

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JANUARY 20, 2016**

- 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 January 20, 2016, was called to order by Mayor Chandler at 7:00 p.m.

Present: Council Member Johnson, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler
Absent: Council Member Mounce
Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Presentations

B-1 Quarterly Update from the Greater Lodi Area Youth Commission (PRCS)

Greater Lodi Area Youth Commissioners Dominic Duran and Chris Anaforian provided the quarterly update from the Greater Lodi Area Youth Commission. The Commission held its first event, the Pig Skin Fall Formal Dance, on November 14, which sold 326 bids; organized a canned food drive during the holiday season, which collected 350 pounds of canned food for the Salvation Army; and will institute a backpack and school drive in spring.

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

Council Member Johnson made a motion, second by Council Member Nakanishi, 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 Johnson, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: Council Member Mounce

C-1 Receive Register of Claims in the Amount of \$2,136,706.14 (FIN)

Claims were approved in the amount of \$2,136,706.14.

C-2 Approve Minutes (CLK)

The minutes of January 5, 2016 (Shirtsleeve Session) and January 5, 2016 (Special Meeting) were approved as written.

C-3 Adopt Resolution Authorizing City Manager to Waive Bid Process and Purchase One Aries Hi-Cube Van with Mobile Sewer and Stormdrain Pipeline Inspection System and Necessary Software from Municipal Maintenance Equipment, Inc., of Sacramento (\$196,243), Utilizing the Competitively Bid Houston-Galveston Area Council Contract No. SC01-15 (PW)

Adopted Resolution No. 2016-04 authorizing the City Manager to waive bid process and purchase one Aries Hi-Cube van with mobile sewer and stormdrain pipeline inspection system and necessary software from Municipal Maintenance Equipment, Inc., of Sacramento, in the amount of \$196,243, utilizing the competitively-bid Houston-Galveston Area Council Contract No. SC01-15.

C-4 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with DoubleMap, Inc., of Indianapolis, Indiana, for Intelligent Transportation System (Bus Tracking System) (\$447,862) (PW)

This item was removed from the Consent Calendar by Mayor Pro Tempore Kuehne and Council Member Johnson for comment and discussion.

Mayor Pro Tempore Kuehne reported that this item contained a 200-page report, which Council read and studied prior to the meeting, and stressed that Council Members work diligently in preparation of its decisions.

In response to Council Member Johnson, Interim Public Works Director Charlie Swimley explained that the DoubleMap Intelligent Transportation System is an application that will track vehicles in real time, which will allow customers to track a bus location via cellphone, see where the bus is on the route, and receive a prediction of arrival time based on traffic. This application will enhance the City's Americans with Disabilities Act compliance and provide staff the opportunity to track vehicles by type, who is driving, top speed of vehicles, and route deviations. The application will signal a manager if a driver does not abide by the speed limit or strays from the route, which will improve the system's on-time performance, and will count boarding statistics, which will aid in the preparation of required transit reportings. Funding for this system is from the Proposition 1B grant and Transportation Development Act funds.

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2016-08 authorizing the City Manager to execute a Professional Services Agreement with DoubleMap, Inc., of Indianapolis, Indiana, for Intelligent Transportation System (bus tracking system) in the amount of \$447,862.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: Council Member Mounce

C-5 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Petralogix Engineering, of Galt, for Engineering Services for White Slough Water Pollution Control Facility Expansion Pond Project (\$474,380) and Appropriating Funds (\$525,000) (PW)

Adopted Resolution No. 2016-05 authorizing the City Manager to execute a Professional Services Agreement with Petralogix Engineering, of Galt, for engineering services for the White Slough Water Pollution Control Facility Expansion Pond Project, in the amount of \$474,380, and appropriating funds in the amount of \$525,000.

C-6 Adopt Resolution Authorizing City Manager to Execute Amendment No. 1 to Professional Services Agreement with Pacific EcoRisk, Inc., of Fairfield, for Toxicity Reduction Evaluation Action Plan (\$17,000) (PW)

This item was removed from the Consent Calendar by Council Member Johnson for comment.

Council Member Johnson used this item as an example of excessive issues the City must address on occasion, explaining that the purpose of this \$17,000 agreement is to track the chronic toxicity affecting crustaceans, which are not reproducing at the level they should be in the ponding areas at the White Slough Water Pollution Control Facility.

