

**LODI CITY COUNCIL  
REGULAR CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, MARCH 2, 2016**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of March 2, 2016, was called to order by Mayor Chandler at 6:30 p.m.

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

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

C-2 Announcement of Closed Session

- a) Conference with Adele Post, Human Resources Manager, and Jordan Ayers, Deputy City Manager (Labor Negotiators), Regarding Lodi City Mid-Management Association, AFSCME General Services and Maintenance & Operators, International Brotherhood of Electrical Workers, Police Mid-Managers, Lodi Police Officers Association, Lodi Police Dispatchers Association, Fire Mid-Managers, Lodi Professional Firefighters, and Unrepresented Confidential Employees; and Conference with Adele Post, Human Resources Manager, and Stephen Schwabauer, City Manager (Labor Negotiators), Regarding Unrepresented Executive Management Pursuant to Government Code §54957.6 (CM)

C-3 Adjourn to Closed Session

At 6:30 p.m., Mayor Chandler adjourned the meeting to a Closed Session to discuss the above matter. The Closed Session adjourned at 6:55 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:00 p.m., Mayor Chandler reconvened the City Council meeting, and City Attorney Magdich disclosed the following action.

Item C-2 (a) was discussion and direction given with no reportable action.

A. Call to Order / Roll Call

The Regular City Council meeting of March 2, 2016, was called to order by Mayor Chandler at 7:00 p.m.

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

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Presentations

B-1 National Nutrition Month Proclamation (CLK)

Mayor Chandler presented a proclamation to Lodi Memorial Hospital Clinical Nutrition Supervisor Chad Edwards proclaiming the month of March 2016 as "National Nutrition Month" in Lodi.

B-2 Fix a Leak Week Proclamation (PW)

Mayor Chandler presented a proclamation to Public Works Compliance Engineer Kat Garcia proclaiming March 14-20, 2016, as "Fix a Leak Week" in Lodi. Ms. Garcia reported that Public Works offers free home water audits and that, since June, consumers have reduced water consumption by 27 percent, which is slightly shy of the overall goal.

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

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

Noes: None

Absent: None

C-1 Receive Register of Claims in the Amount of \$2,725,243.61 (FIN)

Claims were approved in the amount of \$2,725,243.61.

C-2 Approve Minutes (CLK)

The minutes of February 9, 2016 (Shirtsleeve Session), February 16, 2016 (Shirtsleeve Session), and February 17, 2016 (Regular/Special Joint Meeting) were approved as written.

C-3 Approve Specifications and Authorize Advertisement for Bids for 2016 Extruded Traffic Stripes, Various City Streets (PW)

Approved the specifications and authorized advertisement for bids for 2016 Extruded Traffic Stripes, Various City Streets.

C-4 Approve Specifications and Authorize Advertisement for Bids for Well 23 Granular Activated Carbon Replacement Project (PW)

This item was removed from the Consent Calendar at the request of Council Member Nakanishi for discussion purposes.

In response to Council Member Nakanishi, Interim Public Works Director Charlie Swimley stated that granular activated carbon (GAC) filtration systems are installed on seven municipal wells, primarily in the area south of Kettleman Lane where concentrations of dibromochloropropane (DBCP) has been encountered. He reported that the allowable concentration of DBCP in drinking water is 0.2 parts per billion; the GAC system absorbs the particles and pulls them out before entering the drinking system; and the City provides safe drinking water. Mr. Swimley stated that, when DBCP levels reach 0.1 part per billion, it is time to change the filter and that the GAC filter on Well 23 was last changed in 2008.

Council Member Nakanishi made a motion, second by Council Member Johnson, to approve specifications and authorize advertisement for bids for Well 23 Granular Activated Carbon Replacement Project.

VOTE:

The above motion carried by the following vote:

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

Noes: None  
Absent: None

- C-5 Adopt Resolution Approving Purchase of Ultra Violet Disinfection Equipment for White Slough Water Pollution Control Facility from DC Frost Associates, Inc., of Walnut Creek (\$145,471) (PW)

Adopted Resolution No. 2016-25 approving the purchase of ultra violet disinfection equipment for White Slough Water Pollution Control Facility from DC Frost Associates, Inc., of Walnut Creek, in the amount of \$145,471.

