

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, FEBRUARY 12, 2013**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, February 12, 2013, commencing at 7:00 a.m.

Present: Council Member Hansen, Mayor Pro Tempore Katzakian, and Mayor Nakanishi
Absent: Council Member Johnson, and Council Member Mounce
Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Receive Fiscal Year 2012/13 Mid-Year Budget Report (CM)

Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the 2012/13 mid-year budget review. Specific topics of discussion included a General Fund overview, key revenue variances, departmental variances, variances in General Fund departments, variances in Parks, Recreations and Cultural Services, variances in the water, wastewater and electric utilities, Community Development variances, self-insurance variances, and Police special revenue variances.

In response to Council Member Hansen, Mr. Ayers stated the sales tax consultant and staff do look at what businesses are coming in to town and which are leaving to include projections for those businesses that have taken out permits.

In response to Council Member Hansen, Mr. Ayers stated Strike Team call outs are reimbursable.

In response to Council Member Hansen, Mr. Ayers confirmed that the primary reason for the debt service reduction is the refinancing. City Manager Bartlam stated the Parks, Recreation and Cultural Services mid-year budget does include the repairs to the pool at Hutchins Street Square.

In response to Council Member Hansen, Public Works Director Wally Sandelin stated since the water treatment plant construction is complete the \$1.5 million will go toward retiring debt service.

In response to Mayor Nakanishi, Mr. Ayers confirmed that the primary reduction in the water utility is due to bond funds not being utilized.

In response to Council Member Hansen, Mr. Ayers stated the next auction in Electric Utility is May 2013.

In response to Council Member Hansen, Mr. Ayers stated the 70% self-insurance amount is set by City Council policy based on actuarial studies.

In response to Council Member Hansen, Mr. Ayers and Mr. Bartlam confirmed that several Police Department grants provide staff funding, AB 109 was granted for one year for realignment purposes, and another grant funding four officers will expire in December 2013. Council Member Hansen and Mayor Nakanishi expressed their desire to keep the four officers currently funded through the grant permanently.

In response to Mayor Nakanishi, Mr. Bartlam confirmed that the current police grant funding for

the four officers will continue through 2013 and after that the City will need to find an additional \$250,000.

In response to Mayor Nakanishi, Mr. Ayers stated the mid-year budget adjustments are based on the best estimate of where the numbers will align at the end of the budget cycle.

In response to Mayor Nakanishi, Mr. Bartlam stated the refund amount of the County property tax administrative fee is unknown because the matter is still pending in the courts although staff believes the City's share will be approximately \$600,000.

In response to Council Member Hansen, City Attorney Schwabauer stated the matter is before the California Supreme Court on a motion for reconsideration, which is an appeal of sorts and could be tied up for quite some time. Mr. Bartlam and Mr. Schwabauer confirmed that in addition to the specific amount, the repayment method remains unknown as well.

In response to Mayor Nakanishi, Mr. Bartlam stated there is a \$167,000 savings in the current fiscal year from the formula adjustment for collection of the administrative property tax fee, for which the City has already received notification from the County.

In response to Council Member Hansen, Mr. Bartlam stated he does not believe that the decision will be reversed in favor of the County or that the City will need to pay an additional amount in the unlikely event that it is reversed.

In response to Council Member Hansen, Mr. Bartlam stated the entire court operation in Lodi will close effective March 1, 2013, and there will be an action before the City Council at the next meeting to approve an agreement with the San Joaquin County Sheriff's Department for transportation services from the jail.

In response to Council Member Hansen, Mr. Bartlam confirmed that small claims court services ended last September in 2012.

In response to Mayor Pro Tempore Katzakian, Mr. Bartlam stated that, while some costs from the court closure remain unknown, there will be a minimum cost of \$75,000 plus overtime related to the transportation services from the jail to the County facilities.

In response to Council Member Hansen, Mr. Bartlam stated the savings projected this year could easily be consumed by next year's anticipated increase in the City's CalPers payment and the Police Department need for continued funding for officers currently covered by grants.

In response to Council Member Hansen, Mr. Bartlam stated he will be looking at funding availability to fill the Economic Development position before the end of the year.

In response to Mayor Nakanishi, Mr. Bartlam provided a brief overview of the current Community Development positions and the types of events and organizations currently funded through the economic development budget.

In response to Myrna Wetzel, Mr. Bartlam stated that the County has decided to retain the Meals on Wheels service instead of letting the Loel Center bid for the service. He confirmed that the program is not one that is provided through or by 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 7:47 a.m.

ATTEST:

Randi Johl
City Clerk