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2016-09 authorizing the City Manager to execute Amendment No. 1 to the Professional Services Agreement with Pacific EcoRisk, Inc., of Fairfield, for Toxicity Reduction Evaluation Action Plan in the amount of \$17,000.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: Council Member Mounce

C-7 Adopt Resolution Authorizing City Manager to Execute Amendment No. 1 to Headwaters Kayak Shop Non-Motorized Boat Concession Agreement (PRCS)

Adopted Resolution No. 2016-06 authorizing the City Manager to execute Amendment No. 1 to the Headwaters Kayak Shop Non-Motorized Boat Concession Agreement.

C-8 Adopt Resolution Approving the City of Lodi Investment Policy and Internal Control Guidelines (CM)

This item was removed from the Consent Calendar by Council Member Nakanishi for comment.

In response to Council Member Nakanishi, Deputy City Manager Jordan Ayers explained that the City treasury has available cash that is invested. State law dictates what entities can and cannot invest in, and cities can develop local policies that can be stricter, but not more generous, than the law. The City's policy was last reviewed in 2013, and since then, legislation has changed to allow Supranational Obligations as an investment option. Currently, Lodi's money is modestly invested in the Local Agency Investment Fund, the Joint Powers CalTRUST, and in CDs with local banks. Staff reports to Council quarterly on its investments, and Mr. Ayers stated the last report was in September 2015 and that the treasury was \$70 to \$80 million for all funds. This policy will add Supranational as an investment choice for the future; although, staff is not presently recommending such investments. In further response, Mr. Ayers stated that the City has guidelines on limits and authority that effectively safeguard the City's investments. Mr. Ayers and City Manager Schwabauer confirmed that the Lodi Budget/Finance Committee was disbanded a few years ago because the City could not secure volunteers to serve on the Committee.

Council Member Nakanishi made a motion, second by Council Member Johnson, to adopt Resolution No. 2016-10 approving the City of Lodi Investment Policy and Internal Control Guidelines.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: Council Member Mounce

C-9 Adopt Resolution Amending Traffic Resolution No. 97-148, Section 3B, Establishing Two 15-Minute Parking Spaces on North Side of Vine Street, 265 Feet East of Ham Lane (PW)

Adopted Resolution No. 2016-07 amending Traffic Resolution No. 97-148, Section 3B, establishing two 15-minute parking spaces on the north side of Vine Street, 265 feet east of Ham Lane.

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.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

Kathleen Tachella thanked Council Member Johnson for referring her, after the last Council meeting, to Ms. Avanti, who is helping to create a county area Neighborhood Watch program. With regard to the discussion at the previous meeting regarding an advisory board to address electric utility concerns, Ms. Tachella offered her services to rephrase the complexities of the Lodi Electric Utility into user-friendly terminology, as her first Masters Degree was in rewriting core curriculum for individuals with lower reading skills.

Liz Bowman also thanked Council Member Johnson for putting her in touch with Chief Patterson and Jan Thalken with the Lodi Police Partners Program. With their assistance, her neighborhood has a plan for a Neighborhood Watch program and she has extended the invitation to others via the Nextdoor application. Ms. Bowman expressed support for the concept of an electric utility advisory board and indicated her willingness to volunteer.

Susie Rabusin submitted a copy of a utility customer's water bill (filed) in which the customer was charged twice and accumulated additional fees. The Finance Department was able to verify that the bill contained typos and corrected the mistake, but Ms. Rabusin questioned how many customers have mistakes on their bills and pay without examining it further; if the City would refund a mistake after it was discovered; and if the City is making extra money on these mistakes. She expressed hope that this issue will be addressed.

City Manager Schwabauer and Deputy City Manager Jordan Ayers indicated this was the first they heard of this particular instance, and Mr. Schwabauer assured Ms. Rabusin that when staff learns of a system-wide issue, he is notified and staff follows up to correct the problem. He is typically not notified of a single, or small, aberration, but he stated he would look into the matter and respond to her.

In response to Mayor Chandler, Mr. Rabusin stated she would contact staff with the customer's account number.

Council Member Nakanishi stated he would like an answer to explain what caused this typo, whether it was a computer error or employee error, adding that this is bad for business.

In response to Council Member Johnson, Mr. Ayers confirmed that, had the customer paid the erroneous amount, he would have been credited the overage on the next billing cycle.