- C-6 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Garland/DBS, Inc., of Cleveland, Ohio, for Hutchins Street Square Roof Repair Project Phase 2 (\$157,685) (PW)

Adopted Resolution No. 2016-26 authorizing the City Manager to execute a Professional Services Agreement with Garland/DBS, Inc., of Cleveland, Ohio, for Hutchins Street Square Roof Repair Project Phase 2 in the amount of \$157,685.

- C-7 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Terracon, of Lodi, for Construction Testing and Inspection Services (\$574,610) and Amendment No. 1 to Professional Services Agreement with Michael Baker International, Inc., of Rancho Cordova, for Labor Compliance Monitoring (\$24,000) for Grade Separation, Harney Lane at Union Pacific Railroad, Overhead Project (PW)

Adopted Resolution No. 2016-27 authorizing the City Manager to execute a Professional Services Agreement with Terracon, of Lodi, for construction testing and inspection services in the amount of \$574,610 and Amendment No. 1 to the Professional Services Agreement with Michael Baker International, Inc., of Rancho Cordova, for labor compliance monitoring in the amount of \$24,000 for Grade Separation, Harney Lane at Union Pacific Railroad, Overhead Project.

- C-8 Adopt Resolution Authorizing City Manager to Execute a Multi-Year Professional Services Agreement for Electric Utility Rate Analysis Services with EES Consulting, of Kirkland, Washington (\$90,000) (EU)

This item was removed from the Consent Calendar by Council Member Mounce and a member of the public for discussion purposes.

Mike Lusk requested that Council deny this request based on the fact that he believes Lodi Electric Utility (LEU) has qualified employees who understand rate structures, stating it would be redundant to hire a consultant at this time.

In response to Council Member Mounce, Electric Utility Director Elizabeth Kirkley stated it is necessary to renew this contract as LEU is currently reviewing rate models and industry business models, adding that it is standard practice to contract out rate analysis services. She further stated that a consultant is less expensive than hiring a full-time employee and there is no one on staff with this level of expertise. In further response, Ms. Kirkley stated she could not recommend postponing this decision for another six months because staff is currently in the process of reviewing the rate structure with the intention of returning to Council with proposed restructured residential rates.

Council Member Nakanishi stated he would support the request based on the need for the data to restructure the rates and that it eliminates the need to hire a full-time employee.

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2016-30 authorizing the City Manager to execute a multi-year Professional Services Agreement for Electric Utility Rate Analysis Services with EES Consulting, of Kirkland, Washington, in the amount of \$90,000.

VOTE:

The above motion carried by the following vote:

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

Noes: Council Member Mounce

Absent: None

C-9 Adopt Resolution Authorizing City Manager to Execute Financial Documents with Tienda Drive Senior Apartments, L.P., Eden Housing, Inc., and Eden Development, Inc., for the Tienda Drive Senior Housing Project at 2245 and 2255 Tienda Drive (CD)

Adopted Resolution No. 2016-28 authorizing the City Manager to execute financial documents with Tienda Drive Senior Apartments, L.P., Eden Housing, Inc., and Eden Development, Inc., for the Tienda Drive Senior Housing Project at 2245 and 2255 Tienda Drive.

C-10 Adopt Resolution Authorizing Submittal of Application for Payment Programs and Related Authorizations by the Public Works Management Analyst with the Department of Resources Recycling and Recovery (PW)

Adopted Resolution No. 2016-29 authorizing submittal of an application for payment programs and related authorizations by the Public Works Management Analyst with the Department of Resources Recycling and Recovery.

C-11 Adopt Parks, Recreation, and Cultural Services Strategic Action Plan (PRCS)

This item was removed from the Consent Calendar at the request of Council Member Mounce for discussion purposes.

Council Member Mounce stated that she preferred to see this item discussed concurrently with Item I-2 regarding the proposed sales tax increase so that the public is aware of the importance of such a ballot measure. Parks, Recreation, and Cultural Services Director Jeff Hood agreed the two items go hand-in-hand, stating the sales tax issue is a result of the Strategic Plan and in response to what the community wants. He stated that the sales tax presentation includes information from PROS Consultants and the survey, along with information regarding the condition of parks, and the reason for separating the items was to avoid being repetitious as Council received many presentations on the Strategic Plan. Council Member Mounce stated that, from her perspective, the two items should be together, instead of voting on them separately. With regard to the survey, Council Member Mounce opined that the questions were formed to elicit the response desired by the Department, to which Mr. Hood stated staff was not aiming to receive a specific answer or direction.

