed the applications, conducted interviews, and recommends that the City Council concur with the following appointment.

Lodi Improvement Committee

Jarred Ditmore Term to expire March 1, 2015

NOTE: Five applicants (three new applications and two on file); posting ordered 8/15/12; application deadline 9/17/12

Government Code Section 54970 et seq. requires that the City Clerk post for vacancies to allow citizens interested in serving to submit an application.

FISCAL IMPACT: None.

FUNDING AVAILABLE: Not applicable.

Randi Johl
City Clerk

RJ/JMR

APPROVED: _____
Konradt Bartlam, City Manager



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Uncodified Interim Urgency Ordinance to Establish a Moratorium on 1) the Outdoor Cultivation of Medical Marijuana within the City of Lodi, and 2) the Indoor Cultivation of Medical Marijuana that Creates a Public Nuisance

MEETING DATE: November 7, 2012

PREPARED BY: Deputy City Attorney

RECOMMENDED ACTION: Adopt Uncodified Interim Urgency Ordinance to establish a moratorium on 1) the cultivation of medical marijuana within the City of Lodi, and 2) the indoor cultivation of medical marijuana that creates a public nuisance.

BACKGROUND INFORMATION: A lengthy presentation on the options for regulating the cultivation of medical marijuana in the City of Lodi was heard by the Council at the Shirtsleeve meeting of October 16, 2012. Following public comment and discussion, staff is bringing Council a proposed ordinance that would protect against the public nuisance and crime-related concerns that are associated with the cultivation of medical marijuana, while balancing the rights of medical marijuana patients under state law.

Because there is insufficient time for staff and the Council to study and discuss the complicated legal and practical issues involved in regulating the cultivation of marijuana for medical use, staff recommends that the Council adopt an interim urgency ordinance banning the outdoor cultivation of medical marijuana within the City of Lodi and the indoor cultivation of medical marijuana within the City of Lodi that creates a public nuisance resulting from the visibility of marijuana from the public right-of-way or the smell of marijuana beyond the property line of the property where indoor cultivation is taking place. If adopted as an urgency ordinance, under the provisions of Government Code section 65858, the proposed ordinance would become effective immediately upon a four-fifths (4/5) vote of the Council. The proposed ordinance would remain in full force and effect for 45-days from the date of adoption, unless terminated earlier or extended by vote of the Council, as discussed below.

Currently the City has no explicit regulations governing the cultivation of marijuana for medical use. Cultivation of marijuana for any purpose remains illegal under the federal Controlled Substance Act; but under California's Medical Marijuana Program Act, cultivation of marijuana by a Qualified Patient (defined by Health & Saf. Code, §11362.7(f)) or a Primary Caregiver (defined by Health & Saf. Code, §11362.7(d)) is expressly allowed. However, state law does not set out a regulatory scheme for the cultivation of medical marijuana, leaving it to cities and counties to adopt ordinances governing where and how marijuana for medical purposes should be grown.

The Lodi Police Department is aware of numerous medical marijuana cultivation sites within the City. Lodi has experienced burglaries, robberies, violent crimes, and electrical utility thefts associated with the cultivation of marijuana, both for medical and non-medical uses. In all likelihood there have also been unreported thefts and physical confrontations between marijuana growers and suspects. Because marijuana is the target of theft, some growers have armed themselves to protect their plants. In addition, the City has received complaints of the odors and visible nuisance created by the outdoor cultivation of

marijuana. All of these circumstances negatively affect the health, safety and welfare of the City's residents and businesses.

Unless adopted as an interim urgency ordinance, the cultivation of marijuana will continue without any regulatory framework, thereby perpetuating the serious health, safety and welfare hazards posed by the continuation of unregulated cultivation.

The proposed interim urgency ordinance will allow time for staff and the Council to continue to study and discuss the complicated legal and practical issues involved in the regulation of the cultivation of marijuana for medical purposes, while protecting the health, safety and welfare of the community. A ban on the outdoor cultivation of marijuana and the indoor cultivation of medical marijuana that causes a nuisance (i.e. can be seen or smelled from the property line) is necessary and appropriate to maintain and protect the public health, safety and welfare of the citizens of the City of Lodi which allowing for the research, drafting, public input and adoption of a permanent ordinance addressing the regulation of the cultivation of medical marijuana.

The proposed interim urgency ordinance does not conflict with the federal Controlled Substance Act (21 U.S.C. §841) or permit any activity that is prohibited under the CSA. Further, nothing in the proposed interim urgency ordinance should be construed as allowing persons to engage in activities that endanger others or causes a public nuisance, allows the use of marijuana for other than medical grounds as set forth under the Compassionate Use Act (Health & Saf. Code, §11362.5), or allows any activity associated with the cultivation, harvesting, distribution, or consumption of marijuana that is illegal under the CSA.