In response to Mayor Pro Tempore Kuehne, Mr. Schwabauer stated that the City allows customers to view what their volumetric water bill will be before moving to the metered wastewater bill. Until the winter water usage is known, customers remain on the bedroom rate for a year, with the wastewater bill following a year later. In response to Mayor Pro Tempore Kuehne, Mr. Ayers stated that he could not determine what the anomaly was with this particular bill -- i.e. was usage out of line or did a typo generate multiple lines -- until he reviewed the account. He

further explained that, for those with a metered water rate, the wastewater charge becomes a flat charge, but is computed for each customer based on winter water usage. The bill presented by Ms. Rabusin contains a flat water rate, which indicates that wastewater is not yet metered. Typically, water customers move from a flat to metered rate in January, and metered wastewater follows 6 to 18 months later on a July bill. Mr. Schwabauer added that this bill could have an inaccurate volumetric reading.

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

Council Member Nakanishi commended the Lodi Community Foundation for its fund-raising efforts and explained that the Foundation is non-profit, i.e. funds are not received or controlled by the City, and contributes greatly toward the Hutchins Street Square. The Foundation has 34 funds, one of which is the Hutchins Street Square Foundation Endowment that received a \$1.35 million donation.

Council Member Johnson commented on a statement made by the City Manager at a previous meeting that it was a poor business practice to have employees cross trained on both sides of utility bill transactions because it creates a weakness in security. He recently visited the Finance Department, twice in the morning and twice in the afternoon, and witnessed significant customer lines. He requested that staff research ways to improve service by opening more transaction windows through reconfiguring staff or cross training employees in a manner that does not jeopardize the City.

Mayor Chandler agreed with Council Member Johnson's suggestion.

Mayor Pro Tempore Kuehne stated that customers recently informed him they had 45-minute to one-hour wait times in line and he believed that was egregious on the City's part. He concurred with Council Member Johnson's suggestion and recommended moving staff from other duties to speed up the process for customers. Mayor Pro Tempore Kuehne reported that he was nominated Vice Chair of the Local Agency Formation Commission and that he is attending the League of California Cities New Mayors and Council Members Academy in Sacramento this week, at which the League discussed Proposition 63 that provides funding for the homeless and transitions for inmates back into the community. The bill has not yet passed, but the League is monitoring it closely. Also discussed at the Academy was the road fix for California and the Governor's decision to create a committee to review ways to fund roadways and infrastructure, such as increasing gas tax, vehicle license fee, fees for hybrid and electric vehicles, and potentially implementing a road charge. He stated California will likely see more information regarding the road charge in June or July. Mayor Pro Tempore Kuehne provided the City Manager with a copy of the publication entitled, "California Road Charge: Help Fix California's Roadways, One Mile at a Time" (filed).

In response to the electric utility issue, City Manager Schwabauer reiterated that it is poor fiscal practice to have employees who set up utility bills to also receive payment because it could increase the chance of fraud. He stated that there may be other options, such as utilization of other Finance employees, and staff will review all possibilities. Mr. Schwabauer added that staff will bring forth a mid-year budget option to potentially add staff.

Council Member Nakanishi expressed support for Council Member Johnson's suggestion, stating that the goal for wait time in the Finance Department should be 20 minutes at most. He stated he looked forward to receiving staff's suggestions.

Mayor Chandler reported that he participated in the Breakthrough Project on Monday for Martin Luther King, Jr. Day, adding that Council Member Johnson also participated and Mayor Pro Tempore Kuehne took part in the panel discussion. He stated that he is attending the Northern California Power Agency Conference in Sacramento this week, at which he met with other community representatives who are making progress on their homelessness situation and he will bring those ideas to Lodi.

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

None.

G. Public Hearings - None

H. Communications

H-1 Monthly Protocol Account Report (CLK)

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to approve the monthly Protocol Account Report through December 31, 2015.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: Council Member Mounce

I. Regular Calendar

I-1 Adopt Resolution Approving Title Change and Amendments to Job Description for Utility Service Operator I; Approving Title Change and Amendments to Job Description and Salary Range Adjustment for Utility Service Operator II; Approving a New Classification and Salary Range for the Position of Electric Distribution Operator Supervisor; and Deleting One Electric Distribution Operator II Position (CM)

Human Resources Manager Adele Post provided a presentation regarding the title change and amendments to job description for Utility Service Operator I; title change and amendments to job description and salary range adjustment for Utility Service Operator II; new classification and salary range for position of Electric Distribution Operator Supervisor; and deletion of one Electric Distribution Operator II position. Specific topics of discussion included history of the Relief Operator position, which was the driving force behind the restructure, and salary; full-time position versus rotational position; 10 percent upgrade; and request to roll the Relief Operator into an Operator II. The base salary for the Operator II position will be a net wash as the Relief Operator was previously receiving the temporary upgrade. The Supervisor position will be a working supervisor with additional responsibilities such as performance evaluations, coaching, and counseling; will receive salary at 10 percent above the Operator II; and will increase the budget by \$11,000. Ms. Post stated the intention is to open a promotional recruitment and eliminate one Electric Distribution Operator II position from the budget. Staff met and conferred with the International Brotherhood of Electrical Workers bargaining group, which concurs with the recommendation.