Mr. Hood stated he was prepared to give a presentation to Council on the Strategic Plan if it so desired. Mayor Chandler expressed his opinion that the two items are linked but are separate issues: one requests a vote on the action plan, while the other seeks guidance on future direction.

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to adopt Parks, Recreation, and Cultural Services Strategic Action Plan.

VOTE:

The above motion carried by the following vote:

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

Noes: Council Member Mounce

Absent: None

C-12 Set Public Hearing for March 16, 2016, to Consider Adopting a Resolution Approving the 2016/17 Draft Annual Action Plan and the Amendment of the 2015/16 Annual Action Plan (CD)

Set public hearing for March 16, 2016, to consider adopting a resolution approving the 2016/17 Draft Annual Action Plan and the amendment of the 2015/16 Annual Action Plan.

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.

Nancy and Ric Schmidli spoke regarding the City's solar rebate program and the fact that City staff members never mentioned the requirement that rebates cannot be given for previously-installed systems. Mr. and Mrs. Schmidli called the City and the City's consultant repeatedly to inquire about the status of the program and to be placed on the waiting list for notification of the 2016 program. Once they learned that the program would be offered in 2016, they installed their system and have since been told they do not qualify for the rebate. Mrs. Schmidli stated they are on a limited income and receive the medical discount on utilities, but do not qualify for the Federal tax credit, and this rebate would be beneficial for them in reducing their high utility bills. They would not have installed the system if they were told beforehand about the conditions. She requested that Lodi Electric Utility (LEU) adjust the requirements and let them participate in the lottery drawing for the rebate program.

Business Development Manager Adam Brucker stated he has previously discussed this issue with Mr. and Mrs. Schmidli and explained that current legislation prohibits funding systems that are already installed because the purpose is to incentivize new installations. The program guidelines include a statement about previously-installed systems; however, their system was installed in between application periods.

Mr. Schmidli stated they spoke with a State representative who said approval is at the discretion of cities, and Mrs. Schmidli added that the State indicated it would not intervene with city-owned utilities; only with companies such as PG&E.

Council Member Mounce stated the Schmidlis should not be penalized for the City communicating poorly with them and she hoped staff would see if they could be included in the lottery, prior to the deadline, so they have a fair shot at the rebate.

City Manager Schwabauer stated he would look into the matter and reiterated that it may not be possible because of the State law prohibiting use of dollars on previously-installed systems.

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

Council Member Johnson expressed appreciation to citizens, such as Mike Lusk and Ed Miller, who take the time to study the issues before Council and raise questions, adding that he wished more of the public would do the same.

Mayor Pro Tempore Kuehne reported that the San Joaquin Council of Governments is working on funding opportunities for the ACE train, which was previously put on hold, and that his business, Kings Carpet Cleaning Company, was voted Best of Lodi by the Lodi News-Sentinel.

Council Member Mounce reported that she participated in the League of California Cities board meeting in Ontario last week, during which there was a session on council/city manager relationships. She stated that Lodi needs significant improvement in this area and suggested a team-building session. The Institute for Local Government will be making recommendations to the board, along with offers of mediation to councils and city managers across the state, and she encouraged Council to take advantage of this service.

Mayor Chandler reported that he and Mayor Pro Tempore Kuehne attended the Assembly Floor session at which a resolution was presented in honor of Lodi being named Wine Region of the World, followed by a reception with a dozen assemblymembers in attendance.

F. Comments by the City Manager on Non-Agenda Items - None

G. Public Hearings - None

H. Communications

H-1 Appointments to the Site Plan and Architectural Review Committee (CLK)

Council Member Mounce made a motion, second by Mayor Pro Tempore Kuehne, to make the following appointments:

Site Plan and Architectural Review Committee

Roger Stafford, term to expire January 1, 2020

Gary Yocum, term to expire January 1, 2020

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

I. Regular Calendar

I-1 Adopt Resolution Approving Fiscal Year 2015/16 Mid-Year Budget Adjustments (CM)

Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the 2015/16 mid-year budget review. Specific topics of discussion included General Fund overview; General Fund reserve status; departmental variances; Parks, Recreation, and Cultural Services; electric utility; self insurance; water utility; wastewater utility; and action requested.

In response to Council Member Mounce, Mr. Ayers confirmed that the City anticipated dipping into reserves by roughly \$1.5 million; it was not a surprise.

Mr. Ayers pointed out that some of the negotiated labor agreements were settled after the initial budget document was approved; therefore, many of the salary and benefit increases were not included in the original figures, but are now reflected in the final estimates.

In response to Council Member Mounce, Mr. Ayers stated that the City is reimbursed \$25,000 from the Lodi Grape Festival for the services the Police Department provides during the festival. City Manager Schwabauer confirmed that the City ultimately pays for any costs above that amount as a result of increased crimes or special needs. Council Member Mounce would like to see this policy amended so the City is not paying for this service. Further, Council Member Mounce assured the public that the bargaining agreements with employees are being paid for with money that was set aside from two years of reserve overages. This was anticipated, and the City is not paying employees more than what it can afford to pay them.

In response to Council Member Nakanishi, Mr. Ayers stated that the building and general maintenance projects that were not completed this year will be reprogrammed in future years.

In response to the recent customer service complaints about the Finance Division, specifically for utility billing collections, Mr. Ayers proposed that Council discuss the issues and potential remedies in order to give staff some direction. Some of the concerns expressed previously included long lines and wait times and only one open window. Mr. Ayers reported that internal changes have been made to keep two windows open at all times and to adjust processes to

ensure no more than a 20-minute wait time. An option for Council to consider is to add additional staff to place an individual on the front counter and one to answer phone lines. With current staffing levels, an absence due to illness or vacation results in pulling staff from the front counter to handle back-office functions, i.e. processing daily receipts from the drop box and mailed payments to ensure timely postings in order to avoid late fees; however, that practice has changed with part-time staff covering back-office functions in order to maintain staffing levels at the front windows. Additional personnel would enable staff to place employees where the greater critical need is. Staff had no recommendation on this issue, other than to present the information and ask for Council direction. Mr. Ayers stated Council could wait to see whether the internal changes have a positive or negative affect or add staff at \$70,000 a year for an entry-level position that would ultimately increase to \$90,000 per year.

In response to Mayor Pro Tempore Kuehne, Mr. Ayers stated that the Division only recently put the series of changes into affect, not all at once, and the volume at the counter is extremely variable, which makes it difficult to ascertain a pattern of when people come in. Mr. Ayers suggested another couple of months would likely indicate whether or not the changes are sufficient. Council Member Kuehne stated that was a reasonable timeframe and suggested capturing the high- and low-volume data to learn when to adjust for the busy times and that a sign be placed directing patrons to the public restroom at City Hall.

Council Member Mounce stated she favored placing a greeter in the lobby to answer questions. She appreciated the change from one to two windows, but stated that, during her time at Finance, she noticed that customers with time-consuming billing problems left only one window open essentially, which increased the line significantly. She suggested adding another representative to the window while the one working with the time-consuming customer is occupied and to also ensure due dates do not fall on a weekend or when the office is closed. She looked forward to seeing the results of the recent changes that were implemented.

In response to Council Member Nakanishi, Mr. Ayers explained that the light emitting diode (LED) streetlight project was approved by Council, as was the loan; however, the appropriation request, which is the authority to spend the money and provides the budget to pay for the project, was an oversight on staff's part and should be corrected during the mid-year budget process.

In response to Mayor Pro Tempore Kuehne, Mr. Schwabauer reported that the anomaly on a customer's water and wastewater bill, which was brought to Council's attention at a past meeting, was the result of a meter change and a failed remote reading, which caused her to be subject to an estimated bill, rather than an actual bill. At Council's request, Mr. Schwabauer stated he will report back to Council as to whether this was a one-time error or if it occurred on a larger scale, adding that Finance conducted a query but he was unaware of the results.

In response to Council Member Mounce, Electric Utility Director Elizabeth Kirkley stated that the contract approved under C-8 was for rate services, not resource services. Lodi Electric Utility (LEU) currently has only one employee, the Rates and Resources Manager, to handle this responsibility and no additional staff to assist with this task. Other comparable utilities have more staff, and with additional state mandates on renewable resources, LEU does not have the bandwidth to cover everything. In further response, Ms. Kirkley stated that, with confidentiality requirements, it would not be prudent to contract out these services, especially if the consultant works for multiple agencies.

Council Member Johnson questioned why Northern California Power Agency (NCPA) could not provide assistance in this area, especially since NCPA makes recommendations on short- and long-term power purchases and strategies. Ms. Kirkley stated that NCPA does assist in that regard; however, each member needs its own staff to oversee the process, make recommendations, and conduct analyses to ensure the wisest decisions are being made on gas and power purchases.

Council Member Mounce requested that, during the new budget year presentation, staff provide information on LEU's staffing levels compared to similar-sized utilities, stating it is a significant problem if staffing is grossly below average as reported. Ms. Kirkley stated she would forward the

information to Council.

Council Member Nakanishi requested information on how much the City's costs increase as a result of State mandates, to which Ms. Kirkley stated she would provide the information to Council.

Mr. Ayers summarized that Council preference is to save the subject of additional Customer Service Representatives for another date and clarified that this action would approve the position of Electric Utility Resources Analyst in the budget while Item I-6 approves the classification, job description, and salary for the position.

Mike Lusk, referencing his Blue Sheet item (filed), requested Council reject the mid-year budget adjustments and implement a moratorium on new positions and pay increases that are not contract obligations until the new budget year, which is only four months away. He questioned what the overall affect these new positions and salaries will have on LEU's budget when considering rate increases, as well as the California Public Employees Retirement System (Cal-PERS) debt. Further, he questioned why the LED streetlight project, which was said to be paid by energy rebate funds, now has a budget overrun and asked why there was no oversight. The new positions and salaries requested equate to an additional \$600,000 in the budget, which he believed would be passed onto each of the utilities in Lodi in the form of rates.

Mr. Schwabauer explained that the LED project was not a cost overrun; it relates to an accounting entry; and the funding and expectation on pay back are not changing. He explained that Council action on project approvals includes approval of the expenditure at the dollar level, followed by an accounting entry, which is the appropriation. Staff inadvertently missed the appropriation step and is now asking to correct that accounting entry. With regard to the LEU position, it was already included in the rate study that called for the last rate increase and adding it to the budget does not do anything over and above the rate study recommendation.

Council Member Nakanishi reiterated that Council voted on the LED project, but failed to make the necessary appropriation. This action will not increase the rate, and he stated he would support the recommendation. With regard to the position for LEU, he stated he would support the request as it appears the Department needs more staff.

Mr. Lusk stated that it was previously reported that the LED streetlight project would be repaid through energy rebate funds; not by LEU. He questioned how this cost would be offset if it is being budgeted into LEU at this time. Mr. Schwabauer stated it was never the intention to indicate that the project would be repaid from the rebate program, but that the program would pay for itself in reduced energy costs based on the lower operational cost of LED lights versus high-pressure sodium lights. Mr. Ayers added that the revenue stream in LEU's budget is Cap and Trade revenue and the point at the time was that citizens would not repay the loan; the Cap and Trade revenue would. Mr. Schwabauer further explained that the State gives LEU an allocation of greenhouse gases that cannot be used; instead, it is sold and the City receives revenue from that sale. Mr. Lusk reiterated his concern that adding more positions and salaries will have a significant negative impact on the budget and the Cal-PERS debt.

In response to Council Member Mounce, Mr. Schwabauer stated that an employee becomes vested in Cal-PERS at five years, but the Cal-PERS bill is passed onto payroll from the prior year, therefore, the Cal-PERS bill will increase during the employee's time on payroll.

Council Member Mounce stated she was prepared to approve this item if the Electric Utility Resources Analyst position was removed from the recommendation. She preferred to place the item on hold for four months until the new budget year discussion and information is provided on what the actual staffing needs are.

In response to Council Member Nakanishi, Ms. Kirkley stated that it is critical the position be filled now as a staff member is retiring in April and the desire is to transfer that individual's knowledge while there is time. This will also leave the Manager alone without assistance.

Mayor Pro Tempore Kuehne stated that, even without the retirement, he sees a need for the position and would support the request.

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2016-31 approving Fiscal Year 2015/16 mid-year budget adjustments.

VOTE:

The above motion carried by the following vote:

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

Noes: Council Member Mounce

Absent: None

I-2 Discuss Recreation Commission's Recommendation for One-Eighth Cent Sales Tax Measure on November 2016 Ballot to Benefit Parks and Provide Direction (PRCS)

Parks, Recreation, and Cultural Services Director Jeff Hood provided a PowerPoint presentation regarding the Recreation Commission's recommendation for a one-eighth cent sales tax measure on the November 2016 ballot to benefit parks. Specific topics of discussion included parks sales tax discussion overview, examples of needed repairs and maintenance, community survey, Lodi park spending lagging compared to other communities, partial project list, recreation taxes in other communities, and election timetable.

In response to Council Member Mounce, Mr. Hood stated the Department relies heavily on Community Development Block Grant (CDBG) funds for Americans with Disabilities Act (ADA) improvements and park improvements.

In response to Mayor Chandler, Mr. Hood stated that the Strategic Plan consultants, PROS Consulting, worked with a national surveying firm that has expertise in developing polls for a variety of services. Staff did not develop the questions; instead, they were based on initial conversations about areas of interest. The consultants stated the results were incredibly strong responses from the public and that they have not seen an election fail with similar results.

Mayor Pro Tempore Kuehne clarified that staff is asking if Council will place a measure on the ballot to allow citizens an opportunity to vote on whether or not they want to increase sales tax to pay for parks and recreation needs. Mr. Hood further clarified that staff is not looking for a vote tonight to place the matter on the ballot; rather, it is looking for Council direction on whether it would like to proceed and how the measure would be written, i.e. crafting a list of projects and determining how the money would be spent. Mayor Pro Tempore Kuehne believed the Strategic Plan provides the foundation on how to craft the measure and it should not be a complicated decision to put this to the voters. He believed that, if the statistics are accurate, the public will support the measure and that the Department will have the means to accomplish more. Mr. Hood agreed that feedback from the public is the blueprint for the capital spending plan, but he is looking for Council direction on length and permanency of the sales tax. City Manager Schwabauer added that, if there is Council interest, staff will return with an ordinance that would propose a one-eighth cent sales tax increase to put before the public on the November ballot, which would require a four-fifths vote of the Council. Tonight's request is solely for direction on whether or not to bring a draft ordinance forward for Council consideration.

Council Member Johnson stated that the Department has relied for many years on grants to keep up with ADA requirements at parks, the crumbling banks at Lodi Lake, and general maintenance. He recalled a previous attempt at a sales tax increase, which failed. Parks, Recreation, and Cultural Services needs funding to maintain capital projects, and he expressed comfort in the overwhelming amount of support and the Strategic Plan results. Council Member Johnson believed it is difficult to deny the public when they indicate they want to tax themselves and he expressed support for moving forward with the proposal.

Council Member Mounce stated that she supports improving parks, but it is a moot point if gang members are the only ones at the parks; therefore, she suggested including police and fire in the

measure, at a higher percentage increase, that would add officers to an understaffed Department and ensure the fire engines are not browned-out. She further suggested the measure have a 15-year lifespan with an oversight committee to ensure the public that the money collected is used solely for the purpose intended. Council Member Mounce stated she does not want the measure used for new buildings until all current structures are repaired and maintained. In response to Council Member Mounce, City Attorney Magdich confirmed that the City crafts the ballot title and summary.

Council Member Nakanishi expressed opposition to moving forward with a sales tax measure, stating that now is not the time because of an uncertain future. He believed that, when the economy turns sour, cities who have already implemented a sales tax increase will have no options to address the recession and the growing unfunded pension liability. The City should, instead, preserve a potential revenue source.

In response to Mayor Chandler, Mr. Hood stated the consultant feels that a presidential election year is the optimal time to put forth a measure, adding he was uncertain at this time how many measures will be on the ballot countywide. Mr. Schwabauer stated there are no guarantees, but it is generally believed that a presidential election year brings a larger number of voters to the polls, many of whom may support such a measure that would have likely stayed home during a non-presidential election.

Mayor Chandler expressed interest in such a measure, as well as information on a comprehensive package as suggested by Council Member Mounce.

Pauline Meyer expressed support for a one-eighth cent sales tax measure with the funds dedicated to one department only: Parks, Recreation, and Cultural Services Department. She believed the money would be wisely spent and that it was critical the Department receive a funding source to bring the facilities back up to standard.

Ed Miller concurred that the Department is in dire need of funding to maintain the parks, but he questioned if \$1 million was enough to catch up to all of the needs. He was uncertain about combining the measure with public safety because it will reach a point where the citizens cannot afford it. In order to sell the measure to the public, the City must be specific about what the public will receive for the money, along with set deadlines, instead of vague ideas.

Alex Aliferis expressed opposition to the proposed sales tax measure, based on the fact that there are too many unknowns, i.e. is it a pension tax, will new facilities be built or added, is it a permanent tax, will there be a citizens oversight committee, etc. He believed that any new structures should have been completed 16 years ago when the economy was better, instead of increasing pay and pensions. Mr. Aliferis believed that, if there is an oversight committee, it should be made up of taxpayers and not City employees or Recreation Commissioners.

Mr. Schwabauer pointed out that staff is asking Council for direction on the conditions it would support, such as an expenditure plan and an oversight committee, in order to return with a proposal.

Mike Lusk requested Council reject the request for a sales tax measure. He questioned how staff arrived at the estimated \$1.3 million revenue figure when, in the past, he was told by staff that a one-half cent sales tax would only raise \$500,000.

Mr. Schwabauer apologized for possibly giving the wrong impression previously to Mr. Lusk. He explained that sales tax in California is eight percent and, of that, the City receives one percent, which is roughly \$10.8 million in revenue a year. The maximum tax override a city is permitted to do is one-and-one-half percent, but a one-half percent increase would generate \$5.4 million dollars; a one-quarter percent would be \$2.6 million; and one-eighth percent is \$1.3 million.

Mr. Lusk questioned if the Strategic Plan consultants provided survey participants with options in the questions, such as the desire to support a parks-related issue versus a public safety or pension issue, or if the questions were singular in nature, asking only what they would like in

parks and recreation. He believed that, if it was the latter, the percentage of approval could be exaggerated, pointing out that the public did not support the bond issue years ago regarding the aquatics center. Mr. Lusk suggested that new parks be paid by builder impact fees and that Pixley Park, which is in an industrial area, be forgotten and those funds used elsewhere. Further, Mr. Lusk expressed support for Council Member Mounce's suggestion to include police and fire, but not as a mixed measure, stating that the attempt ten years ago was unsuccessful. Had that measure been solely for police and fire, he stated he would have supported it, but because of the way the measure was crafted, public safety would only have received a small portion of the \$18 million estimated figure.

Mark Hamilton, Recreation Commissioner, expressed support for the sales tax proposal, stating that Parks, Recreation, and Cultural Services Department is faced with millions of dollars in repairs with no way to fund them. He provided the example of the boiler at Hutchins Street Square that heats the pool, explaining that the Department may be forced to close the pool if it cannot generate the revenue to support it. Mr. Hamilton stated that Council should advise staff to create a ballot measure, after which it is in the hands of the community to make the decision.

Mike Carouba, Recreation Commissioner, stressed the importance of educating the public about the financial condition of the City and that Lodi has a serious revenue problem that makes it difficult to meet the level of expectations of citizens. The City will be faced with closing facilities or taking money from the general fund, and without a revenue source, the situation will only continue to worsen. The Commission felt strongly that it could not submit a Strategic Plan to Council without also providing a mechanism to pay for the items in the plan, and the best suggestion was to let the citizens decide if they would support improving the parks. In comparison with police and fire, Parks, Recreation, and Cultural Service is not asking for staff or fire engines, but the tools to repair capital assets.

Council Member Mounce stressed that she does not want to see new buildings or structures included in this measure; rather, she would support a measure to repair and maintain current assets. Her point is that citizens also want their parks to be safe, which is the reason behind her suggestion to include public safety in the measure.

In response to Council Member Mounce, Mr. Schwabauer stated the City could not get rid of Pixley Park as it is also a basin that is part of the stormwater system. Council Member Mounce suggested it be given to Public Works and removed from Parks, Recreation, and Cultural Services Department's wish list. She further added that the most effective method of placing an item on the ballot is the initiative process because it gathers support during the petition phase and provides the opportunity for proponents to speak one-on-one with voters.

Mr. Schwabauer explained that an initiative still comes before Council for a four-fifths vote. If Council does not pass it, the State Board of Equalization takes the position that it is an illegal tax structure and would not enforce or collect the tax, in addition to potentially discontinuing the collection of the current one percent sales tax, which would be turned over to San Joaquin County, resulting in a loss of \$10.8 million.

## RECESS

At 9:18 p.m., Mayor Chandler called for a recess, and the City Council meeting reconvened at 9:22 p.m.

### I-3 Adopt Resolution Approving the New Classification and Salary Range of Events Coordinator and Approving the Reclassification of One Senior Administrative Clerk to Events Coordinator (CM)

Human Resources Manager Adele Post provided a presentation regarding the new classification and salary range for Events Coordinator. Specific topics of discussion included the higher level of duties and responsibilities added to the Senior Administrative Clerk at Hutchins Street Square; the need to reclassify the position and provide compensation commensurate with the duties; responsibilities of the Events Coordinator, including supervisory duties, management of events,

contracts, and box office functions; and concurrence by AFSCME. Ms. Post stated this is not an additional position and that the increase in cost is \$8,000 in fiscal year 2015/16, which will be absorbed in the budget.

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2016-32 approving the new classification and salary range of Events Coordinator and approving the reclassification of one Senior Administrative Clerk to Events Coordinator.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

I-4 Adopt Resolution Approving the New Classification and Salary Range of Utility Billing Specialist and Approving the Reclassification of Three Customer Service Representatives to the Position of Utility Billing Specialist (CM)

Human Resources Manager Adele Post provided a presentation regarding the new classification and salary range of Utility Billing Specialist. Specific topics of discussion included request for the new classification and reclassification of three Customer Service Representative II positions; performance of utility billing functions at a higher level of responsibility and authority; the need to reclassify the positions and provide compensation commensurate with the duties; responsibilities of the Utility Billing Specialist, including identifying anomalies in bills, reducing fees, issuing credits, and possessing greater experience and knowledge in the Department; and concurrence by AFSCME. Ms. Post stated this does not add positions and that the increase for the three positions is \$13,000 in fiscal year 2015/16.

In response to Council Member Mounce, Deputy City Manager Jordan Ayers stated these changes affect the bill analysis and production functions of the department, versus payments, as well as front counter tasks related to set-up of new utility accounts.

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2016-33 approving the new classification and salary range of Utility Billing Specialist and approving the reclassification of three Customer Service Representatives to the Position of Utility Billing Specialist.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

I-5 Adopt Resolution Approving Amendments to the Job Description and Salary Range of City Planner and Approving the Reclassification of One Senior Planner to City Planner (CM)

Human Resources Manager Adele Post provided a presentation regarding amendments to the job description and salary range of City Planner. Specific topics of discussion included past departmental make-up of Community Development Director and two Senior Planners; current make-up of one Senior Planner and City Manager acting in the Director position; higher level of responsibility on the Senior Planner who acts as the lead director; the need to reclassify the position and provide compensation commensurate with the duties; and concurrence by Lodi City Mid-Management Association. Ms. Post stated this does not add a position and that the increase in cost is \$7,000 in fiscal year 2015/16, which will be absorbed in the budget.

City Manager Schwabauer further reported that this action is a product of reduced cost because

two positions were eliminated and filled partially by the City Manager and the Senior Planner: the City Manager works and negotiates with developers on major projects, while the Senior Planner is heavily involved in the mechanics of the Department at a higher level, including additional responsibilities and serving as direct liaison to the Planning Commission. He stated the salary difference is a small increase, but the overall net is a reduction in costs.

Mike Carouba expressed support for the request, stating Senior Planner Craig Hoffman is a superb representative of the Department who provides excellent customer service.

Council Member Mounce made a motion, second by Council Member Nakanishi, to adopt Resolution No. 2016-34 approving amendments to the job description and salary range of City Planner and approving the reclassification of one Senior Planner to City Planner.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

I-6 Adopt Resolution Approving Classification, Job Description, and Salary Range for the Position of Electric Utility Resource Analyst (CM)

Human Resources Manager Adele Post provided a presentation regarding the classification, job description, and salary range for Electric Utility Resource Analyst. Specific topics of discussion included previous action on this item under I-1 as part of the mid-year budget process; proposed annual salary of \$95,400 to \$115,000; annual cost of \$160,000 for the position at entry level; and concurrence of Lodi City Mid-Management Association.

Council Member Mounce stated she was uncomfortable approving this action without seeing the actual numbers and comparisons to departments that are similar to Lodi.

Mayor Pro Tempore Kuehne made a motion, second by Council Member Johnson, to adopt Resolution No. 2016-35 approving classification, job description, and salary range for the position of Electric Utility Resource Analyst.

VOTE:

The above motion carried by the following vote:

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

Noes: Council Member Mounce

Absent: None

J. Ordinances - None

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 9:39 p.m.

ATTEST:

Jennifer M. Ferraiolo  
City Clerk