Under Government Code section 65858, the Council, with a minimum four-fifths (4/5) vote, may, to protect the public safety, health, and welfare of the community, "adopt as an urgency measure an interim ordinance prohibiting any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the legislative body...is considering or studying or intends to study within a reasonable time." As proposed, the recommended urgency interim ordinance would place a 45-day moratorium on the outdoor cultivation of medical marijuana within the City of Lodi and the indoor cultivation of medical marijuana within the City of Lodi that creates a public nuisance resulting from the visibility of marijuana from the public right-of-way or smell of marijuana beyond the property line of the property where indoor cultivation is occurring. Although staff will do its best to complete its study, analysis, and drafting of a proposed ordinance within the 45-day timeframe, staff may ultimately bring forward an ordinance to extend the proposed moratorium for consideration at the Council's meeting on December 19, 2012. Government Code section 65858 provides that the Council, may, after notice to the public pursuant to Government Code section 65090 and a public hearing, extend an urgency ordinance beyond the initial 45-days for a period for 10 months and 15 days. The extension requires a minimum four-fifths (4/5) vote to be adopted. Thereafter a final one-year extension is permissible under Section 65858(a).

Without the proposed 45-day moratorium, the City has very limited means to control the outdoor or indoor cultivation of medical marijuana within the City of Lodi.

FUNDING: None.

Janice D. Magdich
Deputy City Attorney

Attachments: Proposed Interim Urgency Ordinance
cc: Mark Helms, Police Chief

APPROVED: _____
Konradt Bartlam, City Manager

ORDINANCE NO. _____

AN UNCODIFIED INTERIM URGENCY ORDINANCE OF THE
CITY COUNCIL OF THE CITY OF LODI IMPOSING A MORATORIUM
ON 1) THE OUTDOOR CULTIVATION OF MEDICAL MARIJUANA
WITHIN THE CITY OF LODI AND 2) THE INDOOR CULTIVATION OF
MEDICAL MARIJUANA THAT CREATES A PUBLIC NUISANCE

=====

WHEREAS, in 1996, the voters of the State of California approved Proposition 215, which was codified as Health and Safety Code section 11362.5, *et seq.* and entitled the Compassionate Use Act of 1996 (“the Act”); and

WHEREAS, the intent of Proposition 215 was to enable persons who are in need of marijuana for medical purposes to obtain and use it under limited, specified circumstances; and

WHEREAS, on January 1, 2004, Senate Bill 420 (Medical Marijuana Program Act) became effective to clarify the scope of the Act and to allow cities and counties to adopt and enforce rules and regulations consistent with SB 420 and the Act; and

WHEREAS, Health and Safety Code section 11362.83 expressly allows cities and counties to adopt and enforce ordinances that are consistent with SB 420; and

WHEREAS, under the federal Controlled Substances Act (21 U.S.C. §841), marijuana is classified as a Schedule 1 drug, meaning it has no accepted medical use; and

WHEREAS, Government Code section 65858 authorizes cities to adopt moratoriums on land use entitlements in order to study any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal; and

WHEREAS, Government Code sections 65850(a) and 65850(c)(4), provide the authority of the City of Lodi to regulate by ordinance the uses of land and the intensity of land use; and

WHEREAS, the City of Lodi Police Department and residents of the City of Lodi have reported adverse impacts from the outdoor cultivation of medical marijuana within the City of Lodi, including offensive odors detectable beyond the property boundaries, increased risk of trespassing, violent crime, burglary, and theft; and

WHEREAS, the strong odor of marijuana plants, which increases in intensity as the plants mature, is highly offensive to many individuals and creates an attractive nuisance, alerting people to the presence and location of marijuana plants, creating an increased risk of burglary, robbery or armed robbery because of the monetary value of the plants; and

WHEREAS, the presence of marijuana plants is an attractive nuisance to minors, creating a potential hazard in areas frequented by minors, such as schools, parks, recreation centers, and similar facilities; and

WHEREAS, the cultivation of medical marijuana raise issues of first impression for the City, which currently does not address or regulate in any manner the cultivation of medical marijuana in its Municipal Code; and

WHEREAS, there is not sufficient time for the City of Lodi to adopt a regular, non-urgency ordinance regulating the outdoor and indoor cultivation of medical marijuana; and

WHEREAS, it is the intention of the City Council of the City of Lodi that nothing in this Ordinance be deemed to conflict with the federal Controlled Substances Act (21 U.S.C. §841), by permitting or otherwise allowing any activity which is prohibited under the Act; and

WHEREAS, the City Council of the City of Lodi is aware that the cultivation and possession of marijuana for medical purposes by Qualified Patients and Primary Caregivers as defined under California law (Health & Saf. Code, §§11362.7(f) and 11362.7(d), respectively), it is the intention of the Council that nothing in this Ordinance be construed, in any way, to expand the rights of anyone to cultivate, possess or use marijuana under state law, engage in any public nuisance, violate the federal Controlled Substance Act, or engage in any activity regarding the cultivation, distribution, use or consumption of marijuana that is otherwise prohibited by law; and

WHEREAS, it is the purpose and intent of this Ordinance to ensure that marijuana grown for medical purposes remains secure and does not find its way to persons other than Qualified Patients or Primary Caregivers, or illicit markets; and

WHEREAS, it is the purpose and intent of this Ordinance to assist law enforcement personnel to perform their duties effectively and in accordance with California law; and

WHEREAS, this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Government Code section 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and Section 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; it prevents changes in the environment pending the completion of the contemplated General Plan adoption and zoning ordinance review; and

WHEREAS, for the protection of the public's health, safety, and general welfare, the City desires to adopt this moratorium to provide time for the City to consider that adoption of regulatory standards and conditions to be imposed on the outdoor and indoor cultivation of medical marijuana; and

WHEREAS, the City desires that such moratorium take effect immediately upon its adoption in accordance with Government Code section 36934.

///

///

NOW, THEREFORE, BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

Section 1. Imposition of Moratorium.

A. In accordance with Government Code section 65858, from and after the date of this Ordinance, the outdoor cultivation of marijuana, for any purpose, within the incorporated area of the City of Lodi is hereby prohibited for a period of forty-five (45) days. Further, any indoor cultivation of medical marijuana by a Qualified Patient or Primary Caregiver within the incorporated area of the City of Lodi that creates a public nuisance resulting from the visibility of marijuana from the public right-of-way or the odor of marijuana beyond the property line of the property where the indoor cultivation is taking place is prohibited for a period of forty-five (45) days.

B. Any property found to be in violation of this Ordinance shall be declared to be a public nuisance and may be summarily abated by the City of Lodi pursuant to Civil Code Section 731. Nothing in this Ordinance shall be deemed to prevent the city attorney from bringing a civil action for injunctive relief and civil penalties pursuant to Lodi Municipal Code Chapter 1.10. In any civil action brought under Chapter 1.10, a court of competent jurisdiction may award reasonable attorneys fees and costs to the prevailing party.

C. For purposes of this Ordinance, the terms "Primary Caregiver," "Qualified Patient" shall have the same meaning as that set forth in Health and Safety Code Sections 11362.7(f) and 11362.7(d), respectively.

D. This Ordinance is an interim urgency ordinance adopted pursuant to the authority granted to the City of Lodi by Government Code section 65858 and is for the immediate preservation of the public health, safety, and welfare. The City Council of the City of Lodi hereby finds and declares that there is a need to enact an urgency interim ordinance establishing a moratorium banning the outdoor cultivation of medical marijuana within the City of Lodi and the indoor cultivation of medical marijuana by a Qualified Patient or Primary Caregiver within the City of Lodi that creates a public nuisance resulting from the visibility of marijuana from the public right-of-way or the odor of marijuana beyond the property line of the property where indoor cultivation is taking place, based upon the findings set forth hereinabove and incorporated herein.

Section 2. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council of the City of Lodi hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid or ineffective.

Section 3. No Mandatory Duty of Care. This Ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the

City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 4. Conflict. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

Section 5. Effective Date. This urgency Ordinance shall be published one time in the "Lodi News Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi, and shall be in force and take effect immediately from and after its passage and approval by at least four-fifths vote of the City Council and shall be in effect for forty-five (45) days from the date of adoption unless extended by the City Council as provided for in Government Code section 65858.

Approved this 7th day of November, 2012

JOANNE MOUNCE
Mayor

ATTEST:

RANDI JOHL, City Clerk
State of California

County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was adopted as an urgency ordinance at a regular meeting of the City Council of the City of Lodi held November 7, 2012, and was thereafter passed, adopted, and ordered to print by the following vote:

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

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

RANDI JOHL, City Clerk

Approved to Form:

JANICE D. MAGDICH
Deputy City Attorney



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Lodi Tourism Business Improvement District (LTBID) 2013 Annual Report, Adopt Resolution of Intention to Levy Annual Assessment, and Set a Public Hearing for November 21, 2012 to Consider the Proposed Assessment

MEETING DATE: November 7, 2012

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Approve Lodi Tourism Business Improvement District (LTBID) 2013 Annual Report, adopt Resolution of Intention to Levy Annual Assessment, and set a public hearing for November 21, 2012 to consider the proposed assessment.

BACKGROUND INFORMATION: Pursuant to Lodi Municipal Code Chapter 12.07 and Streets and Highways Code Section 35600 et seq., the LTBID membership board is required to present an Annual Report (Exhibit A) for the City Council's review and approval. This must be done prior to the public hearing and adoption of a resolution confirming the 2013 Annual Report and levy of assessment. The City collects an administrative fee of 5 percent from the LTBID assessment. Representatives of the LTBID will be in attendance to make a presentation. The levy of the annual assessment will be discussed at a public hearing on November 21, 2012.

The City provides additional funding to Visit Lodi! under a Memorandum of Understanding (MOU) approved by the City Council on August 19, 2009. The MOU provides additional funding at a rate of 19 percent of the Transient Occupancy Tax (TOT) collections. The MOU covers the period of July 1, 2009 through June 30, 2014 and includes a provision for an annual report.

Nancy Beckman, President and CEO of Visit Lodi!, will present the Annual Report to the Council.

FISCAL IMPACT: Funding for Visit Lodi! generates additional funding for local merchants and the City as tourism dollars are spent locally.

FUNDING: \$88,300 is included in the FY 2012/13 City budget.

Jordan Ayers
Deputy City Manager

Attachment

APPROVED: _____
Konradt Bartlam, City Manager



October 24, 2012

Randi Johl
City of Lodi
221 W. Pine St.
Lodi, CA 95240

Dear Ms. Johl,

Enclosed please find the 2013 Annual Report for the Lodi Tourism Business Improvement District (LTBID) which was established October 6, 2004 by City Ordinance 1753 and was amended 11/19/2008 by Resolution No. 2008-229.

Enclosed you will find a 2013 work plan, budget and method of assessment as required by the California Streets and Highways Code #33650. Please note there are no suggested changes to the District at this time.

I plan to make a presentation to the Council at the November 7, 2012 City Council meeting. Please feel free to call me with any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Nancy Beckman". The signature is fluid and cursive, with a long horizontal line extending to the right.

Nancy Beckman
President and CEO

2013 Lodi Tourism Business Improvement District Annual Report

Assessment Funding Purpose: To administer marketing programs to promote the City of Lodi as a tourism destination and to fund projects, programs, and activities that benefit hotels within the Business Improvement District boundaries

Method of Assessment: The LTBID includes all hotels/lodging facilities within the City of Lodi as well as two properties currently located at the intersection of Kettleman Ln. and I-5. Each lodging facility within the district shall be assessed 3% of the gross room rental revenue. Rentals (stays) lasting over 30 days are not subject to the assessment. The assessment is levied annually and collected quarterly.

2013 Work Plan (See Attached)

For the purpose of the Annual Report presentation, we have broken our 2013 Work Plan into 5 project areas:

- Marketing/Promotional Activities
- Customer Service & Hospitality
- Events
- Communications
- Committees

2013 Budget

Income - BID	\$312,000.00
Income-City of Lodi	\$102,464.00
Income - Tourism Lunch	\$8,500.00
Income-postage donations	\$30.00
Income - Ares booking engine	\$60.00
Income-website advertising	\$1,750.00

Total Income **\$424,804.00**

Advertising	\$65,000.00
Automobile Expense	\$3,717.00
Bank Service Charges	\$525.00
Contingencies/Unexpected Opportunities	\$7,568.00
Dues & Subscriptions	\$3,470.00
Education/Conferences	\$1,175.00
Equipment Lease	\$3,801.00
Event Expenses - Tourism Lunch	\$7,998.00
Gifts	\$200.00
Hospitality/Meetings: Planning Retreat	\$2,000.00
Hospitality/Meetings: Other	\$2,618.00
<u>Insurance</u>	
Directors & Officers	\$1,216.00
Health	\$4,200.00

Liability	\$700.00
Work Comp	\$1,500.00
<u>Office Expenses</u>	
Maintenance	\$6,390.00
Supplies	\$1,965.00
<u>Personnel</u>	
Salaries	\$157,000.00
Benefits	\$10,522.00
Postage & Delivery	\$2,863.00
Printing & Reproduction	\$5,225.00
<u>Professional Fees</u>	
Accounting	\$3,585.00
Administration-City of Lodi	\$15,600.00
Promotion	\$44,720.00
Rent	\$34,800.00
<u>Repairs</u>	
Computer Repairs	\$1,000.00
<u>Tax & License</u>	
Payroll	\$14,561.00
Property	\$0.00
Licenses	\$25.00
Technology	\$4,695.00
Telephone	\$2,520.00
Trade Shows	\$5,650.00
<u>Travel & Entertainment</u>	
Meals	\$875.00
Travel	\$2,720.00
Utilities - Gas & Electric	\$4,400.00
Total Expense	\$424,804.00
Net Profit (Loss)	\$0.00

Visit Lodi!
Conference & Visitors Bureau

2013 Work Plan

Marketing/Promotional Activities

Leisure Market

Targeted Advertising: Ads will be placed in designated target markets including the greater Sacramento, greater Bay Area and Northern California region to promote Lodi. Ads will be both hard copy and digital in nature and will include a response measure for tracking purposes wherever possible.

Trade Shows: Visit Lodi! will have a booth at the 2013 Bay Area Travel Show and will partner with the Central Valley Tourism Association to promote and represent Lodi at the Long Beach Travel and Adventure Show. Staff will actively promote and recruit partners to participate as vendors where possible as a way to have a greater presence at the shows while increasing visibility and promotional opportunity for Lodi. All leads will be tracked and a database of contacts will be maintained for future marketing opportunities.

LodiView: Visit Lodi! will continue to offer LodiView as a monthly e-publication highlighting Lodi events and activities of interest to the tourist. LodiView distribution is currently at over 4,000 subscribers.

Quarterly e-postcards: In 2013 Visit Lodi! will produce quarterly e-postcards that will be mailed to our marketing database. Each postcard will feature a call to action and will give recipients the ability to click through to the Visit Lodi! website for special offers and other Lodi visitor information.

Social Media: Staff will utilize social media (Facebook & Twitter) a minimum of twice a week to promote Lodi events and businesses. Staff proposes to utilize contests and give-a-ways as a way to increase followers. In addition, staff will produce quarterly Lodi You Tube videos.

Group Market

Tradeshows: Visit Lodi! will attend three sales shows created for the group market: The California Society of Association Executives (Cal SAE), the Sacramento/Sierra Nevada Chapter of Meeting Professionals International (MPI) Conference and Trade Show, and Society of Government Meeting Planners (SGMP). All sales leads will be followed up on and added to our database for future marketing opportunities.

Visit Lodi! will partner with the Central Valley Tourism Association to promote and represent Lodi at POW WOW and the International Tour Management Institute.

Fam Tours: Visit Lodi! Group Sales Manager will host quarterly Fam Tours for meeting planners and group decision makers as a tool to showcase Lodi as a group meeting destination.

Direct Mail Campaign: Quarterly fliers/brochures will be sent to group sales decision makers to reinforce the vision of Lodi as a go-to destination for meetings/conferences/events. Quarterly mailers will keep Lodi top-of-mind for meeting planners, association leaders and social/fraternal groups.

Local Host Program: In 2013, the Group Sales Manager will reach out to locals with quarterly email blasts and direct calls to promote the Host-at-Home Program. When appropriate, the Host-at-Home Award will be given out at the Annual Tourism Luncheon as a way to generate group sales leads by 1.) reminding citizens and local leaders as to the benefits of bringing their groups to Lodi, and 2.) recognizing individuals who participate in the program by referring groups to Visit Lodi! sales staff.

Sales Calls: An average of two days a month sales staff will make face-to-face sales appointments to group decision makers out of the area in an effort to sell them on bringing their group events and meetings to Lodi. Additionally, sales staff will utilize cold calls to meeting planners and association leaders as a way to maintain visibility and continually educate potential clients to the value of Lodi as a meeting destination.

Wine & Dine: Visit Lodi! will hold two out of the area Wine & Dine social events for group decision makers as an alternative to the FAM Tour. These events will provide an opportunity for Visit Lodi! staff to promote Lodi to hard-to-reach decision makers.

Meeting Professionals Organizations: The Group Sales Manager will maintain memberships in MPI, SGMP and CalSAE and regularly attend meetings and events of these organizations. This gives Visit Lodi! an opportunity to help build business relationships with group decision makers.

Sponsorships and Incentives: Visit Lodi! will utilize sponsorships and incentives at tradeshow and industry events (when appropriate and as funding allows) as a method by which to introduce the group market to Lodi as a destination. Sponsorships may be used as an incentive to facilitate bringing a group event to Lodi. Examples are sponsoring a wine reception at a meeting planner's conference or offering a cash incentive to bring a group to Lodi.

Customer Service/Hospitality

Visitor Information Packets: Visitor information will be distributed on request via email or through access on our website.

Website: The goal of the Visit Lodi! website is twofold: 1.) To educate and create awareness of Lodi as a visitor destination and to 2.) Provide the highest degree of customer service by ensuring that visitor information is complete, up-to-date and easily accessible. In 2013 Visit Lodi! will redesign their website as well as produce a mobile site to reflect the marketing direction suggested by the 2012 Lodi Brand Print program.

Visitor Publications: Visit Lodi! will develop and maintain a number of publications geared to increase availability of visitor information.

- **Lodi Visitor Guide:** An updated Lodi Visitor Guide will be presented for distribution in the Summer of 2013. The book which is designed to showcase Lodi to potential visitors and tourists is currently distributed to hotels, wineries, venues and other tourist attractions. It is one of the main marketing pieces for Visit Lodi! and is mailed upon request and is distributed at travel trade and sales shows. Consumers will be able to access the guide on-line and advertisers in the guide will have the ability to change their on-line ads 4 times throughout the year giving them flexibility in their advertising campaigns.
- **Festival & Events Calendar:** Visit Lodi! will produce an in-house designed/printed Festival & Events Calendar. The Calendar, produced quarterly, is a quick reference to events in the Lodi area and is distributed at the hotels, wineries, attractions, tradeshow, and included in visitor information packets.
- **Visitor Attraction Map & Guide:** The Visitor Attraction Map & Guide is distributed to hotels, wineries and attractions for their use and will be sent out to visitors upon request as well as utilized as give-a-ways at tradeshow. The map is designed to fold into a brochure so that it can be used in a card rack or as a self-mailer.
- **Meeting Facilities Brochure:** The Meeting Facilities Brochure is designed to provide information to potential consumers on event facilities and will be utilized heavily by Sales staff when promoting local venues to the group market.

Hotel Brochure Distribution: Visit Lodi! staff will provide a monthly brochure distribution service to all Lodi hotels, wineries and attractions. The goal is to ensure that visitor information is widely available and easily accessible to guests.

Events

Tourism Luncheon: May 2013, Visit Lodi! will host the 7th Annual Tourism Luncheon. The Luncheon is designed to give Visit Lodi! the opportunity to promote their programs and services to the greater Lodi community.

Communications

Newsletter: Visit Lodi!'s digital newsletter Tourism-at-a-Glance will feature new business openings, events and other items of interest to those vested in the tourism industry as well as information on programs and services offered by the Visit Lodi! Conference & Visitors Bureau. The newsletter will be distributed to local business leaders and elected officials.

Committees

Hotel Council: The Visit Lodi! Hotel Council meets quarterly to exchange information about Lodi events, promotions, and programs and services.

Destination Lodi: The Destination Lodi Committee which was started in 2011 is designed to bring together diverse industries vested in the Lodi tourism movement to enhance cooperation between industries as well as to increase cross-marketing opportunities.

RESOLUTION NO. 2012-_____

A RESOLUTION OF INTENTION OF THE LODI CITY
COUNCIL TO LEVY ANNUAL ASSESSMENT FOR LODI
TOURISM BUSINESS IMPROVEMENT DISTRICT,
ESTABLISHING PUBLIC HEARING DATE, AND
APPROVING ANNUAL REPORT

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WHEREAS, Lodi Tourism Business Improvement District was established December 20, 2004, by City Council Ordinance 1753, and as amended by Ordinances 1756 and 1818; and

WHEREAS, the Annual Report, as required by Streets and Highways Code Section 36533, has been submitted to the Board of Directors of said improvement district.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that it does hereby resolve, determine, and finds as follows:

1. Approves the Annual Report as submitted, said report being on file with the City Clerk.
2. Establishes November 21, 2012, in the City Council Chambers, Carnegie Forum, 305 West Pine Street, Lodi, California, at 7:00 p.m., or as soon thereafter as possible, as the date, place, and time to hold the public hearing.
3. It is the intention of the City Council to levy and collect assessments within the Lodi Tourism Business Improvement District for the calendar year 2013 (the District's fiscal year).
4. The proceeds from the Lodi Tourism Business Improvement District assessment shall be used to administer marketing programs to promote the City of Lodi as a tourism destination and to fund projects, programs, and activities that benefit hotels within the City of Lodi. The boundaries of the Lodi Tourism Business Improvement District shall be the boundaries of the City of Lodi and County Service Area #31 (Flag City). Refer to the report on file with the Lodi City Clerk's office for a full and detailed description of the improvements and activities, boundaries, and proposed assessments for the 2013 fiscal year.
5. At the time of the public hearing, written and oral protests may be made. The form and manner of protests shall comply with Streets and Highways Code Sections 36524 and 36525.

Dated: November 7, 2012

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I hereby certify that Resolution No. 2012-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 7, 2012, by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2012-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Approving Debt Management Policy
MEETING DATE: November 7, 2012
PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Adopt resolution approving Debt Management Policy.

BACKGROUND INFORMATION: The Government Finance Officers Association has adopted a best practice that recommends that state and local governments have a debt management policy in place. Debt management policies are guidelines that affect the amount and type of debt that an entity issues, the issuance process, and the management of the debt portfolio. A debt management policy should guide the quality of decisions, provide justification for the structure of debt, identify policy goals and demonstrate a commitment to long-term financial planning. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and should meet its obligations in a timely manner.

During the recent refinancing, one of the ratings agencies asked staff about our debt management policy. Staff informed the rating agency that we did not have such a policy in place. While the rating agency did not make this a significant issue, it did provide a signal to staff that we should bring such a policy to Council for adoption. Attached is the proposed policy for your review and adoption.

FISCAL IMPACT: No direct fiscal impact at this time.

FUNDING AVAILABLE: Not applicable.

Jordan Ayers
Deputy City Manager

JA/ja
Attachments

APPROVED: _____
Konradt Bartlam, City Manager

RESOLUTION NO. 2012-_____

A RESOLUTION OF THE LODI CITY
COUNCIL APPROVING THE CITY OF LODI
DEBT MANAGEMENT POLICY

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BE IT RESOLVED that the City Council of the City of Lodi has reviewed and hereby approves the attached City of Lodi Debt Management Policy, which shall be effective this date.

Dated: November 7, 2012

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I hereby certify that Resolution No. 2012-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 7, 2012, by the following vote:

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

RANDI JOHL
City Clerk

City of Lodi

Debt Management Policy

Adopted November 7, 2012

Section 1 – Introduction

The purpose of this Debt Management Policy (Policy) is to establish guidelines for the issuance and management of the City's debt. While the City prefers to finance projects on a pay-as-you-go basis, in the event debt is necessary, this Policy confirms the commitment of the Council, management, staff, advisors and other decision makers to adhere to sound financial management practices, including full and timely repayment of borrowings, achieving the lowest possible cost of capital within prudent risk parameters.

Priorities of the Policy are:

1. Achieve the lowest cost of capital;
2. Maintain a prudent level of financial risk;
3. Preserve future financial flexibility;
4. Maintain full and complete financial disclosure and reporting;
5. Obtain highest practical credit ratings and good investor relations; and
6. Ensure compliance with state and federal laws and regulations.

The Policy shall govern, except as otherwise covered by the Investment Policy, the issuance and management of all debt and lease financings funded from the capital markets (including private placement and bank loans), including the selection and management of related financial services and products and investment of bond and lease proceeds. While adherence to this policy is required in applicable circumstances, it is recognized that changes in the capital markets, agency programs and other unforeseen circumstances may from time to time produce situations that are not covered by this policy and will require modifications or exceptions to achieve policy goals. In these cases, management flexibility is appropriate, provided specific authorization from the City Manager and the City Council is obtained.

Section 2 - Responsibilities

The City's debt program for all City funds shall be operated in conformance with applicable federal, state and other legal requirements, including the Lodi Municipal Code.

Responsibility for managing and coordinating all activities related to the structure, issuance and administration of all long- and short-term debt obligations shall rest with the Deputy City Manager/Internal Services Director.

No debt obligations shall be presented to the City Council for their authorization without the joint assessment and recommendation of the City Manager, Deputy City Manager/Internal Services Director and the City Attorney. Departments planning debt-financed capital programs or equipment acquisitions shall work closely with the City Manager, Deputy City Manager/Internal Services Director and City Attorney to provide information and otherwise to facilitate the issuance and on-going administration of debt.

The Deputy City Manager/Internal Services Director shall be responsible for maintaining good communication with rating agencies, investors and other debt related service providers about the City's financial condition and will follow a policy of full disclosure.

The Deputy City Manager/Internal Services Director shall conduct an annual review of this Policy and bring forward to the City Council any amendments deemed necessary and appropriate.

Section 3 – Debt Considerations

The City will evaluate the need for debt financing a project compared to a pay-as-you-go financing methodology. The City prefers to fund projects on a pay-as-you-go basis.

- A. Factors favoring a pay-as-you-go methodology include:
 - a. Current projected revenues and fund balances available are sufficient to fund the project.
 - b. Long-term total costs are lower due to the avoidance of interest expense.
 - c. Existing debt capacity is insufficient to absorb the additional debt without adverse impact to credit ratings.
 - d. Market conditions are unfavorable or present difficulties in marketing.

- B. Factors favoring debt financing include:
 - a. Current and projected revenues available for debt service are sufficient and reliable so that financings can be marketed with investment grade credit ratings.
 - b. Market conditions present favorable interest rates and demand for the City financings.
 - c. A project is mandated by state or federal requirements, and current resources are insufficient or unavailable to fully fund the project.
 - d. The project is immediately required to meet or relieve capacity needs or emergency conditions and current resources are insufficient or unavailable.

Section 4 – Debt Term

The City Council recognizes that any new debt obligation will have an impact on the long-term affordability of all outstanding debt and any future planned debt, as well as budgetary impacts associated with the maintenance and operating costs of debt-financed facilities.

- A. Term of Debt – Debt will be structured for the shortest period possible, consistent with a fair allocation of costs to current and future beneficiaries or users. Debt shall not be issued for a term that exceeds the useful life of the debt-financed asset.

- B. Debt Repayment – Typically, the City desires level debt service payments over the term of the debt. However, the cost of capital, financial risk, current economic conditions, future financial flexibility, credit ratings and available cash flow will be evaluated to determine the most appropriate method of debt amortization for each debt issue. Notwithstanding the above, back loading of debt service will be evaluated as the circumstances dictate. Back loading occurs when debt service payments are lower in the initial years of a debt term and higher toward the later years of a debt term.

Section 5 - Debt Issuance

The City has the capacity to issue long- and short-term debt and to refund any outstanding debt. The following section details the purposes of debt issuance, the method of sale for such debt and the practices for obtaining professional assistance in the debt issuance process.

- A. Long-term Debt – Long-term debt may be used to finance the acquisition or improvement of land, infrastructure, facilities, or equipment for which it is appropriate to spread the costs of such over more than one budget year. Long-term debt may be used to fund capitalized interest, cost of issuance, required reserves and any other financing related costs that may be legally capitalized. Long-term debt shall not be used to fund City operating costs.
- B. Short-term Debt - Short-term debt will be considered as an interim source of funding in anticipation of long-term debt. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and financing-related costs.

Short-term debt is also appropriate to address legitimate short-term cash flow requirements during a given fiscal year to fund the operating costs of the City to provide necessary public services. The City will not engage in short-term borrowing solely for the purpose of generating investment income.

- C. Refunding - Refunding opportunities will be identified by periodic reviews of outstanding debt obligations. Refunding will be considered when there is a net economic benefit from the refunding. Non-economic refunding may be undertaken to achieve City objectives relating to changes in covenants, call provisions, operational flexibility, tax status, issuer, or other non-economic factors related to the debt.
- D. Method of Sale – Debt is typically issued under either a competitive sale or a negotiated sale. The City shall have the flexibility to determine which method of sale is appropriate for each debt issuance. Determination of the appropriate method of sale will rest collectively with the City Manager, Deputy City Manager/Internal Services and City Attorney.

- E. Private Placement - The City may determine that private placement of debt is most appropriate. Use of private placement will be considered collectively by the City Manager, Deputy City Manager/Internal Services and City Attorney.
- F. Pooled Financing – The City may also consider use of pooled financing as a method of accessing the capital markets. Use of pooled financing will be evaluated collectively by the City Manager, Deputy City Manager/Internal Services and City Attorney on a case-by-case basis.
- G. Selection of Financing Professionals – Selection of financing professionals (financial advisor, underwriter, bond counsel, disclosure counsel, trustee, etc.) shall generally be on a competitive basis; however, the City Manager is authorized to select financing professionals on a sole source basis. Selection shall balance service (experience, professional reputation and capabilities) with costs. Once selected, the Financial Advisor may assist the City with selecting the rest of the members of the financing team.

Section 6 – Debt Structure

- A. Credit Ratings - The City seeks to obtain and maintain the highest possible credit ratings when issuing debt. The City will seek credit ratings from at least one of the three major ratings agencies on all debt, as appropriate. Ratings from multiple rating agencies may be sought for a single debt issue, based upon the market conditions at the time of the issuance.
- B. Fixed-rate and Variable-rate Debt - The City prefers to issue fixed-rate debt. Variable-rate debt may be used, if market conditions warrant at the time of issuance. It is acknowledged that variable-rate debt passes an unknown obligation onto future budget cycles.
- C. Derivatives - Derivative products may have application with regard to certain City borrowing programs. The City Manager, Deputy City Manager/Internal Services Director and City Attorney will evaluate the use of derivative products on a case-by-case basis.
- D. Call Provisions – The timing for when bonds are callable varies and is determined at the time of pricing such bonds. The City’s preferred structure is to negotiate for optional redemption at par in order to maintain flexibility in the future.
- E. Credit Enhancements – The City may use credit enhancements (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancements prove to be cost-effective. The City will consider the use of credit enhancements on a case-by-case basis.

Section 7 - Interfund Borrowings

The City may borrow internally from other funds with temporary cash surpluses to meet short-term cash needs in lieu of issuing debt. The fund(s) from which the money is borrowed shall be repaid with interest at the average earnings rate of the City investment pool.

Section 8 - Debt Administration

The Deputy City Manager/Internal Services Director shall be responsible for administering the City's debt management program. To that end, this position shall:

- A. Comply with all reporting requirements within the bond documents.
- B. Review all outstanding debt for refunding opportunities.
- C. Maintain positive working relationships with rating agencies and other financial professionals.
- D. Review and recommend appropriate structures for all new debt issuances.
- E. Ensure compliance with the Investment Policy and bond documents regarding investing bond proceeds.