In response to Council Member Nakanishi, Ms. Post confirmed these positions did not previously serve as linemen.

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2016-11 approving title change and amendments to job description for Utility Service Operator I; approving title change and amendments to job description and salary range adjustment for Utility Service Operator II; approving a new classification and salary range for the position of Electric Distribution Operator Supervisor; and deleting one Electric Distribution Operator II position.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None
Absent: Council Member Nakanishi

I-2 Adopt Resolution Authorizing City Manager to Engage the Professional Services of Lamont Financial Services, Jones Hall, and JP Morgan Related to a Partial Advance Refunding of the 2007 Series A Wastewater Certificates of Participation (CM)

Deputy City Manager Jordan Ayers provided a presentation regarding the professional services of Lamont Financial Services, Jones Hall, and JP Morgan related to a partial advance refunding of the 2007 Series A Wastewater Certificates of Participation (COP). Specific topics of discussion included proposal from the underwriting firm, JP Morgan, to pursue the partial advance refund of the 2007 COPs; recommendation to engage in the financial team -- financial advisor, Lamont Financial Services, for \$50,000; bond counsel, Jones Hall, for \$52,500; and underwriter, JP Morgan for an estimated \$55,000; principle 2007 bond amount of \$30.3 million; and outstanding amount of \$29.3 million at \$1.6 million a year. Mr. Ayers stated that this is not a bond refinancing, i.e. it will not extend the term, but it will reduce the debt service cost by \$160,000 a year with the savings accrued to the wastewater fund.

In response to Council Member Johnson, Mr. Ayers stated that the City contracts with Lamont on a transactional basis rather than on retainer. The underwriters are aware of the City's outstanding debt, which is why the company approached staff, and Lamont would serve as the agency that would keep bond counsel on schedule, coordinate with the underwriter counsel, and act as the center of the entire process. City Manager Schwabauer added that JP Morgan cannot serve as the financial advisor as there are new rules that prohibit them from being on both ends of the deal. The City is required to have a financial advisor; however staff does not have the training to do so. Mr. Ayers added that the City is also not registered with the Securities Exchange Commission.

In response to Council Member Nakanishi, Mr. Ayers stated that the City refinanced a different debt in 2012, the savings from which paid for Fire Station No. 2, and did a new debt issuance in 2010 for the water treatment plant. In response to Council Member Nakanishi, Mr. Schwabauer stated that the 2010 debt has call provisions that prohibit refinancing in the first ten years and that JP Morgan approached the City because it knew the City had maturity on the 2007 debt. Mr. Ayers added that the only other potential debt for refinancing is the 2008 COP tied to Electric Utility, but the basic terms state that the debt cannot be called before 2018 without a penalty; however, staff will review refinancing options closer to that date.

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2016-12 authorizing the City Manager to engage the professional services of Lamont Financial Services, Jones Hall, and JP Morgan related to a partial advance refunding of the 2007 Series A Wastewater Certificates of Participation.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: Council Member Mounce

J. Ordinances

J-1 Ordinance No. 1919 Entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Title 9 - Public Peace, Morals and Welfare - by Repealing Chapter 9.30, 'Medical Marijuana Dispensaries,' in Its Entirety, and Enacting Chapter 9.30, 'Medical Marijuana,' to Prohibit the Delivery and Processing of Medical Marijuana within the City, as Well as the Continued Prohibition of Medical Marijuana Dispensaries" (CLK)

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, (following reading of the title) to waive reading of the ordinance in full and adopt and order to print

Ordinance No. 1919 entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Title 9 - Public Peace, Morals and Welfare - by Repealing Chapter 9.30, 'Medical Marijuana Dispensaries,' in Its Entirety, and Enacting Chapter 9.30, 'Medical Marijuana,' to Prohibit the Delivery and Processing of Medical Marijuana within the City, as Well as the Continued Prohibition of Medical Marijuana Dispensaries," which was introduced at a regular meeting of the Lodi City Council held January 6, 2016.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: Council Member Mounce

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 7:53 p.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk